

United States District Court,
D. Delaware.

ARTHROCARE CORPORATION,
Plaintiff.

v.

SMITH & NEPHEW, INC,
Defendant.

No. Civ.A. 01-504-SLR

April 9, 2003.

Jack B. Blumenfeld, Karen Jacobs Loudon, and James W. Parrett, Jr. , of Morris, Nichols, Arsht & Tunnell, Wilmington, Delaware, for Plaintiff, Matthew D. Powers, Jared Bobrow, and Perry Clark, of Weil, Gotshal & Manges LLP, Redwood Shores, California, of counsel.

William J. Marsden, Jr., and Keith A. Walter, Jr., of Fish & Richardson P.C., Wilmington, Delaware, for Defendant, Mark J. Hebert, and Kurtis D. MacFerrin, of Fish & Richardson P.C., Boston, Massachusetts, of counsel.

MEMORANDUM OPINION

ROBINSON, Chief J.

I. INTRODUCTION

On July 25, 2001, plaintiff Arthrocare Corporation ("Arthrocare") filed this action against defendant Smith & Nephew, Inc. ("Smith & Nephew") alleging infringement of certain claims of United States Patent Nos. 5,697,536 (the " '536 patent"), 5,697,882 (the " '882 patent") and 6,224,592 (the " '592 patent") (collectively, the "Arthrocare patents"). (D.I.1)

The court has jurisdiction over this matter pursuant to 28 U.S.C. s.s. 1331, 1338(a) and 2201(a). Currently before the court are the parties' numerous motions for summary judgment regarding infringement and invalidity. (D.I.247, 249, 251, 255, 257, 259, 261)

II. BACKGROUND

The Arthrocare patents generally relate to electrosurgery. The '536 patent is an apparatus patent that claims the structure of certain electrosurgical probes. The probes apply electrical energy to tissue to produce ablation (i.e., removal of tissue) or coagulation (i.e., clotting of blood) with minimal tissue necrosis. The '592 and '882 patents claim methods of using the probes disclosed in the '536 patent.

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 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. Defendant's Motion for Summary Judgment to Enforce the Settlement Agreement Removing the Control RF Product from the Case

The court finds that a genuine issue of material fact exists with respect to the authority of Arthrocare's in house counsel to agree to be bound by the settlement agreement. Defendant's motion for summary judgment to enforce the settlement agreement removing the control RF product from the case (D.I.259) is denied.

B. Defendant's Motion for Summary Judgment of Non-infringement of the Asserted Claims of the '882 Patent and Plaintiff's Motion for Partial Summary Judgment of Infringement of the Asserted Claims of the '882 Patent

Defendant's motion for summary judgment of non-infringement of the asserted claims has absolutely no merit. Defendant assumes that the certificates of correction are invalid and asserts its non-infringement position based on the non-corrected claims. This is improper. The court cannot presume the certificates of correction are invalid. On the contrary, the court believes it is appropriate to presume the certificates of correction are valid as the "patent, together with the certificate, shall have the same effect and operation in law on the trial of actions for causes thereafter arising as if the same had been originally issued in such corrected form." 35 U.S.C. s. 255. Defendant's motion for summary judgment of non-infringement of the '882 patent (D.I.255) is denied.

Defendant's response to plaintiff's motion for partial summary judgment of infringement of the asserted claims of the '882 patent is that the certificates of correction are invalid. According to defendant, if the certificates of correction are invalid, the accused products do not infringe. Defendant has shown a genuine issue of material fact as to the validity of the certificates of correction. Plaintiff's motion for partial summary judgment of infringement of the asserted claims of the '882 patent (D.I.249) is denied.

