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4 UNITED STATES DISTRICT COURT  
5 NORTHERN DISTRICT OF CALIFORNIA

6 REASON BRADLEY,  
7 Plaintiff,

8 v.

9 APPLIED MARINE SYSTEMS LLC,  
10 Defendant.  
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Case No. [13-cv-03941-JSC](#)

**ORDER GRANTING MOTION TO  
DISMISS**

Re: Dkt. No. 35

12  
13 Plaintiff Reason Bradley (“Bradley”) filed this action for patent infringement and unfair  
14 competition against Applied Marine Systems LLC (“Applied Marine”). Bradley alleges that  
15 Applied Marine’s solar mounts, including the Uni-Mount and Hydrographic Survey Sonar Mount,  
16 infringe Bradley’s 8,094,520 patent (“the ’520 Patent”). Applied Marine filed counterclaims for  
17 declaratory relief of non-infringement, invalidity and unenforceability due to inequitable conduct.  
18 (Dkt. No. 30.) Now pending before the Court is Bradley’s motion to dismiss the inequitable  
19 conduct claim and to strike the unclean hands affirmative defense on the ground that Applied  
20 Marine has not adequately alleged the requisite intent. After considering the papers submitted by  
21 the parties, the Court concludes that oral argument is unnecessary, *see* Civ. L. R. 7-1(b), and  
22 GRANTS the motion with leave to amend.

23 **APPLIED MARINE’S ALLEGATIONS**

24 The ’520 Patent issued on January 10, 2012, and “generally relates to a sonar mount for  
25 use with a boat or ship, which allows repeatable, accurate and precise alignment of a sonar head to  
26 a boat.” (Dkt. No. 1 at ¶¶ 10-11.)

27 Applied Marine asserts that claims 1 and 5 of the ’520 Patent are unenforceable due to  
28 inequitable conduct by “the inventor[] or his attorneys.” (Dkt. No. 30 ¶¶ 16, 24.) It also asserts an

1 affirmative defense of unclean hands based on the same allegations. (Dkt. 30, First Affirmative  
2 Defense.) In particular, it contends that Bradley or his attorneys knowingly and intentionally  
3 failed to disclose to the PTO material prior art while applying for the '520 Patent. (*Id.* ¶ 26.)  
4 This material prior art is a video posted to YouTube (the “Video”) showing a sonar mount that  
5 includes a mechanism for preventing and allowing the cross beam to rotate. (*Id.* ¶ 24.)

6 The Video was posted on September 9, 2009, nine days before Bradley filed provisional  
7 application Ser. No. 61/243/750 (the “Provisional Application”) on September 18, 2009. (Dkt.  
8 No. 30 ¶¶ 19, 24.) The Video shows the cross beam rotate without any movement or actuation of  
9 the pawl; rather, the pawl remains in the same position throughout the Video. (*Id.*) According to  
10 Applied Marine, the sole mechanism disclosed in the Provisional Application relating to the cross  
11 beam rotation is a releasable mechanism that uses a lever arm and a “breakaway actuated pawl”  
12 that is designed to disengage the pawl from notches to permit free rotation of the cross tube if  
13 sufficient force is applied to the cross tube or if the lever is used. (*Id.* ¶ 20.) Although the Video  
14 shows the cross beam rotate—without a breakaway pawl—Bradley did not disclose the invention  
15 shown in the Video in the Provisional Application. (*Id.* ¶ 22.) Thus, the claims are not entitled to  
16 the priority date of the Provisional Application; rather, the applicable filing date of the '520 Patent  
17 is September 17, 2010. (*Id.* ¶ 23.) Since the Video “shows the claimed invention in public use  
18 more than 1 year prior to the filing [date],” the Video is prior art material to the patentability of the  
19 '520 Patent that should have, but was not, disclosed to the PTO. (*Id.* ¶ 25.)

20 Applied Marine also alleges that Bradley was involved in the creation of the Video and  
21 knew, or should have known, that the mechanism shown in the Video was not the breakaway  
22 actuated pawl mechanism described in the Provisional Application. (*Id.* ¶ 26.) It alleges: “the  
23 inventor or his attorneys withheld this video from the Patent Office with the intent to deceive the  
24 Patent Office.” (*Id.*)

## LEGAL STANDARD

### I. Motion to Dismiss for Failure to State a Claim

25 A Rule 12(b)(6) motion challenges the sufficiency of a complaint as failing to allege  
26 “enough facts to state a claim to relief that is plausible on its face.” *Bell Atl. Corp. v. Twombly*,  
27 550 U.S. 544, 570 (2007). A facial plausibility standard is not a “probability requirement” but  
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1 mandates “more than a sheer possibility that a defendant has acted unlawfully.” *Ashcroft v. Iqbal*,  
2 556 U.S. 662, 678 (2009) (internal quotation marks and citations omitted). For purposes of ruling  
3 on a Rule 12(b)(6) motion, the court “accept[s] factual allegations in the complaint as true and  
4 construe[s] the pleadings in the light most favorable to the non-moving party.” *Manzarek v. St.*  
5 *Paul Fire & Marine Ins. Co.*, 519 F.3d 1025, 1031 (9th Cir. 2008).

