

EXHIBIT 21

TO THE DECLARATION OF BRIAN J.
NISBET IN SUPPORT OF DEFENDANTS'
OPPOSITION TO NUVASIVE'S MOTION
FOR PARTIAL SUMMARY JUDGMENT
AND MOTION TO EXCLUDE

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17
18 **UNITED STATES DISTRICT COURT**
19 **SOUTHERN DISTRICT OF CALIFORNIA**
20 **SAN DIEGO DIVISION**

21
22 NUVASIVE, INC., a Delaware
corporation,

23 Plaintiff,

24 v.

25 ALPHATEC HOLDINGS, INC., a
26 Delaware corporation and
ALPHATEC SPINE, INC., a
27 California corporation,

28 Defendants.

Case No. 3:18-CV-00347-CAB-MDD

[Assigned to Courtroom 4C – Honorable
Cathy Ann Bencivengo]

[Magistrate: Hon. Mitchell D. Dembin]

**DEFENDANTS' AMENDED
RESPONSE TO PLAINTIFF
NUVASIVE, INC.'S FIFTH SET OF
INTERROGATORIES (NO. 23)**

Complaint filed: February 13, 2018

1 14. Defendants’ responses are subject to all objections as to competence,
2 relevance, materiality, and admissibility. Defendants reserve the right to make all such
3 objections at trial.

4 **OBJECTIONS TO PLAINTIFF’S DEFINITIONS AND INSTRUCTIONS**

5 1. Defendants incorporate by reference their objections to Plaintiff’s
6 definitions and instructions as contained in Defendants’ Responses to Plaintiff’s First
7 Set of Interrogatories (Nos. 1-10) and Defendants’ Responses to Plaintiff’s First Set of
8 Requests for Production (Nos. 1-41).

9 **SPECIFIC OBJECTIONS AND RESPONSES**

10 Subject to the General Objections, all of which are hereby incorporated by
11 reference as though set forth fully within each and every response to below, Defendants
12 respond specifically to Plaintiff’s Interrogatories as follows:

13 **INTERROGATORY NO. 23:**

14 If Alphatec contends it does not willfully infringe the ’334 and ’156 implant
15 patents, identify in detail all legal and factual bases for Alphatec’s contention that
16 Alphatec does not willfully infringe.

17 **RESPONSE TO INTERROGATORY NO. 23:**

18 In addition to the General Objections, Defendants object to this Interrogatory to
19 the extent it calls for a legal conclusion and attempts to shift the burden of proof of
20 willful infringement to Defendants. Defendants further object to this Interrogatory as
21 vague, ambiguous, overbroad, unduly burdensome, and as failing to describe the
22 requested information with reasonable particularity to the extent that it requires
23 Defendants to “identify in detail all legal and factual bases.” Defendants further object
24 to this Interrogatory to the extent it seeks information protected from discovery by the
25 attorney-client privilege, the work product doctrine, or any other privilege or immunity.
26 Defendants further object to this Interrogatory as seeking disclosure of private,
27 confidential, trade secret, proprietary, or commercially and competitively sensitive
28 information, the disclosure of which would result in substantial competitive injury to

1 proffered evidence or further contentions from NuVasive.

2 **FIRST AMENDED RESPONSE TO INTERROGATORY NO. 23:**

3 Subject to and without waiving the foregoing General and Specific Objections,
4 Defendants supplements its response as follows:

5 Alphatec denies that it willfully infringes the '334 and '156 patents because it
6 does not infringe the '334 and '156 patents.

7 For at least the reasons discussed in response to Interrogatory No. 1, there can be
8 no infringement of the '334 and '156 patents.

9 Even to the extent Alphatec is found to infringe the '334 and '156 patents, there
10 is no evidence that such infringement was willful, wanton, malicious, bad-faith,
11 deliberate, consciously wrongful, flagrant, or characteristic of a pirate. *See Halo Elecs.,*
12 *Inc. v. Pulse Elecs., Inc.*, 136 S. Ct. 1923, 1932 (2016). First, it is undisputed that
13 Alphatec's product development team was under direct and specific guidance not to
14 copy any competitor's intellectual property, largely due to a major lawsuit between
15 Medtronic and NuVasive involving each other's retractors and implants used in a lateral
16 procedure. Costabile Dep. Tr. 67:24–68:21. Second, Alphatec had a good faith reason
17 to believe that the '334 patent and '156 patent were invalid before, during, and after the
18 development of the Accused Products.

19 For years, Alphatec monitored the various public litigations and post-grant
20 proceedings before the Patent Office that cast substantial doubt over the validity of
21 NuVasive's patent portfolio. Among these proceedings, Alphatec monitored, before,
22 during, and after the development of the Battalion Implant ("Battalion"), Medtronic's
23 challenge to the validity of the '334 and '156 patents in *Warsaw Orthopedic, Inc. v.*
24 *NuVasive Inc.*, No. 3:12-cv-02738.

25 Warsaw and Medtronic filed suit against NuVasive in August 2012. In March
26 2013, NuVasive asserted that Medtronic infringed the '334 and '156 patents. In
27 response, Medtronic initiated IPRs against the '334 and '156 patents in October 2013,
28 both of which the PTAB instituted in February 2014. After the Patent Office decided

1 to examine the validity of the '156 patent and the '334 patent, Alphatec started official
2 development of its LLIF system in July 2014 and first developed the prototypes of
3 Battalion in August 2014. *See* Response to Interrogatory No. 2.

4 In February 2015, the PTAB issued Final Written Decisions for the '334 and '156
5 patent IPRs. There, the PTAB invalidated claims 1–5, 10, 11, 14–17, and 19–28 of the
6 '334 patent and claims 1–14, 19–20, and 23–27 of the '156 patent. The Final Written
7 Decisions found all challenged claims of the '156 patent and all but one of the
8 challenged claims of the '334 patent invalid as obvious over several prior art references.
9 Throughout 2015, after the '156 patent and '334 patent had been invalidated, Alphatec
10 continued to develop the Battalion in order to bring it to market. In October 2015,
11 Alphatec finalized its design of Battalion. Response to Interrogatory No. 2. Later that
12 year, in December 2015, Alphatec had a validation lab with a production equivalent
13 product for the Battalion. *Id.* And, in April 2016, Alphatec submitted the Battalion
14 510(k) to the FDA, which cleared the Battalion in September 2016. *Id.*

15 It was not until November and December 2016 – after the FDA cleared
16 Alphatec's Battalion product – that the Federal Circuit issued its decision regarding
17 NuVasive's appeal of the PTAB's findings for the '334 and '156 IPRs. The Federal
18 Circuit affirmed the majority of the PTAB's invalidity findings with respect to the '334
19 patent, but vacated and remanded the PTAB's decision relating to claims 16 and 17 of
20 the '334 patent due to procedural violations, and vacated the PTAB's decision relating
21 to the '156 patent on very narrow findings regarding the sufficiency of the PTAB's
22 analysis showing a motivation to combine prior art references. The Federal Circuit
23 however did not disturb the PTAB's findings concerning the disclosures of the prior art
24 references obviating the '156 patent and '334 patent. Though the Federal Circuit
25 returned to the '156 patent and the '334 patent PTAB to address these narrow issues,
26 the validity of the claims of the '334 and '156 remained in substantial doubt.

27 In early 2017, Alphatec had its first sale and surgery with the Battalion and
28 announced the launch of Battalion in April 2017. The '334 and '156 IPRs were

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