IN THE UNITED STATES DISTRICT COURT

FOR THE WESTERN DISTRICT OF WISCONSIN

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INNOGENETICS N.V.,
a Belgian corporation,

Plaintiff,

v.

ABBOTT LABORATORIES, an
Illinois corporation

Defendant.

OPINION AND
ORDER

05-C-0575-C

- -

In this civil action for declaratory, injunctive and monetary relief, plaintiff Innogenetics N.V. contends that defendant Abbott Laboratories is making and selling genotyping assays for the Hepatitis C virus that infringe plaintiff's patent No. 5,846,704 (the '704 patent). Jurisdiction is present. 28 U.S.C. § 1331.

The case is presently before the court on the parties' cross motions for summary judgment on defendant's counterclaim that the '704 patent is unenforceable because it was procured through inequitable conduct before the United States Patent and Trademark Office. Defendant's counterclaim fails because defendant has adduced no evidence that

plaintiff engaged in inequitable conduct in the prosecution of the '704 patent. Accordingly, plaintiff's motion for summary judgment will be granted and defendant's motion will be denied. Defendant has also filed a motion for summary judgment on its two other counterclaims (that defendant is not infringing the '704 patent and the '704 patent is invalid). That motion will be addressed in a separate opinion.

In determining the material and undisputed facts, I disregarded those proposed findings of fact and responses that constituted legal conclusions, were argumentative or irrelevant, were not supported by the cited evidence or were not supported by citations specific enough to alert the court to the source of the proposal. From the parties' proposed findings of fact, I find the following to be material and undisputed.

UNDISPUTED FACTS

A. Parties

Plaintiff Innogenetics is a Belgian corporation with its principal place of business at Technologie Park 6, 9052 Ghent, Belgium. Plaintiff is the assignee of the '704 patent. Defendant Abbott Laboratories is an Illinois corporation with its principal place of business at 100 Abbott Park Road, Abbott Park, Illinois.

B. Patent Prosecution

On November 26, 1993, Maertens *et al.* filed European application No. 94901891.5 (the EP '342 application) in the European Patent Office.

On July 18, 1994, Maertens *et al.* filed US Patent Application Serial No. 08/256,568 (the '568 application), entitled "Process for Typing HCV Isolates" in the United States Patent and Trademark Office (USPTO). Maertens *et al.* assigned the '568 application to plaintiff. The application consisted of 23 claims and listed as inventors Dr. Geert Maertens, Dr. Lieven Stuyver, Dr. Rudi Rossau and Dr. Hugo van Heuverswyn. According to the application's abstract, the '568 application disclosed a method of genotyping isolates of the hepatitis C virus (HCV) using probes that target sequences from the 5' untranslated region (5' UTR, or 5' UR) of HCV. In this context, the term "isolate" means any biological fluid containing HCV genetic material. Charles Muserlian prosecuted the '568 application before the USPTO on behalf of plaintiff. The '568 application was the United States national stage of the EP '342 application. The claims of the EP '342 application and the '568 application were similar but not identical.

On July 18, 1994, when Muserlian filed the '568 application in the USPTO, he also filed the following documents: (1) an International Search Report; (2) copies of the eight references cited in the International Search Report; (3) a prior art statement; and (4) PTO Form 1449. The USPTO sent Muserlain a postcard dated July 18, 1994, acknowledging

receipt of these items. The International Search Report submitted with the July 18 application had been issued by the International Searching Authority on June 2, 1994. One of the references cited in the International Search Report was PCT Application WO 92/19743, filed by Cha *et al.* on May 8, 1992, entitled "HCV Genomic Sequences for Diagnostics and Therapeutics" (the Cha PCT application). The International Search Report designated the Cha PCT application as an "X" document ("the claimed invention cannot be considered novel or cannot be considered to involve an inventive step") and designated portions of the Cha PCT application as an "A" document ("document defining the general state of the art which is not considered to be of particular relevance"). Two copies of the Cha PCT application are included in the '568 application prosecution history. Page 1 of the International Search Report contains a written check mark next to "WO, 92, A, 19743" (which is the Cha PCT application).

