IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WISCONSIN

INVITROGEN CORPORATION, *Plaintiff,* v. OXFORD BIOMEDICAL RESEARCH, INC. and VANDERBILT UNIVERSITY, *Defendants.*	CIVIL ACTION NO. 08-599 DEMAND FOR JURY TRIAL

PLAINTIFF'S ORIGINAL COMPLAINT

Plaintiff Invitrogen Corporation ("Invitrogen") files this Original Complaint against Defendants Oxford Biomedical Research, Inc. ("Oxford") and Vanderbilt University ("Vanderbilt"), seeking declarations under 28 U.S.C. § 2201 regarding the scope, validity, and non-infringement of U.S. Patent No. 5,886,157, as well as the effect of that patent, if any, on the term of the Licensing and Supply Agreement, Phase II (the "Phase II Agreement"), between Oxford and PanVera Corporation ("PanVera"), which in turn sold assets, including the Phase II Agreement, to Invitrogen. In support of these claims, Invitrogen shows the Court as follows:

I.
PARTIES

1. Invitrogen is a Delaware corporation, with substantial research and development, manufacturing, and distribution facilities at 501 Charmany Drive, Madison, Wisconsin, 53719, and its principal place of business at 5791 Van Allen Way, Carlsbad, California 92008.

2. Defendant Oxford is a Michigan corporation, with its principal place of business in Rochester Hills, Michigan. Oxford may be served with process through its registered agent, Denis M. Callewaert, at 4600 Gardner Rd., Metamora, Michigan 48455.

3. Defendant Vanderbilt is a private, not-for-profit corporation incorporated under the laws of Tennessee, with its principal place of business in Nashville, Tennessee. Vanderbilt may be served with process through its registered agent, Office of General Counsel, 305 Kirkland Hall, Nashville, Tennessee 37240.

II.
JURISDICTION AND VENUE

4. This case involves an actual controversy arising under the Patent Laws of the United States, 35 U.S.C. § 1 *et seq*. Accordingly, this Court has subject matter jurisdiction over the claims pursuant to 28 U.S.C. §§ 1331 and 1338(a). Furthermore, this Court has the authority to grant the requested declaratory relief pursuant to 28 U.S.C. § 2201.

5. The Court has personal jurisdiction over Defendants Oxford and Vanderbilt because they have purposefully availed themselves to its jurisdiction by establishing contacts with the State of Wisconsin sufficient to warrant the exercise of jurisdiction over them pursuant to Wisconsin's long arm statute, Wis. Stat. § 801.05, and the Constitution of the United States. Such contacts include, but are not limited to, negotiating and entering into licensing and transfer agreements pertaining to Vanderbilt's cytochrome P450 recombinant protein technology with PanVera in Wisconsin, and providing various licensed biological materials to PanVera in Wisconsin. On information and belief, Vanderbilt has also maintained continuous and systematic contacts by soliciting and recruiting students, faculty, and staff members from Wisconsin. On information and belief, Oxford has maintained continuous and systematic contacts by selling research materials into the jurisdiction.

6. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b) because a substantial part of the events giving rise to these claims arose within this judicial district, and

because both Oxford and Vanderbilt "reside" in this judicial district, as that term is defined under 28 U.S.C. § 1391(c).

III.
FACTUAL BACKGROUND

7. Oxford is a biomedical research company headquartered in Rochester Hills, Michigan; it is in the business of producing and selling antibodies and other reagents to research laboratories. In or around 1994, Oxford, Vanderbilt, and PanVera—a Madison, Wisconsin company in the business of purifying and commercializing recombinant proteins derived from genetically engineered DNA—engaged in a series of negotiations regarding the potential licensing of Vanderbilt's cytochrome P450 recombinant protein technology developed by Dr. Peter Guengerich of Vanderbilt University. As a result of these negotiations, in 1994, Oxford acquired an exclusive license from Vanderbilt to the technology. Also as a result of these negotiations, Oxford, in turn, exclusively licensed the technology to PanVera by entering into the Licensing and Supply Agreement.

8. The purpose of the Licensing and Supply Agreement between PanVera and Oxford was for PanVera to obtain access to Vanderbilt's cytochrome P450 recombinant protein technology. Although Vanderbilt had filed a patent application directed to aspects of this technology, no patent had yet issued when PanVera and Oxford executed the Licensing and Supply Agreement.

