

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

IVERA MEDICAL CORPORATION;
and BECTON, DICKINSON AND
COMPANY,

Plaintiffs,

vs.

HOSPIRA, INC.,

Defendant.

Case No.:14-cv-1345-H-RBB

ORDER:

**(1) GRANTING IVERA’S MOTION
IN LIMINE REGARDING THE IPR
PROCEEDINGS WITHOUT
PREJUDICE [Doc. No. 138];**

**(2) GRANTING IVERA’S MOTION
IN LIMINE TO EXCLUDE THE
RESULTS OF THE PRIOR
LITIGATION AND
REEXAMINATION OF THE
ROGERS PATENTS [Doc. No. 139];**

**(3) DENYING HOSPIRA’S
MOTION IN LIMINE TO
EXCLUDE EVIDENCE OF SALES
OF THE CUROS STRIPS
PRODUCT WITHOUT
PREJUDICE [Doc. No. 140];**

**(4) DENYING HOSPIRA’S
MOTION IN LIMINE
REGARDING THE WITNESS AND
EXHIBIT AS MOOT [Doc. No. 141];**

**(5) DENYING HOSPIRA’S
MOTION IN LIMINE
REGARDING LOST PROFITS
WITHOUT PREJUDICE [Doc. No.
142]**

1 On June 23, 2014, Ivera Medical Corporation and Becton, Dickinson, and
2 Company (collectively, “Ivera”) filed a lawsuit alleging infringement of United States
3 Patent No. 8,740,864 (“Hoang patent” or “‘864 patent”) against Hospira, Inc.
4 (“Hospira”). (Doc. No. 1.) The action is set for trial starting on August 4, 2015.

5 On June 22, 2015, the parties filed motions in limine. (Doc. Nos. 138-142.) On
6 July 6, 2015, the parties filed opposition briefs. (Doc. Nos. 151-155.) On July 13,
7 2015, the parties filed reply briefs. (Doc. Nos. 157, 158, 162, 163.) The Court held a
8 hearing on July 20, 2015. Chad Drwon, David F. J. Gross, Jonathan Hangartner, and
9 Eva Stensvad appeared for Ivera. Timothy Pestotnik, Adam Russell Hess, William A.
10 Hector, and Jessica L. Grant appeared for Hospira. After hearing the argument of
11 counsel and reviewing the briefs, the Court grants in part and denies in part the
12 parties’ motions in limine.

13 Discussion

14 **I. The Court Grants Ivera’s Motion in Limine Regarding the IPR Proceedings** 15 **Without Prejudice**

16 Ivera contends that Hospira should not be allowed to submit evidence or
17 argument regarding institution of the inter partes review of the Hoang patent. (Doc. No.
18 138.) Hospira opposes the motion, maintaining that the inter partes proceedings are part
19 of the patent prosecution history and probative of the relevance of peritoneal dialysis
20 art. (Doc. No. 154.)

21 For the Patent Trial and Appeal Board to institute an inter partes review, the
22 petitioner need only show “a reasonable likelihood that the petitioner would prevail
23 with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 282. By
24 contrast, patents are presumed valid in litigation, 35 U.S.C. § 282, and a party
25 challenging a patent’s validity must prove invalidity by clear and convincing evidence.
26 Microsoft Corp. v. i4i Ltd. P’ship, 131 S.Ct. 2238, 2243 (2011). Further, after the
27 PTAB instituted inter partes review upon the petition of a non-party to this litigation,
28 that case settled and the IPR proceedings were dismissed. The parties never fully

1 briefed the issues and the PTAB never rendered a decision. Under these circumstances,
2 the institution of the IPR proceeding based on a different standard and concluded
3 without decision on the merits has little probative value. Cf. Hoechst Celanese Corp.
4 v. BP Chemicals Ltd., 78 F.3d 1575, 1584 (Fed. Cir.1996) (“[T]he grant by the
5 examiner of a request for reexamination is not probative of unpatentability.”); see Fed.
6 R. Evid. 402.

7 Moreover, the evidence would be confusing to the jury and prejudicial to Ivera
8 without a time-consuming explanation of the PTAB procedures. See Callaway Golf Co.
9 v. Acushnet Co., 576 F.3d 1331, 1342 (Fed. Cir. 2009) (“The non-final re-examination
10 determinations were of little relevance to the jury’s independent deliberations of the
11 factual issues underlying the question of obviousness. In contrast, the risk of jury
12 confusion if evidence of the non-final PTO proceedings were introduced was high.”).
13 Telling the jury that the patent has been called into question by the Patent Office may
14 influence the jury’s application of the presumption of validity and prejudice Ivera. The
15 prejudicial potential of this evidence substantially outweighs any probative value it may
16 have. Fed. R. Evid. 403. Accordingly, the Court grants Ivera’s motion in limine to
17 exclude evidence regarding the IPR proceedings without prejudice. This ruling is
18 subject to revision for good cause shown. The Court directs the parties to propose
19 revisions outside the presence of the jury at an appropriate recess.

