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TEN YEARS POST-*THERASENSE*: CLOSING THE GAP BETWEEN *WALKER PROCESS* FRAUD AND INEQUITABLE CONDUCT

By Anne Y. Brody and Elisabeth Ponce¹

I. INTRODUCTION

Prior to 2011, inequitable conduct (a defense to a patent infringement claim) was considered and analyzed as a lesser charge than *Walker Process* fraud—an antitrust claim alleging unlawful monopolization through the enforcement of a patent obtained by fraud on the Patent Office. That distinction began to change, in practice, in 2011, when the Federal Circuit responded to an “absolute plague” of “charging inequitable conduct in almost every major patent case” by issuing *Therasense, Inc. v. Becton, Dickinson & Co.*² The post-*Therasense* decade has crystallized that, although minor differences remain in the application of the two charges, the showing required for proving inequitable conduct and the fraud component of *Walker Process* liability “seems to be ‘nearly identical.’”³ Indeed, today’s courts largely treat *Walker Process* and inequitable conduct claims equivalently. The continual harmonization of these two charges recently culminated in *Complete Genomics, Inc. v. Illumina, Inc.*, where the court suggested that a finding of inequitable conduct in an earlier patent case may have preclusive effect and may narrow or focus the issues in a later, separate antitrust *Walker Process* case.⁴ This emerging trend will likely have a significant impact in future patent and antitrust cases.

This article discusses recent case developments that illustrate the continual harmonization of the inequitable conduct and *Walker Process* fraud charges, and it analyzes both parties’ arguments and the courts’ opinions. Lastly, it examines whether the doctrine of infectious unenforceability has any role to play in proving *Walker Process* fraud and other antitrust theories.

II. THE CONVERGING STANDARDS FOR PROVING INEQUITABLE CONDUCT AND *WALKER PROCESS* FRAUD

By way of background, in *Walker Process Equipment, Inc. v. Food Machinery & Chemical Corp.*, the Supreme Court set the standard for proving fraud on the Patent Office in an antitrust case. The Court held that in order “to strip [a patentee] of its exemption from the

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2 *Therasense, Inc. v. Becton, Dickinson & Co.*, 649 F.3d 1276, 1289 (Fed. Cir. 2011) (quoting *Burlington Indus., Inc. v. Dayco Corp.*, 849 F.2d 1418, 1422 (Fed. Cir. 1988)).

3 *Inline Packaging, LLC v. Graphic Packaging Int’l, LLC*, 962 F.3d 1015, 1024–25 (8th Cir. 2020) (quoting *TransWeb, LLC v. 3M Innovative Prods. Co.*, 812 F.3d 1295, 1307 (Fed. Cir. 2016)).

4 *Complete Genomics, Inc. v. Illumina, Inc.*, No. 21-CV-00217-WHO, 2021 WL 1197096, at *3 (N.D. Cal. Mar. 30, 2021).

antitrust laws,” an antitrust plaintiff must prove that the patentee “obtained the patent by knowingly and willfully misrepresenting facts to the Patent Office.”⁵ In *Nobelpharma*, the Federal Circuit further explained that two elements—deceptive intent and a but-for material misrepresentation or omission—must be present for a finding of *Walker Process* fraud.⁶

In *Therasense*, the Federal Circuit clarified certain elements of proving inequitable conduct. With respect to the materiality of withheld information, the Federal Circuit held that “the materiality required to establish inequitable conduct is but-for materiality.”⁷ This formulation exactly parallels the “but-for” materiality standard utilized by courts in assessing *Walker Process* antitrust claims. As such, the sole germane inquiry for materiality may arguably be the same in both inequitable conduct and *Walker Process* fraud cases: whether patent examiners would have allowed patent claims had they been aware of the allegedly undisclosed information. As for showing deceptive intent for inequitable conduct, the Federal Circuit in *Therasense* clarified that the patent challenger must show that intent to deceive is the “single most reasonable inference” that can be drawn from clear and convincing evidence.⁸ By comparison, the Supreme Court’s recitation of the intent standard for *Walker Process* fraud was less instructive (i.e., “knowingly and willfully”).⁹ Given this lack of clarity, it felt like only a matter of time before courts would begin analyzing deceptive intent for a *Walker Process* fraud claim in accordance with the *Therasense* intent standard.

III. COURTS’ CONSEQUENT COLLAPSING ANALYSES OF INEQUITABLE CONDUCT AND WALKER PROCESS FRAUD

Recent *Walker Process* fraud case law makes clear that, in analyzing deceptive intent for fraud on the Patent Office in an antitrust case, courts have adopted the *Therasense* “single most reasonable inference” standard of intent for inequitable conduct. Additionally, it appears that in cases where both claims of inequitable conduct and *Walker Process* fraud are asserted, courts are first analyzing the materiality and deceptive intent elements of the alleged inequitable conduct, and then, without further analysis, making the same findings on the materiality and deceptive intent elements of the *Walker Process* fraud claim. These cases indicate that courts are treating their evaluations of intent to deceive in the inequitable conduct context as also dispositive in the *Walker Process* fraud context, and they demonstrate that the single most reasonable inference standard is equally applicable to the deceptive intent element of a *Walker Process* claim.¹⁰

5 *Walker Process Equip., Inc. v. Food Mach. & Chem. Corp.*, 382 U.S. 172, 177 (1965).

6 *Nobelpharma AB v. Implant Innovations, Inc.*, 141 F.3d 1059, 1070-71 (Fed. Cir. 1998).

7 *Therasense*, 649 F.3d at 1291-92.

8 *Id.* at 1290-91.

9 *Walker Process Equip.*, 382 U.S. at 177; see also *Nobelpharma*, 141 F.3d at 1068-69.

10 See *In re Loestrin 24 Fe Antitrust Litig.*, 433 F. Supp. 3d 274, 305 (D.R.I. 2019) (explaining that in a *Walker Process* case, “[i]ntent to deceive must be ‘the single most reasonable inference able to be drawn from the evidence’” (quoting *Therasense*, 649 F.3d at 1290)); *Targus Int’l LLC v. Victorinox Swiss Army, Inc.*, No. 20-464-RGA, 2020 WL 7264199, at *6-7 n.9-10 (D. Del. Dec. 10, 2020) (explaining that “[t]he parties do not dispute that if the Court finds (as it has) that Victorinox has adequately pleaded inequitable conduct as to Counterclaim III and the Third Defense, it has also sufficiently pleaded the fraud component of a *Walker Process* claim”); *Guardant Health Inc. v. Found. Med., Inc.*, No. 17-1616-LPS-CJB, 2020 WL 2461551, at *8-13 (D. Del. May 7, 2020).

