IN THE UNITED STATES DISTRICT COURT

FOR THE WESTERN DISTRICT OF WISCONSIN

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THIRD WAVE TECHNOLOGIES, INC.,

Plaintiff,

v.

STRATAGENE CORPORATION,

Defendant.

ORDER

04-C-680-C

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In response to an order denying defendant Stratagene Corporation's motion to dismiss for lack of subject matter jurisdiction, defendant has moved to amend its complaint to plead lack of subject matter jurisdiction and standing as defenses to plaintiff's patent infringement claims. Defendant contends that the two patents at issue in this case are owned by the University of Wisconsin as a matter of law pursuant to the Bayh-Dole Act. This motion will be denied as futile.

Although Fed. R. Civ. P. 15(a) provides that a district court shall freely grant leave to amend "when justice so requires," the rule does not command that leave be granted every time. <u>Thompson v. Illinois Dept. of Professional Regulation</u>, 300 F.3d 750, 759 (7th Cir. 2002). A court may deny leave to amend when (1) there is undue delay; (2) there is a

dilatory motive on the movant's part; (3) the movant has failed repeatedly to cure previous deficiencies; or (4) amendment would be futile. Cognitest Corp. v. Venture Stores, Inc., 56 F.3d 771, 773 (7th Cir. 1995); Moore v. State of Indiana, 999 F.2d 1125, 1128 (7th Cir. 1993) (well settled that leave to amend complaint should not be granted in situations in which amendment would be futile). The decision to grant or deny leave to amend rests with the sound discretion of the district court. J.D. Marshall Int'l Inc. v. Redstart, Inc., 935 F.2d 815, 819 (7th Cir. 1991).

First, defendant has mischaracterized yet again the issue of plaintiff's ability to prove that it is the valid owner of the patents at issue as one of subject matter jurisdiction. As I explained in the order denying defendant's motion to dismiss, "[t]he test for standing, as for jurisdiction generally is what the complaint alleges, not what the evidence shows." Harris v. City of Zion, Lake County, Ill., 927 F.2d 1401, 1406 (7th Cir. 1991). "If a plaintiff merely fails to *prove* injury, his failure goes to damages . . . rather than to jurisdiction." American Civil Liberties Union of Illinois v. City of St. Charles, 794 F.2d 265, 269 (7th Cir. 1986) (emphasis in original). Even if defendant were correct that the issue is a question of jurisdiction, lack of subject matter jurisdiction is not a "defense" and it is not subject to waiver. Thus, defendant's admission that the court has subject matter jurisdiction has no legal import. Insurance Corp. of Ireland, Ltd. v. Compagnie des Bauxites de Guinee, 456 U.S. 694, 702 (1982) ("no action of the parties can confer subject-matter jurisdiction upon

a federal court").

Although defendant's general admission that there is subject matter jurisdiction has no real effect, its admission of specific jurisdictional facts might. "In many cases, uncontested factual stipulations can resolve a jurisdictional question." Weaver v. Hollywood Casino-Aurora, Inc., 255 F.3d 379, 384-85 (7th Cir. 2001); see, e.g., Prizevoits v. Indiana Bell Telephone Co., 76 F.3d 132, 134-35 (7th Cir. 1996) (party admission of citizenship sufficient basis for finding diversity jurisdiction). (Of course, jurisdictional facts are never entirely free from judicial scrutiny.) Id.) Had defendant admitted that plaintiff was the valid owner of the two patents at issue, it might need to amend its answer. But that is not the case here. In its original answer, defendant indicated that it was without sufficient information to form a belief as to the truth of plaintiff's allegations that it is the owner of the patents at issue by valid assignment. Dft.'s Answer, dkt. #12, at 2, ¶¶ 10-11. A party's response that it is without information or knowledge to either admit or deny an allegation is treated as a denial. Fed. R. Civ. P. 8(b). Thus, the unconditional denial contained in defendant's amended complaint that plaintiff is not the valid owner of the patents at issue would work no legal change. See Deft.'s Amend. Answer, dkt. #64, at 2, ¶¶ 10-11.

Because the proposed amended answer contains only changes to the wording and not to the effect of the original complaint, I will deny defendant's motion to amend for futility. To ameliorate any lingering concerns defendant may have, I remind it that it will have an

opportunity to present its evidence and arguments regarding the valid ownership of the patents. Plaintiff's pending motion for summary judgment deals only with infringement and not damages. Thus, even if I were to grant the motion, the case would proceed to trial on the issue of damages. For plaintiff to show that it has suffered injury that entitles it to damages, it will have to prove that it is the valid owner of the two patents in issue. Defendant may present its evidence related to the Bayh-Dole Act at that time. I will not enter a damages award without first determining whether plaintiff's assignment is valid.

ORDER

IT IS ORDERED that defendant's motion for leave to file an amended complaint is DENIED.

Entered this 11th day of July, 2005.

BY THE COURT:

Barbara B. Crabb

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BARBARA B. CRABB
District Judge