20 **II. The Court Grants Ivera’s Motion in Limine Regarding the Results of the**
21 **Prior Litigation and Patent Office Proceedings over the Rogers Patents**

22 Ivera argues that the Court should exclude evidence regarding the results of the
23 prior litigation before this Court and the prior patent office proceedings over the Rogers
24 patents, U.S. Patent Nos. 7,780,794, 7,985,302, and 8,206,514. (Doc. No. 139.)
25 Hospira agrees that it will not present evidence regarding the results of the proceedings.
26 (Doc. No. 155 at 2.) Accordingly, the Court grants Ivera’s motion in limine to exclude
27 evidence regarding the results of the prior litigation and the results of the reexamination
28 of the Rogers patents. At the time of trial, should either side contend that a question is

1 inappropriate, they may make a specific contemporaneous objection to a question or
2 seek an appropriate limiting instruction.

3 **III. The Court Denies Hospira’s Motion in Limine Regarding Sales of the**
4 **Curos Strips Without Prejudice**

5 Hospira contends that Ivera should be precluded from presenting evidence of
6 sales of Curos Strips to show commercial success of the Hoang patent. (Doc. No. 140.)
7 Ivera opposes, contending that the Curos Strips product practices the claims of the
8 Hoang patent and that the sales of Curos Strips are probative of commercial success of
9 the Hoang patent. (Doc. No. 151.)

10 Obviousness is a question of law based on factual underpinnings. Eisai Co. Ltd.
11 v. Dr. Reddy’s Lab., Ltd., 533 F.3d 1353, 1356 (Fed. Cir. 2008). Commercial success
12 is a secondary factor indicative of non-obviousness. KSR Int’l Co. v. Teleflex Inc., 550
13 U.S. 398, 406 (2007). “It is not necessary . . . that the patented invention be solely
14 responsible for the commercial success, in order for this factor to be given weight
15 appropriate to the evidence, along with other pertinent factors.” Cont’l Can Co. USA
16 v. Monsanto Co., 948 F.2d 1264, 1273 (Fed. Cir. 1991). That the commercial success
17 of the Curos Strips may have been attributed to the strip delivery system of the caps
18 does not mean that those products do not practice the Hoang patent, and Ivera may be
19 able to show that sales of the Curos Strips are probative of the commercial success of
20 the Hoang patent. During trial, Hospira may submit evidence and argument that the
21 commercial success of the Curos Strips are not attributable to the features of the Hoang
22 patent and thus irrelevant to the question of obviousness. But the Court will not
23 preclude evidence of the sales of the Curos Strip at this time.

24 At the time of trial, should either side contend that a question is inappropriate,
25 they may seek an appropriate limiting instruction or make a specific contemporaneous
26 objection to a question should Plaintiff contend that the information is not relevant or
27 is prejudicial to Plaintiff.

28 ///

1 **IV. The Court Denies Hospira’s Motion in Limine Regarding Exclusion of**
2 **the Witness and Exhibit As Moot**

3 Hospira seeks to exclude Ivera’s previously undisclosed witness, Robert
4 Hitchcock, and an exhibit associated with that witness, PTX382. (Doc. No. 141.) In
5 response, Ivera agrees to withdraw Robert Hitchcock from the witness list and agrees
6 to withdraw Exhibit PTX382 from the exhibit list. (Doc. No. 152.) Accordingly, the
7 Court denies this motion in limine as moot.

8 **V. The Court Denies Hospira’s Motion in Limine Regarding Lost Profits**
9 **Without Prejudice**

10 Hospira seeks to preclude Ivera from presenting any evidence or argument
11 regarding lost profits damages and specifically seeks to exclude a table of information
12 regarding Ivera’s financial information. (Doc. No. 142.) Ivera opposes, contending that
13 it may present admissible evidence that it is entitled to lost profits and also maintains
14 that the table may be admissible at trial. (Doc. No. 153.)

15 Courts generally calculate lost profits by determining what profits the patentee
16 would have made “but for” the infringement. Rite-Hite Corp. v. Kelly Co. Inc., 56
17 F.3d 1538, 1545 (Fed. Cir. 1995). To prove lost profits, the patentee “must show a
18 reasonable probability that, ‘but for’ the infringement, it would have made the sales that
19 were made by the infringer.” Id. To determine whether a plaintiff has established what
20 profits it would have made absent the infringement, courts typically rely on the test set
21 out in Panduit Corp. v. Stahl Bros. Fibre Works, Inc., 575 F.2d 1152, 1156 (6th Cir.
22 1978). Under Panduit, “a patent owner must prove: (1) demand for the patented
23 product, (2) absence of acceptable noninfringing substitutes, (3) his manufacturing and
24 marketing capability to exploit the demand, and (4) the amount of the profit he would
25 have made.” Id. If the plaintiff satisfies the four-part Panduit test, it creates an
26 inference that the lost profits claimed were in fact caused by the infringing sales. See
27 Versata Software Inc. v. SAP America, Inc., 717 F.3d 1255, 1264 (Fed. Cir. 2013). The
28 burden then shifts to the infringer to show that the inference is unreasonable for some

1 or all of the lost sales. See Rite-Hite, 56 F.3d at 1545.

