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IN THE
Supreme Court of the United States

R.J. REYNOLDS TOBACCO COMPANY,
Petitioner,

v.

STAR SCIENTIFIC, INC.,
Respondent.

*On Petition for a Writ of Certiorari to the United
States Court of Appeals for the Federal Circuit*

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

The Federal Circuit in this case reversed a district court ruling that two patents were unenforceable due to inequitable conduct. It thus overturned as clearly erroneous district court findings made after a week-long trial, which relied expressly on credibility findings. The district court found that the applicant, Jonnie Williams, had made affirmative misstatements to the Patent Office—which the Federal Circuit acknowledged—and never over several years disclosed known prior art that the district court ruled, and the Federal Circuit did not dispute, was highly material. The district court expressly found that this pattern of conduct demonstrated intent to deceive the Patent Examiner.

In reversing, the Federal Circuit substantially ignored this reasoning, and focused instead on a single incident that was peripheral to the district court's analysis. The court below never mentioned the district court's finding that the prolonged non-disclosure of known highly material information showed an intent to deceive and, contrary to its own precedents, strongly suggested that the materiality of concealed information should not be considered in assessing intent for purposes of inequitable conduct.

The Question Presented is whether the decision below unduly narrows the duty of candor owed by a patent applicant to the Patent Office and violates fundamental principles of appellate review of trial court fact-finding.

**PARTIES TO THE PROCEEDING
AND CORPORATE DISCLOSURE STATEMENT**

The parties to the proceeding below were Petitioner R.J. Reynolds Tobacco Company (a North Carolina Corporation), R.J. Reynolds Tobacco Company (a New Jersey Corporation), and Star Scientific, Inc., the Respondent. R.J. Reynolds Tobacco Company (a North Carolina Corporation) is successor by merger of R.J. Reynolds Tobacco Company (a New Jersey Corporation), which ceased to exist as of July 30, 2004.

Petitioner R.J. Reynolds Tobacco Company is directly and wholly owned by R.J. Reynolds Tobacco Holdings, Inc. (a Delaware Corporation). R.J. Reynolds Tobacco Holdings, Inc. is an indirect wholly-owned subsidiary of Reynolds American, Inc., a publicly traded corporation. Brown & Williamson Holdings, Inc. owns more than 10% of the common stock of Reynolds American, Inc. and is an indirect, wholly-owned subsidiary of British American Tobacco, plc., a publicly traded corporation.

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PETITION FOR A WRIT OF CERTIORARI

R.J. Reynolds Tobacco Company ("Reynolds") respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit in this case.

OPINIONS BELOW

The opinion of the court of appeals (Pet. App. 1a) is reported at 537 F.3d 1357. The district court's decision finding the patents-in-suit unenforceable based on inequitable conduct (Pet. App. 31a) and its opinion granting summary judgment for Reynolds based on indefiniteness (Pet. App. 77a) are unreported.

JURISDICTION

The district court had jurisdiction over Respondent's claims under 28 U.S.C. §§ 1331 and 1338(a). The Court of Appeals had jurisdiction to review the district court's final judgment under 28 U.S.C. § 1295(a)(1). The United States Court of Appeals for the Federal Circuit entered its judgment and opinion on August 25, 2008, and denied Reynolds's petition for rehearing or rehearing *en banc* on October 22, 2008. This Court has jurisdiction under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

Section 282 of 35 U.S.C. provides, in relevant part:

The following shall be defenses in any action involving the validity or infringement of a patent and shall be pleaded: (1) Noninfringement, absence of liability for infringement or unenforceability.

STATEMENT

A. Legal Framework

The Patent Clause of the Constitution authorizes the Congress “To promote the Progress of . . . useful Arts, by securing for limited Times to . . . Inventors the exclusive Right to their . . . Discoveries.” Art. I, § 8, cl. 8. It “is both a grant of power and a limitation.” *Graham v. John Deere Co.*, 383 U.S. 1, 5 (1966). Congress may neither “enlarge the patent monopoly without regard to the innovation, advancement or social benefit gained thereby,” nor “authorize the issuance of patents whose effects are to remove existent knowledge from the public domain.” *Id.* at 6.

The primary responsibility for drawing this constitutional distinction between patentable and “unpatentable material lies in the Patent Office,” and it is “a most difficult task.” *Id.* at 18. Those pursuing applications before the Patent and Trademark Office (“PTO”) must act with the “highest degree of candor and good faith,” so that the Office can “rely upon their integrity and deal with them in a spirit of trust and confidence.” *Kingsland v. Dorsey*, 338 U.S. 318, 319 (1949). Patent applicants and their representatives “have an uncompromising duty to report to [the PTO] all facts concerning possible fraud or inequity underlying the applications in issue.” *Precision Instrument Mfg. Co. v. Auto. Maint. Mach. Co.*, 324 U.S. 806, 818 (1945).

The inequitable conduct doctrine is a principal way the duty of candor is enforced. Inequitable conduct exists where clear and convincing evidence shows that the applicant withheld or misstated information in its submissions to the PTO, that information was

“material” to patentability,¹ and the misstatement or omission was made with “intent to deceive” the PTO. *Dayco Prods., Inc. v. Total Containment, Inc.* 329 F.3d 1358, 1362-63 (Fed. Cir. 2003). Where material information has thus been intentionally misstated or withheld, a court must “weigh[] . . . the materiality and intent in light of all the circumstances to determine whether the applicant’s conduct is so culpable that the patent should be held unenforceable.” *Id.* (internal quotation marks and emphasis omitted).

B. Facts

This petition arises from a suit brought by Respondent Star Scientific, Inc. (“Star”) against Reynolds, alleging infringement of two patents, United States Patents No. 6,202,649 (the “649 patent”) and No. 6,425,401 (the “401 patent”). Pet. App. 32a. Jonnie Williams is the named inventor of both patents. App. A281-82.²

¹ Information is material to patentability when it is not cumulative, and “(1) [i]t establishes, by itself or in combination with other information, a prima facie case of unpatentability of a claim; or (2) [i]t refutes, or is inconsistent with, a position the applicant takes in: (i) [o]pposing an argument of unpatentability relied on by the Office, or (ii) [a]sserting an argument of patentability.” 37 C.F.R. § 1.56(b) (2000) (“Rule 56”).

Before 1992 the test was formulated as whether there was a substantial likelihood that a reasonable examiner would consider it important. 37 C.F.R. § 1.56(a) (1991). The Federal Circuit has held that the 1992 rule change to “an arguably narrower standard of materiality does not supplant or replace our case law. Rather, it merely provides an additional test of materiality.” *Digital Control, Inc. v. Charles Mach. Works*, 437 F.3d 1309, 1316 (Fed. Cir. 2006).

