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SOUTHERN DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA
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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

MORVIL TECHNOLOGY, LLC,

vs.

MEDTRONIC ABLATION
FRONTIERS, LLC and
MEDTRONIC, INC.,

Plaintiff,

Defendants.

CASE NO. 10-cv-2088 BEN (BGS)
**ORDER GRANTING
PLAINTIFF'S MOTION TO
DISMISS COUNTERCLAIMS
PURSUANT TO RULE 12(b)(1)**
[Docket No. 130]

Presently before the Court is Plaintiff's Motion to Dismiss Counterclaims Pursuant to Rule 12(b)(1). (Docket No. 130.) For the reasons stated below, the Motion is **GRANTED**.

BACKGROUND

Plaintiff Morvil Technology, LLC's First Amended Complaint (the operative complaint) alleges infringement of U.S. Patents 5,383,917 ("the '917 patent"), 5,620,481 ("the '481 patent"), 5,693,078 ("the '078 patent"), and 7,151,964 ("the '964 patent") by Defendants Medtronic Ablation Frontiers, LLC and Medtronic, Inc.'s cardiac ablation products. (First Amend. Compl. [Docket No. 33] ¶¶ 7-9, 12-17.) Defendants brought counterclaims seeking a declaration that these patents were invalid and not infringed. (Answer & Counterclaim [Docket No. 39] ¶¶ 36-41.)

In its Preliminary Infringement Contentions, Plaintiff asserted infringement of

1 the following claims: claims 1, 4, 5, 6, 9, and 10 of the '917 patent; claim 1 of the '481
2 patent, claims 1, 2, and 3 of the '078 patent; and claims 1 and 2 of the '964 patent.
3 (Pl.'s Prelim. Infringement Contentions [Docket No. 130-2], at 2.) In their Preliminary
4 Invalidity Contentions, Defendants addressed only those claims asserted by Plaintiff.
5 (Defs.' Prelim. Invalidity Contentions [Docket No. 130-3], at 1.)

6 On August 10, 2012, the Court issued the Claim Construction Order, construing
7 disputed claims in the '917, '481, '078, and '964 patents. (Docket No. 123.) Based on
8 the Claim Construction Order, Plaintiff decided to no longer assert infringement of the
9 following claims: claims 1, 4, 5, 6, 9, and 10 of the '917 patent; claim 1 of the '481
10 patent, and claims 1 and 2 of the '964 patent. Plaintiff amended its Preliminary
11 Infringement Contentions and served Final Infringement Contentions on September 10,
12 2012. In its Final Infringement Contentions, Plaintiff notified Defendants that it was
13 no longer pursuing a claim of infringement for the '917, '481, and '964 patents. (See
14 Pl.'s Final Infringement Contentions [Docket No. 130-4], at 2 ("In light of the August
15 10, 2012 Claim Construction Order, at this time Morvil is no longer asserting
16 infringement of any claim of U.S. Patent Nos. 5,383,917 ('the '917 patent'), 5,620,481
17 ('the '481 patent'), or 7,151,964 ('the '964 patent'). Morvil expressly reserves the right
18 to assert infringement of the '917 patent, '481 patent, and/or the '964 patent in the
19 future should the Court's claim constructions be changed, amended, or otherwise
20 modified, whether it be by this Court or on appeal.")) Plaintiff also expressly limited
21 its infringement allegations to claims 1, 2, and 3 of the '078 patent. (*Id.* at 3.)

22 Defendants amended their Preliminary Invalidity Contentions and served Final
23 Invalidity Contentions. Defendants' Final Invalidity Contentions alleged invalidity of
24 all four patents. (See Defs.' Final Invalidity Contentions [Docket No. 130-5].)

25 Presently before the Court is Plaintiff's Motion to Dismiss Counterclaims
26 Pursuant to Rule 12(b)(1). Plaintiff seeks dismissal of Defendants' counterclaims with
27 respect to the '917, '481, and '964 patents.

28

1 v. *Analog Devices, Inc.*, No. 11 C 6804, 2012 WL 1405735 (N.D. Ill. Apr. 23, 2012),
2 the court based its ruling on both the parties' conduct in that case and the parties'
3 history of prior litigation regarding similar patents. *Id.* at *2-3. No such prior litigation
4 history is present here. Second, in *Shoulder Innovations, LLC v. Ascension*
5 *Orthopedics, Inc.*, Civil No. 11-810, 2012 WL 2092379 (D. Del. June 8, 2012), the
6 plaintiff wished to "maintain[] the ability [to] sue again in the future" without
7 limitation. *Id.* at *2. Here, in contrast, Plaintiff indicates that it will re-assert the '917,
8 '481, and '964 patents only if the claim construction order is later amended by this
9 Court or modified on appeal.

10 In addition, Defendants argue that *Already, LLC v. Nike, Inc.*, a case involving
11 trademark infringement and dilution, is controlling here. In *Nike*, the Supreme Court
12 held that if a rights holder abandons its infringement claims in order to moot an
13 invalidity counterclaim, it must prove "that it could not reasonably be expected to
14 resume its enforcement efforts." 133 S. Ct. at 727 (internal quotation marks omitted).

15 Even assuming that *Nike* applies to patent cases, it is distinguishable from the
16 present case. In *Nike*, the plaintiff voluntarily issued a Covenant Not to Sue and
17 dismissed its claims with prejudice once the defendant counterclaimed for trademark
18 invalidity. *Id.* at 725. The Covenant Not to Sue stated that the claims were dropped
19 because they did not "warrant the substantial time and expense of continued litigation."
20 *Id.* The Supreme Court invoked the voluntary cessation doctrine because of the
21 concern that the plaintiff "could engage in unlawful conduct, stop when sued to have
22 the case declared moot, then pick up where he left off, repeating this cycle until he
23 achieves all his unlawful end." *Id.* at 727.

24 Here, on the other hand, Plaintiff declined to further assert the '917, '481, and
25 '964 patents not because of the threat of Defendants' invalidity counterclaims or
26 because of concerns over litigation expense, but rather because of the issuance of the
27 Claim Construction Order that precludes a finding of infringement. Plaintiff's decision
28 to no longer assert the '917, '481, and '964 patents does not invoke the concerns

1 addressed in *Nike*.

2 **CONCLUSION**

3 Plaintiff's Motion to Dismiss Counterclaims Pursuant to Rule 12(b)(1) is
4 **GRANTED**. Defendants' counterclaims with respect to the '917, '481, and '964
5 patents are **DISMISSED WITHOUT PREJUDICE**.

6 **IT IS SO ORDERED.**

7
8 DATED: April 11, 2013


9 HON. ROGER T. BENITEZ
United States District Judge

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