

**UNITED STATES DISTRICT COURT**  
**DISTRICT OF NEVADA**

AEVOE CORP., a California corporation, )

Plaintiff, )

vs. )

Case No.: 2:12-cv-00053-GMN-NJK

AE TECH CO., LTD., a Taiwan corporation; )

S&F CORPORATION dba SF PLANET )

CORPORATION, a Minnesota corporation; )

and GREATSHIELD INC., a Minnesota )

corporation, )

Defendants. )

**ORDER**

Pending before the Court is the Motion for Summary Judgment (ECF No. 425) filed by Defendants AE Tech Co., Ltd., S&F Corporation, and Greatshield Inc. (collectively, “Defendants”). Plaintiff Aevoe Corp. filed a Response (ECF No. 448) and Defendants filed a Reply (ECF No. 476). Defendants argue that, based on the evidence in the record, Defendants are entitled to summary judgment on their inequitable conduct counterclaim. For the reasons discussed in this Order, the Court concludes that genuine issues of material fact still exist as to each element of Defendants’ inequitable conduct claim, thus precluding summary judgment. Accordingly, Defendants’ Motion for Summary Judgment (ECF No. 425) is DENIED.

**I. BACKGROUND**

Plaintiff Aevoe Corp. (“Plaintiff”) is the sole owner of United States Patent No. 8,044,942 (“the ’942 Patent”) entitled “Touch Screen Protector.” (Am. Compl. ¶¶ 13-14, ECF No. 44.) Plaintiff is a California corporation (*id.* at ¶ 6) that “markets and sells products embodying the ’942 Patent throughout the United States” (*id.* at ¶ 15). The invention of the ’942 Patent relates to a touch screen protector for hand-held electronic devices. U.S. Patent No.

1 8,044,942, at [57] (filed June 14, 2011). Specifically, the '942 Patent discloses a touch screen  
2 protector that does not physically contact the touch screen portion of the device. *Id.*

3 In this action, Plaintiff alleges that three defendants infringed the '942 Patent. First,  
4 Plaintiff alleges that Defendant AE Tech ("AE Tech") is a Taiwan corporation (*id.* at ¶ 7) that  
5 "manufactures, imports, advertises, sells, and offers to sell products . . . that infringe the '942  
6 Patent" (*id.* at ¶ 16). Second, Plaintiff alleges that Defendant S & F Corporation ("S&F") is a  
7 Minnesota corporation that does business as SF Planet Company ("SF Planet") (collectively,  
8 "S&F Defendants"). (*Id.* at ¶¶ 7–8.) The S&F Defendants allegedly "import, advertise, sell,  
9 and offer to sell products . . . that infringe the '942 Patent." (*Id.* at ¶ 17.) Third, Plaintiff alleges  
10 that Defendant GreatShield is a Minnesota corporation that is a corporate affiliate of the S&F  
11 Defendants. (*Id.* at ¶¶ 11–12.) Plaintiff further alleges the S&F Defendants "operate an  
12 Amazon.com storefront" through which they sell the AE Tech products that allegedly infringe  
13 the '942 Patent. (*Id.* at ¶¶ 30–31.)

14 In response to the Defendants' allegedly infringing activities, Plaintiff filed the instant  
15 action on January 11, 2012, alleging infringement of the '942 Patent. (*See* Compl., ECF No. 1.)  
16 Plaintiff subsequently filed its Amended Complaint on March 14, 2012. (Am. Compl., ECF  
17 No.44.) Defendant AE Tech filed its Answer on March 30, 2012 (Answer, ECF No. 51) and  
18 Defendants S&F Corporation and Greatshield Inc. filed their Answer on April 9, 2012  
19 (Answer, ECF No. 52). In the Answers, Defendants assert multiple affirmative defenses: (1)  
20 unclean hands; (2) unenforceability; (3) noninfringement; (4) invalidity; (5) inequitable  
21 conduct; and (6) any additional affirmative defenses that become apparent during the course of  
22 the litigation. (Answer at 5:26–6:13, ECF No. 51.) Defendants also assert four counterclaims:  
23 (1) declaratory judgment of noninfringement; (2) declaratory judgment of invalidity; (3)  
24 declaratory judgment of unenforceability; and (4) false marking. (*Id.* ¶¶ 25–51.) The Court  
25 subsequently dismissed Defendants' counterclaim for false marking, but found that Defendants

1 had adequately alleged their counterclaim for a declaratory judgment of unenforceability as a  
2 result of inequitable conduct. (February 25, 2014 Order, ECF No. 512.)