Muserlian wrote the prior art statement that he submitted to the USPTO on July 18, 1994, stating the following:

> In order to comply with the requirements of Rule 56, Applicants are submitting herewith copies of the references cited in the search report in the [European] application corresponding to the above application as well as PTO form 1449. A copy of the search report was submitted with the application as filed. It is deemed that the references do not relate to the invention and, therefore, further discussion of the same is not necessary.

Muserlian's statement that "the references do not relate to the invention and, therefore,

further discussion of the same is not necessary" was the form language he used in other prior art statements. Before writing the prior art statement pertaining to the '568 application, Muserlian did not undertake any independent investigation concerning the relevance of the prior art.

On October 19, 1994, Rita D. Smoot, a legal document review clerk at the USPTO, screened the documents filed in conjunction with the '568 application and checked boxes on a form indicating that the International Search Report and cited references were included in the application file. Smoot noted that as of July 18, 1994, the filing requirements of 35 U.S.C. § 371 were met. On October 21, 1994, the USPTO mailed plaintiff a Notification of Acceptance of Application. The Notification acknowledged receipt of several documents, including a copy of the search report and copies of the references cited therein. Examiner Amy Atzel, Ph.D., was the assistant examiner assigned to the '568 application. Examiner W. Gary Jones was the supervisory patent examiner responsible for the '568 application.

On August 30, 1995, the European Patent Office issued its first Examination Report, rejecting the claims in the EP '342 application for lacking novelty and "inventive step." On December 11, 1995, plaintiff filed its response with the European Patent Office, inserting a "disclaimer" into claim 1 of the EP '342 application. The inventors submitted the following statement with their amended claim:

> [A] disclaimer has been built into claim 1 to exclude a set of probes which is

> identical to oligonucleotides with sequence number 77 and 78 as disclosed [in the Cha PCT application]. Applicant wishes to disclaim these two probes out of extreme caution that they might be considered as reading on present claim 1, i.e. in the event that these two probes might (this point is still unclear) function as a set of probes as defined in new claim 1.

On April 8, 1996, the USPTO issued its first Office Action, in which examiner Atzel stated that the claims in the '568 application were directed to three patentably distinct inventions: Group I (claims 1-5 and 8-18) drawn to processes for genotyping HCV; Group II (claims 6 and 7) drawn to DNA or RNA probes; and Group III (claims 19-23) drawn to a kit and solid supports for *in vitro* discrimination of HCV. Atzel required plaintiff to limit the prosecution of the '568 application to one of the three groups. Plaintiff elected the claims of Group I.

On July 12, 1996, the USPTO sent plaintiff a Second Office Action, rejecting the claims of Group I, partly for being obvious over several prior art references. Examiner Atzel conducted a search of the prior art. Three of the references Atzel relied on in the Second Office Action (Bukh *et al.*, Okamoto *et al.*, and Lee *et al.*) had been cited in the International Search Report submitted with the '568 application. Atzel completed a PTO Form 892, "Notice of References Cited." One of the items Atzel listed on Form 892 was a 1992 article by Cha *et al.* published in the Proceedings of the National Academy of Sciences entitled, "At least five related, but distinct, hepatitis C viral genotypes exist." Atzel did not list the Cha PCT application on Form 892.

On August 2, 1996, plaintiff responded to the European Patent Office's second Examination Report (which had been issued on April 23, 1996). Plaintiff amended claim 1 to revert to the original claim language. Plaintiff argued that the Cha PCT application was non-enabling. The EP '342 application was prosecuted under a "problem solution" framework common in European practice in which a piece of art (whether relevant or not) is termed the "closest prior art." Plaintiff designated the Cha PCT application the "closest prior art." With respect to all prior art, plaintiff argued to the European Patent Office that none of these references taught or disclosed a method of genotyping using the 5'-UTR region. Plaintiff argued the following to the European Patent Office regarding the Cha PCT application:

> [The Cha application] related to nucleic acid and peptide sequences corresponding to HCV viral genomes which are different from HCV-1. One of the different embodiments set out in D1 are [sic] methods of detecting one or more genotypes of HCV. . . . Only sequence number 77 (Genotype-III) and sequence number 78 (Genotype-IV) were divided from the 5'UR region. . . . [The Cha PCT application] does not teach or suggest in any way that the 5'UR "per se" is, or even might be, a useful target region for deriving genotype specific probes for use in a quick and easy genotyping method for HCV. On the contrary, . . . the presence of Genotypes I and II had to be established using nucleic acids with sequence numbers 73 and 74 which are derived from the envelope region.

