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Via Email Only

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Case: Omega Liner Company Inc. v. Buergofol GmbH (IPR2023-01372)

Re: Repeated Violations of the Duty of Candor; Notice of Preservation

Dear Mr. Doody and Messrs. Wallace,

As you are aware, counsel of record in an *Inter Partes* Review (“IPR”) owes the U.S. Patent and Trademark Office (“USPTO”) a duty of candor and good faith. 37 C.F.R. §42.11(a); § 11.106(c); §11.303. Likewise, a party must produce relevant information that is inconsistent with a position advanced concurrent with the filing of the document containing that inconsistency. 37 C.F.R. §42.51(b)(1)(iii).

Despite these ethical duties, on June 27, 2024, counsel for Buergofol submitted demonstrably false and misleading statements in the Patent Owner’s Response (Paper 13), the declaration of Dr. Patrick Brant (Ex. 2001), the declaration of Dr. Abdel-Kader Boutrid (Ex. 2004), and the declaration of Gregor Schleicher (Ex. 2003) in the above captioned IPR of U.S. Patent No. 9,657,882 (“the ’882 Patent”). Recent cross-examination testimony of Dr. Brant demonstrates the representations in the Patent Owner’s Response and corresponding declarations is baseless, and likewise were perpetuated in the ’882 Patent itself.¹ These falsehoods are outlined below.

I. Summary

The ’882 Patent makes a number of unequivocal statements regarding the amount of EBS wax present in examples B4, B5, and B6, claiming that 1%, 4%, and 6% EBS wax, respectively, were used and that these varying amounts produced “surprising” results, such as “good release effect against adhesive resins” and improved “mechanical properties.” However, these statements are demonstrably false. The supposed EBS wax, identified as Constab PE-SA 270, is actually a polyethylene-based masterbatch containing calcium carbonate as an antiblock and an unidentified slip additive. (Ex. 1051.) Not only are the percentages of the migrating compound (slip additive) significantly lower than what is claimed in examples B4, B5, and B6, but the migrating compound

¹ 37 C.F.R. §1.56 (separately relevant here).



might not even be EBS wax, as admitted by Buergofol's own expert. These false statements are material to the patentability of the '882 Patent, as evidenced, at least, by Buergofol's IPR declarations and briefs, which repeat the same false claims regarding the inclusion of 1%, 4%, and 6% EBS wax in the examples. As detailed below, Dr. Boutrid was aware during the prosecution of the '882 Patent that Constab PE-SA 270 was not 100% EBS wax and contained, at most, 20% or less EBS wax (if any EBS wax). However, these critical facts were withheld from the USPTO during the prosecution of the '882 Patent, and now again during the IPR proceeding. Buergofol's inequitable conduct in this matter renders the '882 Patent unenforceable.

The '882 Patent also states that "comparative example V1" contains no wax in the external layer. However, Buergofol has since admitted that the Durethan B40 FAM used in the external layer did, in fact, include EBS wax—information that was never disclosed to the USPTO during the prosecution of the '882 Patent. Without offering any evidentiary support, Buergofol now asserts that Durethan B40 FAM contains only a low amount of EBS wax (0.1%), a claim that is directly contradicted by the technical data sheet, which describes Durethan B40 FAM as a polyamide having a "high slip agent and lubricant content." (Ex. 1049.) As addressed below, Dr. Boutrid has stated that all three inventors knew at the time of prosecution of the '882 Patent that Durethan B40 FAM included EBS wax. However, these material facts were not disclosed to the USPTO during the prosecution of the '882 Patent. Buergofol's inequitable conduct during the prosecution of the '882 Patent renders the patent unenforceable.

Finally, Buergofol's counsel became aware of these false statements in the '882 Patent, as well as in Buergofol's response and declarations, at least by August 7, 2024, following the cross-examination of Dr. Brant. Despite this knowledge, Buergofol's counsel has taken no action to correct the record or withdraw the false declarations for over two weeks, thereby continuing to perpetuate the fraud on the USPTO that began with the filing of the '882 Patent application. This extensive inequitable conduct, both during the prosecution of the '882 Patent and now in the IPR proceeding, renders the '882 Patent and the related '269 Patent unenforceable.

