

WIPO Asian Regional Symposium on the Importance of the Intellectual Property System for High-Tech Industries

**Guangzhou, China
July 10 to 12, 2002**

Case Studies

**Successful Use of the Intellectual Property System;
Turning High-Tech Inventions and Innovations into
Profit-making Assets in the Marketplace**

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**Tuesday June 11, 12:25 pm Eastern Time
Reuters Company News**

Boston Scientific says wins German patent dispute

NATICK, Mass., June 11 (Reuters) –

Boston Scientific Corp. on Tuesday said a German court has ruled in its favor in a patent dispute with Medtronic Inc.

Tuesday June 11, 11:59 am Eastern Time Press Release

- *SOURCE: Boston Scientific Corporation*
- **Boston Scientific Wins Infringement Case in Germany on Medtronic's Rapid Exchange Stent Delivery Systems and Angioplasty Balloons**

Tuesday June 11, 11:59 am Eastern Time Press Release

- NATICK, Mass., June 11
- Boston Scientific Corporation announced today that a German Court has ruled that certain Medtronic AVE, Inc. rapid exchange stent delivery systems and angioplasty dilatation balloons **infringe a patent licensed exclusively to Boston Scientific** *under the doctrine of equivalence.*

Tuesday June 11, 11:59 am Eastern Time Press Release

- The Court's decision was announced orally today.
- A written decision is expected in several weeks.
- As is customary in such cases in Germany, the decision gives Boston Scientific the right to obtain an injunction against continued sales of Medtronic's infringing products in Germany, as well as damages.
- The decision will be subject to appeal by Medtronic.

Tuesday June 11, 11:59 am Eastern Time Press Release

The German patent involved in the case was granted to Dr. Tassilo Bonzel, and is a counterpart of the U.S. patent that an arbitration panel last year ruled had been willfully infringed by Medtronic.

In that proceeding, the panel awarded Boston Scientific **\$169 million in damages, as well as costs and attorneys' fees, and a permanent injunction.** The arbitrators' decision has been confirmed by a U.S. District Court, but Medtronic has appealed the decision.

Tuesday June 11, 11:59 am Eastern Time Press Release

Boston Scientific is a worldwide developer, manufacturer and marketer of medical devices.

The Company's products are used in a broad range of interventional medical specialties.

United States Patent [19]
Bonzel

[11] **Patent Number:** **4,762,129**
[45] **Date of Patent:** **Aug. 9, 1988**

[54] **DILATATION CATHETER**
[76] **Inventor:** **Tassilo Bonzel, Neumattenstrasse 27,
D-7800 Freiburg, Fed. Rep. of
Germany**

[21] **Appl. No.:** **893,558**

[22] **PCT Filed:** **Nov. 15, 1985**

[86] **PCT No.:** **PCT/DE85/00479**

§ 371 Date: **Jul. 14, 1986**

§ 102(e) Date: **Jul. 14, 1986**

[87] **PCT Pub. No.:** **WO86/03129**

PCT Pub. Date: **Jun. 5, 1986**

[30] **Foreign Application Priority Data**

Nov. 23, 1984 [DE] Fed. Rep. of Germany 3442736

[51] **Int. Cl.⁴** **A61M 29/02**

[52] **U.S. Cl.** **128/344; 604/96**

[58] **Field of Search** **128/344, 325, 348.1,
128/10, 656, 658, 772, 673, 675, 748, 207.15;
604/96-103, 281, 282**

[56] **References Cited**

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2180454 4/1987 United Kingdom .