C. Plaintiff's Motion for Partial Summary Judgment of Infringement of Claim 1 of the '592 Patent and Defendant's Motion for Summary Judgment of Non-infringement of the Asserted Claims of the '592 Patent

With respect to infringement of claim 1 of the '592 patent, the parties base their arguments on the claim limitation "the return electrode is not in contact with the body structure." Claim 1 of the '592 patent recites:

1. A method for applying electrical energy to a target site on a body structure on or within a patient's body, the method comprising:

positioning an electrode terminal into at least close proximity with the target site in the presence of an electrically conductive fluid;

positioning a return electrode within the electrically conductive fluid such that the return electrode is not in contact with the body structure to generate a current flow path between the electrode terminal and the return electrode; and

applying a high frequency voltage difference between the electrode terminal and the return electrode such that an electrical current flows from the electrode terminal, through the region of the target site, and to the return electrode through the current flow path.

('592 patent, col. 24, ll. 6-21) (emphasis added)

Both parties have proposed a claim construction that improperly imports a temporal limitation in the claim. The claim limitation in dispute has no relation to the time required to perform the method. The claim limitation "the return electrode is not in contact with the body structure" is clear-the return electrode is not to contact the body at all during the performance of the claimed method. The court has determined that this phrase should be given its ordinary meaning. In doing so, the court rejects both parties' attempt to add a limitation not present in the claim.

As discussed, the parties' arguments actually relate to the time required to perform the claimed method. The claimed method does not contain any time limitations. Thus, the claimed method is performed when each of the three steps of claim 1 has been completed. *See Bell Communications Research, Inc. v. Vitalink Communications Corp.*, 55 F.3d 615, 622-23 (Fed.Cir.1995) ("[A]n accused product that sometimes, but not always, embodies a claimed method nonetheless infringes."). Defendant does not dispute that, at times during the surgery, the return electrode of the accused product is not in contact with the body structure and each of the three steps of the claimed method are performed. The court, therefore, finds that the use of the Saphyre product literally infringes claim 1 of the '592 patent.

Although the court finds that the use of the accused product literally infringes claim 1 of the '592 patent, plaintiff has failed to prove that defendant uses the accused product. The claim at issue is a method claim. A finding of infringement requires proof that the accused method has been performed. Plaintiff has not even alleged, much less proven, that defendant performs the claimed method.

Plaintiff asserts that it is not necessary to identify specific individuals who use the product. The cases cited by plaintiff support this proposition when plaintiff is attempting to prove the direct infringement necessary to find inducement or contributory infringement. In the motion before the court, "Arthrocare did not move

for summary judgment of inducement or contributory infringement[.]" FN1 (D.I. 297 at 2)

FN1. Literally, Arthrocare moved "for partial summary judgment that [the] accused Saphyre product ... infringes claim 1 of [the '592] patent." (D.I.251) Of course, a product cannot infringe a method claim.

For these reasons, plaintiff's motion for partial summary judgment of infringement of claim 1 of the '592 patent (D.I.251) is denied. Defendant's motion for summary judgment of non-infringement of the asserted claims of the '592 patent (D.I.255) is also denied.

D. Defendant's Motion for Summary Judgment of Non-infringement of the Asserted Claims of the '536 Patent

Defendant asserts numerous arguments as its basis for summary judgement of non-infringement of the '536 patent. The court finds that each of the asserted arguments is either based on a claim construction not adopted by the court or involves a genuine issue of material fact. As such, the motion does not warrant further consideration. Defendant's motion for summary judgment of non-infringement of the '536 patent (D.I.255) is denied.

E. Defendant's Motion for Summary Judgment of Invalidity Based on Prior Art

1. Anticipation-The Investor Video

The court finds that a genuine issue of material fact exists with respect to whether the video was publically disclosed before the filing of the patent and whether the video discloses every limitation of the claims at issue.

2. Anticipation-Patents and Published Articles

Defendant has taken a "shotgun" approach and argued that the following eight references anticipate one or more claims of the patents in suit: (1) the Roos '198 patent; (2) the Elsasser/Roos Article; (3) the Pao '499 patent; (4) the Rydell '908 patent; (5) the Kamerling '459 patent; (6) the Manwaring '138 patent; (7) the Slager article; and (8) the Doss '007 patent.

