

No. 20-1284

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IN THE  
**Supreme Court of the United States**

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WARSAW ORTHOPEDIC, INC., MEDTRONIC, INC.,  
MEDTRONIC SOFAMOR DANEK, INC.,

*Petitioners,*

v.

RICK C. SASSO, M.D.,

*Respondent.*

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**On Petition for Writ of Certiorari to the  
United States Court of Appeals  
for the Federal Circuit**

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**BRIEF FOR THE RESPONDENT  
IN OPPOSITION**

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## QUESTION PRESENTED

Whether the Federal Circuit correctly held that the district court did not abuse its discretion granted by *Wilton v. Seven Falls Co.*, 515 U.S. 277 (1995) and *Brillhart v. Excess Ins. Co. of America*, 316 U.S. 491 (1942) to dismiss without prejudice a declaratory judgment action when petitioners did not remove an earlier, underlying state court breach-of-contract case and instead litigated for four years in state court and then, on the eve of the state court jury trial, after discovery closed, filed this federal declaratory judgment action claiming that its new contract interpretation transformed the breach-of-contract claim into a patent case, and the state court rejected this interpretation, tried the case over the course of a month to verdict, affirmed by the state intermediate appellate court, and the petitioners are now asking the state supreme court to review the state court judgment?

**PARTIES TO PROCEEDING**

Petitioners Warsaw Orthopedic, Inc., Medtronic, Inc., and Medtronic Sofamor Danek, Inc., were plaintiffs in the district court and appellants in the Federal Circuit. Respondent Rick C. Sasso, M.D., was defendant in the district court and appellee in the Federal Circuit.

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## **BRIEF FOR THE RESPONDENT IN OPPOSITION**

Respondent, Rick C. Sasso, M.D., respectfully submits this brief in opposition to the petition for writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit.

### **STATEMENT OF CASE**

#### **A. The parties and the 2018 federal action.**

Three Medtronic corporations – Warsaw Orthopedic, Inc.,<sup>1</sup> Medtronic, Inc., and Medtronic Sofamor Danek, Inc. (collectively “Medtronic”) – filed the underlying declaratory judgment complaint against Sasso on June 8, 2018. (App.4-5). Medtronic sought two declarations relating to the invalidity of patents it owned that allegedly would demonstrate it was not in breach of a 1999 contract (“December 1999 Agreement”) with Sasso to purchase certain of his inventions. (App. 2-3, 5, 19).

As part of the purchase, which included know-how and technology (C.A. App. 303-304), Sasso had turned over a patent application to Medtronic, which was filed on November 23, 1999. (App.3). The application described in detail in its Summary of Invention and with its drawings, a spine surgery system and instruments Sasso had designed to improve minimally invasive spine surgery. (C.A. App. 606-620). The application described uses from the cervical through lumbar regions of the spine. (C.A. App. 612-613). The United States Patent and Trademark Office (“USPTO”) issued Medtronic two patents: (a) Patent No. 6,287,313 (’313

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<sup>1</sup> Warsaw Orthopedic, Inc. is incorporated in Indiana and Sasso is a citizen of Indiana, eliminating diversity jurisdiction.

patent) on September 11, 2001; and (b) a continuation, Patent No. 6,562,046 ('046 patent) on May 13, 2003. (App. 3). The declarations Medtronic sought in its complaint – which Medtronic alleged would demonstrate it had not breached the December 1999 Agreement – related to the validity of some of the claims of those two patents. (App. 5, 19).

**B. Proceedings in the long-before filed state court action.**

Medtronic's lawsuit was no race to the courthouse. (App. 25 n.5). Sasso had sued Medtronic in August 2013 in state court for breach of other agreements not at issue in this case. (C.A. App. 17). Medtronic removed the case to federal court alleging subject matter jurisdiction under 28 U.S.C. § 1338(a). (C.A. App. 846-850). Sasso moved to remand, and the district court granted the motion on April 3, 2014. (C.A. App. 853-861; 885). At the hearing on the remand motion, Medtronic was asked and agreed it was not challenging the validity of any patents it owned then at issue. (C.A. App. 873-874). In June 2014, back in state court, Sasso amended his complaint to add claims for breach of the December 1999 Agreement and for a second contract signed a month before the first ("November 1999 Agreement"). (App.3, 18).

On October 3, 2016, after engaging in discovery for two years on all claims, Medtronic filed a motion for summary judgment and a motion to dismiss for lack of subject matter jurisdiction with the state court. (C.A. App. 927-930; 962-984). In the supporting memorandum on subject matter jurisdiction, Medtronic stated, "Dr. Sasso has asserted claims under [the December 1999 Agreement] that are contrary to the terms of the relevant agreements and can be disposed of by appli-

cation of state law of contract interpretation.” (C.A. App. 967). Sasso agreed as to the matters at issue, “[T]he issues of the [the December 1999 Agreement and November 1999 Agreement] are defined by the language of those agreements. What are the ‘Medical Device[s]’<sup>2</sup> subject to royalty payments under the agreements? What is ‘the Invention?’” (C.A. App. 1187). Sasso specifically argued that he would be entitled to recover on the agreements regardless of whether the patents covered Medical Devices because that was the plain language of the December 1999 Agreement. (C.A. App. 1187, 1200-1201).

In January 2017, the state court denied Medtronic’s motions. (C.A. App. 1286; 1289-1290). But the state court did find, as Medtronic argued, that the November 1999 Agreement (which tiered royalties based on claim coverage) was superseded by the December 1999 Agreement (which did not). The state court then decided that issues of fact, none involving any patent issues, prevented the entry of summary judgment for Medtronic on the December 1999 Agreement. (C.A. App. 1286). The state court also denied the motion to dismiss for lack of subject matter jurisdiction, holding, “The various counts of the Plaintiff’s Amended Complaint(s) should be resolved by contractual interpretation based upon state law principles.” (C.A. App. 1290).

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<sup>2</sup> “Medical Device” was broadly defined to mean “any device, article, system, apparatus, or product including the Invention.” (C.A. App. 303). “The Invention” and “The Intellectual Property Rights” transferred were also defined. (C.A. App. 302-303). The definitions included Sasso’s surgical “know-how and technology” which Sasso agreed to provide for further development of the technology. (C.A. App. 303).

