UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

NEVRO CORP, Plaintiff, v. BOSTON SCIENTIFIC CORPORATION, et al., Defendants.	Case No. 16-cv-06830-VC **ORDER GRANTING MOTION TO STRIKE** Re: Dkt. No. 172

The motion to strike the inequitable conduct defense relating to the Fang reference is granted.

According to Boston Scientific's allegations, after the inventor disclosed the Fang reference, the patent examiner stated that claim 58 of the '533 patent would be rejected as obvious because: (i) the Fang reference disclosed all but one of the limitations in claim 58; and (ii) although "Fang did not explicitly disclose the limitation 'with a pulse width in a pulse width range from 30 microseconds to 35 microsecond,'" the pulse width limitation was obvious. In response, the patent prosecutor informed the patent examiner that the Fang reference was owned by the inventor of the patent being prosecuted, so the doctrine of obviousness did not apply. This caused the patent examiner to allow claim 58.

Boston Scientific alleges that the Fang reference *did* disclose pulse width – at least inherently, if not explicitly. Boston Scientific contends that the patent prosecutor should have, during the above-described exchange with the patent examiner, pointed out that the Fang reference inherently disclosed pulse width, which would have caused the patent examiner to reject claim 58 on anticipation grounds. (Anticipation, unlike obviousness, can be based on a

prior art reference owned by the prosecuting party.) Boston Scientific argues that although disclosure of prior art is usually enough to avoid a charge of inequitable conduct, when the patent examiner made clear that he misunderstood the scope of Fang's disclosure, the prosecuting attorney had a duty to respond to the examiner's confusion by pointing out that Fang inherently disclosed the pulse width limitation.

Although this argument is not unreasonable, it goes against the great weight of the case law, which stands for the proposition that while an inventor must disclose all material information to the patent examiner, he is not required to make sure the patent examiner understands that information. *Rothman v. Target Corp.*, 556 F.3d 1310, 1328-29 (Fed. Cir. 2009) ("While the law prohibits genuine misrepresentations of material fact, a prosecuting attorney is free to present argument in favor of patentability without fear of committing inequitable conduct."); *Fiskars, Inc. v. Hunt Mfg. Co.*, 221 F.3d 1318, 1327 (Fed. Cir. 2000) ("An applicant can not [sic] be guilty of inequitable conduct if the reference was cited to the examiner, whether or not it was a ground of rejection by the examiner."); *see also Takeda Pharm. Co., Ltd. v. TWI Pharm., Inc.*, 87 F. Supp. 3d 1263, 1286-87 (N.D. Cal. 2015); *Avery Dennison Corp. v. Continental Datalabel, Inc*, No. 10-cv-2744, 2010 WL 4932666, at *2-3 (N.D. Ill. Nov. 30 2010). Nor is this a case (at least based on the current allegations) where the inventor made an affirmative misrepresentation about prior art or withheld information uniquely in its possession that would have cleared up a patent examiner's known misunderstanding. *Cf. Southco, Inc. v. Penn Engineering and Mfg. Corp.*, 768 F. Supp. 2d 715, 722-23 (D. Del. 2011); *Ariad Pharmaceuticals, Inc. v. Eli Lilly & Co.*, 529 F. Supp. 2d 106, 128 (D. Mass. 2007). Finally, even if there could be a factual scenario where an inventor commits inequitable conduct by failing to clear up a misunderstanding of prior art held by a patent examiner that the patent examiner could have recognized on his own, the specific facts alleged here by Boston Scientific would not rise to the level of inequitable conduct. *Fiskars*, 221 F.3d at 1326 (noting inequitable conduct is a discretionary equitable remedy, and materiality and intent are merely necessary "threshold findings").

The motion is granted with leave to amend, as it is possible that Boston Scientific could allege additional facts – such as an affirmative misrepresentation of fact by the prosecuting attorney or concealment of information that the examiner could not have discovered on his own – that are consistent with those it has already alleged and would raise a viable inequitable conduct defense.

IT IS SO ORDERED.

Dated: October 4, 2017

VINCE CHHABRIA
United States District Judge