

June 15, 2020

Full Fed. Circ. Told Patent Ax For Dishonesty Must Stand

Related Practices

Intellectual Property
Litigation
Patent
Trademark

Law360

A host of ethanol makers asked the full Federal Circuit to leave in place a decision that Cantor Colburn LLP attorneys and their client intentionally deceived the U.S. Patent and Trademark Office to obtain ethanol patents as "exactly the kind" of unethical behavior that should be punished.

In a brief filed Friday, the ethanol manufacturers urged the full appeals court to deny a petition for en banc rehearing filed in April by GS CleanTech Corp. that argued a three-judge panel wrongly deemed company patents unenforceable due to inequitable conduct at the USPTO during prosecution, not only by the inventors, but also by their attorneys.

While CleanTech said that the panel incorrectly refused to review parts of the lower court ruling, the ethanol makers said that "CleanTech cannot identify a single place in the decision where the panel failed to follow the law."

"Because CleanTech's arguments are based on a misrepresentation of the district court proceedings, a distortion of the record, and a mischaracterization of the panel decision, they fail," the companies wrote, adding that the case "involves exactly the kinds of dishonest behavior" that circuit precedent concerning inequitable conduct is meant to deter.

CleanTech launched a series of suits between 2009 and 2014 accusing several companies of infringing four patents covering the "recovery of oil from a dry mill ethanol plant's byproduct, called thin stillage." The Judicial Panel on Multidistrict Litigation centralized the litigation in Indianapolis.

The case turned in part on an offer by CleanTech to install its system at another company before filing for a patent, which CleanTech maintained was a test, rather than an offer for sale.

The judge and the Federal Circuit concluded that it was actually a sale, and that meant the patent application should have been rejected under the on-sale bar that prohibits patents on inventions that were previously sold. The courts

found that the attorneys should have known that and "chose advocacy over candor" in not disclosing it to the USPTO.

The ruling has drawn scrutiny from experts in the ethics of intellectual property law, including Michael McCabe of McCabe IP Ethics Law, who told Law360 in March that the panel's holding that "the single most reasonable inference ... was that the inventors and Cantor Colburn intended to deceive the USPTO" was "very unfair" and "threw the patent prosecution counsel under the bus unnecessarily."

J. Donald Best of Michael Best & Friedrich LLP, an attorney for Bushmills Ethanol Inc. and other defendants, told Law360 in an email Monday that CleanTech was "simply rehashing arguments that the merits panel already considered and properly rejected."

"We believe that the petition for rehearing is an exercise in futility and should be denied," he said.

To read the full article, [click here](#).

Related People

J. Donald Best

Partner

jdbest@michaelbest.com

T 608.283.2272