

Tech Co. Escapes Inequitable Conduct For Alice-Axed Patents

By **Matthew Bultman**

Law360, New York (August 3, 2016, 10:54 PM ET) -- CertusView Technologies LLC was unable to save its electronic records patents from the U.S. Supreme Court's Alice test, but a Virginia federal judge on Tuesday did clear the inventors and their attorney of allegations of inequitable conduct at the patent office.

U.S. District Judge Mark S. Davis said CertusView rival S&N Communications Inc. had not proven that three named inventors or an attorney who represented them made misrepresentations or withheld evidence during the prosecution of the patents.

The decision, outlined in a 115-page opinion, followed a five-day bench trial in March.

Judge Davis previously ruled that the patent claims asserted in the suit were invalid because they claimed only an abstract idea. A finding of inequitable conduct could have made each of the patents entirely unenforceable.

Representatives for both sides could not immediately be reached for comment Wednesday.

The case dates back to March 2013, when Florida-based CertusView sued its rival in federal court. The amended complaint listed five patents, each of which covered CertusView's e-Sketch software. Excavators and others can use the product to make an electronic record of markings that indicate the presence of underground infrastructure, like an electric line or gas pipe.

S&N responded with counterclaims seeking a court order that it did not infringe and that the asserted claims were invalid. It argued the claims were directed to an abstract idea that cannot be patented under Section 101 of the Patent Act.

North Carolina-based S&N also sought a ruling that there had been inequitable conduct when CertusView secured the patents at the United States Patent and Trademark Office. It alleged that a series of misrepresentations and false statements had been made about prior art, as well as the inventorship of the patents.

In January 2015, Judge Davis dealt CertusView a blow, ruling that each of the asserted claims was invalid under the Alice decision. In Alice, the Supreme Court held that adding a computer to patent claims involving an abstract idea does not make them patent-eligible.

S&N's allegations of inequitable conduct were left for a bench trial, which started in March. Over five days, S&N laid out accusations that the inventors, "in their zeal to patent what is a simple concept," undertook a "deliberate process to deceive" the USPTO.

The CEO of CertusView and the vice president of its parent company, Dycom, were named as inventors on each of the five patents. The chief engineering officer of Dycom was also listed as a joint inventor on a few.

S&N argued, among other things, there were instances where the engineering officer, Jeffrey Farr, shouldn't have been named an inventor. It also claimed there was evidence that should have been disclosed to the patent examiner — evidence it said would have prevented CertusView from ever getting some of the patents.

Additionally, S&N alleged another man, Greg Block, should have been listed as an inventor on several of the patents. Block, who was not in Dycom and CertusView senior management, "envisioned" the concept that became e-Sketch, and later built the prototype, S&N said.

CertusView, for its part, argued in court papers that "S&N's sweeping allegations impugned the credibility of nearly everyone involved in obtaining the patents-in-suit, but trial evidence revealed that CertusView conducted a well-managed, good-faith patent prosecution, guided by veteran intellectual property consultants and experienced outside counsel."

Judge Davis sided with CertusView in his lengthy decision Tuesday, dissecting each of S&N's claims.

With respect to Farr's inventorship, the judge said he was correctly listed as a joint inventor because he helped "conceptualize and invent" two of e-Sketch's predecessor components. As for Block, while he might have developed portions of the e-Sketch software, "such development does not, in this matter, constitute conception or invention," the judge wrote.

Judge Davis also found, among other things, that S&N hadn't shown "by clear and convincing evidence" that CertusView withheld products similar to the e-Sketch from the patent office with the specific intent to deceive.

In one example, the judge said the evidence shows CertusView didn't submit a particular product called TelDig Mobile as prior art because it "believed TelDig to be inventing products in, and concerned with, a completely different portion of the locate operation field."

The patents at issue are U.S. Patent Nos. 8,290,204; 8,407,001; 8,340,359; 8,265,344; and 8,532,341.

CertusView is represented by Christopher C. Campbell, Thomas J. Friel Jr., Orion Armon, Wayne O. Stacy and James P. Brogan of Cooley LLP.

S&N is represented by Brian L. Whisler, Daniel J. O'Connor, Michael A. Duffy, John G. Flaim, W. Bart Rankin, Mackenzie Martin, Benjamin B. Kelly and Erin M. Choi of Baker McKenzie LLP.

The case is CertusView Technologies LLC v. S&N Locating Services et al., case number 2:13-cv-00346, in the U.S. District Court for the Eastern District of Virginia.

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