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PATENTS

The authors categorize the most common trouble spots in recent Federal Circuit rulings on inequitable conduct.

Survey of Recent Federal Circuit Opinions on Inequitable Conduct: What the Statistics Show

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I. Introduction

The United States imposes a duty of disclosure upon the individuals associated with preparation and prosecution of patent applications to submit “all information known to th[ose] individual[s] to be material to patentability.”¹ If successful, a showing of inequitable

conduct based on a violation of the duty of disclosure can render the entire patent, or even its family of related patents, unenforceable, and further, may result in an award of attorney fees.²

This article surveys the most recent decisions from the U.S. Court of Appeals for the Federal Circuit dealing with inequitable conduct in order to categorize the most common trouble spots for applicants.

II. Methodology

From Jan. 1, 2006 to May 20, 2009, out of the number of patent-related opinions that have been issued by the Federal Circuit, 64 had “inequitable conduct” adjudicated as a relevant issue. The survey in this article lists these 64 cases in reverse chronological order, analyzing each with respect to certain categories of inequitable conduct alleged (e.g., misrepresentation in declaration, failure to disclose prior art owned by the patentee, fail-

¹ 37 C.F.R. § 1.56(a).

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² *Wedgetail Ltd. v. Huddleston Deluxe Inc.*, 576 F.3d 1302, 91 USPQ2d 1782 (Fed. Cir. 2009) (78 PTCJ 510, 8/21/09) (stating that inequitable conduct before the PTO rendered the case exceptional, leading the court to award attorney fees).

ure to disclose prior art owned by others, and other types³) and outcome (e.g., inequitable conduct found, not found, remanded, etc.).

III. Survey Results

A summary of the survey results is provided in the Table in Appendix A at the end of this article. As shown in Figure 1, our survey results show that parties had a basis to appeal an inequitable conduct⁴ issue in almost 50 percent of the patent-related cases that arose from a lower court⁵ and were adjudicated by the Federal Circuit in this time period. As shown in Figure 2, of the 64 cases in which the Federal Circuit considered inequi-

³ Other types of inequitable conduct may include misrepresentation of small entity status or arguments submitted to the PTO by the attorney or experts, misrepresentation of inventorship, and failure to disclose information from copending applications or litigation.

⁴ In this survey, we define a situation wherein a party might have a reason to allege inequitable conduct by focusing on the Federal Circuit opinion, wherein “patent” is mentioned together with “invalid,” or “infringe,” or “unenforceable.”

⁵ A “lower court” is herein defined as one of the district courts, International Trade Commission, and the Board of Patent Appeals and Interferences, as those are the most common jurisdictions from which a patent-related case might arise.

table conduct, it was found in 13 (19 percent) of the cases. 42 of the 64 cases (or 66 percent) resulted in the Federal Circuit not finding inequitable conduct, vacating a lower court’s finding, or removing/dismissing allegation of the conduct due to mootness.

Nine more (14 percent) of these cases were remanded to a lower court, where inequitable conduct might ultimately have been found or not found if the case did not settle (these remand outcomes were not analyzed for purposes of this article). In some of the cases, the decision as to whether there was or was not inequitable conduct became moot where invalidity of the claims was found by the Federal Circuit for other reasons.

In these 64 cases, a total of 78 allegations were raised with respect to the various types of inequitable conduct. In several of the cases, multiple different types of inequitable conduct were raised.

We separate these alleged types of inequitable conduct into four general categories—(1) misrepresentation in declaration/affidavit, (2) failure to disclose prior art owned by the patentee, (3) failure to disclose prior art owned by others, and (4) others. The survey results showed that the percentages of these categories are 19 percent, 12 percent, 31 percent, and 38 percent, respectively. See Figure 3.