9. PanVera and Oxford twice amended the Licensing and Supply Agreement. The final version, executed in September 1996, is entitled the Licensing and Supply Agreement, Phase II (the "Phase II Agreement"), attached as Exhibit A. The Phase II Agreement superseded and terminated the prior agreements between PanVera and Oxford.

10. Under the Phase II Agreement, Oxford and PanVera agreed that: (1) PanVera would pay a minimum royalty of $6,000 to Oxford for each calendar year beginning January 1, 1996; (2) PanVera would provide Oxford, free of charge, up to 5 mgs of a "reasonable number" of P450 proteins manufactured by PanVera and placed into inventory for sale to customers; and (3) PanVera would provide Oxford with the ability to purchase certain PanVera products at a discount. Additionally, PanVera was obligated to Vanderbilt to provide to Dr. Guengerich (1) a consulting agreement that would include a provision for a free supply of a reasonable amount of Licensed Products and (2) the option to purchase additional amounts of Licensed Products from PanVera at a 40% discount from the published list price.

11. The term of the Phase II Agreement was set forth in section 5.1:

> The Term of this Agreement granted hereunder shall commence upon the signing hereof and *shall continue for the life of any patent covering LICENSED MATERIAL, or, if no patent issues, for a period of ten (10) years subsequent from the date of execution* unless terminated as provided herein, subject to renewal upon reasonable terms and conditions as may be agreed upon between the parties. (Emphasis added).

12. On March 23, 1999, the United States Patent and Trademark Office issued U.S. Patent No. 5,886,157 ("the '157 patent"), attached as Exhibit B. Dr. Guengerich and others are listed as the inventors of the '157 patent; Vanderbilt is the assignee of the '157 patent. The '157 patent describes and claims a method of purifying a cytochrome P450 recombinant protein from a host cell culture.

13. The'157 patent does not have any claims directed to the cell culture host materials themselves, which are defined in Appendix A of the Phase II Agreement as the "LICENSED

MATERIALS." Furthermore, the '157 patent has expired for failure to pay proper maintenance fees.

14. In February 2003, Invitrogen purchased certain assets of PanVera, including the Phase II Agreement. Soon after, disagreements arose between Oxford and Invitrogen with respect to several provisions of the Phase II Agreement.

15. On October 12, 2005, Oxford filed a lawsuit against Invitrogen in Michigan state court. Oxford's Complaint contained no allegations regarding the term or duration of the Phase II Agreement. Nor did it contain any allegations that Invitrogen infringes the '157 patent, or that the '157 patent (or any other patent) covered the "LICENSED MATERIALS" identified in the Phase II Agreement. Rather, Oxford's Complaint alleged that Invitrogen breached the Phase II Agreement by (1) allegedly failing to supply Oxford with certain "recombinant proteins," (2) allegedly failing to make certain royalty payments to Oxford based on the sale of licensed products specified in the Phase II Agreement, and (3) allegedly failing to offer Oxford a 40% discount on all products produced by PanVera and Invitrogen.

16. Invitrogen removed the case to the United States District Court for the Eastern District of Michigan on November 29, 2005 in light of the complete diversity between the parties. *See Oxford Biomedical Research, Inc. v. Invitrogen Corp.*, No. 5:05-cv-60274 (E.D. Mich., removed Nov. 29, 2005) (the "Michigan Litigation").

17. In the summer of 2007, Invitrogen and Oxford exchanged a series of letters concerning the scope and effect of the Phase II Agreement. In a letter dated July 26, 2007, counsel for Oxford posited, without explanation, that the Phase II Agreement would not terminate until the '157 patent expires.

18. On November 1, 2007, Stuart P. Hepburn, Invitrogen's Vice President of Corporate Development and Contracts, wrote to Denis Callewaert, Oxford's President, to notify him that the Phase II Agreement had expired pursuant to its terms. Mr. Hepburn specifically explained that the '157 patent is a method patent, which by its terms does not cover the LICENSED MATERIALS:

> The only patent of which we are aware that issued relating in any way to the "LICENSED MATERIAL" obtained from Oxford under this Agreement is a Vanderbilt University patent (Patent No. 5,886,157) which covers a "method of purifying a recombinant cytochrome P450 protein from a host cell culture," utilizing certain purification steps (hereinafter the "Vanderbilt Patent"). Importantly, the Vanderbilt Patent does not cover the cell culture host material itself, but covers instead only a method for purifying P450 proteins from that material. The "LICENSED MATERIAL" is defined in the Agreement to include cell culture host materials—specifically, the E coli that have been genetically engineered and which are capable of producing the Cytochrome P450 recombinant proteins, and/or the native unmodified cDNA in a commonly used expression vector for certain human Cytochrome P450s. Although a patent has issued covering a method for purifying P450 proteins from cell culture host materials, no patent has issued covering the cell culture host materials themselves. Consequently, no patent has issued covering the "LICENSED MATERIAL."

Mr. Hepburn's letter goes on to explain that, at any rate, Invitrogen has never practiced the method specified in the '157 patent to purify the P450 proteins from the cell culture host. Accordingly, Mr. Hepburn explained that the Phase II Agreement originally would have expired by its terms on September 11, 2006—10 years after its execution date. As further explained in Mr. Hepburn's letter, Invitrogen offered in early 2007 to extend the term of the Phase II Agreement for an additional one year by presenting its annual royalty check. Oxford accepted this offer by depositing the check. Therefore, the Phase II Agreement expired on September 11, 2007.

19. Oxford did not refute, respond to, or otherwise challenge the facts set forth in Mr. Hepburn's letter.

20. On May 28, 2008, Oxford filed its Opposition to Invitrogen's Motion for Partial Summary Judgment, where, for the first time, it attempted to inject into the Michigan Litigation its factually and legally baseless theory that the '157 patent covered the LICENSED MATERIALS. Here, and not in any other official pleadings, Oxford asserted (without support) that because the '157 patent covered the LICENSED MATERIALS, the Phase II Agreement would not terminate until the '157 patent expires in 2016.

21. Indeed, before May 28, 2008, Oxford had not alleged or even suggested in the Michigan Litigation that the '157 patent covered the LICENSED MATERIALS, nor could they, because Vanderbilt, an essential party to any litigation addressing such claims, is not a party to that Michigan Litigation. As such, no Markman hearing has been requested, scheduled, or argued, Oxford has not identified any method practiced by Invitrogen that it believes infringes the claims of the '157 patent, and Oxford has presented no technical experts to opine on claim construction or infringement issues. Fact discovery and expert discovery in the Michigan Litigation are closed and the trial is set for December of this year.

22. On July 15, 2008, the court in the Michigan Litigation denied the parties' competing motions for partial summary judgment, finding that there were various fact issues pertinent to the contract issues presented by each motion. The motions for summary judgment did not raise or address the scope or enforceability of the '157 patent. As such, the court made no finding with respect to the scope of the '157 patent or its effect on the term of the Phase II Agreement.

23. On June 17, 2008 and July 30, 2008, Oxford served Invitrogen with successive reports from its damages expert in the Michigan Litigation, Glenn C. Sheets. In the expert reports, Mr. Sheets alleges a total of $173 million in damages resulting from Invitrogen's alleged breach of the Phase II Agreement. A significant portion of the $173 million calculation is attributable to anticipated future damages based on the faulty assumptions that (1) the claims of the '157 patent cover the LICENSED MATERIALS (which they do not) and (2) the Phase II Agreement will not terminate until 2016 (which it will not), the date the '157 patent expires.

24. Neither Mr. Sheets's expert reports nor any of Oxford's filings or submissions in the Michigan Litigation contain factual or legal support for the proposition that the claims of the '157 patent cover the LICENSED MATERIALS, or that Invitrogen practices or infringes the claims of the '157 patent. But by incorporating these allegations regarding the '157 patent's validity and scope into the formulation of its damage model for breach of contract, Oxford is proceeding as if these matters have been litigated in its favor. That is, Oxford is attempting to avoid its burden of proving (1) that the claims of the '157 patent cover the LICENSED MATERIALS, and (2) that the processes Invitrogen uses to purify P450 proteins is claimed by the '157 patent.

IV.
PRESENCE OF A CASE OR CONTROVERSY

25. Oxford has attempted to inject into a breach of contract claim in Michigan the scope of Vanderbilt's '157 patent by claiming (1) that the claims of the '157 patent cover the LICENSED MATERIALS, and (2) that Invitrogen practices the method claimed by Vanderbilt's '157 patent. These allegations raise an actual controversy over the scope and validity of the claims of the '157 patent between Invitrogen and Oxford, and between Invitrogen and

Vanderbilt, the assignee of the ’157 patent and an indispensible party to any suit challenging its scope or validity.

