

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

BLACKBERRY LIMITED,
Plaintiff,
v.
TYPO PRODUCTS LLC,
Defendant.

Case No. [14-cv-00023-WHO](#)

**ORDER GRANTING PLAINTIFF'S
MOTION TO STRIKE AND DISMISS
COUNTERCLAIM AND
AFFIRMATIVE DEFENSES**

Re: Dkt. No. 30

INTRODUCTION

Plaintiff BlackBerry Limited has sued defendant Typo Products LLC for patent infringement, trade dress infringement and related causes of action. BlackBerry moves to dismiss Typo's counterclaim and affirmative defense for inequitable conduct (seventh counterclaim and tenth affirmative defense) because they do not meet the heightened pleading standards of Federal Rule of Civil Procedure 9(b) and to strike Typo's affirmative defenses for prosecution history estoppel (eleventh affirmative defense), equitable estoppel (twelfth affirmative defense), patent misuse (thirteenth affirmative defense), abandonment (twentieth affirmative defense), and comparative negligence (twenty-first affirmative defense) because none provides a factual basis for the defense. For the reasons stated below, I GRANT BlackBerry's motion.

DISCUSSION

I. INEQUITABLE CONDUCT COUNTERCLAIM AND AFFIRMATIVE DEFENSE

Inequitable conduct must be pleaded with particularity under Federal Rule of Civil Procedure 9(b). *Exergen Corp. v. Wal-Mart Stores, Inc.*, 575 F.3d 1312, 1318 (Fed. Cir. 2009). To plead inequitable conduct with the requisite particularity, "the pleading must identify the specific who, what, when, where, and how of the material misrepresentation or omission

1 committed before the PTO.” *Id.* at 1328. To meet the intent prong, the pleading “must include
2 sufficient allegations of underlying facts from which a court may reasonably infer that a specific
3 individual (1) knew of the withheld material information or of the falsity of the material
4 misrepresentation, and (2) withheld or misrepresented this information with a specific intent to
5 deceive the PTO.” *Id.* at 1328-29.

6 Typo alleges that the ’964 patent is unenforceable because “inventors Jason Griffin, John
7 Holmes, Mike Lazaridis, Herb Little, and/or Harry Major, and/or prosecuting attorney Robert H.
8 Kelly, committed inequitable conduct by deliberately withholding one or more known material
9 prior art references from the Patent and Trademark Office.” Counterclaim ¶ 27. Typo’s
10 inequitable conduct allegations relate to how the allegedly undisclosed prior art was material to the
11 claims of the ’964 patent. But the allegations do not contain the particularity required to satisfy
12 the heightened pleading requirements of Federal Rule of Civil Procedure 9(b).

13 **A. Who**

14 “To plead with the required particularity the ‘who’ of the alleged material omission, [a]
15 pleading must name a ‘specific individual associated with the filing or prosecution of the
16 application[s] issuing as the’ patents-in-suit ‘who both knew of the material information and
17 deliberately withheld or misrepresented it.’” *Abaxis, Inc. v. Cepheid*, 10-cv-02840-LHK, 2011
18 WL 1044396, *3 (N.D. Cal. Mar. 22, 2011) (citing *Exergen Corp. v. Wal-Mart Stores, Inc.*, 575
19 F.3d 1312, 1329 (Fed. Cir. 2009)).

20 Typo has not identified the specific individual associated with the filing or prosecution of
21 the application, who both knew of the material information and deliberately withheld or
22 misrepresented it. Instead, Typo has lumped together all of the named inventors and the
23 prosecuting attorney and alleged that all, some, or one of them committed inequitable conduct.

24 Typo alleges that

25 Griffin, Holmes, Lazaridis, Little, Major and/or Kelly withheld from
26 the PTO several prior art products including the Smith Corona Spell
Mate 30 and Smith Corona Spell Right 200.

27 Counterclaims ¶ 28 (emphasis added). Typo also alleges that

28 Griffin, Holmes, Lazaridis, Little, Major and/or Kelly knew that the

1 Smith Corona Spell Mate 30 and/or Smith Corona Spell Right 200
2 were prior art, knew that the Smith Corona Spell Mate 30 and/or
3 Smith Corona Spell Right 200 were but-for material to the
4 patentability of one or more claims of the '964 patent, and made a
deliberate decision to withhold them from the PTO thereby
committing inequitable conduct rendering the '964 Patent
unenforceable.”

5 *Id.* ¶ 34.