Figure 1

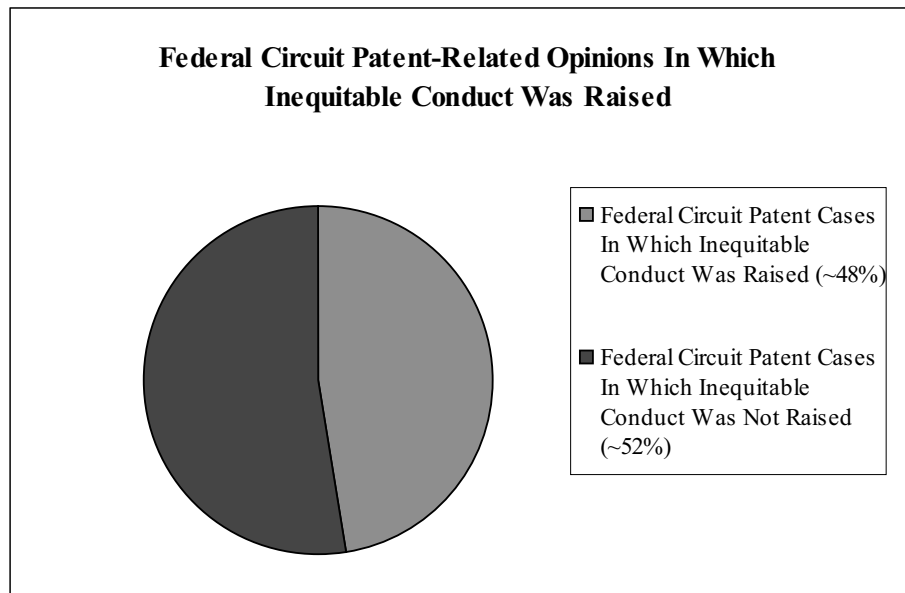


Figure 2

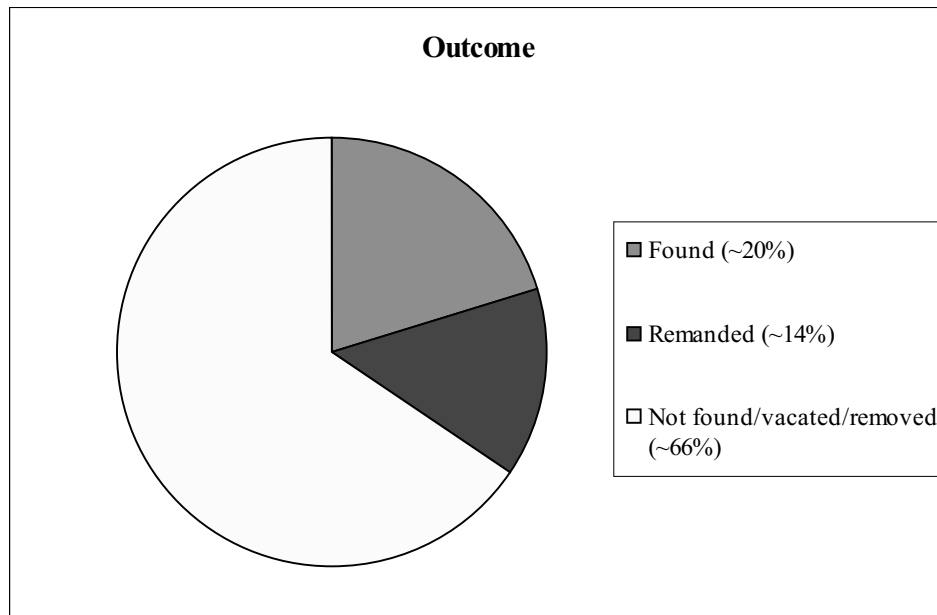
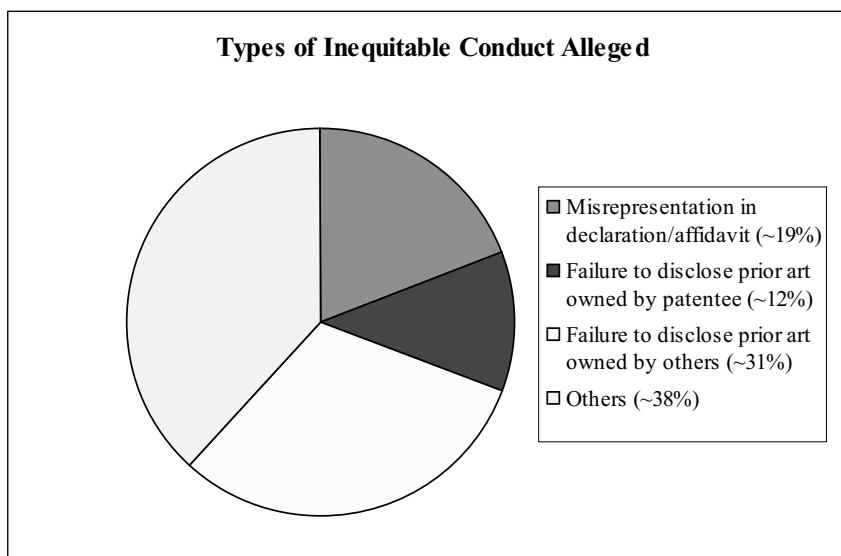