In March 2017, Sasso filed the Third Amended Complaint. (C.A. App. 147-302). Paragraph 106 stated an alternative claim for *quantum meruit* not previously at issue. (C.A. App. 175). In July 2017, Medtronic responded to the Third Amended Complaint. (C.A. App. 1295-1349). Medtronic did not raise invalidity of the '313 or '046 patents as an affirmative defense. (C.A. App. 1343). In August 2017, the state court entered the “Sixth Case Management Order” setting the case for trial on November 1, 2018, with fact discovery to close on April 2, 2018. (App.18; C.A. App. 1446-1447).

After discovery closed, on April 16, 2018, Medtronic filed “Defendants’ Motion to Amend Case Management Order” seeking to continue the trial setting to explore patent validity and coverage issues Medtronic was raising for the first time. (C.A. App. 1679-1695). On May 1, 2018, just before the hearing on its motion for continuance, Medtronic filed two *ex parte* requests with the USPTO for reexamination of the patents it had owned for nearly twenty years, seeking to invalidate some of the claims. (C.A. App. 328-585). On May 4, 2018, the state court denied Medtronic’s motion to continue, keeping the one-month trial scheduled to begin on November 1, 2018. (C.A. App. 1701).

### **C. The new and false allegations of the 2018 federal complaint.**

Medtronic then filed this federal declaratory judgment action. (App. 4; C.A. App. 17). Medtronic alleged, contrary to the position taken in its October 2016 summary judgment motion, that recovery under the December 1999 Agreement “may hinge” on the validity and coverage of the '313 and '046 patents. (App. 5, 19, C.A. App. 18). Medtronic mysteriously

alleged in Paragraph 3 that because of the absence of “valid claim coverage” in Section 7 (“Term of Agreement”) of the December 1999 Agreement, the agreement expired seven years after the first sale of products even though Medtronic had paid royalties from 2002 to 2018. (C.A. App. 18; App. 3). And Medtronic falsely alleged in Paragraph 5 that Sasso contended that his right to relief under the December 1999 Agreement depended on coverage of the ’313 and ’046 patents when Sasso had consistently contended otherwise. (*Compare* C.A. App. 18 *with* C.A. App. 1187 (11/7/16); 1412(06/27/17); 1449-1450 (07/02/18); 1834-1840 (08/31/18)). Medtronic’s complaint made it appear that deciding the patent issues for which Medtronic sought declaratory relief was necessary to resolve the issues of breach of the December 1999 Agreement, when the state court had previously narrowed the issues of the dispute to not require resolution of patent issues and had ruled that the case would be decided on state law contract principles. (C.A. App. 1286, 1289-1290).

#### **D. Proceedings after the federal filing.**

On August 10, 2018, before answering, Sasso filed a motion to dismiss based on abstention. (C.A. App. 806-810; 811-836). Sasso again asserted, “Recovery under the plain language of the Screw Delivery Agreement [called here the December 1999 Agreement] does not turn on the validity of either the ’313 patent or the ’046 patent.” (C.A. App. 808). In briefing, Sasso explained the contrived nature of Medtronic’s position. (C.A. App. 1835-1840).

Back in state court, Sasso moved for summary judgment as to the issue of “valid claim coverage” in Section 7. On September 13, 2018, the state court ruled that the “valid claim coverage” phrase in the “term” section, Section 7, did not control either the

amount of money to be paid or the length of the payments to be made:

The plain and unambiguous language of Section 4(B) states that Dr. Sasso is to be paid “until expiration of the last to expire of the patent(s) included in the Intellectual Property Rights, or seven years from the Date of First Sale of the Medical Device, if no patent(s) issue.” *The amount of money to be paid under the Agreement and the term depend on the issuance of patents and their expiration, not their validity.* Patent No. 6,287,313 (“’313 patent”) or 6,562,046 (“’046 patent”) issued and have not expired.

(C.A. App 1868-1869) (emphasis supplied). This order rendered untrue and/or inaccurate Paragraphs 2-6, 10, 23, 27, 40, 42-47, 49-50, and 52-53 of Medtronic’s Complaint. (C.A. App. 18, 19, 24, 29, 30-32).

The state court also issued an order on that date excluding Medtronic’s untimely identified witnesses and “evidence related to the defense of patent invalidity.”<sup>3</sup> (C.A. App 1871). Sasso tendered these orders to the district court. (C.A. App. 1865-1866).

The state court held a month-long jury trial ending on November 28, 2018, and entered final judgment in favor of Sasso the next day. (C.A. App. 1911-1917). The judgment included recovery under both the Vertex Agreement (\$32,657,548), not at issue in this case, and the December 1999 Agreement (\$79,794,721). (C.A. App. 1911-1912).

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<sup>3</sup> This order specifically excluded Dr. John Liu as a witness. Liu’s report was an exhibit to Medtronic’s complaint. (C.A. App. 717-759).



Sasso tendered the state court verdict and final judgment to the district court. (C.A. App. 1906-1907). Medtronic, on the other hand, tendered unauthenticated rough draft pages of slivers of the state court transcript.<sup>4</sup> (C.A. App. 1937-2146). Included in those pages were excerpts of the transcript of the court reading patent jury instructions Medtronic had proposed and the state trial court had accepted, and expert testimony that Sasso had introduced, without objection, on issues relating to patents. (*Ibid.*).

#### **E. District court dismissal without prejudice.**

After review of the orders, the verdict, the final judgment, and the rough draft of slivers of state court transcript, and after asking the parties for briefs on abstention under *Wilton v. Seven Falls Co.*, 515 U.S. 277 (1995) and *Brillhart v. Excess Ins. Co. of America*, 316 U.S. 491 (1942), the district court dismissed without prejudice. (App. 17-27).

Specifically, the district judge wrote, “This case is an offshoot of a long-running licensing dispute between Dr. Rick Sasso and Medtronic. Dr. Sasso licensed to Medtronic certain inventions used in spinal surgeries, for which he also received patents. A dispute later arose over the scope and duration of the licensing agreements.” (App. 17). “Dr. Sasso filed an amended complaint in June 2014, asserting an additional claim for breach of a separate agreement, which Medtronic

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<sup>4</sup> The facts developed during the trial primarily focused on the development efforts, the course of performance of the parties under the two agreements, and the parties’ understandings of what were to be the royalty bearing products. *See, e.g., Warsaw Orthopedic, Inc. v. Sasso*, 162 N.E.3d 1, 7-8, 10 (Ind.Ct.App. 2020), *trans. pending* (Ind. filed March 3, 2021). Medtronic tendered no such evidence to the district court here.

refers to as the ‘Facet Screw Agreement’ [called here the December 1999 Agreement]. Medtronic did not try to remove the case again, but it argued to the state court that the claims fell within the federal courts’ exclusive jurisdiction, thus depriving the state court of jurisdiction. The state court disagreed and declined to dismiss the case. Litigation thus continued for years in state court.” (App. 18).