A. *TransWeb, LLC v. 3M Innovative Properties Co.*

1. Case Background & Walker Process Fraud Allegations

The Federal Circuit has acknowledged the harmonization of these two standards, having done so for the first time in *TransWeb, LLC v. 3M Innovative Properties Co.* There, 3M, a company offering aircraft, abrasive, animal, architecture, construction, and automotive products, accused TransWeb of allegedly infringing two claims of 3M's '458 patent.¹¹

In response to 3M's infringement allegations, TransWeb contended that 3M's '458 patent and another of its patents, the '551 patent, were invalid. According to TransWeb, it had offered products (so-called T-Melt P products), which were prior art, that were publicly known, used, and/or offered for sale in the relevant time period before 3M filed the application leading to the issuance of the '458 and '551 patents.¹² TransWeb additionally averred that the '458 and '551 patents were unenforceable due to inequitable conduct because 3M had deliberately misled the Patent Office regarding "the public disclosure, use, and/or offers for sale of TransWeb's prior art products."¹³ Lastly, TransWeb contended that 3M violated the antitrust laws by suing TransWeb for patent infringement with the intent to obtain monopoly power in the relevant markets and while knowing that its own patents were unenforceable.¹⁴

3M responded to these allegations by contending that TransWeb lacked the requisite clear and convincing evidence of both deceptive intent and materiality. Specifically, it contended that TransWeb had failed to prove two things: first, that anyone involved in prosecuting the '458 patent knew anything about the T-Melt P products prior to filing the application that gave rise to the issuance of the relevant patent, and second, that the only reasonable inference was that the individuals involved in prosecuting the patent acted with deceptive intent.¹⁵

After an 11-day trial, the jury found that the relevant claims of the patents at issue were invalid as obvious and that 3M's inventor and patent prosecutor had intentionally misled the Patent Examiner into issuing 3M's patents. As such, the jury found the inequitable conduct defense applicable and issued an advisory verdict in favor of TransWeb. Based on the exact same conduct, the jury also found that 3M had violated the antitrust laws and committed a *Walker Process* fraud violation by asserting fraudulently obtained patents in an anticompetitive manner.¹⁶

11 *TransWeb, LLC v. 3M Innovative Props. Co.*, 812 F.3d 1295, 1307 (Fed. Cir. 2016). The '458 patent was an innovation covering filter material for respirators. TransWeb had ostensibly infringed this patent by "producing a non-woven web of melt-blown filter media, plasma fluorinating the web, contacting the web with water in a manner sufficient to impart a charge, and then drying." Final Jury Instructions, *TransWeb, LLC v. 3M Innovative Props. Co.*, No. 2:10-cv-04413-FSH-JBC, Doc. No. 506 at 4 (D.N.J. Nov. 30, 2012) ("TransWeb Final Jury Instructions").

12 TransWeb Final Jury Instructions at 2.

13 *Id.*

14 *Id.* at 2-3.

15 *Id.* at 5-6.

16 *TransWeb, LLC v. 3M Innovative Props. Co.*, 812 F.3d 1295, 1300, 1306-07 (Fed. Cir. 2016).

2. Jury Instructions Delineated Different Standards

Though the *TransWeb* jury’s finding—that 3M committed antitrust and patent violations—was based on the same conduct, the case’s jury verdict form and instructions delineated rather different standards for making findings on inequitable conduct¹⁷ and

17 Specifically, regarding the prerequisites for finding inequitable conduct, the jury was instructed as follows regarding “material information” and “intent to deceive”:

Material

Information or statements are material if the Examiner would not have granted the claims of a patent if it had been aware of the information alleged to be material. This is known as “but-for” materiality. To assess whether omitted information or an incorrect statement is but-for material, you must decide whether the Examiner would have refused to issue the claims of the patent if it had been aware of the withheld information or the accurate statement. In the case of egregious misconduct, for example, filing an unmistakably false affidavit, as opposed to mere nondisclosure, the but-for materiality is presumed. You may only find information or statements to be material if there is clear and convincing evidence that they are but-for material.

Intent to Deceive

In order for inequitable conduct to have occurred, *TransWeb* must establish that the only reasonable explanation for any failure to disclose but-for material information or for making false or misleading statements that were but-for material is that the actions were done with an intent to deceive the Examiner. Specifically, for information *TransWeb* contends a patent prosecutor, named inventor, or other individual who was substantively involved in the prosecution of the patent or patent at issue failed to disclose, *TransWeb* must demonstrate that the individual knew of the information, knew it was but-for material, and nevertheless made a deliberate decision to withhold it. If that individual’s actions amount to no more than negligence, oversight, carelessness, or an error in judgment, even if it was grossly negligent, then there was no intent to deceive and there is no inequitable conduct. Intent may be shown through direct evidence, such as documents or testimony about one’s intent to deceive. Intent also may be shown through indirect evidence or, in other words, it may be inferred from conduct. However, intent requires that the person allegedly making false statements know they are false or allegedly withholding information [they] know [] is material. If you believe it is reasonably possible there was deceptive intent, but also believe it is reasonably possible there was not deceptive intent, then you should conclude that there was no intent to deceive. You may only find intent to deceive if *TransWeb* proves by clear and convincing evidence that the only reasonable explanation is deceptive intent.

fraudulent procurement of a patent.¹⁸ However, these forms and instructions did not attempt to further clarify the differences in the legal standards for these two charges.

In particular, on “materiality” for inequitable conduct, the jury instructions inexplicably asked the jury to apply *the clear and convincing standard* instead of *the preponderance of the evidence standard* as prescribed in *Therasense* in determining whether the withheld information was “material.” And on *Walker Process* fraud, the jury instructions recited the less instructive (and potentially different) standard of “knowingly” enforcing a patent obtained by fraud and did *not* insist that intent to deceive be the single most reasonable inference.¹⁹ The germane questions on the jury verdict form simply asked: “Is the ’458 patent unenforceable by virtue of inequitable conduct?”, “Is the ’551 patent unenforceable by virtue of inequitable conduct?” and “Did 3M violate the antitrust laws by enforcing or attempting to enforce fraudulently-procured patents?”²⁰ After post trial-briefing and argument, the district court ultimately ruled in favor of TransWeb on the inequitable conduct defense, reaching identical conclusions as the jury on the issues of materiality and intent.²¹

18 The jury instructions on finding fraudulent procurement of a patent were a bit different. Specifically, the jury was instructed that:

TransWeb must prove by clear and convincing evidence that 3M intentionally withheld or deliberately falsified information that, had the Patent Office known about it, would have resulted in the Patent Office denying the patent to 3M. Inadvertent errors or honest mistakes by 3M do not constitute fraud. By the same token, even deliberate falsification of information is not sufficient to support a Section 2 charge if you determine that the Patent Office, knowing of the falsification, would have issued the patent anyway. **This is different than a situation involving egregious misconduct in the context of inequitable conduct where but-for materiality is presumed. ...**

If you find that TransWeb has not met its burden in proving fraud by clear and convincing evidence, you must find for 3M and against TransWeb on TransWeb’s contention that 3M violated the Sherman Act by fraudulently obtaining a patent.