3         Thereafter, Defendants filed the instant Motion for Summary Judgment of Inequitable  
4 Conduct in which they assert that no genuine issues of material fact remain for trial and  
5 Defendants are entitled to judgment on their inequitable conduct counterclaim. Specifically,  
6 Defendants assert that Plaintiff was selling a screen protector product for an Apple MacBook  
7 computer (“iVisor AG for MacBook”) more than one year prior to the filing of the application  
8 that eventually issued as the ’942 Patent. (Mot. for Summ. J. 2:13–22, ECF No. 425.) The  
9 iVisor AG for MacBook was a commercial embodiment of a Taiwanese patent application that  
10 predated the filing of the application that issued as the ’942 Patent. (*Id.* at 3:5–7, 4:8–10.) This  
11 Taiwanese patent application was even referenced in a declaration that the applicants filed  
12 pursuant to 37 C.F.R. § 1.131 (the “131 Declaration”), in an attempt to establish an invention  
13 date of the touch screen protector product prior to the effective date of the Taiwanese patent  
14 application. (*Id.* at 4:8–10.) Despite discussing the Taiwanese patent application in the 131  
15 Declaration, the patent applicants failed to mention the sales of the iVisor AG for MacBook.  
16 (*Id.* at 4:18–20.) Defendants now assert that, based on the applicants’ withholding the iVisor  
17 AG for MacBook from the PTO, they are entitled to a summary adjudication that the  
18 applicants’ committed inequitable conduct before the PTO and that, as a result, the ’942 Patent  
19 should be rendered unenforceable.

## 20 **II. LEGAL STANDARD**

21         The Federal Rules of Civil Procedure provide for summary adjudication when the  
22 pleadings, depositions, answers to interrogatories, and admissions on file, together with the  
23 affidavits, if any, show that “there is no genuine dispute as to any material fact and the movant  
24 is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(a). Because a motion for  
25 summary judgment is a purely procedural question not pertaining to patent law, this Court

1 applies the law of the regional circuit, the Ninth Circuit, when determining whether a genuine  
2 dispute exists as to any material fact. *CollegeNet, Inc. v. ApplyYourself, Inc.*, 418 F.3d 1225,  
3 1230 (Fed. Cir. 2005).

4 Material facts are those that may affect the outcome of the case. *See Anderson v. Liberty*  
5 *Lobby, Inc.*, 477 U.S. 242, 248 (1986). A dispute as to a material fact is genuine if there is a  
6 sufficient evidentiary basis on which a reasonable fact-finder could rely to find for the  
7 nonmoving party. *See id.* “The amount of evidence necessary to raise a genuine issue of  
8 material fact is enough ‘to require a jury or judge to resolve the parties’ differing versions of  
9 the truth at trial.’” *Aydin Corp. v. Loral Corp.*, 718 F.2d 897, 902 (9th Cir. 1983) (quoting  
10 *First Nat’l Bank v. Cities Serv. Co.*, 391 U.S. 253, 288–89 (1968)). “Summary judgment is  
11 inappropriate if reasonable jurors, drawing all inferences in favor of the nonmoving party,  
12 could return a verdict in the nonmoving party’s favor.” *Diaz v. Eagle Produce Ltd. P’ship*, 521  
13 F.3d 1201, 1207 (9th Cir. 2008). A principal purpose of summary judgment is “to isolate and  
14 dispose of factually unsupported claims.” *Celotex Corp. v. Catrett*, 477 U.S. 317, 323–24  
15 (1986).

