

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA

TENJIN, LLC,

Plaintiff,

CASE NO.

v.

PARCUS MEDICAL, LLC,

Defendant.

COMPLAINT FOR DAMAGES AND INJUNCTIVE RELIEF
(JURY TRIAL REQUESTED)

Plaintiff TENJIN, LLC ("TENJIN") sues PARCUS MEDICAL, LLC ("PARCUS"), for infringement of certain patents held by TENJIN, breach of contract, and correction of inventorship, and alleges:

THE PARTIES, JURISDICTION AND VENUE

1. TENJIN is a Texas Limited Liability Company having its principal place of business in Brazoria, Texas.

2. PARCUS is a Wisconsin Limited Liability Company having its principal place of business at 6423 Parkland Drive, Sarasota, Florida.

3. The patent causes of action set forth in this complaint arise under 28 U.S.C. §1338(a). The acts Plaintiff alleges infringe the patents held by TENJIN occurred in the Middle District of Florida.

4. The breaches of contract Plaintiff allege hereinafter are so related to the patent claims that they form

part of the same case or controversy under Article III of the United States Constitution. This Court has jurisdiction over the contract claims under 28 U.S.C. §1367.

5. As an alternate source of jurisdiction, TENJIN and PARCUS are citizens of different states and the amount in controversy in this case exceeds \$75,000.00. This Court therefore has jurisdiction under 28 U.S.C. §1332.

6. The events giving rise to this case occurred in the Middle District of Florida. Further, as will be described in more detail in the following paragraphs, TENJIN and PARCUS entered into a License Agreement which provides that all disputes shall be governed by the laws of the State of Florida and that jurisdiction for any dispute shall lie in Florida. Jurisdiction is proper in this court.

7. Venue is proper in this court.

8. All conditions precedent to bringing this suit have been performed or have been waived.

GENERAL ALLEGATIONS

9. TENJIN was formed by Christopher P. Dougherty, D.O.; Gary R. Heisler; and Robert A. Van Wyk. Dr. Dougherty is a board-certified orthopedic surgeon with extensive experience in the field of sports medicine. Mr. Heisler and Mr. Van Wyk are designers having decades of experience in the medical

products field. These three individuals have collaborated to create numerous innovative surgical tools and methods.

10. TENJIN began filing U.S. provisional patent applications covering the new surgical tools and methods developed by Dougherty, Heisler, and Van Wyk in early 2014.

11. In or about August of 2014, Dr. Dougherty and Mr. Van Wyk began discussing the TENJIN products with PARCUS employees Mark Brunsvold and Bart Bracy. These individuals discussed the possibility of PARCUS licensing the TENJIN intellectual property and selling the devices and methods developed by TENJIN.

12. On or about August 18, 2014, TENJIN and PARCUS entered into a non-disclosure agreement ("the NDA"), a copy of which is attached hereto as Exhibit A.

13. Following the execution of the NDA, TENJIN disclosed to PARCUS details of a knotless anchor system incorporating the "TNT" driver, and a bioabsorbable anchor - along with other surgical tools and methods.

14. The information disclosed by TENJIN to PARCUS under the NDA was quite detailed - including mechanical drawings and physical prototypes. Further, TENJIN disclosed its confidential provisional patent filings to PARCUS.

15. Throughout 2015 TEJIN and PARCUS discussed the further development of the TENJIN products, and TENJIN made additional disclosures to PARCUS regarding its products and its patent filings.

16. In August of 2015, TENJIN learned that its U.S. Patent Application No. 14/636,389 had been allowed. TENJIN conveyed this information to PARCUS. This development was significant, in that it was the first of TENJIN's patent filings pertaining to its implant placement systems to be allowed.

17. In September of 2015, PARCUS asked TENJIN to propose licensing terms for its use of the TENJIN intellectual property. Discussions between PARCUS and TENJIN ensued.

18. In or about February of 2016, PARCUS proposed a licensing agreement with TENJIN, whereby PARCUS would exclusively license the TENJIN products and pay a royalty for their use.

