APPENDICES

APPENDIX A

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

2013-1011, 2013-1029, 2013-1376

PROMEGA CORPORATION,
Plaintiff-Cross-Appellant,

MAX-PLANCK-GESELLSCHAFT ZUR FOERDERUNG DER WISSENSCHAFTEN E.V.,
Plaintiff,

v.

LIFE TECHNOLOGIES CORPORATION, INVITROGEN IP HOLDINGS, INC., APPLIED BIOSYSTEMS, LLC,
Defendants-Appellants.

Decided: November 13, 2017

Appeals from the United States District Court for the Western District of Wisconsin in No. 10-CV-0281, Judge Barbara B. Crabb.

OPINION

Before PROST, MAYER, and CHEN, *Circuit Judges*.

CHEN, *Circuit Judge*.

This case returns to us on remand from the Supreme Court. *See Life Techs. Corp. v. Promega Corp.*, 137 S. Ct. 734, 741 (2017) (*Promega II*). Defendants-Appellants (collectively, Life) sought review of our decision in *Promega Corp. v. Life Technologies Corp.*, 773

F.3d 1338 (Fed. Cir. 2014) (*Promega I*), arguing, *inter alia*, that we erred in holding that a multicomponent product assembled overseas could infringe a United States patent under 35 U.S.C. § 271(f)(1)[1] when only a single component of the product is supplied from the United States. The Supreme Court granted Life's petition for a writ of certiorari, reversed our judgment, and remanded for further proceedings consistent with its holding that "§ 271(f)(1) does not cover the supply of a single component of a multicomponent invention." *Promega II*, 137 S. Ct. at 743.

The Supreme Court's opinion did not affect several of our prior holdings. First, we held that the asserted claims of four patents owned by Promega Corporation (Promega) were invalid for failure to comply with the enablement requirement in 35 U.S.C. § 112, ¶ 1. *Promega I*, 773 F.3d at 1346–50. Second, we held that certain of Life's alleged acts of infringement were not licensed under a 2006 license agreement between Life and Promega.[2] *Id.* at 1357–58. Finally, we held that Life was not required to "actively induce" a third party to combine the components of the accused products to

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[1] Section 271(f)(1) states:

> Whoever without authority supplies or causes to be supplied in or from the United States all or a substantial portion of the components of a patented invention, where such components are uncombined in whole or in part, in such manner as to actively induce the combination of such components outside of the United States in a manner that would infringe the patent if such combination occurred within the United States, shall be liable as an infringer.

[2] The 2006 license agreement was originally between Promega and Applied Biosystems, LLC, which is now a wholly-owned subsidiary of Life. *See Promega I*, 773 F.3d at 1344 & n.3.

be liable under § 271(f)(1). *Id.* at 1351–53. Rather, the active inducement requirement could be met if Life had the specific intent to combine the components itself. *Id.* We reaffirm our holdings on the enablement, licensing, and active inducement issues.

The Supreme Court's opinion, however, requires us to reconsider two of our prior holdings. First, we must reexamine our reversal of the district court's grant of Life's motion for judgment as a matter of law (JMOL) that Promega failed to prove its infringement case under 35 U.S.C. § 271(a)[3] and § 271(f)(1).[4] *See id.* at 1358. Second, we must reconsider our vacatur of the district court's denial of Promega's motion for a new trial on damages and infringement. *Id.* For the reasons below, we now *affirm* the district court's decisions on these motions.

BACKGROUND

In our prior opinion, we described the asserted patents, accused products, and procedural history before the district court. *See id.* at 1341–45. We recite below only the facts relevant to our analyses of the district court's rulings on Life's JMOL motion and Promega's motion for a new trial.

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[3] Section 271(a) states:

> Except as otherwise provided in this title, whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefor, infringes the patent.

[4] Sections 271(f)(1) and 271(a) were the only infringement theories pursued by Promega at trial, since it abandoned other theories it had pled. *See* J.A. 2296.

I. Factual Background

From 2006 through 2012, Life sold genetic testing kits designed to detect the presence of "short tandem repeats" (STR), which are repeating sequences of DNA that are analyzed when profiling an individual's DNA. *Id.* at 1341–42, 1344. Life's kits, referred to as "STR kits," were assembled in the United Kingdom. *Id.* at 1350. Each of the kits was comprised of five components. At least one of the five components in each kit—*Taq* polymerase—was supplied from the United States. *Id.* at 1344.

Promega was the exclusive licensee of United States Reissue Patent No. 37,984 (Tautz patent), which expired in 2015. The Tautz patent claimed methods and kits for analyzing DNA to determine the identity and kinship of organisms. *See, e.g.*, Tautz patent, J.A. 406, col. 11 l. 51–col. 12 l. 64; J.A. 407, col. 13 ll. 28–47.

II. Proceedings in District Court

A. Pretrial Proceedings

Promega sued Life for infringement of the Tautz patent by Life's STR kits, seeking damages for infringement occurring between 2006 and 2012.

At summary judgment, Promega moved for a ruling that Life's accused products meet all of the elements of the asserted claims of the Tautz patent. *See generally* J.A. 688–703. Life did not challenge this assertion. Therefore, the district court granted Promega's motion. Promega did not request a ruling on Life's liability under any particular subsection of § 271 or any ruling quantifying Life's infringing acts. Therefore, the district court's summary judgment ruling did not resolve the ultimate issue of Life's liability for infringement—that is, the district court did not decide

how many of Life's kits, all assembled abroad, were sold, offered for sale, or imported into the United States (§ 271(a)) or included a substantial portion of their respective components that were supplied from the United States (§ 271(f)(1)).[5] The district court explained, in a later opinion resolving the parties' various motions *in limine*, that, at summary judgment, it "did not enter judgment in favor of plaintiff on liability generally." J.A. 36.

B. Trial

The case proceeded to a jury trial. On the first day of trial, the parties stipulated that Life's total worldwide sales of the accused products during the pertinent time period amounted to $707,618,247. J.A. 189. Later, during Life's case-in-chief, a dispute arose as to the effect of the parties' stipulation. During Life's direct examination of Mr. Guido Sandulli, one of Life's employees, counsel for Life asked Mr. Sandulli to quantify the amount of United States sales of Life's accused products since 2006. J.A. 6126. Promega objected to the question on the basis that the amount of United States sales was irrelevant to any issue in dispute at trial. The district court overruled the objection. Promega then requested a sidebar at which it argued that "[t]he whole purpose of [the stipulation] was to remove from this case the need for the plaintiff to go into [a] series of witnesses to prove up sales of infringing kits." J.A. 6127. Life countered that there was still a live issue as to whether Promega was entitled to "damages on worldwide sales or simply on U.S. sales." J.A. 6130. Promega responded that prior statements by Life had

[5] Promega's brief in support of its motion for summary judgment cited evidence of infringing sales in the United States but did not quantify such sales.

created the impression that Promega was not required to prove anything at trial regarding the amount of domestic versus foreign sales, in view of the stipulation.

The district court expressed its own confusion regarding whether the parties had agreed that Promega did not need to separately quantify domestic and foreign sales. This confusion arose from prior statements by Life indicating that the only disputed issues for trial related to licensing, damages, and willfulness. For example, when Promega attempted to introduce sales evidence during its case-in-chief, Life objected, stating that the evidence was irrelevant to any issue at trial and that "[t]he reason for [the] stipulation was so the plaintiffs would not need to use underlying sales data to prove some overall sales number." J.A. 5571–73. After acknowledging that neither party had gotten to the "nub of the problem" until the above-described dispute arose, the district court indicated to the parties that Promega still needed to prove the amount of damages attributable to infringement under § 271(a) and the amount of damages attributable to infringement under § 271(f)(1). J.A. 6190; *see also id.* ("[P]laintiff thought that it didn't have to put in any more than it already had, and that's not correct."). In other words, the fact that Life's accused kits met all the limitations of the asserted claims did not automatically mean that Promega had proven it was entitled to a damages amount based on Life's total worldwide sales. But in view of Life's statements, which Promega apparently understood as conceding the issue of liability entirely, and in view of the district court's "miscommunication" on this issue, the district court proposed that Promega be given a second chance to meet its burden by presenting evidence of infringing sales in its rebuttal case. *Id.* The parties agreed to this proposal.

In its rebuttal case, Promega presented additional evidence of infringement. For example, Promega submitted financial spreadsheets generated by Life showing sales of the accused products to certain law enforcement agencies in the United States. Promega elicited testimony from Mr. Sandulli indicating that, although all of the accused kits were assembled in the United Kingdom, the *Taq* polymerase component used in all of the accused kits originated from the United States. In addition, Promega introduced evidence that three of the accused products—the "Identifiler" kits—included primer components that were supplied from the United States. However, Promega did not proffer evidence or elicit testimony intended to prove a specific amount of domestic, foreign, or any other subset of total sales. Instead, Promega relied only on the stipulated worldwide sales figure as a potential damages base. *See, e.g.*, J.A. 6416–19 (counsel for Promega identifying, at closing argument, only Life's total worldwide sales as a potential damages base).

Promega continued to rely solely on the worldwide sales figure when it submitted a proposed special verdict form to the district court that asked the jury to determine a single amount for sales falling under either, or both, of § 271(a) and § 271(f)(1). Life objected to Promega's proposal because, *inter alia*, "it [did] not make clear that Promega [bore] the burden of proof of establishing the quantum of kits that were made, used, sold in the United States, or imported into the United States." J.A. 2441. The district court adopted Promega's proposal, over Life's objection, and incorporated it into Question No. 2 of the special verdict form: "What is the total dollar amount of defendants' sales of STR kits that were United States sales as that term has been defined for you in the instructions?" J.A. 202.

In turn, the jury instructions used Promega's proposed definition of "United States sales" to include "all kits made, used, offered for sale, sold within the United States or imported into the United States, as well as kits made outside the United States where a substantial portion of the components are supplied from the United States." J.A. 189. Promega, in effect, sought to prevent the jury from calculating separate damages numbers under § 271(a) and § 271(f)(1), proposing instead that the jury calculate a single damages amount. This strategy succeeded when the district court adopted Promega's proposed Question No. 2 in the special verdict form and Promega's definition of "United States sales."

The jury found that all of Life's $708 million in worldwide sales qualified as "United States sales," and also found that a substantial portion of these sales, approximately $637 million, were for permitted uses under the 2006 license agreement. J.A. 202. The jury found that all of Life's unlicensed sales infringed Promega's five asserted patents under § 271(a) and/or § 271(f)(1) and awarded Promega $52 million in lost profits damages. The district court entered judgment on the verdict.

