

Slip Copy, 2009 WL 3172740 (D.Vt.)
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United States District Court,
D. Vermont.
SYNVENTIVE MOLDING SOLUTIONS, INC.,
Plaintiff,
v.
HUSKY INJECTION MOLDING SYSTEMS,
INC., Defendant.
No. 2:08-cv-136.

Oct. 1, 2009.

Marc S. Cooperman, Janice V. Mitrius, Jason Shull,
Katie L. Becker, Matthew P. Becker, and Timothy
C. Meece of Banner & Witcoff Ltd., Karen
McAndrew of Dinse, Knapp & McAndrew, P.C, for
Husky Injection Molding Systems, Inc.

MEMORANDUM and ORDER

WILLIAM K. SESSIONS III, Chief Judge.

*1 Before the Court is Husky Injection Molding Systems, Inc. (“Husky”)'s Motion for Leave to Amend its Answer, Affirmative Defenses, and Counterclaims to Add its Inequitable Conduct Affirmative Defense and Counterclaim (Doc. 287), filed August 17, 2009. For the reasons that follow the motion is **granted**.

Because the deadline for amending pleadings has passed, Husky must establish “good cause” for the amendment. See *Fed.R.Civ.P. 16(b)(4)*; *Parker v. Columbia Pictures Indus.*, 204 F.3d 326, 340 (2d Cir.2000). Husky seeks to add an affirmative defense and counterclaim for unenforceability based on the patent applicant's failure to disclose material information about the prior art Kona Valve Gate System during Synventive Molding Solutions, Inc. (“Synventive”)'s prosecution of its patent applications. Husky claims that the underlying facts sup-

porting its proposed amendment were obtained from the depositions of the inventors of the patents-in-suit, Mark Moss and Christopher Lee, taken June 16-18, 2009.

According to its proposed counterclaim, Lee and Moss were aware of and withheld information about the Kona Valve Gate System that is relevant to the patentability of claims 1-11 of the '870 patent and claims 1-16 of the '116 patent. Specifically, Synventive described its Kona Valve Gate System in marketing and advertising literature as having an adjustable valve pin which could be removed from the hydraulic valve assembly while the valve assembly remained with the system. The claims of the patents-in-suit describe a valve pin whose “axial position” is adjustable without removing the valve pin from the manifold while components of the valve pin assembly remain with the hot runner system. Husky alleges that these patent claims describe the same structure and function as the Kona Valve Gate System.

Synventive argues that the motion should be denied as untimely, asserting that Husky has known about the prior art since at least 2002. Husky acknowledges that it was aware of Synventive's '025 patent, which cites the Kona Valve Gate System as prior art, but contends that only through recent discovery did it learn that the Kona Valve Gate System contains the same structure and function as the '870 and '116 patent claims. Husky claims this is because Synventive supplied an allegedly incomplete and misleading technical drawing of the Kona Valve Gate System to the USPTO during patent prosecution, because Synventive has resisted discovery on the Kona Valve Gate System, and because the recent deposition testimony disclosed that the Kona Valve Gate System contains the same structure and function as the patent claims.

Although Synventive argues vigorously that Husky is mistaken about the structure and function of the prior art, it does not dispute that if the deposition

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testimony supports Husky's claim that the Kona Valve Gate System has an adjustable valve pin that functions similarly to the valve pin in the asserted claims of the '870 and '116 patents, then Husky has not unduly delayed in seeking leave to assert a counterclaim of inequitable conduct before the USPTO. Nor does Synventive argue that it will be prejudiced by assertion of this counterclaim, or that inclusion of the counterclaim will cause delay. Leave to amend will therefore not be denied because Husky failed to establish good cause.

*2 Synventive also argues that Husky's proposed amendment should be denied for failure to plead inequitable conduct with particularity as required by Federal Rule of Civil Procedure 9(b). See *Exergen Corp. v. Wal-Mart Stores, Inc.*, 575 F.3d 1312, 1326 (Fed Cir.2009). The “elements of inequitable conduct are (1) an individual associated with the filing and prosecution of a patent application made an affirmative misrepresentation of a material fact, failed to disclose material information, or submitted false material information; and (2) the individual did so with a specific intent to deceive the PTO.” *Id.* at 1327 n. 3. “[I]n pleading inequitable conduct in patent cases, Rule 9(b) requires identification of the specific who, what, when, where, and how of the material misrepresentation or omission committed before the PTO.” *Id.* at 1327. Knowledge and specific intent may be averred generally, but the pleadings must “allege sufficient underlying facts from which a court may reasonably infer that a party acted with the requisite state of mind.” *Id.*