Figure 3



Combining the two categories of failure to disclose prior art references (both those references associated with the patent owner and those associated with a third party), this accounts for roughly 43 percent of the inequitable conduct cases at the Federal Circuit. Outside of not disclosing prior art references, the next highest percentage of inequitable conduct cases arose from misrepresentations in a declaration.

IV. Conclusions

The results of this survey highlight some of the common areas where inequitable conduct is alleged and

found, revealing that the Federal Circuit lately has found patents unenforceable in about 20 percent of those cases in which it actually reached and decided the issue of inequitable conduct. Applicants in the United States can reduce the risks that inequitable conduct will be alleged or found by implementing practices targeting the trouble spots illuminated in this survey.

Appendix A

	Case Name	Misrepresentation in declaration/ affidavit	Failure to disclose prior art owned by patentee	Failure to disclose prior art owned by others	Other types of inequitable conduct	Outcome
1	<i>Dickson Industries Inc. v. Patent Enforcement Team L.L.C.</i> , Slip Copy, 2009 WL 1393862, May 20, 2009			Alleged		Remanded
2	<i>Ariad Pharmaceuticals Inc. v. Eli Lilly & Co.</i> , 560 F.3d 1366, 90 USPQ2d 1549 (Fed. Cir. 2009)(77 PTCJ 628, 4/10/09)				Misrepresentation in figure.	Not Found
3	<i>Larson Manufacturing Company of South Dakota Inc. v. Aluminart Products Ltd.</i> , 559 F.3d 1317, 90 USPQ2d 1257 (Fed. Cir. 2009) (77 PTCJ 558, 3/27/09).			Alleged	Failure to disclose office action received in family cases.	Remanded
4	<i>Rothman v. Target Corp.</i> , 556 F.3d 1310, 89 USPQ2d 1897(Fed. Cir. 2009) (77 PTCJ 396, 2/20/09)				Misrepresentation in attorney arguments.	Not Found
5	<i>Sundance Inc. v. DeMonte Fabricating Ltd.</i> , 550 F.3d 1356, 89 USPQ2d 1535 (Fed. Cir. 2008)(77 PTCJ 244, 1/9/09)					Vacated
6	<i>Rentrop v. Spectranetics Corp.</i> , 550 F.3d 1112, 89 USPQ2d 1417 (Fed. Cir. 2008) (77 PTCJ 220, 1/2/09)			Alleged	Incorrect inventorship.	Not Found
7	<i>Cardiac Pacemakers Inc. v. St. Jude Medical Inc.</i> , 303 Fed. Appx. 884 (Fed. Cir. 2008)				Misrepresentation made by expert.	Removed by stipulation
8	<i>Takeda Chemical Industries Ltd. v. Mylan Laboratories Inc.</i> , 549 F.3d 1381, 89 USPQ2d 1218 (Fed. Cir. 2008)(77 PTCJ 155, 12/12/08)				Misrepresentation of a different compound in prior art; Counter litigation inequitable conduct charges.	Not Found
9	<i>Qualcomm Inc. v. Broadcom Corp.</i> , 548 F.3d 1004, 89 USPQ2d 1321(Fed. Cir. 2008)(77 PTCJ 124, 12/5/08)				Failure to disclose patents to standard setting organization.	Found (unenforceable against any H.264 compliant products)
10	<i>Abbott Laboratories v. Sandoz Inc.</i> , 544 F.3d 1341, 89 USPQ2d 1161 (Fed. Cir. 2008)(76 PTCJ 921, 10/31/08)	Alleged				Not Found
11	<i>Technology Licensing Corp. v. Videotek Inc.</i> , 545 F.3d 1316, 88 USPQ2d 1865 (Fed. Cir. 2008)(76 PTCJ 926, 10/31/08)			Alleged		Not Found
12	<i>Cohesive Technologies Inc. v. Waters Corp.</i> , 543 F.3d 1351, 88 USPQ2d 1903 (Fed. Cir. 2008)(76 PTCJ 862, 10/17/08)	Alleged				Not Found

