FEDERAL COURT OF AUSTRALIA

Stratus Medical LLC v Diros Technology Inc [2021] FCA 1330

File number:	NSD 438 of 2019
Judgment of:	**NICHOLAS J**
Date of judgment:	28 October 2021
Catchwords:	**PATENTS** – whether order directing amendment of patent should be made pursuant to s 105(1) of the *Patents Act 1990* (Cth) ("the Act") – whether amendment allowable under s 102 of the Act – whether there exists any discretionary reason justifying refusal of amendment application
Legislation:	*Patents Act 1990* (Cth) ss 40(2), 40(3), 40(3A), 102, 105(1)
Division:	General Division
Registry:	New South Wales
National Practice Area:	Intellectual Property
Sub-area:	Patents and associated Statutes
Number of paragraphs:	12
Date of submissions:	15 October 2021
Date of hearing:	Determined on the papers
Counsel for the Applicant/Cross-Respondent:	Mr NR Murray SC with Mr BA Mee
Solicitor for the Applicant/Cross-Respondent:	Allens
Counsel for the Respondents/Cross-Claimant:	Mr C Dimitriadis SC with Mr AR Hughes
Solicitor for the Respondents/Cross-Claimant:	Konstantine Darmos & Associates

IPR2024-01210
Avanos v. Stratus
Stratus Ex. 2014

ORDERS

NSD 438 of 2019

BETWEEN:	**STRATUS MEDICAL LLC** Applicant
AND:	**DIROS TECHNOLOGY INC** First Respondent
	M MEDICAL PTY LTD (ACN 625 734 634) Second Respondent
AND BETWEEN:	**DIROS TECHNOLOGY INC** Cross-Claimant
AND:	**STRATUS MEDICAL LLC** Cross-Respondent
ORDER MADE BY:	**NICHOLAS J**
DATE OF ORDER:	**28 OCTOBER 2021**

BY CONSENT, THE COURT ORDERS THAT:

1. Pursuant to s 105(1) of the *Patents Act 1990* (Cth), the Court directs that Australian Standard Patent No 2015261694 be amended in the terms set out in the Statement of Proposed Amendment, a copy of which is Annexure A to these orders.
2. Leave be granted to the applicant/cross-respondent to discontinue the proceeding with no order as to costs.
3. Leave be granted to the first respondent/cross-claimant to discontinue its cross-claim filed in the proceeding with no order as to costs.
4. The order made on 25 March 2020 (and the order made on 9 April 2020 varying that order) requiring the applicant/cross-respondent to provide interim security for the first respondent/cross-claimant's costs in the amount of US$150,000 be vacated and the security be returned to the applicant/cross-respondent.
5. All previous costs orders, including with respect to reserved costs, be vacated.

Note: Entry of orders is dealt with in Rule 39.32 of the *Federal Court Rules 2011*.

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Annexure A – Statement of Proposed Amendment

The particulars of the amendment to Australian Standard Patent No 2015261694 sought by the applicant/cross-respondent are as follows:

1. In claim 1, replace “ablation” with “neurotomy”.

REASONS FOR JUDGMENT

NICHOLAS J:

1 In this proceeding the applicant sought relief against the respondents for infringement of Australian Standard Patent No 2015261694 ("the 694 Patent"). The proceeding was defended including by way of a cross-claim seeking revocation of (inter alia) claim 1. The proceeding was settled before the commencement of the trial. The parties entered into a settlement agreement pursuant to which they agreed to various consent orders which I will make (subject to some minor amendments). Those orders include an order pursuant to s 105(1) of the *Patents Act 1990* (Cth) ("the Act") directing the amendment of the 694 Patent.

2 In support of the application for the order under s 105(1) of the Act, the applicant, which is the patentee, has filed a detailed written submission referring to the evidence relied upon in support of the application and the principles governing the post-grant amendment of patent claims. This evidence includes a copy of the complete specification of the 694 Patent as filed on 27 November 2015.

3 The 694 Patent is entitled "Methods and systems for spinal radio frequency neurotomy". The first paragraph of the "summary" states that:

> The present disclosure is directed towards improved methods, systems and related apparatuses for performing thermal ablation in general, and in particular, improved methods, systems, and related apparatuses for performing RF neurotomy, specifically in the region of the spine of a patient.

4 Radiofrequency neurotomy or RF neurotomy (also known as RF ablation of nerves or RF lesion of nerves) is practised by doctors who specialise in the treatment of pain. As the 694 Patent notes, RF neurotomy "uses RF energy to cauterize a target nerve to disrupt the ability of the nerve to transmit pain signals to the brain". It is used to treat pain by targeting and lesioning nerves in any of a number of anatomical spaces, including, for example, treating joint pain such as spinal joint pain.

5 Claim 1 of the 694 Patent is to "[a] radiofrequency ablation system including" a combination of features. Stratus's position is that, when read in light of the specification, claim 1 is a product claim limited to devices that are suitable for RF neurotomy. The dependent product claims 2

to 34 include additional features. The amendment replaces the word “ablation” in claim 1 with “neurotomy”.

6 Section 102 of the Act prohibits an amendment that would cause the complete specification to claim something that:

- extends beyond what was claimed or disclosed in the complete specification as filed taken together with any other prescribed documents;
- would result in a claim that would not in substance fall within the scope of the claims before amendment; or
- would cause the complete specification not to comply with ss 40(2), (3) or (3A) of the Act.

7 In its written submission the applicant refers to expert affidavit evidence on which it relies in support of the amendment indicating that, in the context of the patent specification, the term “ablation” in claim 1 is interchangeable with the term “neurotomy”. There is also evidence from expert witnesses to indicate that a skilled addressee would understand the 694 Patent to be directed to the design of a radio frequency ablation device for use in neurotomy and that claim 1 would be understood on that basis.

8 It is not necessary to determine whether claim 1 in its unamended form should be understood as referring to a radiofrequency neurotomy system rather than a radiofrequency ablation system. I am satisfied that claim 1 in its amended form does not claim matter in substance not disclosed in the specification as filed or matter outside the scope of claim 1 in its unamended form. The amendment will have a narrowing effect on the scope of the claim. There is also no reason to think that the amendment will cause the specification not to comply with ss 40(2), (3) or (3A) of the Act. In fact, the amendment will remove ambiguity from claim 1 and the dependent claims.

9 I am satisfied that the amendment complies with s 102 of the Act.

10 There are no discretionary reasons which I know of that would lead me not to make the order under s 105(1) of the Act which the applicant seeks.

11 In the result I am satisfied that the order sought by the applicant for the amendment of claim 1 of the 694 Patent should be made.

12 Orders accordingly.

I certify that the preceding twelve (12) numbered paragraphs are a true copy of the Reasons for Judgment of the Honourable Justice Nicholas.

Associate:

Dated: 28 October 2021