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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.,  
  
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.

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## DISCUSSION

1  
2 Article III of the Constitution grants federal courts the authority to adjudicate  
3 “Cases” and “Controversies.” “[A]n ‘actual controversy’ must exist not only at the  
4 time the complaint is filed, but through all stages of the litigation.” *Already, LLC v.*  
5 *Nike, Inc.*, 133 S. Ct. 721, 726 (2013) (internal quotation marks omitted). “A case  
6 becomes moot—and therefore no longer a ‘Case’ or ‘Controversy’ for purposes of  
7 Article III—when the issues presented are no longer live or the parties lack a legally  
8 cognizable interest in the outcome.” *Id.* (internal quotation marks omitted).

9 *Streck, Inc. v. Research Diagnostic Systems, Inc.*, 665 F.3d 1269 (Fed. Cir.  
10 2012), is controlling here. In *Streck*, the complaint alleged infringement of “one or  
11 more claims” of each of the patents at issue. *Id.* at 1284. The plaintiff later served its  
12 preliminary infringement contentions, which narrowed the scope of the claims at issue  
13 to fifteen claims. *Id.* The number of asserted claims was subsequently narrowed to  
14 nine claims. *Id.* The Federal Circuit found that the district court did not have  
15 jurisdiction over the unasserted claims because, before the court ruled on the parties’  
16 summary judgment motions or conducted trial, “both parties were on notice . . . that the  
17 scope of claims at issue was only a subset of the full patents-in-suit.” *Id.*

18 Similarly, here, Plaintiff’s amended Preliminary Infringement Contentions and  
19 Final Infringement Contentions both indicate that Plaintiff is no longer pursuing a  
20 claim of infringement for the ’917, ’481, and ’964 patents. In addition, Defendants  
21 were on notice that Plaintiff was not longer asserting infringement of the ’917, ’481,  
22 and ’964 patents well before any motions for summary judgment were filed or the final  
23 pretrial conference was scheduled to take place. Defendants have not shown that a  
24 justiciable case or controversy exists regarding the validity of the claims from the ’917,  
25 ’481, and ’964 patents. Accordingly, the Court lacks subject matter jurisdiction over  
26 the unasserted claims.

27 Defendants cite two uncontrolling cases in support of their position, both of  
28 which are distinguishable from the present case. First, in *Knowles Electronics, LLC*

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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