

ZimmerBiomet Scores \$13M In Fees In Howmedica IP Fight

By **Dave Simpson**

Law360 (May 15, 2018, 8:34 PM EDT) -- A New Jersey federal judge has awarded ZimmerBiomet \$13.3 million in attorneys' fees and more than \$500,000 in costs following a long-running polymer-patent dispute with Howmedica that resulted in the invalidation of four of the latter company's patents, according to court documents unsealed Monday.

U.S. District Judge William H. Walls awarded the fees on April 20 and unsealed the order on those figures on Monday. The opinion on the fees is not yet public.

In February 2016 the Federal Circuit ruled that every claim in a Howmedica Osteonics Corp. polymer patent was invalid, killing the last of four patents that Zimmer Inc., which is now ZimmerBiomet, had been accused of infringing more than a decade ago.

The appellate ruling, which partially reversed a Patent Trial and Appeal Board decision, supported what a patent examiner at the U.S. Patent and Trademark Office found after Zimmer asked that the patent be re-examined in 2009.

The patent was directed to a biomaterial widely used in hip and knee replacements. The examiner had rejected all the patent's claims because they were either anticipated or obvious.

Claims "1 - 6 of the [patent] are inherently anticipated" the appeals court decided, and "claims 7 - 12 would have been obvious."

Though the patent expired in 2013, there was still plenty at stake in the case. If Howmedica had proved the patent was valid and that Zimmer infringed, Zimmer could have been on the hook for several years' worth of damages.

The dispute dates back to at least February 2005, when Howmedica filed a lawsuit alleging orthopedic products manufactured by Zimmer infringed certain claims of the four related patents. The patents dealt with processes used to heat and irradiate polymers in medical implants.

In 2007 a New Jersey federal judge ruled that three of the patents were indefinite and therefore invalid. The Federal Circuit affirmed that decision in 2010.

Meanwhile, Zimmer in 2009 asked for an inter partes re-examination of all claims in the fourth patent. The USPTO granted the request and a patent examiner eventually rejected each of the fourth patent's claims.

Specifically, the examiner found the first six claims were anticipated by an academic paper. The other six were made obvious by a combination of that paper and a previously issued patent, the examiner decided.

On appeal the PTAB affirmed the examiner's decision with respect to the anticipated claims. However, it reversed the examiner's rejection of claims 7 through 12, which had the effect of reviving those particular claims.

With respect to the latter part, the board found that no reason had been shown as to why a person skilled in the field would expect to replicate the claimed invention by modifying aspects of the prior art.

Both Howmedica and Zimmer appealed the PTAB decision — Howmedica wanted the examiner's entire findings reversed; Zimmer wanted them all left intact — leading to the Federal Circuit's decision in February 2016.

The three-judge panel was unanimous in finding that each of the first six claims of the patent were invalid because they were anticipated by the prior art, as had been decided by the PTAB and the patent examiner.

And two of the three circuit judges agreed that the last six were invalid as well.

In April 2016, Howmedica lost a bid to salvage one of the patents when the Federal Circuit declined to rehear its earlier decision.

The patents-in-suit included U.S. Patent Numbers 6,174,934; 6,372,814; 6,664,308; and 6,818,020.

Howmedica is represented by Timothy J. Malloy of McAndrews Held & Malloy Ltd and William P. Deni Jr. of Gibbons PC.

Zimmer was represented by David Callahan and Ann Marie Wahls of Latham & Watkins LLP and Bryan Scott Hales and Bryan Rutsch of Kirkland & Ellis LLP.

The case is Howmedica Osteonics Corp. v. Zimmer Inc. et al., case number 2:05-cv-00897, in the U.S. District Court for the District of New Jersey.

--Additional by Matthew Bultman. Editing by Edrienne Su.

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