6 That is not sufficient. *See, e.g., Exergen, 575 F.3d at 1329* (pleading that referred
7 generally to plaintiff’s “agents and/or attorneys” failed to identify “who” because it did not name
8 the specific individual associated “who both knew of the material information and deliberately
9 withheld or misrepresented it”); *Oracle Corp. v. DrugLogic, Inc., 807 F. Supp. 2d 885, 898 (N.D.*
10 *Cal. 2011)* (allegation that “Each attorney or agent who prepared or prosecuted the application”
11 was insufficient).

12 Typo cites *Abaxis, Inc. v. Cepheid, 10-cv-02840-LHK, 2011 WL 1044396 (N.D. Cal. Mar.*
13 *22, 2011)* in support of its argument that “[a]ccusing the inventors and/or a patent attorney of
14 inequitable conduct satisfies the ‘who’ requirement.” *Opp.* at 4. But unlike this case, the pleading
15 in *Abaxis* contained factual allegations that the patent attorney at issue knew and withheld material
16 information. *Abaxis, 2011 WL 1044396, at *6-7.* The factual allegations in *Abaxis* therefore
17 identified the specific individual accused of inequitable conduct. There are no such allegations in
18 this case.

19 **B. Knowledge of material information**

20 “[O]ne cannot assume that an individual, who generally knew that a reference existed, also
21 knew of the specific material *information* contained in that reference.” *Exergen, 575 F.3d at 1330.*
22 Accordingly, a pleading of inequitable conduct “must include sufficient allegations of underlying
23 facts from which a court may reasonably infer that a specific individual knew of the withheld
24 material information.” *Abaxis, 2011 WL 1044396 (internal punctuation omitted) (citing Exergen,*
25 *575 F.3d at 1328).* “A reasonable inference is one that is plausible and that flows logically from
26 the facts alleged, including any objective indications of candor and good faith.” *Id.*

27 Typo alleges that the Spell Mate 30 and the Spell Right 200 prior art references were
28 “widely available” (Counterclaims ¶ 28) and that

1 Griffin, Holmes, Lazaridis, Little, Major and/or Kelly knew that the
2 Smith Corona Spell Mate 30 and/or Smith Corona Spell Right 200
3 were prior art, knew that the Smith Corona Spell Mate 30 and/or
4 Smith Corona Spell Right 200 were but-for material to the
patentability of one or more claims of the '964 patent, and made a
deliberate decision to withhold them from the PTO thereby
committing inequitable conduct rendering the '964 Patent
unenforceable.

5 Counterclaims ¶ 34 (emphasis added). That is insufficient for me to reasonably infer that a
6 specific individual knew of the withheld material information.¹ To adequately plead knowledge,
7 Typo must allege facts from which a reasonable inference of knowledge “flows logically.”
8 *Exergen*, 575 F.3d at 1329 n.5. No inference flows logically from Typo’s present allegations.

9 **C. Material and not cumulative**

10 Prior art references are not material if they are cumulative of other information already
11 disclosed to the PTO.” *Star Scientific, Inc. v. R.J. Reynolds Tobacco Co.*, 537 F.3d 1357, 1367
12 (Fed. Cir. 2008). Accordingly, Typo must plead facts with particularity to show that the allegedly
13 withheld references are not cumulative of other information disclosed during prosecution of the
14 ‘964 patent.

15 BlackBerry contends that the Spell Mate 30 and the Spell Right 200 are not cumulative
16 because they contain four specific limitations which, according to Typo, were not disclosed in any
17 other prior art before the PTO.² Answer ¶ 117 (listing four specific limitations disclosed in the
18 Spell Mate 30 and the Spell Right 200). That is sufficient at this pleadings stage.

19 **D. Specific intent**

20 A pleading of inequitable conduct must include sufficient allegations of underlying facts
21

22
23 ¹ By pleading in the disjunctive that it was the Spell Mate 30 “and/or” the Spell Right 200, Typo
does not even clearly specify what the alleged actors had knowledge of.

24 ² In its reply, BlackBerry notes that Typo’s opposition to the motion for preliminary injunction
25 argued that the Spell Mate 30 and the Spell Right 200 *lack* a “a lower row with four letter keys on
26 the left and three letter keys on the right”—one of the limitations that Typo now argues was
disclosed in the Spell Mate 30 and the Spell Right 200. Reply at 5-6. BlackBerry argues that,
27 consequently, “[b]ased upon Typo’s own arguments and the sworn testimony of its expert witness,
the Smith Corona references do not disclose relevant claim limitations to the ‘964 patent and
28 therefore cannot give rise to inequitable conduct.” *Id.* at 6. Whether or not the references do in
fact disclose this particular limitation is not an issue for determination at this pleadings stage.