16 In determining summary judgment, a court applies a burden-shifting analysis that  
17 depends on which party filed the motion and which party bears the burden of proof. When, as  
18 here, “the party moving for summary judgment would bear the burden of proof at trial, it must  
19 come forward with evidence which would entitle it to a directed verdict if the evidence went  
20 uncontroverted at trial. In such a case, the moving party has the initial burden of establishing  
21 the absence of a genuine issue of fact on each issue material to its case.” *C.A.R. Transp.*  
22 *Brokerage Co. v. Darden Rests., Inc.*, 213 F.3d 474, 480 (9th Cir. 2000) (citations omitted). If  
23 the moving party fails to meet its initial burden, summary judgment must be denied and the  
24 court need not consider the nonmoving party’s evidence. *See Adickes v. S.H. Kress & Co.*, 398  
25 U.S. 144, 159–60 (1970).

If the moving party satisfies its initial burden, the burden then shifts to the opposing

1 party to establish that a genuine issue of material fact exists. *See Matsushita Elec. Indus. Co. v.*  
2 *Zenith Radio Corp.*, 475 U.S. 574, 586 (1986). To establish the existence of a factual dispute,  
3 the opposing party need not establish a material issue of fact conclusively in its favor. It is  
4 sufficient that “the claimed factual dispute be shown to require a jury or judge to resolve the  
5 parties’ differing versions of the truth at trial.” *T.W. Elec. Serv., Inc. v. Pac. Elec. Contractors*  
6 *Ass’n*, 809 F.2d 626, 631 (9th Cir. 1987). However, the nonmoving party “may not rely on  
7 denials in the pleadings but must produce specific evidence, through affidavits or admissible  
8 discovery material, to show that the dispute exists,” *Bhan v. NME Hosps., Inc.*, 929 F.2d 1404,  
9 1409 (9th Cir. 1991), and ““must do more than simply show that there is some metaphysical  
10 doubt as to the material facts.”” *Orr v. Bank of Am.*, 285 F.3d 764, 783 (9th Cir. 2002) (quoting  
11 *Matsushita*, 475 U.S. at 586). “The mere existence of a scintilla of evidence in support of the  
12 plaintiff’s position will be insufficient.” *Anderson*, 477 U.S. at 252. In other words, the  
13 nonmoving party cannot avoid summary judgment by relying solely on conclusory allegations  
14 that are unsupported by factual data. *See Taylor v. List*, 880 F.2d 1040, 1045 (9th Cir. 1989).  
15 Instead, the opposition must go beyond the assertions and allegations of the pleadings and set  
16 forth specific facts by producing competent evidence that shows a genuine issue for trial. *See*  
17 *Celotex Corp.*, 477 U.S. at 324.

18 At summary judgment, a court’s function is not to weigh the evidence and determine the  
19 truth, but to determine whether there is a genuine issue for trial. *See Anderson*, 477 U.S. at 249.  
20 The evidence of the nonmovant is “to be believed, and all justifiable inferences are to be drawn  
21 in his favor.” *Id.* at 255. Nevertheless, if the evidence of the nonmoving party is merely  
22 colorable or is not significantly probative, summary judgment may be granted. *See id.* at 249–  
23 50.

### 24 **III. DISCUSSION**

25 Defendants now request that this Court summarily adjudicate Defendants’ counterclaim  
for unenforceability of the ’942 Patent because either the applicants or the prosecuting

1 attorneys committed inequitable conduct during the prosecution of the '942 Patent.

2 Inequitable conduct occurs when the patent applicant fails to disclose material  
3 information, or submits false material information, with an intent to deceive the patent  
4 examiner. *Kingsdown Med. Consultants, Ltd. v. Hollister Inc.*, 863 F.2d 867, 872 (Fed. Cir.  
5 1988); *see also* 37 C.F.R. § 1.56 (“Each individual associated with the filing and prosecution of  
6 a patent application has a duty of candor and good faith in dealing with the [Patent] Office,  
7 which includes a duty to disclose to the Office all information known to that individual to be  
8 material to patentability as defined in this section.”). Inequitable conduct is an equitable  
9 defense to patent infringement that, if proved, bars enforcement of a patent. *Therasense, Inc. v.*  
10 *Becton, Dickinson & Co.*, 649 F.3d 1276, 1287 (Fed. Cir. 2011) (en banc). “To prove  
11 inequitable conduct, the challenger must show by clear and convincing evidence that the patent  
12 applicant (1) misrepresented or omitted information material to patentability, and (2) did so  
13 with the specific intent to mislead or deceive the PTO.” *In re Rosuvastatin Calcium Patent*  
14 *Litig.*, 703 F.3d 511, 519 (Fed. Cir. 2012) (citing *Therasense*, 649 F.3d at 1287). Furthermore,  
15 “materiality and intent must be separately established.” *Id.*

