

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
TYLER DIVISION**

**ROY-G-BIV CORPORATION,**

**Plaintiff,**

**v.**

**ABB, LTD., ET AL.,**

**Defendants.**

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**Case No. 6:11-cv-622**

**ORDER**

Before the Court is ROY-G-BIV Corporation’s (“RGB”) Motion to Dismiss ABB, Inc.’s (“ABB”) Counterclaims and Strike Affirmative Defenses (Docket No. 162). For the reasons stated below, the Court **DENIES** RGB’s Motion. Accordingly, this Motion will no longer be heard at the April 8, 2014 hearing. The hearing will continue as scheduled for all other pending motions.

**BACKGROUND**

Plaintiff RGB filed this suit in November 2011 accusing several defendants, including ABB, of infringing U.S. Patents No. 6,513,058 (“the ’058 Patent”), 6,516,236 (“the ’236 Patent”), 6,941,543 (“the ’543 Patent”), and 8,073,557 (“the ’557 Patent”) (collectively, “the RGB Patents”). In its First Amended Answer (Docket No. 138), ABB asserted eight affirmative defenses, including unenforceability due to inequitable conduct and equitable estoppel. Docket No. 138 at 8. ABB’s First Amended Answer also included three counterclaims seeking declaratory judgments of noninfringement, invalidity, and unenforceability due to inequitable conduct. *Id.* at 48–49. Additionally, ABB included 217 paragraphs of factual allegations in

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support of the affirmative defenses and counterclaims. *Id.* at 9–48. RGB now moves to dismiss ABB’s unenforceability counterclaim under Federal Rule of Civil Procedure 12(b)(6) for failure to state a claim upon which relief can be granted and to strike as insufficient ABB’s affirmative defenses of unenforceability and equitable estoppel under Rule 12(f).

### APPLICABLE LAW

Dismissal under Federal Rule of Civil Procedure 12(b)(6) is appropriate where a party fails to state a claim upon which relief can be granted. The Court construes the complaint in the plaintiff’s favor and takes all well-pleaded facts as true. *Kane Enters. v. MacGregor (USA) Inc.*, 322 F.3d 371, 374 (5th Cir. 2003). A complaint attacked by a Rule 12(b)(6) motion to dismiss does not need detailed factual allegations, but a plaintiff must plead sufficient factual allegations to show that he is plausibly entitled to relief. *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 555–56, 570 (2007) (“[W]e do not require heightened fact pleading of specifics, but only enough facts to state a claim to relief that is plausible on its face.”). However, allegations of fraud must meet the heightened pleading requirements of Rule 9(b): “a party must state with particularity the circumstances constituting fraud or mistake.”

Inequitable conduct, “although a broader concept than fraud, must be pled with particularity under Rule 9(b).” *Exergen Corp. v. Wal-Mart Stores, Inc.*, 575 F.3d 1312, 1326 Fed. Cir. 2009). “[T]o plead the ‘circumstances’ of inequitable conduct with the requisite ‘particularity’ under Rule 9(b), the pleading must identify the specific who, what, when, where, and how of the material misrepresentation or omission committed before the PTO.” *Id.* at 1328. Although the “knowledge” and “intent” requirements may be averred generally, the pleadings “must include sufficient allegations of underlying facts from which a court may reasonably infer that a specific individual (1) knew of the withheld material information or of the falsity of the

material misrepresentation, and (2) withheld or misrepresented this information with a specific intent to deceive the PTO.” *Id.* at 1328–29. As for the “materiality” element, the *Exergen* standard requires the pleadings to identify “both ‘why’ the withheld information is material and not cumulative, and ‘how’ an examiner would have used this information in assessing the patentability of the claims.” *Id.* at 1329–30.

### ANALYSIS

RGB argues that ABB’s counterclaims and defenses are insufficient because they did not specify the “who, what, when, where, and how” of any material misrepresentation or omission committed before the PTO.