Husky has adequately alleged the who, what, when, where, and how of its inequitable conduct claim. The “who” are alleged to be the inventors Lee and Moss. See Proposed Am. Answer, Affirmative Defenses & Counterclaims ¶ 39. The “what” is alleged to be the failure to disclose material information. Specifically Husky alleges that the Kona Valve Gate System had a valve pin that could be adjusted while decoupled from the piston and while the valve pin remained extended into the manifold; the valve pin could be decoupled from the piston while

the clamp plate remained coupled to the mold, the actuator remained mounted in the clamp plate and the piston remained mounted within the actuator; and the clamp plate and actuator could be removed from the mold while the valve pin remained extended into the manifold. *Id.* ¶ 41. Husky alleges that Synventive's patented claims feature a valve pin that can be adjusted while the valve pin is decoupled from the piston, while the clamp plate and the actuator cylinder remained coupled to the mold, and while the valve pin remained extended into the manifold; a valve pin that can be decoupled from the piston while the clamp plate remains coupled to the mold, while the valve pin actuator remains mounted in the clamp plate; and a clamp plate and an actuator that can be removed from the mold while the valve pin remains extended into the manifold. *Id.* ¶ 40. Husky alleges that Moss and Lee were aware of the adjustment feature of the Kona Valve Gate System valve pin, and aware of Synventive marketing and advertising documents that promoted this adjustment feature, yet did not disclose this to the PTO. *Id.* ¶¶ 42-43. Husky also alleges that the withheld information concerning the Kona Valve Gate System was material to the patentability of claims 1-11 of the '870 patent, and claims 1-16 of the '116 patent. *Id.* ¶ 43.

*3 Synventive protests that the Husky has misstated the claim elements and the structure and functionality of the prior art, and that it has confused a general adjustment of the valve pin with adjustment of the axial position of the valve pin. These arguments attack the merits of Husky's inequitable conduct claim, not whether the claim has been adequately pled.

Synventive does not dispute that Husky has identified when the omission took place. Husky has identified where the material information withheld from the PTO may be found-in Synventive documents that described and promoted what Husky terms the axial adjustment feature. *Id.* ¶ 42. Although Synventive disputes the meaning and the significance of the documents' use of the term “adjustable” in

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connection with the valve pin, there is no real dispute that Husky has identified where it believes the material omission may be found.

Husky has adequately pled the “how” of its inequitable conduct claim as well. According to Husky, the withheld information is material because Lee and Moss testified during their depositions that the Kona Valve Gate System contains the same structure and function as asserted in claims 1-11 of the '870 patent and claims 1-16 of the '116 patent. Also, the documentary evidence demonstrates that the Kona Valve Gate System contains the same axial adjustment feature as asserted in claims 7-11 of the '870 patent and claims 13-16 of the '116 patent. The omitted information was not cumulative; Lee and Moss did not disclose this information to the PTO, but submitted a technical drawing that omitted key structure and functionality claimed in the patent applications. *Id.* ¶ 43-44.

Finally, Husky has adequately pled facts which could give rise to an inference of scienter. Unlike the situation in *Exergen*, where the pleading stated generally that the corporation was aware of two patents but provided no factual basis to infer that any specific individual knew of specific information in the patents that was material to the claims of the patent-in-suit, 575 F.3d at 1330, Husky has specifically alleged the individuals involved, the information withheld and why it was material. Evidence that Lee and Moss submitted a drawing to the PTO that omitted the features that allegedly rendered the pending claims unpatentable could give rise to an inference that they did so knowingly and with deceptive intent.

Whether or not Husky's counterclaim for unenforceability due to inequitable conduct can survive summary judgment awaits the appropriate motion. The Court merely holds that Husky has adequately pled an affirmative defense and counterclaim for relief based on inequitable conduct before the PTO. Husky's motion is therefore **granted**. If the parties seek the Court's construction of additional claim terms related to adjustment of the axial position of

the valve pin, they shall file their proposed construction no later than thirty days from the date of this order.

***4 So ordered.**

D.Vt.,2009.

Synventive Molding Solutions, Inc. v. Husky Injection Molding Systems, Inc.

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