UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

CURLIN MEDICAL INC. et al., Plaintiffs, v. ACTA MEDICAL, LLC, Defendant.	Civil Action No. 16-2464 (SRC) **OPINION & ORDER**

CHESLER, U.S.D.J.

This matter comes before the Court on the motion for a preliminary injunction by Plaintiffs Curlin Medical Inc. ("Curlin"), Zevex, Inc. and Moog Inc. (collectively, "Plaintiffs") against Defendant Acta Medical, LLC ("Acta.") This Court held oral argument on this motion on January 11, 2017. For the reasons stated below, the motion will be granted.

BACKGROUND

This case arises from a patent infringement dispute involving a medical device, a tubing set for use with an infusion pump. Curlin owns U.S. Patent Nos. 6,164,921 (the "'921 patent") and 6,371,732 (the "'732 patent"), directed to, among other things, a tubing set for use with an infusion pump. Plaintiffs manufacture and sell infusion pumps as well as tubing sets for use with them. Acta manufactures and sells the "IV Administration Infusion Pump Set" (the "IVA Set.")

In May of 2016, Plaintiffs filed a Complaint alleging patent infringement and, shortly thereafter, a motion for a preliminary injunction and expedited discovery. The application for expedited discovery was granted and, after the completion of the discovery for this motion, the parties completed the briefing on the preliminary injunction motion.

APPLICABLE LEGAL STANDARDS

I. Preliminary Injunction

"The grant of a preliminary injunction under 35 U.S.C. § 283 is within the discretion of the district court." Curtiss-Wright Flow Control Corp. v. Velan, Inc., 438 F.3d 1374, 1378 (Fed. Cir. 2006). "A plaintiff seeking a preliminary injunction must establish that he is likely to succeed on the merits, that he is likely to suffer irreparable harm in the absence of preliminary relief, that the balance of equities tips in his favor, and that an injunction is in the public interest." Winter v. NRDC, Inc., 129 S. Ct. 365, 374 (2008). The Supreme Court has held that injunctive relief is "an extraordinary remedy that may only be awarded upon a clear showing that the plaintiff is entitled to such relief." Id. at 376.

As to the requirement that the movant establish that he is likely to succeed on the merits, the Federal Circuit has held:

> [T]he patentee seeking a preliminary injunction in a patent infringement suit must show that it will likely prove infringement, and that it will likely withstand challenges, if any, to the validity of the patent. In assessing whether the patentee is entitled to the injunction, the court views the matter in light of the burdens and presumptions that will inhere at trial. . . .

Titan Tire Corp. v. Case New Holland, Inc., 566 F.3d 1372, 1376 (Fed. Cir. 2009) (citation omitted). "An accused infringer can defeat a showing of likelihood of success on the merits by demonstrating a substantial question of validity or infringement." Trebro Mfg. v. FireFly Equip., LLC, 748 F.3d 1159, 1165 (Fed. Cir. 2014). "A preliminary injunction should not issue if an alleged infringer raises a substantial question regarding either infringement or validity, i.e., the alleged infringer asserts an infringement or invalidity defense that the patentee has not shown lacks substantial merit." AstraZeneca LP v. Apotex, Inc., 633 F.3d 1042, 1050 (Fed. Cir. 2010).

At trial, the plaintiff bears the burden of proving infringement by a preponderance of the evidence. Tech. Licensing Corp. v. Videotek, Inc., 545 F.3d 1316, 1327 (Fed. Cir. 2008).

ANALYSIS

I. Plaintiffs have demonstrated that they are likely to succeed on the merits.

Plaintiffs contend that the IVA Set literally infringes claims 15-34 of the '921 patent and claims 1-3 of the '732 patent. "In order to establish the first preliminary injunction factor, [Plaintiff] must show that it will likely prove that [Defendant] infringes at least one valid and enforceable patent claim." Abbott Labs. v. Andrx Pharms., Inc., 473 F.3d 1196, 1201 (Fed. Cir. 2007). "To prove an accused product literally infringes the patent in suit, the product must contain each and every limitation of the asserted claim(s)." Trebro, 748 F.3d at 1166.

