

United States Court of Appeals for the Federal Circuit

Nos. 2008-1511, -1512, -1513, -1514, -1595

THERASENSE, INC. (now known as Abbott Diabetes Care, Inc.)
and ABBOTT LABORATORIES,
Plaintiffs-Appellants,

v.

BECTON, DICKINSON AND COMPANY,
and NOVA BIOMEDICAL CORPORATION,
Defendants-Appellees,

and

BAYER HEALTHCARE LLC,
Defendant-Appellee.

Appeals from the United States District Court for the
Northern District of California, in Nos. 04-CV-2123, 04-CV-3327,
04-CV-3732, and 05-CV-3117, Judge William H. Alsup

**BRIEF FOR VERIZON COMMUNICATIONS INC. AS
AMICUS CURIAE IN SUPPORT OF NEITHER PARTY
ON REHEARING EN BANC**

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June 30, 2010

CERTIFICATE OF INTEREST

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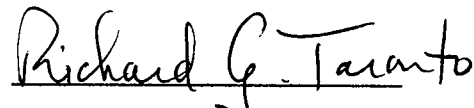
1. The full name of every party or amicus represented by me is Verizon Communications Inc.

2. The name of the real party in interest (if the party named in the caption is not the real party in interest) represented by me is Verizon Communications Inc.

3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party or amicus curiae represented by me are: None

4. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are expected to appear in this court are: RICHARD G. TARANTO, FARR & TARANTO

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**BRIEF OF VERIZON COMMUNICATIONS INC. AS AMICUS CURIAE
IN SUPPORT OF NEITHER PARTY**

INTEREST OF AMICUS CURIAE

This Court's order granting the petition for rehearing en banc invited amicus briefs on the broad reconsideration of the inequitable-conduct doctrine that the Court is undertaking. Verizon submits this brief, not in support of either party, to address one aspect of that doctrine: what should be the consequences of a finding of inequitable conduct (which we assume will continue to require a deceptively intended material misrepresentation or omission)? Verizon submits that allowing for a consequence short of a declaration of unenforceability in an appropriate case – most particularly, a remedy consisting of an override of the presumption of validity – may make the doctrine better perform its important function in the *ex parte* application system.

Verizon conducts extensive research and owns many patents. In that capacity, it is sensitive to the adverse effects of any inequitable-conduct doctrine that employs the sledgehammer remedy of unenforceability based on inferences of deceptive intent (a subjective matter) regarding actions (decisions about what to submit to the PTO) that, often though not always, involve gray areas of unclear distinctions between conduct that is legitimate (not overburdening examiners with material that can distract attention from the

important information) and conduct is that not legitimate (deliberately hiding important information). Although a holding of unenforceability is warranted as a remedy in exceptional cases involving conduct that is objectively identifiable as egregious without difficult judgment calls, such a remedy is excessive in many routine cases involving prosecution conduct that involves much more debatable questions of materiality and intent.

At the same time, the inequitable-conduct doctrine plays an important role in forcing applicants to perform the essential function of supplying material information to the PTO, which no one else can perform in what remains an essentially *ex parte* application process. Verizon is sensitive to the real-world adverse effects of poor-quality patents on minor technologies emerging from the PTO, a phenomenon caused in part (though only in part) by the PTO's lack of adequate information. Like many firms in the information-services and electronic technological fields, Verizon creates products and systems and offers services that incorporate large numbers of components that can and do generate numerous allegations of infringement of patents. Those allegations often involve invalid patents, but they are nonetheless costly and risky to defend – in significant part because of the presumption of validity given to issued patents, which is expressly provided in the statute (35 U.S.C. § 282), and its implementation by this Court through a clear-and-convincing-evidence burden

of proof, which is not. The costs and risks associated with litigating allegations of patent infringement give issued patents a significant settlement value even when invalid, and the prospect of that value creates an incentive for applicants to be less than forthcoming with the PTO.

