IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

BONUTTI SKELETAL INNOVATIONS LLC, Plaintiff, v. ZIMMER HOLDINGS, INC. and ZIMMER, INC., Defendants.	C.A. No. 12-1107-GMS
BONUTTI SKELETAL INNOVATIONS LLC, Plaintiff, v. WRIGHT MEDICAL GROUP, INC. and WRIGHT MEDICAL TECHNOLOGY, INC., Defendants.	C.A. No. 12-1110-GMS
BONUTTI SKELETAL INNOVATIONS LLC, Plaintiff, v. MICROPORT ORTHOPEDICS INC., Defendant.	C.A. No. 14-1040-GMS

DEFENDANTS' JOINT RESPONSE TO PLAINTIFF'S MOTION TO LIFT STAY AND HOLD SCHEDULING CONFERENCE

I. INTRODUCTION

The Defendants do not oppose lifting the stays in these matters, but they do oppose doing so in a way that would merely resurrect the same uncertainty regarding the nature and scope of Plaintiff's infringement allegations that pervaded these cases until the Court stayed them pending *inter partes* review ("IPR"). Indeed, this issue arose well before the Court stayed these cases. In holding that the timeliness of Zimmer's and Wright Medical's IPR petitions supported a stay, the Court found that "[d]espite the Defendants' requests for specificity, [Plaintiff, Bonutti Skeletal Innovations LLC ("Bonutti")] did not clearly state before the IPR deadline which of the hundreds of claims in its multiple patents[1] it intended to assert against the Defendants." (D.I. 45, at 7.)[2] The Court noted "Bonutti's refusal to specify exactly which claims it intends to assert against the Defendants." (*Id.* at 11.)

There is no reason why the scheduling conference Bonutti requests, (D.I. 48, at 2), should be a necessary prerequisite for Bonutti to identify the asserted claims and accused products in these cases within a reasonable time—the Defendants suggest 21 days—after the Court lifts the stays. On the contrary, a scheduling conference almost certainly will be far more productive and efficient if the Court and the Defendants know, in advance of the conference, the nature and scope of Bonutti's infringement allegations. The Defendants are not, at this time, seeking full-

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1 Bonutti asserts against Zimmer six related patents directed to knee implants: U.S. Patent Nos. 6,702,821 ("'821 patent"); 7,806,896 ("'896 patent"); 8,133,229 ("'3,229 patent"); 7,837,736 ("'736 patent"); 7,959,635; and 7,749,229 ("'9,229 patent"). *See Bonutti v. Zimmer*, C.A. No. 12-1107, D.I. 10, ¶¶ 5–10. Those six patents, as issued, contained 258 claims. *See id.*, D.I. 36, at 7. Bonutti asserts three of those patents, the '821, '896, and '3,229 patents, against Wright Medical and MicroPort. *See Bonutti v. Wright Medical*, C.A. No. 12-1110, D.I. 7, ¶¶ 5–7; *Bonutti v. MicroPort*, C.A. No. 14-1040, D.I. 1, 3–5. Those three patents, as issued, contained 148 claims. *See Bonutti v. Zimmer*, C.A. No. 12-1107, D.I. 36, at 7.

2 Unless otherwise indicated, citations to ECF docket entries are citations to *Bonutti Skeletal Innovations LLC v. Zimmer Holdings, Inc.*, C.A. No. 12-1107-GMS ("*Bonutti v. Zimmer*").

blown infringement contentions, but instead merely the identification of the specific asserted claims and accused products. Two of these cases, *Bonutti v. Zimmer*, C.A. No. 12-1107, and *Bonutti v. Wright Medical*, C.A. No. 12-1110, have been pending since September 2012. Yet, at no time in the 33 months since then has Bonutti ever identified the specific claims of the various patents-in-suit that it intends to assert against Zimmer and Wright Medical. Surely, by now, Bonutti knows which claims it intends to assert and which products it intends to accuse. Bonutti should be required to disclose that information now so that the scope of this case is defined and the Defendants do not have to proceed with continued uncertainty.

II. ARGUMENT

"Courts have inherent power to manage their dockets and stay proceedings, including the authority to order a stay pending conclusion of a PTO reexamination." *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1426–27 (Fed. Cir. 1988) (internal citation omitted). "[T]he same court that imposes a stay of litigation has the inherent power and discretion to lift the stay." *Auto. Techs. Int'l, Inc. v. Am. Honda Motor Co.*, No. 06-187-GMS, 2009 WL 2969566, at *2 (D. Del. Sept. 15, 2009). Accordingly, this Court has discretion to determine the terms on which a stay it has imposed should be lifted. *See id.*; *see also* FED. R. CIV. P. 16.