“Shortly before trial was scheduled to commence in November 2018, Medtronic filed this action in federal court.” (App. 18). “Medtronic seeks a declaratory judgment that it did not breach the Facet Screw Agreement [the December 1999 Agreement], on the basis that the patents related to that agreement are invalid and do not cover any of Medtronic’s products.” (App. 18-19). “Dr. Sasso responded by moving to dismiss” and in the meantime “the state court entered judgment.” (App. 19).

The district court granted permission to file supplemental briefs after the state court verdict and judgment and directed the parties to address another issue: “whether the Court should exercise its discretion to entertain this action under the Declaratory Judgment Act, which permits but does not require courts to enter declaratory judgments.” (App. 19-20) (*citing Wilton*, 515 U.S. at 286; *Brillhart*, 316 U.S. 491).

The district court concluded “that dismissal is appropriate under *Wilton* and *Brillhart*, as a declaratory judgment would serve no legitimate purpose here.” (App. 20). “Under the Declaratory Judgment action, a court ‘*may* declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought.’ 28 U.S.C. § 2201(a) (emphasis added).” (App. 21). “Here, there is no purpose to be served by the

declaratory judgment Medtronic seeks, at least at this time.” (App. 22). Medtronic “never articulates what purpose would be served by a declaratory judgment. . . .” (App. 23). “Nor is the Court abstaining because one party won a race to the courthouse. There was no race—Medtronic waited for over four years after Dr. Sasso asserted his claim in state court before filing this declaratory judgment action on the eve of trial.” (App. 25 n.5). “For those reasons, the Court concludes that it has discretion to decide whether to entertain this declaratory judgment action. And since Medtronic has not identified any legitimate purpose that would be served by, or in any way in which it stands to benefit from, a declaratory judgment in light of the judgment in state court, the Court declines to exercise jurisdiction.” (App. 27).

#### **F. The Federal Circuit’s affirmance.**

Twenty months later, the Federal Circuit affirmed, holding dismissal without prejudice appropriate so Indiana courts could decide the state-law contract issues. (App. 1-16). The Federal Circuit noted, “The state court action is described by Dr. Sasso as a contract case for payment for patent rights . . . .” (App. 2). “We conclude that the district court acted within its discretion, abstaining without prejudice, on the facts hereof, for the question of contract interpretation is on appeal in the Indiana state court, and federal action based on federal issues is not precluded.” (App. 2).

“The Declaratory Judgment Act states that courts *may* grant declaratory relief, 28 U.S.C. § 2201(a), and the Supreme Court has explained that the Act confers ‘unique and substantial discretion in deciding whether to declare the rights of litigants,’ *Wilton v. Seven Falls*

*Co.*, 515 U.S. 277, 286 (1995). Also, the Court has stated in *Brillhart v. Excess Insurance Co.*, 316 U.S. 491 (1942), that federal courts may and reasonably should abstain from exercising jurisdiction when the issues ‘can better be settled in [a] proceeding pending in . . . state court.’ *Id.* at 495.” (App. 11). “The propriety of a district court’s *Wilton/Brillhart* abstention is reviewed on the standard of abuse of discretion . . .” (App. 11).

“The district court here selected the standard of *Wilton/Brillhart* as attuned to the situation at hand.” (App. 12). “We agree that this was reasonable on the facts here, for there had already been a trial in the state court and it is now on appeal at the Indiana Court of Appeals.” (App. 12).

**G. The Indiana Court of Appeals’ affirmance and removal and remand of a second state action.**

On December 4, 2020, the state court final judgment was affirmed by the Indiana Court of Appeals. *See Warsaw Orthopedic, Inc. v. Sasso*, 162 N.E.3d 1 (Ind. Ct. App. 2020), *trans. pending* (Ind. filed March 3, 2021). After the state court trial, Sasso filed a new state court case requesting an audit of post-2017 sales. (Pet. 33). Medtronic removed it. On March 4, 2020, the same judge who issued the without prejudice dismissal order here, remanded the case for lack of jurisdiction under 28 U.S.C. § 1338(a). *Sasso v. Warsaw Orthopedic*, No. 3:19-cv-298 JD, 2020 U.S. Dist. LEXIS 37365 (N.D.Ind.2020).

**REASONS FOR DENYING THE PETITION**

The Federal Circuit's decision is not "a walking contradiction" (Pet. 1); Medtronic's behavior in the state court action was. For years, Medtronic maintained that patent issues were not involved with the December 1999 Agreement, filing a summary judgment motion specifically to that effect. Then with new counsel, Medtronic did a complete turnaround after discovery closed, latched on to the phrase "valid claim coverage" in Section 7 of the December 1999 Agreement in an attempt to claim that it owed nothing because its own patents were invalid, and moved to continue the trial because it knew that discovery on the 30,000 pages of new documents it had just produced and the five new witnesses it had just disclosed could not be done before the scheduled trial. That flip-flop is the only contradiction before this Court, walking or otherwise.

Medtronic's federal complaint was based upon two false narratives. First, Medtronic alleged in the complaint the phrase "valid claim coverage" in Section 7 of the December 1999 Agreement put validity and claim coverage of the '313 and '046 patents at issue in this breach-of-contract dispute. (C.A. App. 18-19; 27-28; 30-31). It did not. The parties replaced the earlier November 1999 Agreement that tiered royalties at 5% and 2.5% based on whether a valid claim covered a royalty bearing product with the December 1999 Agreement that provided for 2.5% royalties without regard to patent coverage. (C.A. App. 163-167; 1286). After the filing of Medtronic's action, Sasso obtained a state court summary judgment ruling putting Medtronic's contradiction out of its misery, under state law contract principles. Nothing in the December 1999 Agreement dispute turned on the phrase "valid claim coverage,"

consistent with the prior positions of both sides. (C.A. App. 1868-1869). The Indiana Court of Appeals affirmed this determination. *Warsaw Orthopedic, Inc.*, 162 N.E.3d at 7 (“the royalty rate was lowered from 5% to 2.5%, but it was no longer contingent on the Medical Device being covered by a valid claim of an issued patent”).