19. During this same period, Dr. Dougherty conferred with PARCUS personnel and conferred with other surgeons suggested by PARCUS - all concerning the development and promotion of the TENJIN intellectual property by PARCUS.

20. On or about March 1, 2016, TENJIN and PARCUS entered into a Licensing Agreement ("the Licensing Agreement") whereby PARCUS gained an exclusive license for the manufacturing

and sale of products covered under specified TENJIN patents. A copy of the Licensing Agreement is attached hereto as Exhibit B.

21. Following the execution of the Licensing Agreement, TENJIN continued to disclose its confidential information to PARCUS. This was done via electronic correspondence, in-person meetings, telephonic meetings, and other means. This disclosure of confidential material by TENJIN to PARCUS has been ongoing and has continued over a number of years.

22. Following the execution of the Licensing Agreement, TENJIN worked with PARCUS in the testing and refinement of hardware covered under the TENJIN patents and patent applications.

23. On June 2, 2016, PARCUS filed or caused to be filed U.S. Provisional Patent Application Serial Number 62/344,489. On July 28, 2016, PARCUS filed or caused to be filed U.S. Provisional Patent Application Serial Number 62/368,023. On August 26, 2018, PARCUS filed or caused to be filed U.S. Provisional Patent Application Serial Number 62/722,976. On August 29, 2018, PARCUS filed or caused to be filed U.S. Provisional Patent Application Serial Number 62/724,599. Several additional non-provisional patent applications have claimed the benefit of these provisional

applications, including U.S. Patent Application Serial Number 16/206,736, U.S. Patent Application Serial Number 16/551,705, and Patent Cooperation Treaty App. No. PCT/US2017/035792 (collectively "the PARCUS Patent Applications"). All of these filings were made without the knowledge or consent of TENJIN.

24. The PARCUS Patent Applications list as inventors Mark D. Brunsvold and Bart Bracy. Both these individuals are - or were at the relevant time - PARCUS employees.

25. The inventions claimed in the PARCUS Patent Applications are the result of confidential disclosures made by TENJIN to PARCUS. Based on the information disclosed in the PARCUS Patent Applications, PARCUS has apparently asserted to the United States Patent and Trademark Office that the inventions disclosed by TENJIN to PARCUS are in fact the sole inventions of persons working for PARCUS.

26. Christopher P. Dougherty, D.O., Gary R. Heisler, and Robert A. Van Wyk (all of TENJIN) are at least co-inventors (possibly along with the PARCUS personnel) of the subject matter of the PARCUS Patent Applications.

27. From the signing of the NDA up through the filings of the PARCUS Patent Applications, TENJIN personnel have repeatedly met with employees of PARCUS to disclose in detail the confidential information of TENJIN.

28. During this same time period, PARCUS entered into discussions with Anika Therapeutics, Inc., of Bedford, Massachusetts ("Anika").

29. Anika is a large company that offers a wide range of orthopedic products and services.

30. In or about January of 2020, Anika acquired PARCUS. According to press statements made by PARCUS, Anika's cost of acquiring PARCUS was 35 million U.S. dollars, along with a contingent obligation to pay an additional 60 million U.S. dollars.

31. The disclosures made by PARCUS to Anika during the sale negotiation are not public, and were not shared with TENJIN. However, on information and belief, the acquisition of intellectual property was a substantial component of the purchase price paid by Anika for PARCUS. Further, on information and belief, the intellectual property of TENJIN formed a substantial part of the intellectual property represented to be in the possession of PARCUS at the time of these negotiations and sale.

32. Starting in or about 2018, if not before, and continuing to the present time, PARCUS has made, sold, or offered to sell products falling under the patents licensed by TENJIN to PARCUS.

33. PARCUS has made some royalty payments to TENJIN under the Licensing Agreement. However, the royalty payments made were insufficient to cover the obligations of the License Agreement.

34. TENJIN has provided formal written notice to PARCUS of the insufficient royalty payments, but PARCUS has not taken corrective action.