V.
COUNT I—DECLARATORY RELIEF REGARDING INVALIDITY

26. This case involves an actual controversy between Invitrogen on the one hand, and Oxford and Vanderbilt on the other, regarding the validity of the ’157 patent.

27. Pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. § 2201 *et seq.*, Invitrogen requests a declaration that claims 1 through 9 of the ’157 patent are invalid because they fail to satisfy the conditions for patentability specified in 35 U.S.C. § 101 *et seq.*, including without limitation, sections 101, 102, 103, and/or 112.

VI.
COUNT II—DECLARATORY RELIEF REGARDING NON-INFRINGEMENT

28. This case involves an actual controversy between Invitrogen on the one hand, and Oxford and Vanderbilt on the other, regarding Invitrogen’s non-infringement of the ’157 patent.

29. Pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. § 2201 *et seq.*, Invitrogen requests a declaration that Invitrogen and PanVera have not and do not currently practice, infringe, induce the infringement, or contribute to the infringement of any valid claim, if any, of the ’157 patent, either literally or under the doctrine of equivalents.

VII.
COUNT III—DECLARATORY RELIEF REGARDING THE TERM OF THE PHASE II AGREEMENT

30. This case involves an actual controversy between Invitrogen and Oxford regarding the term of the Phase II Agreement.

31. Pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. § 2201 *et seq.*, Invitrogen requests a declaration that, in accordance with the terms of the Phase II Agreement, no patent has issued to Vanderbilt that covers the LICENSED MATERIALS and that the Phase II Agreement therefore terminated on September 11, 2007.

VIII.
COUNT IV—DECLARATORY RELIEF REGARDING THE EXPIRATION OF THE '157 PATENT

32. This case involves an actual controversy between Invitrogen on the one hand, and Oxford and Vanderbilt on the other, regarding the expiration of the '157 patent.

33. Pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. § 2201 *et seq.*, Invitrogen requests a declaration the '157 patent has expired for failure to pay the proper maintenance fees. Accordingly, Invitrogen requests a declaration that the '157 patent has expired and is therefore no longer enforceable. Invitrogen also requests a declaration that its activities since expiration are protected under 35 U.S.C. § 41.

IX.
COUNT V—CLAIM FOR ATTORNEYS' FEES UNDER 35 U.S.C. § 285

34. For having brought the Michigan Litigation, and for having asserted as a basis for its damages that the '157 patent covers the LICENSED MATERIALS, and that Invitrogen practiced the method covered by the '157 patent to purify P450 proteins covered by the Phase II Agreement, Oxford has made this an exceptional case. Accordingly, an award of attorneys' fees is justified under 35 U.S.C. § 285.

X.
DEMAND FOR JURY TRIAL

35. Pursuant to Federal Rule of Civil Procedure 38, Invitrogen Corporation demands a jury trial on all issues triable by a jury.

XI.
PRAYER FOR RELIEF

36. Wherefore, Invitrogen respectfully requests that this Court enter judgment in Invitrogen's favor against Oxford and Vanderbilt and issue an order:

a. Declaring that claims 1 through 9 of the '157 patent are invalid;

b. Declaring that Invitrogen and PanVera have not and do not currently practice, infringe, induce the infringement, or contribute to the infringement of any valid claim, if any, of the '157 patent, either literally or under the doctrine of equivalents;

c. Declaring that the '157 patent does not cover the "LICENSED MATERIALS" identified in the Phase II Agreement;

d. Declaring that no patent has issued covering the "LICENSED MATERIALS" identified in the Phase II Agreement and that the Phase II Agreement therefore terminated on September 11, 2007;

e. Declaring that the '157 patent is expired and no longer enforceable and Invitrogen's activities since expiration are protected under 35 U.S.C. § 41;

f. Finding that this case is "exceptional" within the meaning of 35 U.S.C. § 285;

g. Ordering Oxford to pay Invitrogen's reasonable attorneys' fees incurred in connection with this matter; and

h. Awarding Invitrogen its costs and any other such relief as is just and proper.

Date: October 8th, 2008 Respectfully submitted,

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