C. Post-Trial Proceedings

1. Life's JMOL Motion

Life filed a renewed motion for JMOL pursuant to Federal Rule of Civil Procedure 50(b), arguing that Promega "failed to prove the applicable damages for patent infringement" and was therefore entitled to no

damages. J.A. 2296.[6] Life contended that Promega was not entitled to any damages award because, *inter alia*, (1) the damages verdict could not stand because it was premised on a misinterpretation of § 271(f)(1), and (2) Promega had failed to present adequate evidence of an amount of infringing sales under either § 271(a) or § 271(f)(1). Life's briefing in support of the motion emphasized Promega's failure to quantify and categorize the accused acts of infringement. *See* Life Open. JMOL Br., No. 10-CV-281 (W.D. Wis. Mar. 22, 2012), ECF No. 581 at 11 ("[W]ith only an aggregate sales number for all kits combined, the jury had no evidence upon which it could partition that sales number up among any smaller collection of kits to award damages for any infringement proven for any such lesser group of kits."). Promega's response focused on preserving the entirety of the damages verdict, arguing, *inter alia*, (1) that all of the accused products infringed under § 271(f)(1) because all of the products included the *Taq* polymerase component, which qualified as a "substantial portion" of each of the accused products' components, and (2) that all of the accused products infringed under § 271(a). Importantly, Promega did not dispute Life's separate argument that Promega presented insufficient evidence to support a lesser damages award.

The district court granted Life's JMOL motion, holding that no reasonable jury could have found, based on the trial record, that all of the accused products infringed under § 271(a) or § 271(f)(1), in light of the district court's interpretation of "substantial portion." It further found that Promega had waived any argument

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[6] There is no dispute that Life timely moved under Rule 50(a) at trial for the same relief under the same basic reasoning raised in its Rule 50(b) motion. *See* Trial Transcript, J.A. 2150–51.

that the trial record could support a damages calculation based on an amount other than worldwide sales by failing to contest Life's argument in its opening JMOL brief that the record contained no evidence that a jury could use to perform such a calculation. Therefore, in order to defeat Life's JMOL motion, trial evidence and all reasonable inferences drawn in Promega's favor had to support a finding that ***all*** of the accused products infringed.

Regarding infringement under § 271(f)(1), the district court held as a matter of law that a single component could not qualify as a "substantial portion" of the components of the accused products under the district court's reading of the statute. The district court then concluded that Promega's evidence was insufficient to support a finding that all of the accused kits assembled in the United Kingdom contained two or more components originating from the United States. Therefore, the district court held that no reasonable jury could have found that all of the accused products infringed under § 271(f)(1).

The district court further held that no reasonable jury could have found infringement under § 271(a) for all of the accused products that did not infringe under § 271(f)(1). The district court determined, moreover, that Promega's cited evidence on § 271(a) infringement—consisting of deposition testimony from a single Life employee—could not support a finding that all of the accused products were sold or imported into the United States, even when all reasonable inferences were drawn in Promega's favor from such testimony. Because Promega had waived any argument that the evidence at trial could support a damages calculation based on any subset of total sales, and because no reasonable jury could have found that all of the accused

products infringed under § 271(a) and/or § 271(f)(1), the district court granted Life's JMOL motion.

2. Promega's Motion for a New Trial

After the district court issued its JMOL decision, Promega obtained new counsel and moved for reconsideration or a new trial, arguing for the first time that the evidence could support a damages award based on a subset of worldwide sales. The district court denied Promega's motion. The district court reiterated that Promega had waived any argument based on a subset of worldwide sales by failing to respond to Life's argument on this issue in its JMOL briefing:

> In response to defendants' [JMOL] motion, plaintiff argued that the motion should be denied because the evidence was sufficient to support the jury's finding that ***all*** of defendants' sales of the accused products violated § 271(f)(1) or § 271(a). Plaintiff did ***not*** argue in the alternative that defendants' Rule 50 motion should be denied because the trial record was sufficient to support a lesser damages award and it did not respond in any way to defendants' contention that plaintiff's evidence at trial was limited to defendants' total worldwide sales. As a result, I concluded that plaintiff had conceded this issue.

J.A. 2365–66.

Promega appealed the district court's rulings on Life's JMOL motion and Promega's motion for a new trial.

III. *Promega I*

We reversed the district court's decisions on both motions. *See Promega I*, 773 F.3d at 1341. Regarding

§ 271(f)(1), we held that a single component supplied from the United States could qualify as a "substantial portion" of a multicomponent product, depending on the circumstances in a given case. *Id.* at 1356. We then held that, in this case, substantial evidence supported the jury's finding that Life was liable for infringement under § 271(f)(1), because a reasonable jury could conclude that the *Taq* polymerase component supplied from the United States qualified as a "substantial portion" of the components of each of the accused products. *Id.* We also held that, based on Life's "own admissions, which are supported by evidence in the record," some unquantified number of Life's kits that were "made, used, or sold in the United States" infringed the Tautz patent under § 271(a). *Id.* at 1357.[7] Finally, we vacated the district court's denial of Promega's motion for a new trial and remanded with instructions to conduct a new damages trial in light of our holding that the asserted claims of four of Promega's patents found to have been infringed were invalid for lack of enablement. *Id.* at 1358.

IV. *Promega II*

The Supreme Court reversed our judgment and remanded for further proceedings consistent with the Court's opinion that "a single component does not constitute a substantial portion of the components that can give rise to liability under § 271(f)(1)." *Promega II*, 137 S. Ct. at 737. This holding nullified our conclusion in *Promega I* that all of the accused products Life made in the United Kingdom infringed under § 271(f)(1).

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[7] It is undisputed that Life admitted to at least some infringement. *See, e.g.*, J.A. 5127 (Life admitting at trial that there had been "an infringement" and that Promega was "entitled to be compensated for that infringement").

V. Post-Remand Submissions by the Parties

The parties submitted statements on how we should proceed post-remand. *See* Case No. 13-1011 ECF No. 108 (Life's Statement), ECF No. 112 (Promega's Statement). Life argues that we should affirm the district court's post-trial decisions, contending that "[t]he trial judge with her 'first-hand knowledge of witnesses, testimony, and issues' simply held Promega to its own considered strategic litigation decisions, and appropriately denied Promega's retrial request." Life's Statement at 3 (quoting *Unitherm Food Sys., Inc. v. Swift-Eckrich, Inc.*, 546 U.S. 394, 401 n.3 (2006) (internal quotes and citations omitted)). Promega counters that we should reaffirm our prior holdings, reinstating the judgment of infringement under § 271(a) and ordering a new trial on damages, because "[t]he Seventh Amendment, the Patent Act, and precedent all require a new trial on damages under § 271(a)—not a windfall judgment of noninfringement," given Life's admissions that it committed infringing acts in the United States. Promega's Statement at 2, 9.

STANDARDS OF REVIEW

We review a district court's rulings on post-trial motions for JMOL and a new trial under regional circuit law. *Finjan, Inc. v. Secure Computing Corp.*, 626 F.3d 1197, 1202 (Fed. Cir. 2010). In the Seventh Circuit, a JMOL grant is reviewed "without deference, while viewing all the evidence in the light most favorable to the nonmoving party." *Trading Techs. Int'l, Inc. v. eSpeed, Inc.*, 595 F.3d 1340, 1357 (Fed. Cir. 2010) (citing *Harper v. Albert*, 400 F.3d 1052, 1061 (7th Cir. 2005)). JMOL is proper when a party has been fully heard on an issue and there is no legally sufficient evi-

dentiary basis for a reasonable jury to find for that party on that issue. Fed. R. Civ. P. 50(a).

"The ruling on a motion for a new trial is a matter committed to the district court's discretion," which the Seventh Circuit reviews "for abuse of discretion." *Galvan v. Norberg*, 678 F.3d 581, 588 (7th Cir. 2012). In the Seventh Circuit, appellate review of a decision denying a new trial is "extremely deferential." *Id.*

DISCUSSION

Under 35 U.S.C. § 284,[8] a finding of infringement "establishes the fact of damage because the patentee's right to exclude has been violated." *Lindemann Maschinenfabrik GmbH v. Am. Hoist & Derrick Co.*, 895 F.2d 1403, 1406 (Fed. Cir. 1990). "The statute is unequivocal that the district court must award damages in an amount no less than a reasonable royalty" when infringement is found. *Dow Chem. Co. v. Mee Indus., Inc.*, 341 F.3d 1370, 1381 (Fed. Cir. 2003). However, in this case Promega expressly waived its right to any award based on a reasonable royalty. *See, e.g.*, Trial Transcript, J.A. 6482 (Counsel for Promega: "Royalties? Don't want them. Wouldn't have taken them. Don't expect them."). Promega only sought damages in the form of lost profits. *See id.* Accordingly, we confine our decision to a consideration of whether Promega is entitled to some award of its lost profits as "damages

[8] Section 284 states, in pertinent part:

> Upon finding for the claimant the court shall award the claimant damages adequate to compensate for the infringement, but in no event less than a reasonable royalty for the use made of the invention by the infringer, together with interest and costs as fixed by the court.

adequate to compensate for the infringement" under the facts of this case. 35 U.S.C. § 284.

I. Promega's Burden to Prove the Amount of Damages

In patent cases, "[t]he burden of proving damages falls on the patentee," *Lucent Technologies, Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1324 (Fed. Cir. 2009), and "[t]he [patentee] must show his damages by evidence," *Philp v. Nock*, 84 U.S. 460, 462 (1873). Damages "must not be left to conjecture by the jury. They must be proved, and not guessed at." *Id.*

When a patentee seeks lost profits as the measure of damages, "the patent holder bears the burden of proving the ***amount*** of the award." *Minco, Inc. v. Combustion Eng'g, Inc.*, 95 F.3d 1109, 1118 (Fed. Cir. 1996) (emphasis added). "[T]he amount of a prevailing party's damages is a finding of fact on which the plaintiff bears the burden of proof by a preponderance of the evidence." *SmithKline Diagnostics, Inc. v. Helena Labs. Corp.*, 926 F.2d 1161, 1164 (Fed. Cir. 1991). "[T]he amount is normally provable by the facts in evidence or as a factual inference from the evidence." *Lindemann*, 895 F.2d at 1406.

II. Promega's Waiver of Alternative Damages Arguments

The linchpin of the district court's rulings on Life's JMOL motion and Promega's motion for a new trial is its finding that Promega waived any argument that the trial record supports a damages calculation based on a subset of Life's total worldwide sales. In *Promega I*, we held that all of the accused products infringed under § 271(f)(1) and that the jury's damages verdict—based on total sales—was supported by substantial evidence. 773 F.3d at 1358. It was therefore unnecessary for us

to address the district court's waiver finding. However, now that it is undisputed that certain of the accused kits did not infringe under the Supreme Court's interpretation of § 271(f)(1)—specifically, kits containing only one component supplied from the United States that were assembled and sold overseas to foreign buyers without ever passing through the United States—we must address the district court's waiver finding.[9]

We review the district court's waiver finding using the same standard applied by the regional circuit. *Riverwood Int'l Corp. v. R.A. Jones & Co.*, 324 F.3d 1346, 1352 (Fed. Cir. 2003). The Seventh Circuit reviews the ultimate legal conclusion of waiver *de novo* and predicate factual findings for clear error. *Baker v. Lindgren*, 856 F.3d 498, 506 (7th Cir. 2017).