The court has considered each of these references and the arguments presented. The court finds that a genuine issue of material fact exists with respect to whether the prior art references disclose every limitation of the claims at issue.

3. Obviousness

Defendant has also asserted that numerous combinations of the above listed references render one or more claims of the patents in suit obvious. "Obviousness is a legal conclusion based on underlying facts of four general types, all of which must be considered by the trier of fact: (1) the scope and content of the prior art; (2) the level of ordinary skill in the art; (3) the differences between the claimed invention and the prior art; and (4) any objective indicia of nonobviousness." *Crown Operations Intern ., Ltd. v. Solutia Inc.*, 289 F.3d 1367, 1375 (Fed.Cir.2002). Defendant has failed to address the presence of any objective indicia of nonobviousness (i.e., secondary considerations). Furthermore, plaintiff has raised a genuine issue of material fact with respect to the motivation to combine the cited references. Defendant's motion for summary

judgment of invalidity (D.I.261) is denied.

F. Plaintiff's Motion for Partial Summary Judgment that the Arthrocare Patents Are Not Invalid Due to Obviousness or Based on an On-Sale Bar or Public Use

1. Motivation to Combine

Plaintiff argues that defendant has failed to demonstrate a suggestion or motivation to combine the prior art references cited for obviousness. "There are three possible sources for a motivation to combine references: the nature of the problem to be solved, the teachings of the prior art, and the knowledge of persons of ordinary skill in the art." *In re Rouffet*, 149 F.3d 1350, 1357 (Fed.Cir.1998); *see also* M.P.E.P. s. 2143.01. In the case at bar, defendant asserts that the motivation to combine is based on the nature of the problem to be solved and the knowledge of persons of ordinary skill in the art. The parties disagree as to the definition of the nature of the problem to be solved. While the court has doubts that the nature of the problem to be solved can be defined by the claim preamble, this disagreement creates a genuine issue of material fact. Furthermore, neither party has presented any evidence with respect to the knowledge of persons of ordinary skill in the art.

2. On-Sale Bar and Public Use

Plaintiff contends that the Malis devices are not prior art. Plaintiff argues that Dr. Manwaring, defendant's witness in this regard, was not identified as a fact witness and that his fact testimony is not corroborated. Defendant has agreed that Dr. Manwaring will not be testifying as a fact witness, but rather as an expert witness. As such, Dr. Manwaring's testimony does not need corroboration. According to defendant, plaintiff's own documents and deposition testimony will establish the Malis devices as prior art. As neither party has presented any record concerning the sale and public use dates of the Malis devices, the court declines to decide the issue on the record presented.

Plaintiff's motion for partial summary judgment that the Arthrocare patents are not invalid due to obviousness or based on an on-sale bar or public use (D.I.247) is denied.

G. Defendant's Motion for Partial Summary Judgment of Nonenablement, Indefiniteness and Lack of Written Description

Defendant argues that: (1) the asserted claims of the '882 patent are invalid because the patent does not enable plasma energy discharge; (2) the asserted claims of the '592 patent and claim 47 of the '536 patent are invalid because the terms "not in contact," "spacing ... away," and "minimize direct contact" are indefinite; (3) the asserted claims of the '536 patent are invalid for lack of written description of a single active electrode; and (4) claim 17 of the '882 patent and claims 21 and 42 of the '592 patent are invalid for lack of written description of the claimed voltage ranges.

1. Enablement-Plasma Energy Discharge Claim Limitation

The standard for enablement is well established. "[I]n order to be enabling, a specification must teach those skilled in the art how to make and use the full scope of the claimed invention without undue experimentation." *PPG Industries, Inc. v. Guardian Industries Corp.*, 75 F.3d 1558, 1564 (Fed.Cir.1996) (internal citations and quotations omitted). Defendant has the burden of proof at trial to establish invalidity. While defendant acknowledges the enablement standard, defendant fails to provide any evidence that the

experimentation necessary is undue.FN2 Defendant's motion with respect to the plasma energy discharge claim limitation is denied.