If you find that TransWeb has proven fraud by clear and convincing evidence, then you must determine whether 3M has enforced or attempted to enforce the fraudulently obtained patent with knowledge of the fraud. **This does not have to be proven by clear and convincing evidence. Instead, it is sufficient if you find from a preponderance of the evidence that 3M knowingly enforced or attempted to enforce the fraudulently obtained patent.**

If you find that 3M has not attempted to enforce the fraudulently obtained patent, then you must find for 3M on TransWeb’s contention that 3M violated the Sherman Act by fraudulently obtaining a patent. If, after having found from clear and convincing evidence that 3M fraudulently obtained a patent, you also find that 3M knowingly enforced or attempted to enforce the fraudulently obtained patent, then you must decide whether the remaining elements of a Section 2 monopolization charge have been proven by TransWeb as well. I will instruct you on those remaining elements shortly.

Id. at 36-38 (emphases added).

19 *Id.* at 37.

20 Final Jury Verdict Form, *TransWeb, LLC v. 3M Innovative Props. Co.*, No. 2:10-CV-04413-FSH-JBC, Doc. No. 512, at 2-3 (D.N.J. Nov. 30, 2012) (“TransWeb Final Jury Verdict Form”).

21 *TransWeb, LLC v. 3M Innovative Props. Co.*, 812 F.3d at 1300.

3. Appeal of the District Court’s Ruling

On appeal, 3M did not attempt to argue that the materiality and intent elements of inequitable conduct did not mirror those elements of a *Walker Process* charge (or that a finding of inequitable conduct was not also dispositive in the *Walker Process* context).²² As TransWeb summarized in its appellee brief, “the jury’s *Walker Process* finding is supported by the same evidence supporting the district court’s inequitable conduct determination” and “3M does not meaningfully argue that the materiality and intent requirements for inequitable conduct are different from those requirements for a *Walker Process* claim.”²³

At that time, the Federal Circuit had not yet acknowledged the harmonization of *Walker Process* fraud and inequitable conduct. While a read of the jury instructions might have suggested an alternative ruling, the Federal Circuit in *TransWeb* ultimately concluded that “the showing required for proving inequitable conduct and the showing required for proving the fraud component of *Walker Process* liability may be nearly identical.”²⁴ In reviewing the relevant inequitable conduct and fraudulent patent procurement charges, since the patentee did not contest that, if affirmed, the inequitable conduct showing proved the fraud component of the *Walker Process* charge, the Federal Circuit then accepted as admitted sufficient demonstration of the *Walker Process* claim.²⁵ In sum, *TransWeb* is significant as the first instance where the Federal Circuit not only espoused that inequitable conduct and *Walker Process* fraud are basically equivalent but actually treated the two charges identically.

A. *Inline Packaging, LLC v. Graphic Packaging International, LLC*

4. Case Background

Since the issuance of *TransWeb*, an increasing number of courts have adopted and built upon the Federal Circuit’s equivalent treatment of *Walker Process* and inequitable conduct claims. One recent example is *Inline Packaging, LLC v. Graphic Packaging International, LLC*, where Inline sued Graphic, alleging that the latter had monopolized the susceptor-packaging market for frozen microwave foods through anticompetitive conduct, including fraudulently procuring patents.²⁶ Specifically, Inline alleged that Graphic had committed *Walker Process* fraud by intentionally withholding information from the Patent Office regarding omitted unnamed co-inventors and allegedly material prior art sales.²⁷

22 See Answering Brief of Appellee TransWeb (“TransWeb Answering Appellee Br.”), *TransWeb, LLC v. 3M Innovative Proprs. Co.*, Appeal No. 14-1646, 2015 WL 512710, at *45–47 (Fed. Cir. Jan. 29, 2015) (appeal from D.N.J., No. 10-cv-04413); see generally Brief of Appellant 3M Innovative Properties Co. (“3M Appellant Br.”), *TransWeb, LLC v. 3M Innovative Proprs. Co.*, Appeal No. 14-1646 (Fed. Cir. Nov. 3, 2014) (appeal from D.N.J., No. 10-cv-04413).

23 TransWeb Answering Appellee Br., at *46–47.

24 *TransWeb, LLC v. 3M Innovative Proprs. Co.*, 812 F.3d at 1307.

25 *Id.*

26 *Inline Packaging, LLC v. Graphic Packaging Int’l, LLC*, 962 F.3d at 1021–25. Inline also brought claims of tortious interference, discount bundling, and trade secret misappropriation.

27 Brief of Defendant–Appellee, Graphic Packaging International, LLC (“Graphic Appellee Br.”), *Inline Packaging, LLC v. Graphic Packaging Int’l, LLC*, Appeal No. 18–3167, 2019 WL 721618, at *16, *18–19 (8th Cir. Feb. 15, 2019) (appeal from D. Minn., No. 0:15-cv-03183-ADM).

5. The Substance of *Inline's Walker Process* Fraud Allegations

Regarding its first allegation, Inline contended that Graphic had intentionally withheld material information from the Patent Office by fraudulently omitting the name of a co-inventor on the relevant Graphic patents.²⁸ Inline alleged that the named inventor on one of the Graphic patents, Fitzwater, was not the sole inventor of said patent and that “someone at or associated with Nestlé,” a company that Graphic had worked closely with, should have also been named on the patent. Inline did not identify this allegedly omitted co-inventor by name.²⁹

The district court ruled that Inline’s failure to actually name this ostensible co-inventor barred Inline’s inequitable conduct claim as a matter of law. The court quoted case law for the proposition that, “[i]n the absence of allegations identifying the specific individual or individuals who allegedly co-invented the claimed invention and setting forth specific facts showing how each of these individuals contributed to the conception of a particular claim or claims, [a plaintiff’s] inequitable conduct allegation . . . is insufficient as a matter of law.”³⁰

Regarding its second *Walker Process* fraud claim, Inline averred that Graphic failed to disclose allegedly material prior art sales to the Patent Office by not mentioning its sales of certain sleeve design samples. The district court plainly rejected this contention. The court found that it did not need to even address the issue of whether the prior sales actually were material given that “Inline has offered no argument or evidence (and certainly not clear and convincing evidence) that anyone at Graphic owing a duty of candor to the [Patent Office] knew that the prior sales were material yet deliberately chose not to disclose them.”³¹

Specifically, the court had held that there were two individuals at Graphic who owed a duty of candor to the Patent Office. It individually examined both these individuals (while also evaluating, for good measure, the actions of another individual who the court held *did not* ultimately owe a duty of candor to the Patent Office), to assess whether any of these relevant people knowingly chose not to disclose material information regarding the prior art sales.³² The court found that none of these individuals had any knowledge that the prior sales were material. As such, it held that Inline could not show that “the ‘single most reasonable inference’ to be drawn is that [the relevant individuals] intended to deceive the [Patent Office] by not disclosing the prior sales.”³³ The district court squarely rejected all of Inline’s other claims on summary judgment.³⁴

28 Graphic Appellee Br., at *18–19.

29 *Id.* at *19.

30 *Inline Packaging, LLC v. Graphic Packaging Int'l, LLC*, 351 F. Supp. 3d 1187, 1204 (D. Minn. 2018) (internal quotation and citation omitted).

31 *Id.*

32 *Id.* at 1204–05.