Second, Medtronic’s complaint alleged that Sasso argued he was entitled to recover under the December 1999 Agreement because certain claims of the ’313 and ’046 patents did cover the products for which he sought royalties. (C.A. App. 18-19; 27-28; 30-31). Sasso did not claim that his right to royalties under the December 1999 Agreement was dependent on patent coverage. Sasso always maintained this agreement provided royalties based on the definitions of the agreement and the course of dealing of the parties. (C.A. App. 1187 (11/7/16); 1412 (06/27/17); 1449-1450 (07/02/18); 1834-1840 (08/31/18)).

Medtronic’s complaint also omitted two material facts before the state court. First, the federal complaint omitted Medtronic’s failure to ever plead any of the patent claims of the ’313 patent or ’046 patent was invalid. Medtronic answered the Third Amended Complaint without asserting such an affirmative defense. (C.A. App. 1340-1343). The state court, in addition to finding the phrase “valid claim coverage” irrelevant to the dispute, held Medtronic to its litigation position argued in motion practice through the close of discovery as to the meaning of the agreement, with an order excluding Medtronic’s late-raised defense. (C.A. App. 1871). Second, the federal complaint omitted any explanation of the alternative *quantum meruit* allegations. (C.A. App. 175). Both

claims were at issue in state court, but not explained in Medtronic's Complaint.

These false narratives and omissions demonstrate that the Federal Circuit affirmance: (a) is consistent with prior precedent and without conflict in the lower courts; (b) approves a prudent decision of a district court judge attentive to the actual issues of the dispute; and (c) would be a poor vehicle for review of questions of patent law jurisdiction in contract cases involving patents.

**I. The Federal Circuit's affirmance is consistent with prior precedent and without conflict in the lower courts.**

**A. *Wilton/Brillhart* discretion is intended to grant district courts broad discretion to consider the propriety of declaratory relief.**

The Declaratory Judgment Act states that a court “*may* declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought.” 28 U.S.C. § 2201(a) (emphasis supplied). The Act gives district courts “unique and substantial discretion in deciding whether to declare the rights of litigants.” *Wilton*, 515 U.S. at 286. The propriety of declaratory relief in a particular case will depend upon “a circumspect sense of its fitness informed by the teaching and experience concerning the functions and extent of federal judicial power.” *Wilton*, 515 U.S. at 287. This Court in *Wilton*, held that *Brillhart v. Excess Ins. Co. of America*, 316 U.S. 491 (1942) “makes clear” that district courts possess this discretion “even when the suit otherwise satisfies subject matter jurisdictional requirements.” *Wilton*, 515 U.S. at 282. When deciding abstention questions with the same state law questions pending

in state court, a district court is to avoid “indulging in ‘gratuitous interference’” by permitting the federal action to proceed. *Wilton*, 515 U.S. at 283. “There is nothing automatic or obligatory about the assumption of ‘jurisdiction’ by a federal court to hear a declaratory judgment action.” *Wilton*, 515 U.S. at 288.

Nothing in the text of the Declaratory Judgment Act requires that a court must act because it has found exclusive subject matter jurisdiction. *Medimmune, Inc. v. Genentech, Inc.*, 549 U.S.118, 136 (2007) (citing *Wilton* with approval to remand a case for which it had found subject matter jurisdiction back to the district court to consider discretionary dismissal because of competing accusations of inequitable conduct).

**1. The unpublished district court decisions are not conflicting.**

Medtronic asserts a conflict with unpublished district court opinions. (Pet. 25). There is no conflict. The cases cited simply are appropriate uses of abstention discretion given to district courts.

In *Carlin Equities Corp v. Offman*, No. 07 Civ. 359, 2007 U.S. Dist. LEXIS 61465 (S.D.N.Y., August 21, 2017), the district court refused to abstain from considering federal securities violations because the state court dispute could not consider such issues, making it unable to resolve “all of the claims at issue in the dispute.” *Id.* at \*4. The plaintiff initially sued in state court for federal section 10(b) securities law violations, Securities Exchange Act of 1934, § 10(b), 15 U.S.C. § 78j(b), which case was removed. The plaintiff then voluntarily dismissed the removed action and filed a new state court case without the federal claims. The defendants filed a declaratory judgment action in federal court the following day. The state court plaintiff’s assertion that he would not



sue for federal securities law violations did not eliminate the district court's right to adjudicate the dispute because the federal plaintiffs still faced a "potential liability" under the Securities Exchange Act which statutory issue could only be resolved by the federal court system. *Id.* at \*4. Here, there was a breach of contract case pending for four years and set for trial, not a statutory violation case in its infancy. And the district court understood that the federal theory raised by Medtronic was mooted by the state court rulings. The state court case was able to resolve all claims at issue in the dispute.

In *Sabre Oxidation Techs., Inc. v. Ondeo Nalco Energy Serv. LP*, No. H-04-3115, 2005 U.S. Dist. LEXIS 33854 (S.D. Tex. Sep. 6, 2005), the federal action sought a declaration of inventorship under 35 U.S.C. § 256 after the state court judge recognized the federal issue involved and stayed the parallel state court action. The district court was called upon to decide a discrete federal patent issue that could not be resolved in the state court proceeding. *Id.* at \*8. Here, the district court recognized that the state court case had been resolved without considering, as a matter of contract law, the federal issues alleged in the complaint before him.

In *Epling v. Golden Eagle/Satellite Archery*, 17 F.Supp. 2d 207, 209-10 (W.D.N.Y. 1998), the plaintiff in the federal case sought a declaration of non-infringement—plainly a 28 U.S.C. § 1338(a) issue—after lengthy state court litigation resulting in a judgment against the federal plaintiff that the patent at issue in the federal action was required to be assigned to the federal defendant. At issue was Article III jurisdiction. A state court already had determined a breach of contract/theft of trade secrets case in favor of the federal defendant. The former employee was

seeking a declaration of non-infringement relating to ongoing business of his new company. Here, the district court was considering no such thing. Infringement was not at issue. The allegedly controlling issues brought to the district court were moot.

## **2. The federal appellate opinions cited are not conflicting.**

Medtronic does not claim a direct conflict with any circuit but cites three decisions, arguing that the mere presence of a federal issue “can weigh heavily against abstention.” (Pet. 25). Federal courts can and do consider the importance of the federal issue at stake when utilizing discretion under *Wilton*, and the district court and Federal Circuit did so here. The declaratory relief Medtronic sought was irrelevant to the dispute, absent reversal on appeal. (App. 2, 22). The three circuit cases cited by Medtronic do not imply that the district court here and the Federal Circuit lost all *Wilton/Brillhart* discretion because Medtronic raised federal issues in its complaint.

