UNITED STATES DISTRICT COURT
DISTRICT OF DELAWARE

MEDTRONIC, INC., a Minnesota corporation, Plaintiff, v. BOSTON SCIENTIFIC CORPORATION, a Delaware corporation, GUIDANT CORPORATION, an Indiana corporation and MIROWSKI FAMILY VENTURES L.L.C., a Maryland limited liability corporation, Defendants.	)	Case No. 07-823-SLR

PLAINTIFF'S REPLY TO MIROWSKI FAMILY VENTURES L.L.C. COUNTER CLAIM

Plaintiff Medtronic, Inc. hereby replies to the Counterclaim of Defendant Mirowski Family Ventures L.L.C. ("MFV"). Except as expressly admitted below, Plaintiff denies each and every allegation contained in MFV's Counterclaim.

1. Medtronic admits the allegation in the first paragraph of MFV's Counterclaim (numbered paragraph 41).

2. Medtronic admits the allegation in the second paragraph of MFV's Counterclaim (numbered paragraph 42).

3. Medtronic admits in part the allegations in the third paragraph of MFV's Counterclaim (numbered paragraph 43) and denies the balance of the allegations as they do not fully and accurately recite jurisdiction and venue as to MFV's counterclaim. There is a pending action in the Southern District of Indiana between the parties on the '288 patent, which is the subject of the

escrow agreement that is the basis of MFV's Counterclaim. (IP 02-0328 C-H/K.) That action is currently stayed.

4. Medtronic admits the allegations in the fourth paragraph of MFV's Counterclaim (numbered paragraph 44).

5. Medtronic admits in part the allegations in the fifth paragraph of MFV's Counterclaim (numbered paragraph 45) and denies the balance of the allegations as they do not fully and accurately recite the terms of the escrow agreement. In addition to providing for the distribution of the escrow fund and termination of the escrow, the escrow agreement also provides for the continuation of the escrow fund based on certain other rulings of the CAFC ("Scenario C") with respect to the St. Jude litigation involving the '288 patent.

6. Medtronic admits the allegations in the sixth paragraph of MFV's Counterclaim (numbered paragraph 46).

7. Medtronic denies the allegations of the seventh paragraph of MFV's Counterclaim (numbered paragraph 47). The ruling of the CAFC in *Cardiac Pacemakers Inc. v. St. Jude Medical, Inc.*, 381 F.3d 1371 (Fed. Cir. 2004) did not result in the occurrence of Scenario A.

8. Medtronic admits in part the allegations in the eighth paragraph of MFV's Counterclaim (numbered paragraph 48) and denies the balance of the allegations as they do not fully and accurately describe MFV's notification of the escrow agent. MFV did not notify the escrow agent that Scenario A had occurred until February 2007, although the CAFC ruling issued in 2004.

9. Medtronic admits the allegations in the ninth paragraph of MFV's Counterclaim (numbered paragraph 49).

10. Medtronic admits the allegations in the tenth paragraph of MFV's Counterclaim (numbered paragraph 50).

11. Medtronic admits the allegations in the eleventh paragraph of MFV's Counterclaim (numbered paragraph 51).

12. Medtronic admits the allegations in the twelfth paragraph of MFV's Counterclaim (numbered paragraph 52).

WHEREFORE, Medtronic requests that the Court deny that Scenario A occurred, deny MFV's request for a declaration that the escrow agent should deliver the entire escrow fund to MFV and deny that MFV is entitled to its legal fees and costs.

Dated this 28th day of February, 2008.

CONNOLLY BOVE LODGE & HUTZ LLP

By /s/Arthur G. Connolly, III

Arthur G. Connolly III (No. 2667)
1007 N. Orange Street
P.O. Box 2207
Wilmington, DE 19899
Tel: (302) 658-9141
Fax: (302) 658-5614
Email: AConnollyIII@cblh.com

and

ROBINS, KAPLAN, MILLER & CIRESI, L.L.P.
Martin R. Lueck, Esq.
Jan M. Conlin, Esq.
Richard M. Martinez, Esq.
Sharon E. Roberg-Perez, Esq.
2800 LaSalle Plaza
800 LaSalle Avenue
Minneapolis, Minnesota 55402-2015
(612) 349-8500

ATTORNEYS FOR PLAINTIFF MEDTRONIC, INC.

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on February 28, 2008, I electronically filed the foregoing document with the Clerk of the Court using CM/ECF which will send notification of such filing to the following registered attorneys of record that the document has been filed and is available for viewing and downloading:

Richard L. Horwitz, Esq.
David E. Moore, Esq.
Potter Anderson & Corroon LLP
Hercules Plaza- Sixth Floor
1313 North Market Street
Wilmington, DE 19899
rhorwitz@potteranderson.com
dmoore@potteranderson.com

Frederick L. Cottrell, III, Esq.
Anna Shea Gaza, Esq.
Richards, Layton & Finger
One Rodney Square
920 North King Street
Wilmington, DE 19899
cottrell@rlf.com
gaza@rlf.com

Arthur I. Neustadt, Esq.
Oblon, Spivak, McClelland, Maier,
& Neustadt, P.C.
1940 Duke Street
Alexanderia, VA 22314
aneustadt@oblon.com

J. Michael Jakes, Esq.
Naveen Modi, Esq.
Finnegan Henderson Farabow
Garrett & Dunner LLP
901 New York Avenue, NW
Washington, DC 20001-4413
mike.jakes@finnegan.com
naveen.modi@finnegan.com

/s/Arthur G. Connolly, III
Arthur G. Connolly, III (#2667)
Connolly Bove Lodge & Hutz, LLP
1007 N. Orange Street
P.O. Box 2207
Wilmington, DE 19899
(302) 658-9141
AConnollyIII@cblh.com

#588288_1