² App. A__ refers to the Federal Circuit Appendix. Star brought suit on the ‘649 patent on May 23, 2001, while the ‘401 patent

The patents relate to methods for treating tobacco plants to purportedly prevent formation of chemicals called tobacco specific nitrosamines (“TSNAs”). Pet. App. 33a-35a. These TSNAs, which may be carcinogenic, can form in the tobacco plants during the curing process, and the tobacco industry has looked for curing techniques that minimize or eliminate their formation. *Id.* at 34a-35a.

There are several ways to cure tobacco. The oldest, “air curing,” simply relies on the exposure of tobacco leaves to untreated air to dry and cure them. Pet. App. at 34a. To accelerate the curing process, heated air is commonly used in several ways. In “radiant heat indirect-fired curing,” *id.* at 3a, (sometimes called “flue-curing”), pipes conduct heated air through a curing barn and the exhaust from the burned fuel is discharged outside. Roughly since the 1970s, in the United States, it has become much more common to pack the tobacco more closely together and blow hot air through it (“bulk-curing” methods). One method, “forced air indirect-fired curing,” blows air warmed by a heat exchanger into the curing barn with a fan, and the resultant exhaust is expelled outside the barn. *Id.* Another method—the most popular one in recent decades—is “direct-fired curing,” where heated air produced by combustion of clean-burning fuels like propane is

application was still pending. On July 30, 2002, the same day that the ‘401 patent issued, Star brought a second lawsuit alleging violation of that patent, and the two cases were merged for trial. Pet. App. 31a-32a.

blown through the curing barn, thus exposing the tobacco to exhaust gases during curing. *Id.*

The patents-in-suit claim curing methods applied to prevent the formation of TSNA's during curing. The patents theorize that TSNA's form "by the action of the micro flora on the surface of the leaf under anaerobic conditions," which can be greatly curtailed or stopped by controlling certain conditions, including "humidity, rate of temperature change, temperature, the time of treatment of the tobacco, the airflow (through the curing apparatus or barn), CO level, CO₂ level, O₂ level, and the arrangement of the tobacco leaves." App. A5837 (col. 1, ll. 57-59), A5838 (col. 4, ll. 25-29). The '649 patent pertains to tobacco generally, while the '401 patent applies specifically to Virginia flue-cured tobacco. *See, e.g.*, App. A5846 (col. 20, ll. 4-14) and A6022 (col. 20, ll. 8-19).

After a seven-day bench trial regarding Reynolds' inequitable conduct defense, the district court held both patents unenforceable. It held that "Williams and others kept critical information from the PTO so as to give the false impression that . . . there had been no curing processes used in the United States . . . capable of producing tobacco with low levels of TSNA." Pet. App. 71a, 31a-76a.

Evidence of low TSNA levels being achieved by longstanding curing methods, without employing applicant's techniques, bears on whether the patents identify a patentable innovation. 35 U.S.C. § 102. Some such evidence is summarized in a letter, dated August 28, 1998, prepared for Star's patent counsel by Star's technical consultant, Dr. Harold Burton, on the direct request of inventor Jonnie Williams, App. A281-82:

I was in China for two weeks during 1997 and I was given commercial Chinese cigarettes. . . . *To my surprise I could not detect TSNA or when I did they were very low. . . . Since China is a developing country, they are still us[ing] the old curing technology that was abandoned in the US during the sixties. It seemed to me that the probable cause for the absence of TSNA was their use of the old flue-curing techniques.*

App. A6238 (emphasis added); *see also* Pet. App. 47a-49a.

Dr. Burton testified that he told Williams that he “had analyzed cigarettes from China” and found that “they were low in nitrosamines.” App. A523; *see also* App. A288 (Williams testimony). And Williams acknowledged knowing, “by September 15, 1998,” that the existing indirect fire curing barns could produce low TSNA tobacco, indeed sometimes tobacco “as low as [he was] endeavor[ing] to claim with [his] own invention.” App. A290.

Williams’ first patent counsel, Romulo Delmendo, likewise discussed with Williams “the Chinese commercial cigarettes and also the radiant curing process,” while trying to understand what the TSNA levels in U.S. tobacco would be if you “just heated [the tobacco] up” without the controls reflected in the patent. App. A216. Williams told Delmendo that, in that circumstance, “you’ll get high TSNA levels.” App. A289 (Williams testimony); A217 (Delmendo testimony).

Based on that information, the provisional application which led to the ‘649 patent, filed on September 15, 1998, contained the concededly false state-

ment, Pet. App. 17a n.7, that flue-curing practiced in China and other countries—where “radiant heat emanating from the flue pipes is used to cure the tobacco leaves . . . *has been determined . . . [when] applied to tobacco grown in the United States [to] yield[] tobacco products with high levels of TSNA.*” See Pet. App. 49a-50a; App. A290. “[G]reat portions of the [Burton] letter” were included in the provisional application. App. A82. The language of the letter reporting “the TSNA results for the Chinese commercial cigarettes” was almost the only part of the letter omitted. App. A225.

After filing the provisional application, Williams personally visited a farm in Virginia and secured samples of tobacco cured using another prior art method—forced air indirect-fired curing—coupled with microwave at the end of the process—and, after testing, learned that “very low” TSNA levels had been achieved. App. A292. (“Curran data.”) Williams withheld that data both from the PTO and from his patent counsel Delmendo. App. A292 (Williams testimony); App. A216 (Delmendo testimony); Pet. App. 6a. This occurred at a time when Delmendo “had concerns about whether the information in the Burton letter should be disclosed to the PTO.” Pet. App. 20a, 51a-52a; App. A219-20.

The non-provisional (“final”) ‘649 application that was filed on September 15, 1999 also failed to disclose the Burton letter, the Curran data, or, more generally, the fact that low TSNA levels had been produced using longstanding curing methods, without using applicant’s claimed innovation. The provisional application’s false statement regarding radiant heat curing was omitted from the final application, which instead acknowledged that the method is

still used commercially outside the United States, in China and elsewhere, App. A5837 (col. 2, ll. 54-60), but said nothing about the TSNA levels produced using that method.

After filing the final '649 application, Williams and Star changed legal counsel. Star's initial counsel, Delmendo, who had concerns about whether the Burton letter should be disclosed, Pet. App. 20a, was replaced by Paul Rivard and the firm of Banner & Witcoff. Pet. App. 7a, 54a. The files were transferred to Banner & Witcoff through an intermediary attorney from a third law firm. *Id.* Rivard testified that neither Williams nor their predecessor counsel called the Burton letter or the Curran data to his attention. App. A228-29.