In *Sherwin Williams Co. v. Holmes County*, 343 F.3d 383 (5th Cir. 2003) there was no parallel state action and the federal plaintiff was not engaged in forum shopping, as Medtronic was here.<sup>5</sup> *Id.* at 399. The Fifth Circuit specifically rejected a *per se* rule requiring a district court to hear a declaratory judgment action as inconsistent with *Wilton/Brillhart* discretion.

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<sup>5</sup> Medtronic’s forum shopping was two-fold. First, Medtronic filed this case on “the eve of trial” (App. 25 n.5) to seek a forum to hear its new “valid claim coverage” contract theory and to revisit other rulings of the state court. Second, after judgment was entered, the appeal became a collateral attack on the verdict. Such dual tracking is not fair to the prevailing litigant and is an inefficient use of our court systems.

*Id.* at 393. Here, Medtronic seeks a *per se* rule in favor of a case filed after the close of discovery in the state court case, raising a new theory inconsistent with its prior positions on patent validity issues in the agreement, which position was rejected by the state court as a matter of contract interpretation.

In *Youell v. Exxon Corp.*, 74 F.3d 373 (2nd Cir. 1995) the Second Circuit was called upon to decide a uniquely federal question of admiralty insurance law—fortuity as applied to the wrecking of the Valdez. Because of the “important federal question presented,” the Second Circuit affirmed its reversal of district court abstention using the then new *Wilton* standard. *Id.* at 374. The Second Circuit recognized the importance of avoiding pronouncements of state law. *Id.* at 376. The district court here, on the other hand, utilized discretion to not gratuitously interfere with the four-year old state court proceeding that eviscerated, as a matter of contract law, the basis for Medtronic’s federal complaint. There was no “important federal question” left for the district court here to decide.

In *Verizon Communications, Inc. v. Inverizon Int’l*, 295 F.3d 870, 873 (8th Cir. 2002), the federal lawsuit sought specific relief under the Lanham Act, relief expressly disavowed in the state court action. Verizon, the federal plaintiff, filed its declaratory judgment for trademark non-infringement first, without engaging in forum shopping. *Id.* at 874. The Eighth Circuit held, “The specific circumstances of this case render the district court’s stay order an abuse of discretion.” *Id.* at 875. This was an acknowledgement by the Eighth Circuit that the mere presence of a federal issue did not eliminate the discretion to abstain. *Id.* at 875 (Bye, J., concurring). Here, on the other hand,

Medtronic was attempting to use the federal action as a collateral attack on a state case, completed without deciding the federal issues Medtronic asked the district court to decide. The federal issues did not predominate over state law issues; they were rendered moot by the state court rulings.

*Wilton* holds that the Declaratory Judgment Act was intended to create “an opportunity, rather than a duty, to grant a new form of relief to qualifying litigants.” *Wilton* 515 U.S. at 288. *Wilton* does not hold that the existence of a 28 U.S.C. § 1338(a) controversy eliminates a district court’s discretion to dismiss a declaratory judgment action. *Medimmune*, 549 U.S. at 136; *see also EMC Corp. v. Norand Corp.*, 89 F.3d 807, 813-14 (Fed. Cir. 1996) (affirming use of *Wilton* abstention to decline to hear a declaratory judgment action seeking to find a patent invalid and not infringed); *Capo, Inc. v. Dioptics Med. Prods., Inc.*, 387 F.3d 1352, 1357 (Fed. Cir. 2004) (reversing district court abstention based on defendants’ refusal to file a compulsory counterclaim for infringement in a previously filed declaratory judgment action for non-infringement where accusations of infringement remained). And in *Envision Healthcare, Inc. v. PreferredOne Ins. Co.*, 604 F.3d 983, 986 (7th Cir. 2010), abstention was appropriate in a federal diversity case in favor of competing state court action.

Finding federal jurisdiction and abstaining in appropriate circumstances when there is a prior filed state court action, as the Federal Circuit did here, is consistent with the interpretation of *Wilton / Brillhart* abstention among the other Circuits.

**B. The Federal Circuit’s finding of jurisdiction in order to affirm a without prejudice dismissal order is consistent with *Sinochem* and *Christianson*.**

“A federal court has leeway to choose among threshold grounds for denying audience to a case on the merits.” *Sinochem Int’l Co. v. Malaysia Int’l Shipping Corp.*, 549 U.S. 422, 431 (2007); *see also EMC Corp.*, 89 F.3d at 814-15; *Ford Motor Co.*, 811 F.3d 1371, 1379-80 (Fed. Cir. 2005); *Teva Pharm. USA, Inc. v. EISAI Co.*, 620 F.3d 1341, 1349 (Fed. Cir. 2010), *vacated on other grounds sub nom. EISAI Co. v. Teva Pharm USA, Inc.*, 564 U.S. 1001 (2011). *Sinochem* further holds that jurisdiction decisions are *dicta* when the result is to not issue a judgment on the merits. *Sinochem Int’l*, 549 U.S. at 431 (“Jurisdiction is vital only if the court proposes to issue a judgment on the merits”). Neither the district court nor the Federal Circuit addressed the merits. The dismissal without prejudice allowed Medtronic to refile, if it chose, the exact same action the following day.

*EMC* illustrates appropriate use of *Wilton* discretion where the declaratory judgment complaint is being used as a tactical measure, similar to what the district court found here. In *Capo*, on the other hand, the Federal Circuit determined that the district court abused its discretion by dismissing a case seeking declaratory relief for patent invalidity which dismissal made it so the plaintiff was “unable to resolve its accused liability for patent infringement.” *Capo*, 387 F.3d at 1352.

Medtronic’s “well pleaded” complaint alleged its own contractual interpretation and its own characterization of what the parties believed must be proven to recover. The Federal Circuit accepted those allegations to make

its jurisdictional determination. (App. 9-10) (“Medtronic states that district court and Federal Circuit jurisdiction are present because the declaratory judgment complaint includes determinations of patent validity and valid claim scope . . . the issues of validity and claim scope are well pleaded *in this declaratory complaint* . . .”) (emphasis supplied).

Using Medtronic’s complaint is consistent with precedent. *See Christianson v. Colt Indus. Operating Corp.*, 486 U.S.800, 809 (1988) (“Under the well-pleaded complaint rule . . . whether a claim ‘arises under’ patent law ‘must be determined from what necessarily appears in the plaintiff’s statement of his or her own claim in the bill or declaration, unaided by anything alleged in anticipation or avoidance of defenses which it is thought the defendant may interpose.’”); *see also Lab Corp. of America Holdings v. Metabolite Labs, Inc.*, 599 F.3d 1277, 1281 (Fed. Cir. 2010) (citing *Christianson*, 486 U.S. at 809). The Federal Circuit correctly recognized that it was analyzing Medtronic’s complaint independently. (App 10).