II. Factual Background

A. The '882 Patent Disclosure: Wax Content of Examples B4, B5 and B6.

The '882 Patent contains numerous representations on the amount of EBS wax added to the outer layer of the inner film in Examples B4, B5 and B6. ('882 Patent, 15:15-18, 16:4-50, 18:9-18, 19:58-67.) For example, the '882 Patent discloses that Example B4 includes "1% release wax" in the external layer, Example B5 includes "4% release wax" in the external layer, and Example B6 includes "6% release wax" in the external layer. ('882 Patent, 16:4-50.)

The '882 Patent further discloses ('882 Patent, 18:9-18):

From looking at the measurement results of the release forces, it is also obvious that there is apparently a saturation concentration for the migrating additive. In both adhesives, there was a clear drop in the release force when up to 4% by weight of wax was successively fed into the external layer (examples B4 and B5). Meanwhile, the additional increase of the wax proportion to 6% leads only to a rather lower reduction of release force values expressed in percent

(example B6 compared to examples B4 and B5 as well as with comparative example V1).

Additionally, the '882 Patent discloses ('882 Patent, 19:58-67):

Additivation with wax also causes a noticeable increase in tubular film elasticity until film splice and film break, as the comparison of examples B4-B6 with the non-additivated film from comparative example V1 shows. Anyhow, the addition of 6% wax (example B6) increases elasticity until film splice by up to 2.5% compared to the film from comparative example V1. Film elongation until break improves by more than 12% in the film of example B6 compared to the film from comparative example V1 (in example 4: 8.5%, in example 5: 11.1%).

Furthermore, the '882 Patent discloses ('882 Patent, 15:15-18):

The (release) wax Constab PE-SA 270 made with ethylene bis stearamide (EBS) made by CONSTAB Polyolefin Additives GmbH was used as migrating lipophilic compound.

Citing to this portion of the '882 Patent, Buergofol's First Amended Complaint against Omega in the South Dakota litigation states, "The '882 Patent explains at column 15, lines 15-18 that in one example the migrating compound is a release wax, more particularly ethylene bis stearamide (EBS)." (Ex. 1037, ¶15.) Buergofol has argued extensively in the South Dakota litigation that incorporating any amount of EBS wax within the external layer of inner film for CIPP liners infringes claim 1 of the '882 Patent. (Ex. 1037, ¶40; Ex. 1038, 14:22-27; Ex. 1039, 3:12-4:6.)

B. IPR Declarations: Wax Content of Examples B4, B5 and B6.

Similar to the representations in the '882 Patent, Dr. Brant's and Dr. Boutrid's declarations assert that the outer layer of the inner film in Examples B4, B5, and B6 contained 1%, 4%, and 6% EBS wax, respectively. (Ex. 2001, ¶¶ 69-72; Ex. 2004, ¶¶ 36, 41-43, 48, 58.) For example, Dr. Boutrid's declaration states that "the addition of 6% wax (example B6) increases elasticity until film splice by up to 2.5% compared to the film from comparative example V1." (Boutrid Decl., ¶58.)

Dr. Brant's declaration states that Example B4 includes "1% release wax" in the external layer, Example B5 includes "4% release wax" in the external layer, and Example B6 includes "6% release wax" in the external layer. (Dr. Brant Decl., ¶¶69-71.) As another example, Dr. Brant's declaration states (Dr. Brant Decl., ¶72):

Similarly, a person having ordinary skill in the art would not have reasonably expected using different amounts of migrating compound to provide dramatically different mechanical properties, other than the use of far less than the 1% used in Example B4, or far more than the 6% used in Example B6. In addition, a person having ordinary skill in the art would understand that smaller

amounts of migrating compound would result in less migrating compound migrating to the surface, and thus, at 1% by weight of migrating compound, the covering so formed likely would not be present on entire circumferential area of the outer facing external side facing the UV-curable resin, but rather only on a section thereof.

Neither Dr. Brant's nor Dr. Boutrid's declarations state that Constab PE-SA 270 is anything other than EBS wax.

