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**APPENDIX A:  
SPECIFIC INSTANCES OF WHAT THE  
DISTRICT COURT FOUND CREATED A  
“PATTERN” OF MISCONDUCT**

| <i>Failure To Adhere To Patent Local Rules —<br/>Prosecutors Had Nothing To Do With The<br/>Conduct Listed Below, And Nothing Here<br/>Implicates Practice Before The PTO</i> |  |  |
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| 1.  | INFRINGEMENT<br>CONTENTIONS: Regeneron<br>claimed that it could not comply<br>with local patent rules.   | <i>Regeneron,</i><br>864 F.3d at<br>1356-57. |
| 2.  | DOCUMENTS: Regeneron claimed<br>to have few [conception and reduc-<br>tion to practice] documents and did<br>not include in its production a key<br>document written by Dr. Murphy,<br>one of the inventors of the '018<br>patent, setting forth the '018 patent's<br>conception and reduction to practice.  | <i>Regeneron,</i><br>864 F.3d at<br>1357.    |
| 3.  | Court order “gave Regeneron an<br>opportunity to correct its conten-<br>tions.” Regeneron chose not to do<br>so. “Experienced patent counsel<br>(later replaced by Regeneron’s trial<br>and appellate counsel here) assert-<br>ed that he did not understand what<br>the district court was asking for or<br>how to break a claim down into<br>elements. | <i>Regeneron,</i><br>864 F.3d at<br>1357.    |
| 4.  | The district court determined that<br>this obfuscation made no sense and   | <i>Regeneron,</i><br>864 F.3d at             |

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|   | was a tactical choice—seeking to shift the plaintiff’s burden in an infringement case to define the elements of a claim to the defendant.  | 1357.                                      |
| 5.  | CLAIM CONSTRUCTION:<br>Regeneron took the position that no terms required construction. The district court issued an order expressing its concern that Regeneron was attempting to “game” the system by shifting the burden to Merus to propose constructions and then to take shots at those proposals. To avoid this potential gamesmanship, the district court required Regeneron to live by its plain language constructions.  | <i>Regeneron</i> ,<br>864 F.3d at<br>1357. |
| <b><i>Conduct Concerning the “Jones Memo”</i></b> |  |  |
| 6.  | “JONES MEMO.” Although this misconduct was not the primary basis for the district court’s decision to impose sanctions, the district court explained that Regeneron’s behavior with respect to the Jones Memo was relevant for multiple reasons. First, Regeneron’s behavior followed the pattern of misconduct described above. Second, <b>Regeneron sought to use the memo as a cloak for its later misconduct that was the primary basis for the district court’s sanctions decision.</b> | <i>Regeneron</i> ,<br>864 F.3d at<br>1357. |
| 7.  | During litigation in district court, Regeneron listed the chart and  | <i>Regeneron</i> ,<br>864 F.3d at          |

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|     | memo on its privilege log based on attorney-client privilege. On the eve of Dr. Jones's deposition, however, Regeneron disclosed both the chart and the memo.  | 1357-58.                             |
| 8.  | On November 11, 2014 (lawsuit was filed March 2014), Regeneron's outside counsel (presumably, litigation counsel) wrote an email to Regeneron stating, "I believe Brendan [Jones] also discussed his analysis with Tor [Smeland] around the time that Brendan prepared these memos." 144 F.Supp.3d at 586.   | <i>Regeneron</i> , 864 F.3d at 1358. |
| 9.  | Regeneron argued that by disclosing the memo and the chart, Regeneron had not waived any privilege because the documents were not privileged. According to Regeneron, Dr. Jones had merely used these documents to assist himself in connection with his professional obligations unrelated to his advisory role. The district court found that Regeneron's argument was "seriously incorrect." 144 F.Supp. 3d at 587. | <i>Regeneron</i> , 864 F.3d at 1358. |
| 10. | The district court decided to conduct an in camera review of the documents related to the Jones Memo and the chart. Finding waiver of privilege, the court then issued a Discovery Order concerning the privilege-waived documents, requesting all communications referring or relat-  | <i>Regeneron</i> , 864 F.3d at 1358. |