Medtronic’s petition wrongly conflates its declaratory judgment action with the state court action because they are parallel actions. “Patent validity and valid claim scope” were not at issue in the state court action, which was on review with the Indiana Court of Appeals when the Federal Circuit affirmed. Only if the Indiana court system reversed the contract interpretation and case management decisions of the Indiana trial court, would the “patent issues” Medtronic raised become relevant. Finding jurisdiction based on Medtronic’s new view of the meaning of the December 1999 Agreement, and dismissing without prejudice because Medtronic’s new view did not comport with the adjudicated meaning of the agreement is a valid

way of using this Court's precedents on jurisdiction and abstention.

**II. The district court appropriately used its discretion to dismiss Medtronic's complaint without prejudice.**

The district court appropriately utilized "the unique and substantial discretion" given to it under *Wilton*, 515 U.S. at 286, to decline to consider Medtronic's declaratory judgment complaint.

**A. Medtronic filed its declaratory judgment action late.**

The district court's decision was based in part on timing. Medtronic filed its federal complaint to seek a declaration that it was not in breach of the December 1999 Agreement four years after Sasso sued for breach of that agreement in Indiana state court. Four years is an unprecedented delay. *See, e.g., Andrea Theatres, Inc. v. Theatre Confections, Inc.*, 787 F.2d 59, 61 (2nd Cir. 1986) (state case filed June 1984; federal antitrust case filed in December 1984); *Arizona v. Sam Carlos Apache Tribe*, 463 U.S. 545, 553-554 (1983) (Federal case filed January 1975; state case July 1975); *Carlin Equities*, 2007 U.S. Dist. LEXIS 61465 (one day between filings); *Cotler v. Inter-County Orthopaedic Assoc.*, 526 F.2d 537, 539-540 (3rd Cir. 1975) (24 days); *Cottrell v. Duke*, 737 F.3d 1238, 1240-1241 (8th Cir. 2013) (same day); *Kruse v. Snowshoe Co.*, 715 F.2d 120 (4th Cir. 1983) (two days); *Medema v. Medema Builders, Inc.*, 854 F.2d 210, 211-212 (7th Cir. 1988) (102 days); *Moses H. Cone Mem'l Hosp. v. Mercury Contr. Corp.*, 460 U.S. 1, 6-7 (1983) (19 days); *Verizon*, 295 F.3d at 872 (51 days); *Youell*, 74 F.3d at 375 (approximately 30 days). In *Sabre Oxidation*, 2005

U.S. Dist. LEXIS 33854, the sole case cited by Medtronic where the delay was close to four years, the state court action alleging rights of ownership of a patent had proceeded for years and the state court specifically stayed the case so that a federal case on patent inventorship – an issue vitally relevant to the state counts – could proceed. *Id.* at \*4.

Not only was the federal filing delayed beyond any cases that Medtronic cites, Medtronic filed this case after it had prevailed in state court summary judgment procedure to narrow the dispute to state contract issues. Medtronic’s October 2016 filings successfully removed the November 1999 Agreement from the case, which had provided Sasso royalties of 5% if a “Medical Device” was “covered by a valid claim of an issued patent of the Intellectual Property Rights” and 2.5% if not.<sup>6</sup> (C.A. App. 105-106). The state court found that the December 1999 Agreement superseded the tiered royalty structure and that issues of fact, not involving any patent issues, existed to prevent the entry of summary judgment to Medtronic. (C.A. App. 1286). Moreover, the state court found it had subject-matter jurisdiction over the remaining agreement, to be decided on “contractual interpretation based upon state law principles.” (C.A. App. 1290).

The parties operated with an understanding that recovery under the language of the December 1999 Agreement did not require showing validity or patent

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<sup>6</sup> Before the filing of the summary judgment motion, Sasso was ordered to supplement interrogatory responses on whether he believed that the ’313 patent had claims that covered the products for which he sought royalties. On March 1, 2016, he responded. (C.A. App. 1078-1079, 1089). His response relates to rights under both agreements, one with tiered royalties based on patent coverage.



coverage, right until the close of discovery. Medtronic filed this case after discovery had closed and after its motion to continue the trial had been denied. The position taken in this case as to the effect of the phrase “valid claim coverage” in Section 7 to assert a federal claim on “patent issues” was done to circumvent the case management orders of the state court.

When a federal plaintiff delays filing for years, changes course after the close of discovery on state court contract contentions in order to create never pleaded “patent” issues to invalidate its own patents, and files suit after the state court denies its motion to continue, a district court must have discretion to abstain to allow the state court to sort through the new issues raised. The discretion the district court used here avoided “indulging in ‘gratuitous interference’” with state law contract interpretation. *Wilton*, 515 U.S. at 283.

**B. The district court appropriately found Medtronic’s declaratory judgment action served “no legitimate purpose.”**

The district court found that Medtronic’s action served “no legitimate purpose” (App. 20) and that it was filed: “In large part to collaterally attack the state court orders, and to use an opinion from this court to try to convince state courts that they lack jurisdiction.” (App. 21).

This is a prescient finding. There can be no other purpose for continuing this case while also appealing the state court case that interpreted the December 1999 Agreement in a manner that ended any relevance to the two declaratory judgment counts. This case was dismissed without prejudice. Medtronic has been exercising all state appellate rights provided to

challenge the contract interpretation and case management decisions of the state court. It petitioned the USPTO to invalidate the claims supposedly at issue so the “patent issues” it so desperately wanted adjudicated are already determined. Certain claims of the ’313 and ’046 patents were cancelled less than a year before the patents expired.

And Medtronic now has provided the Federal Circuit affirmance order as proof of the absence of state court jurisdiction, just as the district court predicted. The state court never ruled on the validity or invalidity of any patent claim. The state court never ruled on whether any particular patent claim covers or does not cover a product. Instead, the state court awarded damages for breach of two separate agreements. In its Petition (Pet. i), Medtronic argues, without any citation to the record, before even stating the “Question Presented” to this Court, that the state trial court “essentially held a patent infringement trial.” That is not what happened in the state court and no tender of unauthenticated rough draft pages of state court transcript shows that. The parties tried a contract case that related to the sale of patents and associated intellectual property, including surgical know-how, and payment for that sale. There was no purpose to Medtronic’s filing of this action and no purpose to the appeal here except to create confusion and uncertainty as to subject-matter jurisdiction.