The European Patent Office issued its third Examination Report on December 11, 1996. It maintained its earlier rejection of novelty regarding claim 1 in view of the Cha PCT

application. It stated:

> The Applicants cannot deny the fact that Seq. No. 77 and Seq. No. 78 of the [Cha PCT Application], overlap respectively with the regions -141 to -117 and -170 to -155 which represent the relative positions in the 5' UR nucleotide sequence of the two variable regions corresponding to probes hereby used for typing of the four different HCV groups (cf. Figure 2 and page 29, lines 13-29). Likewise, it cannot be denied that, e.g., Genotype 1 as identified by present Probes 5 or 6 seemingly correspond to Genotype IV detected/identified in [the Cha Application] by Seq. No. 78.

On January 13, 1997, plaintiff filed an amendment with the USPTO in response to the USPTO's Second Office Action (dated July 12, 1996). Plaintiff cancelled the pending claims and added new claims (24 through 39). In the amendment, plaintiff argued that the invention claimed in the '568 application was unique and distinguishable from the prior art. Plaintiff advanced several arguments to the USPTO, including the following:

> The genotype specific regions in the 5' UTR were not known before Applicants' priority date and was [sic] first disclosed and proven in Applicants' invention.
>
> * * *
>
> The present inventors have for the first time shown that it is possible to employ genotype specific sequence motifs from the 5'-UR of HCV as a target for designing genotype specific (i.e. type and sub-type specific) probes which allow a reliable identification of the genotype of HCV isolates present in a biological sample.
>
> * * *
>
> The 5' UTR region could not have been predicted to perform the claimed function and the 5' UTR genotype specific probes presented in the present application can in no way be considered to be mere variants of other probes already disclosed in the literature for exactly the same purposes.

On April 18, 1997, the USPTO sent its Final Office Action to plaintiff. Examiner

Atzel rejected the claims as unpatentable over several prior art references, including the 1991 and 1992 Cha articles. Atzel stated:

> The method of claim 24 is sufficiently broad that it reads on any method involving a "probe" or "primer" that is capable of hybridizing to the 5' UTR. Claim 24 is not limited to probes that specifically hybridize to the positions -291 to -66 of the 5'-UTR, but only to probes capable of doing so.

The Final Office Action was signed by supervisory examiner Jones.

On April 21, 1997, plaintiff responded to the European Patent Office's third Examination Report (issued on December 11, 1996). Plaintiff filed new claims and re-introduced a new disclaimer in claim 1, stating that "claim 1 [was] amended to disclaim the teaching of [the Cha PCT application]." At her deposition, Ann De Clercq, a member of plaintiff's patent department, proffered the following explanation for the disclaimer:

> [T]his is a very limited amount of subject matter that has been taken out of the scope of this use claim, in the sense that this is the experiment — the exact experiment described in the Cha application, of which, by the way, we have by — until the end of this — of this procedure up until grant defended our position before the European Patent Office that even this limited hybridization experiment in the Cha application is not disclosed in an enabling manner.

On September 19, 1997, the European Patent Office issued its fourth Examination Report. The European examiner required plaintiff to amend claim 2 to include the disclaimer in claim 1 regarding the Cha PCT application; plaintiff did so. The EP '342 application was ultimately granted on April 28, 1999, with a disclaimer of the two probes

disclosed in the Cha PCT application that were "capable of hybridizing" to the 5'-UTR region.

On October 2, 1997, the USPTO held an interview with Maertens, Muserlian, Dr. Philippe Jacobs (from plaintiff's patent department) and examiner Atzel to discuss the '568 application. Atzel wrote the following summary of the interview:

> [Applicant] explained that using UTR for genotyping is not motivated by prior art because UTR is highly conserved. Art says best probes are in "coding regions." UTR probes have been used for "detecting HCV" in general but not "typing." Discussed extensive revisions to claims that more clearly define invention.

