

UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
2:04-CV-328 (JMR)

Arthrex, Inc. )  
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 v. ) ORDER  
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DePuy Mitek, Inc. )

Plaintiff accuses defendant of infringing its '477 and '529 patents relating to a surgical method for loading tendons into the knee.<sup>1</sup> Plaintiff seeks summary judgment of infringement on Claim 1 of the '477 patent. Defendant seeks summary judgment of no infringement, arguing the Court must first construe the term "implant." For the reasons stated herein, plaintiff's motion is granted; defendant's motion is denied.

I. Background<sup>2</sup>

The anterior cruciate ligament ("ACL") connects the femur (thigh bone) to the tibia (longer shin bone). If the ACL tears or detaches from either bone, it can be reconstructed through surgery. Plaintiff's TransFix ACL surgical method has been used since 1997.

When using this procedure, the surgeon tunnels vertically through the tibia, the knee structures, and the femur, and inserts

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<sup>1</sup> On April 8, 2009, the pending summary judgment motions in this case were assigned to the Honorable James M. Rosenbaum, United States District Judge for the District of Minnesota [Docket No. 219].

<sup>2</sup> The Court considers all facts in the light most favorable to the non-moving party. See SRI Int'l v. Matsushita Elec. Corp., 775 F.2d 1107, 1116 (Fed. Cir. 1985).

a hooked device in this passage. The surgeon then drills a transverse passage through the femur, perpendicular to the vertical tunnel, and uses this passage to thread a wire through the knee. The ends of the wire extend out of the knee. The surgeon uses the hooked device to pull the wire through the vertical tunnel, creating a loop. When the hook pulls the wire loop through the vertical tunnel, the surgeon drapes the replacement ACL over the exposed wire loop. The extended ends of the wire are then pulled away from the patient's body, thus drawing the new ACL through the vertical tunnel to its attachment site. Finally, the ACL is secured in place.

Plaintiff's '477 patent, issued December 13, 2005, is the sixth successive patent relating to the Transfix ACL replacement method. Plaintiff's '604, '433, '124, '319, and '529 patents all claim priority back to U.S. Provisional Application Serial No. 60/037,610 ("'610") filed February 12, 1997.

Soon after receiving the '604 patent, plaintiff began to experience competition in the ACL replacement market. In 1999, Innovasive Devices, Inc. ("Innovasive"), defendant's predecessor, marketed its SlingShot ACL Fixation System (the "SlingShot"). Plaintiff brought a patent infringement suit against Innovasive alleging the SlingShot infringed its '604 patent. The parties resolved their differences and, in April 2000, reached a settlement in which Innovasive agreed to discontinue using the SlingShot, or

"any similar system." (Pl.'s ex. 4, ¶ 7.1.)

Shortly thereafter, Mitek Products acquired Innovasive. According to plaintiff, Mitek modified and reintroduced the SlingShot. Plaintiff demanded Mitek cease and desist, claiming infringement of its continuation '124 patent. Their dispute appeared resolved when Mitek agreed to "cease and desist all promotion, advertising in print or in electronic media, marketing, and sale of the SlingShot System" by July 15, 2003. (Pl.'s ex. 7, 3.2.) A license agreement was signed by the parties permitting Mitek to use the '124 patent from July 15, 2002, to July 14, 2003. (Pl.'s ex. 7.)

In July 2003, immediately following the expiration of the license agreement, defendant, Mitek's successor-in-interest, introduced a third version of the Slingshot. (Pl.'s ex. 9.)

Plaintiff again amended its pending continuation application and obtained the '529 patent. In 2004, after the '529 patent issued, defendant sought the advice of counsel who stated the latest version of the SlingShot would not infringe plaintiff's '529 patent. Plaintiff disagreed, and demanded defendant cease and desist its infringement. When defendant refused, plaintiff filed this suit.

Defendant has modified its SlingShot method since the commencement of this lawsuit. The modification changes the wire's placement in the transverse passage. The wire extends out of the

left side of the knee, but remains within the knee, attached to a pin, which extends out of the right side of the knee. (Pl.'s ex. 10.) Plaintiff filed, and was granted, another pending continuation application, the '477 patent.<sup>3</sup> Plaintiff's new patent sought broader coverage, and notes the wire is positioned "into the transverse hole in the opposite sidewall of the opening."

Defendant sells surgical instruments for use in conjunction with its SlingShot method, including a SlingShot Cross Pin, a SlingShot Drill Guide, and a SlingShot Passing Pin. (Pl.'s ex. 22.) Defendant also offers training to surgeons and its sales force in using this method. At least one surgeon has performed ACL replacement using the SlingShot procedure. (Fenton Dep. 13:2-4.)

