

1 MATTHEW W. MESKELL (State Bar No. 208263)
mmeskell@twtlaw.com

2 W. PAUL SCHUCK (State Bar. No. 203717)
pschuck@twtlaw.com

3 SONY B. BARARI (State Bar No. 243379)
sbarari@twtlaw.com

4 **THOMAS WHITELAW & KATZ LLP**
Three Embarcadero Center, Suite 1350
5 San Francisco, California 94111-4037
Telephone: (415) 820-0400
6 Facsimile: (415) 820-0405

7 CHARLES K. VERHOEVEN (State Bar No. 170151)
charlesverhoeven@quinnemanuel.com

8 **QUINN EMANUEL URQUHART & SULLIVAN, LLP**
50 California Street, 22nd Floor
9 San Francisco, California 94111
Telephone: (415) 875-6600
10 Facsimile: (415) 975-6700

11 Attorneys for Plaintiff NATERA, INC.

12 UNITED STATES DISTRICT COURT
13 NORTHERN DISTRICT OF CALIFORNIA
14 SAN FRANCISCO DIVISION
15

16 NATERA, INC.

17 Plaintiff,

18 vs.

19 SEQUENOM, INC. and ISIS INNOVATION
20 LIMITED,

21 Defendants.

CASE NO. 12-CV-00132 SI

FIRST AMENDED COMPLAINT

DEMAND FOR JURY TRIAL

1 **NATURE OF THE ACTION**

2 1. Plaintiff Natera, Inc. (“Natera”) brings this action under the Declaratory Judgment
3 Act and the patent laws of the United States against Sequenom, Inc. (“Sequenom”) and Isis
4 Innovation Limited (“Isis”) for a declaration that Natera’s non-invasive, pre-natal paternity test
5 (“Non-Invasive Paternity Test”) and activities related thereto do not directly infringe, whether
6 literally or under the doctrine of equivalents, or contribute to or induce the infringement of any
7 claim of U.S. Patent Number 6,258,540 (“the ’540 patent”) and that one or more claims of the
8 ’540 patent are invalid and unenforceable. A copy of the ’540 patent is attached hereto as Exhibit
9 A.

10 **THE PARTIES**

11 2. Natera is a Delaware corporation with its principal place of business in this judicial
12 District at 2686 Middlefield Road, Suite C, Redwood City, California.

13 3. Upon information and belief, Sequenom is a Delaware corporation with its
14 principal place of business at 3595 John Hopkins Court, San Diego, California.

15 4. Upon information and belief, Isis is a British company whose registered office is at
16 University Offices, Wellington Square, Oxford OX1 2JD, England.

17 **JURISDICTION**

18 5. This is an action for declaratory relief of patent non-infringement and invalidity
19 arising under the laws of the United States, including Title 35 of the United States Code.

20 6. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1338(a),
21 2201, and 2202. As set forth in more detail below, an actual controversy exists between Natera
22 and both Sequenom and Isis regarding infringement and validity of the ’540 patent because
23 Sequenom has represented that the patent is valid and that Natera must license the ’540 patent to
24 practice Natera’s Non-Invasive Paternity Test. In fact, Natera’s Non-Invasive Paternity Test does
25 not infringe the ’540 patent and/or one or more claims of the ’540 patent are invalid.

26 **VENUE**

27 7. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b), (c) & (d).
28 Sequenom is subject to personal jurisdiction here and therefore resides in this District, and on

1 information and belief, Isis is also subject to personal jurisdiction in California. Moreover, as
2 described below, a substantial part of the events giving rise to Natera's First Amended Complaint
3 occurred in this District.

4 **INTRADISTRICT ASSIGNMENT**

5 8. This is an intellectual property action and, therefore, under Civil Local Rules 3-5(b)
6 and 3-2(c), may be assigned to any division in this District.

7 **ALLEGATIONS COMMON TO ALL CLAIMS**

8 **Natera's Non-Invasive Paternity Test**

9 9. Natera's Non-Invasive Paternity Test is intended to confirm the paternity or non-
10 paternity of a gestating fetus from genetic information in fetal DNA available in the blood of the
11 pregnant mother.

12 10. Natera has invested significant capital and years of research to develop this test. As
13 a result of these efforts, Natera's Non-Invasive Paternity Test now represents a significant
14 advancement in ease of use and reliability compared to other tests.

15 11. Natera licenses its Non-Invasive Paternity Test for commercial use within the
16 United States. Natera's licensees include the two leading companies in paternity testing world-
17 wide.

18 12. Among Natera's licensees is DNA Diagnostics Center, Inc. ("DDC"). Upon
19 information and belief, DDC operates several centers for the collection of genetic material within
20 this judicial District.

21 13. Natera began offering its Non-Invasive Paternity Test on or about August 2011. As
22 of the date of this filing, Natera and its licensees continue to offer the test.

23 **The '540 patent**

24 14. The '540 patent is entitled "Non-Invasive Prenatal Diagnosis" and lists its date of
25 issuance as July 10, 2001. The named inventors on the '540 patent are Yuk-Ming Dennis Lo and
26 James Stephen Wainscoat.

27 15. On or about December 6, 2011, Sequenom represented to Natera that Sequenom is
28 the exclusive licensee of the '540 patent.

1 16. On information and belief, Isis is the assignee of the '540 patent.

2 **Sequenom's threats against Natera and Natera's licensee**

3 17. Upon information and belief, Mr. Dereck Tatman is an officer of Sequenom whose
4 title is Vice President, Business Development.