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|  | ing in “any way to Dr. Jones’s chart and memo.” 144 F.Supp.3d at 587.  |  |
| 11.  | In response, Regeneron provided the district court a single binder containing what it represented was the universe of such materials. As it turned out, this was false. Yet, the district court was led to believe that Regeneron’s binder “provided all that was at issue and ruled on the motion to compel.”   | <i>Regeneron</i> , 864 F.3d at 1358.                                   |
| <b><i>Defiance of Court Orders —<br/>Patent prosecutors had nothing to do with this litigation conduct, and nothing here implicates practice before the PTO.</i></b> |  |  |
| 12.  | The district court ordered that Regeneron produce all relevant documents concerning the decision to not disclose prior art during prosecution.   | <i>Regeneron</i> , 864 F.3d at 1358 (citing 144 F.Supp. 3d at 587–88). |
| 13.  | Regeneron represented that it had produced: “all documents and communications related to any decision, analysis or advice by Dr. Jones or anyone at Regeneron on whether or not to disclose references from Dr. Jones’ charts and memo during prosecution of the ’018 Patent.” In searching for this information, Regeneron searched documents from Messrs./ Drs. . . . Smeland . . . Murphy . . . | <i>Regeneron</i> , 864 F.3d at 1359 (citing 144 F.Supp. 3d at 588).    |

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| 14. | Regeneron also asserted that it had produced all of its communications or attachments thereto from the time period of the prosecution of the '018 patent “that even mentioned the content of any of the references cited” in the chart and memo.  | <i>Regeneron</i> , 864 F.3d at 1359 (citing 144 F.Supp.3d at 588). |
| 15. | Regeneron production was tailored to the subject matter of the Jones documents.   | <i>Regeneron</i> , 864 F.3d at 1359.                               |
| 16. | Regeneron argued that broader disclosure could result in serious prejudice as it could impact a pending European patent appeal.   | <i>Regeneron</i> , 864 F.3d at 1359.                               |
| 17. | The district court determined that Regeneron needed to produce any documents which reflected <i>additional thoughts, concerns, and considerations given to whether certain references should have been disclosed</i> . <b>[Order #2]</b> The district court’s broad Order included any other memos or communications related to whether such references should have been disclosed to the PTO. Included within the Order would have been drafts of Dr. Jones’s chart or memo, which might have contained a different conclusion, memos of others who questioned Dr. Jones’s conclusion, and the like. To remove all ambiguity, the district court required Regeneron to confirm to Merus that it had produced or would produce: | <i>Regeneron</i> , 864 F.3d at 1359.                               |

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| 18.   | <p>The district court ordered that,</p> <p>“1. All documents from anyone involved directly or indirectly in prosecuting the ’018 Patent, relating to whether prior art should be or should have been disclosed as part of the prosecution of the ’018 Patent . . . .</p> <p>2. To avoid any doubt, the following documents are included within the scope of the above directive: “All documents of any kind from the files of Dr. Jones and others with whom he worked on the prosecution of the ’018 Patent regarding whether or not to disclose prior art to the PTO. All documents of any kind from the files of anyone else who was involved (directly or indirectly) in the prosecution of the ’018 Patent and who may not be captured in paragraph 1 above, who gave consideration to the relevance or applicability of prior art to the ’018 Patent.” <i>Regeneron confirmed it had produced what was required.</i></p> | <p><i>Regeneron</i>,<br/>864 F.3d at<br/>1359 (citing<br/>144<br/>F.Supp.3d<br/>at 589).</p> |
| <p><b><i>Trial Affidavits —<br/>The Offensive Conduct Was Perpetrated By The<br/>Litigators, Not The Patent Prosecutors</i></b></p> |  |  |
| 19.   | <p>Jones signed an affidavit for the bench trial that was inconsistent with his deposition testimony (<i>i.e.</i>,</p>   | <p><i>Regeneron</i>,<br/>864 F.3d at<br/>1360.</p>   |

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|     | Dr. Jones’s deposition testimony was that, apart from a phone call that he had made to the PTO to schedule a meeting, he could not recall a single other communication with the Examiner during the ’018 patent prosecution,” but his bench trial affidavit “suggested otherwise.”)   |  |
| 20. | Dr. Smeland was proposing to testify about his views on the meaning of claim language and his subjective understanding of the Withheld References. During discovery, however, Regeneron had withheld numerous documents on precisely those topics on the basis of privilege.  | <i>Regeneron</i> ,<br>864 F.3d at<br>1360. |
| 21. | The district court reviewed each of the trial affidavits and concluded that a comparison of these affidavits with entries on Regeneron’s privilege logs raised a number of concerns. In his affidavit, Dr. Smeland made dozens of assertions regarding topics about which Regeneron had not disclosed documents, by placing those documents on its privilege log. In particular, Dr. Smeland made statements about his understanding of the scope of the invention in the ’176 application, his state of mind, and what he knew and thought about each of the Withheld References at the time of patent prosecution continuing up to the present. The district court pro- | <i>Regeneron</i> ,<br>864 F.3d at<br>1360. |