Under Seventh Circuit precedent, a party may waive an argument by not raising it in opposition to a Rule 50(b) motion. *See Wallace v. McGlothan*, 606 F.3d 410, 418–19 (7th Cir. 2010) (holding that party waived an argument by failing to raise it in opposition to Rule 50(b) motion). In its opening JMOL brief, Life argued that, "with only an aggregate sales number for all kits combined, the jury had no evidence upon which it could partition that sales number up among any smaller collection of kits to award damages for any infringement proven for any such lesser group of kits." Life Open. JMOL Br., No. 10-CV-281 (W.D. Wis. Mar. 22, 2012),

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[9] Promega argues that the accused Identifiler kits contained multiple components supplied from the United States. *See* Promega's Statement at 2. However, in its post-remand submission Promega does not argue that any of the other fourteen accused products contained two or more components supplied from the United States. Nor does Promega maintain in its post-remand submission that all of Life's accused kits infringe under § 271(a) or § 271(f)(1).

ECF No. 581 at 11. The district court rephrased Life's argument as claiming that Promega "adduced evidence only as to defendants' ***total*** worldwide sales" and, therefore, that "defendants are entitled to judgment as a matter of law unless all of those sales fall under § 271(a) or § 271(f)(1)." J.A. 2340–41. The district court then found that Promega did not dispute this argument in its responsive JMOL brief and, therefore, that Promega had "conceded" the point.[10] *See id.*

Having reviewed Promega's responsive JMOL brief, we agree with the district court that Promega waived any argument that the trial record could support a damages award based on a subset of total sales by wholly failing to address Life's argument on this point.

Promega's position at JMOL was completely consistent with Promega's all-or-nothing damages strategy that Promega pursued throughout the litigation. At trial, the district court corrected Promega's misconceptions about the import of the parties' stipulation regarding the amount of Life's total worldwide sales and informed Promega that it needed to put forward evidence separately proving the amount of infringing acts under § 271(a) and § 271(f)(1). Promega did not object to the district court's characterization of its burden of

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[10] In its JMOL opposition brief, Promega argued that: (1) Life's JMOL motion raised untimely arguments that were not raised in Life's Rule 50(a) motion; (2) Life's reading of § 271(f)(1) was improperly narrow; (3) even under Life's reading of § 271(f)(1), the evidence supported a jury's finding that ***all*** of the accused products infringed under § 271(f)(1); and (4) the evidence supported a jury's finding that ***all*** of the accused products infringed under § 271(a). Promega does not press the first, third, and fourth arguments in its post-remand statement. The Supreme Court rejected Promega's second argument.

proof on infringement, nor did it move the district court for a continuance of the trial in order to reopen discovery and develop the evidence necessary to quantify domestic and foreign sales. Rather, Promega elected to make what appears to be a cursory attempt at further proving the ***fact*** of damages during its rebuttal case (by showing that some sales were made to United States customers)—as opposed to any particular ***amount*** of damages. *Lindemann*, 895 F.2d at 1406 ("In patent law, the fact of infringement establishes the fact of damage because the patentee's right to exclude has been violated. … The patentee must then prove the amount of damage.").

Promega presented no expert testimony on damages at trial. Instead, in its rebuttal case, Promega relied on exhibits and lay testimony, including testimony from Mr. Sandulli regarding financial spreadsheets showing sales of the accused products, without using any of this evidence to arrive at any numerical value that could have been used by a reasonable jury to calculate an award of lost profits damages. We agree with Life that Promega did not "produce a witness who could make sense of the documents" it presented in such a way that could have enabled a reasonable jury to calculate a damages award. Life Reply Br. at 50.

Promega later confirmed its adherence to its all-or-nothing approach by submitting a proposed special verdict form that asked the jury to determine a single "United States sales" figure for sales falling under both § 271(a) and § 271(f)(1). Promega knew that it needed to prove the ultimate issue of liability under § 271, as evidenced by its attempts to put in evidence and elicit testimony regarding sales in the United States and components supplied from the United States. These efforts clearly indicate Promega's recognition of its

burden to separately prove infringement under § 271(a) and § 271(f)(1), respectively. Yet it exclusively argued liability for all, rather than any subset(s), of the accused kits.[11]

Promega's deliberate strategy to adhere to a single damages theory had the effect of winnowing out from the case any argument about damages based on a figure other than worldwide sales. *Cf. Tronzo v. Biomet, Inc.*, 236 F.3d 1342, 1347 (Fed. Cir. 2001) (affirming the district court's refusal to consider a new damages theory presented for the first time post-remand, because the plaintiff "made strategic decisions in the initial trial concerning what evidence and arguments to advance in support of his theory of damages"). The Supreme Court has explained that "waiver and forfeiture rules" exist to "ensure that parties can determine when an issue is out of the case, and that litigation remains, to the extent possible, an orderly progression." *Exxon Shipping Co. v. Baker*, 554 U.S. 471, 487 n.6 (2008).

> The reason for the rules is not that litigation is a game, like golf, with arbitrary rules to test

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[11] Promega cites statements by the district court that, according to Promega, indicate that the district court determined at summary judgment that Life was liable for infringement by all of its accused kits. Promega Open. Br. at 4 (citing J.A. 2287, 6310). This assertion is belied by the district court's indication at trial that the ultimate issue of Life's liability was unresolved, because Promega needed to prove the amount of damages attributable to infringement under § 271(a) and the amount of damages attributable to infringement under § 271(f)(1). J.A. 6190. Moreover, after the Supreme Court's decision, it is now indisputable that Life is not liable for infringement by all of the accused products, given that kits containing only one component supplied from the United States that were assembled and sold overseas to foreign buyers without ever passing through the United States cannot infringe under § 271(a) or § 271(f)(1).

> the skill of the players. Rather, litigation is a "winnowing process," and the procedures for preserving or waiving issues are part of the machinery by which courts narrow what remains to be decided.

Id. (quoting *Poliquin v. Garden Way, Inc.*, 989 F.2d 527, 531 (1st Cir. 1993)). In the instant case, the district court could properly conclude that Promega abandoned any alternative damages base when it failed to rebut Life's argument in its Rule 50(b) motion that Promega did not present evidence that a reasonable jury could have relied on to award damages based on any subset of total world-wide sales. The district court's decision was all the more reasonable given that it warned Promega during trial that it bore the burden to separately prove infringement under § 271(a) and § 271(f)(1). As in *Exxon*, the district court's waiver finding was part of its "sensible efforts to impose order upon the issues in play and the progress of the trial." 554 U.S. at 487 n.6. Such a finding "deserve[s] our respect." *Id.*

III. Life's JMOL Motion

Promega argues, and Life does not dispute, that the record contains evidence of admitted infringement by Life under § 271(a). It further argues that we should reaffirm our prior decision on § 271(a) infringement and order a new trial on damages. Promega's Statement at 9. In *Promega I*, we held that an unspecified number of Life's accused products infringed the Tautz patent under § 271(a). 773 F.3d at 1356–57. We made no finding regarding the quantity of infringing acts under § 271(a), because such a finding was unnecessary in light of our holding that all of the accused products infringed under § 271(f)(1). Now that our

holding under § 271(f)(1) has been reversed by the Supreme Court, and in view of the waiver finding discussed, *supra*, the only way Promega could preserve the jury's damages verdict is by showing that the record supports a finding that all of Life's accused products that did not infringe under § 271(f)(1) infringed under § 271(a). Promega has failed to make this showing.

Before the district court, Promega's only argument regarding § 271(a) infringement that could have saved its damages award was that ***all*** of the accused products infringed under § 271(a). Promega cited only the testimony of Michelle Shepherd, one of Life's employees, in support of this argument. J.A. 2352–53. Promega abandoned this argument on appeal. In any event, we agree with the district court that Ms. Shepherd's testimony does not support the proposition that all of the accused products infringed under § 271(a). *Id.* (district court noting that Ms. Shepherd "did not know where all the kits were made" and "did not know whether foreign orders came through the United States"). Even when viewing the trial record in a light most favorable to Promega, Promega's arguments and the record do not support a finding that all of the accused products that did not infringe under § 271(f)(1) infringed under § 271(a).

Promega argues that the trial record could support a jury's decision to use a damages base other than the total sales figure. Promega's Statement at 10. As we discussed in our prior decision, we agree with Promega that there is evidence in the record to support some unspecified amount of § 271(a) infringement. For example, we identified Mr. Sandulli's testimony as "testimony explaining the sales records" that could have been relied on by the jury. *Promega I*, 773 F.3d at 1357 (cit-

ing Sandulli testimony at J.A. 6249–68). We also acknowledge that Life has admitted to some unquantified amount of infringement. *See* Promega's Statement at 13. In view of the foregoing, we concluded in *Promega I* that some unquantified number of Life's kits infringed under § 271(a). 773 F.3d at 1357. Promega requests that we "reinstate" this decision. Promega's Statement at 10. Because the expiration of the Tautz patent precludes injunctive relief, and because Promega waived any argument for a damages calculation based on anything other than worldwide sales, any reinstatement of our prior decision on § 271(a) infringement would be moot.[12]

This is not, as Promega argues, a case involving a "general" damages verdict in which "one of multiple bases of liability" has "drop[ped] away after trial." Promega's Statement at 2. This is a case where there was a finding of waiver that carried forward as law of the case to subsequent proceedings in the litigation, as discussed in more detail in § IV, *infra*. The nature of the waiver under the circumstances of this case had the effect of limiting the trial evidence on damages to only the parties' stipulated worldwide sales figure. Because there was insufficient evidence to show that all worldwide sales infringed under § 271(a) or § 271(f)(1) (under its proper interpretation), there was no evidence to support a lost profits damages calculation under the narrow damages theory Promega crafted over the course of litigation.

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[12] For the same reasons, we decline to grant Promega's request for a new trial on infringement for kits comprising at least two components supplied from the United States, including the Identifiler kits. *See* Promega's Statement at 16–20.

For the foregoing reasons, we *affirm* the district court's decision granting Life's JMOL motion.

IV. Promega's Motion for a New Trial

Promega argues that Life's admitted infringement, the Seventh Amendment,[13] § 284, and case law from various circuits require a new trial on damages or a grant of remittitur. *See* Promega's Statement at 14. Promega further argues that "general verdicts" on damages do not forfeit the right to damages under each theory individually underpinning the general verdict. *Id.* at 16 (citing *Power Integrations, Inc. v. Fairchild Semiconductor Int'l, Inc.*, 711 F.3d 1348, 1376–77 (Fed. Cir. 2013)). Therefore, Promega argues that it should have the opportunity to prove damages for Life's admitted infringement under § 271(a) and that it should be given an opportunity to prove infringement under § 271(f)(1) as to the accused Identifiler kits that, according to Promega, each contained multiple components supplied from the United States. *Id.* at 9, 16. Promega also argues that the district court improperly held that arguments in support of a motion for a new trial "must be raised in a JMOL opposition to preserve them," arguing that this holding "directly conflicts with Rule 50(d)."[14] *Id.* at 11, 13. Promega cites the Advisory

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[13] The Seventh Amendment recites:

> In suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise reexamined in any court of the United States, than according to the rules of the common law.