Although there are broader arguments for limiting the effect of the statutory presumption of validity, *see KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 427 (2007); note 7, *infra*, the inequitable-conduct doctrine commonly presents one circumstance where it is particularly clear that a presumption of validity makes no sense and should not apply. Overriding that presumption would be a well-tailored remedy in many inequitable-conduct cases, stripping the patentee of the critical benefit of being able to wield a patent of presumptive validity. Moreover, its availability as a remedy would address a significant practical issue: an all-or-nothing, unenforceability-or-impunity restriction of remedial options can lead to overloading of the PTO with information and also can inherently exert pressure on courts to avoid drawing the inferences for finding inequitable conduct that they would more readily and properly draw if a less draconian but nonetheless meaningful remedy were available. Indeed, the Court has expressly cited the “severity of the penalty” as a reason for courts to be “vigilant in not permitting the [doctrine] to be applied too lightly.” *Star Scientific, Inc. v. R.J. Reynolds Tobacco Co.*, 537 F.3d 1357, 1366 (Fed. Cir.

2008). A less severe remedy in routine cases of inequitable conduct would make inequitable-conduct doctrine work better to play an important but not excessive role in the working of the patent system.

ARGUMENT

As indicated in the Court’s specification of questions in its en banc order, the Court has referred to a “balancing” inquiry as the step in an inequitable-conduct analysis after findings are made that the applicant made a deceptively intended material misrepresentation or omission. *Therasense, Inc. v. Becton, Dickinson & Co.*, 2010 WL 1655391 (Fed. Cir. Apr. 26, 2010) (question 5). If “inequitable conduct” is used to refer to the finding of deceptively intended material misrepresentation or omission (by whatever evidentiary standards govern), the “balancing” inquiry asks the question: what should be the consequence of finding inequitable conduct? Amicus suggests that the consequence need not be all-or-nothing, black-or-white, unenforceability-or-impunity. Rather, the Court should consider less severe, more tailored remedies for many routine inequitable-conduct cases – most especially, the remedy of overriding the statutory presumption of validity.

I. The Court Can And Should Consider Remedies For Inequitable Conduct Less Severe Than Barring Judicial Enforcement

Inequitable conduct as a defense to patent enforcement has its roots in the general doctrine of unclean hands as an equitable defense to claims for judicial

relief. See *Precision Instrument Mfg. Co. v. Automotive Maint. Mach. Co.*, 324 U.S. 806, 807-08, 814-15 (1945); *Hazel-Atlas Glass Co. v. Hartford-Empire Co.*, 322 U.S. 238, 250 (1944); *Keystone Driller Co. v. General Excavator Co.*, 290 U.S. 240, 245 (1933). Those decisions all involved far narrower, more objectively egregious circumstances than “inequitable conduct” now covers. In particular, they involved conduct that could be objectively distinguished, and not just on the basis of states of mind, from conduct that is routine and legitimate: they “involved blatant misconduct such as the manufacture or suppression of evidence and the use of perjury.” D. Chisum, *Patents* § 19.03[1][a], at 19-149 (2000).¹ In such narrow, extreme circumstances – conduct not in a gray area, conduct that an applicant and lawyer need never come close to in pursuing the applicant’s legitimate interests, conduct not presenting risks of catching proper conduct based on a “mere” judicial inference about state of mind – a drastic remedy of flatly barring judicial relief can easily be justified.

¹ *Keystone Driller* involved payment to silence a fact witness about potentially invalidating prior public use. *Hazel-Atlas* involved “clandestine fabrication of an article lauding an invention in order to induce” allowance. Chisum at 19-154. *Precision Instrument* involved the securing of a patent, by a contract settling an interference, that was based on data admitted and known by the patentee to be false, and was infected by what the patentee actually and reasonably believed to be perjury, all without disclosure to the PTO. All of this is readily identified, objectively, as different and indeed far from any conduct that is legitimate and routine.