The examiner's summary does not include any reference to the Cha PCT application. Muserlian, Maertens and Jacobs testified that they could not recall what was discussed at the October 2 interview.

On October 20, 1997, plaintiff filed an amendment in response to the USPTO's Final Office Action (issued on April 18, 1997). Plaintiff cancelled claims 24 through 39 and added claims 40 through 52. Plaintiff also submitted remarks in response to examiner Atzel's reasons for rejection set forth in the Final Office Action. One of the changes plaintiff made in the amendment was to replace the phrase "capable of hybridizing" with the phrase, "using a probe that specifically hybridizes." On or about November 12, 1997, the USPTO sent plaintiffs a Notice of Allowability and an Examiner's Amendment. The Notice was drafted by Atzel and signed by supervisor Jones. On December 8, 1998, the '568 application

issued as U.S. Patent No. 5,846,704. Plaintiff never disclosed to Atzel any aspect of the European proceedings, including the European Patent Office's initial rejections based on the Cha PCT application.

C. The Cha Applications

On May 16, 1995, Cha *et al.* filed application Serial No. 08/441,971 (the Cha '971 application) with the USPTO. As originally filed, the claims in the Cha '971 application were identical to the claims in the Cha PCT application. Examiner Jones was the primary examiner responsible for the Cha '971 application. On December 12, 1995, September 20, 1996, and May 27, 1997, Jones signed "office actions" pertaining to the Cha '971 application. On March 17, 1998, Jones signed the Final Office Action pertaining to the Cha '971 application, and later signed its Notice of Allowance.

DISCUSSION

A. Standard of Review

Summary judgment is appropriate where there is no genuine issue of material fact and the moving party is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(c); O'Neal v. City of Chicago, 392 F.3d 909, 910 (7th Cir. 2004). In ruling on a motion for summary judgment, the court must construe the evidence, resolve factual disputes and draw inferences

in the light most favorable to the non-movant. Loeb Industries, Inc. v. Sumitomo Corp., 306 F.3d 469, 480 (7th Cir. 2002). If the non-moving party fails to make a sufficient showing on an essential element of its case, the moving party is entitled to judgment as a matter of law. Lewis v. Holsum of Fort Wayne, Inc., 278 F.3d 706, 709 (7th Cir. 2002).

B. Inequitable Conduct

Defendant's allegations against plaintiff are twofold. First, defendant accuses plaintiff of intentionally omitting material information from the '568 application. Second, defendant contends that plaintiff made false and misleading statements to the USPTO examiner concerning information material to the '568 application. According to defendant, plaintiff engaged in these actions with the intent to deceive the patent examiner.

The law governing inequitable conduct in the course of patent prosecution is clear: "Inequitable conduct resides in failure to disclose material information, or submission of false material information, with an intent to deceive, and those two elements, materiality and intent, must be proven by clear and convincing evidence." Kingsdown Medical Consultants, Ltd. v. Hollister, Inc., 863 F.2d 867, 872 (Fed. Cir. 1988) (citing J. P. Stevens & Co., Inc. v. Lex Tex Ltd., Inc., 747 F.2d 1553, 1559 (Fed. Cir. 1984)); see also Old Town Canoe Company v. Confluence Holdings Corp., 448 F.3d 1309, 1322 (Fed. Cir. 2006).

> Information is material when:
>
> it is not cumulative to information already of record or being made of record in the application, and
>
> (1) It establishes, by itself or in combination with other information, a prima facie case of unpatentability of a claim; or
>
> (2) It refutes, or is inconsistent with, a position the applicant takes in:
>
> > (i) Opposing an argument of unpatentability relied on by the Office, or
> >
> > (ii) Asserting an argument of patentability.