C. Buergofol's IPR Response: Wax Content of Examples B4, B5 and B6.

Similar to Dr. Brant's and Dr. Boutrid's declarations, Buergofol's reply brief makes representations that the outer layer of the inner film in Examples B4, B5, and B6 contained 1%, 4%, and 6% EBS wax, respectively. (Paper 13, pp. 64-68.) For example, Buergofol's response brief represents that Example B5 has "4% Constab PE-SA 270 made of ethylene bis stearamide (EBS) in the polyamide external layer." (Paper 13, p. 65.) As another example, Buergofol's response brief represents that Example B6 has "6% Constab PE-SA 270 made of ethylene bis stearamide (EBS) in the polyamide external layer." (Paper 13, p. 66.) Using only slightly different language, Buergofol's response brief represents that Example B4 has "1% Constab PE-SA 270 (migrating additive) containing ethylene bis stearamide (EBS) in the polyamide external layer." (Paper 13, p. 65.)

Referring to Examples B4, B5 and B6, Buergofol's response brief states (Paper 13, 67:1-11) (emphasis added):

These examples show the use of a migrating compound in varying amounts added to the outer side of the inner tubular film. A POSITA would have no reason to expect that different migrating compounds, known in the art to provide a similar effect as the EBS wax used in examples B4-B6, would not also provide the same or similar improved mechanical properties. EX2001, ¶72. **Similarly, a POSITA would not have reasonably expected using different amounts of migrating compound to provide dramatically different mechanical properties, other than the use of far less than the 1% used in Example B4, or far more than the 6% used in Example B6.** Id. In addition, a POSITA would understand that smaller amounts of migrating compound would result in less migrating compound migrating to the surface. Id.

D. Data Sheet for Constab PE-SA 270 (Examples B4, B5 and B6).

During the prosecution of the '882 Patent, Buergofol withheld the data sheet for Constab PE-SA 270. When Buergofol filed the Patent Owner's Response and declarations in the IPR proceeding, Buergofol did not disclose the data sheet for Constab PE-SA 270.

However, on December 24, 2022, in the South Dakota lawsuit, Buergofol produced the "Product Information" sheet for Constab PE-SA 270 dated January 10, 2012. (Ex. 1051.) Below is a highlighted partial screenshot from the Product Information sheet for Constab PE-SA 270:

Product Information

CONSTAB

Member of **Kafrit** Group

CONSTAB PE-SA 270

Antiblock-Slip Masterbatch

Issued: 22/03/2001
Revised: 01/10/2012

1. Product Description

CONSTAB PE-SA 270 is used for the production of general purpose plain PE-films for packaging. It creates a micro roughness as well as an antiblock additive layer on the film surface to avoid blocking during winding/unwinding of reels and during packaging operations.

- Contains CaCO_3 and a slow migration antiblock additive in PE
- Awards best antiblock properties

3. Application

For each application the exact dosing has to be determined empirically.

PROPERTY	VALUE	UNIT	REMARK
Typical Let Down Ratio	1.0 ... 4.0	%	Gravimetric

The Product Information sheet states that Constab PE-SA 270 is an “Antiblock-Slip Masterbatch” that “[c]ontains CaCO_3 [calcium carbonate] and a slow migration antiblock in PE [polyethylene].” (Ex. 1051.) The Product Information sheet for Constab PE-SA 270 further states that the “Typical Let Down Ratio” (i.e., recommended ratio to use) was 1% to 4%. (Ex. 1051.)

E. Cross-Examination of Dr. Brant – Wax Content of Examples B4, B5 and B6.

On August 7, 2024, Buergofol’s expert, Dr. Brant, was cross-examined by Omega’s counsel. During cross-examination, Dr. Brant stated he didn’t know what was in Constab PE-SA 270 (Brant Dep. Tr., 179:16-180:2):

16 Q. But you don't know what's in Constab?
17 A. I don't know what's in it.
18 Q. You don't know if it even contains EBS
19 wax?
20 A. I'm pretty sure based on the wording
21 from the declaration and from the patent that it's
22 got EBS wax in it.
1 Q. But you don't know how much?
2 A. No.