16 In this case, Defendants assert that Plaintiff failed to disclose the sale of the iVisor AG  
17 for MacBook to the PTO. Defendant further contends that this omission was material and that  
18 the applicants and prosecuting attorneys committed the omission with the specific intent to  
19 deceive the PTO. Thus, Defendants assert that the omission of this reference renders the '942  
20 Patent unenforceable. However, as discussed below, genuine issues of material fact still exist  
21 as to each element of Defendants' inequitable conduct claim, thus precluding summary  
22 judgment.

### 23 **A. Materiality**

24 The party alleging inequitable conduct may prove the materiality prong in one of two  
25 ways. Most commonly, the party attempts to establish “but-for materiality” by providing

1 “proof that the patentee withheld or misrepresented information that, in the absence of the  
2 withholding or misrepresentation, would have prevented a patent claim from issuing.” *Ohio*  
3 *Willow Wood Co. v. Alps S., LLC*, 735 F.3d 1333, 1345 (Fed. Cir. 2013). Alternatively, the  
4 Court will presume materiality where the party alleging inequitable conduct proves that “the  
5 patentee has engaged in affirmative acts of egregious misconduct, such as the filing of an  
6 unmistakably false affidavit.” *Therasense*, 649 F.3d at 1292.

7 *I. But-for Materiality*

8 To prevail on its motion, Defendants must first establish that no reasonable trier of fact  
9 could find that, from the perspective of the PTO, the withheld or misrepresented information  
10 would have blocked patentability. *Ohio Willow Wood*, 735 F.3d at 1345. Defendants attempt to  
11 carry this burden by first noting that the iVisor AG for MacBook was a commercial  
12 embodiment of a Taiwanese patent application that the applicants did disclose to the PTO  
13 during prosecution. Defendants further observe that the applicants filed a declaration pursuant  
14 to 37 C.F.R. § 1.131 (“131 Declaration”), in which they asserted that they invented the subject  
15 matter of the ’942 Patent prior to the date of the Taiwanese patent application. Based on these  
16 facts, Defendants argue that the Court need not look any further than this declaration to  
17 conclude that the iVisor AG for MacBook is but-for material.

18 The Court disagrees. True enough, by filing the 131 Declaration, the applicants were  
19 attempting to establish an invention date prior to the Taiwanese patent application and prior to  
20 publication of several screen protector products on Plaintiff’s website. (*See* Mot. for Summ. J.  
21 Ex. 33 (“Decl. of Inventors Under 37 C.F.R. § 1.131”), ¶¶ 3, 5, ECF No. 425-33.) However, a  
22 declaration *by the applicants* that refers to the Taiwanese patent application cannot  
23 conclusively establish that disclosure of the commercial embodiment of the disclosed  
24 Taiwanese patent application would have blocked patentability *from the perspective of the*  
25 *PTO*. At best, the 131 Declaration may be evidence that the applicants or the prosecuting

1 attorneys thought the subject matter of the Taiwanese patent application was material to  
2 patentability of the '942 Patent, but this alone is insufficient evidence of materiality from the  
3 PTO's perspective, such that summary judgment is proper. Furthermore, the record lacks any  
4 evidence that the examiner actually relied on the 131 Declaration in order to issue the claims in  
5 the '942 Patent over the Taiwanese patent application.