35. On or about April 1, 2019, TENJIN again contacted PARCUS requesting the payment of the royalty obligations under the Licensing Agreement.

36. On or about June 6, 2019, TENJIN formally notified PARCUS that it was terminating the Licensing Agreement. This action was taken as a result of PARCUS's material breach of the Licensing Agreement.

37. Despite the termination of the Licensing Agreement, PARCUS has continued to make, sell, or offer to sell products falling under patents belonging to TENJIN. PARCUS continues to do so up to the present time.

38. Specifically, and without limitation, PARCUS has marketed products configured to carry out the methods covered in TENJIN's U.S. Patent Nos. 9,717,587 and 9,999,496. A description of PARCUS's products is found in the document entitled "Rotator Cuff Repair" - a copy of which is attached

hereto as Exhibit C. A copy of U.S. Pat. No. 9,717,587 is attached hereto as Exhibit D. A copy of U.S. Pat. No. 9,999,496 is attached hereto as Exhibit E.

39. Further, and without limitation, PARCUS has made, sold, and offered to sell products falling under TENJIN's U.S. Patent No. 11,504,224. A copy of U.S. Pat. No. 11,504,224 is attached hereto as Exhibit F.

40. PARCUS products falling under the claims of TENJIN's patents include - without limitation - the "Twist Knotless DEX," the "SLik Fix Screw-In Tenodesis System," and the anchors and other hardware designed for use with these systems. A PARCUS catalog depicting these products is attached hereto as Exhibit G.

COUNT I - INFRINGEMENT OF U.S. PATENT 11,504,224

41. All allegations recited in the prior paragraphs are realleged and incorporated herein.

42. TENJIN is the assignee of all right, title, and interest in U.S. Pat. No. 11,504,224.

43. Defendant PARCUS is infringing and has infringed and contributed to and induced infringement of U.S. Pat. No. 11,504,224 (hereinafter "the '224 Patent") under one or more provisions of 35 U.S.C. §§271 (a)-(g).

44. PARCUS is aware and has been aware of the '224 Patent - or its corresponding application - throughout the time of the infringing acts. PARCUS's actions in infringing the '224 Patent have been and continue to be willful and deliberate.

45. PARCUS's infringement of the '224 Patent has caused and is causing irreparable harm to TENJIN. TENJIN is entitled to damages in an amount to be determined at trial as a result of PARCUS's infringement, to entry of an injunction against further infringement by PARCUS, to a trebling of damages, and to such other relief as this Court deems just and proper.

COUNT II - PATENT INFRINGEMENT OF U.S. PAT. 9,717,587

All allegations recited in the prior paragraphs are realleged and incorporated herein.

46. TENJIN is the assignee of all right, title, and interest to U.S. Pat. No. 9,717,587.

47. Defendant PARCUS is infringing and has infringed and contributed to and induced infringement of U.S. Pat. No. 9,717,587 (hereinafter "the '587 Patent") under one or more provisions of 35 U.S.C. §§271 (a)-(g).

48. PARCUS is aware and has been aware of the existence of the '587 Patent - or its corresponding application - throughout the time of the infringing acts. PARCUS's actions

in infringing the '587 Patent have been and continue to be willful and deliberate.

49. PARCUS's infringement of the '587 Patent has caused and is causing irreparable harm to TENJIN. TENJIN is entitled to damages in an amount to be determined at trial as a result of PARCUS's infringement, to entry of an injunction against further infringement by PARCUS, to a trebling of damages, and to such other relief as this Court deems just and proper.

COUNT III - PATENT INFRINGEMENT OF U.S. PAT. 9,999,496

50. All allegations recited in the prior paragraphs are realleged and incorporated herein.

51. TENJIN is the assignee of all right, title, and interest to U.S. Pat. No. 9,999,496.

52. Defendant PARCUS is infringing and has infringed and contributed to and induced infringement of U.S. Pat. No. 9,999,496 (hereinafter "the '496 Patent").