37 C.F.R. § 1.56(b).

"[M]ateriality does not presume intent, which is a separate and essential component of inequitable conduct." Atofina v. Great Lakes Chemical Corp., 441 F.3d 991, 1001 (Fed. Cir. 2006) (internal citations omitted). "Intent" commonly means: "'Design, resolve, or determination with which [a] person acts[; a] state of mind in which a person seeks to accomplish a given result through a course of action.'" Molins PLC v. Textron, 48 F.3d 1172, 1181 (Fed. Cir. 1995) (quoting Black's Law Dictionary at 810 (6th ed. 1990)). "To satisfy the intent to deceive element of inequitable conduct, 'the involved conduct, viewed in light of all the evidence, including evidence indicative of good faith, must indicate sufficient culpability to require a finding of intent to deceive.'" Paragon Podiatry Lab. v. KLM Lab., 984 F.2d 1182, 1190 (Fed. Cir. 1993) (quoting

Kingsdown, 863 F.2d at 876). Intent can seldom be proven by direct evidence; it "must generally be inferred from the facts and circumstances surrounding the applicant's overall conduct." Paragon, 984 F.2d at 1190. However, "'given the ease with which a relatively routine act of patent prosecution can be portrayed as intended to mislead or deceive, clear and convincing evidence of conduct sufficient to support an inference of culpable intent is required.'" Molins, 48 F.3d at 1181 (quoting Northern Telecom, Inc. v. Datapoint Corp., 908 F.2d 931, 939 (Fed. Cir. 1990)).

1. Material omission

Defendant devotes much attention to the question whether examiner Atzel reviewed the Cha PCT application in the course of examining the '568 application. Defendant's argument appears to be that because Atzel did not review the Cha PCT application, plaintiff committed a material omission with regard to that application. This argument finds no support in either fact or law. Defendant's argument ignores the undisputed facts that when plaintiff filed the '568 application, it listed the Cha PCT application in the international search report and included a copy of the Cha PCT application.

Defendant relies on Bristol-Myers Squibb Co. v. Rhone-Poulenc Rover, Inc., 326 F.3d 1226 (Fed. Cir. 2003), for the proposition that the mere fact that a prior art

reference appears in the search report does not mean the examiner reviewed it. This reliance is faulty for two reasons. First, the facts in Bristol-Myers differ from the facts in present case. In Bristol-Myers, although the prior art reference was cited in the search report, there was no evidence that the applicant had included a copy of it with the patent application. The file history did not contain a copy of the article and the examiner did not initial and date the listing of the article in the search report. Id. at 1236. In this case, on the contrary, it is undisputed that plaintiff submitted a copy of the Cha PCT application with the '568 application and the USPTO received it. (Plaintiff's argument that there was a check mark next to the Cha PCT application in the search report does not bolster its position that Atzel reviewed the Cha PCT application, because there is no evidence that it was Atzel who made the notation. It could have been made by any of the clerks who insured that the file was complete.) Second, contrary to defendant's interpretation of the case, Bristol-Myers does not stand for the proposition defendant advances that the fact that an examiner did not review a material piece of prior art means the applicant engaged in inequitable conduct. I have found no legal support for this. Even if examiner Atzel had not reviewed the Cha PCT application (a statement unsupported by the evidence, as discussed below), it would not follow automatically that plaintiff had engaged in inequitable conduct. Plaintiff did what it had to do, which was to submit a copy of the material references. The Manual of Patent Examining provides

as follows:

> The examiner will consider the documents cited in the international search report, without any further action by applicant . . . when both the international search report and copies of the documents are indicated to be present in the national stage file.

MPEP § 1893.03(g) (8th ed. 2005). It is presumed that patent examiners do their work correctly; this work includes considering prior art references. Molins, 48 F.3d at 1184 (citing Northern Telecom, 908 F.2d at 939).