6 Finally, Plaintiff submits evidence that the PTO previously rejected the materiality of an  
7 embodiment of the Taiwanese patent application by refusing to initiate reexamination  
8 proceedings based on the Taiwanese patent applications and commercial embodiments thereof.  
9 (App. to Bloch Decl. Ex. I, ECF No. 450-9.) Specifically, when seeking to initiate  
10 reexamination proceedings, Defendants explicitly argued that the claims of the '942 Patent  
11 should not have issued because they are obvious in light of the Taiwanese patent application  
12 and commercial embodiments thereof. (*Id.* Ex. G, at 18–20, ECF No. 450-7.) However, after  
13 reviewing Defendants' request, the PTO disagreed and found that Defendants failed to show a  
14 reasonable likelihood of prevailing with respect to any of the claims of the patent because  
15 “neither of [the iVisor for laptop products] mentions a use on a touch screen device.” (*Id.* Ex. I,  
16 at 9, ECF No. 450-9.) The PTO further concluded that “[i]n fact, each [iVisor reference] shows  
17 a protector being applied to the screen of a laptop having a keyboard, and each . . . identifies the  
18 laptop as a ‘MacBook Pro,’ which to this day does not appear to have been produced in a  
19 touch-screen version.” (*Id.*) The PTO's decision indicates that the PTO could have easily  
20 determined that the withheld reference was not material to the patentability of the claims in the  
21 '942 Patent because the inventors of the iVisor AG for MacBook did not intend the product for  
22 use on a touch screen device.

23 Although Defendants' comparison of claim 1 of the '942 Patent to the iVisor AG for  
24 MacBook could establish the materiality of this withheld reference, the PTO's decision that this  
25 reference was insufficient to warrant reexamination proceedings at least creates a genuine issue



1 of material fact. For these reasons, the Court finds that, when drawing all inferences in favor of  
2 Plaintiff, a reasonable jury could determine that the iVisor AG for MacBook was not material  
3 to patentability. If the jury found that Defendants failed to prove materiality by clear and  
4 convincing evidence, the jury would be required to return a verdict of no inequitable conduct.  
5 Because the Court cannot, on a motion for summary judgment, “weigh the evidence and  
6 determine the truth,” Defendants’ Motion for Summary Judgment (ECF No. 425) must be  
7 DENIED.

8           2.     *Affirmative Egregious Misconduct*

9           Likewise, Defendants have not established that they are entitled to a presumption of  
10 materiality as a result of any “affirmative egregious misconduct.” This presumption does not  
11 apply to “mere nondisclosure of prior art references to the PTO nor failure to mention prior art  
12 references in an affidavit.” *Therasense*, 649 F.3d at 1292–93. Rather, this presumption is  
13 relevant only when the party attempting to prove inequitable conduct shows that the inventors  
14 or their attorneys “go to great lengths to deceive the PTO with a falsehood,” such as  
15 manufacturing false evidence. *Id.* at 1292 (citing *Hazel-Atlas Glass Co. v. Hartford-Empire*  
16 *Co.*, 322 U.S. 238, 247 (1944) overruled on other grounds by *Standard Oil Co. of Cal. v.*  
17 *United States*, 429 U.S. 17 (1976)).

18           In their Motion for Summary Judgment, Defendants assert that the applicants’  
19 withholding the iVisor AG for MacBook was “not simply a non-disclosed prior art reference,  
20 the blatant misrepresentation was the knowledge of extensive sales of a product that was also  
21 known to be an embodiment of the Taiwanese application.” (Mot. for Summ. J. 3:24–27, ECF  
22 No. 476.) This argument would essentially allow a limitless method for a party to  
23 recharacterize a nondisclosure into affirmative egregious misconduct, thus rendering this  
24 narrow exception meaningless. Permitting a simple recharacterization is inconsistent with the  
25 Federal Circuit’s intent when it endeavored to create an exception that would incorporate

1 “sufficient flexibility to capture *extraordinary* circumstances.” *Therasense*, 649 F.3d at 1293  
2 (emphasis added).

3 Furthermore, the Court is not persuaded by Defendants’ reliance on the Federal Circuit’s  
4 pre-*Therasense* holding in *Paragon Podiatry Laboratory, Inc. v. KLM Laboratories, Inc.*, 984  
5 F.2d 1182, 1192–93 (Fed. Cir. 1993). In *Paragon*, the Federal Circuit affirmed the district  
6 court’s inequitable conduct finding by relying primarily on the applicant’s submission of  
7 affidavits that were authored by individuals that “held stock in Paragon,” despite the fact that  
8 the applicants represented to the PTO that the individuals were “disinterested third part[ies].”  
9 *Id.* at 1191. However, Defendants solely rely on a short passage at the end of the opinion in  
10 which the court also noted that “the patentee’s failure to disclose to the examiner the pre-  
11 critical date commercial sales of the *patented device*” provided additional support for affirming  
12 the district court’s inequitable conduct finding. *Id.* at 1192 (emphasis added). Although the  
13 court observed that “[t]he concealment of sales information can be particularly egregious,” the  
14 court also articulated that this was not the primary basis for finding materiality and was,  
15 instead, being discussed because of the possible “cumulative effect on the district court’s  
16 determination of an exceptional case in connection with KLM’s motion for attorney fees.” *Id.*  
17 at 1192–93 n.9.

