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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

WARSAW ORTHOPEDIC, INC.;
MEDTRONIC SOFAMOR DANEK
USA, INC.; MEDTRONIC PUERTO
RICO OPERATIONS COMPANY;
and OSTEOTECH, Inc.,

Plaintiffs,

vs.

NUVASIVE, INC.,

Defendant.

CASE NO. 12-cv-2738-CAB (MDD)
ORDER GRANTING MOTION TO
AMEND
[Doc. No. 67]

Before the Court is the plaintiffs’¹ motion to amend and supplement the first amended complaint to add U.S. Patent No. 8,444,696 (“the ‘696 patent”) to the infringement allegations against defendant NuVasive Inc. [Doc. No. 67.] NuVasive opposes. [Doc. No. 73.] Warsaw filed a reply. [Doc. No. 789.] The Court took the matter under submission on July 12, 2013, finding it suitable for determination without oral argument in accordance with Civil Local Rule 7.1(d)(1). The motion is **GRANTED** under the conditions set forth below.

¹Plaintiff Warsaw Orthopedic, Inc., is the assignee of the patent at issue. Plaintiffs Medtronic Sofamor Danek, U.S.A., Inc., and Medtronic Puerto Rico Operations Co., allege exclusive license rights to the patent at issue. These plaintiffs are hereinafter jointly referred to as “Warsaw.”

1 The parties to this litigation are engaged in serial patent disputes regarding their
2 competing technologies related to spinal surgery devices and methods. The current
3 litigation follows a prior infringement suit in this District in which the parties
4 collectively asserted 12 patents. Further, NuVasive predicts this will likely not be the
5 last suit between these competitors, as “both parties have more patents they could
6 potentially assert against one another, and both parties continue to obtain new patents
7 all the time.” [Doc No. 73 at 12.]

8 The instant case began in the Northern District of Indiana, on August 17, 2012,
9 when Warsaw filed a complaint alleging NuVasive infringed U.S. Patents Nos.
10 8,021,430 (“the ‘430 patent”) and 5,676,146 (“the ‘146 patent”). [Doc. No. 1.] On
11 August 28, 2012, U.S. Patent No. 8,251,997 (“the ‘997 patent”) issued and Warsaw
12 amended that same day to add the new patent to this action. [Doc. Nos. 17, 18.] On
13 September 4, 2012, NuVasive filed a motion to transfer the case to this District [Doc.
14 No, 22], which was granted on November 8, 2012. [Doc. No. 32.]

15 NuVasive answered the Amended Complaint on November 30, 2012. It did not
16 at that time assert any of its own patents in counterclaim. [Doc. No. 43.] Subsequently
17 NuVasive was given leave to amend its counterclaim, and on March 7, 2013, NuVasive
18 filed an amended counterclaim adding eight patents to this litigation: U.S. Patents Nos.
19 8,000,782; 8,005,535; 8,016,767; 8,192,356; 8,187,334; 8,361,156; and Design Patents
20 Nos. 652,922 and 666,294 (collectively “the NuVasive patents”). [Doc. No. 55.]
21 NuVasive also filed a request to stay the litigation of Warsaw’s ‘430 patent and ‘997
22 patent, on the basis they were both in review proceedings before the PTO. [Doc. No.
23 58.]

24 Warsaw did not oppose a stay of the ‘430 patent, as it elected to amend the
25 claims in reexamination and, Warsaw acknowledged, the claims currently do not read
26 on NuVasive’s accused products. [Doc. No. 67-1, at 5-6.] As for the ‘997 patent, the
27 Court temporarily vacated the scheduling order dates related to the production and
28 service of invalidity contentions and preliminary claim construction proposals as to that

1 particular patent. [Doc. No. 69.] The parties were instructed to contact the Court after
2 the Patent Office issued its decision, expected approximately September 25, 2013, as
3 to whether the PTO would grant *inter partes* review of the patent for the Court's further
4 consideration of the request to stay litigation of the '997 patent.

5 The parties are presently proceeding in this litigation with Warsaw's allegations
6 against NuVasive for infringement of the '146 patent, and NuVasive's allegations
7 against Warsaw for infringement of the eight NuVasive patents. Should the Patent
8 Office decline to grant NuVasive's request for *inter partes* review of the '997 patent,
9 the Court will provide a schedule to promptly incorporate it into this litigation. If
10 review is granted, in whole or in significant part, litigation of the '997 patent may be
11 stayed while of the other patents proceed.