The evidence suggests that Atzel *did* review the Cha PCT application (it was listed on the search report and highlighted with an "X" and a copy of it was included in the '568 application packet). However, neither party submitted dispositive proof that she did or did not. Although the answer to this question is of no legal relevance to the charge of inequitable conduct, I will address it briefly, because the parties, particularly defendant, devoted much of their briefing to it. Defendant points out that Atzel did not mention the Cha PCT application on Form 892, where she cited other prior art references she considered. I do not agree with defendant that this proves that Atzel failed to consider the Cha PCT application. As plaintiff correctly points out, the Manual of Patent Examining Procedure does not require that an examiner list every document she considered on a Form 892. MPEP § 1893.03(g) (8th ed. 2005). Defendant points out also that Atzel's summary of the October 2, 1997, interview does not mention the Cha

PCT application and the Notice of Allowability mentions only an earlier Cha article. Moreover, the "References Cited" section of the '704 patent does not list the Cha PCT application. I disagree with defendant's conclusion that these facts mean that Atzel did not consider the Cha PCT application. It is just as likely that Atzel reviewed the Cha PCT application and deemed it unnecessary to cite it.

Plaintiff's primary argument is not particularly persuasive, however. Plaintiff argues that because supervisory examiner Jones was in charge of both the '568 application and the Cha '971 application at approximately the same time, he must have reviewed the Cha '971 application while reviewing the '568 application. Moreover, according to plaintiff, Jones must not have found any overlap between the two applications; had he done so, he would have declared an interference. Plaintiff's assertions are entirely speculative. The facts reveal only that Jones signed several "office actions" with regard to each application. The record contains no other indication of what further involvement Jones had in the review of these applications. Moreover, plaintiff appears to be carelessly equating the Cha '971 application with the Cha PCT application. Although they were filed originally with identical claims, there is no evidence that the claims of the Cha '971 application remained unchanged and continued to mirror the Cha PCT application. Therefore, even if there was evidence showing that Jones reviewed the Cha '971 application at the same time that he reviewed the '568 application, this would not prove

he had reviewed the *Cha PCT Application*. Regardless, the only determinative fact is that plaintiff provided the USPTO with a copy of the material prior art. In light of that, there is no evidence that plaintiff omitted material information from its patent application.

2. Misleading statements

Defendant contends that Muserlian's prior art statement asserting that "the references do not relate to the invention" was false and misleading (because the Cha PCT application *was* relevant) and amounted to inequitable conduct by plaintiff. Plaintiff's case is not helped by Muserlian's admission that the language he used in the prior art statement was boilerplate and that he did not actually examine the prior art identified in the search report before submitting the prior art statement. Nonetheless, the submission of the prior art statement does not amount to inequitable conduct. Defendant's argument fails because defendant did not produce any evidence showing that plaintiff acted with an intent to deceive the USPTO. Intent is generally inferred from context and in light of the applicant's overall conduct. Paragon, 84 F.2d at 1190. In this case, plaintiff submitted the prior art statement in question *together with* the search report that identified the Cha PCT application as an "X" reference and a copy of the Cha PCT application. It is clear that plaintiff was not hiding the Cha PCT application from the USPTO. On the contrary, plaintiff provided the USPTO with a copy, allowing the USPTO to draw its own

conclusions about the Cha PCT application. Muserlian's prior art statement was simply an expression of plaintiff's opinion about the prior art (even if it was an opinion not derived from a careful review of the references). No evidence suggests that plaintiff intended to deceive the USPTO about any of the prior art references, including the Cha PCT application. See, e.g., Brasseler, U.S.A. I., L.P. v. Stryker Sales Corp., 267 F.3d 1370, 1382 (Fed. Cir. 2001) (quoting Kingsdown, 863 F.2d at 876) ("'We adopt the view that a finding that particular conduct amounts to 'gross negligence' does not of itself justify an inference of intent to deceive; the involved conduct, viewed in light of all the evidence, including evidence indicative of good faith, must indicate sufficient culpability to require a finding of intent to deceive.'").

It is implausible that the prior art statement steered the examiner away from the prior art references, as defendant argues. The statement concerned all of the prior art references, not only the Cha PCT application. Clearly, it did not steer Atzel away from the references, because she cited at least three of them in her initial denial of the '568 application. Morever, as a general matter, a USPTO examiner knows that it is the applicant's job to argue its case and her job to make a final decision.

