



action, and after additional lengthy injunction proceedings, an injunction issued against Defendant Telebrands on October 31, 2016. (Doc. No. 159.) The Court issued a claim construction opinion on December 13, 2016 and denied summary judgment as to indefiniteness on February 14, 2017. (Doc. Nos. 200, 226.) Thereafter, in accordance with the Court's Docket Control Order, Plaintiffs filed this motion for summary judgment.

## **II. LEGAL STANDARD**

Summary judgment should be granted “if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(a). All evidence must be viewed in the light most favorable to the non-moving party. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 255 (1986). Summary judgment is proper when there is no genuine issue of material fact. *Celotex v. Catrett*, 477 U.S. 317, 322 (1986). “By its very terms, this standard provides that the mere existence of some alleged factual dispute between the parties will not defeat an otherwise properly supported motion for summary judgment; the requirement is that there be no genuine issue of material fact.” *Anderson*, 477 U.S. at 247–48. The substantive law identifies the material facts. Disputes over facts that are not relevant or unnecessary will not defeat a motion for summary judgment. *Id.* at 248. A dispute about a material fact is “genuine” when the evidence is “such that a reasonable jury could return a verdict for the nonmoving party.” *Id.*

The moving party must identify the basis for granting summary judgment and identify the evidence that demonstrates the absence of a genuine issue of material fact. *Celotex*, 477 U.S. at 323. If the moving party does not have the ultimate burden of persuasion, the party “must either produce evidence negating an essential element of the nonmoving party’s claim or defense or show that the nonmoving party does not have enough evidence of an essential element to carry

its ultimate burden of persuasion at trial.” *Nissan Fire & Marine Ins. Co., Ltd. v. Fritz Cos., Inc.*, 210 F.3d 1099, 1102 (9th Cir. 2000).

### **III. DISCUSSION**

Plaintiffs move for summary judgment because Plaintiffs allege that Defendants cannot meet their clear and convincing burden of proof that Plaintiffs committed inequitable conduct with respect to the allegations alleged. (Doc. No. 332, at 7–8.) Specifically, Plaintiffs identify two inequitable conduct arguments raised by Defendants: (1) Tinnus, inventor Josh Malone, and Mr. Malone’s patent counsel intentionally withheld the Patent Trial and Appeal Board’s (“PTAB”) decision to institute post-grant review of the ’066 Patent (“PGR Institution Decision”); and (2) the applications that resulted in the patents-in-suit improperly claimed priority to the ’066 Patent application with an intent to deceive the PTO. (Doc. No. 332, at 2.)

As an initial matter, as to the priority argument, Plaintiffs argue that this argument was not timely raised and that regardless it cannot be shown to be material or intentional. (Doc. No. 332, at 10.) Defendants do not address this issue or raise any opposition. (Doc. No. 365.) Given that there is no opposition to summary judgment on this argument, the Court finds that summary judgment is appropriate. *See* Local Rule CV-7(d) (“A party’s failure to oppose a motion in the manner prescribed herein creates a presumption that the party does not controvert the facts set out by movant and has no evidence to offer in opposition to the motion.”). Therefore, because Defendants do not respond or oppose this argument raised in Plaintiffs’ Motion for summary judgment, the Court **RECOMMENDS** that the Motion (Doc. No. 332) be **GRANTED** as to no inequitable conduct based upon improperly claimed priority.

As to the PGR Institution Decision, Plaintiffs argue that Defendants have not shown that the PGR Institution Decision was withheld from the Examiner because the evidence shows the

Examiner was aware of the decision. (Doc. No. 332, at 8.) Plaintiffs further argue that Defendants have failed to produce evidence that the PGR Institution Decision was material and that there was any intent to deceive. (Doc. No. 332, at 10.) Defendants argue that the institution of PGR on the '749 and '282 Patents on the same obviousness grounds as the '066 Patent establishes “but for materiality.” (Doc. No. 365, at 7.) Defendants argue that in the '066 PGR Institution Decision, the PTAB concluded that “all claims of the '066 patent were more likely than not invalid as obvious over the combination of Cooper, Saggio, and Lee—a combination that was not considered by the Examiner.” *Id.* at 11–12. As to intent, Defendants argue that “that Tinnus, Mr. Malone, and Tinnus’ Patent Counsel intended to deceive the USPTO by failing to provide the Examiner with a copy of the '066 PGR Institution Decision is the single most reasonable inference that can be drawn from the facts surrounding prosecution of the patents-in-suit.” *Id.* at 14–15.