5 18. Dr. Matthew Rabinowitz is the CEO of Natera. On or about August 22, 2011, Mr.
6 Tatman emailed Dr. Rabinowitz regarding Natera's Non-Invasive Paternity Test. In this email,
7 Mr. Tatman wrote as follows: "As I am sure that you are aware, Sequenom holds an exclusive
8 license to patent rights related to detecting fetal nucleic acids from maternal circulation, and as
9 such, the noninvasive paternity test requires a license."

10 19. On or about August 23, 2011, Dr. Rabinowitz responded in email to Mr. Tatman
11 that Natera's Non-Invasive Paternity Test did not in any way violate Sequenom's intellectual
12 property.

13 20. On or about December 6, 2011, Natera received a letter from Mr. Michael Malecek,
14 Esq., a partner with the law firm Kaye Scholer LLP. Mr. Malecek's biographic information on his
15 firm's website describes him as a partner who practices, among other things, as part of the
16 "Intellectual Property Litigation" practice group.

17 21. Mr. Malacek's letter to Natera stated that his firm represents Sequenom and that the
18 '540 patent "has been exclusively licensed to Sequenom, Inc." After citing to claim language
19 from the '540 patent, Mr. Malacek concluded by writing as follows: "If you believe that the '540
20 patent is not relevant to [Natera's] activities, please provide a detailed explanation of the reasons
21 for such belief, in writing, to me by January 6, 2012."

22 22. On or about January 4, 2012, Mr. Tatman emailed Dr. Rabinowitz concerning
23 Natera's Non-Invasive Paternity Test. Mr. Tatman reiterated his earlier position regarding
24 Natera's need for a license: "I did talk to the team today and in the end there is simply not an
25 understanding here of how the paternity test does not require a license from us and the
26 noninfringement arguments around that."

27 23. Sequenom has also contacted DDC regarding Natera's Non-Invasive Paternity
28 Test. Upon information and belief, Mr. Peter Vitulli is the President and CEO of DDC. On or

1 about August 17, 2011, Mr. Tatman emailed Mr. Vitulli regarding Natera's Non-Invasive
2 Paternity Test and stated that DDC needs a license from Sequenom to practice the test.

3 24. Subsequently, on or about December 6, 2011, Mr. Malacek sent DDC a letter. Mr.
4 Malacek's letter to DDC was nearly identical to the letter he sent to Natera, described in paragraph
5 19 above. Mr. Malacek's letter to DDC stated that his firm represents Sequenom and that the '540
6 patent "has been exclusively licensed to Sequenom, Inc." After citing to claim language from the
7 '540 patent, Mr. Malacek concluded by writing as follows: "If you believe that the '540 patent is
8 not relevant to DDC's activities, please provide a detailed explanation of the reasons for such
9 belief, in writing, to me by January 6, 2012."

10 **FIRST CLAIM FOR RELIEF**

11 **(Declaratory Judgment of Non-Infringement of U.S. Patent Number 6,258,540)**

12 25. Natera re-alleges and incorporates by reference the allegations set forth in
13 paragraphs 1 through 24 of this complaint as if fully set forth herein.

14 26. An actual and justiciable controversy has arisen and exists between Natera and both
15 Sequenom and Isis regarding whether Natera's Non-Invasive Paternity Test and activities related
16 thereto infringe the '540 patent.

17 27. Natera is entitled to a declaratory judgment that Natera's Non-Invasive Paternity
18 Test and activities related thereto do not infringe, directly, contributorily, or by inducement, any
19 valid, enforceable claim of the '540 patent, either literally or under the doctrine of equivalents, and
20 have not done so in the past.

21 **SECOND CLAIM FOR RELIEF**

22 **(Declaratory Judgment of Invalidity of U.S. Patent Number 6,258,540)**

23 28. Natera re-alleges and incorporates by reference the allegations set forth in
24 paragraphs 1 through 27 of this complaint as if fully set forth herein.

25 29. An actual and justiciable controversy has arisen and exists between Natera and both
26 Sequenom and Isis regarding the invalidity of one or more of the claims of the '540 patent.

27 30. Natera is entitled to a declaratory judgment that one or more claims of the '540
28 patent are invalid for failure to comply with the requirements of the patent laws of the United

1 States as set forth in Title 35 of the United States Code, including without limitation §§ 101, 102,
2 103 and/or 112.

3 **PRAYER FOR RELIEF**

4 WHEREFORE, Natera prays for relief as follows:

5 A. Judgment in Natera's favor on all claims for relief;

6 B. A declaration that Natera's Non-Invasive Paternity Test and activities related
7 thereto do not infringe, directly, contributorily, or by inducement, any valid, enforceable claim of
8 the '540 patent, either literally or under the doctrine of equivalents, and have not done so in the
9 past;

10 C. A declaration that one or more claims of the '540 patent are invalid for failure to
11 comply with the requirements of the patent laws of the United States as set forth in Title 35 of the
12 United States Code, including without limitation §§ 101, 102, 103 and/or 112;

13 D. An award to Natera of its costs and reasonable expenses to the fullest extent
14 permitted by law;

15 E. A declaration that this case is exceptional under 35 U.S.C. § 285 and an award of
16 attorneys' fees and costs; and

17 F. An award of such other and further relief as the Court may deem just and proper.

18 **DEMAND FOR JURY TRIAL**

19 Pursuant to Federal Rule of Civil Procedure 38(b) and Civil Local Rule 3-6(a), Natera
20 hereby demands a trial by jury on all issues so triable.

21
22 DATED: February 28, 2012

THOMAS WHITE LAW & KATZ LLP

23
24 By: /s/ Matthew W. Meskell

MATTHEW W. MESKELL

25 W. PAUL SCHUCK

26 SONY B. BARARI

Attorneys for Plaintiff NATERA, INC.

27
28