Thereafter, on February 15, 2000, Star's new counsel filed a "Petition to Make Special" to accelerate the processing of the '649 application. App. A10327-40. Notwithstanding the heightened disclosure obligations under such a petition,³ and even though Rivard asked Williams to provide relevant information about the prior art, Williams did not provide him with the Burton letter, the Curran data, or the essential fact that low TSNA levels had been produced with conventional curing methods. App. A228 (Rivard testimony); App. A294 (Williams

³ A Petition to Make Special requires the applicant to certify "that the applicant or assignee has made or caused to be made a careful and thorough search of the prior art, or has good knowledge of the pertinent prior art." Manual of Patent Examining Procedure ("MPEP") § 708.02. Such a petition requires "an extra effort to look for and produce all relevant prior art." *General Electro Music Corp. v. Samick Music Corp.*, 19 F.3d 1405, 1411 (Fed. Cir. 1994) (emphasis omitted).

testimony).

Williams had another opportunity to disclose the withheld information at an interview with the patent examiner in August 2000, but again failed to do so. App. A295-296 (Williams testimony); App. A234 (Rivard testimony). Indeed, at no point before the issuance of the '649 patent on March 20, 2001 did Williams or his lawyers share with the PTO the Burton letter, the Curran data, or the fact that conventional curing methods had produced low TSNA tobacco. *See* Pet. App. 4a-7a.

Eleven days after the PTO allowed the '649 patent on September 14, 2000, Williams filed the continuation application that led to the '401 patent.⁴ Again, Star's lawyers filed a Petition to Make Special that expedited the examination of the '401 patent, and at that time again failed to disclose the relevant prior art. App. A10327-40. Nor was that information ever disclosed to the PTO during the '401 patent prosecution.

The '401 patent application had been pending nearly seventeen months when the Burton letter came to the attention of Star's trial counsel. App. A275 (Attorney McMillan testified he had read the Burton letter by February 11, 2002). Following its allowance, on June 10, 2002 trial counsel brought it to the attention of Star's patent counsel, Rivard, *id.*, who immediately drafted a supplemental information disclosure statement including the Burton letter and the Curran data, and circulated it among four

⁴ In a continuation application, applicant seeks a new "child" patent (here, the '401) with an identical specification but different claims than the "parent" patent (here, the '649).

Star lawyers. Star's trial counsel and patent counsel from the Banner firm discussed whether the information contained in the Burton letter should be disclosed to the PTO, and all but one (who said that others should decide) agreed that it should be. Pet. App. 66a-68a. Nonetheless, the information was never disclosed. App. A240, A253-54. The '401 patent issued on July 30, 2002.

C. The District Court's Inequitable Conduct Decision

In a 47-page opinion, the district court ruled that both patents-in-suit were unenforceable based on inequitable conduct. Pet. App. 31a-76a.⁵ The district court concluded that "Williams and others deliberately misled the PTO in a material manner by keeping from the PTO the critical fact known to Williams and others that the claimed beneficial result—tobacco with low to undetectable TSNA levels—*had been achieved in the United States* prior to the application that led to the Patents-in-Suit." *Id.* at 43a (emphasis in original). In its "Inequitable Conduct Determination" at the end of its opinion, the district court first stated:⁶

Even if one could argue that the Burton Letter *per se* need not have been disclosed, the

⁵ In a previous order addressing many of the same facts, the trial court had ordered disclosure of certain documents over Star's attorney-client privilege claims, based on the crime/fraud exception. Pet. App. 90a.

⁶ The district court noted several times that certain of its conclusions rested in part on assessments of witness credibility. Pet. App. 54a-55a, 59a-60a, 69a-70a. The district court also included a section in its decision addressing "Particular Credibility Concerns." *Id.* at 68a-70a.

essential fact revealed therein—that a curing method previously used in the United States was capable of, and indeed was the probable cause for, the production of tobacco with low to undetectable levels of TSNA—should not have been kept from the PTO.

Id. at 71a. The district court characterized as “critical” the prior art information showing low TSNA levels achieved with established curing methods, *id.* at 71a-72a, and quoted in support an October 25, 2000 letter written by Star’s lead trial lawyer: “The fact that the traditional heat exchange curing process might have produced low-TSNA leaf some of the time, raises the issue of whether the product claimed [by the applications for the Patents-in-Suit] are novel, as required by 35 U.S.C. § 102.” *Id.* at 72a.

Having found the withheld information material, the district court focused on the extended period of non-disclosure—nearly four years—in concluding “that RJR has established the intent to deceive by Williams and others by clear and convincing evidence.” Pet. App. 72a.

They engaged in a consistent scheme to avoid informing the Patent Office that the prior art could produce low TSNA tobacco. The scheme started with the false statement [in the provisional application that led to the ‘649 patent] that “[i]t has been determined that this process as applied to tobacco grown in the United State[s] yields tobacco products with high levels of TSNA,” and proceeded through the entire course of prosecution in the PTO.

Id.

The district court also noted that the prior art information continued to be withheld after the '649 patent had issued and the '401 patent was still pending, even though a discussion among Star's lawyers suggested disclosure. Pet. App. 74a-75a; *see also id.* at 68a. The district court rejected the alleged non-deceptive explanation—a desire to avoid cost and delay—offered by patent counsel Rivard for failing to disclose the Burton letter and Curran data when he finally became aware of them in June 2002, after the notice of allowance of the '401 patent had issued. *Id.* at 75a. It found such reasoning to be inconsistent with “a purported practice of erring on the side of disclosure,” *id.* at 73a, and with Rivard's statement that he would have disclosed the information had he known about it earlier. *Id.* at 74a; App. A258. *See* App. A239-240.

Nowhere in the section of the decision that the court labeled its “Determination” did the district court even mention the shift of law firms that occurred in the middle of the patent prosecution.⁷ Instead, it relied on the conduct over several years, including the fact that the disputed prior art was highly material, and the persistent unexplained failure to disclose throughout the extended patent process. Pet. App. 71a-72a. After weighing the equities based on “a strong showing of materiality and intent,” the court held the patents unenforceable. *Id.* at 76a.

⁷ The court discussed the change of law firms earlier, during its discussion of all the background facts. Pet. App. 54a.

D. The Federal Circuit's Inequitable Conduct Decision

The Federal Circuit reversed the trial court's inequitable conduct ruling as to both patents. With regard to the '649 patent, the panel reversed as clearly erroneous the finding of intent to deceive, but left undisturbed the finding that the undisclosed information was material. Pet. App. 12a, 18a n.8.

With regard to the '401 patent, the panel left standing the finding of intent to deceive, but reversed on materiality because immediately prior to the issuance of that patent in 2002, Star submitted Reynolds' interrogatory responses that the Federal Circuit said rendered the undisclosed information cumulative. Pet. App. 22a-25a.