> "The district court correctly noted that an examiner has a right to expect candor from counsel. Its indication that examiners "must" rely on counsel's candor would be applicable, however, only when the examiner does not have the involved documents or information before him, as the examiner did here. Blind reliance on presumed candor would render examination

> unnecessary, and nothing in the statute or Manual of Patent Examining Procedure would justify reliance on counsel's candor as a substitute for an examiner's duty to examine the claims."

Kingsdown, 863 F.2d at 874 n.8.

Defendant attempts to analogize the present case to Semiconductor Energy Laboratory Co., Ltd. v. Samsung Electronics Co., Ltd., 4 F.Supp. 2d 477 (E.D. Va. 1998), but the cases are dissimilar. In Semiconductor, the Eastern District of Virginia found inequitable conduct where the party prosecuting the patent at issue made a material withholding by providing only a partial translation of a material prior art reference (material portions were submitted to the USPTO only in the original Japanese version) and made a material mischaracterization of another prior art reference by submitting an interpretation of the article that was "contrary to its own knowledge and inconsistent with its own previously stated position on an important issue before the PTO." Id. at 485. In the present case, plaintiff was not guilty of any material omission. Moreover, the prior art statement is not akin to the mischaracterization faulted by the court in Semiconductor. Unlike in Semiconductor, there is no evidence before this court permitting an inference that plaintiff knew or believed that the prior art statement was false, nor was the prior art statement inconsistent with plaintiff's other statements to the USPTO.

Defendant takes issue with other statements plaintiff made to the USPTO during

the course of the prosecution of the '568 application, alleging that these statements were false, giving rise to inequitable conduct by plaintiff. The statements defendant complains about are the statements plaintiff made in plaintiff's January 13, 1997, response to the USPTO, see pp. 8-9, supra, and the statements plaintiff made at the October 2, 1997 interview with examiner Atzel (the only reference to these statements is Atzel's summary of the interview, where she wrote, "[Applicant] explained that using UTR for genotyping is not motivated by prior art because UTR is highly conserved."). Defendant contends that these statements mischaracterized the prior art, particularly the Cha PCT application. According to defendant, plaintiff knew that the method revealed in the '568 application was not novel, knew it was not the first to use the claimed method and therefore, engaged in outright misrepresentation when it stated to the USPTO that its claims were novel. Defendant argues that "notwithstanding the clear teaching of the Cha PCT application conveyed to Innogenetics by the European examiner, Innogenetics' representatives told the U.S. examiner that the prior art taught only that probes directed to the 5'UTR had been used for 'detecting HCV' in general, but not genotyping." Dft.'s Opp. Br., dkt. #69 at 8. The record contains no evidence supporting defendant's argument that plaintiff was making arguments it knew to be false. An applicant is free to advocate its interpretation of its claims and the teachings of prior art and the examiner is "free to accept or reject" the arguments. Life Technologies, Inc. v. Clonetech Laboratory, Inc., 224 F.3d 1320,

1326 (Fed. Cir. 2000); see also Akzo, N.V. v. United States International Trade Commission, 808 F.2d 1471, 1482 (Fed. Cir. 1986) ("The mere fact that Du Pont attempted to distinguish the Blades process from the prior art does not constitute a material omission or misrepresentation. The examiner was free to reach his own conclusion regarding the Blades process based on the art in front of him."). Defendant appears to believe that plaintiff had the duty to convey the interpretations of the European examiner about the EP '342 application (which was similar but not identical to the '568 application) to the USPTO. Defendant is wrong. Plaintiff did not do anything impermissible in promulgating its view of the novelty of its claim before the USPTO. The doctrine of inequitable conduct prohibits only the intentional misrepresentation of facts to the USPTO. The law does not require an applicant to adopt and advance other parties' interpretation of prior art.

Defendant argues also that plaintiff itself believed that the Cha PCT application precluded the claims in the '568 application, as evidenced by the fact that plaintiff added disclaimers to the claims in the EP '342 application and designated the Cha PCT application as the "closest prior art" in the proceedings in the European Patent Office. Plaintiff's conduct during the European prosecution was calculated to respond to the concerns of the European examiner. The fact that plaintiff added disclaimers to some claims in the EP '342 application and designated the Cha PCT application as the "closest

prior art" is not proof that plaintiff did not believe in the novelty of its claims in either EP '342 application, let alone the '568 application. Moreover, plaintiff had no duty to disclose to the USPTO what it was doing in the European Patent Office. See, e.g., ATD Corp. v. Lydall, Inc., 159 F.3d 534, 547 (Fed. Cir. 1998) ("The details of foreign prosecution are not additional material facts.").