Appendix A – Continued

	Case Name	Misrepresentation in declaration/ affidavit	Failure to disclose prior art owned by patentee	Failure to disclose prior art owned by others	Other types of inequitable conduct	Outcome
13	<i>Impax Laboratories Inc. v. Aventis Pharmaceuticals Inc.</i> , 545 F.3d 1312, 88 USPQ2d 1381 (Fed. Cir. 2008)(76 PTCJ 813, 10/10/08)					Not Found
14	<i>Johns Hopkins University v. Datascope Corp.</i> , 543 F.3d 1342, 88 USPQ2d 1365 (Fed. Cir. 2008)(76 PTCJ 813, 10/10/08)					Remanded
15	<i>Praxair Inc. v. ATMI Inc.</i> , 543 F.3d 1306, 88 USPQ2d 1705 (Fed. Cir. 2008)(76 PTCJ 873, 10/17/08)			Alleged		Not Found
16	<i>Star Scientific Inc. v. R.J. Reynolds Tobacco Co.</i> , 537 F.3d 1357, 88 USPQ2d 1001 (Fed. Cir. 2008)(76 PTCJ 666, 9/12/08)		Alleged			Not found
17	<i>Research Corporation Technologies Inc. v. Microsoft Corp.</i> , 536 F.3d 1247, 87 USPQ2d 1519 (Fed. Cir. 2008)(76 PTCJ 515, 8/8/08)		Alleged			Not found
18	<i>Eisai Co. v. Dr. Reddy's Laboratories Ltd.</i> , 533 F.3d 1353, 87 USPQ2d 1452 (Fed. Cir. 2008)(76 PTCJ 413, 7/25/08)	Alleged	Alleged	Alleged		Not found
19	<i>Scanner Technologies Corp. v. ICOS Vision Systems Corp. N.V.</i> , 528 F.3d 1365, (Fed. Cir. 2008)(76 PTCJ 308, 6/27/08)				Misrepresentation in petition for special handling.	Not found
20	<i>Nilssen v. Osram Sylvania Inc.</i> , 528 F.3d 1352, 87 USPQ2d 1161(Fed. Cir. 2008)(76 PTCJ 307, 6/27/08)	Alleged			Misclaim of small entity status; failure to disclose related litigation; misclaim of the priority of earlier filing dates.	Found
21	<i>TALtech Ltd. v. Esquel Apparel Inc.</i> , No. 07-1506 (Fed. Cir May 22, 2008)	Alleged		Alleged		Remanded
22	<i>Aventis Pharma S.A. v. Amphastar Pharmaceuticals Inc.</i> , 525 F.3d 1334, 87 USPQ2d 1110 (Fed. Cir. 2008)(76 PTCJ 116, 5/23/08)	Alleged				Found
23	<i>Monsanto Co. v. Bayer Bioscience N.V.</i> , 275 Fed. Appx. 992 (Fed. Cir. 2008)			Alleged		Found
24	<i>Zenith Electronics Corp. v. PDI Communication Systems Inc.</i> , 522 F.3d 1348, 86 USPQ2d 1513 (Fed. Cir. 2008) (75 PTCJ 674, 4/25/08)			Alleged		Remanded