RGB contends that ABB failed to adequately plead “who” breached the duty to the PTO because its First Amended Answer repeatedly refers merely to “RGB, the named inventors, and/or the prosecuting attorneys.” Docket No. 163 at 3 n.1. ABB responds that it effectively identified “who” by specifying at least the named inventors, David W. Brown and Jay S. Clark, as failing in their duty of candor to the PTO. Docket No. 172 at 4, 7, 9. By identifying these specific individuals, ABB has met the “who” requirement of inequitable conduct pleading. *Cf. Exergen*, 575 F.3d at 1329 (finding a complaint inadequate where pleading party failed to identify any specific individuals responsible for withholding or misrepresenting information before the PTO).

RGB also argues that ABB’s First Amended Answer failed to specify any specific prior art withheld and the specific claims such prior art would invalidate, therefore insufficiently pleading the “what” and “where” requirements. Docket No. 162 at 7, 9, 11, 14. ABB responds that it did specify withheld prior art references and alleges that the contributions of those references were incorporated into all asserted claims. Docket No. 172 at 4. ABB also asserts

that in some cases it identified specific claims. *Id.* Reviewing the First Amended Answer evidences that ABB has identified the relevance of specific prior art to specific patent claims. *See* Docket No. 138 at 27 (“RGB is asserting rights to both RGB’s Real-Time Mode and Compumotor’s Code-Generating Mode in all of the claims in each of the patents in the suit.”); *id.* at 99 (“McClung’s concept of ‘allow[ing] the user or programmer to specify where the resultant code should go’ was incorporated into claims 8, 9, 11, 23, 24, 26, 38, 39, 41, 53, 54, and 56 of the ’557 [P]atent, and in claims 8 and 9 of the ’236 [P]atent.”); *id.* at 40 (“The XKS Publication is material to at least claims 1–5 of the ’058 [P]atent, claims 1–10 of the ’236 [P]atent, claims 5–16 of the ’543 [P]atent, and claims 16–30 and 46–59 of the ’557 [P]atent. The XFS Publication anticipates each and every limitation in these claims, and further renders obvious each and every limitation when combines with other prior are references known at the time of RGB’s applications.”). Accordingly, its First Amended Answer meets the “what” and “where” requirements of inequitable conduct pleadings.

RGB further asserts that ABB failed to identify “why” the withheld information is material and not cumulative and “how” a PTO examiner would have used any withheld information when considering patentability. Docket No. 162 at 8, 11. ABB counters that its First Amended Answer effectively alleges that the PTO would have included additional individuals as inventors on the RGB Patents but for the misrepresentations. Docket No. 172 at 7. Further, ABB argues that its First Amended Answer evidences “why” and “how” certain withheld information would have been useful to the PTO because “the claims in the patents in suit would not have issued” if RGB had properly disclosed the information. *Id.* at 9 (quoting ABB’s First Amended Answer, Docket No. 138 at 30). By specifying the relevance and

materiality of allegedly withheld information, ABB's assertions are sufficient to meet the "why" and "how" requirements at the pleadings stage.

Finally, RGB contends that ABB's First Amended Answer failed to adequately support allegations of any specific intent to deceive the PTO. Docket No. 162 at 6, 8–10, 12, 13. ABB argues that its pleading did present sufficient facts from which the Court may reasonably infer the requisite intent. ABB asserts that RGB's disclosures were purposefully misleading and incomplete. Docket No. 172 at 8, 9, 12. Taking the alleged facts in ABB's First Amended Answer as true, as this Court is required to do at this stage, the Court can reasonably infer that the inventors, RGB, or the prosecuting attorneys had a specific intent to deceive the PTO.

Much of RGB's Motion is concerned with the merits of ABB's counterclaims. Despite the higher pleading standards for inequitable conduct under Federal Rule of Civil Procedure 9(b), the proper focus at this stage of the litigation is on the sufficiency of Defendants' pleadings under the Federal Rules, rather than the merits of those claims. RGB will have an opportunity to re-urge its challenges to ABB's inequitable conduct case at the dispositive motion stage or at trial. Further, because ABB's affirmative defenses rely on the same allegations as its counterclaims, the affirmative defenses are similarly well supported by ABB's factual allegations and will not be struck.

### CONCLUSION

For the reasons stated above, RGB's Motion to Dismiss ABB's Counterclaims and Strike Affirmative Defenses is **DENIED**.

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