33 *Id.* at 1205 (quoting *Therasense*, 649 F.3d at 1290).

34 *Id.* at 1194.

6. Appeal of the District Court's Ruling

Inline appealed, urging the Eighth Circuit to overturn the district court's ruling and find that Graphic had fraudulently procured its patents. Inline contended that "the district court erred by dismissing Inline's claims arising from Graphic's fraudulent procurement of the Asserted Patents and enforcement of those patents to maintain Graphic's monopoly, erroneously disregarding evidence of Graphic's intent to defraud the [Patent Office] by concealing inventorship information and prior sales."³⁵ Inline's appellate brief zeroed in on the issue of whether the district court had properly found that no Graphic employee intended to defraud the Patent Office.

In focusing on this issue, Inline contended that the district court had applied an erroneously high standard in assessing the intent prong of a *Walker Process* fraud claim and claimed that "[s]ummary judgment is improper if the jury could find clear and convincing evidence of intent to defraud the [Patent Office]."³⁶ Inline contended that courts do not and should not treat *Walker Process* and inequitable conduct intent claims equivalently and that the district court had erred in so doing. It argued that "[t]he Federal Circuit has held that inequitable conduct requires that intent to defraud be the 'most reasonable inference to be drawn from the evidence.' However, the Federal Circuit has not applied this standard to *Walker Process* claims, and neither has the Eighth Circuit."³⁷

The Eighth Circuit did not agree with Inline. Instead, citing to *TransWeb*, it expressly adopted the *Therasense* standard in analyzing the fraud element of a *Walker Process* antitrust claim. The court found that Inline had failed to establish "knowing and willful fraud" since "the single most reasonable inference" was *not* that defendants intended to deceive the Patent Office.³⁸ As this makes evident, the Eighth Circuit plainly espoused and applied the *Therasense* "single most reasonable inference" standard in evaluating deceptive intent for *Walker Process* fraud.

A. *In re Loestrin 24 Fe Antitrust Litigation*

District courts have also recognized and applied identical standards to *Walker Process* and inequitable conduct claims. For example, in *In re Loestrin 24 Fe Antitrust Litigation*, on a motion for summary judgment, the court evaluated three allegations of *Walker Process* fraud relating to defendants' birth control product, Loestrin 24 Fe.³⁹ First, plaintiffs contended that defendants committed *Walker Process* fraud because an individual with a duty of candor to the Patent Office, Dr. Hodgen, had intentionally concealed an article (the so-called "Molloy Article") from the Patent Office. The Molloy Article contained the following allegedly material statement: "[t]o reduce the risk of missed pill conception a 28 day pack containing

35 Brief of Plaintiff-Appellant, Inline Packaging, LLC ("Inline Appellant Br."), *Inline Packaging, LLC, v. Graphic Packaging Int'l LLC*, Appeal No. 18-3167, 2018 WL 6828626, at *29 (8th Cir. Dec. 21, 2018) (appeal from D. Minn., No. 0:15-cv-03183-ADM).

36 *Id.* at 30 (quotation marks omitted and emphasis removed).

37 *Id.* & n.1 (quoting *Therasense*, 649 F.3d at 1290).

38 *Inline Packaging*, 962 F.3d at 1028.

39 *In re Loestrin 24 Fe Antitrust Litig.*, 433 F. Supp. 3d at 305 (explaining that, in a *Walker Process* case, "[i]ntent to deceive must be 'the single most reasonable inference able to be drawn from the evidence'" (quoting *Therasense*, 649 F.3d at 1290)).

23 pills and 5 blanks could be substituted for current 21 day pack. This would still permit a withdrawal bleed without the risk of significant follicular development.”⁴⁰

In response, defendants argued that plaintiffs had adduced no evidence that anyone with a duty of candor had deliberately deceived the Patent Office regarding the Molloy Article. Agreeing with defendants, the court cited to *Therasense*’s “single most reasonable inference” standard,⁴¹ explaining that “[t]o meet their burden, Plaintiffs must show evidence from which a rational juror could find by clear and convincing evidence that an intent to deceive is the single most reasonable inference.”⁴² Holding that plaintiffs’ “evidence related to intent to deceive falls short,” the court dismissed the allegation that the omission of the Molloy Article could form the basis for a finding of *Walker Process* fraud.⁴³

Next, plaintiffs contended that defendants had committed *Walker Process* fraud because Dr. Hodgen had failed to disclose a study, the so-called 30-Woman Study, to the Patent Office.⁴⁴ As the court synthesized the issue, “the real question is whether the jury could find that intent to deceive is the single most reasonable inference.”⁴⁵ After an evaluation of the undisputed facts regarding Dr. Hodgen’s failure to disclose the 30-Woman Study to the Patent Office, the court opted to reserve this issue for the jury, concluding that a reasonable jury could find that intent to deceive was the single most reasonable inference underlying the omission of the study.⁴⁶ The court took a similar approach to plaintiffs’ last basis for their *Walker Process* fraud claim—their contention that Dr. Hodgen and another individual with a duty of candor to the Patent Office had “fraudulently misrepresented the amount of estrogen in other commercially available oral contraceptives” and that if these individuals had been honest about the amount of ethinyl estradiol in Loestrin, defendants’ patent would never have actually issued.⁴⁷ After evaluating the pertinent evidence, the court held that “a jury could conclude by clear and convincing evidence that intent to deceive is the single most reasonable inference.”⁴⁸ The *Loestrin* court’s analysis of

40 *Id.* at 309.

41 *Id.* at 305.

42 *Id.* at 309.

43 *Id.* at 310.

44 *Id.* at 310 (emphasis omitted). The 30-Woman Study “was designed to determine whether Loestrin 1/20 would suppress ovarian activity more efficiently when given for a 25 day regimen as opposed to the normal 21 day cycle of the pill,” and its objective “was to establish that a shorter pill free interval could increase the efficacy of low dose contraceptives while providing a more regular and agreeable bleeding pattern.” *Id.*

45 *Id.* (internal citations omitted).

46 *Id.* at 310, 313.

47 *Id.* at 312.

48 *Id.* at 313.

these three allegations thus makes its utilization of the *Therasense* “single most reasonable inference” standard in the context of a *Walker Process* claim eminently clear.⁴⁹

IV. WHAT DIFFERENCES REMAIN?

Despite this relative harmonization of the two standards, there are a few remaining differences between proving inequitable conduct and proving fraud on the Patent Office. However, these differences are unlikely to make any practical difference in the courts—at least not in the near future. For one, to prevail on a claim of *Walker Process* fraud in an antitrust case, in addition to proving fraud on the Patent Office, an antitrust plaintiff must also prove other elements of an antitrust claim (such as relevant market and market power) as well as proving a patentee’s knowledge of this fraud when enforcing the patent.⁵⁰

Another remaining difference between the materiality prongs of inequitable conduct and *Walker Process* fraud is in the analysis of a false declaration. Namely, the *Therasense* court retained an exception to the “but-for” standard of materiality in instances of “affirmative acts of egregious misconduct, such as the filing of an unmistakably false affidavit.”⁵¹ No such corollary exists in the *Walker Process* context. Accordingly, in those instances, the *Walker Process* “but-for” materiality standard remains a higher standard than that required for inequitable conduct. In practice, however, it appears that courts hearing inequitable conduct defenses rarely, if at all, apply the *Therasense* exception to “but-for” materiality. Hypothetically, if certain information is only tangential and not material to patentability, it is unlikely that an applicant intended to deceive the Patent Office by falsifying that information.⁵²

Moreover, while inequitable conduct defenses are equitable claims adjudicated by judges, *Walker Process* antitrust claims are legal claims tried before juries. In cases where both charges are present, juries will now likely decide these charges together by issuing an advisory verdict for inequitable conduct and then rendering their findings on the *Walker Process* claim. Also, in pre-trial motions, these two charges will probably rise and fall together.