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|     | vided a lengthy list of Dr. Smeland’s problematic assertions to emphasize the seriousness of the issue.   |                                      |
| 22. | Affidavits implicated Dr. Smeland’s knowledge and state of mind regarding the Withheld References directly—both during prosecution and continuing through to trial.   | <i>Regeneron</i> , 864 F.3d at 1360. |
| 23. | The full list of “problematic assertions” the district court highlighted can be found in the district court’s opinion, 144 F. Supp. 3d at 590–93. (“There is certainly a good tactical reason to confront Merus’s position with testimony from Dr. Smeland. However, that tactical choice must occur in the context of other choices made throughout the litigation — choices as to whether to waive attorney-client privilege or not. Here, Regeneron made a litigation choice to maintain the attorney-client privilege as to Dr. Smeland’s work with regard to prosecution of the ’176 application and his knowledge and thoughts regarding the Withheld References generally over time and specifically with regard to the prosecution of the ’76 application. In maintaining its assertion of privilege on these topics, Regeneron used the protections of the Federal Rules of Civil Procedure to shield Dr. Smeland’s documents relating | <i>Regeneron</i> , 864 F.3d at 1360. |

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|   | <p>to those topics from disclosure. This was a choice that was within Regeneron’s discretion — but not a choice that allows them to have it both ways at trial. By making the choice to maintain the privilege and withhold the documents, Regeneron chose the tactical path of not delving into state of mind or knowledge to defend against the claim of inequitable conduct. And of course, given the heavy burden that a proponent of an inequitable conduct bears of proving materiality and intent by clear and convincing evidence, this was not an unreasonable choice. As with any affirmative disclosure of information otherwise protected by the attorney-client privilege, once the disclosure of the affidavit was made, as it was not inadvertent, the waiver was complete.” 144 F.Supp. 3d at 593.</p> |   |
| <p><b><i>Privilege Log Issues –<br/>Litigation, Not prosecution Conduct</i></b></p> |  |   |
| 24.   | <p>The district court conducted an in camera review of a subset of the “many thousands” of documents on Regeneron’s log.</p>   | <p><i>Regeneron</i>, 864 F.3d at 1361 (citing 144 F.Supp. 3d at 594).</p> |
| 25.   | <p>The court of appeals regards “most</p>  | <p><i>Regeneron</i>,</p>  |

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|     | troubling” the fact that “many documents on the log were directly relevant to the topics as to which privilege has been waived. In particular, these documents were directly relevant to Drs. Smeland and Murphy’s mental impressions of the Withheld References during prosecution of the ’018 patent. The documents would therefore have been relevant to determining if Regeneron specifically intended to deceive the PTO by failing to disclose the Withheld References during prosecution of the ’018 patent.” | 864 F.3d at 1362.  |
| 26. | The district court ultimately <b>concluded that it would be unfair to Merus to reopen discovery</b> on the eve of trial and <b>inject further delay</b> in the case entirely due to Regeneron’s [litigation] behavior. <b>The court also concluded that doing so would impose an unfair burden on the court and require expending substantial additional judicial resources.</b>   | <i>Regeneron</i> , 864 F.3d at 1363 (emphasis added).                  |
| 27. | Further, because Regeneron’s <b>behavior suggested “a pattern of misconduct</b> , simple reopening discovery, striking the problematic affidavits, and/or shifting costs would not ensure <b>fairness.</b>   | <i>Regeneron</i> , 864 F.3d at 1363 (citing 144 F.Supp. 3d at 595-95). |

**APPENDIX B**  
**MPEP 2001.05 REV.08.2017**  
**JANUARY 2018**

**2001.05 Materiality Under**  
**37 CFR 1.56(b) [R-08.2017]**

***37 CFR 1.56 Duty to disclose information***  
***material to patent ability.***

(b) Under this section, information is material to patentability when it is not cumulative to information already of record or being made of record in the application, and

- (1) It establishes, by itself or in combination with other information, a *prima facie* case of unpatentability of a claim; or
- (2) It refutes, or is inconsistent with, a position the applicant takes in:
  - (i) Opposing an argument of unpatentability relied on by the Office, or
  - (ii) Asserting an argument of patentability.
- (3) A *prima facie* case of unpatentability is established when the information compels a conclusion that a claim is unpatentable under the preponderance of evidence, burden-of-proof standard, giving each term in the claim its broadest reasonable construction consistent with the specification, and before any consideration is given to evidence which may be submitted in an attempt to establish a contrary conclusion of patentability.