[14] Federal Rule of Civil Procedure 50(d) states: "Any motion for a new trial under Rule 59 by a party against whom judgment as a matter of law is rendered must be filed no later than 28 days after the entry of the judgment."

Committee's guidance on Rule 50(d) that, "even after entry of judgment n.o.v. against him," a verdict-winner may "move for a new trial in the usual course." *Id.* at 11 (citing Fed. R. Civ. P. 50 advisory committee's note (1963)).

Life argues that retrial should not be granted on a waived theory presented for the first time post-judgment. Life's Statement at 16; *see also id.* at n.4 (citing, e.g., *Anderson v. Flexel, Inc.*, 47 F.3d 243, 247 (7th Cir. 1995) (rejecting new theory urged for the first time postjudgment)). In addition, Life argues that "Promega's reliance on Rule 50(d) is off base," because Rule 50(d) is merely a "procedural mechanism" that "allows a party to file a new trial motion within 30 days after JMOL is entered" but "does not mean such a motion substantively erases the losing party's prior litigation positions." Life's Statement at 10. That a motion for a new trial is procedurally permitted by Rule 50 after a grant of JMOL against a verdict winner does not, in Life's view, permit retrial as a matter of course on theories not pursued in the original trial. *See Id.* at 16 n.4 (collecting cases).

We agree with Life. Under the law of the case doctrine, the district court properly exercised its discretion by relying on its waiver finding from its JMOL ruling to support its decision to deny Promega's motion for a new trial. J.A. 2369. The district court also permissibly relied on the Seventh Circuit's holding that "[a] party may not introduce evidence or make arguments in a Rule 59 motion that could or should have been presented to the court prior to judgment." J.A. 2366 (quoting *United States v. 47 West 644 Route 38, Maple Park, Ill.*, 190 F.3d 781, 783 (7th Cir. 1999)). If Promega wanted to argue that the evidence at trial supported a damages calculation based on anything other than

worldwide sales, it should have raised such an argument at trial and in response to Life's Rule 50(b) motion, which specifically attacked Promega's damages case on that very ground. Promega did not, choosing instead to continue to solely pursue an all-or-nothing damages strategy. Moreover, the district court afforded Promega a second opportunity to supplement the record and present evidence broken out by statutory subsection and quantity. *See* Life's Statement at 2–3. Yet Promega declined to use this opportunity to prove any lesser damages amount. The district court acted within its discretion when it concluded that Life and the judicial system should not suffer the consequences of Promega's deliberate choice.

Promega improperly conflates what is procedurally permitted under Rule 50(d) with what is permitted under the district court's waiver finding as carried forward to subsequent stages of the litigation under the doctrine of law of the case. Under that doctrine, the district court did not abuse its discretion in finding that the waiver "continue[d] to govern the same issue[] in subsequent stages" of the litigation. *Christianson v. Colt Indus. Operating Corp.*, 486 U.S. 800, 816 (1988) (quoting *Arizona v. California*, 460 U.S. 605, 618 (1983)); *Morris v. Am. Nat. Can Corp.*, 988 F.2d 50, 52 (8th Cir. 1993) ("The law of the case as a result of waiver is no different than a matter that becomes the law of the case as a result of argument."). Moreover, this is not a case where a change in law provides an exception to the law of the case doctrine. *Cf. Dow Chem. Co. v. Nova Chems. Corp. (Can.)*, 803 F.3d 620, 629–30 (Fed. Cir. 2015) (discussing change in law exception to law of the case doctrine). The only relevant law affecting the outcome in this case that was addressed by the Supreme Court was the "substantial portion" provision of

§ 271(f)(1). No law stood in the way of Promega's proving liability and damages separately under § 271(a), and Promega's reading of § 271(f)(1) was untested. Indeed, the district court itself ultimately rejected Promega's interpretation of § 271(f)(1), and so did the Supreme Court. And, from the time the district court gave Promega a second chance to put in evidence at trial to prove liability separately under § 271(a) and § 271(f)(1), Promega was on notice that its untested interpretation of § 271(f)(1) might not prevail. But Promega nonetheless declined to use its opportunity to establish entitlement to an alternative, smaller damages award.

Promega's arguments regarding the Seventh Amendment, § 284, remittitur, and its cited cases—including *Power Integrations*—are unavailing because a party's rights under the Seventh Amendment and § 284 and a party's right to remittitur may be waived. *See Seaboard Lumber Co. v. United States*, 903 F.2d 1560, 1563 (Fed. Cir. 1990) ("The Supreme Court has long recognized that a private litigant may waive its right to a jury and to an Article III court in civil cases. Waiver can be either express or implied."); *Energy Transp. Grp., Inc. v. William Demant Holding A/S*, 697 F.3d 1342, 1357 (Fed. Cir. 2012) (holding that party waived argument for remittitur by not raising it in post-trial briefing); *Devex Corp. v. Gen. Motors Corp.*, 667 F.2d 347, 363 (3d Cir. 1981) ("[35 U.S.C. § 284] requires the award of a reasonable royalty, but to argue that this requirement exists even in the absence of any evidence from which a court may derive a reasonable royalty goes beyond the possible meaning of the statute."). Promega cites no authority in support of the

idea that a party is entitled to a new trial on arguments and theories that were waived in prior proceedings.[15]

This is an unusual case. Patent owners who prove infringement are typically awarded at least some amount of damages. *See Lindemann*, 895 F.2d at 1406. But, as explained above, a patent owner may waive its right to a damages award when it deliberately abandons valid theories of recovery in a singular pursuit of an ultimately invalid damages theory. When a plaintiff deliberately takes a risk by relying at trial exclusively on a damages theory that ultimately proves unsuccessful, and, when challenged, does not dispute that it failed to present an alternative case for damages, a district court does not abuse its discretion by declining to give that plaintiff multiple chances to correct deficiencies in its arguments or the record. We *affirm* the district court's decision on Promega's motion for a new trial and hold that the district court did not abuse its discretion in denying the motion.

Because we hold that Promega is not entitled to any damages, we *affirm* the district court's denial of Promega's motion for enhanced damages under § 284. We also *affirm* the district court's denial of Promega's motion for a permanent injunction, given that the Tautz patent has expired. Promega cannot be the "prevailing party" in this litigation under 35 U.S.C. § 285, and we therefore *affirm* the district court's denial of Promega's

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[15] Promega cites several cases in support of its argument that it is entitled to a new trial on damages or a remittitur. *See generally* Promega Open. Br. at 36–40 (citing, e.g., *Uniloc USA, Inc. v. Microsoft Corp.*, 632 F.3d 1292, 1312 (Fed. Cir. 2011)). *Uniloc* and Promega's other cited cases are distinguishable from the instant case because none of them suggest that a district court is required to grant a new trial or a remittitur on an argument that a party has waived.

motion for an exceptional case finding. Finally, to the extent Promega asks us to exercise our own discretion to order a new trial, we deny such a request for the same reasons discussed herein for why the district court did not abuse its discretion in denying Promega's motion for a new trial. *See* Fed. R. Civ. P. 50(c) advisory committee's note (1963) (noting appellate courts' inherent authority to order a new trial).

CONCLUSION

For the reasons above, we *affirm* the district court's grant of Life's motion for judgment as a matter of law and denial of Promega's motion for a new trial.

AFFIRMED

COSTS

No costs.

APPENDIX B

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WISCONSIN

10-cv-281-bbc

PROMEGA CORPORATION,
Plaintiff

and

MAX-PLANCK-GESELLSCHAFT ZUR FOERDERUNG DER WISSENSCHAFTEN E.V.,
Involuntary Plaintiff,

v.

LIFE TECHNOLOGIES CORPORATION, INVITROGEN IP HOLDINGS, INC., AND APPLIED BIOSYSTEMS, LLC,
Defendants.

Entered: September 12, 2012

OPINION and ORDER

Plaintiff Promega Corporation sued defendants Life Technologies Corporation, Applied Biosystems, LLC and Invitrogen IP Holdings, Inc. for infringing and inducing infringement of five patents related to the copying of sequences of a DNA strand. The action grew out of a licensing agreement between the parties under which defendants Life Technologies and Applied Biosystems could sell plaintiff's patented products within certain permitted fields; plaintiff alleged that defendants were making, using and selling products into fields such as clinical diagnostics, clinical research

and research markets, which were not covered by the licensing agreement. A jury found in plaintiff's favor and awarded more than $50 million in damages. Dkt. #567.

Various motions from both sides are now before the court. Plaintiff seeks enhanced damages, attorney fees, costs and a permanent injunction. Dkt. ##593, 594, 599 and 601. Defendants argue that they are entitled to judgment in their favor, both because they proved their equitable defenses of estoppel and laches and because plaintiff failed as a matter of law to prove infringement under either of the theories it asserted at trial. In the alternative, they ask for various limitations on plaintiff's damages and for a new trial. Dkt. ##578, 580, 582, 584, 586 and 588.

Although I am persuaded that defendants failed to prove their equitable defenses, I agree with them that they are entitled to judgment as a matter of law under Fed. R. Civ. P. 50 because plaintiff failed to prove infringement under 35 U.S.C. § 271(a) or (f)(1), the only two theories plaintiff is asserting. The parties agree that plaintiff's evidence at trial relied on the assumption that *all* of the accused products defendants sold during the relevant time frame (between August 29, 2006 and the end of January 2012) were made in the United States, imported into the United States or made with a substantial portion of components from the United States, as required by § 271(a) and (f)(1). Because plaintiff failed to submit admissible evidence at trial showing that all the sales at issue satisfied one or more of these requirements, I cannot sustain the verdict. In addition, plaintiff failed to show that defendants engaged in active inducement, which is a separate requirement of § 271(f)(1). Accordingly, I am granting

defendants' Rule 50 motion and directing the clerk of court to enter judgment in their favor.

OPINION

I. EQUITABLE DEFENSES

Defendants seek judgment on their equitable defenses (and counterclaims) of estoppel and laches, which must be decided by the court. *Agfa Corp. v. Creo Products Inc.*, 451 F.3d 1366, 1375 (Fed Cir. 2006). Before trial, I questioned defendants' failure to raise these defenses at summary judgment, but I concluded that the defenses were not waived, in accordance with circuit law. Dkt. #486 at 2-3 (citing *Diversey Lever, Inc. v. Ecolab, Inc.*, 191 F.3d 1350 (Fed. Cir. 1999), and *Pandrol USA, LP v. Airboss Railway Products, Inc.*, 320 F.3d 1354 (Fed. Cir. 2003)). I did not hold a separate trial on the defenses because defendants represented to the court that all of their evidence related to the defenses would be presented during the jury trial. Dkt. #520 at 2. Defendants have not altered that position now, but both sides have submitted briefs on the question whether the evidence at trial proved that plaintiffs' infringement claims should be dismissed under one or both defenses.