Dr. Brant also stated the actual percentages of migrating compound for examples B4, B5 and B6 could be much less than the percentages stated in the '882 Patent (Brant Dep. Tr., 180:20-181:4):

20 Q. Nothing.
21 So the amount of migrating compound
22 actually contained in Constab could be much less

1 than the 1 percent or the 4 percent or the 6 percent
2 contained -- set forth in Examples B3 -- excuse
3 me -- B4, 5, and 6; correct?
4 A. In principle, that's correct. Yeah.

After reviewing the Product Information sheet for Constab PE-SA 270, Dr. Brant stated that Constab PE-SA 270 is a masterbatch which could have “88 percent polyethylene” as the carrier material leaving less than 12 percent for the calcium carbonate and the unknown “slow migration antiblock.” (Brant Dep. Tr., 199:21-200:14.) Dr. Brant further stated that “88 percent” polyethylene “would be normal for a masterbatch.” (Brant Dep. Tr., 200:14-17.)

After cross-examination was completed, Buergofol’s counsel chose not to conduct redirect examination of Dr. Brant. (Brant Dep. Tr., 219:11-12.)

F. Improper Testimony of Dr. Boutrid – Wax Content of Examples B4, B5 and B6.

On August 7, 2024, just a few hours after Dr. Brant’s cross-examination, Omega notified Buergofol’s counsel via email that the scheduled deposition of Dr. Boutrid for August 8, 2024, was canceled.² Despite this cancellation and the absence of any cross-examination of Dr. Boutrid, Buergofol’s counsel retained a court reporter and conducted an *ex parte* deposition of its own witness, Dr. Boutrid, on August 8, 2024, without informing Omega’s counsel and in their absence.³

During the improper *ex parte* deposition on August 8, 2024, Dr. Boutrid stated the following regarding Constab PE-SA 270 used in Examples B4, B5 and B6 of the ’882 Patent:

- In 2012, prior to filing for the ’882 Patent, he knew that Constab PE-SA 270 was not 100% EBS wax and in fact did not even have over 20% EBS wax. (Boutrid Dep. Tr., pp. 30-31.)
- In 2023, prior to submitting his declaration in the IPR proceeding, he verbally confirmed again that Constab PE-SA 270 was not 100% EBS wax and in fact did not even have over 20% EBS wax. (Boutrid Dep. Tr., pp. 31-32.)
- On August 8, 2024, Dr. Boutrid again verbally confirmed that Constab PE-SA 270 was not 100% EBS wax and that it did not have over 20% EBS wax. (Boutrid Dep. Tr., pp. 32-33.)

² In the same email, Omega informed Buergofol’s counsel that the deposition of Gregor Schleicher scheduled for August 9, 2024 was also canceled. Buergofol’s counsel still proceeded with retaining a court reporter and had Mr. Schleicher make an appearance in an *ex parte* deposition without notification to Omega’s counsel and without the presence of Omega’s counsel.

³ *Ex parte* depositions are not possible in an *inter partes* proceeding (IPR) and should Buergofol seek to introduce this improper testimony despite the fact that it has no procedural mechanism for doing so, Omega will seek sanctions. 37 C.F.R. §42.23(b); § 42.12(1) and (4-7).

G. Wax Content of Comparative Example V1 of the '882 Patent.

The '882 Patent represents that the “comparative example V1” is an inner tubular film used in trenchless sewage pipe renovation without a release coating and “without wax additiviation.” (Ex. 1001, 15:20-22.) The '882 Patent discloses that the external Layer Number 1 of comparative example V1 consists of 88% Durethan C38 F and 12% Durethan B40 FAM.

Dr. Brant's declaration, without support, asserts, “I have been informed and understand that [Durethan B40 FAM] contains less than 0.1% of EBS wax.” (Ex. 2001, ¶16.) However, Dr. Brant's declaration does not disclose any source for the information regarding the alleged 0.1% EBS wax content in Durethan B40 FAM.

Dr. Boutrid's declaration, also without support, states, “The amount of slip agent (migrating compound) contained in the Durethan B40 FAM was less than 0.1% (1,000 ppm).” (Ex. 2004, ¶37.) However, his declaration does not specify what the alleged “slip agent” in Durethan B40 FAM actually consists of.