The panel noted the need to "be vigilant in not permitting the defense [of inequitable conduct] to be applied too lightly." Pet. App. 14a. It described intent to deceive as "a separate and essential component of inequitable conduct," *id.*, and stated that withholding material information "cannot, by itself, satisfy the deceptive intent element," *id.* at 15a. In assessing the evidence of intent, the Federal Circuit never acknowledged the trial court's actual rationale that persistent failure to disclose over an extended period is itself powerful evidence of such intent, *id.* at 72a-75a, and instead asserted:

Here, the district court's finding of deceptive intent as to both patents-in-suit was based primarily on its acceptance of RJR's theory that Williams and Star conspired to deliberately prevent Delmendo and his colleagues at the Sughrue firm from disclosing the Burton letter to the PTO by replacing them with the Banner

firm and purposely keeping the Banner firm ignorant of the Burton letter. We hold that this “quarantine” theory was not supported by clear and convincing evidence.

Pet. App. 17a; *id.* n.7 (acknowledging false statements in the provisional application).

The panel found that Star had offered reasons (relating to personnel changes) for the change in firms. Pet. App. 18a. Noting that the trial court found this testimony not credible, and that “this credibility determination was a major basis for its finding of deceptive intent,” the panel responded that Reynolds had the burden of proof and the “patentee need not offer any good faith explanation unless the accused infringer first carried his burden to prove a threshold level of intent to deceive by clear and convincing evidence.” *Id.* at 18a-19a. The panel found that Reynolds had failed to present evidence sufficient to show a deceitful purpose behind the firm change, *id.* at 19a, and on this basis, held the finding of deceptive intent as to the ‘649 patent clearly erroneous.

With respect to the ‘401 patent, the panel noted that “the district court also relied on additional evidence to find inequitable conduct”—primarily the decision to continue withholding the prior art even though communications among Star’s lawyers suggested a contrary course. Pet. App. 22a, 66a-68a. Noting that the “district court’s finding of deceptive intent . . . may [still] be flawed,” the panel left that issue unresolved and instead reversed on materiality. *Id.* at 22a.

The panel explained that, following issuance of the ‘649 patent, in the course of the patent infringement litigation, Reynolds had given interrogatory re-

sponses stating that “Reynolds recognized in or about 1994 that tobacco . . . cured in the indirect fired barns *had significantly reduced levels of TSNA*s as compared to the commercial, direct-fired, bulk curing barns” Pet. App. 24a (emphasis in original). These were disclosed to the PTO during 2002, after the ‘401 patent had already been allowed, and shortly before it issued in July 2002, *id.* at 8a-9a, with an accompanying notation that Star disagreed with the assertion. App. A10419. The Federal Circuit concluded that these responses contained the essential information that existing curing methods had achieved low TSNA levels, thus rendering the withheld information cumulative with regard to the ‘401 prosecution by the time “the Banner lawyers were made aware of [it] in June 2002.” Pet. App. 24a.

Reynolds filed a petition for rehearing and rehearing *en banc*, which was denied on October 22, 2008.

REASONS FOR GRANTING THE WRIT

The Federal Circuit’s contortions to overturn the trial court’s considered fact-finding based on a full-trial record, articulated credibility concerns, and reasonable inferences drawn from applicant’s misleading statements and prolonged non-disclosure of material information require the attention of this Court.

The functioning of the patent system within the constitutional limitation that patent monopolies must “[p]romote the progress of . . . useful [a]rts,” U.S. Const. art. I, § 8, cl. 8, means that patent applicants must conduct themselves with the “highest degree of candor and good faith,” *Kingsland v. Dorsey*, 338 U.S. at 319. “Public interest demands that all

facts relevant to such matters be submitted formally or informally to the Patent Office, which can then pass upon the sufficiency of the evidence. Only in this way can that agency act to safeguard the public in the first instance against fraudulent patent monopolies." *Precision Instrument*, 324 U.S. at 818.

The inequitable conduct doctrine, which allows patents to be held unenforceable when there is an intentional breach of the duty of candor, is an essential bulwark in confining patent monopolies to their constitutional limits. Apparently influenced by "the severity of the penalty" of unenforceability, Pet. App. 14a, the Federal Circuit decision here departs from common sense and the mainstream of its own decisions to announce an approach that greatly undermines the duty of candor by making proof of intent to deceive a difficult scholastic exercise. In setting aside the trial court's well-grounded findings without discussing its actual reasoning, the decision is also a gross affront to this Court's principles governing appellate review of trial court fact-finding.

**I. THE DECISION BELOW MARKEDLY
NARROWS THE INEQUITABLE CONDUCT
DEFENSE IN A MANNER AT ODDS WITH
PREVIOUS FEDERAL CIRCUIT DECISIONS
AND WITH DECISIONS OF OTHER CIRCUITS**

The decision below reversed the trial court's finding of deceptive intent as to the '649 patent, even though that finding rested on express misrepresentations to the PTO and a carefully-analyzed pattern of conduct revealing "a consistent scheme to avoid informing the Patent Office that the prior art could produce low TSNA tobacco." Pet. App. 72a. The Federal Circuit did not dispute the materiality of the

withheld information, and also did not even discuss the trial court's reasoning that prolonged non-disclosure of such information in the face of a clear duty to disclose supports an inference of intent to mislead. *See* Pet. App. 17a.

Instead, the Federal Circuit focused on events surrounding a change of law firms, wrongly asserting that these events were the primary basis for the finding of deceptive intent. Pet. App. 17a-18a. It followed this course after commenting at some length about the "separate" nature of the elements of materiality and intent to deceive, *id.* at 14a, and the "need to strictly enforce the . . . elevated standard of proof . . . because the penalty . . . is so severe." *Id.* at 13a.

In reversing on this record, the decision below is at odds with many Federal Circuit decisions and those of regional courts of appeals reviewing inequitable conduct findings, which take a more conventional approach to appellate review. As such, it evidences a sharp divide in thinking among the judges of the Federal Circuit, and threatens the special need recognized by Congress for "nationwide uniformity in patent law," *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 162 (1989) (quoting H.R. Rep. No. 97-312, at 20 (1981)) (internal quotation marks omitted). If uncorrected, it is likely to result in unpredictable and irreconcilable decisions. *See, e.g., Warner-Jenkinson Co., Inc. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 21 (1997) (noting that divisions within the Federal Circuit warrant review by this Court); *Cardinal Chem. Co. v. Morton Int'l, Inc.*, 508 U.S. 83, 89 (1993) (noting that uniformity of patent law "is a matter of special importance to the

entire Nation”); *see also, e.g., Dickinson v. Petroleum Conversion Corp.*, 338 U.S. 507, 508 (1950) (finding that an “intracircuit conflict” can support certiorari).