But most “inequitable conduct” is not of that kind. Instead, it involves kinds of conduct, typically consisting of decisions not to submit prior art of which the applicant was aware, that is commonly quite proper, and indeed whose withholding serves an important institutional interest in avoiding inundation of the examiner (which might diminish the examiner’s focus on the important art). In such routine inequitable-conduct cases, distinguishing the proper from improper does not turn definitively on objective features of the type of action involved, but on findings about subjective states of mind.² For cases of inequitable conduct involving such routine kinds of action, not objectively distinguishable from legitimate action, there is no sound reason that the remedial options must be limited to either flatly denying judicial relief (unenforceability) or, instead, giving the conduct a pass, without remedy.³

² Other common cases of alleged inequitable conduct involve affirmative statements made to the examiner that the accused infringer asserts were misleading or worse. Such cases often require judgment calls to distinguish factual representations from arguments, self-interested argumentation being routine and legitimate.

³ Although the equitable doctrine of inequitable conduct need not follow “unclean hands” in every particular, even the unclean-hands doctrine may admit of remedial flexibility. *See JG v. Douglas County Sch. Dist.*, 552 F.3d 786, 795 (9th Cir. 2008) (mentioning “reducing equitable awards for unclean hands”). It is worth noting, moreover, that, in the related area of remedies for litigation-related misconduct under, *e.g.*, inherent judicial authority or Fed. R. Civ. P. 37, a flat-out denial of judicial relief is commonly treated as an extreme remedy, to be adopted only if necessary after consideration of lesser, more tailored remedies like awards of attorney’s fees or permissive adverse-inference

“Flexibility rather than rigidity has distinguished” equity jurisdiction. *Hecht Co. v. Bowles*, 321 U.S. 321, 329 (1944). And the general rule of equity is that, where (as here) no statutory rule requires otherwise, the court should “mould [its] decree to the necessities of the particular case.” *Id.*; *see also* *United States v. Oakland Cannabis Buyers’ Co-op.*, 532 U.S. 483, 496 (2001); *Mills v. Electric Auto-Lite Co.*, 396 U.S. 375, 386 (1970) (“In selecting a remedy the lower courts should exercise the sound discretion which guides the determinations of courts of equity, keeping in mind the role of equity as the instrument for nice adjustment and reconciliation between the public interest and private needs as well as between competing private claims.”) (internal quotation marks and citations omitted). That principle cuts against a rigid all-or-nothing approach to remedies for inequitable conduct.

A number of familiar principles are relevant to shaping appropriate equitable relief for misconduct. A remedy should respect and serve the relevant statutory policies. *See Oakland Cannabis Buyers’ Co-op.*, 532 U.S. at 497-98; *United States v. Noland*, 517 U.S. 535, 543 (1996); *Varity Corp. v. Howe*, 516 U.S. 489, 515 (1996) (“appropriate equitable relief” must reflect choices embodied in the relevant statute); *Douglas v. City of Jeannette*, 319 U.S. 157,

instructions (which bear a resemblance to overriding a presumption that shifts a burden of proof). *See, e.g., Estate of Spear v. Commissioner*, 41 F.3d 103, 111-12 (3d Cir. 1994).

163 (1943) (“courts of equity in the exercise of their discretionary powers should conform to [the relevant statutory] policy”). A remedy should try to undo the actual prejudice caused by the misconduct – to restore the parties to the positions they would have occupied if the misconduct had not occurred. *United States v. Virginia*, 518 U.S. 515, 547 (1996). And the appropriate remedy “must closely fit” the violation. *Id.* An aspect of this tailoring requirement is that the remedy should not be excessive in relation to the wrong, *i.e.*, it should be no more onerous than is needed to redress the wrong – taking account of the full range of policies relevant to characterizing the wrong. *See Gemveto Jewelry Co. v. Jeff Cooper Inc.*, 800 F.2d 256, 259 (Fed. Cir. 1986) (“injunctive relief should be narrowly tailored to fit the specific legal violations”); *Riles v. Shell Exploration & Prod. Co.*, 298 F.3d 1302, 1311-12 (Fed. Cir. 2002).

