

## Samsung Conduct Claim Against AMD Nixed

By **Richard Vanderford**

*Law360, New York (March 16, 2010)* -- A federal court has tossed an inequitable conduct claim Samsung Electronics Co. leveled against rival Advanced Micro Devices Inc. in a dispute over seven semiconductor patents, finding no conspiracy to trick the U.S. Patent and Trademark Office.

The evidence does not show that AMD intended to deceive the USPTO when it failed to note a related patent in its application for U.S. Patent Number 5,559,990, Judge Susan Illston of the U.S. District Court for the Northern District of California ruled Tuesday, granting AMD summary judgment of no inequitable conduct.

Samsung has since hired the attorney accused of the inequitable conduct to prosecute its own patent applications, AMD argued.

Samsung faces claims that it infringed seven AMD patents in a suit AMD launched in 2008.

In its counterclaims, Samsung accused AMD of inequitable conduct in the '990 application.

AMD's prosecuting attorney, Michael Shenker, failed to disclose the existence of a related patent — U.S. Patent Number 5,285,421 — when he submitted the application for the '990 patent, though he did disclose the application for the '421 patent, according to Judge Illston's account.

The omission was material and intentional, Samsung alleged.

AMD retorted that Samsung's complaints about the '990 patent were part of a “plague” of unsupported inequitable conduct accusations.

“Incredibly, the very attorney Samsung accuses of unethical conduct is used by Samsung as its prosecution counsel and attorney. Shenker is currently prosecuting a number of patent applications for Samsung,” AMD said in its motion for summary judgment.

Shenker is under oath stating that he had no intent to deceive the USPTO, AMD added.

“After considering all the circumstantial evidence before the court and drawing all inferences in favor of Samsung, the court concludes that the factual inferences do not give rise to a conspiracy theory of intent to deceive the [USPTO],” Judge Illston said in Tuesday's ruling.

“At most, Shenker’s conduct amounts to negligence in failing to investigate and failing to update the [USPTO],” Judge Illston said..

Judge Illston also tossed Samsung accusations that AMD's U.S. Patent Number 5,545,592 was also obtained by inequitable conduct, though Samsung will have another chance to plead those claims.

The '592 patent application did not disclose certain prior art that its inventor should have known about, given that he authored some it, Samsung said.

Samsung's pleading did not meet the heightened requirement established by the U.S. Court of Appeals for the Federal Circuit’s 2009 decision in Exergen Corp. v. Wal-Mart Stores Inc., because it failed to state what patent claims the prior art references touch on, and why those references are material, Judge Illston said

Ninth Circuit precedent, however, holds that Samsung should have another chance to author a pleading that meets the Exergen standard, Judge Illston said.

Attorneys for the parties did not immediately respond to requests for comment.

AMD launched its patent suit against Samsung in February 2008 and amended its complaint the following May. The company accuses Samsung of infringing seven patents related to semiconductor production, finished semiconductors and consumer products that incorporate the inventions.

Some of Samsung's alleged infringement was willful and deliberate, AMD claims.

The patents-at-issue are U.S. Patent Numbers 6,784,879; 5,623,434; 5,377,200; 5,559,990; 5,248,893; 4,737,830; and 5,545,592.

Robins Kaplan Miller & Ciresi LLP and Reed Smith LLP represent AMD in this matter.

Covington & Burling LLP represents Samsung.

The case is Advanced Micro Devices Inc. et al. v. Samsung Electronics Co. Ltd. et al., case number 08-cv-986, in the U.S. District Court for the Northern District of California.