

2013-1576, -1577

**United States Court Of Appeals
for the Federal Circuit**

WARSAW ORTHOPEDIC, INC.,
Plaintiff/Counterclaim Defendant-Appellant,

and

MEDTRONIC SOFAMOR DANEK USA, INC.,
Counterclaim Defendant-Appellant,

and

**MEDTRONIC PUERTO RICO OPERATIONS CO. and MEDTRONIC
SOFAMOR DANEK DEGGENDORF, GMBH,**
Counterclaim Defendants,

v.

NUVASIVE, INC,
Defendant/Counterclaimant-Cross-Appellant,

APPEALS FROM THE U.S. DISTRICT COURT FOR THE SOUTHERN DISTRICT OF CALIFORNIA IN CASE
No. 08-CV-1512, JUDGES CATHY ANN BENCIVENGO AND MICHAEL M. ANELLO

NUVASIVE'S OPENING BRIEF

Frank E. Scherkenbach
Fish & Richardson P.C.
One Marina Park Drive
Boston, MA 02110-2804

Todd G. Miller
Michael A. Amon
Craig E. Countryman
Fish & Richardson P.C.
12390 El Camino Real
San Diego, CA 92130

Michael J. Kane
Fish & Richardson P.C.
3200 RBC Plaza
60 South Sixth Street
Minneapolis, MN 55402

February 3, 2014

CERTIFICATE OF INTEREST

Counsel for NuVasive, Inc., certifies the following:

1. The full name of every party or amicus represented by me is: NuVasive, Inc.
2. The name of the real party in interest (if the party named in the caption is not the real party in interest) represented by me is: N/A.
3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party or amicus curiae represented by me are: N/A.
4. N/A. There is no such corporation as listed in paragraph 3.
5. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are expected to appear in this court are:

Fish & Richardson P.C.: *Craig R. Compton, Frank E. Scherkenbach, *John E. Gartman, Keeley Vega, Kelly C. Hunsaker, *Kimberly Kennedy, Michael E. Florey, *Nicholas V. Martini, *Thomas S. McClenahan, Todd G. Miller, Craig E. Countryman, John M. Farrell, Jonathan J. Lamberson, and Neil Warren.

Morrison & Foerster LLP: Deanne E. Maynard; Brian R. Matsui; and Ryan J. Malloy.

Chaz De La Garza & Associates, LLC: Charles H. De La Garza

*No longer with firm

Dated: February 3, 2014

/s/ Craig E. Countryman
Craig E. Countryman

TABLE OF CONTENTS

	<u>Page</u>
Certificate of Interest	i
Statement of Related Cases	x
Statement of Jurisdiction	xi
Statement of the Issues for NuVasive’s Cross-Appeal.....	xii
Statement of the Issues for Warsaw’s Appeal.....	xiii
Statement of the Facts	1
I. Technology Background on Spinal Fusion Surgery.....	1
II. Warsaw’s ’973 Patent.	3
A. The ’973 Patent Tries to Distinguish Its Implant Based on the “Oversized” Dimensions.	3
B. The Prior Art Brantigan Commercial Implants Have the Same Dimensions Claimed in the ’973 Patent.....	6
C. The Brantigan ’327 Patent Discloses Implants for Lateral Insertion With The Same Dimensions As The ’973 Patent.	8
D. The District Court Rejects Warsaw’s Constructions at <i>Markman</i>	8
E. The Trial: Warsaw Distinguishes the Brantigan Implants Based Solely On Its Rejected Claim Construction Positions.....	9
F. The Result: the Jury Upholds Validity Based on Warsaw’s Erroneous Claim Construction Arguments.....	12
III. Warsaw’s ’933 Patent.	13

TABLE OF CONTENTS (continued)

	<u>Page</u>
A. The '933 Patent Claims a Two-Blade Retractor in Which "Each" Blade Laterally Moves and Pivots.	13
B. NuVasive's Products Are Three-Blade Retractors in Which One Blade Does Not Laterally Move and Pivot.	15
C. Warsaw's Infringement Case under the Doctrine of Equivalents.	16
IV. Warsaw's Damages Presentation, and the Jury's Award.	17
A. Warsaw's "Lost Profits" Were Funds That Supposedly Would Have Been Transferred to It by Other Medtronic Entities.	17
B. Most Warsaw "Lost Profits" Were From Unpatented Products.	18
V. Warsaw's Appeal of Post-Trial Damages-Related Rulings.	20
A. Ongoing Royalties.	20
B. Supplemental Damages.	21
VI. NuVasive's '236 Patent.	22
A. NuVasive's Nerve-Monitoring Creates a Safe and Reproducible Lateral Procedure.	22
B. Medtronic's Infringing NIM-Eclipse System.	23
Summary of the Argument.	25
Argument.	27
I. The Judgment on the '973 Patent Should be Reversed or Vacated Based on Anticipation and Obviousness.	27
A. The Brantigan Implants Anticipate the Asserted Claims.	27

TABLE OF CONTENTS (continued)

	<u>Page</u>
B. Brantigan '327 Invalidates the Asserted Claims....	35
C. At a Minimum, a Remand is Necessary to Determine Validity Without Warsaw's Improper Claim Construction Arguments.	37
II. Even if the Asserted '973 Claims Are Not Invalid In Light of the Prior Art, They Are Indefinite.	38
III. NuVasive Does Not Infringe the '933 Patent as a Matter of Law.	41
A. Vitiating Bars Warsaw's Infringement Theory.....	41
B. Warsaw Cannot Show the Working Channel is Enlargeable by Laterally Moving and Pivoting "Each" Blade.	43
IV. Warsaw's Lost Profits Theory Was Legally Impermissible.....	45
A. Warsaw Was Not Entitled to Recover Money Transferred to It by Other Medtronic Entities as "Lost Profits" Damages.	45
B. There Should Be No Lost Profits on Unpatented Components.	48
C. The Damages Award Must Be Vacated if the Judgment on the '973 or '933 Patent is Set Aside.	51
D. The Ongoing Royalty Should Be Vacated If this Court Changes the Lost Profits Award.....	51
V. If the Court Reaches Warsaw's Damages Appeal, It Should Affirm.	52
A. The District Court Correctly Denied Supplemental Damages.	52

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.