II. The Court Should Consider Overriding The Presumption Of Validity As An Appropriate Remedy For Inequitable Conduct

As applied to the usual case of inequitable conduct, which involves nondisclosure of prior art to the PTO, the foregoing principles suggest a remedy consisting of overriding the presumption of validity, at least insofar as validity issues are raised that involve the particular prior art whose nondisclosure underlies the inequitable-conduct finding. An accused infringer would bear a burden of raising and articulating particular validity challenges. But the patent

holder would then bear the burden of proving validity – for example, lack of anticipation by, or nonobviousness in light of, such prior art. This remedy, for an ordinary case of inequitable conduct, would accord with the principles governing equitable remedies for misconduct.⁴

To begin with, this approach would reflect and reinforce the important function of the inequitable-conduct doctrine in the patent system established by statute. The presumption of validity plays, for juries and judges, an important role in patent adjudication, as it allocates the risk of non-persuasion, which is especially vital because the technical complexity of many patent cases makes understanding, and therefore persuasion, hard to achieve. The importance of the presumption, in turn, makes it critically important that applicants cooperate fully in the PTO's effort to make correct decisions about whether to issue patents. When the applicant has not done so – has, in fact, committed inequitable conduct through deceptively intended material omissions or misrepresentations – the PTO's decision is less likely to be correct, and the

⁴ The remedy in routine inequitable-conduct cases might consist of overriding the presumption of validity for all validity challenges, not just those involving undisclosed prior art. Such a remedy might be justified by practical difficulties of drawing lines among validity challenges or, more generally, as an appropriate measure that, though broader than a shifting of the burden limited to particular prior art, is still less severe than an unenforceability holding. This brief does not explore this potentially significant distinction, but refers without further refinement to overriding the presumption of validity.

nature of the misconduct makes it fair to strip the patent holder of the benefit of the presumption when trying to enforce the patent.⁵

The key fact is that the patent system remains essentially one of *ex parte* prosecution. The PTO, though it can do its own research, devotes limited time to each application and is heavily dependent on the good-faith cooperation of the applicant as, typically, the lone voice it hears. In an *ex parte* system, with rare exceptions only the PTO serves to protect the interest of the public in preventing the issuance of patents that do not meet statutory standards. And performance of that role depends heavily on receiving information from the applicant. Many applicants have more information than the PTO about even written prior art; and the discrepancy is likely to be even greater with respect to what technology is in public use and with respect to the industry needs and motivations, skilled artisans' background knowledge, and the "common sense" of importing solutions from other fields that *KSR* has made newly critical by directing that obviousness analysis broaden its focus beyond written materials.

See KSR, 550 U.S. at 401, 417, 418, 420; *Perfect Web Techs., Inc. v. InfoUSA*,

⁵ Although 35 U.S.C. § 282 assigns the burden of establishing invalidity to the party asserting it, misconduct as serious as inequitable conduct is ample justification for overriding that assignment, just as otherwise-applicable burdens of proof may be overridden as a remedy for various forms of litigation misconduct through the exercise of judicial sanctioning authority. *See* note 3, *supra*. Moreover, in practical effect, this remedy is distinctly less severe than the knock-out remedy of holding a patent unenforceable.

Inc., 587 F.3d 1324, 1329 (Fed. Cir. 2009). Accordingly, to protect the public against invalid patents, the PTO must rely on applicants' willingness to volunteer information bearing on patentability. *See Cotropia, Modernizing Patent Law's Inequitable Conduct Doctrine*, 24 Berkeley Tech. L.J. 723, 732-33, 749-50, 753 (2009). All the more so if the law actually requires the PTO to allow claims unless the PTO has the evidence to sustain an affirmative burden of justifying rejection (by a preponderance of the evidence). *See In re Epstein*, 32 F.3d 1559, 1570 (Fed. Cir. 1994) (Plager, J., concurring) (discussing but questioning that PTO approach).