Appendix A – Continued

	Case Name	Misrepresentation in declaration/ affidavit	Failure to disclose prior art owned by patentee	Failure to disclose prior art owned by others	Other types of inequitable conduct	Outcome
25	<i>Symantec Corp. v. Computer Associates International Inc.</i> , 522 F.3d 1279, 86 USPQ2d 1449 (Fed. Cir. 2008) (75 PTCJ 653, 4/18/08)	Alleged				Not found
26	<i>Pfizer Inc. v. Teva Pharmaceuticals USA, Inc.</i> , 518 F.3d 1353, 86 USPQ2d 1001 (Fed. Cir. 2008)(75 PTCJ 500, 3/14/08)		Alleged	Alleged		Not found
27	<i>Erico International Corp. v. Vutec Corp.</i> , 516 F.3d 1350, 86 USPQ2d 1030 (Fed. Cir. 2008)(75 PTCJ 435, 2/29/08)			Alleged		Not found
28	<i>Monsanto Co. v. Bayer Bioscience N.V.</i> , 514 F.3d 1229, 85 USPQ2d 1582 (Fed. Cir. 2008)(75 PTCJ 316, 2/1/08)			Alleged		Found
29	<i>Innogenetics N.V. v. Abbott Laboratories</i> , 512 F.3d 1363, 85 USPQ2d 1641 (Fed. Cir. 2008)(75 PTCJ 313, 2/1/08)			Alleged		Not found
30	<i>Black & Decker Inc. v. Robert Bosch Tool Corp.</i> , 260 Fed. Appx. 284 (Fed. Cir. 2008)		Alleged			Not found
31	<i>Nilssen v. Osram Sylvania Inc.</i> , 504 F.3d 1223, 84 USPQ2d 1811 (Fed. Cir. 2007)(74 PTCJ 728, 10/19/07)	Alleged			Misclaim of small entity status; failure to disclose related litigation; misclaim of the priority of earlier filing dates.	Found
32	<i>Adenta GmbH v. OrthoArm Inc.</i> , 501 F.3d 1364, 84 USPQ2d 1428 (Fed. Cir. 2007)(74 PTCJ 641, 9/28/07)			Alleged	Incorrect inventorship.	Not found
33	<i>ACCO Brands Inc. v. ABA Locks Manufacturer Co.</i> , 501 F.3d 1307, 84 USPQ2d 1267 (Fed. Cir. 2007)(74 PTCJ 607, 9/21/07)				Failure to disclose material information (specifics not available).	Not found
34	<i>Nisus Corp. v. Perma-Chink Systems Inc.</i> , 497 F.3d 1316, 83 USPQ2d 1758 (Fed. Cir. 2007)(74 PTCJ 472, 8/17/07)				Failure to disclose related litigation.	Found
35	<i>In re Metoprolol Succinate Patent Litigation</i> , 494 F.3d 1011, 83 USPQ2d 1545 (Fed. Cir. 2007)(74 PTCJ 403, 8/3/07)				Failure to disclose a dispute of inventorship	Remanded
36	<i>Young v. Lumenis Inc.</i> , 492 F.3d 1336, 83 USPQ2d 1191 (Fed. Cir. 2007)(74 PTCJ 311, 7/13/07)				Misrepresentation in filed response to Office Action.	Not found