Acta, in opposition, does not challenge the validity of the patents in suit, but argues that they are unenforceable due to the inequitable conduct of the Plaintiffs in regard to the small entity maintenance fee. Acta makes two arguments: 1) Plaintiffs "sought to deceive the PTO about the circumstances surrounding the payment of the small entity maintenance fee so that they PTO would accept their late payment and thereby restore the '732 patent" (Def.'s Opp. Br. 3); and 2) Plaintiffs "sought to deceive the PTO about the facts and circumstances surrounding the erroneous payment of the small entity amount for the maintenance fee so that they PTO would accept their late payment and thereby restore the '921 patent and the '732 patent." (Def.'s Opp. Br. 4.)

In Therasense, the Federal Circuit set forth the fundamental principles of the law of inequitable conduct claims:

> To prevail on the defense of inequitable conduct, the accused infringer must prove that the applicant misrepresented or omitted material information with the specific

> intent to deceive the PTO. The accused infringer must prove both elements—intent and materiality—by clear and convincing evidence. If the accused infringer meets its burden, then the district court must weigh the equities to determine whether the applicant's conduct before the PTO warrants rendering the entire patent unenforceable.

Therasense, Inc. v. Becton, Dickinson & Co., 649 F.3d 1276, 1287 (Fed. Cir. 2011). Thus, at trial, Acta must prove that Plaintiffs misrepresented or omitted material information with specific intent to deceive the PTO. On the present record, this Court cannot discern an evidentiary basis to conclude that Acta has raised a substantial question about unenforceability due to inequitable conduct. At this juncture, Acta has deposed none of the relevant people involved, and there is nothing in the present record from which this Court could infer that Plaintiffs acted with a specific intent to deceive the PTO, much less that the evidence supports a finding of such by clear and convincing evidence. Nor is there anything in the record to support a finding that the omitted information was material. The only factual allegation Acta makes in support is that an internal note has been found that the '732 patent no longer qualifies for small entity status. The Court has no information on who wrote this note, who saw it, when it was written, or anything else. This factual allegation is insufficient to persuade this Court that Acta has raised a substantial question of inequitable conduct under Therasense.

Acta argues as well that Plaintiffs cannot prove infringement. As to the '732 patent, Acta argues that the IVA Set does not contain each and every limitation of any of claims 1-3. Specifically, Acta points to this limitation in independent claim 1: "at least one tubing sensor disposed in a housing of the pump." There is no dispute that the IVA Set does not contain this element. At oral argument, the Court asked Plaintiffs how, then, Acta met this limitation. Plaintiffs answered that, at sales demonstrations, Acta representatives placed the IVA Set into a

pump unit manufactured by Plaintiffs, thus using it in a way that meets every element of one or more claims in the '732 patent and so infringes. While this is conceivably true, the Court notes that the briefs do not argue this and so they do not point to evidence supporting it, nor did counsel point to evidence of record at the hearing. At this juncture, the Court has only attorney argument to support this theory of infringement, and that is not sufficient to support a finding that Plaintiffs are likely to succeed in proving that Acta infringes the '732 patent by its acts at sales demonstrations.

Acta next argues that the IVA Sets do not contain a positionable locating member, as required by some of the claims, because the corresponding element of their set is in a fixed position, and may not be repositioned. The Court observes that this claim term appears only in independent claims 22, 26, and 30 in the '921 patent; it does not appear in claims 15-21. Because of this fact, the Court may not need – and, in fact, does not need – to reach this dispute, because it finds a likelihood of success in proving infringement of at least one claim in the group of claims 15-21.

Similarly, Acta argues that the IVA Sets do not contain "a length of straight line, resilient tubing." Again, the Court need not reach this issue, because this claim term appears only in independent claims 22, 26, and 30 in the '921 patent; it does not appear in claims 15-21. Because of this fact, the Court may not need – and, in fact, does not need – to reach this dispute, because it finds a likelihood of success in proving infringement of at least one claim in the group of claims 15-21.

Acta also argues that the IVA sets do not contain "a length of resilient tubing," which is a limitation in claims 15-21, because the Court should import a further claim limitation from a

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