The recent *Complete Genomics, Inc. v. Illumina, Inc.* opinion foreshadows how courts eventually may hold that a finding of inequitable conduct from an earlier bench trial has preclusive effect on a subsequent legal claim of *Walker Process* fraud in a later antitrust action.⁵³ While the *Complete Genomics* court did not ultimately decide this issue, its

49 Although not discussed in detail in this article, one other recent example of a district court’s clear utilization of the *Therasense* standard is *Targus Int’l LLC v. Victorinox Swiss Army, Inc.*, No. 20-464-RGA, 2020 WL 7264199 (D. Del. Dec. 10, 2020). In that case, after analyzing the inequitable conduct claims (using the single most reasonable inference standard), the court found its prior evaluations of materiality and intent (using the same standard) dispositive on the *Walker Process* fraud claim. In the court’s words, “the parties do not dispute that if the Court finds (as it has) that Victorinox has adequately pleaded inequitable conduct as to Counterclaim III and the Third Defense, it has also sufficiently pleaded the fraud component of a *Walker Process* claim.” *Id.* at *6-7 n.9-10.

50 *Walker Process Equip.*, 382 U.S. at 174, 176-77; *Inline Packaging*, 962 F.3d at 1024-25.

51 *Therasense*, 649 F.3d at 1292.

52 See, e.g., *Outside the Box Innovations, LLC v. Travel Caddy, Inc.*, 695 F.3d 1285, 1294 (Fed. Cir. 2012) (per curiam).

53 *Complete Genomics, Inc. v. Illumina, Inc.*, No. 21-CV-00217-WHO, 2021 WL 1197096, at *3 (N.D. Cal. Mar. 30, 2021).

opinion acknowledged preclusion as a potential result in light of fraud allegations. This case will be explored in depth below.

A. *Complete Genomics, Inc.*—The Preclusive Effect of a Finding of Inequitable Conduct

1. Case Background

In this case, Illumina had sued Complete Genomics, Inc. (“CGI”) for patent infringement.⁵⁴ Subsequently, CGI moved to amend its answer to include an inequitable conduct defense. While its motion to amend was pending, CGI asserted a separate antitrust suit against Illumina, alleging that Illumina had violated federal antitrust laws and California unfair competition laws by enforcing its patents. According to CGI, Illumina had committed fraud on the Patent Office by knowingly and intentionally withholding a prior art reference during patent prosecution, and that Illumina was then enforcing these fraudulently obtained patents against CGI in its patent infringement case. Illumina moved to stay the antitrust action pending the resolution of the patent infringement action. The court granted Illumina’s motion.

2. The Parties’ Arguments Assumed the Complete Harmonization of The Legal Standards for Inequitable Conduct and *Walker Process* Fraud.

In moving to stay the antitrust case, Illumina argued that CGI’s inequitable conduct defense and its *Walker Process* fraud claim were based on the same factual allegations.⁵⁵ Significantly, in its reply, Illumina argued that any factual determination on the inequitable conduct claim might have preclusive effect on the antitrust *Walker Process* fraud claim, contending that:

There is no issue with this Court deciding CGI’s inequitable conduct defense in the Infringement Action and that result being given collateral estoppel effect in this action. . . . [T]he Court may exercise its discretion to stay this separate action advancing legal claims, and any factual determinations in the Infringement Action as to CGI’s inequitable conduct defense may be given collateral estoppel effect in this action.⁵⁶

54 *Id.* at *1, *3-4.

55 Illumina’s Motion to Stay Pending Final Resolution of the Related Infringement Action, *Complete Genomics, Inc. v. Illumina, Inc.*, No. 21-CV-00217-WHO, Doc. No. 33, at 6 (N.D. Cal. Feb. 19, 2021) (“CGI’s inequitable conduct defense in the Infringement Action as to the ’444 and ’973 Patents is premised on the same factual allegations that form the basis of its *Walker Process* claims here. If CGI’s inequitable conduct defense is defeated in the Infringement Action, then CGI’s *Walker Process* antitrust claims as to the ’444 and ’973 Patents must also fail.”).

56 Illumina’s Reply in Support of Motion to Stay Pending Final Resolution of the Related Infringement Action, *Complete Genomics, Inc. v. Illumina, Inc.*, No. 21-CV-00217-WHO, Doc. No. 36, at 4-5 (N.D. Cal. Mar. 12, 2021); *see also id.* at 6 (“Moreover, having filed an action that overlaps with a separate, earlier-filed action, CGI does not have a **right** to have a jury reconsider issues that are decided in the earlier action and subject to collateral estoppel.”).

As explored in detail below, Illumina's arguments on preclusive effect were essentially predicated on a complete harmonization of the legal standards for inequitable conduct and *Walker Process* fraud, particularly with respect to two aspects of these standards.

First, Illumina assumed that the standards for proving deceptive intent for inequitable conduct and *Walker Process* fraud are (nearly) identical. Theoretically, the facts surrounding an intentional omission or misrepresentation of a material fact with respect to inequitable conduct and the fraudulent component of *Walker Process* are almost always identical. However, at least before *Therasense*, the legal standards for the intent elements of inequitable conduct and *Walker Process* fraud were different. Moreover, prior to *Therasense*, one would not have assumed that a finding of deceptive intent in the inequitable conduct context would have preclusive effect on the fraudulent intent finding of a *Walker Process* claim, even if the predicate factual allegations were similar or identical.

