UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

Baxter Healthcare Corporation, et al.,

Plaintiffs,

v.

Fresenius Medical Care Holding, Inc.,

Defendants.

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No. C 07-1359 PJH (JL)

ORDER DENYING FRESENIUS' MOTION TO COMPEL SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 5 (Docket # 222)

Introduction

All discovery has been referred by the district court (Hon. Phyllis J. Hamilton pursuant to 28 U.S.C. §636(b). The Court received the parties' joint statement regarding this discovery dispute, and finds it suitable for decision without oral argument pursuant to Civil Local Rule 7-1(b).

Interrogatory 5

Fresenius' Interrogatory 5 asks Baxter to: "Identify any and all Alleged Embodying Products (by model designation, product name, trademark, logo, part number, and/or any other designation Baxter uses), explaining via claim chart or equivalent precisely how the Alleged Embodying Product meets each limitation of each claim of the Patents-In-Suit, and Identifying when Baxter first began manufacturing, using, selling, offering for sale, importing, or exporting each Alleged Embodying Product. "

Argument

Fresenius brings this motion to compel on grounds that Baxter failed to respond adequately. It seeks a response from Baxter which would identify which of the thirty-one claims of the'823 patent the following of Baxter's devices would have practiced and to provide information as to how the claims limitations of the '823 patent would have been met by each device.

Specifically, Fresenius objects that Baxter states for the Mercury project that it "yielded one or more prototypes that, if they had been used to perform peritoneal dialysis on a patient, would have practiced at least one claim of the '823 patent." Baxter's response for the Rita/Advanced Flow Control was identical, and Fresenius says it is also deficient.

For Genesis, Baxter responded that it "yielded one or more prototypes that embodied one or more claims of the ' 547 Patent and, if it had been used to perform peritoneal dialysis on a patient, would have practiced at least one claim of the ' 823 Patent."

Fresenius finds Baxter' s response as to the Pegasus project equally lacking: "The Pegasus project yielded one or more prototypes that embodied one or more claims of the ' 547 and ' 719 Patents, practiced at least one claim of the ' 751 Patent and, if it had been used to perform peritoneal dialysis on a patient, would have practiced at least one claim of the ' 823 Patent."

Baxter's response regarding the "Sigma project," according to Fresenius, was also deficient: the " Sigma project yielded one or more prototypes that embodied one or more claims of the ' 422, ' 510 and ' 626 Patents, and if it had been used to perform peritoneal dialysis on a patient, would have practiced at least one claim of the ' 823 Patent."

Finally, as to the Enterprise project, Baxter contends it " yielded one or more prototypes that embodied one or more claims of the ' 626 Patent, and if it had been used to perform peritoneal dialysis on a patient, would have practiced at least one claim of the '823 Patent."

Fresenius objects that these responses are plainly deficient. Fresenius requests that Baxter be ordered to provide full and complete responses regarding the identified projects.

Baxter defends its response to Interrogatory 5 - as served—as complete and consistent with the requirements of Patent L.R. 3-1(g). In fact, Baxter claims its response far exceeds what is required. Baxter points out that, as served, Interrogatory 5 seeks information relating to completed and commercialized products (i.e., products Baxter makes, uses, sells, offers for sale, imports, exports, or licensed)— not incomplete developmental projects or prototypes. In response to Interrogatory 5, apart from Baxter' s response and supplementation, Plaintiffs also provided extensive discovery relating to the projects and prototypes. The Mercury project alone generated more than two dozen assembly and component prototypes.

Plaintiffs also provided six corporate designees to testify (for 19 total hours) on related Rule 30(b)(6) topics and another ten witnesses testified (for nearly 48 total hours) regarding the various incomplete internal non-commercialized projects and prototypes. Baxter rejects Fresenius' characterization of what it must provide in response to Interrogatory 5, where Defendants ask this Court to compel a response based upon "what is required by Patent Local Rule 3-1(f)."

Patent Local Rule 3-1(f), together with (g), provides:

> (f) For any patent that claims priority to an earlier application, the priority date to which each asserted claim allegedly is entitled; and
>
> (g) If a party claiming patent infringement wishes to preserve the right to rely, for any purpose, on the assertion that its own apparatus, product, device, process, method, act, or other instrumentality practices the claimed invention, the party shall identify, separately for each asserted claim, each such apparatus, product, device, process, method, act, or other instrumentality that incorporates or reflects that particular claim.

Pursuant to the Rule, Baxter argues it must provide information only if it "wishes to preserve the right to rely, for any purpose, on the assertion that its own apparatus, product, device, process, method, act, or other instrumentality practices the claimed invention...."

Baxter is not relying on the fact that any of these prototypes practice the inventions, and contends that it fully complied with the Rule when it identified the HomeChoice system devices in eighteen pages of claim charts.

Baxter argues that, even if Interrogatory 5 properly requested claim chart analyses for every prototype ever created, and even if Plaintiffs failed to provided the extensive discovery they have, Baxter cannot respond to the Interrogatory that Defendants think they served. It is one thing to ask for claim charts and analyses regarding a single mass-produced device— i.e., HomeChoice. It is entirely different, and improper, to ask for claim charts and analyses for every single iterative prototype part, assembly, and system— all of which are by definition incomplete and non-final— that Plaintiffs ever created and which never led to final commercial products.

Baxter contends it would be error for Defendants to compare their allegedly infringing device to Plaintiffs' projects and prototypes. Baxter cites *Zenith Laboratories, Inc. V. Bristol-Myers Squibb Co.,* 19 F.3d 1418, 1423 (Fed. Cir. 1994). The pertinent segment of that opinion appears to be: "it is error for a court to compare in its infringement analysis the accused product or process with the patentee's commercial embodiment or other version of the product or process; the only proper comparison is with the claims of the patent. " *Id.*

This is perhaps a mirror image of what Baxter is trying to argue here, and the Court finds it unpersuasive. What the Court does find persuasive is the element of timing - Baxter argues that the prototypes and projects that Fresenius wants more information about were all developed after the critical dates of the HomeChoice patents-in-suit, and some of them even post-date the critical dates for every patent-in-suit. How can these prototypes and projects be prior art if they were developed after the patents? Furthermore, the existence or lack of a feature is determined by looking to the prior art itself - not to Plaintiffs' post-critical date development projects and prototypes.

Baxter argues that Defendants' motion to compel asks Baxter to do the virtually impossible; assess whether claim chart comparisons are needed for every iteration of every

prototype ever created. Neither Interrogatory 5 nor Patent L.R. 3-1(g) require that Baxter provide such an onerous analysis and response. Therefore, because Defendants' motion seeks information unbounded by the Interrogatory, the Patent Local Rules, and even common sense (i.e., limited to final commercial products and not a multiplicity of prototypes), and because of the extensive discovery already provided, this Court should deny Defendants' motion.

Conclusion and Order

Baxter contends that it does not "wish to preserve the right to rely, for any purpose, on the assertion that its own apparatus, product, device, process, method, act, or other instrumentality practices the claimed invention," and that consequently it is not required to "identify, separately for each asserted claim, each such apparatus, product, device, process, method, act, or other instrumentality that incorporates or reflects that particular claim," for each of its prototypes and projects which have not been commercially produced.

The Court finds that Baxter has responded adequately and even more than adequately to Fresenius' Interrogatory 5, and that the motion to compel should be denied.

IT IS SO ORDERED.

DATED: December 15, 2008

JAMES LARSON
Chief Magistrate Judge

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