

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

BAYER AG and )  
BAYER CORPORATION, )  
 )  
Plaintiffs, )  
 )  
v. ) Civil Action No. 01-148-SLR  
 )  
HOUSEY PHARMACEUTICALS, INC., )  
 )  
 )  
Defendant. )

**O R D E R**

At Wilmington this 22nd day of October, 2002, having reviewed plaintiffs' motion for summary judgment of unenforceability due to inequitable conduct or alternative request for "Gardco" hearing submitted in this case; and recognizing that the following legal principles govern these summary judgment proceedings, to wit:

1. Summary judgment is appropriate only "if the pleadings, depositions, answers to interrogatories, and admissions on file, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(c). "The evidence must be viewed in the light most favorable to the nonmoving party." Southwall Techs., Inc. v. Cardinal IG Co., 54 F.3d 1570, 1575 (Fed. Cir. 1995).

2. Inequitable conduct consists of an "affirmative misrepresentation of a material fact, failure to disclose

material information, or submission of false material information, coupled with an intent to deceive" the Patent Office. B.F. Goodrich Co. v. Aircraft Braking Sys., 72 F.3d 1577, 1584 (Fed. Cir. 1986) (citation omitted). One alleging inequitable conduct must prove the threshold elements of materiality and intent by clear and convincing evidence, and then the trial court must weigh the threshold findings of materiality and intent in light of all the circumstances to determine whether the equities warrant a conclusion that inequitable conduct occurred. See Halliburton Co. v. Schlumberger Tech. Corp., 925 F.2d 1435, 1439 (Fed. Cir. 1991) (footnote and citations omitted). A fact or information is material if there is a substantial likelihood that a reasonable examiner would consider it important in deciding whether to allow the application to issue as a patent. See 37 C.F.R. § 1.56. In addition, one must demonstrate that the inventors acted with an intent to deceive or mislead the Patent Office. See La Bounty Mfg., 958 F.2d at 1076. Because direct evidence of intent is rarely available, intent may be inferred from clear and convincing evidence of the surrounding circumstances. See id. Inequitable conduct issues, being equitable in nature, are tried to the court rather than a jury. See PerSeptive Biosystems, Inc. v. Pharmacia Biotech, Inc., 225 F.3d 1315, 1318 (Fed. Cir. 2000) (internal citations omitted).

NOW, THEREFORE, IT IS ORDERED that plaintiffs' motion for summary judgment based on inequitable conduct under 37 C.F.R. § 1.56 (D.I. 193) is denied, for the reasons that follow:

1. Plaintiff claims that defendant (1) failed to disclose inventorship information to the Patent Office regarding the development of the subject invention; (2) presented nonexistent experiments and experiments of other scientists as his own; and (3) withheld material prior art references. Defendant argues that (1) the inventorship information cited by plaintiffs is immaterial; (2) defendant relied on advice of counsel regarding the inventorship issue; (3) the experiments were performed by defendant or at his direction; and (4) the material prior art references cited by plaintiffs were disclosed. Defendant also disputes plaintiff's allegation that defendant intended to deceive the Patent Office.

2. Based on this record, the court concludes that there are genuine issues of material fact as to whether the alleged misrepresentations and omissions are material and whether defendant intended to deceive the Patent Office.

Sue L. Robinson  
United States District Judge