The decision below directs that the inequitable conduct defense not be “applied too lightly,” and that intent to deceive is an “essential component of inequitable conduct” “separate” from materiality. Pet. App. 14a. Perhaps on that account, the panel failed even to discuss the actual rationale of the trial court’s inference of intent, based in substantial part on the prolonged failure to disclose known, concededly material prior art.

In that regard, the decision here departs sharply from prior decisions of the Federal Circuit, which view the materiality of withheld information as relevant in assessing intent. Indeed, some cases have held that the requirement of actual intent may be replaced by a lesser requirement that the applicant merely should have known of the materiality of a withheld reference if the materiality of the reference is sufficiently significant.

This line of cases is exemplified by *Ferring B.V. v. Barr Laboratories, Inc.*, 437 F.3d 1181 (Fed. Cir. 2006), which held that, where an applicant offers no credible explanation for withholding known highly material information, no proof of actual intent is required and it is enough that the applicant “*should have known*” of the materiality of the information.” *Id.* at 1191 (emphasis added).

In evaluating whether this “should have known” intent standard is applicable, *Ferring* considered the full range of circumstantial evidence, including evidence related to materiality. *See id.* Panels of the

Federal Circuit have reiterated this “knew or should have known” standard in a number of other cases. *See, e.g., Praxair, Inc. v. ATMI, Inc.*, 543 F.3d 1306, 1313-15, 1318 (Fed. Cir. 2008); *Pfizer, Inc. v. Teva Pharms. USA, Inc.*, 518 F.3d 1353, 1367 (Fed. Cir. 2008); *Cargill, Inc. v. Canbra Foods, Ltd.*, 476 F.3d 1359, 1366 (Fed. Cir. 2007).

Other Federal Circuit decisions conflict with the decision below by permitting the consideration of materiality as evidence of intent, even where actual intent continues to be required. Thus, in *Li Second Family Ltd. Partnership v. Toshiba Corp.*, 231 F.3d 1373 (Fed. Cir. 2000), the panel held that “[t]he more material the information misrepresented or withheld by the applicant, the less evidence of intent will be required in order to find that inequitable conduct has occurred.” *Id.* at 1378. Panels in other cases have held similarly. *See, e.g., Honeywell Int’l Inc. v. Universal Avionics Sys. Corp.*, 488 F.3d 982, 999 (Fed. Cir. 2007) (“The more material the information misrepresented or withheld by the applicant, the less evidence of intent will be required in order to find inequitable conduct.”); *Critikon, Inc. v. Becton Dickinson Vascular Access, Inc.*, 120 F.3d 1253, 1257 (Fed. Cir. 1997) (holding that “a patentee facing a high level of materiality and clear proof that it knew or should have known of that materiality, can expect to find it difficult to establish ‘subjective good faith’ sufficient to prevent the drawing of an inference of intent to mislead” (internal quotation omitted)); *see also Bristol-Myers Squibb Co. v. Rhone-Poulenc Rorer, Inc.*, 326 F.3d 1226, 1239 (Fed. Cir. 2003). For instance, the panel in *Dippin’ Dots, Inc. v. Mosey*, 476 F.3d 1337 (Fed. Cir. 2007), *cert. denied*, 128 S.Ct. 375 (2007), and 128 S.Ct. 391 (2007), con-

cluded that, while “the evidence reveal[ed] less than an egregiously willful intent to deceive” the PTO, an inequitable conduct determination was proper “in light of the high materiality of the nondisclosure.” *Id.* at 1346 n.4.

The Federal Circuit’s ordinary consideration of materiality evidence in evaluating intent is illustrated by *McKesson Information Solutions, Inc. v. Bridge Medical, Inc.*, 487 F.3d 897 (Fed. Cir. 2007), which affirmed a finding of inequitable conduct based significantly on the principle that intent may be inferred from “[t]he high materiality of the withheld prior art coupled with the lack of a credible explanation for the nondisclosure.” *Id.* at 916 (internal quotation omitted). Similarly, *Aventis Pharma S.A. v. Amphastar Pharmaceuticals, Inc.*, 525 F.3d 1334 (Fed. Cir. 2008), held that an inventor’s failure to disclose information about certain data constituted inequitable conduct, concluding that the denials of one involved in the process “did not outweigh the cumulative evidence evincing an intent to deceive.” *Id.* at 1348.

The decision below was foreshadowed by dissenting opinions in several previous cases. For example, in *Aventis*, Judge Rader in dissent characterized inequitable conduct as an “atomic bomb” remedy, and argued that the case furthered a trend in “emphasiz[ing] materiality almost to the exclusion of any analysis of the lofty intent requirement for inequitable conduct,” and of “[m]erging intent and materiality.” *Id.* at 1349-50. Judge Newman similarly dissented in *Ferring*, noting the inconsistency in the Federal Circuit’s inequitable conduct cases, and claiming that the panel majority had “replac[ed] the

need for evidence with a ‘should have known’ standard” in alleged contravention of Federal Circuit precedent. 437 F.3d at 1196. Judge Newman also dissented in *McKesson*, contending that the panel majority had improperly weakened the standard for proving intent. *See* 487 F.3d at 926.

The decision below, in its sharp departure from prior Circuit precedent, thus brings to a head a simmering dispute among the judges of the Federal Circuit regarding the propriety of relying on the materiality of misstatements or omissions in assessing deceptive intent. By offering guidance on the “separate” character of the materiality and intent inquiries, and then wholly ignoring the trial court’s reliance on the materiality of the undisclosed prior art, *see* Pet. App. 17a—which the Federal Circuit did not dispute—the court here compounded a confusion in Federal Circuit inequitable conduct law that was already well recognized.⁸

In addition to being out of step with other Federal Circuit decisions, the decision below is in even sharper conflict with decisions of the regional courts

⁸ *See, e.g.*, Scott D. Anderson, *Inequitable Conduct: Persistent Problems and Recommended Resolutions*, 82 Marq. L. Rev. 845, 848-49 (1999) (noting the Federal Circuit’s “narrow and inconsistent interpretations” of inequitable conduct standards, “which confuses patent applicants, complicates patent prosecution, and misleads district court judges”); Michael A. Weidinger, Note, *Inequitable Pleading: Defendants’ Particular Burden in Patent Infringement Suits*, 62 Geo. Wash. L. Rev. 1178, 1188 (1994) (noting that the Federal Circuit standards “have changed rapidly,” “causing confusion in the patent bar,” and producing “confused standards”).

of appeals.⁹ Indeed, there is a stark and longstanding circuit split over whether the “intent” prong of the inequitable conduct test requires, as a general matter, actual intent or merely recklessness or gross negligence.