Yet, in light of the gradual harmonization of the standards for proving inequitable conduct and *Walker Process* fraud, Illumina was able to argue that any factual determinations relating to CGI's deceptive intent might be given preclusive effect in evaluating the intent prong of an antitrust *Walker Process* fraud claim. Illumina even offered a middle ground of using an advisory jury to render an advisory opinion or letting the jury render a verdict on the inequitable conduct defense in response to CGI's argument on a potential violation of the Seventh Amendment right to a jury trial.⁵⁷

Second, Illumina's argument assumed that the burdens of proving but-for materiality are identical in both charges, despite the fact that they may actually be quite different. Specifically, the Federal Circuit in *Therasense* stated that for inequitable conduct, courts should apply a preponderance of the evidence standard in analyzing the but-for materiality of a withheld reference⁵⁸; in *Nobelpharma*, however, the Federal Circuit held that to show *Walker Process* fraud, courts must find "a clear showing of reliance [by the patent examiner] that the patent would not have issued but for the misrepresentation or omission."⁵⁹

However, because Illumina assumed that the intent and materiality elements are identical in all respects, it argued that a finding of inequitable conduct would fully address the fraud component for the antitrust *Walker Process* charge such that the court then would

57 *Id.* at 7 n.8 ("The Court has the discretion to try the issue of inequitable conduct before an advisory jury (see Fed. R. Civ. P. 39(c)(1); *TransWeb, LLC v. 3M Innovative Prop. Co.*, 812 F.3d 1295, 1299 (Fed. Cir. 2016) ("In accordance with an advisory jury from the verdict, the district court found the patents unenforceable due to inequitable conduct.)), or to let the jury in the Infringement Action render a final verdict on the issue.").

58 *Therasense*, 649 F.3d at 1291-92 ("[I]n assessing the materiality of a withheld reference, the court must determine whether the [Patent Office] would have allowed the claim if it had been aware of the undisclosed reference. In making this patentability determination, the court should apply the preponderance of the evidence standard and give claims their broadest reasonable construction.").

59 *Nobelpharma*, 141 F.3d at 1071 (emphasis added).

need to focus only on the other elements of the antitrust claim, such as market definition, market power, and antitrust injury.⁶⁰

CGI appeared to have conceded that the legal standards for inequitable conduct and *Walker Process* fraud are identical. Thus, it simply argued that because of the patent trial's potentially preclusive effect, CGI's legal claim of *Walker Process* fraud would need to be determined prior to adjudicating its equitable claim of inequitable conduct.⁶¹ To not do so would violate CGI's Seventh Amendment right to a jury trial.

The magistrate judge granted Illumina's motion to stay without any oral argument. Among other things, the court appeared to agree with Illumina and reasoned that:

If these issues are resolved in Illumina's favor in the Infringement Action, CGI's antitrust claims would likely be mooted or unviable. A mixed resolution of these issues, or a decision in CGI's favor, could narrow or focus the remaining issues for the antitrust litigation.⁶²

The court did not discuss the use of an advisory jury. Instead, it discussed at length how a judge's resolution of an equitable claim could have preclusive effect on a later legal claim without violating the Seventh Amendment. The court never actually addressed whether the legal issues between inequitable conduct and *Walker Process* fraud are identical. Rather, it simply presumed that these legal issues were identical, and, thus, that the resolution of one claim should have preclusive effect in some way over the other claim.

While the magistrate judge's reasoning was arguably foreseeable given the gradual harmonization of these two charges, the judge's reasoning is ultimately inconsistent with the notion that an inequitable conduct defense is a lesser charge than the antitrust claim of *Walker Process* fraud. Moreover, this decision may cause future patent challengers asserting an inequitable conduct defense to be more likely to assert an antitrust *Walker Process* claim in the same patent case in order to have a jury adjudicate both of these issues. Even if an antitrust *Walker Process* claim is not brought in the same patent case, now, one party or both parties may want to advocate for an advisory jury on the inequitable conduct defense in light of its almost certain preclusive effect on any potential *Walker Process* antitrust claims in the future.

60 Illumina's Motion to Stay Pending Final Resolution of the Related Infringement Action, *supra* note 55, at 7 ("If CGI were to prevail on some of these issues in the Infringement Action, CGI's antitrust and unfair competition claims would *not* be established. A win for CGI in the Infringement Action would not establish all the elements of CGI's antitrust and unfair competition claims, as issues such as market definition, market power, subjective intent, [and] antitrust injury would remain. But in that scenario certain issues of infringement and/or validity would have been resolved, simplifying the adjudication of this derivative antitrust case.").

61 Complete Genomics' Opposition to Illumina's Motion to Stay Pending Final Resolution of the Related Infringement Action, *Complete Genomics, Inc. v. Illumina, Inc.*, No. 21-CV-00217-WHO, Doc. No. 34, at 1 (N.D. Cal. Mar. 5, 2021) ("When legal claims involve factual issues that are common with those upon which [the] claim to equitable relief is based, the legal claims involved in the action *must be determined prior* to any final court determination of [the] equitable claims." (quotation marks omitted; emphasis and alterations in original)).

62 *Complete Genomics*, 2021 WL 1197096, at *3.

As of July 2021 (the time of the submission of this article), the *Illumina* patent case was heading to trial. It will be interesting to see if the district court will try the inequitable conduct defense before an advisory jury, knowing that the parties had earlier argued that any factual and legal determinations on this defense may have preclusive effect on a later antitrust legal claim.

A. Guardant—The Doctrine of Infectious Unenforceability

Guardant Health, Inc. v. Personal Genome Diagnostics, Inc. sheds light on what role, if any, the doctrine of infectious unenforceability plays in proving *Walker Process* fraud.⁶³ In this case, Guardant Health, Inc. (“Guardant”) and Personal Genome Diagnostics (“PGDx”) disputed whether a party can assert an antitrust *Walker Process* fraud claim based on a patentee’s alleged misconduct while prosecuting a related patent, rather than focusing on the patentee’s behavior while prosecuting an at-issue patent. As the case elucidates, fitting the doctrine of infectious unenforceability within the antitrust legal framework may be like fitting a round peg into a square hole.

1. Case Background

By way of background, in this case, Guardant had sued PGDx for infringement of four patents.⁶⁴ In a related case, Guardant had also sued Foundation Medicine, Inc. (“FMI”) for infringing these same patents.⁶⁵ Both defendants PGDx and FMI asserted inequitable conduct counterclaims against each of the four patents. First, PGDx and FMI alleged that Guardant had committed inequitable conduct by omitting a true joint inventor and making affirmative misrepresentations in identifying only one sole inventor when prosecuting three “Talasaz” patents at the Patent Office.

Second, PGDx and FMI both alleged that the last patent, the ’992 patent, was unenforceable based on the doctrine of infectious unenforceability. Specifically, they contended that because the ’992 patent significantly overlapped with the three Talasaz patents, the inequitable conduct committed during the prosecution of these three earlier patents also rendered the ’992 patent

63 The magistrate judge, in the report and recommendation in this action and a related action, provided a brief background on the doctrine of infectious unenforceability. According to the court, “Inequitable conduct regarding any single claim in the prosecution of a patent renders the entire patent unenforceable, not just that claim. Moreover, the taint of a finding of inequitable conduct can affect not just the improperly-prosecuted patent, but can also render unenforceable other related patents and applications in the same technology family. This concept is what courts have referred to as the doctrine of infectious unenforceability. Pursuant to this infectious unenforceability doctrine, inequitable conduct associated with one patent may render a related patent unenforceable—so long as the inequitable conduct at issue bears an immediate and necessary relation to the enforcement of a related patent.” *Guardant Health, Inc. v. Found. Med., Inc.*, No. CV 17-1616-LPS-CJB, 2020 WL 2477522, at *4-5 (D. Del. Jan. 7, 2020) (quotation marks omitted).

