

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

SCIMED LIFE SYSTEMS, INC.,)
BOSTON SCIENTIFIC SCIMED, INC.,)
BOSTON SCIENTIFIC CORPORATION)
and MEDINOL, LTD.,)
)
Plaintiffs,)
)
v.) Civil Action No. 99-904-SLR
) (consolidated)
JOHNSON & JOHNSON, CORDIS)
CORPORATION and JOHNSON & JOHNSON)
INTERVENTIONAL SYSTEMS, INC.,)
)
Defendants.)

Josy W. Ingersoll, Esquire and Christian Douglas Wright,
Esquire of Young Conaway Stargatt & Taylor, LLP, Wilmington,
Delaware. Counsel for Plaintiffs. Of Counsel: Charles R.
Brainard, Esquire, George E. Badenoch, Esquire, Walter E.
Hanley, Jr., Esquire, Edward T. Colbert, Esquire and Douglas
E. Ringel, Esquire of Kenyon & Kenyon, New York, New York.

Steven J. Balick, Esquire and Steven T. Margolin, Esquire of
Ashby & Geddes, Wilmington, Delaware. Counsel for Defendants.
Of Counsel: Gregory L. Diskant, Esquire, William F.
Cavanaugh, Jr., Esquire, Michael J. Timmons, Esquire and
Russell W. Faegenburg, Esquire of Patterson, Belknap, Webb &
Tyler, LLP of New York, New York.

MEMORANDUM OPINION

Dated: August 15, 2001
Wilmington, Delaware

ROBINSON, Chief Judge

I. INTRODUCTION

In this consolidated action, plaintiffs Scimed Life Systems, Inc. ("Scimed"), Boston Scientific Scimed, Inc. ("BSSI"), Boston Scientific Corporation ("BSC"), and Medinol, Ltd. ("Medinol") allege that defendants Johnson & Johnson ("J&J"), Cordis Corporation ("Cordis"), and Johnson & Johnson Interventional Systems, Inc. ("JJIS") willfully infringe and induce infringement of United States Patent Nos. 5,733,303 (the "'303 patent"), 5,843,120 (the "'120 patent"), and 5,972,018 (the "'018 patent") (collectively, the "Medinol patents"). The court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1338(a).

Currently before the court are various motions for summary judgment.¹ For the following reasons, the court shall deny plaintiffs' motion for summary judgment of literal infringement of the asserted claims of the '303 and '018 patents by the BX Velocity stent (D.I. 152), deny defendants' motion for summary judgment of non-infringement of claims 13 and 17 of the '120 patent by the Crown and Mini-Crown stents (D.I. 140), deny defendants' motion for summary judgment of non-infringement of the asserted claims of the Medinol patents

¹Also pending before the court is defendants' motion for leave to file an amended answer and counterclaim. (D.I. 117) Defendants' motion is denied as untimely.

by the BX Velocity stent (D.I. 146), grant plaintiffs' motion for summary judgment that the asserted claims of the Medinol patents are not anticipated by United States Patent No. 5,102,417 (the "'417 patent") (D.I. 154), deny as moot plaintiffs' motion for summary judgment that the asserted claims of the Medinol patents are not anticipated by United States Patent No. 5,449,373 (the "'373 patent") (D.I. 148), grant plaintiffs' motion for summary judgment that the stent designs in Figures 13, 14a and 14b of Application Serial No. 08/246,320 are not prior art (D.I. 150), and deny defendants' motion for summary judgment precluding lost profits damages for hypothetical United States sales of the NIR stent.² (D.I. 142)

II. BACKGROUND

The Medinol patents, invented by Henry Israel and Gregory Pinchasik and assigned to Medinol, claim certain flexible expandable stents. The Medinol patents share the same

²Defendants concede that if the court construes the asserted claims of the Medinol patents to disclaim the spiral or helical connectors of the '417 patent, then the '417 patent does not anticipate the Medinol patents. The court has adopted that construction and, therefore, plaintiffs' motion that the '417 patent does not anticipate the asserted claims is granted. Furthermore, defendants have agreed not to assert the '373 patent as an anticipatory reference, rendering plaintiffs' motion that the '373 patent does not anticipate the asserted claims moot.

drawings and essentially the same specification, and are described as continuations of a series of applications beginning with Application Serial No. 282,181, filed on July 28, 1994, and continuations-in-part of Application Serial No. 213,272, which was filed on March 17, 1994 and issued as the '373 patent. Plaintiffs allege that defendants' BX Velocity, Crown, Mini-Crown and Corinthian stents infringe claims 6, 7, 8, 9, 10, 12 and 13 of the '303 patent, claims 13 and 17 of the '120 patent, and claims 35, 39, 47, 60 and 63 of the '018 patent.