“Inequitable conduct is an equitable defense to patent infringement that, if proved, bars enforcement of a patent.” *Therasense, Inc. v. Becton, Dickinson & Co.*, 649 F.3d 1276, 1285 (Fed. Cir. 2011). “To prevail on a claim of inequitable conduct, the accused infringer must prove that the patentee acted with the specific intent to deceive the PTO.” *Id.* at 1290. The materiality required to establish inequitable conduct is “but-for materiality.” *Id.* at 1291. Intent and materiality are separate requirements. *Id.* at 1290. “Although the premises of inequitable conduct require findings based on all the evidence, a procedure that may preclude summary determination, a motion for summary judgment may be granted when, drawing all reasonable factual inferences in favor of the non-movant, the evidence is such that the non-movant can not prevail.” *ATD Corp. v. Lydall, Inc.*, 159 F.3d 534, 547 (Fed. Cir. 1998) (citation omitted).

The basis of Defendants' inequitable conduct claim is that neither Plaintiffs nor their prosecution counsel submitted a copy of the '066 PGR Institution Decision to the Examiner during the prosecution of the patents-in-suit. Defendants do not dispute that the Examiner was aware of the '066 PGR Institution Decision by the PTAB. Indeed, the evidence shows that the applicant's interview summary with the Examiner indicated that the Examiner was aware of the PTAB's PGR Institution Decision:

During the interview, Examiner St. Clair confirmed he is aware of the recent decision by the Patent Trial and Appeal Board to institute Post-Grant Review for the proceeding specifically referenced in the previously filed Information Disclosure Statement dated September 17, 2015, which expressly identified the Petition for Post-Grant Review of U.S. Patent No. 9,051,066 ... , filed in the United States Patent and trademark Office on June 22, 2015, Case No. PGR2015-00018.

(Doc. No. 332-7 "Interview Summary" at 3) (internal quotations omitted).

Defendants contend that this is a self-serving document that may not accurately reflect the substance of the interview. (Doc. No. 365, at 17.) Yet, Defendants deposed Mr. Brett Mangrum in this matter who submitted this interview summary and presumably did not question him about the details of the interview or the veracity of his statements because Defendants do not cite any testimony in support of their contention. *Id.* Simply providing attorney argument about the interview summary does not create a genuine dispute with respect to this material fact. Defendants therefore have not disputed that the Examiner was aware of the PTAB's PGR Institution Decision with respect to the '066 Patent. Therefore, the entirety of Defendant's inequitable conduct defense rests on the fact that neither Plaintiffs nor their prosecution counsel attached the PGR Institution Decision and instead simply made the Examiner aware of this decision via an interview.

As an initial matter, Defendants' position practically assumes there is some requirement to submit relevant PTAB decisions to the Examiner during prosecution. But Defendants do not cite any authority for this kind of requirement. Regardless, knowing that the Examiner was indeed aware of the decision, Defendants' position assumes that Examiner is somehow incapable of finding the PTAB's PGR Institution Decision on his own (otherwise the patentee's duty of candor would have been discharged by informing the Examiner). Countering this contention is that fact that the PGR Institution Decision is a publicly available document. In addition, the PTAB is an administrative agency of the United States Patent and Trademark Office ("USPTO"). It would be difficult to understand how the USPTO could not obtain the necessary publicly available documents from its own administrative agency when needed.

