



TECHNOLOGY LAW UPDATE

*Novo Nordisk
Pharms., Inc.*
v.
*Bio-Technology Gen.
Corp.*

No. 04-1581

Federal Circuit
Oct. 5, 2005

*Inequitable conduct
includes "affirmative
misrepresentation of a
material fact, failure to
disclose material
information, or
submission of false
material information,
coupled with an intent to
deceive."*

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On October 5, 2005, the Federal Circuit affirmed-in-part and vacated-in-part the district court's judgment after a bench trial that U.S. Patent No. 5,633,352, which related to recombinant human growth hormone, was invalid as anticipated, and unenforceable due to inequitable conduct. The Federal Circuit stated:

Inequitable conduct occurs when a patent applicant breaches his or her "duty of candor and good faith" to the PTO [and] includes "affirmative misrepresentation of a material fact, failure to disclose material information, or submission of false material information, coupled with an intent to deceive." Materiality and intent must be established by clear and convincing evidence [following which] the district court must weigh these factors in light of all of the circumstances to determine whether a finding that inequitable conduct occurred is warranted. "[W]hen balanced against high materiality, the showing of intent can be proportionally less." . . .

Novo also assigns error to the district court's finding that Novo acted with deceptive intent in failing to disclose the prophetic nature of Example 1 to the PTO or the Board. According to Novo, the district court never made a finding that anyone had actual knowledge that Example 1 of the PCT application was prophetic and that Novo never successfully produced ripe hGH using the methodology described in Example 1. Specifically, Novo contends that there is no evidence that Dr. Christensen, the co-inventor who wrote Example 1, subsequently learned that the drafting of a prophetic example in the past tense was not a good procedure at the PTO, or that he subsequently told any of Novo's attorneys that Example 1 was prophetic. Thus, Novo asserts, because it is impossible to disclose the unknown, the district court's finding of inequitable conduct is reversible error

Bio-Technology responds that Dr. Christensen was aware that Example 1 was prophetic, and because "knowledge of the law is chargeable to the inventor," and "inventors represented by counsel are presumed to know the law," the district court's inference of deceptive intent was not clearly erroneous. We agree with Bio-Technology. [D]r. Christensen was aware that Example 1 was prophetic and that Novo never successfully produced ripe hGH through the use of "pure LAP" enzyme. [D]uring prosecution of the '856 application, Dr. Christensen was one of four Novo representatives present during the January 7, 1994 interview with the examiner, during which one of the issues addressed was enablement of the 1983 PCT application, of which the '081 application was the U.S. counterpart. [O]ther representatives included Novo's in-house patent attorney and in-house patent advisor. [N]ovo asks us to hold, on the one hand, that the failure of Dr. Christensen and his co-inventors to disclose the truth about Example 1 to Novo's attorneys absolves them of their duty to disclose this information to the PTO or the Board, because without their attorney's consultation, they could not have known that this information was material. At the same time, Novo asks us to hold that its counsel's failure to disclose the truth about Example 1 to the PTO or Board is excused because the inventors failed to fully inform them of the details surrounding Example 1. [W]e reject the "circular logic" of this request. [N]ovo knew or should have known that the PTO and the Board would have considered the information relating to Example 1 important in evaluating whether the 1983 PCT application was enabled.