6 Even under the liberal pleading standard of Federal Rule of Civil Procedure 8(a)(2), under  
7 which a party is only required to make “a short and plain statement of the claim showing that the  
8 pleader is entitled to relief,” a “pleading that offers ‘labels and conclusions’ or ‘a formulaic  
9 recitation of the elements of a cause of action will not do.’” *Iqbal*, 556 U.S. at 678 (quoting  
10 *Twombly*, 550 U.S. at 555.) “[C]onclusory allegations of law and unwarranted inferences are  
11 insufficient to defeat a motion to dismiss.” *Adams v. Johnson*, 355 F.3d 1179, 1183 (9th Cir.  
12 2004); *see also Starr v. Baca*, 652 F.3d 1202, 1216 (9th Cir. 2011) (“[A]llegations in a complaint  
13 or counterclaim may not simply recite the elements of a cause of action, but must contain  
14 sufficient allegations of underlying facts to give fair notice and to enable the opposing party to  
15 defend itself effectively.”). The court must be able to “draw the reasonable inference that the  
16 defendant is liable for the misconduct alleged.” *Iqbal*, 556 U.S. at 663. “Determining whether a  
17 complaint states a plausible claim for relief . . . [is] a context-specific task that requires the  
18 reviewing court to draw on its judicial experience and common sense.” *Id.* at 663-64.

19 If a Rule 12(b)(6) motion is granted, the “court should grant leave to amend even if no  
20 request to amend the pleading was made, unless it determines that the pleading could not possibly  
21 be cured by the allegation of other facts.” *Lopez v. Smith*, 203 F.3d 1122, 1127 (9th Cir. 2000) (en  
22 banc) (internal quotation marks and citations omitted).

## 22 **II. Motion to Strike**

23 Pursuant to Federal Rule of Civil Procedure 12(f) a court may strike an affirmative defense  
24 from a pleading if it presents “an insufficient defense or any redundant, immaterial, impertinent, or  
25 scandalous matter.” Fed. R. Civ. P. 12(f). “[T]he function of a 12(f) motion to strike is to avoid  
26 the expenditure of time and money that must arise from litigating spurious issues by dispensing  
27 with those issues prior to trial . . . .” *Sidney-Vinsein v. A.H. Robins Co.*, 697 F.2d 880, 885 (9th  
28 Cir. 1983). “A defense is insufficiently pled if it fails to give the plaintiff fair notice of the nature

1 of the defense. A matter is immaterial if it has no essential or important relationship to the claim  
2 for relief pleaded. A matter is impertinent if it does not pertain and is not necessary to the issues  
3 in question in the case.” *Barnes v. AT & T Pension Ben. Plan-Nonbargained Program*, 718 F.  
4 Supp. 2d 1167, 1170 (N.D. Cal. 2013). “If a claim is stricken, leave to amend should be freely  
5 given when doing so would not cause prejudice to the opposing party.” *Id.*

### 6 **III. Pleading Inequitable Conduct**

7 “Each individual associated with the filing and prosecution of a patent application has a  
8 duty of candor and good faith in dealing with the [PTO], which includes a duty to disclose to the  
9 [PTO] all information known to that individual to be material to patentability.”  
10 37 C.F.R. §1.56(a). A breach of the duty of candor may lead to a finding of inequitable conduct  
11 rendering the entire patent unenforceable. *See Therasense, Inc. v. Becton, Dickinson and Co.*, 649  
12 F.3d 1276, 1288 (Fed. Cir. 2011).

13 An inequitable conduct counterclaim must be pled with particularity under Rule 9(b). *See*  
14 *Exergen Corp. v. Wal-Mart Stores, Inc.*, 575 F.3d 1312, 1326 (Fed. Cir. 2009). That is, it must set  
15 forth the particularized factual bases for the allegations, and “must identify the specific who, what,  
16 when, where, and how of the material misrepresentation of omission committed before the PTO.”  
*Id.* at 1327-28.

17 Moreover, although “knowledge” and “intent” may be averred generally, a pleading  
18 of inequitable conduct under Rule 9(b) must include sufficient allegations of  
19 underlying facts from which a court may reasonably infer that a specific individual  
20 (1) knew of the withheld material information or of the falsity of the material  
misrepresentation, and (2) withheld or misrepresented this information with a  
specific intent to deceive the PTO.

21 *Id.* at 1328-29. “A reasonable inference is one that is plausible and that flows logically from the  
22 facts alleged, including any objective indications of candor and good faith.” *Id.* at 1329 n.5.