The applicant, of course, has a powerful private incentive that is not always aligned with the public interest. It has a private interest in securing a patent that, upon issuance, carries a presumption of validity that can give it real-world market value, if only because of the costs and risks of defending against charges of infringement and establishing invalidity. *See Cotropia* at 751-52. That interest exists even when a patent would be held invalid in full litigation. And issuance of such invalid patents harms both accused infringers, who may pay for licenses under such patents, and the public generally, which suffers the economic and innovation-harming effects of poor-quality patents. *See id.* at 749. The inequitable-conduct doctrine has long played a vital role in policing applicants' instinct to pursue their private interest over the public interest in

issuing only valid patents, by imposing a significant sanction on certain actions that deny the PTO information bearing on the allowance-or-rejection determination and the quality of patents issued from the PTO. *See id.* at 732-33, 753-57; *see also id.* at 757-62 (indirect benefit of improving quality of patent documents themselves).

On the other hand, the availability of a remedy short of outright unenforceability (in appropriate cases) addresses certain problems caused by making outright unenforceability the only remedy for inequitable conduct. When the only remedy is as harsh as an unenforceability ruling, applicants may flood the PTO with information to avoid risking that result. That course of conduct can obscure the important information and thereby harm the PTO's decision-making and the public. *See id.* at 770-72.

A second problem, though hard to document, seems equally real as a matter of common sense. If the remedy seems excessive in relation to the violation, a court, in adjudicating serious charges of inequitable conduct, may be reluctant to find the underlying violation,⁶ thereby weakening the doctrine and its ability to fulfill its role in improving patent quality. Thus, inequitable

⁶ *Cf.* Kahan, *Gentle Nudges vs. Hard Shoves: Solving the Sticky Norms Problem*, 67 U. Chi. L. Rev. 607 (2000) (explaining that when law requires particularly harsh condemnation or none at all, it often will result in decision-makers' refusal to condemn).

conduct may easily, if not accurately in many cases, seem to a court to have little to do with the “heart” of the litigation (Cotropia at 740), namely, infringement and the “merits” of patentability (Sobel, *Reconsidering the Scope of the Inequitable Conduct Doctrine in View of Supreme Court Precedent and Patent Policy*, 18 Fed. Cir. Bar J. 169, 174, 176-77 (2008)). And especially if a court has seen that, even taking account of the matter withheld from the PTO, the challenger cannot prove invalidity, it may think that the effective nullification of the patent is out of proportion to a violation – a kind of “atomic bomb” for a foul without harm. *See Aventis Pharma S.A. v. Amphastar Pharm., Inc.*, 525 F.3d 1334, 1349 (Fed. Cir. 2008) (Rader, J., dissenting). If so, the court, when weighing the evidence, particularly when deciding whether to draw an inference of deceptive intent, may be deterred from making a finding of inequitable conduct lest it be faced with the stark choice between two unappealing alternatives: either (a) imposing an excessive remedy or (b) leaving deceptively intended conduct unredressed. Limiting the remedial options in that way is not conducive to the best decision-making about the underlying elements of inequitable conduct.

A remedy consisting of overriding the presumption of validity is not only logically based on the diminished reason for presuming correctness when the information before the PTO has been incomplete. It also seeks to balance the

foregoing concerns about the appropriate remedy for inequitable conduct. The remedy (in routine cases) should be significant enough, given the importance of the presumption of validity, to help deter the violation. And the remedy would avoid the harshness that provokes harmful overloading of the PTO and the judicial concerns about remedial disproportionality that can distort the underlying determination of inequitable conduct.

The suggested remedy of overriding the presumption of validity also fits well with, and gains considerable support from, a suggestion of the Supreme Court in *KSR*. There, the Court made the point that the presumption of validity loses much if not all of its justification when applied to validity issues that the PTO did not consider.