1 from which a court may reasonably infer that a specific individual withheld or misrepresented
2 material information with a specific intent to deceive the PTO. *Exergen*, 575 F.3d at 1328-29. A
3 conclusory allegation of specific intent is insufficient. *See, e.g. Tessenderlo Kerley, Inc. v. Or-*
4 *Cal, Inc.*, 11-cv-04100 WHA, 2012 WL 1094324, *4 (N.D. Cal. Mar. 29, 2012) (allegation that
5 inventor “deliberately withheld this information with a specific intent to deceive the PTO” was
6 insufficient because factual allegations “do not explain why this is a reasonable inference for the
7 Court to make”).

8 Here, Typo has pleaded that “[t]he single most reasonable inference that can be drawn
9 from the evidence is that Griffin, Holmes, Lazaridis, Little, Major and/or Kelly’s failure to
10 disclose the Spell Mate 30 and/or Smith Corona Spell Right 200 to the PTO was done with the
11 specific intent to deceive the PTO.” Counterclaims ¶ 35. But Typo has not pleaded any *facts*
12 from which I can reasonably make this inference. All that Typo has alleged is that a material
13 reference which was widely available was not disclosed to the PTO. That is not sufficient to plead
14 inequitable conduct. *See, e.g., Exergen*, 575 F.3d at 1330 (“Pleading on ‘information and belief’
15 is permitted under Rule 9(b) when essential information lies uniquely within another party’s
16 control, *but only if the pleading sets forth the specific facts upon which the belief is reasonably*
17 *based.*”) (emphasis added).

18 **E. Identification of specific claims and limitations to which the withheld references are**
19 **relevant**

20 A party alleging inequitable conduct must identify “which claims, and which limitations in
21 those claims, the withheld references are relevant to, and where in those references the material
22 information is found.” *Exergen*, 575 F.3d at 1329. Typo has not done so.

23 Typo alleges that BlackBerry’s inequitable conduct renders all of the asserted claims of the
24 ‘964 patent invalid. Answer ¶ 115. BlackBerry’s complaint, however, has not asserted any
25 particular claims. *See* Compl. ¶ 57 (alleging that “Typo has infringed and continues to infringe
26 *one or more claims* of the ‘964 Patent) (emphasis added). In its opposition brief, Typo cites
27 BlackBerry’s preliminary injunction motion for the proposition that “the asserted claims of the
28 ‘964 patent are independent claim 19, and dependent claims 20 and 24.” Opp. at 4. But

1 BlackBerry's preliminary injunction motion is not its operative pleading. Typo must affirmatively
2 state to which claims the withheld references are relevant.

3 In addition, Typo has not stated to which limitations within the claims of the '964 patent
4 the withheld references are relevant. Typo cites an Office Action containing the applicants'
5 arguments for why the '964 patent application should issue over the Siitonen reference, but Typo
6 does not identify the actual limitations from the '964 patent. Answer ¶ 117.

7 To adequately plead inequitable conduct, Typo must affirmatively identify the specific
8 claims of the '964 patent to which the withheld references are relevant, the relevant limitations
9 within those claims of the '964 patent, and where in the withheld references the material
10 information is found. Typo cannot meet this burden indirectly by citing BlackBerry's pleadings
11 and Office Actions.

12 **II. OTHER AFFIRMATIVE DEFENSES**

13 BlackBerry seeks to strike the following affirmative defenses for failing to meet the
14 pleading requirements that this Court imposes on affirmative defenses:

15 Eleventh Affirmative Defense (Prosecution History Estoppel)
16 Based on statements, representations, admissions, and/or other conduct during the
17 prosecution of the '964, '552 or D'775 patent applications and/or related patent
18 applications, BlackBerry is estopped from asserting any interpretation of the claims
19 of the '964, '552 or D'775 patents that would cover the Typo keyboard.

20 ¶ 120.

21 Twelfth Affirmative Defense (Equitable Estoppel)
22 Each asserted claim of the '964, '552 and D'775 patents is unenforceable due the
23 doctrine of equitable estoppel.

24 ¶ 121.

