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Inequitable Conduct: New Federal Circuit Case Raises the Flag

In a new case, *Bristol-Myers Squibb Co. v. Rhone-Poulenc Rorer, Inc.*, 2003 WL1876574 (Fed. Cir. April 15, 2003), the Federal Circuit confirmed that, in the appropriate circumstances, the inequitable conduct defense is alive and well. It also highlights the pitfalls faced by U.S. patent owners who rely on foreign patent agents and attorneys to determine whether information relevant to a patent application must be disclosed to the United States Patent and Trademark Office.

In *Bristol-Myers*, the Federal Circuit affirmed a judgment that a reissued United States patent was unenforceable due to inequitable conduct concerning the *original* patent. The Federal Circuit agreed that an article by the patentees had been improperly withheld from the PTO during the original patent's prosecution. While not prior art, the article raised questions regarding the original patent's compliance with the "enablement" requirement of 35 U.S.C. §112 ¶ 1. Therefore, it was highly material information - a reasonable examiner would have considered it important in considering whether to allow the original patent to issue.

This was true even though article was disclosed in the reissue proceedings, without a rejection, and was insufficient to support a summary judgment of invalidity. Evidence showing that the article was listed in a computer search requested by the Examiner during the original patent's prosecution was discounted. The Federal Circuit held that there was no indication the Examiner actually considered the article, and the patent owner could not rely on the presumption of validity or "regular practices" of the PTO.

The required intent to deceive the PTO was inferred from evidence that the French patent agent should have known that the original patent was drawn "more broadly than warranted by the information he possessed" and knew of the PTO's duty of disclosure, but did not supply the article to U.S. counsel during the prosecution of the original patent. The French agent's assertions of good faith were rejected, even though U.S. counsel prosecuting the reissue of the patent concluded that the article

was not material (but nevertheless disclosed the article to the PTO).

This case illustrates the district courts' and the Federal Circuit's continuing concern regarding the quality of disclosures to the PTO. While many inequitable conduct allegations are meritless, *Bristol-Myers* is an example of the advantages of citing the good, the bad, the ugly, and even the arguable immaterial during the prosecution of a patent.

For further information, please contact the authors [Ramon R. Hoch](#) or [Philip T. Petti](#), of [Fitch, Even, Tabin and Flannery](#).

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