

# LITIGATORS CORNER:

## Protecting Against Inequitable Conduct Accusations



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**F**ace it. No matter how carefully you prosecute a patent, there is still an excellent chance that, if your client sues an infringer later on, that infringer will allege that the patent is unenforceable because of inequitable conduct by the inventor and the attorney who prosecuted the application. While you cannot stop what the Federal Circuit has called "a plague," you can take steps to increase your chances of persuading a finder of fact that you were honest and fair with the patent examiner.

The cases we have litigated lead me to make a number of suggestions about what I would like to see in an application for a patent that we are about to enforce. I cannot say this list is comprehensive, but it does reflect our experience and is therefore a guide. Nor am I touching on every aspect of this issue, such as submitting information disclosure statements. (Most of the allegations of inequitable conduct I have seen don't deal with an IDS, anyway.)

First, if you have a translation, provide it. If you don't, say so and be careful about

what you say about the untranslated document. It is best to have references translated unless you cannot afford to do so. You had better provide a translation if your client's personnel comprehend the language of the reference.

Do not go partway. A partial translation can get you into trouble. See *Semiconductor Energy Lab. Co. v. Samsung Elec. Co.*, 204 F.3d 1368 (Fed. Cir. 2000), where the evidence showed that the plaintiff's representatives spoke Japanese and yet only submitted a partial translation to the examiner. The court concluded that the partial translation was deceptive, and that the patent applicant knew it, or should have known it.

In one of our cases, the court initially held one of our client's patents unenforceable for inequitable conduct. The prosecuting attorney was accused of secretly possessing a translation and using it to provide a misleading argument to the examiner. In truth, the prosecuting attorney did not have a translation; he was an electrical engineer, and used his skill to understand the reference from its drawings. Similarly, he was able to understand a German word here and there that any educated non-German could understand.

We moved for reconsideration, and fortunately, got the decision reversed. That took time and money. The problem could have been avoided or ameliorated with a little foresight and less penny-pinching in the prosecution phase. The company that had prosecuted the original application was a large company and could easily have afforded to have the reference translated. The application was filed in the 1980s when standards were looser, but a few dollars spent then on a competent translation would have eliminated the argument that the infringer made years later. In another of our cases, the client was an individual, not a wealthy corporation. Nevertheless, during the prosecution of his patent, he provided the examiner with translations of nearly every foreign-language reference. It is simply foolish to scrimp when it comes to translating a reference.

Don't leave the examiner in the dark about other matters, either. Some plaintiffs in patent infringement suits have ongoing prosecution of related patents. Inform the

examiner in those applications about the litigation. Don't wait for a request to do so. If the examiner doesn't tell you what to submit, ask. Provide the examiner with any rulings from that litigation. Also provide art identified by the opposing parties. In one of our cases, our client was suing for infringement of one of his two patents. During the litigation, he applied for a broadening reissue of his other patent, which was a continuation-in-part of the patent in the lawsuit. The adverse parties in the suit produced numerous articles and patents in support of their allegation that the patent asserted against them was invalid.

Our client told the examiner about the litigation concerning the parent patent. The examiner asked to be kept informed about art cited in the lawsuit. Our client promptly provided the patents and articles produced by the adversaries. By the time the reissue was completed, more than one hundred patents and articles were cited in the reissue. Now, ironically, the defendant accuses our client of burying the examiner. Section 2001.06(c) of the MPEP gives incomplete guidance.

But our client did not stop there. When the claims of the patent in the lawsuit were construed, the examiner was provided with the claim construction, too.

Keep each examiner of multiple applications in the loop. If you have applications before different examiners, or even the same examiner, don't assume they are talking to each other, or even that one examiner on multiple applications remembers all of them when he is working on one of the group.

Make sure the examiner considers your references. If there is no evidence in the record that he has considered the references, ask him to do so. I know of a case where a plaintiff was enforcing a patent. The defendant moved for summary judgment, alleging that the patent was invalid because the invention had been offered for sale, and unenforceable because the applicant did not tell the PTO about that offer for sale. The applicant was pursuing a continuation application during the lawsuit, and submitted the defendant's motion, memorandum, declarations and exhibits so that the examiner could see the materials for himself, and make his own decision about the offer for sale. When the examiner did not indicate that the materials had been considered, the applicant brought it to his attention. Now the record of the patent contains both the factual information concerning an alleged statutory bar, and a record of the examiner's consideration of those facts.

Must you give the examiner an adversary's arguments? It may, in some instances, be a good idea to submit them;



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giving an examiner an infringer's summary judgment motion is one such instance. As a general rule, however, you are not required to submit these arguments. *Dow Chemical Co. v. Halliburton Co.*, 631 F. Supp. 666 (D. Miss. 1985) says:

nor does an applicant have any duty to call to the attention of the Patent Office good faith differences of opinion between the applicant and the other as to the technical or legal correctness of interpretations of matters bearing upon the application.

There are quite a few cases that say that the important thing is that the reference is before the examiner, even if the person submitting it makes an inaccurate argument about it. One case is *Northern Telecom v. Datapoint*, 908 F.2d 931, 938 (Fed. Cir. 1990). The district court's holding of inequitable conduct was reversed where "pertinent information was squarely before the examiner," who was "free to reach his own conclusion." Another more recent case is *Norian Corp. v. Stryker*, 363 F.3d 1321 (Fed. Cir. 2004). There are others, as well.

The same is true of arguments made by a defendant. See *Al-Site Corp. v. Bonneau Co.*, 30 U.S.P.Q.2d 1123 (C.D. Cal.1993). The defendant in this case asserted

inequitable conduct because the plaintiff characterized the prior art differently from the defendant's own interpretation of the same art. The court said it made no difference: the prior art was before the examiner who could make his own decision.

Of course, you can provide this material to the examiner if you wish. One of our client's in-house attorneys did exactly that. He was negotiating with another company, trying to get that company to agree to take a license under our client's patents. At the same time, our client was pursuing additional patent applications. Whenever our client received a letter from the company's attorney giving reasons why a license was not necessary, the in-house counsel would include that letter and any enclosures in the next batch of references submitted to the Patent Office. When the next patent issued, the file history showed that the arguments made by the infringing company had been submitted and considered. It was a nice strategy.

Should you give the examiner more or fewer references? I favor more, but there is no easy answer to this one. On the one hand, you are supposed to exercise your judgment and not bury the examiner in irrelevant, non-material references. On the other hand, if the question of materi-

ality is close, you are supposed to err on the side of disclosure. See Section 2001.05 of the MPEP.

No matter what you do for your client, some knuckle-headed lawyer will accuse the prosecutor and the applicant of inequitable conduct. We've seen at least one case where the defendant accused our client of doing both — burying the examiner with rubbish and depriving the examiner of material references.

There is a checklist of sorts in the MPEP, in Section 2004. Some of the suggestions I have presented in this article are discussed in the MPEP, but not all. You will get some credit from the fact finder to the extent that you follow the MPEP's recommendations. Some of the recommendations, however, such as "watch out for prior art" and "be accurate" are so general that they offer no additional guidance. You are ultimately on your own, because you will be second-guessed, no matter what. But if your file history shows an effort to keep an examiner informed, rather than merely supplying him with forms, your patent will be stronger — and you will have a better chance of defeating an assertion of inequitable conduct later on. **IPT**