

IP MUSINGS

with



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Regeneron Pharmaceuticals, Inc. v. Merus N.V. (Fed. Cir. July 2017). During the prosecution of its patent ('018 patent), Regeneron had failed to cite four references. The district court ruled that the failure to cite the references amounted to inequitable conduct, because, first, the references are but-for material (i.e., the patent would not have been issued but for failure to disclose the references) and, second, Regeneron had the specific intent to deceive the PTO. The district court adversely inferred the specific intent based on its finding of Regeneron's trial misconduct involving discovery/privilege disputes.

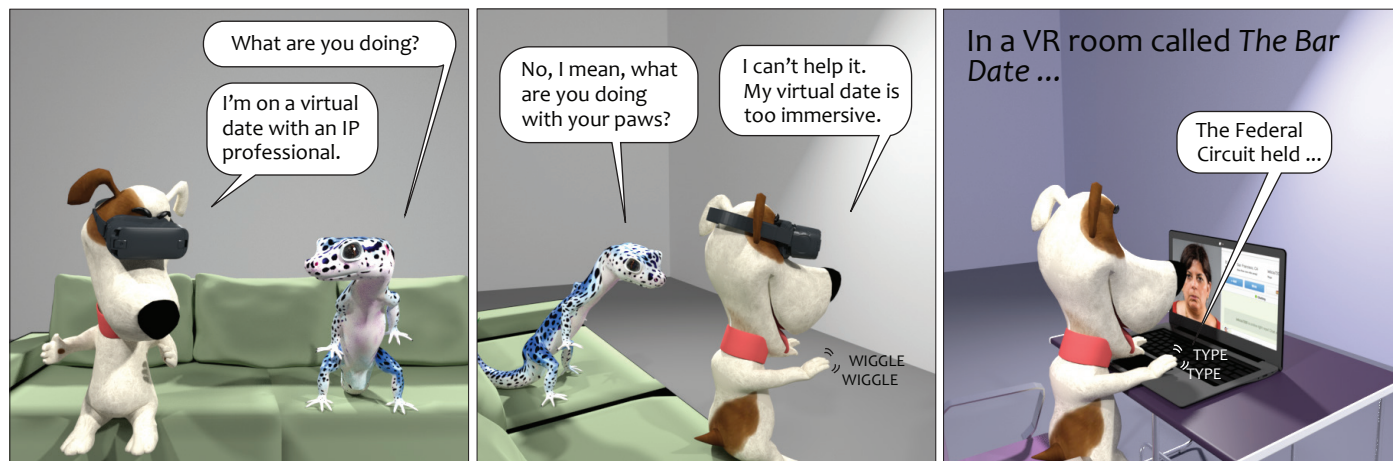
In affirming the district court, the panel majority of the Federal Circuit construed claim 1 of the '018 patent under the broadest reasonable construction standard. Under the standard, the court agreed with the lower court that the references were but-for material. Next, the court reviewed the district court's finding of trial misconduct and found no error, by the district court, in drawing the adverse inference that Regeneron had the specific intent to deceive the PTO.

In dissent, Judge Newman provided compelling arguments against the panel majority. With respect to the adverse inference, Judge Newman argued that, whether Regeneron counsel's discovery and privilege disputes were trial misconduct, invalidation of the patent is not an available remedy for the dispute, citing *Aptix Corp. v. Quickturn Design Systems, Inc.*, 269 F.3d 1369 (Fed. Cir. 2001).

With respect to the but-for materiality of the references, Judge Newman explained that, even assuming that the majority is correct regarding its broadest reasonable construction of claim 1, the uncited references do not invalidate the '018 patent. Judge Newman demonstrated how none of the uncited references is closer to the claimed subject matter than other references cited during the prosecution of the '018 patent, fills gaps in the other references, or relates to additional limitations in the claim.

Genband US LLC v. Metaswitch Networks, Corp. (Fed. Cir. July 2017). Genband appealed from the district court's denial of injunctive relief. The Federal Circuit vacated the denial of injunctive relief and remanded the case.

The court pointed out that deciding whether to grant injunctive relief includes determining a causal nexus between the infringed feature and irreparable harm (e.g., lost sales). The court explained that determining a causal nexus, in turn, requires finding some connection between the infringed feature and the harm (which just means that the infringement causes the harm), citing to *Apple, Inc. v. Samsung Electronics Co.*, 735 F.3d 1352 (Fed. Cir. 2013) and *Apple, Inc. v. Samsung Electronics Co.*, 809 F.3d 633 (Fed. Cir. 2015). The court saw no sufficient basis for inferring that the district court actually used the proper standards for determining the causal nexus, rather than an unduly stringent test (e.g., requiring that the infringed feature be the primary cause of the harm).



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