A. *Equitable Estoppel*

To prevail on their estoppel defense, defendants must prove three elements: (1) plaintiff engaged in "misleading conduct" that led defendants to believe reasonably that plaintiff did not intend to enforce the patents against defendants; (2) defendants relied on that conduct; and (3) defendants would be materially prejudiced if the plaintiff were permitted to proceed with its charge of infringement. *Aspex Eyewear Inc. v. Clariti Eyewear, Inc.*, 605 F.3d 1305, 1310 (Fed. Cir.

2010). Because I conclude that defendants have failed to prove the first element, I need not consider the other two.

Defendants do not argue that plaintiff made any misleading statements to them. Rather, defendants say that plaintiff misled them by failing to object to their allegedly illegal sales even though it knew that defendants were infringing by making sales that were not authorized under the terms of the parties' 2006 license.

A patentee's inaction may constitute misleading conduct, but it "must be combined with other facts respecting the relationship or contacts between the parties to give rise to the necessary inference that the claim against the defendant is abandoned. … In the most common situation, the patentee specifically objects to the activities currently asserted as infringement in the suit and then does not follow up for years." *A.C. Aukerman Co. v. R.L. Chaides Construction Co.*, 960 F.2d 1020, 1042 (Fed. Cir. 1992). *See also Aspex Eyewear*, 605 F.3d at1310 (finding estoppel when plaintiff failed to take action against defendant after accusing it of infringement); *ABB Robotics, Inc. v. GMFanuc Robotics Corp.*, 52 F.3d 1062, 1064 (Fed. Cir. 1995) (objection of infringement by parent company followed by silence); *Hottel Corp. v. Seaman Corp.*, 833 F.2d 1570, 1574 (Fed. Cir.1987) ("In the cases that have applied intentionally misleading silence in the patent infringement context, a patentee threatened immediate and vigorous enforcement of its patent right but then did nothing for an unreasonably long time."). In this case, defendants cite no evidence that plaintiff's inaction was preceded by a threat to sue or an accusation of infringement.

Defendants rely on a nonpatent case in which the court found that a contractor was equitably estopped from suing the Secretary of the Navy for failing to submit orders by mail rather than electronically, even though the contract at issue required mail delivery. *Mabus v. General Dynamics C4 Systems, Inc.*, 633 F.3d 1356, 1361-63 (Fed. Cir. 2011). In that case, the court concluded that the contractor had misled the Navy by accepting 13 electronically delivered orders before refusing later orders submitted in the same way. Defendants argue that the situation in this case is similar because plaintiff continued accepting royalty payments under the licensing agreement even though plaintiff sold kits that its customers used for purposes not permitted by the licensing agreement.

Even if I assume that accepting royalty payments for unlicensed sales could be a ground for estoppel, defendants' reliance on *Mabus* is misplaced because they have failed to meet their burden to show that plaintiff *knew* it was accepting payments for unlicensed sales. Randall Dimond, plaintiff's vice president, testified that he was not aware that defendants were selling outside the licensed fields until the fall of 2009, only a few months before plaintiff filed this lawsuit. Tr. Trans., dkt. #544, at 18. Defendants cite no statements from plaintiff showing that it was aware that defendants were failing to limit the use of its kits to licensed purposes. Rather, they ask the court to infer plaintiff's knowledge from various pieces of evidence, such as testimony that plaintiff and defendant Life Technologies both had representatives on a committee that discussed Life's use of kits for cell line authentication (a nonlicensed use), testimony from one of defendants' employees that "customers" told "us" that plaintiff told the customers that defendants' Identifiler kit was

"overkill," Ortuno Dep., dkt. #348, at 144, and testimony from one of defendants' experts in this case that he had used defendants' unlicensed kits. Even if I assume that this evidence is admissible, it is simply too speculative to prove that plaintiff misled defendants into reasonably believing that it would not enforce its rights under the patent. Accordingly, I conclude that defendants have failed to prove their equitable estoppel defense and counterclaim.

B. *Laches*

To prevail on their laches defense and counterclaim, defendants must prove that plaintiff "delayed filing suit for an unreasonable and inexcusable length of time from the time it knew or reasonably should have known of its claim" and the delay prejudiced defendants. *Hearing Components, Inc. v. Shure Inc.*, 600 F.3d 1357, 1375 (Fed. Cir. 2010). Again, this defense fails because defendants have not shown that, before filing this lawsuit, plaintiff knew or should have known for an unreasonable amount of time that defendants were infringing its patent. Defendants cite no case in which a court concluded that a party was entitled to a laches defense under similar circumstances. Accordingly, I am dismissing this defense as well.

II. MOTION FOR JUDGMENT AS A MATTER OF LAW

At summary judgment, I concluded that various kits defendants sold infringed one or more claims of the five patents at issue in this case. Dkt. #345. The issue at trial was whether defendants had engaged in particular behavior that violated any provisions of the patent statute. That issue was less straightforward than in some patent infringement cases because defendants claimed that many of their kits were assembled and

sold outside the United States. Generally, foreign sales are outside the scope of the patent statute.

Plaintiff relied on two theories of infringement at trial. First, it argued that defendants sold accused products that included components supplied from the United States, in violation of 35 U.S.C. § 271(f)(1). Second, it argued that the accused products were manufactured in or imported into the United States, in violation of 35 U.S.C. § 271(a). The jury found that all of the accused products defendants sold during the relevant time frame satisfied the requirements for one or both of these provisions.

In their renewed motion under Fed. R. Civ. P. 50(b), defendants argue that the evidence plaintiff presented was not legally sufficient to sustain the jury's verdict under either theory. When reviewing a motion filed under Rule 50, the court must consider "the record as a whole to determine whether the evidence presented, combined with all reasonable inferences permissibly drawn therefrom, is sufficient to support the verdict when viewed in the light most favorable to the party against whom the motion is directed." *Clarett v. Roberts*, 657 F.3d 664, 674 (7th Cir. 2011). *See also Koito Manufacturing Co. v. Turn-Key-Tech, LLC*, 381 F.3d 1142, 1148 (Fed. Cir. 2004) (regional circuit law applies to standard under Rule 50 motions). Because this standard was not met for either of plaintiff's theories of infringement, I am granting defendants' motion.

A. *35 U.S.C. § 271(f)(1)*

Under § 271(f)(1),

> [w]hoever without authority supplies or causes to be supplied in or from the United States all or a substantial portion of the components of a

> patented invention, where such components are uncombined in whole or in part, in such manner as to actively induce the combination of such components outside of the United States in a manner that would infringe the patent if such combination occurred within the United States, shall be liable as an infringer.

Defendants argue that plaintiff failed to prove that a "substantial portion of the components" of the accused products was supplied from the United States, that defendants "actively induce[d]" the combination of components or that they did so "in a manner that would infringe the patent if such combination occurred within the United States." I will consider each of these contentions in turn.

1. *Substantial portion of components*

Neither side attempts to provide a comprehensive interpretation of the meaning of the word "substantial." However, defendants argue that, even when the evidence is considered in the light most favorable to plaintiff, it showed at most that *one* component of all the accused products, a polymerase, was supplied from the United States and that a single component is not a "substantial portion" as a matter of law. Although defendants do not deny that plaintiff adduced evidence that *some* of the accused products include two components from the United States, defendants say that does not help plaintiff because plaintiff did not attempt to quantify the sales of those accused products that included at least two components from the United States. Rather, plaintiff adduced evidence only as to defendants' *total* worldwide sales, so defendants are entitled to judgment as a matter of law unless all of those sales fall under § 271(a) or (f)(1).

Plaintiff does not dispute defendants' last point, so I consider that to be conceded. However, plaintiff says that defendants' interpretation of § 271(f)(1) is wrong (because a single component may be "substantial") and their view of the facts is wrong as well (because a reasonable jury could find that at least two components of all of the accused products came from the United States). In addition, defendants say that plaintiff waived any argument that one component is not substantial by failing to raise it in a motion under Fed. R. Civ. P. 50(a).

a. Waiver

I disagree that defendants waived an argument regarding the proper interpretation of § 271(f)(1). In their Rule 50(a) motion, defendants argued that

> the statute requires that [plaintiff] prove a substantial portion of the components of the patented invention. I would submit, Your Honor, that for the Identifiler Kit that [plaintiff] went through the bill of materials on, there is evidence that could go to the jury for that kit. But [plaintiff] base[s] [its] entire 271(f)(1) analysis on all the remaining kits on the fact that they contained Taq DNA polymerases and that does not meet the burden of showing all or a substantial portion of the components as to those other kits.

Tr. Trans., dkt. #572, at 74. That was sufficient to put plaintiff on notice of defendants' position that a single component (the polymerase) is not a "substantial portion" of components, which is all that defendants were required to do. *Extreme Networks, Inc. v. Enterasys Networks, Inc.*, 2008 WL 4756498, *1 (W.D. Wis. 2008) (Rule 50(a) motion "must be specific enough to give no-

tice to the plaintiff of the hole in its case so that it can attempt to put in more evidence while there is still an opportunity to do so"); *see also Exxon Shipping Co. v. Baker*, 554 U.S. 471, 486 n.5 (2008) ("motion under Rule 50(b) is not allowed unless the movant sought relief on similar grounds under Rule 50(a) before the case was submitted to the jury").

Plaintiff points out that defendants did not cite case law when making their Rule 50(a) motion, but I have never interpreted the rule to impose such an exacting burden on a party and plaintiff cites no authority to support that view. If plaintiff had additional evidence that the accused products included multiple domestic components, defendants' Rule 50(a) motion was fair warning that plaintiff should come forward with that evidence before submitting its case to the jury. Failing to cite case law does not rob the other side of an opportunity to fill the hole in its case. Case law citations might have persuaded plaintiff of the *necessity* of presenting additional evidence, but it was not defendants' burden to convince plaintiff to try harder, only to give it a chance to do so. Further, courts are not obligated to ignore controlling law simply because the parties fail to cite it, *Elder v. Holloway*, 510 U.S. 510 (1994); *In re Aqua Dots Products Liability Litigation*, 654 F.3d 748, 752 (7th Cir. 2011), so it would make little sense to prohibit parties from supporting their positions with additional authority in a Rule 50(b) motion.

b. Is a single component sufficient?

With respect to the merits, plaintiff acknowledges that § 271(f)(1) consistently uses the plural term "components." However, it argues that each use of "components" in the provision is referring to the components of the invention as a whole rather than the components

from the United States. For example, plaintiff says that it makes more sense to read the phrase "where such components are uncombined in whole or in part" as a reference to the components of all of the invention rather than just the part or parts that come from the United States because, otherwise, "[o]ne could avoid infringement under 271(f)(1) by simply combining those components of the patented invention that are to be supplied from the United States prior to shipment." Plt.'s Br., dkt. #616, at 17.

Plaintiff's reading is plausible if one reads § 271(f)(1) in isolation, but it becomes less so when viewed in conjunction with the similarly worded § 271(f)(2):

> Whoever without authority supplies or causes to be supplied in or from the United States any component of a patented invention that is especially made or especially adapted for use in the invention and not a staple article or commodity of commerce suitable for substantial noninfringing use, where such component is uncombined in whole or in part, knowing that such component is so made or adapted and intending that such component will be combined outside of the United States in a manner that would infringe the patent if such combination occurred within the United States, shall be liable as an infringer.