During the improper *ex parte* deposition on August 8, 2024 of Dr. Boutrid, he stated the following regarding Durethan B40 FAM used in comparative example V1 of the '882 Patent:

- In 2012, prior to filing for the '882 Patent, all three inventors of the '882 Patent knew that Durethan B40 FAM had EBS wax in it. (Boutrid Dep. Tr., pp. 15-21.)
- In 2012, prior to filing for the '882 Patent, he possessed the data sheet for Durethan B40 FAM. (Boutrid Dep. Tr., pp. 17-18.)

Buergofol never produced the data sheet for Durethan B40 FAM referenced by Dr. Boutrid in the IPR record, nor was it disclosed to the USPTO during the prosecution of the '882 Patent or included with the Patent Owner's principal brief in the IPR.

III. Inequitable Conduct During Prosecution of the '882 Patent

A. False Statements in the '882 Patent Regarding Wax Content in Examples B4, B5 and B6.

The '882 patent's examples disclosing that B4, B5 and B6 had 1%, 4% and 6% wax in the external layer, respectively, are demonstrably false. While Examples B4, B5 and B6 in the '882 Patent identify 1%, 4%, and 6% of *Constab PE-SA 270*, this commercial product is not 100% EBS wax, as falsely represented to the USPTO.

During cross-examination on August 7, 2024, Dr. Brant testified that *Constab PE-SA 270* could consist of “88 percent polyethylene” and “that would be normal for a masterbatch.” (Dr. Brant Dep. Tr., 199:21-200:17, 202:5-13.) He further testified that using *Constab PE-SA 270* at the 1% to 4% “Typical Let Down Ratio” stated in the Product Information sheet (Ex. 1051) could introduce 500 ppm to 2,500 ppm of antiblock (calcium carbonate) into the external layer of film, a range he acknowledged was a “typical value for antiblock.” (Brant Dep. Tr., 200:18-201:17.) For such concentrations of antiblock (calcium carbonate) to be present in the external layer, the amount of antiblock (calcium carbonate) in *Constab PE-SA*

270 would need to be 5% or higher. Notably, Dr. Brant also admitted during cross-examination that he did not know the amount of slip agent in Constab PE-SA 270. (Brant Dep. Tr., 201:18-22.)

During the improper *ex parte* deposition of Dr. Boutrid on August 8, 2024—arranged by Buergofol’s counsel without notifying Omega’s counsel and conducted without their knowledge or presence—Dr. Boutrid admitted that Constab PE-SA 270 contains only 20% EBS wax. (Boutrid Tr., 31:10-14.) He also revealed that he was informed of this composition in 2012, again in 2023, and on the day of his deposition. (Boutrid Tr., 30:14-33:5.)

The Constab Product Information sheet, Dr. Brant’s cross-examination testimony, and Dr. Boutrid’s improper deposition testimony conclusively demonstrate that the statements in the ’882 Patent that 1%, 4%, and 6% EBS wax was present (by virtue of using Constab PE-SA 270) in the outer layer of the inner film in Examples B4, B5, and B6 are entirely false. In addition, Dr. Boutrid’s testimony demonstrates that he was aware of the falsity at the time of prosecution. The false representations in the ’882 Patent render the patent unenforceable due to inequitable conduct.

B. Failure to Disclose Wax Content in Comparative Example V1.

The ’882 Patent provides no disclosure that the external Layer Number 1 of the comparative example V1 includes any migrating compound (e.g., lubricant, slip agent, EBS wax). Even though Dr. Boutrid has admitted that he and the other two co-inventors knew in 2012, prior to filing for the ’882 Patent, that Durethan B40 FAM used in comparative example V1 had EBS wax, this highly material information was not disclosed to the USPTO. (Boutrid Dep. Tr., pp. 15-21.) In addition, Dr. Boutrid has admitted he had the technical data sheet for Durethan B40 FAM, but that was never disclosed to the USPTO during the prosecution of the ’882 Patent. (Boutrid Dep. Tr., pp. 17-18.)

But for Buergofol’s withholding of the fact that comparative example V1 had EBS wax within the external layer, the USPTO would not have issued at least claim 1 of the ’882 Patent.