Plaintiff accuses defendant of infringing two patents, the '529 and the '477, by continuing to offer the SlingShot method. On June 30, 2006, the Honorable Douglas N. Frazier, United States Magistrate Judge, held a Markman hearing. Judge Frazier issued a Report and Recommendation construing disputed claims of the '529 and '477 patents. On February 2, 2007, the Honorable John Steele, United States District Judge for the Middle District of Florida, adopted the Magistrate's Report and Recommendation, but recommitted the matter for a supplemental Report and Recommendation concerning

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<sup>3</sup> The language of the '529 and '477 patent is substantially similar. The '477 patent removes language indicating the transverse passage wire extends "out of the knee through the transverse hole in the opposite sidewall of the opening."

construction of the term "securing the graft in the opening." The Honorable Marcia Morales Howard, United States District Judge for the Middle District of Florida, issued a final order construing that term on September 22, 2008.

On October 8, 2008, plaintiff moved for summary judgment arguing defendant's latest Slingshot method infringes Claim 1 of the '477 patent. Defendant filed a cross-motion for summary judgment, arguing the term "implant" must be construed before the Court can rule on plaintiff's motion. Defendant claims its current version of the SlingShot method differs from plaintiff's TransFix method, because it uses a screw-in implant, rather than an impact implant, to secure the graft-ligament in the knee. If "implant" is defined in a fashion which excludes screw-in implants, defendant contends plaintiff's infringement claims must fail, and there must be a finding of no infringement on "any claim of the 529 and 477 patent." (Def.'s Mem. Supp. Summ. J. 1.)

## II. Discussion

Summary judgment is appropriate when the evidence, viewed in the light most favorable to the nonmoving party, presents no genuine issue of material fact. Fed. R. Civ. P. 56; Celotex Corp. v. Catrett, 477 U.S. 317, 322-23 (1986); Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 247 (1986). The party opposing summary judgment may not rest upon the allegations set forth in its pleadings, but must produce significant probative evidence. See

Anderson, 477 U.S. at 248-49. Summary judgment may be granted “when no reasonable jury could return a verdict for the nonmoving party.” Revolution Eyewear, Inc. v. Aspex Eyewear, Inc., 563 F.3d 1358, 1365 (Fed. Cir. 2009) (quotations omitted).

It is a court’s duty to determine the meaning and scope of a plaintiff’s patent claims before comparing them to a defendant’s allegedly infringing method. Ranbaxy Pharms., Inc. v. Apotex, Inc., 350 F.3d 1235, 1239-40 (Fed. Cir. 2003).

A. Construction

Although extensive claim construction has already occurred in this case, defendant asks the Court to define the term “implant,” as used in the ‘477 and ‘529 patents. Specifically, it asks the Court to construe “implant” when Claim 1 describes “securing the graft in the opening by advancing an implant transversely into the opening and under the graft.”

The SlingShot procedure uses a screw-in implant. Defendant argues “implant” in Claim 1 excludes screw-in implants. From this, it argues plaintiff cannot prove the SlingShot procedure infringes Claim 1. Plaintiff replies the term is irrelevant as to whether defendant’s technique infringes Claim 1, and even if relevant, it never disavowed screw-in implants.

The Court declines to construe “implant” at this time; the term simply has no bearing on any question presently before it. See O2 Micro Int’l Ltd. v. Beyond Innovation Tech. Co., 521 F.3d

1351, 1362 (Fed. Cir. 2008) (“[D]istrict courts are not (and should not be) required to construe every limitation present in a patent’s asserted claims.”) (emphasis in original); see also Hynix Semiconductor Inc. v. Toshiba Corp., No. C-04-04708, 2006 U.S. Dist. LEXIS 97623, at \*33 (N.D. Cal. Sep. 1, 2006) (declining to construe terms “irrelevant to the present dispute”). The Court finds Claim 1 does not include the act of securing the implant in the knee. Accordingly, it is irrelevant which type of implant a surgeon advances “transversely into the opening and under the graft.”

Indeed, the Orders previously issued in this case confirm Claim 1 does not address the mechanism used to secure the implant. On September 22, 2008, Judge Howard wrote, “Claim 1 does not require that the implant be secured in the knee. Thus, whether plaintiff has disavowed a specific method for securing the implant in the knee or whether plaintiff has disclaimed the use of the specific type of implant are not issues currently before the Court.” [Docket No. 194, 28 n.6]. The Order further states, “the act of securing the implant in the knee is not covered by Claim 1,” and “there is no limitation on the manner in which the implant is advanced as long as the implant enters the opening and is placed under the graft.” (Pl.’s ex. 14, 32 n.8.) The Court finds it need not construe “implant” as to plaintiff’s summary judgment motion on Claim 1.

B. Comparison

Having already construed the relevant claims, the Court compares them to defendant's Slingshot method. Cybor Corp. v. FAS Techs., Inc., 138 F.3d 1448, 1454 (Fed. Cir. 1998) (en banc). After this comparison, the Court concludes plaintiff is correct in its assertion of literal infringement.