[ . . . ]

Under the rule, information is not material unless it comes within the definition of 37 CFR 1.56(b)(1) or (2). If information is not material, there is no duty to disclose the information to the Office. The Office believes that most applicants will wish to submit the information, however, even though they may not be required to do so, to strengthen the patent and avoid the risks of an incorrect judgment on their part on materiality.

**APPENDIX C**  
**MPEP 2004 REV.08.2017**  
**JANUARY 2018**  
**(RELEVANT EXCERPTS)**  
**2004 Aids to Compliance With**  
**Duty of Disclosure [R-08.2017]**

While it is not appropriate to attempt to set forth procedures by which attorneys, agents, and other individuals may ensure compliance with the duty of disclosure, the items listed below are offered as examples of possible procedures which could help avoid problems with the duty of disclosure. Though compliance with these procedures may not be required, they are presented as helpful suggestions or best practices to avoid duty of disclosure problems.

1. Many attorneys, both corporate and private, are using letters and questionnaires for applicants and others involved with the filing and prosecution of the application and checklists for themselves and applicants to ensure compliance with the duty of disclosure. The letter generally explains the duty of disclosure and what it means to the inventor and assignee. The questionnaire asks the inventor and assignee questions about:

- the origin of the invention and its point of departure from what was previously known and in the prior art,
- possible public uses and sales,
- prior publication, knowledge, patents, foreign patents, etc.

The checklist is used by the attorney to ensure that the applicant has been informed of the duty of disclosure and that the attorney has inquired of and cited material prior art.

[ . . . ]

11. It may be desirable to submit information about prior uses and sales even if it appears that they may have been experimental, not involve the specifically claimed invention, or not encompass a completed invention. See *Trans Web v. 3M*, 812 F.3d 1295,1300, 117 USPQ2d 1617, 1619-20 (Fed. Cir. 2016). See also *Hycor Corp. v. The Schlueter Co.*, 740 F.2d 1529, 1534-37, 222 USPQ 553, 557-59 (Fed. Cir. 1984), and *LaBounty Mfg., Inc. v. U.S. Int'l Trade Comm'n*, 958 F.2d 1066, 22 USPQ2d 1025 (Fed. Cir. 1992).

12. Submit information promptly. An applicant, attorney, or agent who is aware of prior art or other information and its significance should submit the same early in prosecution, e.g., before the first action by the examiner, and not wait until after allowance. Potentially material information discovered late in the prosecution should be immediately submitted. That the issue fee has been paid is no reason or excuse for failing to submit information. See *Elmwood Liquid Products, Inc. v. Singleton Packing Corp.*, 328 F. Supp. 974, 170 USPQ 398 (M.D. Fla. 1971).

13. It is desirable to avoid the submission of long lists of documents if it can be avoided. Eliminate clearly irrelevant and marginally pertinent cumulative information. If a long list is submitted, highlight those documents which have been specifically brought to applicant's attention and/or are known to be of most significance. See *Penn Yan Boats, Inc. v. Sea Lark*

*Boats, Inc.*, 359 F. Supp. 948, 175 USPQ 260 (S.D. Fla. 1972), *aff'd*, 479 F.2d 1338, 178 USPQ 577 (5th Cir. 1973), *cert. denied*, 414 U.S. 874 (1974). But cf. *Molins PLC v. Textron Inc.*, 48 F.3d 1172, 33 USPQ 2d 1823 (Fed. Cir. 1995).

[ . . . ]

16. Watch out for information picked up or disclosed by the inventors and others at conventions, plant visits, in-house reviews, etc. See, for example, *Dale Electronics v. R.C.L. Electronics*, 488 F.2d 382, 386-87, 180 USPQ 225, 228 (1st Cir. 1973).

17. Make sure that all of the individuals who are subject to the duty of disclosure, such as spelled out in 37 CFR 1.56, are informed of and fulfill their duty.

18. Finally, if information was specifically considered and discarded as not material, this fact might be recorded in an attorney's file or applicant's file, including the reason for discarding it. If judgment might have been bad or something might have been overlooked inadvertently, a note made at the time of evaluation might be an invaluable aid in explaining that the mistake was honest and excusable. Though such records are not required, they could be helpful in recalling and explaining actions in the event of a question of "fraud" or "inequitable conduct" raised at a later time.