IV. Inequitable Conduct During *Inter Partes* Review

A. False Statements in Dr. Brant’s and Dr. Boutrid’s Declarations Regarding Wax Content in Examples B4, B5 and B6.

Although in his declaration Dr. Brant stated that Examples B4, B5 and B6 of the ’882 Patent had 1%, 4% and 6% EBS wax as a migrating compound, respectively (Ex. 2001, ¶72), he recanted this testimony and admitted during his deposition that the amount of migrating compound could be much less than the 1%, 4% and 6%, as falsely stated in his declaration. (Brant Dep. Tr., 180:20-181:4.) Dr. Brant later admitted during his deposition that Constab PE-SA 270 is a masterbatch which could have “88 percent polyethylene” as the carrier material leaving less than 12 percent for the calcium carbonate and the unknown “slow migration antiblock.” (Brant Dep. Tr., 199:21-200:14.) Dr. Brant further stated that “88 percent” polyethylene “would be normal for a masterbatch.” (Brant Dep. Tr., 200:14-17.)

The Constab Product Information sheet, Dr. Brant’s testimony, and Dr. Boutrid’s prefilings

knowledge demonstrate that Buergofol has engaged in knowing violations of its duty of candor & good faith by filing declarations blatantly falsely stating that 1%, 4%, and 6% EBS wax as a migrating compound was present, respectively, in the outer layer of the inner film in Examples B4, B5, and B6 of the '882 Patent and that amount of wax as a migrating compound created the alleged “unexpected results.”

B. False Statements in Declarations Regarding Alleged “Unexpected Results.”

In addition, Dr. Brant’s and Dr. Boutrid’s declarations falsely attest that the EBS wax content in the outer layer of the inner film resulted in the alleged “unexpected results” described in the '882 Patent. (Ex. 2001, ¶¶ 28, 33, 35, 50, 56–58, 60, 64, 66–67, 72–75; Ex. 2004, ¶¶ 20–59.) However, given that Constab PE-SA 270 is primarily composed of polyethylene, with calcium carbonate as the only known additive, it is far more likely that any “unexpected results” stemmed from these components rather than from any unknown “slow migration antiblock.” Dr. Brant himself admitted in his deposition, “I can’t tell you what Constab is,” so even Buergofol’s expert does not know what components could have caused the unexpected results. (Brant Dep. Tr., 166:21.)

The Product Information sheet for Constab PE-SA 270 unequivocally states that the product is comprised of a polyethylene carrier with calcium carbonate as an additive that is used for the production of general-purpose plain PE-films and “creates a micro roughness as well as an antiblock additive layer on the film surface to avoid blocking.” (Ex. 1051.) The calcium carbonate is clearly responsible for creating the “micro roughness” on the surface of the film which prevents blocking. It is simply untenable for Buergofol to attribute any purported “unexpected results” to EBS wax, particularly when neither Buergofol nor its expert has any knowledge of the presence of EBS wax in Constab PE-SA 270. Furthermore, their position blatantly disregards the effects of the primary component of polyethylene and calcium carbonate.

In addition, the Product Information sheet for Constab PE-SA 270 states that the recommended usage ratios for Constab PE-SA 270 are 1% to 4% – exactly matching the ratios cited in Examples B4 and B5 of the '882 Patent. (Ex. 1051.) It is impossible to believe that using Constab PE-SA 270 within its recommended usage range of 1%-4% would produce any “unexpected results” as alleged in the '882 Patent and its supporting declarations.

The statements in the '882 Patent and the IPR declarations regarding the alleged “unexpected results” are, therefore, unequivocally false.

C. False Statements in Dr. Boutrid’s Declaration Regarding No Knowledge of Problems Until “Spring of 2012.”

The declaration by Dr. Boutrid falsely claims that he was unaware of any issues with the inner film used in cured-in-place-pipe liners (“CIPP liners”) until the “spring of 2012.” (Ex. 2004, ¶¶ 12, 14, 18, 19.) Contradicting Dr. Boutrid’s declaration, documents produced by Buergofol in the South Dakota lawsuit unmistakably show that Dr. Boutrid was fully aware of the excessive adhesion and associated tearing problems many years before “spring of 2012.”