Claim 1 of the '477 patent sets forth:

A method of anterior cruciate reconstruction surgery of the knee, comprising the steps of:

forming an opening in a femur, the opening having an entrance facing a joint of the knee; forming a transverse hole in the femur extending completely across the femur, the transverse hole extending through a first sidewall of the opening on a first side of the femur, intersecting the opening, and extending through an opposite sidewall of the opening on an opposite side of the femur; positioning a flexible strand in the knee such that the flexible strand extends from outside the knee, through the transverse hole and into the opening in the femur through the first sidewall of the opening, out through the entrance of the opening and through a tunnel in the tibia, and, after forming a loop outside of the tibial tunnel, extending back into the tibial tunnel and into the opening through the entrance of the opening, and into the transverse hole in the opposite sidewall of the opening; looping a graft over the ioop [sic] of the strand extending outside the tibial tunnel; pulling the loop of the graft through the tibial tunnel and into the opening; and securing the graft in the opening by advancing an implant transversely into the opening and under the graft.

(Pl.'s ex. 1.)

Plaintiff cites each limitation of Claim 1, and shows where it is found in defendant's SlingShot method. The parties agree Claim 1 of the '477 patent constitutes a "method of reconstructing the anterior cruciate ligament of the knee." Defendant's SlingShot method is similarly offered as a "surgical technique for . . . ACL reconstruction."

The Court has previously construed plaintiff's method to "[mean] forming an opening either a socket or a tunnel in the femur." [Docket No. 15.] Defendant's procedure also instructs surgeons to "create a femoral socket posterior in the femoral ACL footprint." (Pl.'s ex. 10, 3.) Defendant's own expert witnesses confirm the SlingShot method instructs surgeons to form a femoral opening. (Pl.'s ex. 16 & 17.)

Next, the parties agree plaintiff's method instructs surgeons to form "a transverse tunnel that extends completely across the femur, where the transverse tunnel extends through a first sidewall of the opening on a first side of the femur, intersect[ing] the opening, and extend[ing] through an opposite sidewall of the opening on an opposite side of the femur." [Docket No. 147, 2.] Defendant confirms its SlingShot method similarly instructs surgeons to create a transverse tunnel across the femur. (Pl.'s ex. 15.)

On February 2, 2007, Judge Steele adopted Magistrate Judge Frazier's Report and Recommendation construing the next step to

require:

. . . positioning a flexible strand in the knee such that the flexible strand extends from outside of the knee, through the transverse tunnel on one side of the knee and into the opening in the femur. The flexible strand then extends out through the entrance of the opening and through and out of a tibial tunnel. The flexible strand then extends back into and through the tibial tunnel and into the opening, and into the transverse tunnel on the opposite sidewall of the opening. A loop exists where the flexible strand is at its furthest point outside the tibial tunnel.

A picture in defendant's SlingShot brochure clearly depicts this step. (Pl.'s ex. 10, FIG. 7.)

The parties agree plaintiff's method next instructs surgeons to loop "a graft over the portion of the flexible strand that extends outside of the tibial tunnel." Once again, defendant's brochure pictures this step (Pl.'s ex. 10, FIG. 8.), and Dr. Richard Greenwald, defendant's expert witness, confirms the SlingShot method includes this looping step. (Greenwald Dep. 23:1-24).

Finally, the Court construed plaintiff's method as instructing surgeons to pull "the loop of the graft though the tibial tunnel and into the opening in the femur," and "advance an implant into the opening and under the graft." The SlingShot method similarly contains a pulling step and instructs surgeons to "advance" an implant by pushing it "into the lateral femur and under the graft." (Pl.'s ex. 10.)

Defendant bases its entire defense on its assertion that

"implant" must be defined. It does not dispute in any other way its literal infringement, or offer any other evidence which suggests the need for a jury to decide unresolved questions of fact. As the Court has declined to construe "implant," and in the absence of any additional objections to plaintiff's infringement claims, plaintiff has established its claim of direct infringement.

C. Induced Infringement

Defendant has a fallback position: even if plaintiff has shown the SlingShot method directly infringes the '477 patent, summary judgment must be denied. It suggests there can be no basis for a judgment of infringement against defendant, because "it is surgeons, not [DePuy], who conduct ACL reconstruction surgery." (Def.'s Mem. Opp. Summ. J. 7.) Clinging to this slender reed, defendant has the temerity to deny infringing plaintiff's patent. This position cannot be sustained.