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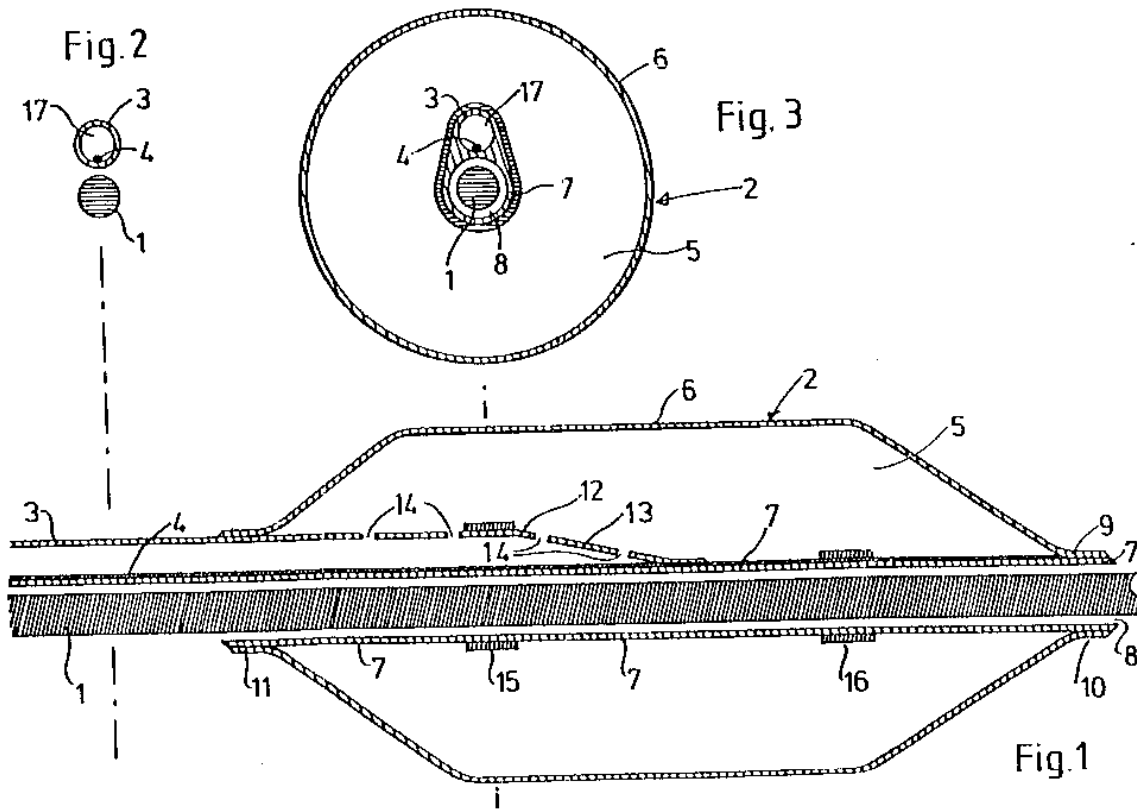
[57] **ABSTRACT**

A dilatation catheter, in particular for expanding constrictions in coronary vessels, includes a balloon (2) capable of being enlarged by injecting a fluid through a tube (3). The tube (3) is arranged laterally offset from a segment of flexible tubing (7) by which a passage (8) for a guide wire (1) is formed in the balloon (2).

7 Claims, 1 Drawing Sheet

US Patent 4,762,129

claiming German Priority of Nov. 23, 1984



UNITED STATES DISTRICT COURT DISTRICT OF MASSACHUSETTS BOSTON v. BONZEL

- **FACTUAL BACKGROUND**

- In 1984, Bonzel invented a rapid exchange catheter known as the “monorail” catheter, now widely used for angioplasty procedures during cardiovascular surgery.
- He obtained patents for his invention in both Germany and the United States.

UNITED STATES DISTRICT COURT DISTRICT OF MASSACHUSETTS BOSTON v. BONZEL

- In 1986, **Bonzel licensed** his invention to Schneider Medintag AG, a Swiss corporation which later changed its name to Schneider AG.
- Under the license, Bonzel transferred various exclusive rights in the patent in exchange for payments.
- Specifically, he transferred the right to sue for infringement of the patent.
- This **license has been amended several times**. The latest version is known as “Agreement (V)” .

UNITED STATES DISTRICT COURT DISTRICT OF MASSACHUSETTS BOSTON v. BONZEL

- Schneider AG shared the license with its sister company, Schneider (U.S.A.), based in Minnesota. **Both Schneider AG and Schneider (U.S.A.) are controlled by Pfizer, Inc. (“Pfizer”)** .
- In 1997, Pfizer dissolved Schneider AG, created Schneider GmbH, and moved Agreement(V) to the new company.
- In March 1998, Bonzel began receiving royalty payments from Switzerland from Schneider GmbH instead of Schneider AG.