For example, Buergofol produced a detailed “Quality Agreement” dated February 27, 2006,

and signed by Dr. Boutrid, between Buergofol and Saertex, which explicitly identified “[s]trong adhesion of the film to the laminate after curing” as one of the top four complaints to be addressed. (BF6634-BF6639.) Dr. Boutrid not only signed the 2006 Quality Agreement, but he was identified as the main contact for “Clarification of all technical details with Saertex multiCom GmbH, product development, sample order, corrective measures.” (BF6634.)

Furthermore, Saertex’s “Meeting Minutes” dated April 13, 2010, documented that Buergofol was supplying Saertex with a “new film with the additive Wax 40” to address the prior issues with Buergofol’s inner film. (BF7521-BF7522.) Dr. Boutrid was specifically identified in the 2010 Meeting Minutes as a participant at the meeting. (BF7521.) Dr. Boutrid was also identified in the 2010 Meeting Minutes as the “Responsible Person” for both the “New film with Wax 40” and “Quality problems.” (BF7521-BF7522.)

These documents conclusively demonstrate that Buergofol’s counsel has engaged in knowing misconduct by submitting inventor declarations falsely claiming that they were unaware of problems with their inner film until the “spring of 2012” in violation of the duty of candor & good faith.

D. Failure to Disclose Data Sheet for Constab PE-SA 270 in IPR Proceeding.

Because the data sheet for Constab PE-SA 270 discloses information inconsistent with Buergofol’s stated position that Constab PE-SA 270 is 100% EBS wax, Buergofol had an obligation to disclose the data sheet in the IPR proceeding at the time it filed its response and the declarations but failed to do so. 37 C.F.R. §42.51(b)(1)(iii). Buergofol’s failure to disclose the data sheet is a violation of its duty of candor and mandatory discovery obligations.

E. Failure to Disclose Data Sheet for Durethan B40 FAM in IPR Proceeding.

Dr. Boutrid admitted during the improper “redirect” that he had possession of the technical data sheet for Durethan B40 FAM and that all three inventors were aware that Durethan B40 FAM contained EBS wax at the time the ’882 Patent application was prosecuted (Boutrid Dep. Tr., pp. 15-21). Yet, neither the inventors nor Buergofol disclosed this data sheet or their knowledge of the EBS wax content in Durethan B40 FAM to the USPTO during the prosecution of the ’882 Patent. Furthermore, Buergofol has also failed to disclose the technical data sheet for Durethan B40 FAM during the IPR proceedings.

Buergofol’s deliberate failure to disclose the data sheet or its knowledge of Durethan B40 FAM’s EBS wax content during the prosecution of the ’882 Patent is a clear breach of its duty of candor and good faith. Buergofol’s failure to disclose the data sheet during the IPR proceedings likewise constitutes a violation of Buergofol’s duty of candor & good faith as well as its mandatory discovery obligations.

F. Failure to Correct the False Statements.

At least after the deposition of Dr. Brant on August 7, 2024, Buergofol’s counsel were aware of the false statements in the Patent Owner’s Response, the declaration of Dr. Brant, the Declaration of Dr. Boutrid, and the declaration of Gregor Schleicher. As of this letter, Buergofol’s counsel has not taken any action to correct the false statements as required by 37

CFR § 11.303. Buergofol's counsel's failure to correct the false statements constitutes inequitable conduct and is an ongoing fraud on the agency.

V. The '269 Patent – Doctrine of Infectious Unenforceability

There is an immediate and necessary relation between the '882 Patent and U.S. Patent No. 8,794,269 ("the '269 Patent"). Both patents are directed at inner tubular film for CIPP liners. In addition, the '269 Patent is the child of the Hummel patent reference (Ex. 1005) cited as the main patent reference in this IPR proceeding. Omega has reason to believe that Dr. Kurt Stark, a named inventor for the '882 Patent, is also the inventor of the '269 Patent. Buergofol acquired ownership of the '269 Patent (Hummel) just five days before filing suit against Omega for alleged infringement of the '882 Patent and the '269 Patent with the same inner tubular film used in Omega's CIPP liners. In addition, Buergofol has made a number of false statements relating to the Hummel prior art reference regarding allegations that there was no problems with the film made by Huhtamaki Films under the Hummel patent.

