



Full Disclosure Required to Avoid Inequitable Conduct

Patent applicants are required to disclose any publication or other publicly available information that could affect the United States Patent and Trademark Office's (PTO) determination of whether the applicants' invention is novel and not obvious (i.e. material to patentability). Failure to fully disclose such information by the applicant is known as inequitable conduct which may result in a patent being held invalid and unenforceable despite otherwise being patent worthy.

Recently, in *American Calcar, Inc. v. American Honda, Inc.* No. 13-1061, (Fed. Cir. Sep. 26, 2014), the Court of Appeals for the Federal Circuit ("CAFC") held that Calcar's failure to disclose the owner's manual of the 1996 Acura RL was inequitable conduct. Calcar's invention was a computer system that allows the driver to search for and display information about the car's features such as climate control, the radio and the engine. Calcar's computer system was admittedly based on the Acura RL's navigation system. In fact, Calcar disclosed the existence of the navigation system and submitted a *New York Times* article describing it to the PTO when it filed its application. However, Calcar did not disclose to the PTO the owner's manual which it had read and which detailed how to use the navigation system. The PTO found the computer system novel and not obvious and granted Calcar several patents covering its invention.

Later, Calcar tried to enforce its patent rights against Honda for using a similar system in its vehicles. Before trial, Honda brought a re-examination of the three relevant patents in the PTO in light of the Acura RL's owner's manual. The PTO once again found Calcar's invention patentable and confirmed the validity of these patents. At trial, Honda claimed that Calcar's patents were invalid for inequitable conduct for not disclosing the owner's manual to the PTO.

Despite the PTO's finding of validity on re-examination, the Federal Circuit affirmed the lower court's finding that the PTO would not have granted the patents to Calcar if it had known about the owner's manual at the time the application was filed. The Court also found that Calcar knew the manual was material and that its failure to disclose the manual was intended to deceive the PTO into granting patents on Calcar's invention. Based on these findings, the Federal Circuit held Calcar's patents invalid for inequitable conduct.

In prosecuting patent applications, we at Wood Phillips take the necessary steps to ensure that our clients' inventions will remain fully protected. If you have any questions about whether your idea is patentable, please contact an attorney at Wood Phillips.