

# Patent Law

Prof. Roger Ford  
Monday, April 20, 2015  
Class 24 – Inventorship;  
Inequitable conduct

## Recap

# Recap

- Willfulness and enhanced damages
- Attorney fees

Today's agenda

# Today's agenda

- Inventorship
- Inequitable conduct



**Inventorship**

### 35 U.S.C. § 116 — Inventors (post-AIA)

(a) **Joint Inventions.**— When an invention is made by two or more persons jointly, they shall apply for patent jointly and each make the required oath, except as otherwise provided in this title. Inventors may apply for a patent jointly even though

- (1) they did not physically work together or at the same time,
- (2) each did not make the same type or amount of contribution, or
- (3) each did not make a contribution to the subject matter of every claim of the patent.

(b) **Omitted Inventor.**— If a joint inventor refuses to join in an application for patent or cannot be found or reached after diligent effort, the application may be made by the other inventor on behalf of himself and the omitted inventor. The Director, on proof of the pertinent facts and after such notice to the omitted inventor as he prescribes, may grant a patent to the inventor making the application, subject to the same rights which the omitted inventor would have had if he had been joined. The omitted inventor may subsequently join in the application.

(c) **Correction of Errors in Application.**— Whenever through error a person is named in an application for patent as the inventor, or through error an inventor is not named in an application, the Director may permit the application to be amended accordingly, under such terms as he prescribes.

## Priority of invention (class 10)

- Invention has two steps:
- First, conception
  - Second, reduction to practice

# Priority of invention (class 10)

- A four-part summary of this law:
- 1. The first to reduce the invention to practice usually has priority.
  - 2. Filing a valid application counts as constructive reduction to practice.
  - 3. The first to conceive may prevail over the first to reduce to practice if the first to conceive was diligent from a time prior to the second conceiver's conception.
  - 4. Any reduction to practice that is abandoned, suppressed, or concealed doesn't count.

## *Brown v. Barbacid* (class 10)

- September 25, 1989 experiment:
- Working embodiment of every claim
  - Reduction to practice is complete
- November 1989:
- Inventor finally reviewed results and understood what was going on
  - Conception is complete

# Inventorship

- To count as an inventor, someone has to contribute to the conception of the invention

## *Burroughs Wellcome v. Barr Laboratories*

- Co-inventorship as a defense to infringement liability?
  - Depends on license from purported co-inventor
  - Absent a contract, each co-inventor has full rights to use the patent
  - Express and implied contracts are common in many industries

# ***Burroughs Wellcome v. Barr Laboratories***

- Two groups of possible inventors:
  - Five Burroughs Wellcome inventors
  - Two NIH inventors (?)

# ***Burroughs Wellcome v. Barr Laboratories***

- Oct. 29, 1984: Murine screen identifies AZT and various other compounds as promising
- Dec. 5, 1984: BW inventors meet to discuss patenting AZT
- Feb. 4, 1985: BW sends AZT ("Compound S") to NIH for testing
- Feb. 6, 1985: BW has prepared draft patent application in UK
- Feb. 20, 1985: NIH informs BW of positive test
- Mar. 16, 1985: BW files UK patent application

# *Burroughs Wellcome v. Barr Laboratories*

→ When was the invention conceived?

# *Burroughs Wellcome v. Barr Laboratories*

→ When was the invention conceived?

- By Dec. 5, 1984
- Court: "The test for conception is whether the inventor had an idea that was definite and permanent enough that one skilled in the art could understand the invention; the inventor must prove his conception by corroborating evidence."

# *Burroughs Wellcome v. Barr Laboratories*

- When was the invention reduced to practice?

# *Burroughs Wellcome v. Barr Laboratories*

- When was the invention reduced to practice?
  - By Feb. 20, 1985
  - Court: “[The NIH testing] was part of the reduction to practice and inured to the benefit of Burroughs Wellcome.”

# *Burroughs Wellcome v. Barr Laboratories*

- What could each side have done to avoid this dispute?
  - Burroughs Wellcome?
  - NIH?
- Why didn't they?

## **35 U.S.C. § 256 — Correction of named inventor (post-AIA)**

**(a) Correction.**— Whenever through error a person is named in an issued patent as the inventor, or through error an inventor is not named in an issued patent, the Director may, on application of all the parties and assignees, with proof of the facts and such other requirements as may be imposed, **issue a certificate correcting such error.**

**(b) Patent Valid if Error Corrected.**— The error of omitting inventors or naming persons who are not inventors shall not invalidate the patent in which such error occurred if it can be corrected as provided in this section. The court before which such matter is called in question may order correction of the patent on notice and hearing of all parties concerned and the Director shall issue a certificate accordingly.

