UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SERTA SIMMONS BEDDING, LLC,

Plaintiff,

-against-

CASPER SLEEP INC.,

Defendants.

ORDER DENYING MOTION TO DISMISS AND STRIKE

17-cv-7468

ALVIN K. HELLERSTEIN, U.S.D.J.:

Plaintiff Serta Simmons moves the Court to dismiss Defendant Casper's Fifth Affirmative Defense and counterclaim (Count VII) alleging inequitable conduct. Plaintiff's motion is denied.

BACKGROUND

In its Complaint, filed September 29, 2017, Plaintiff alleges that Casper's "Wave" mattress infringes on U.S. Patents Nos. 7,424,763, 7,036,173, and 8,918,935. Casper's Answer, filed November 17, 2017, contained a counterclaim and affirmative defense pleading that in prosecuting and obtaining these patents Plaintiff engaged in inequitable conduct by intentionally withholding relevant prior art from the U.S. Patent and Trademark Office, specifically the two references "Antinori" and "Regan."

According to the Answer, the named inventor of the three asserted patents, Richard Gladney, along with his and Dreamwell's attorney, Edward Kelly,[1] knew about the prior art but

[1] According to the Answer, Kelly was an attorney of record in prosecuting two of the three asserted patents. *See* Answer at ¶¶ 119–25.

did not disclose them in prosecuting the asserted patents. Casper pleads that Gladney and Kelly were aware of Antinori since they disclosed this reference when filing U.S. Patent App. No. 10/102,276 on March 20, 2002. *See* Answer ¶¶ 35–37. With respect to the Regan reference, Casper pleads that during the prosecuting of U.S. Patent App. No. 10/985,622 the examiner identified Regan as relevant prior art to attorney Kelly. *Id.* at ¶¶ 77–79. Casper alleges that these omissions were material and would anticipate or render obvious various claims in the asserted patents, under Plaintiff's interpretation of these claims. *See, e.g.*, *id.* at ¶¶ 42–76 (Antinori rendering obvious '763, cl. 1; '173, cl. 5; '935, cl. 10).

DISCUSSION

1. Plaintiff's Motion to Dismiss Counterclaim is Denied

To survive a Rule 12(b)(6) motion, the allegations must contain sufficient factual matter to "state a claim to relief that is plausible on its face." *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007). The Court must construe the allegations in a light most favorable to the nonmoving party, accept well-pleaded facts as true, and draw all inferences in the nonmoving party's favor. *Patane v. Clark*, 503 F.3d 106, 111 (2d Cir. 2007).

Furthermore, "[i]n alleging fraud or mistake, a party must state with particularity the circumstances constituting fraud or mistake. Malice, intent, knowledge, and other conditions of a person's mind may be alleged generally." Fed. R. Civ. P. 9(b). "[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." *Exergen Corp. v. Wal-Mart Stores, Inc.*, 575 F.3d 1312, 1328 (Fed. Cir. 2009). This pleading "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.

"In contrast to the pleading stage, to prevail on the merits, the accused infringer must prove both materiality and intent by clear and convincing evidence." *Id.* at 1329 n.5. "[T]o meet the clear and convincing evidence standard, the specific intent to deceive must be the single most reasonable inference able to be drawn from the evidence." *Therasense, Inc. v. Becton, Dickinson & Co.*, 649 F.3d 1276, 1290 (Fed. Cir. 2011) (internal quotation marks omitted) (quoting *Star Sci., Inc. v. R.J. Reynolds Tobacco Co.*, 537 F.3d 1357, 1366 (Fed. Cir. 2008)).

Here, Casper alleged Counterclaim VII with sufficient particularity and with sufficient identification of the "who, what, when, where, and how of the material misrepresentation." *Exergen*, 575 F.3d at 1328. Casper identifies inventor Glandney and attorney Kelly; evidence of their prior knowledge of Antinori and Regan; and how these non-disclosed prior art references are material to particular claims in the asserted patents. Such pleadings contain sufficient allegations of fact from which a court could reasonably infer that Plaintiff withheld material information with intent to deceive the PTO.

2. Plaintiff's Motion to Strike Affirmative Defense is Denied

Under Fed. R. Civ. P. 12(f), a court "may strike from a pleading an insufficient defense or any redundant, immaterial, impertinent, or scandalous matter." "[T]o prevail on a motion to strike: (1) there may be no question of fact which might allow the defense to succeed; (2) there may be no substantial question of law, a resolution of which could allow the defense to succeed; and (3) the moving party must show that it is prejudiced by the inclusion of the defense." *Cognex Corp. v. Microscan Sys., Inc.*, 990 F. Supp. 2d 408, 418 (S.D.N.Y. 2013) (internal quotation marks omitted) (quoting *Deere & Co. v. MTD Holdings*, Inc., No. 00 Civ. 5936, 2004 WL 1794507, at *2 (S.D.N.Y. Aug. 11, 2004)).

"[T]he standards for a Rule 12(b)(6) motion to dismiss also apply to a motion to strike an affirmative defense pursuant to Rule 12(f)," *Burck v. Mars, Inc.*, 571 F. Supp. 2d 446, 456

(S.D.N.Y. 2008), and for the reasons stated above Casper's affirmative defense should not be stricken.

The Clerk shall terminate Motion to Dismiss (Dkt. No. 64).

SO ORDERED.

Dated: Jan. 25, 2018
New York, New York

ALVIN K. HELLERSTEIN
United States District Judge