2 Hospira contends that Ivera should not be allowed to present evidence of lost
3 profits because it did not identify an expert to testify regarding lost profits. (Doc. No.
4 142-1 at 2.) But Ivera is not required to provide an expert to establish damages. Dow
5 Chem. Co. v. Mee Indus., Inc., 341 F.3d 1370, 1382 (Fed. Cir. 2003) (noting that
6 “expert testimony is not necessary to the award of damages”). Ivera explains that it will
7 present fact witnesses, such as Terry Vandewarker, Ivera’s former Chief Financial
8 Officer, and Bobby Rogers, Ivera’s former Chief Executive Officer, to offer evidence
9 regarding Ivera’s lost profits. (Doc. No. 153 at 8-10.) See Fed. R. Evid. 701 (an owner
10 or officer of a business may not testify to the value or projected profits of the business).
11 Hospira deposed Rogers. (See Doc. No. 153 at 7.) Ivera also identified Vandewarker
12 as a person with discoverable information in disclosures on November 21, 2014. (Doc.
13 No. 153-1 at 6.) Ivera again identified Vandewarker as a person that may possess
14 information regarding damages caused by the alleged infringement amended disclosures
15 in its amended disclosures dated December 2, 2014. (Id. at 13.) And Ivera’s 30(b)(6)
16 deponent identified Vandewarker as a person with knowledge regarding Ivera’s
17 finances on May 13, 2015. (See Doc. No. 147-1 at 38.) Hospira’s election to not
18 depose Vandewarker does not preclude him from testifying regarding lost profits.
19 Under these circumstances, the question of lost profits is a factual dispute for the jury
20 not requiring expert testimony. Ivera has explained that it will use fact witnesses to
21 establish the amount of lost profits it contends that it is owed. Accordingly, the Court
22 denies Hospira’s motion in limine to exclude evidence regarding lost profits at this time.

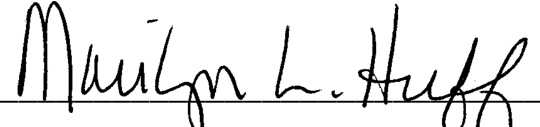
23 Moreover, Ivera may be able to submit the summary chart presented in its
24 opposition to the motion for summary judgment. Vandewarker submitted a declaration
25 in connection with Hospira’s motion for summary judgment attesting to his knowledge
26 regarding the table with financial information. (Doc. No. 78-7 at ¶ 2.) Moreover, as
27 Ivera points out, the financial chart may also be admissible under Federal Rule of
28 Evidence 1006. (See Doc. No. 153.) Rule 1006 authorizes the use of “a summary,

1 chart, or calculation to prove the content of voluminous writings, recordings, or
2 photographs that cannot be conveniently examined in court.” Fed. R. Evid. 1006. “The
3 purpose of the rule is to allow the use of summaries when the documents are
4 unmanageable or when the summaries would be useful to the judge and jury.” United
5 States v. Rizk, 660 F.3d 1125, 1130 (9th Cir. 2011). A proponent of summary evidence
6 pursuant to Rule 1006 must establish that the underlying materials upon which the
7 summary is based (1) are admissible in evidence and (2) were made available to the
8 opposing party for inspection. Id. “The availability requirement ensures that the
9 opposing party has an opportunity to verify the reliability and accuracy of the summary
10 prior to trial.” Id. (internal quotations and citation omitted). It is not clear whether
11 Ivera provided Hospira with the underlying materials upon which the summary was
12 based. If Ivera wishes to present the financial chart under Rule 1006, it must establish
13 that it provided Hospira an opportunity to inspect the underlying documents. See id.
14 On the record before the Court, the financial table may be admissible at trial.
15 Accordingly, the Court declines to exclude the financial table at this time. Ivera may
16 renew its objections at trial.

17 The Court expects the parties to comply with this order. At the time of trial,
18 should either side contend that a question is inappropriate, they may seek an appropriate
19 limiting instruction or make a specific contemporaneous objection to a question.
20 Additionally, the rulings on the motions in limine are subject to revision for good cause
21 shown. The Court directs the parties to propose revisions outside the presence of the
22 jury at an appropriate recess.

23 **IT IS SO ORDERED.**

24 DATED: July 21, 2015

25 
26 MARILYN L. HUFF, District Judge
27 UNITED STATES DISTRICT COURT
28