Bonutti requests a scheduling conference ***before*** it "identifies which claims it intends to assert and which products it accuses of infringement," (D.I. 48, at 2), but it provides no reason why it cannot or should not provide that information now. And although Bonutti claims that its position is "consistent with this Court's typical practice," it fails to acknowledge that, in light of the circumstances present here, these are not "typical" cases. Despite losing 28 claims of the patents-in-suit during IPR (see the table below), Bonutti chose not appeal any of the Patent Trial and Appeal Board's ("PTAB") decisions in the IPR proceedings. Bonutti's strategy is apparently

to get back into court as quickly as possible to best position itself to exert pressure and attempt to coerce settlements from the remaining defendants. If, after 33 months, however, Bonutti is ready to litigate its patents, it should also be ready to make clear what, precisely, it plans to litigate so that the Defendants are not prejudiced by continued uncertainty, and neither the Court nor the Defendants have to expend further resources addressing this issue.

Moreover, because the PTAB has found numerous claims of the patents-in-suit invalid as unpatentable, it has substantially shortened Bonutti's "menu" of claims in these cases, thereby contributing to the Defendants' uncertainty regarding not only which of the remaining claims may be at issue, but also what products may be accused of infringement and whether some of the patents-in-suit even remain at issue. As a result of the IPRs, the PTAB found the following claims of patents-in-suit to be invalid as unpatentable: claims 1 and 42 of the '896 patent and claims 21, 22, and 31–36 of the '736 patent. Additionally, during the course of the IPR proceedings, Bonutti voluntarily disclaimed the following claims of patents-in-suit pursuant to 37 C.F.R. § 1.321(a):[3] claim 1 of the '821 patent, claim 23 of the '9,229 patent, claims 40, 41, 44–47 of the '896 patent, claims 15–20 and 26–28 of the '736 patent, and claim 1 of the '3,229 patent. These results are summarized in the following table:

Patent-at-Issue	Invalidated in IPR	Disclaimed by Bonutti	# Original Claims	# Invalid Claims	# Claims Remaining
6,702,821	--	Claim 1	39	1	38
7,749,229	--	Claim 23	32	1	31
7,806,896	Claims 1, 42	Claims 40, 41, 44-47	48	8	40
7,837,736	Claims 21, 22, 31-36	Claims 15-20, 26-28	40	17	23
8,133,229	--	Claim 1	60	1	59
Totals:	10	18	219	28	191

[3] Although voluntary and non-appealable, such a disclaimer has the same effect on a patent claim as if a court or the PTAB, for example, were to find it invalid. *See* 35 U.S.C. § 253.

The ongoing uncertainty regarding the identity of the asserted claims—which is already exacerbated by Bonutti's loss of 28 claims during IPR—is compounded by similar uncertainty regarding the identity of the accused products. Although Bonutti provided cursory identifications of accused products in its complaints,[4] the Defendants presently can only guess which products Bonutti actually intends to accuse. Indeed, in some cases, the fact that certain claims of the patents-in-suit are now invalid may foreclose Bonutti's ability to maintain its infringement allegations as to those products. Therefore, just as Bonutti should be required to identify the asserted claims, it likewise should be required to identify, without further delay, the products that allegedly infringe each of those claims.

In the Defendants' view, holding a scheduling conference at the Court's convenience is entirely appropriate, but there is no reason why a scheduling conference or related order are necessary prerequisites for Bonutti to finally disclose the scope of these cases by identifying the accused products and the specific claims each product allegedly infringes. Indeed, as noted above, a scheduling conference almost certainly will be far more productive and efficient if the Court and the Defendants know, in advance of it, the nature and scope of Bonutti's infringement allegations.

III. CONCLUSION

The Defendants respectfully request that the Court exercise its discretion and order Bonutti, within 21 days of the Court's Order lifting the stays, to serve on each Defendant an identification of (a) the Defendant's accused products, and (b) the specific claim(s) of each

[4] *See Bonutti v. Zimmer*, C.A. No. 12-1107, D.I. 10, ¶¶ 15–19; *Bonutti v. Wright Medical*, C.A. No. 12-1110, D.I. 7, ¶¶ 11–14; *Bonutti v. MicroPort*, C.A. No. 14-1040, D.I. 1, ¶¶ 10–13.

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