64 U.S. Patent Nos. 9,598,731 (“the ’731 patent”), 9,834,822 (“the ’822 patent”), 9,840,743 (“the ’743 patent”); and collectively with the other two patents, the “Talasaz patents”) and 9,902,992 (“the ’992 patent”); and collectively with the other Talasaz patents, “the asserted patents”).

65 *Guardant Health, Inc. v. Found. Medicine, Inc.*, No. 17-1616-LPS-CJB (D. Del. filed Nov. 9, 2017).

unenforceable.⁶⁶ Both defendants did not dispute that the inventorship of the '992 patent was correct—indeed, the '992 patent explicitly named the inventor that was purportedly omitted from the Talasaz patents. They also did not dispute whether inequitable conduct was committed during the prosecution of the '992 patent.⁶⁷

PGDx (and not FMI) additionally asserted antitrust *Walker Process* counterclaims with respect to the four patents in question. PGDx's allegations appeared to acknowledge that the allegedly willful misrepresentation and omission were committed only during the prosecution of the three earlier patents.⁶⁸ Although PGDx contended that all four patents were obtained by knowingly and willfully misrepresenting facts to the Patent Office, PGDx did not explain why or how the last patent, the '992 patent, was fraudulently obtained.

Guardant moved to dismiss the defendants' inequitable conduct counterclaims with respect to the '992 patent.⁶⁹ While its motion to dismiss was pending, Guardant also moved for summary judgment on the defendants' inequitable conduct counterclaims and on PGDx's antitrust counterclaims.⁷⁰

66 PGDx's Answer to Third Amended Complaint, No. 17-1623-LPS-CJB, Doc. No. 296, p.29 at ¶ 50 (D. Del. June 20, 2019), alleges:

Eltoukhy and Talasaz's broad pattern of inequitable conduct was also directly related to the '992 Patent, rendering the claims of that patent unenforceable as well. There is a significant relationship between and among the '731, '822, '743, and '992 Patents. The '992 Patent shares an almost identical specification to the '731, '822, and '743 patents, and relies on the earlier disclosed subject matter for written description support for its claims. By not naming Eltoukhy as an inventor on the '731, '822, and '743 Patents, Eltoukhy and Talasaz concealed that Eltoukhy also invented the fundamental ideas underlying the '992 Patent.

See also FMI's Answer to Plaintiff's Third Amended Complaint, No. 17-1616-LPS-CJB, Doc. No. 182, p.34 at ¶ 74 (D. Del. July 18, 2019) (similar allegation).

67 *Guardant Health, Inc. v. Found. Med., Inc.*, No. CV 17-1616-LPS-CJB, 2020 WL 2477522, at *5-12 (D. Del. Jan. 7, 2020).

68 PGDx's Answer to Third Amended Complaint, No. 17-1623-LPS-CJB, Doc. No. 296, p.49 at ¶¶ 149-50 (D. Del. June 20, 2019), alleges:

Guardant has willfully maintained and will further maintain its monopoly power in this market through exclusionary and anticompetitive means. During prosecution of the '731, '822, and '743 Patents, Eltoukhy and Talasaz, acting on behalf of Guardant, misrepresented and fraudulently withheld that Eltoukhy was an inventor. They intentionally withheld this information and suppressed evidence to prevent Illumina from asserting an ownership interest in the Patents-in-Suit. They did so to consolidate rights to the Patents-in-Suit and bolster an anticompetitive scheme to exclude competition in the liquid biopsy market.

As a result, Guardant obtained the Patents-in-Suit by knowingly and willfully misrepresenting facts to the [Patent Office]. Guardant then attempted to enforce the Patents-in-Suit knowing that they are invalid and unenforceable. . . .

69 Guardant's Motions to Dismiss, No. 17-1616-LPS-CJB, Doc. No. 186 (D. Del. July 22, 2019) (redacted version of Doc. No. 169) and No. 17-1623-LPS-CJB, Doc. No. 320 (D. Del. July 8, 2019) (redacted version of Doc. No. 285).

70 Guardant's Motions for Summary Judgment, No. 17-1616-LPS-CJB, Doc. No. 291 (D. Del. Dec. 10, 2019) and No. 17-1623-LPS-CJB, Doc. No. 434 (D. Del. Dec. 10, 2019).

The magistrate judge recommended denying Guardant’s motion to dismiss the inequitable conduct counterclaims with respect to the ’992 patent.⁷¹ The magistrate judge recommended granting Guardant’s motion for summary judgment that no *Walker Process* fraud was committed with respect to the ’992 patent.⁷² The magistrate judge also recommended denying Guardant’s motion for summary judgment of no inequitable conduct for all of the asserted patents and no *Walker Process* fraud with respect to the three Talasaz patents.⁷³

In recommending the denial of Guardant’s motion to dismiss the inequitable conduct counterclaims with respect to the ’992 patent, the court found that the defendants’ theory of infectious unenforceability was not primarily based on any inequitable conduct that occurred during the prosecution of the ’992 patent, but was instead predicated on the ’992 patent’s relationship to the other three “infectious” patents.⁷⁴ However, because, in the magistrate judge’s eyes, there was no misconduct during the prosecution of the ’992 patent, the court also recommended granting Guardant’s summary judgment motion of no *Walker Process* fraud with respect to the ’992 patent.⁷⁵

2. Competing Considerations Regarding Whether Fraud on the Patent Office Can Be “Infectious”

Guardant and PGDx both raised reasonable arguments and flagged competing policy considerations. In its objections to the magistrate’s recommendations, PGDx argued that “[t]he relationship between infectiously-unenforceable patents and related patents directly obtained through fraud supplies the necessary fraud to support a *Walker Process* claim.”⁷⁶

71 *Guardant Health*, No. CV 17-1616-LPS-CJB, 2020 WL 2477522, at *1.

72 *Guardant Health, Inc. v. Found. Med., Inc.*, No. CV 17-1616-LPS-CJB, 2020 WL 2461551, at *1, 16 (D. Del. May 7, 2020) (stating, “the Court recommends that Guardant’s antitrust MSJ be GRANTED-IN-PART only to the extent that PGDx’s *Walker Process* counterclaims are premised on the ’992 patent, and that it be DENIED in all other respects”), *report and recommendation adopted by* No. CV 17-1616-LPS-CJB, 2020 WL 5994155 (D. Del. Oct. 9, 2020).

73 *Id.* at *1, 8 (stating, “at the summary judgment stage, the Court finds that the evidence, viewed in the light most favorable to Defendants, is sufficient to demonstrate at least a genuine dispute of fact as to whether an immediate and necessary relation exists between the inequitable conduct alleged with respect to the Talasaz patents and the enforcement of the ’992 patent”).

74 *Guardant Health*, No. CV 17-1616-LPS-CJB, 2020 WL 2477522, at *4 (“Defendants’ theory as to the unenforceability of the ’992 patent is not primarily based on inequitable conduct said to have occurred during the ’992 patent’s prosecution itself. Instead, it rests on the relationship between the ’992 patent and the prosecution of other related patent applications—i.e., on what is known as the doctrine of infectious unenforceability.” (quotation marks omitted)).