### 23 **DISCUSSION**

24 Bradley argues that Applied Marine has not provided sufficient factual allegations from  
25 which a specific intent to deceive can be reasonably inferred, and thus has failed to meet the  
26 pleading requirements of *Exergen*. The Court agrees.

27 In general, a person is not entitled to a patent for a new invention if the claimed invention  
28 was in public use before the effective filing date of the claimed invention. 35 U.S.C. § 102(a)(1).

1 Section 102(b) provides an exception for public use by the inventor not more than one year prior  
2 to the applicable filing date. 35 U.S.C. § 102(b)(1). For purposes of Bradley’s motion, the Court  
3 assumes that the YouTube Video constitutes a public use of the claimed invention, that is, claims  
4 1 through 5 of the ’520 Patent. Thus, if the “effective filing date” of the claimed invention is more  
5 than a year after September 9, 2009—the date the Video was posted—the Video is potentially  
6 invalidating prior art that should have been disclosed to the PTO.

7 Applied Marine’s theory is that claims 1 through 5 of the ’520 Patent are not entitled to the  
8 September 18, 2009 priority date of the Provisional Application because the relevant claims of the  
9 ’520 Patent cover subject matter not disclosed in the Provisional Application; namely, a  
10 mechanism for preventing and allowing the “cross beam” to rotate other than the “breakaway  
11 actuated pawl” mechanism. *See* 35 U.S.C. § 119(e)(1) (“An application for patent . . . shall have  
12 the same effect . . . as though filed on the date of the provisional application . . . if it contains or is  
13 amended to contain a specific reference to the provisional application.”); *see also New Railhead*  
14 *Mfg. v. Vermeer Mfg.*, 298 F.3d 1290, 1294 (Fed. Cir. 2002) (“In other words, the specification of  
15 the *provisional* must contain a written description of the invention and the manner and process of  
16 making and using it, in such full, clear, concise, and exact terms, to enable an ordinarily skilled  
17 artisan to practice the invention *claimed* in the *non-provisional* application.”) (internal quotation  
18 marks and citation omitted). If the ’520 Patent is not entitled to the Provisional Application  
19 priority date, then, again according to Applied Marine, the effective date is the application date on  
20 the face of the ’520 Patent—September 17, 2010. If the effective filing date is September 17,  
21 2010, the Video is a public use more than one year before the effective filing date and therefore  
22 should have been disclosed to the PTO.

23 Even if all of those allegations are assumed as true, however, Applied Marine has not  
24 alleged facts sufficient to support a plausible inference that Bradley intentionally failed to disclose  
25 the Video with intent to deceive the PTO. *See Hebert v. Lisle Corp.*, 99 F.3d 1109, 1116 (Fed. Cir.  
26 1996) (“Intent to deceive cannot be inferred solely from the fact that information was not  
27 disclosed; there must be a factual basis for a finding of deceptive intent.”); *see also Pixion, Inc. v.*  
28 *Citrix Systems, Inc.*, 2012 WL 762005 \*5 (N.D. Cal. March 8, 2012) (“[T]he Federal Circuit has  
repeatedly held that intent cannot be inferred based solely on the alleged significance of withheld

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information.”) No facts are alleged that suggest that Bradley believed that the ’520 Patent is not entitled to the effective date of the Provisional Application. To the contrary, Applied Marine alleges that in connection with the September 2010 application, Bradley identified the Provisional Application with a filing date of September 18, 2009 as a “prior application.” (Dkt. No. 30 ¶ 19.) Further, under the facts alleged Bradley posted the Video nine days before he filed the Provisional Application. Applied Marine does not explain why Bradley would have omitted the invention disclosed in the Video from the Provisional Application if he believed the Provisional Application did not cover that invention.

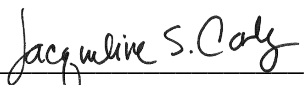
Applied Marine’s reliance on *Semiconductor Energy Laboratory Co., Ltd. v. Samsung Electronics Co., Ltd.*, 749 F.Supp.2d 892 (W.D. Wisc. 2010), is unhelpful. There the issue was whether the defendant had sufficiently alleged that the patent applicant had knowledge of the withheld prior art. Here the Court assumes Bradley had knowledge of the Video. But because Applied Marine’s inequitable conduct theory turns on the effective filing date of the ’520 Patent, Applied Marine must allege facts that support a reasonable inference that Bradley knew the effective filing date was not the date of the Provisional Application and that he therefore had a duty to disclose the Video. It has not yet done so.

**CONCLUSION**

Because Applied Marine has not alleged facts sufficient to support a reasonable inference that Bradley withheld disclosure of the Video with intent to deceive the PTO, Bradley’s motion to dismiss and to strike is GRANTED with 20 days leave to amend.

**IT IS SO ORDERED.**

Dated: April 23, 2014

  
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JACQUELINE SCOTT CORLEY  
United States Magistrate Judge