In the decision below, the Federal Circuit followed its own precedent in expressly requiring a finding of specific intent to deceive. Pet. App. 13a; *see also Kingsdown Med. Consultants, Ltd. v. Hollister Inc.*, 863 F.2d 867, 873-74 (Fed. Cir. 1988) (en banc) (rejecting gross negligence standard). The First Circuit, however, has held, to the contrary, that “reckless, or grossly negligent conduct” can suffice to satisfy the mental state prong of the inequitable conduct analysis. *Digital Equip. Corp. v. Diamond*, 653 F.2d 701, 709 (1st Cir. 1981); *see also Int’l Tel. & Tel. Corp. v. Raychem Corp.*, 538 F.2d 453, 461 (1st Cir. 1976) (same). The Tenth Circuit has similarly held that intent is not required, and that recklessness or gross negligence may be enough. *See True*

⁹ The Federal Circuit’s nationwide patent jurisdiction does not render this circuit split inert or irrelevant, because the regional circuits continue to decide issues of patent law in some cases, such as where patent issues are raised in counterclaims under *Holmes Group, Inc. v. Vornado Air Circulation Systems, Inc.*, 535 U.S. 826, 834 (2002). *See, e.g., Schinzing v. Mid-States Stainless, Inc.*, 415 F.3d 807 (8th Cir. 2005) (regional circuit deciding inequitable conduct issue). Justice Stevens’s separate opinion in *Holmes Group* specifically noted that because “other circuits will have some role to play in the development of” patent law, “[a]n occasional conflict in decisions [could] be useful in identifying questions that merit this Court’s attention.” 535 U.S. at 839 (Stevens, J., concurring in part and concurring in the judgment).

Temper Corp. v. CF&I Steel Corp., 601 F.2d 495, 501, 504-05 (10th Cir. 1979). See also *A.H. Emery Co. v. Marcan Prods. Corp.*, 389 F.2d 11, 18 (2d Cir. 1968). The D.C. Circuit has noted the division over whether something less than actual intent may suffice, but reserved the question. See *Turzillo v. P&Z Mergentime*, 532 F.2d 1393, 1400 (D.C. Cir. 1976).

These cases present a sharp and irreconcilable split over the requisite mental state under the inequitable conduct doctrine. They also serve more generally to highlight how greatly the Federal Circuit here has departed from traditional approaches to proving intent, and to show the extent of the confusion that the decision here is likely to sow.

II. IN REVERSING THE DISTRICT COURT'S FINDINGS OF INEQUITABLE CONDUCT, THE FEDERAL CIRCUIT VIOLATED THIS COURT'S PRECEDENTS REGARDING THE USE OF CIRCUMSTANTIAL EVIDENCE AND THE PROPER ROLE OF APPELLATE COURTS

A. The Decision Below Offends Basic Principles Governing Trial Court Factfinding Based on Circumstantial Evidence

The law “makes no distinction between the weight or value to be given to either direct or circumstantial evidence,” *Desert Palace, Inc. v. Costa*, 539 U.S. 90, 100 (2003) (quotation omitted), and “[t]he trier of fact should consider all the evidence, giving it whatever weight and credence it deserves.” *U.S. Postal Serv. Bd. Of Governors v. Aikens*, 460 U.S. 711, 714 n.3 (1983). Indeed, “[t]he intent . . . that a person possesses at any given time may not ordinarily be proved directly,” and thus usually must be shown by circumstantial evidence. Kevin F. O'Malley, *et al.*,

Federal Jury Practice and Instructions § 17:07 (6th ed. 2008) (treatise cited at 539 U.S. at 100).

Many of this Court's cases uphold proof of specific intent—including as an element of a crime where proof beyond a reasonable doubt is required—based on circumstantial evidence less compelling than that rejected *sub silentio* by the Federal Circuit. Indeed, this Court has approved inferences based on circumstantial evidence much like the one relied upon by the trial court—that improper conduct is more likely done with culpable intent where it is done repeatedly or over an extended period of time.

In *Jackson v. Virginia*, 443 U.S. 307, 325 (1979), for example, the Court found sufficient the proof of premeditated intent to kill based on circumstantial evidence including the facts that the “petitioner shot the victim not once but twice.”

In *Holland v. United States*, 348 U.S. 121, 139-140 (1954), in affirming a conviction for tax evasion, the Court concluded that the jury could have found specific intent based on “a consistent pattern of underreporting large amounts of income, and . . . failure . . . to include all of their income in their books and records.” *Id.* at 139.

Likewise, in *Huddleston v. United States*, 485 U.S. 681 (1988), the Court affirmed a district court's allowance of evidence that a defendant had twice before dealt in goods under suspicious circumstances to prove that the defendant knew certain goods were stolen. The Court explained that “[e]xtrinsic acts evidence may be critical to the establishment of the truth as to a disputed issue, especially when that issue involves the actor's state of mind and the only

means of ascertaining that mental state is by drawing inferences from conduct.” *Id.* at 685.

Similarly, this Court has made clear that a prosecutor’s conduct in making peremptory challenges can support discriminatory intent under *Batson v. Kentucky*, 476 U.S. 79 (1986). In *Miller-El v. Cockrell*, 537 U.S. 322 (2003), the Court found that the disproportionate use of peremptory challenges and differential questioning with regard to African-American jurors was probative of discriminatory intent. *See id.* at 342, 344.

Certainly, the inference of intent to deceive drawn by the district court in this case, based on a patent applicant who claims an invention to produce low TSNA tobacco and fails over several years to disclose known evidence of such tobacco being produced by existing methods, is no less reasonable than the inferences drawn in these cases. Yet the Federal Circuit here apparently deemed that inference unworthy even of discussion. *See* Pet. App. 17a.

B. The Decision Below Also Violates This Court’s Clear Directives Concerning the Role of Appellate Courts in Reviewing Trial Court Factfinding

The Federal Circuit also ignored this Court’s admonitions about the proper role of appellate courts in reviewing trial court factfinding. While the court claimed to review for clear error, Pet. App. 12a, it did not reference the relevant question such review raises—“whether, after viewing the evidence in the light most favorable to the [facts found below], *any* rational trier of fact” could have found intent. *Jackson*, 443 U.S. at 319.

Determining the weight of the evidence “is the special province of the trier of fact,” *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 856 (1982), and a “reviewing court oversteps the bounds of its duty under Rule 52(a) if it undertakes to duplicate the role of the lower court.” *Anderson v. City of Bessemer*, 470 U.S. 564, 573 (1985). “There is no exception which permits [a party] . . . to come to this Court for what virtually amounts to a trial *de novo* on the record of such findings as intent, motive and design.” *United States v. Yellow Cab Co.*, 338 U.S. 338, 341-42 (1949). Thus, “[w]here there are two permissible views of the evidence, the factfinder’s choice between them cannot be clearly erroneous.” *Anderson*, 470 U.S. at 574.

