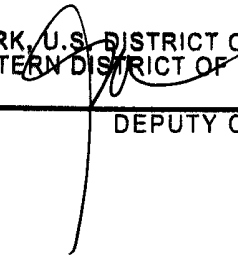


FILED

OCT 18 2010

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION**

CLERK, U.S. DISTRICT COURT
WESTERN DISTRICT OF TEXAS
BY 
DEPUTY CLERK

**KINETIC CONCEPTS, INC.,
KCI LICENSING, INC., KCI USA, INC.,
and WAKE FOREST UNIVERSITY
HEALTH SCIENCES,**

Plaintiffs,

VS.

**BLUESKY MEDICAL CORPORATION,
SMITH & NEPHEW, INC., SMITH &
NEPHEW HOLDINGS, INC., AND SMITH
& NEPHEW PLC,**

Defendants.

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NO. SA-08-CV-102-WRF

PLAINTIFFS' SUPPLEMENTAL COMPLAINT

Kinetic Concepts, Inc., Wake Forest University Health Sciences, KCI Licensing, Inc., KCI Medical Resources, Medical Holdings Limited, KCI Manufacturing, and KCI USA, Inc. (collectively, "Plaintiffs") hereby supplement their Third Amended Complaint, Docket No. 110.

STANDING OF KCI LICENSING, INC., KCI MEDICAL RESOURCES, KCI MEDICAL HOLDINGS LIMITED, KCI MANUFACTURING, AND KCI USA, INC.

1. On June 24, 2010, the Court issued an Order Granting Smith & Nephew's Renewed Motion to Dismiss Certain KCI Entities ("Order"), Docket No. 561. This Order dismissed KCI Licensing, Inc. ("KCI Licensing"), KCI Medical Resources, Medical Holdings Limited, KCI Manufacturing, and KCI USA, Inc. ("KCI USA") from the present action for alleged lack of standing.
2. On July 8, 2010, without waiving the right to appeal or otherwise challenge the Order, Kinetic Concepts, Inc. and KCI Licensing executed a fresh sublicense agreement

(hereinafter, the "New Agreement") granting to KCI Licensing "an exclusive sublicense to all of Licensor's rights and obligations under the Wake Forest License related to the Licensed Technology to Licensee, including the right for Licensee to grant sublicenses to the Licensed Technology, including the right for Licensee to grant sublicenses to the Licensed Technology, and to join with the Licensor in enforcing any of the sublicensed rights against acts of infringement." The New Agreement further "includes a promise by Licensor that it will grant no further sublicenses to the Licensed Technology."

3. On July 8, 2010, without waiving the right to appeal or otherwise challenge the Order, Addenda acknowledging the New Agreement were executed to the agreements granting sublicenses to KCI Medical Resources, Medical Holdings Ltd, KCI Manufacturing and KCI USA.

4. On information and belief, Smith & Nephew, Inc.'s ("Smith & Nephew") same acts of direct and indirect infringement alleged in the Third Amended Complaint have continued after July 8, 2010, and these acts threaten to continue and indeed to grow in the future. This continued infringement is evidenced by, among other things, Smith & Nephew's announcement that it would continue to sell accused products following the jury's verdict finding that Smith & Nephew failed to prove that the asserted claims were invalid and that Smith & Nephew infringed the Wake Forest patents, Smith & Nephew's present advertising of its accused products, Smith & Nephew's ongoing sponsorship of seminars training healthcare professionals to use the accused products, and Smith & Nephew's ongoing sales and offers to sell accused products.

5. In light of the foregoing, all Plaintiffs have standing to maintain the present action. In particular, KCI Licensing, KCI Medical Resources, Medical Holdings Ltd, KCI

Manufacturing and KCI USA all have standing to sue Smith & Nephew for acts of infringement occurring on and after July 8, 2010.

PRAYER FOR RELIEF

WHEREFORE, KCI Licensing, KCI Medical Resources, Medical Holdings Ltd, KCI Manufacturing and KCI USA are entitled to be added again as plaintiffs in the present suit. All Plaintiffs reaffirm that Smith & Nephew, Inc. is not entitled to any relief sought, and pray again that judgment be entered in Plaintiffs' favor and that Plaintiffs be awarded a permanent injunction, costs, attorney's fees, and any other relief the Court deems appropriate.

July 9, 2010

AKIN GUMP STRAUSS HAUER & FELD L.L.P.

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HEALTH SCIENCES

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing document was filed electronically in compliance with Local Rule CV-5(a). As such, this Motion was served on all counsel who are deemed to have consented to electronic service. Local Rule CV-5(b)(1). Pursuant to Fed. R. Civ. P. 5(a)-(d) and Local Rule CV-5(b)(2), all other counsel or record not deemed to have consented to electronic service were served with a true and correct copy of the foregoing by email and/or fax, on this the 9th day of July, 2010.

R. Laurence Macon

R. LAURENCE MACON