We need not reach the question whether the failure to disclose Asano during the prosecution of Engelgau voids the presumption of validity given to issued patents, for claim 4 is obvious despite the presumption. We nevertheless think it appropriate to note that the rationale underlying the presumption—that the PTO, in its expertise, has approved the claim—seems much diminished here.

550 U.S. at 426. In an appropriate case, that observation – combined with a full analysis of the statute, of pertinent precedent (both patent cases and cases more generally addressing how to set burdens of proof), and of relevant policy – may well support abandoning the clear-and-convincing evidence standard, either as to matters not considered by the PTO or more generally, or even making the

presumption of validity of only limited applicability.⁷ The present case, however, raises a narrower issue, and accordingly the point here, while directly supported by the *KSR* observation, is more limited: when the applicant has committed inequitable conduct – through a deceptively intended material omission or misrepresentation – the patent holder can sensibly be required to proceed in court without reliance on a presumption that the PTO was correct.

The underlying deceptive-intent requirement also justifies this remedy's going beyond what might, under certain (contestable) assumptions about the law, be viewed as simply putting the patent holder and the public in the position they would have occupied if the misconduct had not occurred. If it is the law that the PTO itself must meet a preponderance burden in order to reject an application, *see In re Epstein, supra*, a purely restorative remedy might be limited to allowing the challenger to prove invalidity by a preponderance of the evidence (not clear and convincing evidence). But the legal assumption itself may well be questioned even in general, particularly in light of the above *KSR*

⁷ See, e.g., Dietly, *Lightening the Load: Whether the Burden of Proof for Overcoming a Patent's Presumption of Validity Should Be Lowered*, 78 Fordham L. Rev. 2615 (2010); Devlin, *Revisiting the Presumption of Patent Validity*, 37 Sw. U. L. Rev. 323 (2008); Lichtman & Lemley, *Rethinking Patent Law's Presumption of Validity*, 60 Stan. L. Rev. 45, 48 (2007); Federal Trade Comm'n, *To Promote Innovation: The Proper Balance of Competition and Patent Law & Policy* at 8-10 (2003); compare Chatlynne, *The Burden of Establishing Patent Invalidity: Maintaining a Heightened Evidentiary Standard Despite Increasing "Verbal Variances,"* 31 Cardozo L. Rev. 297 (2009).

observation. And in any event, such a remedy would be insufficient at least in this context, where the remedy must be adequate to deter and punish deceptively intended material omissions or misrepresentations. It is more commensurate with the nature of the misconduct to require the patent holder to shoulder the burden of establishing validity if the patent was secured through inequitable conduct.⁸

The remedy of holding a patent unenforceable would, of course, be appropriate in extreme, non-routine cases, which can be identified as such by something more objective than a finding of deceptive intent (a matter of hard-to-review fact-finder inferences about state of mind, no matter what evidence is required to establish it). As already observed, the pertinent Supreme Court precedents, *Keystone*, *Hazel-Atlas*, and *Precision Instrument*, involve conduct that, objectively described, is not close in kind to conduct that is typically legitimate, *i.e.*, does not require gray-area characterizations to distinguish it from legitimate conduct, let alone distinctions that turn essentially on subjective intent. Routine inequitable-conduct cases, on the other hand, involve conduct

⁸ A remedy of “remand” to the PTO on the same application, with preservation of priority dates, would seem to be insufficient for the same reason even if it were possible under the statute and PTO rules. And a “remand” *without* preservation of priority dates would raise harshness and seeming disproportionality issues (because it would often be patent destroying in practice) similar to those raised by a simple declaration of unenforceability.

that is objectively of a piece with entirely legitimate activity: *not* providing prior art to the PTO (which commonly serves the legitimate, and indeed beneficial goal, of avoiding the focus-diluting effect on the examiner that over-submission of information can readily create) or making statements to the PTO (which commonly serves to explain prior art or other matter to enhance the examiner's understanding). For such routine cases, a remedy more tempered than a holding of unenforceability should be considered.

