Medtronic Settles Global Patent Litigation with Edwards Lifesciences

May 20, 2014 6:15 AM CT

TAVI and Surgical Patent Cases Resolved

MINNEAPOLIS - May 20, 2014 - Medtronic, Inc. (NYSE: MDT) announced that it has reached a global patent settlement agreement with Edwards Lifesciences Corporation (NYSE:EW).

Under the terms of the cross-license settlement agreement, the parties will dismiss all of the pending litigation matters and patent office actions between them, and grant each other broad releases to patent litigation claims. Medtronic will pay Edwards a one-time payment of $750 million, and ongoing royalty payments through April 2022 based on a percentage of CoreValve sales, in payments of no less than $40 million annually.

In addition to settling the pending lawsuits with cross-licenses, Medtronic and Edwards have agreed that neither party will sue the other for patent matters anywhere in the world for eight years in the field of aortic and all other transcatheter heart valves.

"This agreement brings to an end years of disputes between our companies related to TAVI patents, and allows both companies to make their respective therapies available to physicians and patients around the world," said John Liddicoat M.D., president of the Structural Heart business at Medtronic. "With this resolution, we are pleased that Medtronic will be able to continue to provide the CoreValve® System, as well as other products, to patients who need them in the U.S. and abroad without the overhang of any potential injunction or additional damages. "

In the agreement, neither Medtronic nor Edwards have admitted that their products infringe any patents or that any patents are invalid.

About CoreValve
The CoreValve System received approval from the FDA in January 2014. Based on the strength of the clinical data, the FDA quickly reviewed and approved the CoreValve System for patients at extreme risk for surgical valve replacement in January. The CoreValve System is not yet approved in the U.S. for other patient groups.

Data presented at the American College of Cardiology (ACC) annual meeting in March 2014 and simultaneously published in *The New England Journal of Medicine* showed that patient results with CoreValve System were superior to surgical aortic valve replacement (SAVR) at one year in patients at increased risk for surgery. This is the first time a prospective, randomized study has shown any transcatheter aortic valve to be superior to surgery.

Upon reviewing the CoreValve Trial's results for high-risk patients, the FDA determined it has sufficient information to evaluate the safety and efficacy of the Medtronic CoreValve System for this patient group without the need for an external expert panel. As such Medtronic anticipates FDA approval of the CoreValve System for high-risk patients sometime this summer.

In collaboration with leading clinicians, researchers and scientists worldwide, Medtronic offers the broadest range of innovative medical technology for the interventional and surgical treatment of cardiovascular disease and cardiac arrhythmias. The company strives to offer products and services that deliver clinical and economic value to healthcare consumers and providers around the world.

About Medtronic
Medtronic, Inc. (www.medtronic.com), headquartered in Minneapolis, is the global leader in medical technology - alleviating pain, restoring health, and extending life for millions of people around the world.

Any forward-looking statements are subject to risks and uncertainties such as those described in Medtronic's periodic reports on file with the Securities and Exchange Commission. Actual results may differ materially from anticipated results.

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