

## **B.5 Equitable Defenses**

[Although these equitable defenses are ultimately decided by the Court, these instructions are provided for the case in which the Court decides to submit these issues to the jury for advisory findings.]

### **5.1 INEQUITABLE CONDUCT**

Every applicant for a patent has a duty of candor and good faith in its dealing with the United States Patent and Trademark Office. This is important because the PTO has limited resources.

When a person involved in the prosecution of an application fails to supply material information or supplies false information or statements and does so with an intent to deceive the PTO, he or she may commit what is called “inequitable conduct.” When inequitable conduct occurs during the examination of an application, any patent that issues from that application is unenforceable as a matter of fairness. This means that despite the existence and validity of the patent, the patent holder may not prevent others from using the invention covered by the patent and may not collect damages from those who use the invention that is covered by the patent.

Because a finding of inequitable conduct completely extinguishes a patent holder’s right to prevent others from using an invention, the burden of proving inequitable conduct is high. [Alleged infringer] must prove by clear and convincing evidence both that a person meaningfully involved in the prosecution of the [ ] patent withheld material information or submitted materially false information or statements to the PTO during the examination of the [ ] patent(s), and that the person did so with an intent to deceive the Examiner into issuing the [ ] patent(s).

I will now explain to you what “material” and “intent to deceive” mean.

#### **Material**

Information that was withheld from the PTO is material if the PTO would not have allowed the claim had it been aware of the withheld information. A false or misleading statement is material when it convinces the PTO to allow a claim that it would not have allowed if the statement had not been made. You may also find that affirmative, egregious misconduct is material. An example of affirmative, egregious misconduct is the filing of an unmistakably false affidavit.

You may only find information, statements, or misconduct to be material if there is clear and convincing evidence that they are material.

#### **Intent to Deceive**

In order for inequitable conduct to have occurred, [alleged infringer] must establish that any [failure to disclose material information/false or misleading statements/misconduct] [was/were] done with an intent to deceive the Examiner. If the [failure to disclose material information/false or misleading statements/misconduct] occurred through negligence, oversight, carelessness, or an error in judgment, even if it was grossly negligent, then there was no intent to deceive and there is no inequitable conduct.

Intent may be shown through direct evidence, such as documents or testimony about one's intent to deceive. Intent also may be shown through indirect evidence or, in other words, it may be inferred from conduct. However, an intent to deceive may be inferred only where it is the single most reasonable inference that can be drawn from the evidence. In other words, if it could be reasonable to conclude that the [failure to disclose material information/false or misleading statements/misconduct] was an honest mistake, intent to deceive cannot be found.

### **Conclusion of Inequitable Conduct**

Materiality and intent to deceive are separate issues: proof of materiality does not give rise to an inference of intent to deceive, and proof of an intent to deceive does not give rise to an inference of materiality. There must be clear and convincing evidence that establishes materiality and there must be clear and convincing evidence that establishes an intent to deceive. If clear and convincing evidence of either, or both, is missing, there can be no inequitable conduct.

If you find, however, that [alleged infringer] has proved by clear and convincing evidence that [material information was withheld/materially misleading statements were made or false information provided/affirmative, egregious misconduct occurred] and, further, that these acts or omissions were done with an intent to deceive the Examiner, you must then determine whether the patent(s) should in fairness be declared unenforceable.

### Authorities

35 U.S.C. § 282; *Therasense Inc. v. Becton, Dickinson and Co.*, 649 F.3d 1276 (Fed. Cir. 2011) (en banc).