The legitimate purpose of declaratory judgments in patent cases is to prevent parties from being coerced by threats of litigation that force them to choose between a growing potential liability for patent infringement and abandonment of their enterprises. *EMC Corp.*, 89 F.3d at 814-15. Declaratory judgments allow a party reasonably at risk because of an unresolved

legal dispute to obtain judicial resolution of the dispute without having to wait to be sued by the other side. *Ford Motor Co.*, 811 F.3d at 1378.

Nothing of the sort happened here. Sasso sued Medtronic for breach of the December 1999 Agreement in June 2014. After years of discovery and motion practice, a jury trial was set to begin on November 1, 2018. There was no unresolved “growing potential liability” that Medtronic was waiting to be sued on. Instead, Medtronic was desperately attempting to avoid, at a very late date, a looming jury trial.

**C. The relief requested here was irrelevant to the state court dispute.**

In its petition, Medtronic implies that the district court and the Federal Circuit found that the state court “lacked” jurisdiction to decide the contract dispute. (Pet. 12). Neither court found that. The Federal Circuit found that “Medtronic’s claims arose under the federal patent laws” to use Medtronic’s words. (Pet. 13). Not Sasso’s. And not the contract claims tried by the state court after entry of the pretrial orders omitted in Medtronic’s petition. The December 1999 Agreement did not require that Sasso prove the claims of any patent cover the products for which he was owed royalties. As affirmed by the Indiana Court of Appeals, “[T]he royalty rate was lowered from 5% to 2.5%, but it was no longer contingent on the Medical Device being covered by a valid claim of an issued patent.” *Warsaw Orthopedic*, 162 N.E.3d at 7. The trial court ruling made it easy for the district court to abstain without attempting “to determine whether the patent-based claims in the declaratory judgment suit could be adequately

resolved in the pending state-court proceedings.” (Pet. 24). The state court determined those claims were not at issue, rejecting Medtronic’s allegations about the significance of the words “valid claim coverage.” There were no relevant patent issues left for a federal court to consider, without reversal on appeal. In *Pub. Serv. Co. v. Wykoff*, 344 U.S. 237, 244 (1952), this Court approved abstention for declaratory relief as to the issue of whether respondents’ carriage of goods was interstate commerce, stating, “One naturally asks so what?” The same can be said of deciding issues of validity and coverage for ’313 patent claims identified by Medtronic. The state court ruling, as a matter of contract law, eliminated the need for the relief sought by Medtronic here.

**D. The declaratory judgment complaint theory was inconsistent with Medtronic’s course of performance.**

In its complaint at Paragraph 3, Medtronic alleged that if the patent issues it was presenting to the district court – the absence of coverage and invalidity of its own patents – were proven, then the December 1999 Agreement “expired years ago.” (C.A. App. 18). Sasso provided the district court with evidence that Medtronic had paid royalties under the December 1999 Agreement for sixteen years, including in 2018. (C.A. App. 1454). Medtronic also had reviewed the December 1999 Agreement after seven years and had determined that royalties should continue for the life of the ’313 patent. (C.A. App. 855). How could Section 7 (“Term”) be construed as Medtronic insisted to the district court, when Medtronic had been paying royalties for sixteen years and its business records show a decision to extend the agreement for the life of the ’313 patent? The district court was entitled to

consider all this in dismissing without prejudice. Not only had the state court eliminated Medtronic's new "term" theory, Medtronic's course of dealing over 16 years demonstrated that Medtronic believed that the term would not expire until the '313 patent did.

**E. Embedded patent issues in a contract case do not create 28 U.S.C. § 1338(a) jurisdiction.**

State courts have jurisdiction to interpret contracts that relate to patents. *Aronson v. Quick Point Pencil Co.*, 440 U.S. 257, 261 (1979); *New Marshall Engine Co. v. Marshall Engine Co.*, 223 U.S. 473, 478 (1919). State courts do not lose that jurisdiction when "case within a case" patent issues are decided. Instead, for exclusive jurisdiction to exist under 28 U.S.C. § 1338(a) and consequently 28 U.S.C. § 1295(a), patent issues must be: (1) necessarily raised; (2) actually disputed; (3) substantial; and (4) capable of resolution in federal court without disrupting the federal-state balance approved by Congress. *Gunn v. Minton*, 568 U.S. 251, 258 (2013). Unless each element exists, there is no 28 U.S.C. § 1338(a) jurisdiction – federal courts do not have exclusive jurisdiction over all "questions in which a patent may be the subject of the controversy." *Id.* at 264. The possibility a state court will incorrectly resolve patent issues in a state lawsuit is not enough to trigger patent jurisdiction. *Id.* at 263.

In Medtronic's complaint and its petition here (Pet. 8-11), Medtronic ignores *Gunn's* holding that state courts may consider patent issues when all four factors are not met. In the complaint, on the one hand, Medtronic asked for federal intervention in part because the state court would not conduct *Markman* hearings, citing *Gunn*, 568 U.S. at 262. (C.A. App. 23,

¶ 20). In its petition here, Medtronic complains, on the other hand, that the state court entered a claim construction order. (Pet. 34). Medtronic drafted the order of which it now complains. (C.A. App. 1878-1880). Medtronic complains about reading of jury instructions on patents. (Pet 10-11). Medtronic proposed and the court accepted those instructions.