# Inequitable conduct

## 35 U.S.C. § 282 — Presumption of validity; defenses (post-AIA)

\* \* \*

**(b) Defenses.**— The following shall be defenses in any action involving the validity or infringement of a patent and shall be pleaded:

(1) Noninfringement, absence of liability for infringement or unenforceability.

(2) Invalidity of the patent or any claim in suit on any ground specified in part II as a condition for patentability.

(3) Invalidity of the patent or any claim in suit for failure to comply with—

(A) any requirement of section 112, except that the failure to disclose the best mode shall not be a basis on which any claim of a patent may be canceled or held invalid or otherwise unenforceable; or

(B) any requirement of section 251.

(4) Any other fact or act made a defense by this title.

\* \* \*

# Inequitable conduct

- Patent examination is an *ex parte* proceeding
  - Can't rely on adversarial process to present complete information to the examiner
  - So the system relies on an applicant duty of candor and truthfulness to the PTO

# Inequitable conduct

- Duty of candor and truthfulness comes from two sources:
  - PTO Rule 56 (37 C.F.R. § 1.56)
  - Common law of inequitable conduct
- The two are not necessarily consistent

# Inequitable conduct

- Remedies under Rule 56:
  - Dismissal of the patent application (common)
  - Discipline of the patent prosecutor (rare)
- Remedy under inequitable-conduct doctrine:
  - Unenforceability

## *Therasense*

- Patent-in-suit: '551 patent
  - Test strip with sensor "configured to be exposed to said whole blood sample without an intervening membrane or other whole blood filtering member"
- Prior-art patent: '382 patent
  - "Optionally, but preferably when being used on live blood, a protective membrane surrounds both the enzyme and the mediator layers...."

# Therasense

- In prosecution of the '551 patent:
- “[O]ne skilled in the art would not read [the prior-art patent] to teach that the use of a protective membrane with a whole blood sample is optionally or merely preferred. ... He [would have read it as] mere patent phraseology....”

# Therasense

- In prosecution of the European counterpart to the '382 patent:
- “It is submitted that this disclosure is unequivocally clear. The protective membrane is optional.... This teaches the skilled artisan that ... the sensor electrode as claimed does not have (and must not have) a semipermeable membrane in the sense of D1.”

# *Therasense*

- What should the applicant have disclosed?
- Why would it have mattered?

# *Therasense*

- What should the applicant have disclosed?
  - M&D 1065: “the EPO briefs”
- Why would it have mattered?
  - It might have changed the examiner’s view of the prior-art reference

# *Therasense*

- New standard:
  - Patentee acted with specific intent to deceive the PTO
  - The withheld material must be material to patentability

# *Therasense*

- Specific intent to deceive PTO:
  - Gross negligence is insufficient
  - Intent must be proved by clear and convincing evidence
  - Can be inferred from indirect and circumstantial evidence, but only if it's "the single most reasonable inference" from the evidence

# *Therasense*

## → Materiality:

- But-for materiality: only if PTO would not have allowed a claim had it been aware of the prior art
- Concern: the incentive pre-*Therasense* was to flood the examiner with marginally relevant prior art

# *Therasense*

## → No more sliding scale

- Before: a highly material reference could have minimal evidence of intent, and vice-versa

# Inequitable conduct

- Knowing failure to disclose material prior art
- Deceitful statements in affidavits
- Dishonest inventor's oaths
- Misleading test results

# Inequitable conduct

- Heightened pleading burden!
  - FRCP 9(b): "In alleging fraud or mistake, a party must state with particularity the circumstances constituting fraud or mistake. Malice, intent, knowledge, and other conditions of a person's mind may be alleged generally."

# Supplemental examination under the AIA

- Allows “patent inoculation”
  - PTO can “consider, reconsider, or correct information believed to be relevant to the patent”
  - That information then can’t be used to show unenforceability

## Prosecution laches

- Can arise when the applicant unreasonably delays patent examination
  - The goal: extend the effective monopoly
  - Now: 20-year term starts at application, so this is less of a problem
  - But there are still a lot of old applications pending

# *Symbol Technologies*

→ Requirements:

- Unreasonable and unexplained delay
- Prejudice to defendant

# *Symbol Technologies*

→ Unreasonable and unexplained delay:

- *Symbol Technologies* prosecution lasted more than 40 years
- Discretionary determination
- But “should be used sparingly” and “only in egregious cases of misuse of the statutory patent system”

# *Symbol Technologies*

- Unreasonable and unexplained delay:
  - Does not count: refiling “to present evidence of unexpected advantages of an invention when that evidence may not have existed at the time of an original rejection” or to “add subject matter in order to attempt to support broader claims”

# *Symbol Technologies*

- Prejudice:
  - Intervening rights: the defendant invested in the technology during the period of delay

# Next time

## Next time

→ Antitrust and patent misuse