A. The Burmeister Application

During May 1994, Scimed engineers Paul Burmeister, Brian Brown, Charles Eteneuer and Paul Fordenbacher ("Applicants") evaluated the concept of a hybrid stent that would partially self-expand and then fully expand with a balloon. Applicants filed for a patent on their invention on May 19, 1994 (the "Burmeister Application") that included several pages of drawings. (D.I. 156, Ex. M) Although Applicants indicated that they intended to send eighteen sheets of drawings, the Patent Office file reflects that only fifteen sheets were included. Those fifteen sheets contained Figures 1-10, 11b,

12 and 13, but not Figures 11a, 14a or 14b.³ (Id.) On August 19, 1994, new drawings were submitted that also included Figures 11a, 14a and 14b. (Id.) On November 28, 1995, the Patent Office issued a Notice of Abandonment for Applicant's failure to respond to an April 26, 1995 Office Action.⁴ (Id.) On May 18, 1995, Applicants filed an International PCT Application based on the Burmeister Application, but different drawings were substituted as Figures 13 and 14. The PCT Application was first published on November 30, 1995 and issued as European Patent Specification EP 0759730B1 on February 10, 1999. (D.I. 170, Ex. 49)

III. STANDARD OF REVIEW

A court shall grant summary judgment only if "the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(c). The moving party bears the

³Defendants contend that Applicants did include Figures 13, 14a and 14b in their May 19, 1994 submission, and the Patent Office later misplaced the drawings. (D.I. 167 at 12)

⁴Plaintiffs contend that no further work was performed on Figures 13, 14a and 14b prior to the filing date of the Medinol patents which, for the purpose of the motion for summary judgment regarding the Burmeister Application, the parties agree is July 28, 1994. (D.I. 151 at 4)

burden of proving that no genuine issue of material fact exists. See Matsushita Elec. Indus. Co. v. Zenith Radio Corp., 475 U.S. 574, 586 n.10 (1986). "Facts that could alter the outcome are 'material,' and disputes are 'genuine' if evidence exists from which a rational person could conclude that the position of the person with the burden of proof on the disputed issue is correct." Horowitz v. Fed. Kemper Life Assurance Co., 57 F.3d 300, 302 n.1 (3d Cir. 1995) (internal citations omitted). If the moving party has demonstrated an absence of material fact, the nonmoving party then "must come forward with 'specific facts showing that there is a genuine issue for trial.'" Matsushita, 475 U.S. at 587 (quoting Fed. R. Civ. P. 56(e)). The court will "view the underlying facts and all reasonable inferences therefrom in the light most favorable to the party opposing the motion." Pa. Coal Ass'n v. Babbitt, 63 F.3d 231, 236 (3d Cir. 1995). The mere existence of some evidence in support of the nonmoving party, however, will not be sufficient for denial of a motion for summary judgment; there must be enough evidence to enable a jury reasonably to find for the nonmoving party on that issue. See Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 249 (1986). If the nonmoving party fails to make a sufficient showing on an essential element of its case with respect to which it has

the burden of proof, the moving party is entitled to judgment as a matter of law. See Celotex Corp. v. Catrett, 477 U.S. 317, 322 (1986).

IV. DISCUSSION

A. Infringement by Defendants' BX Velocity, Crown and Mini-Crown Stents

A determination of infringement requires a two-step analysis. "First, the claim must be properly construed to determine its scope and meaning. Second, the claim as properly construed must be compared to the accused device or process." Carroll Touch, Inc. v. Electro Mech. Sys., Inc., 15 F.3d 1573, 1576 (Fed. Cir. 1993). "In order for a court to find infringement, the plaintiff must show the presence of every . . . [limitation] or its substantial equivalent in the accused device." Wolverine World Wide, Inc. v. Nike, Inc., 38 F.3d 1192, 1199 (Fed. Cir. 1994). The determination of infringement, whether literal or under the doctrine of equivalents, is a question of fact. See Bai v. L & L Wings, Inc., 160 F.3d 1350, 1353 (Fed. Cir. 1998). An infringement issue is properly decided upon summary judgment when no reasonable jury could find that every limitation recited in the properly construed claim either is or is not found in the accused device either literally or under the doctrine of equivalents. See id. A finding of infringement under the

doctrine of equivalents may be barred, however, if the patentee attempts to reclaim subject matter that it previously surrendered during prosecution. See Hilgrave Corp. v. McAfee Assocs. Inc., 224 F.3d 1349, 1355 (Fed. Cir. 2000) (“[P]rosecution history estoppel bars recapture of subject matter surrendered during prosecution.”).

