

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF TENNESSEE  
WESTERN DIVISION

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MEDTRONIC SOFAMOR DANEK, INC., )  
)  
Plaintiff/ )  
Counterclaim Defendant.)

vs. )

No. 01-2373-M1V

GARY KARLIN MICHELSON, M.D. )  
and KARLIN TECHNOLOGY, INC., )  
)  
Defendants/ )  
Counterclaimants, )

and )

GARY K. MICHELSON, M.D., )  
)  
Third Party Plaintiff,.)

vs. )

SOFAMOR DANEK HOLDINGS, INC., )  
)  
Third Party Defendant.)

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ORDER GRANTING DEFENDANTS' MOTION TO COMPEL  
THE IMMEDIATE PRODUCTION OF SCHEDULES OF INTELLECTUAL PROPERTY

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Before the court is the motion of the defendants, Gary Karlin Michelson and Karlin Technology, Inc., filed July 16, 2003, seeking to compel the plaintiff/counterdefendant Medtronic Sofamor Danek, Inc. ("Medtronic") to immediately produce prior versions of, and documents substantially similar to, documents that this court ordered produced on April 10, 2003 and again on July 3, 2003 after

in camera review. Such documents include schedules that list Medtronic's putative ownership and licensee interests in intellectual property. The motion was referred to the United States Magistrate Judge for a determination. For the reasons that follow, the motion is granted.

This case involves a dispute between the parties over Medtronic's rights to intellectual property purportedly invented by Michelson in the field of spinal fusion technology. In early 2003, the defendants asked the court to compel production of intellectual property lists identified as Items 5 and 6 on Medtronic's then-current privilege log.<sup>1</sup> The court granted the motion but permitted Medtronic to redact work product and attorney-client privileged

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<sup>1</sup> The schedules were part of the Medtronic-Sofamor Danek merger agreement. As noted in this court's order of April 10, 2003 granting that motion to compel:

Item 5 identified as privileged two reports prepared by the law firm of Woodward, Emhardt on October 23, 1998, and described as: "Company Disclosure Schedule 3.13 Attachments: SDGI Holdings Status Report; and Sofamor Danek Holdings, Inc. Status Report with summary of intellectual property positions." Item 6 identified as privileged several other reports: "Medtronic Sofamor Danek, Inc. - Due Diligence Information Attachments: Section 3.13 IP Rights; Sofamor Danek Pending IP Litigations; SDGI Holdings Status Report; Sofamor Danek Holdings, Inc. Status Report; Schedule 3.13B - Michelson Cage Technology."

Order Granting in Part Defendant Michelson's Motion to Compel the Production of Merger Lists, *Medtronic Sofamor Danek, Inc. v. Michelson*, Civil Case No. 01-2373 (W.D. Tenn. Apr. 11, 2003).

information. After Medtronic produced heavily-redacted documents, Michelson requested an *in camera* review. On review, this court found that Medtronic's claims of privilege were unfounded and ordered Medtronic to produce unredacted versions of the merger agreement lists.<sup>2</sup>

As described in detail in the parties' briefs preceding the April 11, 2003 order, the merger agreement lists were prepared by the law firms of Woodard, Emhardt, Naughton, Moriarty & McNett and Finnegan, Henderson, Farabow, Garrett & Dunner. Both firms had acted as counsel for Medtronic, and it was understood that the merger agreement lists at issue were merely then-current installments of reports periodically prepared by those law firms.

After Medtronic produced the merger agreement lists, the defendants also requested any earlier versions of the same lists. According to the parties' briefs, Medtronic now has advised Michelson that earlier versions do exist, that Medtronic has recovered some and is still searching for others, and that Medtronic has every intention of supplying them or of identifying them in Medtronic's privilege log after a privilege review. Medtronic claims it has no obligation to immediately produce the

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<sup>2</sup> See Order on Production of Documents after In Camera Review, *Medtronic Sofamor Danek, Inc. v. Michelson*, Civil Case No. 01-2373 (W.D. Tenn. July 3, 2003).

documents, relying on the district court's schedule establishing deadlines for supplemental discovery responses. Michelson seeks immediate production on grounds that the court already has established that such schedules are relevant and non-privileged. In addition, Michelson argues that the schedules are relevant to motions for partial summary judgment that currently are under the district court judge's consideration.

The existing discovery schedule is not designed to be a vehicle by which Medtronic may re-assert at its leisure privilege claims already found by the court to be insufficient. Medtronic does not argue that the content or form of the documents now being withheld for "privilege review" differ in any significant way from those already produced as merger agreement lists. Nor does Medtronic give any justification for its failure to diligently seek and identify these documents in response to prior discovery requests. In addition, the defendants may be prejudiced if they are denied review while partial motions for summary judgment still are pending.

For the foregoing reasons, Michelson's motion is granted. Medtronic is instructed to produce, within seven (7) days of the date of service of this order, all prior versions which exist in hard copy of the merger agreement lists addressed in this court's orders of April 11, 2003 and July 3, 2003, as well as any

substantially similar schedules or lists periodically prepared by the Woodward and Finnegan firms and which are currently in Medtronic's possession. Production of those versions existing on computer backup tapes and in electronic format will be governed by the electronic discovery order. If Medtronic claims any such schedules or lists do not exist, Medtronic is instructed to so state under oath in a supplemental response to Michelson's document requests within seven (7) days of service of this order. By August 30, 2003, Medtronic shall supplement its disclosures by production of any additional hard copies which have come into its possession. Substantial daily monetary sanctions will be imposed if Medtronic fails to produce the documents now in its possession within 7 days of the date of service of this order.

IT IS SO ORDERED this 7th day of August, 2003.

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DIANE K. VESCOVO  
UNITED STATES MAGISTRATE JUDGE