"Whoever actively induces infringement of a patent shall be liable as an infringer." 35 U.S.C. § 271(b). To demonstrate inducement, plaintiff must show "there has been direct infringement," and "the alleged infringer knowingly induced infringement and possessed specific intent to encourage another's infringement." Minn. Mining & Mfg. Co. v. Chemque, Inc., 303 F.3d 1294, 1304-05 (Fed. Cir. 2002). Of course, the "mere knowledge of possible infringement by others does not amount to inducement; specific intent and action to induce infringement must be proven."

Warner-Lambert Co. v. Apotex Corp., 316 F.3d 1348, 1364 (Fed. Cir. 2003). Circumstantial evidence is sufficient to prove intent to cause induced infringement. DSU Med. Corp. v. JMS Corp., 471 F.3d 1293, 1306 (Fed. Cir. 2006).

Here, the Court finds the record is replete with evidence showing defendant's engagement in "culpable conduct, directed to encouraging another's infringement." Kyocera v. Int'l Trade Comm'n, 545 F.3d 1340, 1354 (Fed. Cir. 2008). Defendant sells surgical instruments intended for use in conjunction with its SlingShot method, including a SlingShot Cross Pin, a SlingShot Drill Guide, and a SlingShot Passing Pin. (Pl.'s. 22.) At least one doctor, Paul Fenton, testified to practicing the SlingShot method. (Fenton Dep. 13:2-4.) Further, in response to plaintiff's request for admission, defendant, subject to objections,<sup>4</sup> admitted "that at least one surgeon, or other person, has practiced and/or currently practices the DePuy Mitek SlingShot Surgical procedure." (Pl.s' ex. 19).

Beyond this, defendant and its predecessors have twice agreed to stop practicing this method in response to suits and demands to cease its wrongful infringing behavior. Each time, it has plunged

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<sup>4</sup> The Court summarily overrules defendant's objections to plaintiff's request for an admission that at least one surgeon has practiced and/or currently practices defendant's SlingShot procedure. Defendant's objection that the phrase "practiced and/or currently practices" is "undefined, vague, and ambiguous," defies belief and is worthy of censure. See Fed. R. Civ. P. 26(g)(1)(A) & (B)(I)-(iii).

right back into the conduct it agreed to avoid.

Defendant claims plaintiff cannot show its specific intent to induce infringement. Here, defendant cites the Federal Circuit's Kyocera decision, suggesting that providing customers with an infringing item "falls short of the necessary intent showing for inducement." 545 F.3d at 1354 (clarifying a showing of specific intent "requires more than just intent to cause the acts that produce direct infringement. Beyond that threshold knowledge, the inducer must have an affirmative intent to cause direct infringement").

Defendant's actions clearly demonstrate its affirmative intent to cause direct infringement. It provides customers with "Instructions for Use," trains surgeons and its sales force in the SingShot method, and supports its customers with in-person training and conference calls.

Finally, defendant argues genuine issues of material fact remain as to its intent. It asserts its good faith in relying on advice of counsel, which, it argues, precludes summary judgment on the issue of specific intent. See Broadcom Corp. v. Qualcomm, Inc., 543 F.3d 683, 699 (Fed. Cir. 2008) (opinion-of-counsel evidence is relevant to court's intent analysis). Defendant represents it "requested and received an opinion of counsel that use of the SlingShot system [did] not infringe Arthrex's 529 Patent." (Def.'s Mem. Opp. Summ. J. 9-10.)

Defendant's "assertions of good faith ring hollow." Golden Blount, Inc. v. Robert H. Peterson Co., 438 F.3d 1354, 1365 (Fed. Cir. 2006) (finding district court did not err in dismissing advice of counsel as incompetent). Once the Court construed the patent's claims in a fashion arguably favorable to plaintiff, defendant was well and fully on notice that its attorney's opinion could no longer be relied upon. It did not seek any further advice in light of the Court's Markman rulings. Defendant, itself, admits it sought no further advice of counsel when the '477 patent was issued, saying it "did not seek a new opinion of counsel for the 477 patent but continued to rely on the advice provided in the earlier opinion . . . ." (Def.'s Mem. Opp. Summ. J. 10.) A defendant's knowing decision to don blinders in the face of new information will not bar summary judgment.

D. Defendant's Motion for Summary Judgment

Defendant's motion for summary judgment and a finding of non-infringement is premised on its request that the Court construe the word "implant." The Court has declined to do so. Accordingly, there is, as a matter of law, no basis on which defendant's motion can be granted. It is therefore denied.

Accordingly, IT IS ORDERED that:

1. Plaintiff's motion for summary judgment for infringement of Claim 1 of patent '477 is granted [Docket No. 196].
2. Defendant's motion for summary judgment is denied [Docket

No. 204].

3. This matter will be set for hearing concerning an appropriate injunction and damages in accord with 35 U.S.C. §§ 283-84, forthwith.

IT IS SO ORDERED.

Dated: September 4, 2009

s/ James M. Rosenbaum  
JAMES M. ROSENBAUM  
United States District Judge