FN2. As the party with the burden of proof at trial, it is incumbent upon defendant to come forward with evidence in order to obtain summary judgment. The court notes that, for purposes of summary judgment, evidence is deposition testimony, declarations, admissions, answers to interrogatories, etc. Defendant's motions are often deficient for providing only attorney argument.

2. Indefiniteness-Not in Contact Claim Limitation

Defendant argues that the claim limitations "not in contact," "spacing ... away," and "minimize direct contact" are indefinite. The court disagrees. The court has found that the claim limitations at issue are to be given their ordinary meaning. The ordinary meaning is clear. As discussed above, the '592 patent requires that the return electrode not contact the body structure during the performance of each of the three steps of the claimed methods. Defendant's motion with respect to the not in contact claim limitation is denied.

3. Written Description-Single Active Electrode and the Claimed Voltage Ranges

Defendant argues the '536 patent does not provide an adequate written description of a single active electrode. The court disagrees. The specification states that "[t]he apparatus according to the present invention comprises an electrosurgical probe having a shaft with a proximal end, a distal end, and at least one active electrode at or near the distal end." ('536 patent, col. 3, 11. 55-58) (emphasis added) Defendant's motion with respect to the written description of the single active electrode is denied.

Similarly, defendant argues that the claimed voltage ranges are not adequately described. The court disagrees. The specification of the '882 patent and the '592 patent state that "[t]ypically, the peak-to-peak voltage will be in the range of 200 to 2000 volts." ('882 patent, col. 13, 11. 21-22; '592 patent, col. 13, 11. 21-22) Defendant's motion with respect to the written description of the claimed voltage ranges is denied.

Defendant's motion for partial summary judgment of nonenablement, indefiniteness and lack of written description (D.I.257) is denied.

V. CONCLUSION

For the reasons stated, the court shall deny defendant's motion for summary judgment to enforce the settlement agreement removing the control RF product from the case, deny plaintiff's motion for partial summary judgment of infringement of the asserted claims of the '882 patent, deny defendant's motion for summary judgment of non-infringement of the asserted claims of the '882 patent, deny plaintiff's motion for partial summary judgment of infringement of claims 1 of the '592 patent, deny defendant's motion for summary judgment of non-infringement of asserted claims of the '592 patent, deny defendant's motion for summary judgment of non-infringement of the asserted claims of the '536 patent, deny plaintiff's motion for partial summary judgment that the Arthrocare patents are not invalid due to obviousness or based on an on-sale bar or public use, deny defendant's motion for summary judgment of invalidity based on prior art, and deny defendant's motion for partial summary judgment of nonenablement, indefiniteness and lack of written description. An appropriate order shall issue.

ORDER

At Wilmington, this 9th day of April, 2003, consistent with the opinion issued this same day;

IT IS ORDERED that:

- 1) Defendant's motion for summary judgment to enforce the settlement agreement removing the control RF product from the case (D.I.259) is denied.
- 2) Plaintiff's motion for partial summary judgment of infringement of the asserted claims of the '882 patent (D.I.249) is denied.
- 3) Defendant's motion for summary judgment of non-infringement of the asserted claims of the '536, '592 and '882 patents (D.I.255) is denied.
- 4) Plaintiff's motion for partial summary judgment of infringement of claims 1 of the '592 patent (D.I.251) is denied.
- 5) Plaintiff's motion for partial summary judgment that the Arthrocare patents are not invalid due to obviousness or based on an on-sale bar or public use (D.I.247) is denied.
- 6) Defendant's motion for summary judgment of invalidity based on prior art (D.I.261) is denied.
- 7) Defendant's motion for partial summary judgment of nonenablement, indefiniteness and lack of written description (D.I.257) is denied.