This point has a heightened importance where, as here, trial court factfinding is premised upon determinations of witness credibility. *See* Pet. App. 54a, 59a-60a, 68a-70a, 74a. “When findings are based on determinations regarding the credibility of witnesses, Rule 52(a) demands even greater deference to the trial court’s findings . . .” *Anderson*, 470 U.S. at 575. Yet the Federal Circuit gave no deference to the several credibility judgments by the trial judge who heard the witnesses, including inventor Williams whose intent to deceive is most centrally at issue. Pet. App. 54a-55a, 59a, 69a-70a.

Ultimately, the Federal Circuit did not even acknowledge the trial court’s explicit rationale that intent to deceive was shown in part by the prolonged and repeated failure to disclose known, highly material information, in the face of a legal duty to do so. Pet. App. 71a-72a. Far from deferring to the trial court findings if reasonable, the Federal Circuit here

simply ignored them, and reversed based on a lengthy discussion of a minor piece of the overall evidentiary record.¹⁰

C. The Federal Circuit's Approach to Appellate Review and Trial Court Assessment of Circumstantial Evidence Cannot Be Defended on the Basis that a Different Approach is Appropriate in Patent Cases

The decision below warns that courts must "be vigilant in not permitting the defense to be applied too lightly." Pet. App. 14a. In this statement the court mirrors sentiments that have appeared from time-to-time in Federal Circuit cases.¹¹ Whatever the relevance of those sentiments, they cannot mean that well-established principles governing appellate review of trial court factfinding are somehow less applicable where inequitable conduct is in issue.

This Court has recently noted that "familiar principles apply with equal force to disputes arising un-

¹⁰ Moreover, the Federal Circuit held that a finding of intent "must . . . be the single most reasonable inference able to be drawn from the evidence. . . ." Pet. App. 15a-16a. To the extent this statement is intended to govern appellate review of trial court findings, it is obviously unsound in that it substitutes the judgment of appellate court for that of the initial factfinder.

¹¹ See, e.g., *Abbott Labs. v. Sandoz, Inc.*, 544 F.3d 1341, 1358 (Fed. Cir. 2008) (referring to inequitable conduct as a "plague"); *Ferring B.V. v. Barr Labs., Inc.*, 437 F.3d 1181, 1195 (Fed. Cir. 2006) (opining that the inequitable conduct doctrine was "grossly misused," leading to "disproportionally pernicious" consequences) (Newman, J., dissenting); *Kingsdown Med. Consultants, Ltd. v. Hollister Inc.*, 863 F.2d 867, 876 n.15 (Fed. Cir. 1988) (referring to inequitable conduct claims as "an absolute plague").

der the Patent Act.” *Ebay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391 (2006). It has also recognized the risk that a specialized patent court “may develop an institutional bias.” *Holmes Group, Inc. v. Vornado Air Circulation Sys., Inc.*, 535 U.S. 826, 839 (2002) (Stevens, J., concurring in part and concurring in the judgment). In *Ebay*, this Court rejected a special departure from the “well-established principles of equity” governing the issuance of injunctions in patent cases. 547 U.S. at 391. In *KSR International Co. v. Teleflex Inc.*, 550 U.S. 398, 127 S.Ct. 1727, 1742-43 (2007), the Court similarly rejected a novel approach to obviousness, referring to a Federal Circuit approach there as “rigid” and denying “fact-finders recourse to common sense.”

The Federal Circuit’s reversal of the trial court’s exercise of common sense in this case is no more acceptable. Indeed, it is at odds with decisions of this Court addressing factfinding and appellate review in patent cases. In *Precision Instrument Manufacturing Co.*, this Court rejected an appellate reversal of a district court finding of inequitable conduct following a trial “on the sole issue of . . . alleged inequitable conduct.” 324 U.S. at 808. In reinstating the district court’s inequitable conduct determination, this Court surveyed the evidence relied upon by the district court in finding inequitable conduct and found it sufficient. *See id.* at 818. The Court held that the patentee should have disclosed misstatements to the PTO, despite the fact that “it did not have positive and conclusive knowledge” of them at the time because the misstatements had occurred before it had been assigned the patent application. *Id.* at 816-17. The Court held that a patent applicant’s duty of disclosure to the PTO “is not excused by reasonable

doubts as to the sufficiency of the proof of the inequitable conduct.” *Id.* at 818.

Similarly, in *Zenith Radio Corp. v. Hazeltine Research, Inc.*, 395 U.S. 100 (1969), the court of appeals had reversed a finding of patent misuse and anti-trust violation. This Court reversed the court of appeals, noting that “Zenith’s evidence, although by no means conclusive, was sufficient to sustain the inference that Zenith had in fact been injured.” *Id.* at 114. The opinion emphasized that “appellate courts must constantly have in mind that their function is not to decide factual issues *de novo*. The authority of an appellate court, when reviewing the findings of a judge as well as those of a jury, is circumscribed by the deference it must give to decisions of the trier of the fact, who is usually in a superior position to appraise and weigh the evidence,” *id.* at 123.

This Court’s more recent GVR decision in *Dennison Manufacturing Co. v. Panduit Corp.*, 475 U.S. 809 (1986), was premised on the same principles. *Dennison* vacated a Federal Circuit decision on obviousness. As here, the district court decision under review (there, a finding of obviousness) was made “by clear and convincing evidence,” *id.* at 810, and the Federal Circuit reversed under a clear error standard of review. This Court vacated the Federal Circuit’s decision in light of the petitioner’s contention that the Federal Circuit had improperly “substitut[ed] its view of factual issues for that of the District Court.” *Id.* Finding this contention “not insubstantial,” *id.*, this Court vacated and remanded for further proceedings.

Accordingly, this Court should grant review to make clear that there are no special limitations upon

the trial court's assessment of circumstantial evidence of intent applicable to inequitable conduct or to patent cases, and to reaffirm that the Federal Circuit is no different than other circuits in its appellate role.

III. THE DECISION BELOW CREATES GREAT CONFUSION AND WEAKENS THE DUTY OF CANDOR BY PLACING A VERY HIGH THRESHOLD ON PROOF OF INEQUITABLE CONDUCT

The inequitable conduct defense is raised in more than half of all patent infringement cases. *The Doctrine of Inequitable Conduct and the Duty of Candor in Patent Procurement*, Ad Hoc Committee on Rule 56 and Inequitable Conduct American Intellectual Property Law Association, 16 AIPLA Q.J. 74, 75 (1988). The proper standard for its proof, and the way in which trial courts are to assess the evidence, including whether and how the materiality of misstatements or omissions may be probative of intent, is thus a matter of utmost importance in patent litigation.