I conclude that defendant has failed to adduce sufficient evidence to require a trial to the court on its allegations that during the prosecution of the '568 application at the USPTO, plaintiff misrepresented facts or advanced arguments it knew to be false with the intent to deceive the USPTO. Defendant's motion for summary judgment on its counterclaim that plaintiff engaged in inequitable conduct will be denied and plaintiff's motion will be granted.

C. Attorney Fees

Plaintiff has asked the court to award it the costs and attorney fees it incurred in defending against defendant's counterclaim of inequitable conduct. 35 U.S.C. § 285 authorizes an award of reasonable attorney fees to the prevailing party "in exceptional cases." Identifying an exceptional case is a discretionary determination. "Cases awarding attorney fees to prevailing patentees have typically found 'exceptional' circumstances in willful and deliberate infringement by an infringer, or in the prolongation of litigation in

bad faith." Rohm & Haas Co. v. Crystal Chemical Co., 736 F.2d 688, 691 (Fed. Cir. 1984). Other factors include (1) the degree of culpability; (2) the closeness of the question; (3) litigation behavior; and (4) "any other factors whereby fee shifting may serve as an instrument of justice." National Presto Industries, Inc. v. West Bend Co., 76 F.3d 1185, 1197 (Fed. Cir. 1996).

In the context of inequitable conduct, the Court of Appeals for the Federal Circuit has said:

> We add one final word: the habit of charging inequitable conduct in almost every major patent case has become an absolute plague. Reputable lawyers seem to feel compelled to make the charge against other reputable lawyers on the slenderest grounds, to represent their client's interests adequately, perhaps. They get anywhere with the accusation in but a small percentage of the cases, but such charges are not inconsequential on that account. They destroy the respect for one another's integrity, for being fellow members of an honorable profession, that used to make the bar a valuable help to the courts in making a sound disposition of their cases, and to sustain the good name of the bar itself. A patent litigant should be made to feel, therefore, that an unsupported charge of "inequitable conduct in the Patent Office" is a negative contribution to the rightful administration of justice. The charge was formerly known as "fraud on the Patent Office," a more pejorative term, but the change of name does not make the thing itself smell any sweeter. Even after complete testimony the court should find inequitable conduct only if shown by clear and convincing evidence. A summary judgment that a reputable attorney has been guilty of inequitable conduct, over his denials, ought to be, and can properly be, rare indeed.

Burlington Industries, Inc. v. Dayco Corp., 849 F.2d 1418, 1422 (Fed. Cir. 1988). The charge of inequitable conduct should not be raised lightly. Defendant brought this

counterclaim against plaintiff even though it did not have *any* evidence that plaintiff made statements it *knew* to be false, with the intent to deceive the USPTO. Defendant accuses plaintiff of not arguing its patent application before the USPTO in good faith, but it is actually defendant that could not possibly have brought this counterclaim in good faith. If defendant disagrees with plaintiff's reading of the '568 application and related prior art, its recourse is a defense of invalidity, not a charge of inequitable conduct. Plaintiff's request for costs and attorney fees will be granted, in an amount to be determined.

ORDER

IT IS ORDERED that

1. Plaintiff Innogenetics N.V.'s motion for summary judgment on defendant Abbott Laboratories' counterclaim that plaintiff engaged in inequitable conduct is GRANTED and defendant's motion on its counterclaim that plaintiff engaged in inequitable conduct is DENIED.

2. Plaintiff may have until July 28, 2006, in which to submit an itemized statement of the fees and costs it incurred in defending against defendant's claim of inequitable conduct. Defendant may have until August 11, 2006, in which to file and serve its objections to the amounts sought.

Entered this 17th day of July, 2006.

BY THE COURT:
/s/
BARBARA B. CRABB
District Judge