18 *Paragon* is distinguishable for several reasons and these distinctions preclude summary  
19 judgment. First, in *Paragon*, the court applied the more lenient, pre-*Therasense* standard for  
20 materiality. Even if the court had applied the *Therasense* standard, the court did not hold that  
21 the withheld sales information alone was sufficient to support an inequitable conduct finding.  
22 Rather, the court’s primary basis for affirming the district court’s inequitable conduct finding  
23 was the applicant’s false statements about the interests of the supposedly disinterested affiants.  
24 Finally, the withheld sales information involved sales of the actual patented device, rather than,  
25 as in the instant case, a related or predecessor device.

1 For these reasons, Defendants have failed to convince the Court that summary judgment  
2 on this issue is proper. Given the narrow definition of this exception in *Therasense* and the  
3 numerous distinctions between this case and *Paragon*, the Court cannot conclude, on summary  
4 judgment, that withholding the sales information of the iVisor AG for MacBook amounted to  
5 affirmative egregious misconduct. As such, Defendants’ Motion for Summary Judgment (ECF  
6 No. 425) must be DENIED.

7 **B. Specific Intent to Deceive**

8 Even if Defendants could establish their entitlement to summary judgment on the issue  
9 of materiality, their Motion would still fail because genuine issues of material fact remain as to  
10 whether the applicants or their attorneys withheld the iVisor AG for MacBook reference with  
11 the specific intent to deceive the PTO. “A finding that the . . . omission amounts to gross  
12 negligence or negligence under a ‘should have known’ standard does not satisfy this intent  
13 requirement.” *Therasense*, 649 F.3d at 1290. Instead, Defendants must “prove by clear and  
14 convincing evidence that the applicant knew of the reference, knew that it was material, and  
15 made a deliberate decision to withhold it.” *Id.* The Federal Circuit has recognized that “direct  
16 evidence of deceptive intent is rare” and, as a result, the court has authorized district courts to  
17 “infer intent from indirect and circumstantial evidence.” *Id.* Nevertheless, the clear and  
18 convincing evidence standard is satisfied only when the specific intent to deceive is “the single  
19 most reasonable inference able to be drawn from the evidence.” *Id.* (quotation marks omitted);  
20 *see also Ohio Willow Wood*, 735 F.3d at 1351 (“[W]hen there are multiple reasonable  
21 inferences that may be drawn, intent to deceive cannot be found.” (quotation marks omitted));  
22 *Kingsdown Med. Consultants, Ltd. v. Hollister Inc.*, 863 F.2d 867, 873 (Fed. Cir. 1988)  
23 (holding that a defendant meets the intent element only when the evidence is sufficient to  
24 “require a finding of deceitful intent in the light of all the circumstances” (emphasis added)).

25 Even assuming that the applicants knew of the iVisor AG for MacBook reference,

1 genuine issues of material fact still exist as to whether the applicants knew this reference was  
2 material and whether the applicants made a deliberate decision to withhold it.

3 Defendants correctly note that the applicants' attempts to establish an invention date of  
4 its touch screen products before the effective date of the Taiwanese patent application serves as  
5 evidence that the applicants believed the subject matter of this reference to be material.  
6 Because this withheld reference is a commercial embodiment of the Taiwanese patent  
7 application, the reference to the Taiwanese patent application in the 131 Declaration also  
8 provides evidence that the applicants believed that the withheld reference was material to  
9 patentability. At the same time, Plaintiff provides deposition testimony that, if believed,  
10 establishes that the applicants knew that using the iVisor AG for MacBook would impede the  
11 functionality of a touch screen device. (*See, e.g.*, Czajkowski Decl. Ex. 3 (Huang Dep.) 33: 9–  
12 20, ECF No. 425-4 (testifying that the inventors tried to use the laptop screen protector on a  
13 touch screen device, “but it did not work”).) Consequently, if the applicants knew that the  
14 iVisor AG for MacBook rendered the touchscreen inoperable, a reasonable juror could  
15 conclude that the applicants believed that this reference had no bearing on the patentability of a  
16 screen protector product that permitted the user to engage the touchscreen. Because summary  
17 judgment is not the appropriate stage to weigh competing testimony, the Court finds that a  
18 genuine issue of material fact still exists as to whether the applicants knew that the withheld  
19 reference was material.