35 U.S.C. § 271(f)(2).

Like § 271(f)(1), § 271(f)(2) targets products that may be manufactured and sold overseas, but include parts from the United States. For the purpose of this case, the primary difference is that § 271(f)(2) extends to "any component" of the invention rather than "all or

a substantial portion of the components." (Plaintiff did not argue at trial that defendants' sales violated § 271(f)(2), presumably because it did not believe it could prove that any component was "especially made or especially adapted for use in the invention and not a staple article or commodity of commerce suitable for substantial noninfringing use," which is an additional element in § 271(f)(2).)

Similarly to § 271(f)(1), § 271(f)(2) uses the phrase "where such component is uncombined in whole or in part." In that instance, the reference to the singular "component" must be to a component that is "supplied in or from the United States" rather than to the invention as a whole because § 271(f) does not apply to single component inventions. Further, because § 271(f)(1) employs the same phrasing as § 271(f)(2) ("where such components are uncombined in whole or in part"), it follows that the term "such components" in § 271(f)(1) refers to the components from the United States as well. *Nken v. Holder*, 556 U.S. 418, 426 (2009) ("[S]tatutory interpretation turns on 'the language itself, the specific context in which that language is used, and the broader context of the statute as a whole'") (quoting *Robinson v. Shell Oil Co.*, 519 U.S. 337, 341 (1997)).

As defendants point out, this conclusion is supported by the case law. In *Microsoft Corp. v. AT&T Corp.*, 550 U.S. 437, 454 n.16 (2007), the Supreme Court discussed § 271(f)(1) and (2), concluding that "the two paragraphs differ, among other things, on the quantity of components that must be 'supplie[d] … from the United States' for liability to attach." Because § (f)(2) applies to a single component, the Court's statement that § (f)(1) and § (f)(2) "differ … on the quantity" of components, suggests that § (f)(1) requires that more than one component must come from the United States.

More generally, the Court concluded that it was improper to use policy concerns about "loopholes" to justify broad interpretations of the patent statute, both because any "loophole" in the statute "is properly left for Congress to consider, and to close if it finds such action warranted," *id.* at 457, and because of the presumption that "our patent law operates only domestically and does not extend to foreign activities," so that any provision extending the patent law's reach into foreign territory must be construed narrowly. *Id.* at 455 (internal quotations omitted and alterations). Thus, even if plaintiff is correct that it would be easier for competitors to avoid infringement under a narrow interpretation, that is not a ground for expanding the reach of the statute.

Defendants cite two other federal cases in which a court concluded that § 271(f)(1) did not extend to inventions that include only one component from the United States: *Ormco Corp. v. Align Technology, Inc.*, 609 F. Supp. 2d 1057, 1073 (C.D. Cal. 2009); *Bristol-Myers Squibb Co. v. Rhone-Poulenc Rorer, Inc.*, No. 95 CIV 8833, 2001 WL 1263299, at *4 (S.D.N.Y. Oct. 19, 2001). Plaintiff cites no authority to the contrary. Accordingly, I conclude that a single component is not sufficient to satisfy § 271(f)(1).

Even if § 271(f)(1) did not require multiple components to come from the United States in all cases, it seems unlikely that one component could constitute a "substantial" portion in this case when plaintiff does not dispute defendants' position that the accused products are made up of no fewer than five components. Dkt. #581 at 8. Although plaintiff points to testimony that the polymerase is a "major" component of the accused products, dkt. #558, at 45-46, it does not quantify "major" or otherwise explain what it means.

c. Is there sufficient evidence of multiple components?

Alternatively, plaintiff argues that a reasonable jury could find that all of the accused products include two or more components from the United States. (Because defendants do, I will assume that two components are a substantial portion.) First, plaintiff cites Dimond's answer of "no" to the question, "Has anyone at Life Technologies ever contradicted the comment that Dr. Moehle made to you that these products are made or their components are made in the United States?" Tr. Trans., dkt. #555, at 61. However, because the question assumes various facts, Dimond's one-word answer establishes nothing. As defendants point out, counsel's question is referring to earlier testimony by Dimond that, "[a]t the time of that agreement [the 2006 cross license], I was informed by Dr. Moehle [an employee of defendants] that all of their products were made in the United States." Tr. Trans., dkt. #545, at 27. Even if I assume that Moehle has personal knowledge of where defendants' products were made, Dimond's testimony is unhelpful, both because it is so vague, referring generally to "products" rather than particular components, and because it is irrelevant where defendants made their components when the parties entered their agreement in 2006. Particularly because Sandulli testified that multiple components of the accused products have been manufactured in the United Kingdom in recent years, Tr. Trans., dkt. #558, at 38-46, Dimond's vague testimony cannot carry the day for plaintiff.

Second, plaintiff relies on the designated deposition testimony of Michelle Shepherd, another employee of defendants, who said that "[c]omponents of the kits are manufactured in" the United States. Dkt. #551-1, at 129. When asked to specify which components, she said, "[t]he allelic ladders." *Id.* However, it is not rea-

sonable to infer from this testimony that all of the accused products defendants sold worldwide since 2006 included allelic ladders. Again, Shepherd's testimony is vague; she does not provide any time frame. This is a problem in light of Sandulli's more specific testimony that defendants manufactured allelic ladders in the United States in the past, but no longer do so. Tr. Trans., dkt. #558, at 46. In addition, Shepherd did not testify that all of the accused kits included allelic ladders. Rather, when asked about the origins of a kit ordered in Germany, she said that she was "only able to speak to the U.S. shipping and manufacturing," dkt. #551-1 at 130, so it is impossible to infer from her testimony anything about the origin of components in kits shipped outside the United States. I conclude that plaintiff failed as a matter of law to prove that all of the accused products from 2006 to 2012 included a "substantial portion" of components from the United States.

2. *Actively induce*

Defendants argue that plaintiff failed to meet the element of active inducement for two reasons: (1) plaintiff did not adduce evidence regarding inducement of a third party; and (2) plaintiff did not adduce evidence that defendants "shipped components for assembly abroad with the intention of subverting the U.S. patent laws or otherwise culpably encouraged acts that would be acts of infringement if they occurred in the United States." Dfts.'s Br., dkt. #581. The second argument was not included in defendants' Rule 50(a) motion and it is not developed in the Rule 50(b) motion, so the argument is waived.

Plaintiff does not argue that defendants waived the first argument except to say that defendants cite new cases in their Rule 50(b) motion. (Although plaintiff

does argue that defendants failed to ask for an instruction regarding active inducement, that argument is relevant only to defendants' motion for a new trial under Fed. R. Civ. P. 59.) As I explained above, I do not read Rule 50 as prohibiting parties from buttressing their arguments with supplemental authority in their renewed motions for judgment as a matter of law. In their Rule 50(a) motion, defendants stated that

> [t]here's no specific acts or circumstances from which the jury could infer that defendants actively induced a third party to assemble or use the kits in a manner that would have infringed if done in the United States. The statute requires that they be—one element is that in such a manner as to actively induce the combination of such components outside the United States in a manner that would infringe the patent if such combination occurred within the United States and so you can't induce yourself to do that.

Tr. Trans., dkt. #572, at 74. That was sufficient to preserve the issue.

The parties agree that plaintiff did not present any evidence at trial that defendants induced another party to combine any components outside the United States in an infringing manner. Rather, defendants did all the combining themselves. Thus, the question is whether the term "actively induce" requires the involvement of a third party or whether defendants may "induce" themselves under the statute.

Because the ordinary meaning of the word "induce" is to influence or persuade, http://www.merriam-webster.com/dictionary/induce, it makes little sense in common parlance to say that someone "induced him-

self" to perform a particular action. The more natural reading of the word is that it involves an action taken with respect to a third party, encouraging another to do something. As defendants point out, this is consistent with the way the Court of Appeals for the Federal Circuit has used the term in the context of 35 U.S.C. § 271(b). *DSU Medical Corp. v. JMS Co., Ltd.*, 471 F.3d 1293, 1305 (Fed. Cir. 2006) ("[I]nducement requires evidence of culpable conduct, directed to encouraging another's infringement."); *Manville Sales Corp. v. Paramount Systems, Inc.*, 917 F.2d 544, 553 (Fed Cir. 1990) ("It must be established that the defendant possessed specific intent to encourage another's infringement."); *Water Technologies Corp. v. Calco, Ltd.*, 850 F.2d 660, 668 (Fed. Cir. 1988) ("[A] person infringes [under § 271(b)] by actively and knowingly aiding and abetting another's direct infringement.").

Plaintiff does not deny that "active inducement" under § 271(b) requires the involvement of a third party. It simply says in a footnote that the cases defendants cite "are not on point" because they did not involve the interpretation of § 271(f)(1). Plt.'s Br., dkt. #616, at 8 n.6. This is true, but not helpful. Courts generally assume that the same phrase in the same statute means the same thing. *Powerex Corp. v. Reliant Energy Services, Inc.*, 551 U.S. 224, 232 (2007) ("A standard principle of statutory construction provides that identical words and phrases within the same statute should normally be given the same meaning."). Although that canon is not without its exceptions, defendants cite both legislative history and controlling case law supporting the view that the phrase "active inducement" means the same thing in both §§ 271(b) and 271(f)(1). *Liquid Dynamics Corp. v. Vaughan Co., Inc.*, 449 F.3d 1209, 1222 (Fed. Cir. 2006) (applying § 271(b) standard

for active inducement in case brought under § 271(f)(1)); Section–by–Section Analysis of H.R. 6286, Patent Law Amendments Act of 1984," Congressional Record, Oct. 1, 1984, H10525–26 ("The term 'actively induce' is drawn from existing subsection 271(b) of the patent law, which provides that whoever actively induces patent infringement is liable as an infringer.").

As it did with respect to its interpretation of "substantial portion," plaintiff argues that it would create an undesirable loophole in the statute to construe "actively induce" as requiring a third party. This is plaintiff's strongest argument. As plaintiff points out, when defendants made their Rule 50(a) motion, I expressed doubt "that Congress intended to leave a loophole for anybody who did its own combinations of components outside the borders of the country." Tr. Trans., dkt. #572, at 75. Although I still believe it makes little sense to prohibit a party from supplying another with components while permitting the party to supply itself, I am persuaded that the loophole is not one that a court is empowered to close.

As I noted above, the Supreme Court has admonished lower courts not to engage in "dynamic judicial interpretation" of § 271(f) in order to avoid perceived loopholes. *Microsoft*, 550 U.S. at 457. In particular, the Court said that courts should keep in mind the particular problem § 271(f) was intended to address:

> Section 271(f) was a direct response to a gap in our patent law revealed by this Court's *Deepsouth [Packing Co. v. Laitram Corp.*, 406 U.S. 518(1972),] decision. See supra, at 1752, and n. 3. The facts of that case were undeniably at the fore when § 271(f) was in the congressional hopper. In *Deepsouth*, the items ex-

> ported were kits containing all the physical, readily assemblable parts of a shrimp deveining machine (not an intangible set of instructions), and those parts themselves (not foreign-made copies of them) *would be combined abroad by foreign buyers*. Having attended to the gap made evident in *Deepsouth*, Congress did not address other arguable gaps.