Sasso's expert disclosures on patent issues do not demonstrate 28 U.S.C. § 1338(a) jurisdiction.<sup>7</sup> Sasso alleged in the Third Amended Complaint that he could be compensated under the December 1999 Agreement if the '313 and '046 patents *either* described *or* had claims that covered the screw delivery system as originally described in the patent application. The patent application, including its claims – whether or not the application became an issued patent – describes “the Invention” Sasso turned over to Medtronic better than any lab notes, emails, or oral testimony at trial, although all those things helped to demonstrate the parties' intent under the December 1999 Agreement at trial. The definition of “the Invention” used to

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<sup>7</sup> Medtronic's claim at Paragraph 28 of its complaint (C.A. App. 25) that its lawsuit was prompted by the May 22, 2018 expert disclosures has no support in the record. Sasso provided his position as to coverage under the '313 patent by interrogatory response in March 2016 (C.A. App. 1078-1079, 1089), which response is cited without a date in Paragraph 30 of Medtronic's complaint. (C.A. App. 26). Medtronic filed a motion to dismiss in state court for lack of subject matter jurisdiction in October 2016, in part based upon Sasso's interrogatory responses. (C.A. App. 962-984). Medtronic filed *ex parte* petitions to invalidate some of the claims of its own patent, allegedly based on Sasso's positions, on May 1, 2018. (C.A. App. 19). If the lawsuit was prompted by the expert disclosures, Medtronic should have removed the case again to avoid forum shopping, instead of filing this separate collateral action.

describe the royalty bearing “Medical Device[s]” was broad and encompassing. With the December 1999 Agreement, the parties removed from the November 1999 Agreement any requirement that the royalty bearing medical devices be “covered by a valid claim of an issued patent of the Intellectual Property Rights.” Sasso transferred intellectual property—including prototypes, a patent application, and surgical know-how—relating to surgical instruments and surgical procedures to Medtronic. He then worked with Medtronic to refine his system. Using the ’313 patent to describe “the Invention” is an issue of evidence for a contract case.

Medtronic’s claim of “extensive discovery” on patent issues (Pet. 7-8) is unsupported and irrelevant. Service of a deposition notice was not the equivalent of a deposition taken, or not. Discovery, in any event, was simply required to be “reasonably calculated to lead to the discovery of admissible evidence.” Ind. Tr. Rule 26(B)(1).

Medtronic’s cites to slivers of the trial transcript do not show “a patent infringement trial.” (Pet. i). The trial took place over the month of November 2018. Several fact witnesses testified, both on the development of Vertex and on the development of the system described by the ’313 patent. *Warsaw Orthopedic*, 162 N.E.3d at 7-8, 10.

While the state court did not allow evidence on a never-pleaded, late-raised invalidity defense that contravened Medtronic’s earlier position on the proper construction of the contract, that was a case management decision appropriately left to its discretion in managing and trying a complex case.

Medtronic's cite to the state court transcript (Pet. 10, line 19), not in the record before the district court or the Federal Circuit, to intimate an objection to Sasso's counsel arguing the '313 patent was "in force," similarly has no bearing on the issues here. That part of closing argument, made without any objection and reviewed and considered by the Indiana Court of Appeals, explained to the jury the pretrial order – ignored by Medtronic in its petition here – that Sasso was not required to show '313 patent coverage under the contract and that the term of the contract did not expire until the '313 patent expired.

This Court's statement in *Gunn* to "hew closely to pertinent federal precedents" – set forth in Medtronic's complaint (C.A. App. 23) – was intended to urge state courts, where there was no 28 U.S.C. § 1338(a) jurisdiction, to consider federal patent procedures in trying their own cases. Nothing in the actual transcript shows the state court was doing anything but properly trying a contract case involving patents.

**III. This case would be a poor vehicle for review of questions of patent law jurisdiction in contract cases involving patents.**

**A. The jurisdictional circumstances of this complex dispute are unique.**

The state court case, tried and affirmed on appeal, and this case, filed on the eve of the state court trial and dismissed without prejudice after pretrial rulings eliminated the very patent issues Medtronic raised, are *sui generis* parallel actions. Further review of this case relating to the limits of *Wilton/Brillhart* abstention would not be helpful for other litigation. Medtronic's new counsel in the state court proceeding tried to reverse course to create a patent case when



there was none. The state court rejected its attempts with the two pretrial orders (C.A. App. 1868-1869, 1871) that Medtronic omitted in its petition to this Court. Medtronic has no explanation in its petition for how or why this Court should disregard the pretrial orders that eviscerated the allegations of “patent issues” in its federal court complaint.

Calling the Federal Circuit’s decision a “jurisdictional oxymoron” or “incoherent” (Pet. 17) does not give proper regard to the complex circumstances Medtronic created by shifting its case theory on the eve of the state court trial in order to attempt to raise new “patent” issues. The district court essentially stayed this case so that the state court case with its contract issues could go forward, and the Federal Circuit affirmed. The trial result did not impact a single issue of patent law. The state court construed two contracts, one not at issue in this case, found breaches of both of them, and entered an award of damages. Any issues decided about the patents involved have no impact on the federal system as a whole. A patent owner destroying its own patent claims to avoid payments owed under a contract eliminates any system wide issues. *Sasso*, 2020 U.S. Dist. LEXIS 37365 at \*13.

**B. The two remand orders have eliminated a large portion of the state action from the federal system.**

Furthermore, federal courts cannot consider the remaining issues of the December 1999 Agreement because *Sasso*’s second state court action was removed and remanded. *Sasso*, 2020 U.S. Dist. LEXIS 37365 at \*20. This twenty-page district court decision thoroughly, and correctly, analyzed the absence of

28 U.S.C. § 1338(a) jurisdiction for the December 1999 Agreement. 28 U.S.C. § 1447(d) prevents review of this decision “on appeal or otherwise.” This decision also found the absence of 28 U.S.C. § 1338(a) jurisdiction for the Vertex Agreement for a second time. *Sasso*, U.S. Dist. LEXIS 37365 at \*16.

With the remand, Medtronic’s challenge to post-2017 December 1999 Agreement damages and post-trial Vertex damages shall be decided in state court, as a matter of contract law. Medtronic ignores the removal and remand of the second state case and, consequently, the Congressional mandate of 28 U.S.C. § 1447(d). (Pet. 32-33). Considering this case, which would resurrect a without prejudice dismissal order, after entry of final judgment in the parallel state proceeding and a remand in a second later state court action would be inefficient and confusing when state court jurisdiction is established for such a large portion of the issues left in the case.

### **C. The state court action is not completed.**

The district court and the Federal Circuit were careful to not preclude state court action, by using abstention to enter a without prejudice dismissal while the state court case remained on appeal. (App. 2). The state court appeal is not over. Medtronic has requested review by the Indiana Supreme Court which is pending. Granting certiorari for a case collaterally attacking a state court judgment, using incomplete and unauthenticated slivers of the state court record, which case is still pending on appeal, would be inefficient and a waste of judicial resources.

**CONCLUSION**

The district court appropriately used discretion given by *Wilton v. Seven Falls Co.*, 515 U.S. 277, 282 (1995) and *Brillhart v. Excess Ins. Co. of Am.*, 316 U.S. 491 (1942) to dismiss without prejudice Medtronic's declaratory judgment complaint and the Federal Circuit correctly affirmed. Sasso respectfully requests that this Court deny Medtronic's petition.

Respectfully submitted,

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