

WARSAW ORTHOPEDIC, INC. v. NUVASIVE, INC., Appeal Nos. 2013-1576, -1577, (Fed. Cir. June 3, 2016). Before Dyk, Lourie, and Reyna. Appealed from S.D. Cal. (Judge Bencivengo).

Background:

Warsaw Orthopedic and Medtronic (collectively referred to as "MSD") sued NuVasive in district court for patent infringement. NuVasive counterclaimed, alleging that MSD induced infringement of its patent. The Federal Circuit affirmed the jury verdict that users of MSD's "NIM-Eclipse" device infringed NuVasive's patent and that MSD induced such infringement. Shortly thereafter, the Supreme Court decided *Commil*, and MSD petitioned for certiorari. The Supreme Court granted certiorari and vacated and remanded the Federal Circuit's decision.

Commil clarified the standard for induced infringement, holding that proof of induced infringement requires not only knowledge of the patent but also proof the defendant knew the induced acts were infringing. Willful blindness can satisfy the knowledge requirement. Based on *Commil*, MSD argued that NuVasive failed to prove that MSD had the required knowledge to induce infringement because MSD's "NIM-Eclipse" device does not infringe NuVasive's patent.

NuVasive's patent is directed to a method for sending a series of electrical pulses to a nerve in order to detect the presence of the nerve and to measure the distance to the nerve. Claim 1 of the patent recites that the intensity of a stimulus signal is increased until a neuromuscular response is elicited. Then, claim 1 recites that the stimulus signal is stopped immediately after the neuromuscular response is detected (the "stopping" limitation).

Issue/Holding:

In view of *Commil*, did the Federal Circuit err in previously finding that MSD induced infringement of NuVasive's patent? No, affirmed.

Discussion:

MSD argued that NuVasive failed to show that MSD knew or was willfully blind to the fact that it was instructing doctors to infringe NuVasive's patent. MSD specifically argued that the "stopping" limitation of claim 1 requires a complete termination of any and all electrical pulses. MSD further argued that its "NIM-Eclipse" device does not terminate any and all electrical pulses after detecting a nerve. Instead, the device continues to emit electrical pulses at lower energy levels. Thus, MSD argued that its device does not infringe NuVasive's patent.

However, the Federal Circuit held that the "stopping" limitation of claim 1 only requires stopping of the stimulus signal, and not of any and all electrical signals emitted. The plain meaning of claim 1 and the prosecution history of NuVasive's patent supports this interpretation of the "stopping" limitation. Additionally, the Federal Circuit noted that it was undisputed that MSD was aware of the NuVasive patent prior to releasing the "NIM-Eclipse" device. Based on this, a reasonable jury could have concluded that MSD induced infringement of the NuVasive patent.

Judge Reyna concurred stating that the only evidence to show MSD's intent to induce infringement was evidence that MSD's device itself directly infringed. Thus, when a defendant knows of a plaintiff's patent, Judge Reyna cautioned that under the majority's analysis, any time the defendant's products are found to directly infringe, the plaintiff has sufficiently demonstrated the defendant's intent to induce infringement.