Appendix A – Continued

	Case Name	Misrepresentation in declaration/ affidavit	Failure to disclose prior art owned by patentee	Failure to disclose prior art owned by others	Other types of inequitable conduct	Outcome
37	<i>Haberman v. Gerber Products Co.</i> , 236 Fed.Appx. 592 (Fed. Cir. 2007)				Failure to disclose copending applications.	Not found
38	<i>Honeywell International Inc. v. Universal Avionics Systems Corp.</i> , 488 F.3d 982, 82 USPQ2d 1886 (Fed. Cir. 2007)(74 PTCJ 182, 6/8/07)		Alleged			Not found
39	<i>McKesson Information Solutions Inc. v. Bridge Medical Inc.</i> , 487 F.3d 897, 82 USPQ2d 1865 (Fed. Cir. 2007)(74 PTCJ 116, 5/25/07)			Alleged	Failure to disclose examiners' decisions in copending application.	Found
40	<i>In re Omeprazole Patent Litigation</i> , 483 F.3d 1364, 82 USPQ2d 1643 (Fed. Cir. 2007)(74 PTCJ 175, 6/8/07)				Failure to disclose litigation and prosecution in foreign copending application	Not found
41	<i>Central Admixture Pharmacy Services Inc. v. Advanced Cardiac Solutions P.C.</i> , 482 F.3d 1347, 82 USPQ2d 1293 (Fed. Cir. 2007)(73 PTCJ 703, 4/13/07)			Alleged	Misrepresentation of data (with no specificity).	Not found
42	<i>Liebel-Flarsheim Co. v. Medrad Inc.</i> , 481 F.3d 1371, 82 USPQ2d 1113 (Fed. Cir. 2007)(73 PTCJ 687, 4/6/07)					Moot in view of invalidity holding
43	<i>eSpeed Inc. v. BrokerTec USA L.L.C.</i> , 480 F.3d 1129, 82 USPQ2d 1183 (Fed. Cir. 2007)(73 PTCJ 630, 3/23/07)	Alleged				Found
44	<i>Cargill Inc. v. Canbra Foods Ltd.</i> , 476 F.3d 1359, 81 USPQ2d 1705 (Fed. Cir. 2007)(73 PTCJ 471, 2/23/07)			Alleged	Failure to disclose data from references contrary to information presented to PTO.	Found
45	<i>Dippin' Dots Inc. v. Mosey</i> , 476 F.3d 1337, 81 USPQ2d 1633 (Fed. Cir. 2007)(73 PTCJ 433, 2/16/07)				Failure to disclose sales.	Found
46	<i>Eli Lilly and Co. v. Zenith Goldline Pharmaceuticals Inc.</i> , 471 F.3d 1369, 81 USPQ2d 1324 (Fed. Cir. 2006)(73 PTCJ 228, 1/5/07)	Alleged				Not found
47	<i>Sanofi-Synthelabo v. Apotex Inc.</i> , 470 F.3d 1368, 81 USPQ2d 1097 (Fed. Cir. 2006)(73 PTCJ 185, 12/15/06)	Alleged				Not found
48	<i>Highway Equipment Co. v. FECO Ltd.</i> , 469 F.3d 1027, 81 USPQ2d 1120 (Fed. Cir. 2006)(73 PTCJ 107, 12/1/06)			Alleged	Failure to disclose information discussed between applicant and attorney.	Not found