Buergofol's inequitable conduct with the '882 Patent makes the '269 Patent unenforceable under the doctrine of infectious unenforceability.

VI. Immediate Action Required to Address Ongoing Fraud Before the USPTO

A. Disclaimer of the '882 Patent.

Given the extensive inequitable conduct perpetrated before the USPTO during the original prosecution of the '882 Patent and the currently pending IPR proceeding, Buergofol must immediately disclaim and dedicate the entire term of U.S. Patent No. 9,657,882 to the public, pursuant to 37 C.F.R. §1.321.

Omega demands that Buergofol and its attorneys take immediate action to prevent further inequitable conduct by Buergofol, its attorneys, and declarants. (See Section F, *infra*.) Omega's reply brief in this IPR proceeding is due September 17, 2024. Continuation of the IPR proceeding in light of the unenforceability of the '882 Patent will result in undue prejudice and unnecessary expense to Omega. As you know, "inequitable conduct can be one of several bases sufficient to make a case exceptional for the purpose of awarding attorney fees." *Bruno Indep. Living Aids, Inc. v. Acorn Mobility Servs., Ltd.*, 394 F.3d 1348, 1355 (Fed. Cir. 2005) (citing *A.B. Chance Co. v. RTE Corp.*, 854 F.2d 1307, 1312 (Fed.Cir.1988)).

B. Dismissal of Claims of Infringement.

Buergofol must also immediately dismiss, with prejudice, its claim of patent infringement against Omega based on the '882 Patent and the '269 Patent. Any continuation of the litigation concerning the unenforceable '882 and '269 Patents will result in undue prejudice and unnecessary expense to Omega.

C. Withdrawal of False Declarations and Response Brief.

If Buergofol and its counsel decide not to immediately disclaim the entire term of the '882 Patent and dismiss all claims of patent infringement against Omega, Buergofol and its counsel must take remedial measures including withdrawing the false portions of the response and withdrawing the

false declarations of Dr. Brant, Dr. Boutrid and Gregor Schleicher. 37 C.F.R. § 11.303. If Buergofol does not take remedial action, Omega will seek all appropriate sanctions pursuant to 37 CFR § 42.12.

D. Omega's Counterclaim for Inequitable Conduct.

Omega intends to seek to add counterclaims for the unenforceability of the '882 Patent due to the inequitable conduct described above, including the submission of false statements to the USPTO. Notably, "[w]hen the patentee has engaged in affirmative acts of egregious misconduct, such as the filing of an unmistakably false affidavit, the misconduct is material," thereby negating the requirement for "but-for materiality." *Therasense, Inc. v. Becton, Dickinson & Co.*, 649 F.3d 1276, 1292–93 (Fed. Cir. 2011) (citing *Rohm & Haas Co. v. Crystal Chem. Co.*, 722 F.2d 1556, 1571 (Fed.Cir.1983) ("there is no room to argue that submission of false affidavits is not material")).

Even if Buergofol's attorneys were unaware that statements to the USPTO were false at the time they were submitted, that no longer is the case. In compliance with their duty of candor, Buergofol's counsel must ensure that the record is corrected and that further perpetuation of fraud on the USPTO is not continued, or otherwise withdraw.

E. Preservation of Evidence.

All individuals associated with Buergofol and its counsel are hereby instructed to preserve all documents, including original native files, relating to Buergofol's response brief and the declarations of Dr. Brant (Ex. 2001), Dr. Boutrid (Ex. 2004), and Gregor Schleicher (Ex. 2003). This includes all communications with Dr. Brant and the inventors of the '882 Patent. Buergofol's counsel must also notify all individuals involved in the preparation of these declarations to ensure the preservation of all related documents, such as but not limited to Dr. Brant, Dr. Boutrid and Gregor Schleicher.

This correspondence is without limitation, waiver, or prejudice to any of the rights or remedies of Omega Liner Company, Inc.

Sincerely,



Michael Neustel

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