



UNIVERSITY OF  
MARYLAND  
SCHOOL OF LAW

**PATENT LAW  
UPDATE**

***Brasseler,  
U.S.A. I, L.P.  
v.  
Stryker Sales  
Corp.***

No. 00-1194  
Federal Circuit  
Oct. 9, 2001

*“Counsel can reasonably rely on information provided by the client, unless, as here, there is reason to question the accuracy or completeness of the information or to doubt the adequacy of the client’s own investigation into material facts.”*

On October 9, 2001, the Federal Circuit affirmed the district court’s award of attorney fees under 35 U.S.C. § 285 following the district court’s summary judgment that U.S. Patent No. 5,306,285 was invalid under the on sale bar of 35 U.S.C. § 102(b). The patented technology related to a surgical saw blade. In reviewing the district court’s determination that the Brasseler inventors and their representatives, Price and Brody, knew of a pertinent sale, knew or should have known that the transaction was material, and intentionally withheld that information from the USPTO, the Federal Circuit noted:

A district court may award reasonable attorney fees to the prevailing party in a patent infringement case where the conduct of a party is deemed to be “exceptional.” Exceptional cases are normally those involving bad faith litigation or those involving inequitable conduct by the patentee in procuring the patent. . . . [T]o reach a finding of inequitable conduct, the district court must determine that information known to the inventors or their representatives was both material and intentionally withheld. . . .

There is no need for an attorney to pursue a fishing expedition to obtain information. Counsel can reasonably rely on information provided by the client, unless, as here, there is reason to question the accuracy or completeness of the information or to doubt the adequacy of the client’s own investigation into material facts. Thus, no duty to inquire arises unless counsel is on notice of the likelihood that specific, relevant, material information exists and should be disclosed. Here, Price and Brody were aware that sales of the invention had been made approximately one year before the filing of the application and, in light of the questionable information given to them by “someone at Brasseler,” they had a duty to investigate.

[N]otice of a possibly material event—a sale, public use, publication, issuance of a patent, occurring on or about one year before the application is filed—arises when information of which the attorney is aware suggests the existence of specific information that may be material. [T]he undisputed evidence is consistent with the court’s finding that Price and Brody had notice that a potentially invalidating event took place, and that they willfully ignored such notice in an conscious effort to avoid complying with their duty to disclose. [T]his is not an issue of a wrong judgment being made by the attorneys; it is an issue of failing to inquire when they were on notice of certain factual issues which may have been material to the prosecution of the patent application and had notice that a potential on-sale bar problem existed. Attorneys must conduct meaningful inquiries when the surrounding factual circumstances would cause a reasonable attorney to understand that relevant and questionable material information should be assessed. . . .

We are not persuaded that Brasseler reasonably believed that the sale was not material because it believed that sales between inventors could not raise a bar to patentability. We reiterate that inventors represented by counsel are presumed to know the law. Commercial transactions between two unrelated corporations are clearly the type of sales contemplated by the statute.