

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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NUVASIVE, INC.,  
Petitioner,

v.

WARSAW ORTHOPEDIC, INC.,  
Patent Owner.

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Case IPR2013-00395 and IPR2013-00396  
Patent 8,444,696

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Held: July 31, 2014

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Before: SALLY C. MEDLEY, LORA GREEN, and STEPHEN SIU,  
*Administrative Patent Judges.*

APPEARANCES:

ON BEHALF OF THE PETITIONER:

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1 ON BEHALF OF PATENT OWNER:  
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7  
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9 The above-entitled matter came on for hearing on Thursday,  
10 July 31, 2014, commencing at 2:00 p.m., at the U.S. Patent and  
11 Trademark Office, 600 Dulany Street, Alexandria, Virginia.  
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15 P R O C E E D I N G S

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17 JUDGE MEDLEY: Good afternoon. This is the hearing  
18 for IPR2013-00395 and 396, between Petitioner NuVasive and Patent  
19 Owner Warsaw Orthopedic. At this time we would like the parties to  
20 please introduce themselves and who will be arguing for their  
21 respective sides, beginning with Petitioner.

22 MR. SCHAEFER: Yes, I'm Steve Schaefer for the  
23 Petitioner, NuVasive, and I'm lead counsel, I will be arguing the case,  
24 and with me as back-up counsel, Michael Hawkins.

25 JUDGE MEDLEY: Thank you. And for Patent Owner?

26 MR. MARTIN: Good afternoon, I'm Tom Martin with  
27 Martin & Ferraro, lead counsel for the Patent Owner, Warsaw, and

1 with me today is Wes Meinerding, with Martin & Ferraro as well, he's  
2 back-up counsel. And with us handling the exhibits is Mr. Thomas.

3 JUDGE MEDLEY: You will be arguing for your side?

4 MR. MARTIN: Yes, sir.

5 JUDGE MEDLEY: As you know, per the June 27th  
6 order from the Board, each party will have 60 minutes to argue for  
7 both cases. Petitioner, you will proceed first, to present your case  
8 with respect to the challenged claims and grounds for which the Board  
9 instituted trial, and then Patent Owner, you will respond to Petitioner's  
10 presentation, and Petitioner, you may reserve rebuttal time if you'd  
11 like.

12 So, Petitioner, counsel for Petitioner, Mr. Schaefer, you  
13 may begin, and would you like to reserve rebuttal time?

14 MR. SCHAEFER: Yes, I'd like to reserve 20 minutes.

15 JUDGE MEDLEY: Twenty minutes, all right. You may  
16 proceed.

17 MR. SCHAEFER: May it please the Board, thank you.

18 So, we're here on two IPRs on U.S. patent 8,444,696, the  
19 '696 patent. The first IPR proceeding, that's IPR2013-00695, involves  
20 claims 1 to 6 of the '696 patent, and the second one, IPR2013-00696,  
21 involves claims 7 to 13.

22 So, for claims 1 to 6, we have two independent claims, 1  
23 and 4. These are claims to a fusion implant device. They're wider  
24 than they are tall. That's kind of distinguishing between claim set 1  
25 through 6 and 7 to 13.

1                   These -- importantly, these implants have convex bearing  
2 surfaces, ratchetings and at least one opening through the implant.

3                   Two main grounds for this set that have been instituted,  
4 they are the Senter grounds and then secondly they are the Michelson  
5 grounds. Michelson's earlier patent, the '037 patent, and I'll talk about  
6 both of those grounds.

7                   The second IPR for claims 7 to 13, these involve the  
8 insert and rotate claims. These are a specific type of implant that is  
9 inserted and rotated 90 degrees. These claims also have the same  
10 features that are in claim 1 and 4 of the convex bearing surfaces, as  
11 well as ratchetings and the openings. So, those are the important  
12 points.

13                   As this Board knows from the lateral method patent that  
14 we talked about two months ago, this case is similar in that it involves  
15 spinal fusion implants, and just by way quickly of background, these  
16 are a spinal fusion procedure, you remove the disc, put an implant in  
17 place, and then bone grows between those two adjacent vertebra. You  
18 don't end up with any movement between those two vertebra, as you  
19 would with a natural disc, but you relieve problems such as pain in the  
20 legs and the like.

21                   So, the implant does two things: It provides structural  
22 support to space apart the two adjacent vertebra, and it does facilitate  
23 bone growth between the two vertebra.

24                   So, I want to talk briefly about the '696 patent in general.  
25 This is a patent that was granted just a little over a year ago, and it's

1 the great, great, great, great, that's four greats, grandchild of a 1995  
2 application through a long series of continuations. That original 1995  
3 application, as we describe in our petition, was a CIP of, in fact, the  
4 specification that is the Michelson '037 patent. So, that 1988  
5 Michelson '037 patent was the prior -- was the ultimate priority  
6 document to the application filed in 1995, which is a CIP.

7 That's actually an important point, because you'll see if  
8 you compare the two, there's a lot of similarities between these two,  
9 and that is, in fact, why the '037 patent is part of -- is one of our main  
10 grounds on claims 1 to 4.

11 We also talk in our petition about the prior  
12 re-examination action on the '430 patent, the immediate parent of the  
13 '696. As explained in our petition -- I'm sorry, the '430 claims, like  
14 the '696 claims, claim a spinal fusion implant with convex upper and  
15 lower bearing surfaces. Dependent claims in that patent got to the  
16 anti-expulsion features, or ratchetings, and also got to the openings  
17 through the implant. Ultimately, Warsaw sued NuVasive on that '430  
18 patent, and in turn, NuVasive brought the Inter Partes Re-Examination  
19 on that '430 patent.

20 In that action, despite the fact that much of that art was of  
21 record, the CRU, in the re-exam, found numerous grounds upon  
22 which these convex claims were invalid on the prior art, and  
23 ultimately, Warsaw abandoned its efforts on that.

24 Meanwhile, while that re-exam was going on, Warsaw  
25 obtained the '696 patent. So, that's why I say in our petitions, this was

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