The court finds that defendants’ BX Velocity stent does not literally infringe claim 6 of the ‘303 patent. The “second end” of the BX Velocity’s “first flexible compensating member or flexible link” does not “communicat[e] with” the “first end” of its “third member having a longitudinal component.” (‘303 patent, claim 6(g)) Similarly, the “first end” of the BX Velocity’s “second flexible compensating member or flexible link” does not “communicat[e] with” the “second end” of its “second member having a longitudinal component.” (‘303 patent, claim 6(h)) The ends of these “flexible compensating members or flexible links” actually “communicat[e] with” the structural elements of other cells. (‘303 patent, claim 6(e), (f)) Thus, because claims 7, 8, 9, 10, 12 and 13 ultimately depend on claim 6 of the ‘303 patent, the court concludes that defendants’ BX Velocity stent does not literally infringe any of the asserted claims of the ‘303 patent. Plaintiffs are limited to alleging that the BX

Velocity stent infringes those claims only by the doctrine of equivalents.⁵

The court also finds that there is a limited range of equivalents on the "flexible compensating member or flexible link" limitation of claim 6 of the '303 patent. Plaintiffs surrendered all diagonal, helical or spiral connector members when they distinguished the '417 patent during prosecution. (D.I. 137, Ex. 9 at 00059-60; D.I. 138, Ex. 3 at 00175-76) Consistent with the court's claim construction, therefore, plaintiffs are estopped from arguing that any diagonal, helical or spiral element, i.e., a connector member that connects adjacent cells, is a "flexible compensating member or flexible link." With regard to the BX Velocity stent, the court concludes that there are genuine issues of material fact as to whether the "N-regions" of the stent infringe the "flexible compensating member or flexible link" limitation of claim 6 literally or by the doctrine of equivalents.

Finally, the court finds that there are genuine issues of material fact as to whether the BX Velocity, Crown or Mini-Crown stents infringe the asserted claims of the '120 patent,

⁵Because the jury may only find that the BX Velocity stent infringes the "communicating with" limitation by the doctrine of equivalents, the court will create a detailed verdict form, separating the limitations of claim 6 into individual questions.

and whether the BX Velocity stent infringes the asserted claims of the '018 patent.

B. Figures 13, 14a and 14b of the Burmeister Application as Prior Art

Plaintiffs argue that Figures 13, 14a and 14b of the Burmeister Application are not prior art to the Medinol patents under 35 U.S.C. § 102(g), which states that an applicant is not entitled to a patent if

before the applicant's invention thereof the invention was **made in this country by another who had not abandoned, suppressed, or concealed it.** In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.

(Emphasis added) Specifically, plaintiffs contend that although the Burmeister Application was arguably abandoned after the filing date of the Medinol patents, that abandonment vitiated the "constructive" reduction to practice created by the filing of the Burmeister Application. Thus, according to plaintiffs, the Burmeister invention was never "made" since it was never reduced to practice.⁶ See In re Costello, 717 F.2d 1346, 1350 (Fed. Cir. 1983) ("[I]t has long been settled, and

⁶The parties agree that Figures 13, 14a and 14b of the Burmeister Application were never **actually** reduced to practice. (D.I. 185 at 6)

we continue to approve the rule, that an abandoned application, with which no subsequent application was copending, cannot be considered a constructive reduction to practice."). Defendants cite case law to the contrary, that an abandonment of an application must occur **prior** to the filing date of a patent in order to exclude that application as prior art pursuant to Section 102(g). See Allen v. Brady, 508 F.2d 64, 67 (7th Cir. 1974) ("As we read the language [of Section 102(g)], the abandonment is irrelevant unless it occurred 'before the applicant's invention.' The use of the pluperfect tense - 'had not abandoned' - plainly refers to an abandonment which occurred 'before the applicant's invention.'").

Although defendants present a respectable argument based on statutory interpretation, their position directly contradicts one of the fundamental principles of patent law - that prior art be available to the public. See Kimberly-Clark Corp. v. Johnson & Johnson, 745 F.2d 1437, 1453 (Fed. Cir. 1984) ("That is the real meaning of 'prior art' in legal theory - **it is knowledge that is available**, including what would be obvious from it, at a given time, to a person of ordinary skill in an art.") (emphasis added). See also Graham v. John Deere Co., 383 U.S. 1, 6 (1966) (stating that no

patent should be granted which withdraws from the public domain technology already publicly available). The Burmeister Application was abandoned and the relevant drawings were never revealed to the public, nor were they actually reduced to practice. The only reason the drawings are at issue now is because Scimed, licensed by Medinol, is a party to this action and produced the drawings in discovery. In the absence of a voluntary publication of the Burmeister Application, the drawings never would have surfaced as potential prior art. Therefore, the court grants plaintiffs' motion for summary judgment that the stent designs in Figures 13, 14a and 14b of the Burmeister Application are not prior art.⁷