25 Thirteenth Affirmative Defense (Patent Misuse)
26 Upon information and belief, BlackBerry's claims are barred, in whole or in part,
27 because of patent misuse.

28 ¶ 122.

Twentieth Affirmative Defense (Abandonment)
Blackberry's fourth through eighth causes of action asserted in the Complaint are
barred because Blackberry has abandoned any rights it may have had in its alleged
trade dress.

1 ¶ 131.

2 Twenty First Affirmative Defense (Comparative Negligence)
3 Blackberry's fourth through eighth causes of action asserted in the Complaint are
4 barred because any confusion or damage that Blackberry has suffered was directly
5 and proximately caused or contributed to by Blackberry's own negligence in failing
6 to exercise reasonable care in protecting their alleged rights

6 ¶ 132.

7 Typo argues that the Court should not apply the *Twombly/Iqbal* pleading standard to its
8 affirmative defenses. In support, Typo contends that the Ninth Circuit has not addressed whether
9 the heightened *Twombly/Iqbal* pleading standard applies to affirmative defenses and that district
10 courts in the Ninth Circuit, including the Central and Southern Districts of California, "have
11 rejected attempts to apply the *Twombly/Iqbal* pleading standard to affirmative defenses." Opp. at
12 10.

13 Several judges in this Court have found that the *Twombly/Iqbal* standard applies to
14 affirmative defenses. *See, e.g., Powertech Tech., Inc. v. Tessera, Inc.*, 2012 WL 1746848, *4-5
15 (N.D. Cal. May 16, 2012) (Wilken, J.); *Perez v. Gordon & Wong Law Grp., P.C.*, 2012 WL
16 1029425, *8 (N.D. Cal. Mar. 26, 2012) (Koh, J.); *Dion v. Fulton Friedman & Gullace LLP*, 2012
17 WL 160221, *2 (N.D. Cal. Jan. 17, 2012) (Conti, J.); *Bottoni v. Sallie Mae, Inc.*, 2011 WL
18 3678878, *1 (N.D. Cal. Aug. 22, 2011) (Beeler, M.J.); *J&J Sports Prods., Inc. v. Mendoza-Govan*,
19 2011 WL 1544886, *4 (N.D. Cal. Apr. 25, 2011) (Alsup, J.); *Barnes v. AT&T Pension Ben. Plan-*
20 *Nonbargained Program*, 718 F. Supp. 2d 1167, 1172 (N.D. Cal. 2010) (Patel, J.).

21 Typo is correct that "none of the opinions constitute binding precedent that this Court is
22 required to follow." Typo Opp. at 10. However, I agree with my colleagues that the
23 *Twombly/Iqbal* standard properly applies to affirmative defenses. As Judge Patel explained,
24 "applying the standard for heightened pleading to affirmative defenses serves a valid purpose in
25 requiring at least some valid factual basis for pleading an affirmative defense and not adding it to
26 the case simply upon some conjecture that it may somehow apply." *Barnes*, 718 F. Supp. 2d at
27 1172 (citations omitted). "Applying the same standard will also serve to weed out the boilerplate
28 listing of affirmative defenses which is commonplace in most defendants' pleadings where many

1 of the defenses alleged are irrelevant to the claims asserted.” *Id.*

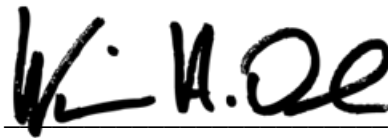
2 Typo’s eleventh, twelfth, thirteenth, twentieth and twenty-first affirmative defenses do not
3 plead *any* facts and therefore are insufficiently pleaded. Typo must plead some valid factual bases
4 for pleading these defenses.

5 **CONCLUSION**

6 BlackBerry’s motion is GRANTED. Typo’s inequitable conduct counterclaim and
7 affirmative defense are DISMISSED. Typo’s affirmative defenses for prosecution history
8 estoppel (eleventh affirmative defense), equitable estoppel (twelfth), patent misuse (thirteenth),
9 abandonment (twentieth), and comparative negligence (twenty-first) are STRUCK. Typo is
10 granted LEAVE TO FILE AN AMENDED ANSWER AND COUNTERCLAIM to address the
11 deficiencies noted above. Any amended Answer and Counterclaim shall be filed within 30 days of
12 this order.

13 **IT IS SO ORDERED.**

14 Dated: May 8, 2014



15
16 WILLIAM H. ORRICK
United States District Judge

17
18
19
20
21
22
23
24
25
26
27
28