

THE OHIO WILLOW WOOD COMPANY v. ALPS SOUTH, LLC, Appeal Nos. 2015-1132, 2015-1133 (Fed. Cir. February 19, 2016). Before Dyk, Bryson, and Wallach. Appealed from S.D. Ohio (Judge Frost).

### Background:

Plaintiff owns a group of patents directed to cushioning devices that fit over the residual stumps of amputated limbs to make the use of prosthetics more comfortable. Plaintiff has asserted its patents against defendant in several actions. Plaintiff filed the present action in 2004, charging defendant with infringement of one of its patents. After the district court issued a claim construction order, defendant challenged the validity of the patent in two successive *ex parte* reexamination proceedings in which the patent at issue was found valid in each reexamination proceeding. Thereafter, the district court lifted a stay of the litigation and granted defendant's summary judgment motion that the claims at issue were invalid, but rejected defendant's argument that plaintiff engaged in inequitable conduct.

Prior to the instant appeal, the Federal Circuit affirmed the district court's finding that the asserted claims at issue were invalid, but sent the case back to the district court on the inequitable conduct issue, finding that there were unresolved issues of fact. The district court held a bench trial and found that the asserted patent is unenforceable due to inequitable conduct. Specifically, the district court held that plaintiff's director of research (i) was aware that plaintiff's reexamination counsel had represented to the board that the testimony adverse to plaintiff's patent was entirely uncorroborated, (ii) was aware of materials that corroborated the adverse testimony, and (iii) failed to correct the reexamination counsel's misrepresentations. The district court also found that the evidence was sufficient to infer deceptive intent on the part of the plaintiff, and that absent plaintiff's misrepresentations that no corroborating evidence existed; the board would not have upheld the validity of the patent at issue.

### Issue/Holding:

Did the district court err in holding that plaintiff's patent was unenforceable due to inequitable conduct? No, affirmed.

### Discussion:

The Federal Circuit held that the district court did not abuse its discretion in determining that plaintiff was guilty of inequitable conduct. Given the board's determination that corroboration was the dispositive issue, and in light of plaintiff's assertions before the Patent Office that there was no corroborating evidence for the testimony adverse to its patent, the Federal Circuit determined that the district court's finding that the withheld corroborating evidence was material to patentability was not clearly erroneous.

The Federal Circuit also determined that the evidence supports the district court's finding that the act (of plaintiff's director of research) of withholding the corroborating evidence was the product of deceptive intent. The Federal Circuit determined that it was clear from the testimony of the director of research that he understood (i) that he had a duty of candor in dealings with the Patent Office, (ii) that one of the reexamination proceedings turned in substantial part on the question of corroboration, and (iii) that he could have given the reexamination counsel the withheld corroborating evidence at any point but that he chose not to do so. Thus, the Federal Circuit held that the district court's determination (that deceptive intent was the single most reasonable inference to draw from the conduct of plaintiff's director of research) was not clearly erroneous.