C. Recovery of Lost Profits on Hypothetical Sales of the NIR Stent

Defendants have moved to preclude plaintiffs from presenting any evidence on lost profits based on sales of the NIR stent, arguing that plaintiffs should not be permitted to assert that its NIR stent was properly on the market as a non-infringing product. Defendants base their argument on the jury verdict rendered against plaintiffs and in favor of

⁷Moreover, adopting defendants' position would lead to the "anomalous" result of potentially depriving plaintiffs of their rights in the Medinol patents **because they developed their inventions too soon**, instead of after the abandonment of the Burmeister Application. See Donald Chisum, Chisum on Patents § 10.08[5] (2001).

defendants in Cordis Corp. v. Boston Scientific Corp., No. 97-550-SLR (D. Del. verdict rendered on Dec. 11, 2000) (the "97-550 case").

The court concludes, however, that the jury verdict in the 97-550 case should not serve as an estoppel in this case. First, the issues tried in the 97-550 case are not the same issues that are going to be tried in the case at bar. Second, the adverse verdict is not a final one; given the possibility of the verdict being overturned in whole or in part on appeal, judicial economy suggests trying the case at bar on all issues. Finally, notions of equity support plaintiffs' position, that is, plaintiffs should not be precluded from presenting all issues just because defendants were the first to get to trial.

The court recognizes the complexities in these cases, but concludes that the case at bar should be tried without regard to the jury verdict returned in the 97-550 case. Therefore, defendants' motion for summary judgment precluding lost profits damages for hypothetical United States sales of the NIR stent is denied.

V. CONCLUSION

For the reasons stated, the court shall deny plaintiffs' motion for summary judgment of literal infringement of the

asserted claims of the '303 and '018 patents by the BX Velocity stent, deny defendants' motion for summary judgment of non-infringement of claims 13 and 17 of the '120 patent by the Crown and Mini-Crown stents, deny defendants' motion for summary judgment of non-infringement of the asserted claims of the Medinol patents by the BX Velocity stent, grant plaintiffs' motion for summary judgment that the asserted claims of the Medinol patents are not anticipated by the '417 patent, deny as moot plaintiffs' motion for summary judgment that the asserted claims of the Medinol patents are not anticipated by the '373 patent, grant plaintiffs' motion for summary judgment that the stent designs in Figures 13, 14a and 14b of the Burmeister Application are not prior art, deny defendants' motion for summary judgment precluding lost profits damages for hypothetical United States sales of the NIR stent, and deny defendants' motion for leave to file an amended answer and counterclaim. An appropriate order shall issue.

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BOSTON SCIENTIFIC CORPORATION)
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Plaintiffs,)
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v.) Civil Action No. 99-904-SLR
) (consolidated)
JOHNSON & JOHNSON, CORDIS)
CORPORATION and JOHNSON & JOHNSON)
INTERVENTIONAL SYSTEMS, INC.,)
)
Defendants.)

O R D E R

At Wilmington, this 15th day of August, 2001, consistent with the memorandum opinion issued this same day;

IT IS ORDERED that:

1. Plaintiffs' motion for summary judgment of literal infringement of the asserted claims of the '303 and '018 patents by the BX Velocity stent (D.I. 152) is denied.

2. Defendants' motion for summary judgment of non-infringement of claims 13 and 17 of the '120 patent by the Crown and Mini-Crown stents (D.I. 140) is denied.

3. Defendants' motion for summary judgment of non-infringement of the asserted claims of the Medinol patents by the BX Velocity stent (D.I. 146) is denied.

4. Plaintiffs' motion for summary judgment that the asserted claims of the Medinol patents are not anticipated by the '417 patent (D.I. 154) is granted.

5. Plaintiffs' motion for summary judgment that the asserted claims of the Medinol patents are not anticipated by the '373 patent (D.I. 148) is denied as moot.

6. Plaintiffs' motion for summary judgment that the stent designs in Figures 13, 14a and 14b of Application Serial No. 08/246,320 are not prior art (D.I. 150) is granted.

7. Defendants' motions for summary judgment precluding lost profits damages for hypothetical United States sales of the NIR stent (D.I. 142) and for leave to file an amended answer and counterclaim (D.I. 117) are denied.

United States District Judge