

5 KEY TAKEAWAYS

The Latest on Inequitable Conduct: Case Law and Practical Considerations for Patent Prosecution

[Kilpatrick Townsend](#) recently held its semi-annual KTIPS (Kilpatrick Townsend Intellectual Property Seminar) in San Francisco. Firm attorneys led two days of interactive discussions with clients on the latest developments in intellectual property law and any impact on the legal and business landscapes, potential challenges and opportunities, possible legislative reforms, and more.

[Byron Chin](#) and [Michael Turton's](#) session, “**The Latest on Inequitable Conduct: Case Law and Practical Considerations for Patent Prosecution,**” covered a critical issue that can significantly impact patent prosecution strategies. This session explored inequitable conduct in patent prosecution, its potential impact on defenses and fees in patent litigation, and discussed relevant case law and practical considerations.

Their 5 Key Takeaways from the discussion include:

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Inequitable conduct imposes severe consequences for dishonesty before the USPTO. Inequitable conduct occurs when a patent applicant breaches their duty of candor to the USPTO and omits material information relevant to patentability with an intent to deceive. In litigation, the consequences of a finding of inequitable conduct are severe: unenforceability of the patent and related patents. The USPTO also imposes similar sanctions for breaching the duty of candor in proceedings before it, such as *inter partes* review.

Inequitable conduct is alive and well in 2023. Because its consequences are so severe, there is a high burden for alleging and proving inequitable conduct as a defense. After the 2011 *Therasense* decision, materiality and intent to deceive must be separately proven by clear and convincing evidence. But Federal Circuit decisions after *Therasense* show that when the evidence meets this high burden, courts will readily find inequitable conduct.

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Inequitable conduct calls into question all the circumstances around the alleged omission. There is almost never a “smoking gun” proving an applicant’s intent to deceive. Instead, intent can be established when it is the only reasonable inference from circumstantial evidence. Practically, if you have the misfortune of being accused of inequitable conduct, be prepared for a lengthy inquiry into the circumstances surrounding the alleged omission of material information.

Dishonesty and lack of candor have consequences beyond inequitable conduct. Evidence of deception and dishonesty never sits well with judges or juries, even when such evidence falls short of showing inequitable conduct. A persuasive narrative of dishonesty can destroy a patent holder’s credibility with a jury, and many courts have used evidence of dishonesty before the USPTO as a basis to award attorneys’ fees under the “exceptional case” standard even when the evidence did not rise to the level of inequitable conduct.

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Be truthful and follow clear guidelines in your practice. Be truthful, candid, and consistent in your practice. Develop clear guidelines and procedures for citing references and submitting affidavits, and ensure that you and everyone involved in the prosecution of the patent application follow them. Being able to explain that you followed your standard practices in deciding whether to disclose a reference builds a credible defense against a charge of inequitable conduct and refutes suggestions of dishonesty or deception.

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