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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

NUVASIVE, INC.,

Plaintiff,

v.

ALPHATEC HOLDINGS, INC.,

Defendant.

Case No.: 3:18-CV-347-CAB-MDD

**ORDER DENYING MOTION
MOTION TO DISMISS
COUNTERCLAIM XIII**

[Doc. No. 162]

This matter is before the Court on Plaintiff NuVasive, Inc.’s motion to dismiss claim XIII from Defendant Alphatec Holdings, Inc.’s second amended counterclaim. Counterclaim XIII asserts that U.S. Patent No. 9,974,531 (the “531 Patent”) is unenforceable due to inequitable conduct during prosecution of the patent. The ‘531 Patent is directed toward systems and methods for accessing a targeted disc space through a lateral, trans-psoas path. The Court previously granted NuVasive’s motion to dismiss counterclaim XIII from the first amended counterclaim, while denying NuVasive’s motion with respect to three other counterclaims. [Doc. No. 152.] In that order, the Court set out the relevant procedural background, which will not be repeated here.

The legal standards set forth in the Court’s prior order continue to apply. “Inequitable conduct is an equitable defense to patent infringement that, if proved, bars

1 enforcement of a patent.” *Therasense, Inc. v. Becton, Dickinson & Co.*, 649 F.3d 1276,
2 1285 (Fed. Cir. 2011) (en banc). The elements of “inequitable conduct are: (1) an
3 individual associated with the filing and prosecution of a patent application made an
4 affirmative misrepresentation of a material fact, failed to disclose material information, or
5 submitted false material information; and (2) the individual did so with a specific intent to
6 deceive the [Patent and Trademark Office (“PTO”).” *Exergen Corp. v. Wal-Mart Stores,*
7 *Inc.*, 575 F.3d 1312, 1327 n.3 (Fed. Cir. 2009).

8 “Intent and materiality are separate requirements.” *Therasense*, 649 F.3d at 1290.
9 The intent element requires a showing that “the patentee acted with the specific intent to
10 deceive the PTO. A finding that the misrepresentation or omission amounts to gross
11 negligence or negligence under a ‘should have known’ standard does not satisfy this intent
12 requirement.” *Id.* (internal citation omitted). Specific intent to deceive means an “intent
13 to deceive must be ‘the single most reasonable inference able to be drawn from the
14 evidence.’” *Id.* (citation omitted). “[T]he materiality required to establish inequitable
15 conduct is but-for materiality.” *Id.* at 1291. In cases of alleged failure to submit prior art
16 to the PTO, “the court must determine whether the PTO would have allowed the claim if
17 it had been aware of the undisclosed reference.” *Id.*

18 An inequitable conduct counterclaim must be pled with particularity under Federal
19 Rule of Civil Procedure 9(b). *Exergen*, 575 F.3d at 1326. Rule 9(b) states: “In alleging
20 fraud or mistake, a party must state with particularity the circumstances constituting fraud
21 or mistake.” In cases of inequitable conduct, the “particularity” in Rule 9(b) requires
22 “identification of the specific who, what, when, where, and how of the material
23 misrepresentation or omission committed before the PTO.” *Id.* at 1327.

24 Moreover, although “knowledge” and “intent” may be averred generally, a
25 pleading of inequitable conduct under Rule 9(b) must include sufficient
26 allegations of underlying facts from which a court may reasonably infer that
27 a specific individual (1) knew of the withheld material information or of the
28 falsity of the material misrepresentation, and (2) withheld or misrepresented
this information with a specific intent to deceive the PTO.

1 *Id.* at 1328-29. “A reasonable inference is one that is plausible and that flows logically
2 from the facts alleged, including any objective indications of candor and good faith.” *Id.*
3 at 1329 n.5.

4 In Counterclaim XIII, Alphatec alleges that NuVasive patent prosecution counsel
5 withheld the prior art reference of Kanter and Friedman, *Percutaneous Discectomy: An*
6 *Anatomical Study*, Neurosurgery, Vol. 16, No. 2 (1985). NuVasive moves to dismiss
7 Counterclaim XIII on the grounds that Alphatec failed to plead how Kanter is relevant or
8 material to the ‘531 Patent. The Court is not persuaded. Counterclaim XIII sufficiently
9 explains specifically how Kanter is allegedly relevant and material. NuVasive’s motion,
10 meanwhile, primarily disputes Alphatec’s allegations and argues that Kanter is not actually
11 relevant and material. NuVasive’s fact-intensive arguments are similar to those that
12 NuVasive made in favor of dismissal of Counterclaims X, XI, and XII from the first
13 amended counterclaim, which the Court rejected. [Doc. No. 152.] These arguments are
14 equally unavailing here.

15 Accordingly, NuVasive’s motion to dismiss is **DENIED**. NuVasive shall answer
16 the second amended counterclaim on or before **April 12, 2019**.

17 It is **SO ORDERED**.

18 Dated: March 29, 2019



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20 Hon. Cathy Ann Bencivengo
21 United States District Judge
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