53. PARCUS is aware and has been aware of the existence of the '496 Patent - or its corresponding application - throughout the time of the infringing acts. PARCUS's actions in infringing the '496 Patent have been and continue to be willful and deliberate.

54. PARCUS's infringement of the '496 Patent has caused and is causing irreparable harm to TENJIN. TENJIN is entitled to damages in an amount to be determined at trial as a result of PARCUS's infringement, to entry of an injunction against further infringement by PARCUS, to a trebling of damages, and to such other relief as this Court deems just and proper.

COUNT IV - BREACH OF CONTRACT

55. All allegations recited in the prior paragraphs are realleged and incorporated herein.

56. The Licensing Agreement restricted the disclosure of any confidential information provided by TENJIN to PARCUS, among other things.

57. In violation of the Licensing Agreement, PARCUS caused to be published and otherwise revealed the confidential information of TENJIN.

58. As a proximate result of PARCUS's disclosure, TENJIN has suffered damages in an amount to be determined at trial.

COUNT V - BREACH OF CONTRACT

59. All allegations recited in the prior paragraphs are realleged and incorporated herein.

60. The Licensing Agreement obligated PARCUS to pay royalties for the use of products falling under TENJIN's patents.

61. Prior to the termination of the Licensing Agreement, PARCUS sold products that were subject to the royalty obligation but failed to pay the royalty. Alternatively, PARCUS paid some royalty but failed to pay the full royalty.

62. As a proximate result of PARCUS's breach of the Licensing Agreement, TENJIN has suffered damages in an amount to be determined at trial.

COUNT VI - CORRECTION OF INVENTORSHIP

63. All allegations recited in the prior paragraphs are realleged and incorporated herein.

64. The PARCUS Patent Applications, and any additional patent applications claiming the benefit thereof, have failed to name all the true inventors of the subject matter disclosed and claimed therein.

65. At least some of the PARCUS Patent Applications have now become issued patents. Application No. 16/206,736 has issued on October 4, 2022 as U.S. Pat. No. 11,457,912. Application No. 16/551,705 has received a notice of allowance and is expected to issue as U.S. Pat. No. 11,517,301 on December 6, 2022.

66. Christopher P. Dougherty, Gary R. Heisler, and Robert A. Van Wyk (all of TENJIN) are all properly named inventors of one or more of the PARCUS Patent Applications. Alternatively, one or more of Christopher P. Dougherty, Gary R. Heisler, and Robert A. Van Wyk (all of TENJIN) are all properly named inventors of one or more of the patents issued on the PARCUS Patent Applications.

67. Pursuant to the provisions of 35 U.S.C. §256(b), TENJIN requests that this Court enter an order requiring the correction of the named inventors on the patents issued on the PARCUS Patent Applications.

PRAYER FOR RELIEF -ALL COUNTS

WHEREFORE, TENJIN prays for relief against PARCUS and requests that the Court enter judgment against PARCUS and in favor of TENJIN as follows:

- A. That the Court hold that PARCUS has infringed the '587, '496, and '224 Patents;
- B. That the Court enter a permanent injunction against further infringement of the '587, '496, and '224 Patents;
- C. That the Court order PARCUS to pay compensatory damages to TENJIN pursuant to 35 U.S.C. §284;

- D. That the Court find each Defendant guilty of willful infringement of the '587,'496, and '224 Patents and enter an order trebling damages pursuant to 35 U.S.C. §285;
- E. That the Court deem this an exceptional case and award TENJIN reasonable attorney fees and costs pursuant to 35 U.S.C. §285;
- F. That the Court order PARCUS to pay compensatory damages to TENJIN for breach of contract;
- G. That the Court order the correction of inventorship for the patents issued on the PARCUS Patent Applications; and
- H. Such other relief as the Court deems just and proper.

JURY TRIAL

TENJIN hereby requests a trial by jury pursuant to Fed.R.Civ.P. 38(b) on all issues so triable.

Dated: December 15, 2022

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