Moreover, the issue is one of constitutional dimension, as the inequitable conduct doctrine plays an important role in policing the constitutional boundary on the power to issue temporary patent monopolies only for the purpose of encouraging genuine innovations. *See* U.S. Const. art. I, § 8; *Graham*, 383 U.S. at 5. "[T]he limited and temporary monopoly granted to inventors was never designed for their exclusive profit or advantage; the benefit to the public or community at large was another and doubtless the primary object in granting and securing that

monopoly.” *Kendall v. Winsor*, 62 U.S. 322, 327-28 (1858).

Wrongly issued patents obstruct the free interchange of ideas and technological developments. *See, e.g., Lear, Inc. v. Adkins*, 395 U.S. 653, 670 (1969). Thus, this Court has long emphasized the public importance of precluding enforcement of wrongfully issued patents. *See, e.g., Pope Mfg. Co. v. Gormully*, 144 U.S. 224, 234 (1892) (noting that it is “important to the public that competition should not be repressed by worthless patents”). Consequently, issues relating to the propriety of the issuance of a patent are even more important than questions relating to infringement. *See, e.g., Sinclair & Carroll Co. v. Interchemical Corp.*, 325 U.S. 327, 330 (1945).

Because the PTO is charged with making the decisions regarding patentability in the first instance, and because the task of sorting patentable from unpatentable subject matter is “most difficult”, *Graham*, 383 U.S. at 18, this Court has emphasized the uncompromising duty of candor owed by “[t]hose who have applications pending with the Patent Office.” *Precision Instrument*, 324 U.S. at 818. *See also, e.g., Kingsland*, 338 U.S. at 319.

The need for full candor in dealings with the PTO is all the more crucial in light of the “record workload crisis” that Office faces. Jon W. Dudas, *The Patent System: Today and Tomorrow*, at 4, at www.uspto.gov/web/offices/com/speeches/2005apr21.pdf (Apr. 21, 2005) (visited Jan. 4, 2009). Applications more than doubled between 1992 and 2005, with the greatest increases in the most complex subject areas, and there is recognized need for patent

applicants to share the burden of improving the system's functioning. *Id.* at 3, 8.

The critical nature of the issue here for all of those reasons is compounded further by the greatly expanded volume of patent litigation in recent years, the fact that it is a "very costly process," *Blonder-Tongue Labs., Inc. v. Univ. of Illinois Found.*, 402 U.S. 313, 334 (1971), and the tremendous importance of patents to American commerce and industry. For all of these reasons, this case merits the Court's attention.

IV. THE FEDERAL CIRCUIT'S DECISION REVERSING THE TRIAL COURT'S FINDINGS OF INEQUITABLE CONDUCT ON BOTH PATENTS IS WRONG ON THE MERITS

The court below should have decided whether the trial court could reasonably have found clear and convincing evidence that Williams and those assisting him made material misstatements or omissions with intent to mislead the PTO. After evaluation of the evidence received at a lengthy trial, this was not a difficult question for the trial court, and it should not have been a close one for the Federal Circuit either.

The district court found that Williams failed over a period of years to disclose known evidence that curing methods used in the United States could produce low or undetectable TSNA levels. Pet. App. 71a-72a; App. A290 (Williams admits such knowledge by September 15, 1998). The court found this known prior art to be highly material. *Id.* It also found flatly false the provisional application's statement—that came from Williams, App. A217, A289—that the longstanding radiant heating method had been de-

terminated to produce high TSNA tobacco. The district court's several credibility findings, Pet. App. 54a, 59a-60a, 68a-70a, 74a, and other factors, led it to discount various testimony asserting non-materiality or explaining why the information had not been produced. *Id.* at 66a-70a, 74a-75a. On all these grounds, the district court concluded that "Williams and others deliberately misled the PTO in a material manner by keeping from [it] the critical fact known to Williams and others that the claimed beneficial result—tobacco with low to undetectable TSNA levels—*had been achieved in the United States* prior to the application that led to the Patents-in-Suit." *Id.* at 43a.

The Federal Circuit did not disturb the finding that the withheld information was material with regard to the '649 patent. It further acknowledged that the statement in the provisional application was "inaccurate." Pet. App. 17a-18a nn.7, 8. Nor did the Federal Circuit ever make reference, *see* Pet. App. 17a, to the trial court's essential reasoning that the persistent non-disclosure of known, highly material prior art over a period of several years, in the face of numerous occasions triggering renewed duties to produce it, is probative of deceptive intent. Instead, the Federal Circuit focused on a straw man, the mid-stream change of law firms, stating falsely that the finding of deceptive intent was based primarily upon that series of events. In this respect, the Federal Circuit seems to have been acting on its assertion that in the world of inequitable conduct, materiality and intent must be proven separately, thus prohibiting the trial court's reliance on materiality.

Had the Federal Circuit considered the reasoning of the trial court and rejected it as beyond the limits of rationality, it would certainly merit reversal as contrary to decisions of this Court affirming inferences of intent on much weaker evidence. The Federal Circuit's failure even to discuss the actual reasoning of the trial court, and reversal for the reasons it gave, is an affront to the judicial process.

The Federal Circuit's reversal of the unenforceability ruling as to the '401 patent is also obviously incorrect. The court conceded that even more evidence of deceptive intent existed as to that patent. Pet. App. 22a. The panel nonetheless reversed on the ground that the prior art at issue, whose previous materiality the court had not disputed, became cumulative in early 2002, when, after the '401 patent had already been allowed, Star submitted to the PTO a Reynolds litigation discovery response asserting that, as of 1994, indirect fired barns had produced "significantly reduced levels of TSNAs." *Id.* at 24a.

The notion that such a litigation response by an obviously interested party, submitted at the eleventh hour, would render cumulative the well-known but long-concealed, objective evidence that low TSNA levels had long been achieved using traditional curing methods, is at best highly implausible.¹² And Star submitted Reynolds' interrogatory responses to the PTO only with the express disclaimer that "Ap-

¹² In addition, the uncontradicted expert testimony was that the Burton letter was not cumulative of the RJR discovery responses for anything else in the record in the prosecution. App. A319, A325-326.

plicant respectfully disagrees with R.J. Reynolds' characterization of the documents." App. A10419.¹³

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

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¹³ The facts that the two patents have an identical specification and nearly identical claims—with the '401 patent being somewhat narrower—also strongly suggest that the '401 is unenforceable if the '649 is, under the doctrine of "infectious unenforceability." See *Consol. Aluminum Corp. v. Foseco Int'l. Ltd.*, 910 F.2d 804 (Fed. Cir. 1990); *MOSAID Techs. Inc., v. Samsung Elecs. Co.*, 362 F. Supp. 2d 526, 553-54 (D.N.J. 2005). At a minimum, a finding of inequitable conduct as to the '649 patent would require a remand to assess the continuing enforceability of the '401 patent.