Id. at 457-58 (emphasis added). Because the facts of *Deepsouth* involved inducement of a third party, this counsels against a broader interpretation of § 271(f) that would include other factual scenarios, even if policy considerations suggest that the statute should apply regardless what party is combining the components overseas.

I cannot accept plaintiff's interpretation of § 271(f)(1) in the face of all the reasons not to. These include the facts of *Deepsouth*, the Supreme Court's instruction to construe § 271(f) narrowly, the Federal Circuit's interpretation of the relevant phrase, the legislative history of § 271(f), the canon to interpret the same words in the same way and the ordinary meaning of the word "induce." It is particularly telling that plaintiff fails to address in its brief any of the reasons undermining its position. It may well be that Congress would have chosen its words differently had it contemplated the loophole it left open, but courts must apply statutes as they are written, not as the court believes they should have been written. Thus, plaintiff's failure to adduce any evidence that it induced the actions of a third party is a second and independent reason for concluding that plaintiff failed as a matter of law to prove its claim under § 271(f)(1).

3. In a manner that would infringe the patent

Defendants' final argument under § 271(f) is that their combination of components could not render them liable for violating that provision because their assembly of the accused products was permitted under the license agreement. Certain *sales* fell outside the scope of the agreement, but § 271(f)(1) does not address sales, only assembly.

I agree with plaintiff that defendants waived this argument by failing to present it in their Rule 50(a) motion. Defendants say that they preserved this issue by quoting the relevant language in the statute and arguing that plaintiff failed to satisfy it, but that is not sufficient because it fails to identify the particular problem. *Extreme Networks*, 2008 WL 4756498 at *1 ("Defendant cannot preserve all possible arguments simply by listing the elements of a claim and arguing generally that the plaintiff did not meet them."). However, because I have concluded that plaintiff failed to meet the elements that a "substantial portion" of the components came from the United States and that defendants "actively induced" the combination of those components, defendants' waiver of another element does not change the result.

B. *35 U.S.C. § 271(a)*

Alternatively, plaintiff argues that all of defendants' sales violated § 271(a), which provides: "whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefor, infringes the patent." In particular, plaintiff says that the jury could have found that all of the accused products are made in or imported into the United States.

With respect to § 271(a), plaintiff relies entirely on Shepherd's testimony. However, she admitted she did not know where all the kits were made. Tr. Trans., dkt. #551-1, at 129 ("I'm not certain there—all of these varieties of AmpFLSTR kits are assembled in Foster City [California]. They may be assembled in Warrington [the United Kingdom]."). And, as noted above, she admitted she did not know whether foreign orders came through the United States. *Id.* ("I'm only able to speak to the U.S. shipping and manufacturing."). Accordingly, even if the jury were to ignore all the evidence that many of the accused products are not made in or imported into the United States, it could not find reasonably from Shepherd's testimony that all of defendants' sales infringed under § 271(a).

Plaintiff has failed to point to evidence that would sustain a finding that all of the accused products defendants sold between August 2006 and January 2012 would meet the requirements of § 271(a) or (f)(1). Because plaintiff did not adduce evidence regarding defendants' sales of any subset of products that would meet those requirements, defendants are entitled to judgment as a matter of law. In addition, because plaintiff did not seek a new trial on damages in the event the court reached this conclusion, that issue is waived.

ORDER

IT IS ORDERED that

1. The equitable defenses and counterclaims filed by defendants Life Technologies Corporation, Applied Biosystems, LLC and Invitrogen IP Holdings, Inc. are DISMISSED for defendants' failure to prove these defenses and counterclaims.

2. Defendants' motion for judgment as matter of law regarding 35 U.S.C. § 271(a) and (f)(1), dkt. #580, is GRANTED.

3. The following motions are DENIED as moot: (a) defendants' motion for judgment as a matter of law on lost profits calculations, dkt. #578; (b) defendants' motions for a new trial, dkt. ##580, 582, 584 and 586; (c) defendants' motion for judgment as a matter of law on nonwillfulness, dkt. #588; (d) plaintiff Promega Corporation's motion for an "exceptional case" finding under 36 U.S.C. § 285, dkt. #594; (e) plaintiff's motion for enhanced damages, dkt. #599; (f) plaintiff's motion for a permanent injunction, dkt. #601; and (f) plaintiff's bill of costs. Dkt. #593.

4. The clerk of court is directed to enter judgment in favor of defendants and close this case.

Entered this 12th day of September, 2012.

BY THE COURT:
/s/
BARBARA B. CRABB
District Judge

APPENDIX C

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WISCONSIN

10-cv-281-bbc

PROMEGA CORPORATION,
Plaintiff,

and

MAX-PLANCK-GESELLSCHAFT ZUR FORDERUNG DER WISSENSCHAFTEN E.V.,
Involuntary Plaintiff,

v.

LIFE TECHNOLOGIES CORPORATION, INVITROGEN IP HOLDINGS, INC., AND APPLIED BIOSYSTEMS, LLC,
Defendants.

Entered: April 22, 2013

OPINION and ORDER

This is a case brought under the Patent Act, 35 U.S.C. § 271, involving four patents related to a type of DNA testing called "multiplex amplification of short tandem repeat loci." Plaintiff Promega Corporation contends that defendants Life Technologies Corporation, Invitrogen IP Holdings, Inc. and Applied Biosystems, LLC sell testing kits that meet the limitations for one or more claims in patents that plaintiff owns. In an order dated November 29, 2011, dkt. #345, I agreed with plaintiff that defendants were practicing some of the claims of U.S. Patents Nos. 5,843,660, 6,221,598,

6,479,235, 7,008,771 and Re 37,984. One of the questions that remained for trial was the extent to which defendants were engaging in acts prohibited by the Patent Act because many of the accused products were manufactured and sold in foreign countries and the reach of the Act is more limited in the context of foreign sales.

At trial plaintiff based its theories of infringement on 35 U.S.C. § 271(f)(1) and 35 U.S.C. § 271(a). Section 271(f) prohibits the sale of infringing products if "a substantial portion" of the components of the accused products are supplied from the United States; the relevant portion of § 271(a) prohibits manufacturing infringing products in the United States or importing infringing products into the United States. Plaintiff asked the jury to find that *all* of defendants' sales met the requirements of one or both of these statutes. The jury agreed with plaintiff and awarded more than $50 million in damages.

Defendants filed a motion for judgment as a matter of law under Fed. R. Civ. P. 50 in which they argued that plaintiff had failed to prove its case under either § 271(f)(1) or § 271(a). Although defendants did not deny that plaintiff had adduced evidence that some of the accused products included a substantial portion of components supplied from the United States, were made in the United States or were imported into the United States, defendants argued that "some" was not enough because plaintiff adduced evidence only as to defendants' total worldwide sales, so defendants were entitled to judgment as a matter of law unless all of those sales fell under § 271(a) or (f)(1). In responding to defendants' motion, plaintiff did not deny that it took an "all or nothing" approach at trial, so I concluded that any argument to the contrary was forfeited. Instead, plaintiff argued that the evidence was sufficient to allow the ju-

ry to find that all of defendants' sales violated § 271(a) or (f)(1). Ultimately, I agreed with defendants that they were entitled to judgment as a matter of law. As a result I denied as moot defendants' motion for judgment as a matter of law on lost profits calculations, defendants' motions for a new trial, defendants' motion for judgment as a matter of law on nonwillfulness, plaintiff's motion for a finding of an "exceptional case" under 36 U.S.C. § 285, plaintiff's motion for enhanced damages, plaintiff's motion for a permanent injunction and plaintiff's bill of costs. Dkt. #684.

In response to that order, plaintiff has filed three motions: (1) a "motion for amendment of, or relief from, judgment regarding damages, or, in the alternative, for a new trial"; dkt. #693; (2) a "motion for amendment of, or relief from, the judgment with respect to infringement, permanent injunction, and exceptional case finding, or, in the alternative, a new trial," dkt. #690; and (3) a "motion for relief from the amended judgment based on newly discovered evidence and for a new trial." Dkt. #727. In addition, plaintiff has requested oral argument on its motions. Dkt. #697. Finally, defendants have filed a motion to "strike" portions of plaintiff's reply briefs in support of the first two motions. Dkt. #741.

I am denying plaintiff's motion for oral argument because I do not believe oral argument is necessary to resolve any of the motions before the court. I am denying plaintiff's remaining motions as well because plaintiff has failed to show that it is entitled to relief from the amended judgment. Finally, I am denying as unnecessary defendants' motion to "strike" portions of plaintiff's reply briefs because any new arguments in those briefs would make no difference to the outcome of plaintiff's motions.

OPINION

I will address the arguments in plaintiff's various motions in the following order: (A) the court erred in concluding that plaintiff had failed as a matter of law to prove that all of defendants' sales of the accused products since 2006 violated 35 U.S.C. § 271(a) or 35 U.S.C. § 271(f)(1); (B) if the court adheres to its conclusion, the court should grant a new trial on these issues; (C) the court should not have denied as moot plaintiff's motion for a permanent injunction and motion for attorney fees; and (D) the court should vacate the judgment and hold a new trial because of newly discovered evidence.

A. *Motion for Reconsideration as to Damages*

1. *Section 271(a)*

Under § 271(a), "whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefor, infringes the patent." In defending the verdict under this provision, plaintiff argued that the jury could have relied on the deposition testimony of Michelle Shepherd, one of defendants' designated witnesses under Fed. R. Civ. P. 30(b)(6), to find that all of the accused products are made in the United States or imported here. I rejected this argument because Shepherd admitted she did not know whether either of these things was true. Tr. Trans., dkt. #551-1, at 129 ("I'm not certain there—all of these varieties of AmpFLSTR kits are assembled in Foster City [California]. They may be assembled in Warrington [the United Kingdom]."); *id.* at 129-30 (when asked about origin of kit ordered in Germany, she said that she was "only able to speak to the U.S. shipping and manufacturing").

Although plaintiff argues in its new motion that the evidence was sufficient under § 271(a), it points to no new or different evidence supporting that conclusion. Instead, it argues that Shepherd's testimony alone is sufficient if it is viewed in the light most favorable to plaintiff. In particular, plaintiff points to the following question and answer:

> Q. Okay, So some complete kits may be shipped out of England to a customer?
>
> A. They would be shipped to a warehouse in the States, and from there be shipped to a customer.

Dkt. #551-1 at 129. Plaintiff says that Shepherd did not expressly limit her testimony about the kits that are shipped to "the States," so the jury could infer that she was referring to *all* of defendants' accused products.