MEMORANDUM ORDER

At Wilmington this 9th day of April, 2003, having heard oral argument and having reviewed papers submitted in connection therewith;

IT IS ORDERED that the disputed claim language in United States Patent Nos. 5,697,536; 5,697,882; and 6,224,592, as identified by the above referenced parties, shall be construed as follows, consistent with the tenets of claim construction set forth by the United States Court of Appeals for the Federal Circuit: FN1

FN1. The court notes that claim construction is not final until judgment is entered. The parties apparently developed their claim construction with a focus on obtaining summary judgment of infringement or invalidity. If, on a more developed record, the court finds the current claim construction to be in error, the claims will be re-construed accordingly.

1. "Connector."

The court shall apply the ordinary definition of the word "connector." The word connect means "to bind or fasten together; join or unite; link [.]" FN2 The word "connector," in terms of the '536 patent, shall be construed to mean "a structure that electrically links the electrode terminal to the high frequency power supply."

FN2. *The Random House College Dictionary*, 285 (revised ed.1980).

2. "Electrically Conducting Fluid Supply."

Consistent with the prosecution history, the phrase "electrically conducting fluid supply" shall be construed to mean "a medical container that stores electrically conducting fluid." (D.I. 267, Ex. 10 at 4-5) An example of a medical container is an IV bag. An example of electrically conducting fluid is isotonic saline. (Id.)

4. "Spacing a Return Electrode Away From the Body Structure" and "the Return Electrode is Not in Contact with the Body Structure ."

The claim limitation "the return electrode is not in contact with the body structure" is clear-the return electrode is not to contact the body at all during the performance of the claimed method.

5. "Electrically Conducting Fluid" and "Electrically Conductive Fluid."

Consistent with the ordinary definition, "electrically conducting fluid" and "electrically conductive fluid" shall be construed to mean "any fluid that facilitates the passage of electrical current." Examples of electrically conducting fluids are blood and saline.

6. "Directing or Delivering the Electrically Conductive Fluid to the Target Site."

This phrase shall be construed consistent with its ordinary meaning; no further construction is necessary.

7. "Electrode Terminal."

Consistent with the intrinsic evidence of the patents in suit, "electrode terminal" means "one or more active electrodes."

8. "Active Electrode."

The court shall apply the ordinary definition of the term "active electrode" in the relevant art. The term "active electrode" means "a stimulating electrode ... applied to tissue for stimulation and distinguished from [a return electrode] by having a smaller area of contact, thus affording a higher current density." FN3

FN3. *The New IEEE Standard Dictionary of Electrical and Electronics Terms*, 13 (5th ed.1993).

9. "Return Electrode."

As contrasted with an active electrode, the term "return electrode" means "an electrode having a larger area of contact than an active electrode, thus affording a lower current density." FN4

FN4. The court notes that the area of contact in the present invention contacts the electrically conductive fluid. In the prior art, the area of contact contacted the body.

10. "Insulating Member."

The court shall apply the ordinary definition of the phrase "insulating member." Thus, the phrase "insulating member" shall be construed to mean "a member which provides a high degree of resistance to the passage of charge."

11. "500 to 1400 Volts Peak to Peak."

This phrase shall be construed consistent with its ordinary meaning; no further construction is necessary.

12. "Through the Region of the Target Site."

This phrase shall be construed consistent with its ordinary meaning; no further construction is necessary.

13. "Immersing."

The court shall apply the ordinary definition of the term "immersing." The term "immersing" shall be construed to mean "to plunge into or place under a fluid[.]" FN5

FN5. *The Random House College Dictionary*, 664 (revised ed.1980).

14. "Electrosurgical System."

The court shall apply the ordinary definition of the term "system." The term "system" shall be construed to mean "an assemblage or combination of things or parts forming a unitary whole[.]" FN6

FN6. *The Random House College Dictionary*, 1335 (revised ed.1980).

15. "Distal End" and "Proximal End."

The court shall apply the ordinary definition of the terms "distal" and "proximal." The term "distal end" shall be construed to mean "the end situated away from the point of origin or attachment." FN7 The term "proximal end" shall be construed to mean "the end situated toward the point of origin or attachment." FN8

FN7. *See The Random House College Dictionary*, 385 (revised ed.1980).

FN8. *See The Random House College Dictionary*, 1066 (revised ed.1980).

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