Burden shifting as a less drastic remedy, especially in cases of failure to disclose prior art, is not the only possible "lesser" remedy for non-disclosure and other types of inequitable-conduct cases. Others should also be considered, whether as substitutes or as supplements. For example, the present case involves a failure to tell the PTO of statements made by the applicant in a foreign patent office (conduct that can be entirely proper). *See Therasense, Inc. v. Becton, Dickinson & Co.*, 593 F.3d 1289, 1300 (Fed. Cir. 2010), *vacated*, 2010 WL 1655391 (Fed. Cir. Apr. 26, 2010). It is not hard to conceive of remedies that fit such misconduct but stop short of declaring the patent unenforceable: a court might deem the undisclosed statements to be part of the PTO file history, with whatever consequences may follow for claim construction, prosecution history estoppel, admissions relevant to invalidity, equitable estoppel, or the like. Other cases involve affirmative

misrepresentations that played a role in securing allowance (conduct sometimes hard to distinguish from legitimate argumentation), in which case a court might override the presumption of validity at least as to any issue that might have been affected by the misrepresentation.

It is thus possible to consider various remedies for inequitable conduct that are intermediate in severity between holding a patent unenforceable and leaving the conduct unredressed. For present purposes, the points are simply that such intermediate remedies should be considered and that the specific remedy of overriding the presumption of validity seems often to be an appropriate one.

One practical consequence of considering this remedy concerns the sequence of determinations or trials in litigation. If the remedy for a finding of inequitable conduct is to be a shifting of the burden of proof on certain validity issues, the inequitable-conduct issue would have to be decided (by the judge, this being an equitable issue) either before a validity trial is conducted or, at least, before a jury in a validity trial is instructed. It is not immediately apparent why that sequencing would be problematic. Discovery on all issues is almost always completed ahead of trial in any event. And even if a trial on inequitable conduct preceded a jury trial, the result might even be beneficial: such an efficient bench trial might provide the judge considerable education that

will improve a subsequent trial (if one is necessary) on infringement and validity.

Finally, the availability of the presumption-overriding remedy suggested here, or other remedies less severe than unenforceability, might have a bearing on the standards governing proof of the underlying elements of inequitable conduct. This brief does not address the full range of considerations bearing on the definition of the materiality and deceptive-intent elements or on the kinds of evidence that should be required in order to establish those elements. But one point is worth noting. This Court has observed that the “severity of the penalty” routinely applied under the inequitable-conduct doctrine to date (namely, a holding of unenforceability) is one reason for courts to be “vigilant in not permitting the [doctrine] to be applied too lightly.” *Star Scientific*, 537 F.3d at 1366. If less severe remedies were available, one argument in favor of heightened proof requirements would be weakened. The possibility of broadening the arsenal of remedies therefore should play a role in the Court’s consideration of the other questions it has asked in granting en banc review.

CONCLUSION

The Court should consider the availability of remedies for inequitable conduct less severe than a holding of unenforceability – in particular, overriding the presumption of validity.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I, Darrin Leverette, hereby certify that, on June 30, 2010, I caused two copies of the foregoing Brief for Verizon Communications Inc. as Amicus Curiae in Support of Neither Party on Rehearing En Banc to be served by U.S. First-Class Mail, on the following:

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CERTIFICATE OF COMPLIANCE

In accordance with Federal Rule of Appellate Procedure 32(a)(7)(C), the undersigned certifies that this brief complies with the applicable type-volume limitations. Exclusive of the portions exempted by Federal Rule of Appellate Procedure 32(a)(7)(B)(iii) and Federal Circuit Rule 32(b), this brief contains 4,554 words. This certificate was prepared in reliance on the word count of the word-processing system (Microsoft Word 2003) used to prepare the brief.

The undersigned further certifies that this brief, which was prepared in the 14-point Times New Roman font of Microsoft Word 2003, complies with the typeface and type style requirements of Federal Rule of Appellate Procedure 32(a)(5) and (a)(6).

June 30, 2010



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