Defendants' materiality contention that "but-for the '066 PGR Institution Decision, the USPTO would not have allowed the patents-in-suit" similarly holds little weight. As Defendants well know, an institution decision is simply a finding that it is "more likely than not" that at least one challenged claim is unpatentable, or raises a novel or unsettled legal question. 35 U.S.C. § 324(a)-(b). The institution decision is not a final decision that the patent claims are invalid based on asserted prior art. Indeed, in the case of the '066 Patent in the final written decision, the PTAB did not invalidate the '066 Patent based on the prior art that Defendants contend establishes "but for" materiality. *See* Doc. No. 210-1, at 34 ("we do not reach Petitioner's challenges under 35 U.S.C. § 103(a) to claims 1-4, 8, and 14 as obvious over Cooper, Saggio, and Lee, and claims 11-13 as obvious over Cooper, Saggio, Lee, and Berardi.")

Even if Defendants had raised a genuine dispute regarding the Examiner's knowledge or materiality, Defendants cannot meet the clear and convincing standard to show that Plaintiffs had the specific intent to deceive. "[T]o meet the clear and convincing evidence standard, the specific

intent to deceive must be the single most reasonable inference able to be drawn from the evidence.” *Therasense*, 649 F.3d at 1290 (internal quotations omitted). Defendants contend that “Tinnus, Mr. Malone, and Tinnus’s Patent Counsel intended to deceive the USPTO by failing to provide the Examiner with a copy of the ’066 PGR Institution Decision is the single most reasonable inference that can be drawn from the facts surrounding the prosecution of the patents-in-suit.” (Doc. No. 365, at 14–15.) In support, Defendants cite a chronology of facts related to the prosecution, the litigation in this Court, and the issuance of the PGR Institution Decision and the patents-in-suit. *Id.* at 15–16. These facts do not lead to the conclusion that the single most reasonable inference that can be drawn was an *intent* to deceive. Indeed, Defendants do not explain how this inference could even be extrapolated from the cited facts. Defendants seem to imply that the patentee did not provide the PGR Institution Decision because it would have delayed or jeopardized the issuance date of the ’749 Patent. (Doc. No. 365, at 16–17.) But again, Defendants do not explain how this can be the single inference to be drawn when the record appears clear that prosecution counsel made the Examiner aware of the PGR Institution Decision. Indeed, the more likely inference that can be drawn is that prosecution counsel believed he had satisfied his duty of candor when he informed the Examiner of the PGR Institution Decision during an interview with the Examiner. Moreover, Defendants have not cited a single statement or any testimony from Tinnus, Mr. Malone, or Mr. Mangrum that relates to any individual’s mental state or even any intentional actions by these individuals.

As such, Defendants have failed to raise a factual dispute with respect to intent. Not only is Defendants’ alleged single most reasonable inference not likely to be drawn from the facts provided, as explained above, there are other reasonable inferences that could be drawn. Given the dearth of evidence regarding intent and the high burden of proof, the Court finds that

summary judgment is appropriate on the record before it because no reasonable interpretation of the facts could result in a finding of inequitable conduct. Therefore, as a matter of law, Defendants cannot show a “specific intent” to deceive, and it is **RECOMMENDED** that Plaintiffs’ Motion (Doc. No. 332) be **GRANTED**.

#### **IV. CONCLUSION**

For the reasons stated herein, the Court **RECOMMENDS** that Plaintiffs’ Motion for Summary Judgment (Doc. No. 332) be **GRANTED**. Within fourteen (14) days after receipt of the Magistrate Judge’s Report, any party may serve and file written objections to the findings and recommendations contained in the Report. A party’s failure to file written objections to the findings, conclusions and recommendations contained in this Report within fourteen (14) days after being served with a copy shall bar that party from *de novo* review by the district judge of those findings, conclusions and recommendations and, except on grounds of plain error, from appellate review of unobjected-to factual findings and legal conclusions accepted and adopted by the district court. *Douglass v. United States Auto. Ass’n*, 79 F.3d 1415, 1430 (5th Cir. 1996).

**So ORDERED and SIGNED this 15th day of August, 2017.**

  
\_\_\_\_\_  
JOHN D. LOVE  
UNITED STATES MAGISTRATE JUDGE