UNITED STATES DISTRICT COURT DISTRICT OF MASSACHUSETTS BOSTON v. BONZEL

- Pfizer has exercised its right to file suit in the United States against infringers of the Bonzel patent on several occasions.
- Patent infringement suits have been brought against Scientific and Life.
- From 1994 to 1998, Pfizer and Scientific were locked in three patent-related lawsuits through their subsidiaries, one filed by Scientific in Massachusetts, another filed by Pfizer in Minneapolis, and
- a third filed by Life in Germany (“the German litigation”) concerning the validity of Bonzel’s German patent.

UNITED STATES DISTRICT COURT DISTRICT OF MASSACHUSETTS BOSTON v. BONZEL

- In September 1998, Scientific purchased the “Schneider Worldwide” division of Pfizer, which included Schneider GmbH and Schneider (U.S.A.) .
- Schneider (U.S.A.) was subsequently renamed Boston Scientific Scimed, Inc.
- In the latter half of 1999, Scientific commenced paying royalty payments to Bonzel pursuant to Agreement (V) from Natick, Massachusetts.

Pfizer 2000 Annual Report

- ***Schneider Catheter Litigation***
- On July 28, 2000, Dr. Tassilo Bonzel filed a suit against the Company and various currently or formerly affiliated codefendants in Minnesota state court alleging breach of contract, **fraudulent transfer of his license agreement with Schneider (Europe) AG**, unjust enrichment, breach of fiduciary duty, tortious interference with contractual relationship, and civil conspiracy, and seeking a declaratory judgment that Dr. Bonzel is free to terminate the aforementioned license agreement.

Pfizer 2000 Annual Report

- The claims arise from the Company's 1998 **sale of the Schneider companies to Boston Scientific Corporation (BSC)**, which is named in Dr. Bonzel's complaint as an involuntary plaintiff.

BOSTON SCIENTIFIC CORP

Annual Report

- On July 28, 2000, Dr. Tassilo Bonzel filed a complaint naming certain of the Company's Schneider Worldwide subsidiaries and Pfizer Inc. (Pfizer) and certain of its affiliates as defendants, **alleging that Pfizer failed to pay Dr. Bonzel amounts owed under a license agreement** involving Dr. Bonzel's patented Monorail(TM) technology. The suit was filed in the District Court for the State of Minnesota seeking monetary relief.

BOSTON SCIENTIFIC CORP

Annual Report

- On September 26, 2001, Dr. Bonzel and the Company reached a contingent settlement involving all but one claim asserted in the complaint.
- Pursuant to the settlement agreement, the Company would acquire the Monorail technology and pay Dr. Bonzel **approximately \$80 million** contingent upon the occurrence of certain events.

Case Studies at www.wipo.int/sme/en/case_studies/index.htm

The table below is a compilation of concrete experiences of companies that have used the intellectual property system to improve their competitiveness

| Title | Company | Subject Matter |
|--|-----------------------------|--|
| Making Money from Royalties | Bishop Steering | Patents; Licensing; Managing IP |
| Living off the Intangible | Cash Engineering | Patents; Licensing |
| Using IP to attract Investors- the EAT-SET Project | EAT-SET | Patents; Financing |
| Australian invention dazzles Hollywood | Jim Frazier | Patents; Trade Secrets; Licensing |
| A Lesson Learned | Kambrook | Patents |
| Engineering Company Reaps Rewards by Smart IP Management | L&R Ashbolt | Patents; Managing IP; Patent Information |
| From Innovation to Commercialization and Beyond | Mandy Haberman | Patents; Licensing; Enforcement |
| Enforcing Intellectual Property Rights | Memtec | Patents; Enforcement |
| Queensland Tourist & Travel Corporation Stands by Their Trade Marks | Queensland Tourist & Travel | Trademarks; Marketing |
| An Impressive IP Strategy Model | The Dome Group | Managing IP |
| Innovation with Focus | The Mug Factory™ | Trademarks; Licensing; Managing IP |
| Trouble in Paradise. Solved | Ztaag | Patents |

THE END

Thank you
for your attention!