Appendix A – Continued

	Case Name	Misrepresentation in declaration/ affidavit	Failure to disclose prior art owned by patentee	Failure to disclose prior art owned by others	Other types of inequitable conduct	Outcome
49	<i>Impax Laboratories Inc. v. Aventis Pharmaceuticals Inc.</i> , 468 F.3d 1366, 81 USPQ2d 1001 (Fed. Cir. 2006)(73 PTCJ 146, 12/8/06)				Failure to disclose comparative data used to distinguish prior art.	Not Found
50	<i>Kemin Foods L.C. v. Pigmentos Vegetales Del Centro S.A. de C.V.</i> , 464 F.3d 1339, 80 USPQ2d 1385 (Fed. Cir. 2006)(72 PTCJ 608, 10/6/06)			Alleged		Not found
51	<i>Bayer AG v. Housey Pharmaceuticals Inc.</i> , 19 Fed. Appx. 969 (Fed. Cir. 2006)				Fabrication of data by inventors.	Found
52	<i>JumpSport Inc. v. Jumpking Inc.</i> , 191 Fed.Appx. 926 (Fed. Cir. 2006)			Alleged		Not found
53	<i>Flex-Rest LLC v. Steelcase Inc.</i> , 455 F.3d 1351, 80 USPQ2d 1620 (Fed. Cir. 2006)(72 PTCJ 322, 7/21/06)				Failure to disclose letter from a competitor to the PTO during prosecution.	Not found
54	<i>Cordis Corp. v. Boston Scientific Corp.</i> , 188 Fed.Appx. 984, (Fed. Cir. 2006)				Failure to disclose references from copending foreign application.	Remanded
55	<i>Agfa Corp. v. Creo Products Inc.</i> , 451 F.3d 1366, 79 USPQ2d 1385 (Fed. Cir. 2006)(72 PTCJ 278, 7/14/06)			Alleged		Found
56	<i>Liquid Dynamics Corp. v. Vaughan Co.</i> , 449 F.3d 1209, 79 USPQ2d 1094 (Fed. Cir. 2006)(72 PTCJ 152, 6/9/06)			Alleged		Not found
57	<i>Old Town Canoe Co. v. Confluence Holdings Corp.</i> , 448 F.3d 1309, 78 USPQ2d 1705 (Fed. Cir. 2006)(72 PTCJ 59, 5/19/06)		Alleged		Failure to disclose sales of invention.	Not found
58	<i>Atofina v. Great Lakes Chemical Corp.</i> , 441 F.3d 991, 78 USPQ1d 1417 (Fed. Cir. 2006)(71 PTCJ 618, 4/7/06)			Alleged		Not found
59	<i>Kao Corp. v. Unilever U.S. Inc.</i> , 441 F.3d 963, 78 USPQ2d 1257 (Fed. Cir. 2006)(71 PTCJ 588, 3/31/06)	Alleged				Not found
60	<i>M. Eagles Tool Warehouse Inc. v. Fisher Tooling Co.</i> , 439 F.3d 1335, 78 USPQ2d 1229 (Fed. Cir. 2006)(71 PTCJ 460, 3/3/06)		Alleged		Failure to disclose a product sold by Applicants to PTO.	Not found
61	<i>Forcillo v. Lemond Fitness Inc.</i> , 168 Fed. Appx. 429 (Fed. Cir. 2006)		Alleged			Not found

Appendix A – Continued

	Case Name	Misrepresentation in declaration/ affidavit	Failure to disclose prior art owned by patentee	Failure to disclose prior art owned by others	Other types of inequitable conduct	Outcome
62	<i>Ferring BV v. Barr Laboratories Inc.</i> , 437 F.3d 1181, 78 USPQ2d 1161 (Fed. Cir. 2006)(71 PTCJ 428, 2/24/06)	Alleged			Failure to disclose association between declarant and applicant.	Found
63	<i>Digital Control Inc. v. Charles Machine Works</i> , 437 F.3d 1309, 77 USPQ2d 1823 (Fed. Cir. 2006)(71 PTCJ 400, 2/17/06)	Alleged		Alleged		Remanded
64	<i>Purdue Pharma L.P. v. Endo Pharmaceuticals Inc.</i> , 438 F.3d 1123, 77 USPQ2d 1767 (Fed. Cir. 2006)(71 PTCJ 345, 2/3/06)	Alleged			Failure to disclose material from copending application.	Remanded