75 *Guardant Health*, No. CV 17-1616-LPS-CJB, 2020 WL 2461551, at *10 n.18 (“Guardant further argues that PGDx’s *Walker Process* claim with respect to the ’992 patent fails even if that patent were found to be unenforceable under the doctrine of infectious unenforceability. Guardant states that this is because such a finding would not demonstrate materiality of the alleged misconduct with respect to prosecution of the ’992 patent, and thus would not rise to the level of fraud on the [Patent Office] required for a *Walker Process* claim. In its answering brief, PGDx does not really respond in a persuasive manner to this charge. (Doc. No. 453 at 14 (“[E]ven if PGDx could not assert *Walker Process* claims based on the ’992 Patent, PGDx’s claims are still properly based on Guardant’s other patents.”)) Therefore, the Court recommends that Guardant’s antitrust MSJ be granted-in-part to the extent that PGDx’s *Walker Process* counterclaims are premised on the ’992 patent.”).

76 PGDx’s Objections to Magistrate Judge’s April 22, 2020, Report and Recommendation, No. 17-1623-LPS-CJB, Doc. No. 571, at 7 (D. Del. May 11, 2020) (emphases omitted).

Guardant, on the other hand, argued that “[i]nfectious unenforceability is not a finding of fraud, it is a finding that a patent is unenforceable despite the absence of fraud with respect to that patent.”⁷⁷ According to Guardant, “a finding of infectious unenforceability does not demonstrate materiality of the alleged misconduct with respect to the prosecution of the ’992 Patent, and therefore does not rise to the level of fraud on the PTO and cannot be relied on as the basis for a *Walker Process* claim.”⁷⁸ Before the district court could resolve this issue, Guardant and PGDx subsequently settled.⁷⁹

On one end of the debate raised by the parties’ arguments, if one takes the Supreme Court’s language in *Walker Process* literally—i.e., that the antitrust plaintiff must prove that the patentee “obtained the patent by knowingly and willfully misrepresenting facts to the Patent Office”—then a finding of *Walker Process* fraud cannot be based on a patent obtained without any misrepresentation to the Patent Office.⁸⁰ Similarly, if one takes the Federal Circuit’s language in *Nobelpharma* literally—that a finding of *Walker Process* fraud must be based on “a clear showing of reliance, i.e., that the patent would not have issued but for the misrepresentation or omission”—then a finding of *Walker Process* fraud cannot be based on a misrepresentation and/or an omission that is not directly related to the patentability of the pending claims.⁸¹ This literal interpretation might lead to a result where a patentee could assert a patent that might be rendered unenforceable under the doctrine of infectious unenforceability and yet still be free of any antitrust *Walker Process* fraud liability, just like the PGDx magistrate’s decision on the ’992 patent. Such a literal result appears to be consistent with the notion that inequitable conduct and the related doctrine of infectious unenforceability are lesser charges compared to the antitrust *Walker Process* claim.

At the other end of the debate, if the fraudulent misconduct from the prosecution of an earlier patent was never cured during the prosecution of the later, related patent, then that later patent was ultimately obtained by failing to disclose a material fact—that is, the fraudulent misconduct during the earlier prosecution—to the Patent Office. And even if the fraudulent misconduct was not directly related to the patentability of the later patent application, the Patent Office could have asked for additional information and/or declarations from the applicant before allowing or rejecting the pending claims. Thus, the fraudulent misconduct during the prosecution of an earlier patent could have still affected (and infected) the prosecution of the later related patent in some way. When viewed this way, the extension of the doctrine of infectious unenforceability to an antitrust *Walker Process* claim seems appropriate and reasonable.

In the *Guardant* case, for example, instead of lumping together all four patents as obtained by willfully misrepresenting the inventorship of the earlier three patents, PGDx could have differently framed the misrepresentation and/or omission with respect to the ’992 patent. Because PGDx admitted that the inventorship of the ’992 patent was correct,

77 Guardant’s Response to PGDx’s Objections to the Magistrate Judge’s April 22, 2020, Report and Recommendation, No. 17-1623-LPS-CJB, Doc. No. 585, at 4 (D. Del. May 27, 2020) (emphasis omitted).

78 *Id.*

79 See, e.g., Stipulation of Dismissal, No. 17-1623-LPS-CJB, Doc. No. 622 (D. Del. Aug. 31, 2020).

80 *Walker Process Equip.*, 382 U.S. at 177.

81 *Nobelpharma*, 141 F.3d at 1071.

the parties thus disputed only whether the inventorship of the earlier patents was incorrect and misrepresented. Nonetheless, had Guardant disclosed during the prosecution of the '992 patent that the inventorship of the earlier patents might have been incorrect, the patent examiner could have taken action. For example, he or she could have required, among other things, that Guardant submit declarations and proof of inventorship for the application of the '992 patent before deciding to allow its claims. Seen in this way, the disclosure of the inventorship of the earlier patents could have thus affected (and infected) the prosecution of the later '992 patent.

One interesting question is whether an antitrust plaintiff may be able to allege that a patentee asserted a sham patent litigation knowing the infected patent was unenforceable under the doctrine of infectious unenforceability. In that case, the plaintiff will need to prove that the patentee's enforcement of the infected patent was objectively baseless and in bad faith. There, a direct link between the fraudulent misconduct before the Patent Office and the prosecution of the infected patent would be helpful, though not necessary. In the end, however, proving that a patent suit was objectively baseless may be more difficult than proving the but-for materiality of a misrepresentation and/or a link between the misrepresentation and the infected patent. Thus, the doctrine of infectious unenforceability may not fit well within the objective baselessness and bad faith prongs of sham patent litigation. This result tends to support the notion that inequitable conduct is a lesser charge than antitrust violations. Ultimately, though, the doctrine of infectious unenforceability probably does not fit neatly with any antitrust theories.

V. CONCLUSION

As this article has explored, the post-*Therasense* decade has shown that courts are by and large treating inequitable conduct and *Walker Process* cases equivalently. The coalescence in the treatment of these two charges has been acknowledged and applied by the Federal Circuit and other appellate courts, as well as at the district court level. While there are a few remaining, minor differences in the application of *Walker Process* fraud and inequitable conduct, it seems unlikely that these differences will make any practical difference in the courts now. While the degree to which the CGI magistrate judge's suggestion that a finding of inequitable conduct in an earlier patent case may have preclusive effect, and may narrow the issues in a subsequent *Walker Process* case, remains to be seen, there is no doubt that this suggestion is likely to have a significant impact in future patent and antitrust cases. Moreover, although the Federal Circuit in *Therasense* addressed the charges of inequitable conduct that plagued the major patent cases at that time, it and other appellate courts have not had any opportunity to closely examine whether the charges of *Walker Process* fraud have been prevalent in major antitrust-patent cases. And regardless of whether or not the Federal Circuit intended to completely harmonize these two charges in *Therasense*, at the next opportunity, it could perhaps provide further clarity on their relationship.