12 Shortly before argument on the motion to stay, on May 23, 2013, Warsaw filed
13 its motion for leave to file its Second Amended and Supplemental Complaint to add the
14 '696 patent to this litigation. [Doc. No. 67.] The '696 patent issued on May 21, 2013.
15 It is a continuation of the '430 patent. Warsaw seeks to "effectively replace" the stayed
16 '430 patent with the '696 patent in this litigation. [Doc No. 78, at 4.]

17 The factors for the Court to consider in deciding a motion for leave to amend
18 include undue delay, bad faith, prejudice to the opposing party, and futility of
19 amendment. *Foman v. Davis*, 371 U.S. 178, 182 (1962). Absent of showing of
20 prejudice to the opposing party, or a strong showing of the remaining factors, there is
21 a presumption in favor of granting leave to amend. *Eminence Capital, LLC v. Aspeon,*
22 *Inc.*, 316 F.3d 1048, 1052 (9th Cir. 2003). Although NuVasive contends that the
23 addition of this patent will cause delay in the litigation, the matter is still in its early
24 stages of proceedings and Warsaw has proactively taken steps to minimize any delay
25 which might be caused by the inclusion of this patent, including voluntarily serving
26 infringement contentions for this patent. [Doc No. 67-1, at 8.]

27 The Court finds no undue delay or bad faith in Warsaw's request to add the '696
28 patent to this litigation. Warsaw moved to amend within days of the patent's issuance.

1 Despite NuVasive's argument that the '696 patent was strategically prosecuted to
2 disadvantage NuVasive, the Court determines in the context of the motion for leave to
3 amend that Warsaw has not acted in bad faith.² NuVasive appears to be very familiar
4 with the patent, which shares the same specification as the '430 patent, and its
5 prosecution history. The Court is not persuaded its inclusion would prejudice
6 NuVasive.

7 NuVasive contends that adding the '696 patent to this litigation would be futile
8 because it may ultimately be invalidated. NuVasive filed a request for *inter partes*
9 review of the '696 patent and argues that the fate of the '696 patent review is likely to
10 follow that of the '430 patent, "narrowing it to the point of irrelevancy" in this
11 litigation. [Doc. No. 73, at 8.] NuVasive argues that Warsaw should not be allowed to
12 litigate the '696 patent until the PTO review is completed. A decision from the PTO
13 as to whether it will grant *inter partes* review is anticipated at the end of December,
14 2013. [Doc. 73, at 6.] Warsaw counters that review is unlikely and it should not be
15 delayed in asserting this patent based on the NuVasive's speculation that the '696
16 patent is more vulnerable to invalidity challenges because it is related to the '430
17 patent. [Doc. No. 78, at 11.]

18 NuVasive has not demonstrated futility of amendment. Although NuVasive
19 predicts the demise of this patent in *inter partes* review, Warsaw predicts such a review
20 will not even be granted. The threshold question of whether this patent will be
21 reviewed by the PTO will not be decided for five months. The patent issued with the
22 presumption of validity. The Court does not find Warsaw's request to amend to add
23 the '696 patent to this litigation to be futile.

24 Warsaw's motion to amend is **GRANTED** and Warsaw's proposed second
25 amended complaint [Doc. No. 67-3] is deemed filed as of the date of this order. The
26 patent will be incorporated into the litigation with the following scheduling deadlines:

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28 ²Nothing in this decision should be construed as an opinion as to whether or not NuVasive has
a defense of prosecution laches.

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- 1) NuVasive will file its responsive pleading to the second amended complaint no later than **August 13, 2013.**
- 2) Warsaw’s preliminary infringement contentions, required by Patent L.R. 3.1, are deemed served based on the representations of Warsaw made in connection with the filing of this motion.
- 3) NuVasive is hereby ordered to serve preliminary invalidity contentions and accompanying documents, required by Patent L.R. 3.3 and 3.4, no later than **September 23, 2013.**
- 4) The parties will exchange preliminary claim constructions for the ‘696 patent by **October 7, 2013,** and responsive claim constructions by **October 21, 2013.**
- 5) A joint claim construction chart addressing the ‘696 patent terms will be submitted to the Court no later than **November 4, 2013.**
- 6) Opening claim construction briefs will be filed no later than **November 18, 2013,** and responsive claim construction briefs will be filed no later than **December, 8, 2013.**

The Court will determine a date for a claim construction hearing on the ‘696 patent, after a determination is issued by the PTO on NuVasive’s request for *inter partes* review. If review is granted, the Court will consider whether a stay should be granted.

IT IS SO ORDERED.

DATED: July 24, 2013


CATHY ANN BENCIVENGO
United States District Judge