20 In addition, Defendants appear to argue that summary judgment is appropriate because  
21 the Court should presume intent to deceive where the applicants submitted a declaration with a  
22 “blatant and known misrepresentation.” (Mot. for Summ. J. 21:18–20, ECF No. 425  
23 (“Submitting Rule 131 declarations containing a blatant and known misrepresentation, as the  
24 inventors did here, by itself evidences a specific intent to deceive the USPTO.”).) The Court  
25 declines to rely on any such presumption because it lacks support in Federal Circuit precedent.

1 Defendants next assert that no issues of fact remain as to the applicants' intent because  
2 the applicants conducted an inadequate prior art search, as is required when filing an  
3 application under the PTO's Accelerated Examination procedure. This argument also fails to  
4 persuade the Court that summary judgment is appropriate. Defendants have not provided any  
5 authority that evidence of an applicant's failure to satisfy the requirements of this procedure  
6 warrants a finding, on summary judgment, of intent to deceive. Furthermore, Defendants'  
7 argument appears to sound in negligence, *i.e.*, the applicants conducted a negligent pre-  
8 examination prior art search. Even assuming that the applicant did conduct this search in a  
9 negligent manner, such negligence cannot conclusively establish intent to deceive. *See*  
10 *Therasense*, 649 F.3d at 1290 ("A finding that the . . . omission amounts to gross negligence or  
11 negligence under a 'should have known' standard does not satisfy this intent requirement.")

12 The Court is similarly unpersuaded by Defendants argument that Plaintiff's conduct  
13 during this litigation provides further support for the summary adjudication that Defendants  
14 request. Given that the disputed issues of fact discussed above, these types of inferences are  
15 insufficient to establish by clear and convincing evidence that the applicants acted with the  
16 specific intent to deceive the PTO. (*See, e.g.*, Mot. for Summ. J. 27:3–28:20, ECF No. 425  
17 (drawing inferences based on the questions on which Mr. Lin could recall details and the  
18 question on which Mr. Lin's memory was less complete).) These comparisons are more  
19 appropriately raised as witness impeachment during a trial, which a jury can then weigh when  
20 determining the credibility of that witness. Similarly, a motion for summary judgment is an  
21 inappropriate mechanism to object to an opposing party's conduct during discovery and,  
22 specifically, to the completeness of an opposing party's discovery responses. (*See id.* at 28:21–  
23 29:24.)


24 Based on the evidence in the record, a reasonable juror could conclude, as Defendants  
25 have done, that the applicants intended to deceive the PTO by withholding the iVisor AG for

1 MacBook reference. However, Plaintiff has also provided plausible explanations for this  
2 nondisclosure such that genuine issues of material fact still exist. For these reasons, the Court  
3 concludes that Defendants have failed to establish by clear and convincing evidence that the  
4 applicants knew that the iVisor AG for MacBook was material to patentability of at least one  
5 claim of the '942 Patent and that, nevertheless, the applicants made a deliberate decision to  
6 withhold this reference from the PTO. Because it is not appropriate at this stage for the Court  
7 to make credibility determinations and resolve factual disputes, the Court must DENY  
8 Defendants' Motion for Summary Judgment (ECF No. 425).

9 **IV. CONCLUSION**

10 **IT IS HEREBY ORDERED** that the Motion for Summary Judgment (ECF No. 425)  
11 filed by Defendants AE Tech Co., Ltd.; Greatshield Inc.; and S&F Corporation is **DENIED**.

12 **DATED** this 29 day of July, 2014.

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16 Gloria M. Navarro, Chief Judge  
17 United States District Judge  
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