This argument has two problems. First, the question was about "some" kits, so Shepherd's answer that "[t]hey" are shipped to the United States does not permit the drawing of any inference about all of the kits shipped since 2006. Second, although courts must draw all reasonable inferences in favor of the nonmoving party, this rule does not permit courts to view pieces of evidence in isolation. *Reeves v. Sanderson Plumbing Products, Inc.*, 530 U.S. 133, 150 (2000) ("[I]n entertaining a motion for judgment as a matter of law, the court should review all of the evidence in the record."). Because Shepherd's later testimony made it clear that she did not know where a kit ordered from Germany would come from, the jury could not draw a reasonable inference from her previous ambiguous statement that she knew that all of defendants' accused products were imported into the United States. Accordingly, I adhere to my conclusion that plaintiff failed as a matter of law to

prove that all of defendants' sales of the accused products were made in the United States or imported here.

2. *Section 271(f)(1)*

Under § 271(f)(1),

> [w]hoever without authority supplies or causes to be supplied in or from theUnited States all or a substantial portion of the components of a patented invention, where such components are uncombined in whole or in part, in such manner as to actively induce the combination of such components outside of the United States in a manner that would infringe the patent if such combination occurred within the United States, shall be liable as an infringer.

In granting defendants' Rule 50 motion, I concluded that plaintiff had failed as a matter of law to prove that all of the accused products satisfied two elements of this statute, first, that a "substantial portion of the components" was supplied from the United States and, second, that defendants "actively induce[d]" the combination of components. Dkt. #684 at 8-18. With respect to a "substantial portion" of components, I concluded that the statute requires that at least two components be supplied from the United States and that plaintiff had failed to show that all of the accused products from the relevant time period were made with two or more components supplied from the United States. With respect to active inducement, I relied on several factors to conclude that the statute required the involvement of a third party and that plaintiff did not deny defendants' contention that defendants had done all the combining themselves.

In its new motion, plaintiff challenges the court's conclusion on both elements. With respect to a "substantial portion," it argues in its opening brief that the evidence was sufficient to show that all of the accused products included Taq polymerase and allelic ladders supplied from the United States, but it admits in its reply brief that the "documents show that not every STR kit throughout the damages period had allelic ladders that were supplied from the United States," dkt. #726 at 26, so this argument is moot. Although plaintiff says that it is challenging the court's conclusion that § 271(f)(1) requires that two components be supplied from the United States, it does not develop an argument on this point, so it has forfeited the point for the purpose of this motion.

With respect to active inducement, plaintiff relies primarily on a case decided by the Court of Appeals for the Federal Circuit after this court granted defendants' Rule 50 motion, *Akamai Technologies, Inc. v. Limelight Networks, Inc.*, 692 F.3d 1301 (Fed. Cir. 2012). However, nothing in *Akamai* suggests that a party may "induce" itself under § 271(f), so it is not instructive.

Plaintiff raises an alternative argument that defendants did not "induce" themselves, but their "foreign divisions, subsidiaries or employees." Plt.'s Br., dkt. #726, at 23. This is a new argument. Plaintiff points to a sentence in its brief in opposition to defendants' Rule 50 motion in which it stated that § 271(f)(1) "includes the situation where an offshore division of a company is supplied components," but this was in the context of a larger argument that "there is nothing in the statute that limits it to situations where only a third party creates the combination." Dkt. #616 at 8. Plaintiff never developed an argument until now that

the entity or entities combining the components overseas could be considered distinct from defendants. Accordingly, that argument is forfeited as well.

B. *Motion for a New Trial on Damages*

In the event that the court denies its motion for reconsideration on these issues, plaintiff asks for a new trial to prove a lesser amount of damages. I conclude that this is another forfeited argument. In their post-verdict motions defendants did not seek a new trial under Fed. R. Civ. P. 59 on the ground that the particular amount of damages found by the jury could not be sustained. Rather, defendants sought judgment as a matter of law under Fed. R. Civ. P. 50 on the ground that plaintiff had failed to prove *any* damages. *See generally* Dfts.' Br., dkt. #581. In particular, defendants argued that plaintiff's evidence at trial related solely to defendants' total worldwide sales and that plaintiff had made no attempt to quantify the sales of any subset of products. Because the evidence did not support a finding that all of defendants' sales violated § 271(a) or § 271(f)(1), defendants argued, this left plaintiff with no evidence of damages.

In response to defendants' motion, plaintiff argued that the motion should be denied because the evidence was sufficient to support the jury's finding that *all* of defendants' sales of the accused products violated § 271(f)(1) or § 271(a). Plaintiff did *not* argue in the alternative that defendants' Rule 50 motion should be denied because the trial record was sufficient to support a lesser damages award and it did not respond in any way to defendants' contention that plaintiff's evidence at trial was limited to defendants' total worldwide sales. As a result, I concluded that plaintiff had conceded this issue. Dkt. #684 at 8-9.

Although my finding that plaintiff had failed to address this issue was explicit in the September 13 order, plaintiff does not challenge the finding in its new motion. Accordingly, I need not consider this issue further. "A party may not introduce evidence or make arguments in a Rule 59 motion that could or should have been presented to the court prior to judgment." *United States v. 47 West 644 Route 38, Maple Park, Illinois*, 190 F.3d 781, 783 (7th Cir. 1999). If plaintiff believed that the evidence at trial could support a lesser damages award, it could have and should have raised that issue in response to defendants' Rule 50 motion.

C. *Injunctive Relief and Attorney Fees*

When I granted defendants' Rule 50 motion, I denied as moot plaintiff's motion for a permanent injunction and its request for attorney fees under 35 U.S.C. § 285. In its new motion, plaintiff argues that doing so was a mistake, even if the court was correct in concluding that plaintiff was not entitled to any damages.

With respect to the motion for a permanent injunction, plaintiff argues that it is still entitled to one because it has proven that some of defendants' sales of the accused products violated § 271(a) and § 271(f)(1). However, even if I agreed with plaintiff that some unspecified amount of defendants' sales fall within § 271(a) or § 271(f)(1), plaintiff points to no findings by this court or the jury that would allow the court to determine what the proper scope of any injunction should be. Although plaintiff performs a detailed exegesis of the court's summary judgment opinion and its own summary judgment briefs in an attempt to show that the court resolved the issue of infringement at summary judgment, plaintiff never asked in its summary judgment motion that the court find that any particular

act by defendants violated § 271(a) or § 271(f)(1) with respect to a particular accused product. Plaintiff says that defendants waived the issue by failing to raise it in their summary judgment opposition materials, but proving violations of these provisions was plaintiff's burden, not defendants', so it is not clear why defendants would have the obligation to raise an issue that was not included in plaintiff's summary judgment motion.

The same is true of the jury verdict. Plaintiff did not ask for a jury question on the extent to which defendants violated § 271(a) or § 271(f)(1) with respect to particular accused products. Plaintiff fails to explain in any of its briefs under what authority the court could issue an injunction in the absence of those findings. (Plaintiff does not develop an argument that the court could enjoin defendants' activities regarding a particular product without a corresponding finding that defendants violated § 271(a), § 271(f)(1) or some other provision of the patent statute with respect to that product, so I do not consider that question.) Although plaintiff asks for a new trial to fill in any gaps, plaintiff is not entitled to a do-over when it was plaintiff's own failure to request more specific findings in the verdict form that caused the problem.

With respect to plaintiff's request for attorney fees under 35 U.S.C. § 285, I see no reason to reconsider the denial of that request. Because plaintiff has not shown that it is entitled to damages or an injunction, I cannot find plaintiff has shown that this is an "exceptional" case that would justify an award of attorney fees.

D. *Newly Discovered Evidence*

Plaintiff says that defendants provided information in the context of arbitration proceedings that they

should have provided in the context of this case and that, if plaintiff had obtained that information before the trial, the result of this case would have been different. In particular, plaintiff says that defendants' "bills of materials" and "business objects data" spreadsheets would help prove the extent of defendants' United States sales.

Plaintiff brings this motion under Fed. R. Civ. P. 60(b)(2), which applies when the party has "newly discovered evidence that, with reasonable diligence, could not have been discovered in time to move for a new trial under Rule 59(b)." However, it is undisputed that plaintiff obtained the evidence at issue in August 2012 and plaintiff's time for filing a Rule 59 motion expired 28 days after the court entered an amended judgment in September 2012, but plaintiff did not file its Rule 60 motion until December 2012. In its opening brief, plaintiff fails to explain why it could not have raised this issue earlier. It says only that the "meaning [of the evidence] was not fully explained until [November 2012] at the Rule 30(b)(6) depositions of Defendants' witnesses." Dkt. #728 at 13. *See also id.* at 26. This conclusory statement does not satisfy plaintiff's "extraordinary" burden under Rule 60(b)(2) to show that it could not have discovered the evidence it needed by October 2012. *Musch v. Domtar Industries, Inc.*, 587 F.3d 857, 861 (7th Cir. 2009). Although plaintiff attempts to provide more explanation in its reply brief, that effort comes too late. *Casna v. City of Loves Park*, 574 F.3d 420, 427 (7th Cir. 2009). In any event, plaintiff never argues that the new evidence shows that all of defendants' sales after 2006 fall within § 271(a) or § 271(f)(1), which was the question addressed in defendants' Rule 50 motion.

To the extent plaintiff means to argue that it would have used the evidence at trial to show that the jury could award a lesser amount of damages, I have concluded that plaintiff has forfeited that argument. Further, plaintiff does not persuasively rebut defendants' arguments that the discovery it obtained after trial would not have made any difference because plaintiff did not make use at trial of the geographical information it already had, that plaintiff knew during the trial about the existence of the documents it later obtained but failed to ask for them and that plaintiff has failed to point to any discovery request in this case that would have required defendants to produce the documents at issue. Accordingly, I am denying plaintiff's motion under Rule 60(b)(2).

ORDER

IT IS ORDERED that

1. Plaintiff Promega Corporation's "motion for amendment of, or relief from, judgment regarding damages, or, in the alternative, for a new trial," dkt. #693, is DENIED.

2. Plaintiff's "motion for amendment of, or relief from, the judgment with respect to infringement, permanent injunction, and exceptional case finding, or, in the alternative, a new trial," dkt. #690, is DENIED.

3. Plaintiff's "motion for relief from the amended judgment based on newly discovered evidence and for a new trial," dkt. #727, is DENIED.

4. Plaintiff's motion for oral argument, dkt. #697, is DENIED.

5. The motion filed by defendants Life Technologies Corporation, Invitrogen IP Holdings, Inc. and Ap-

plied Biosystems, LLC to "strike" portions of plaintiff's reply briefs in support of the first two motions, dkt. #741, is DENIED as unnecessary.

Entered this 22d day of April, 2013.

BY THE COURT:
/s/
BARBARA B. CRABB
District Judge

APPENDIX D

NOTE: This order is nonprecedential

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

2013-1011, 2013-1029, 2013-1376

PROMEGA CORPORATION,
Plaintiff-Cross-Appellant,

MAX-PLANCK-GESELLSCHAFT ZUR FOERDERUNG DER WISSENSCHAFTEN E.V.,
Plaintiff,

v.

LIFE TECHNOLOGIES CORPORATION, INVITROGEN IP HOLDINGS, INC., APPLIED BIOSYSTEMS, LLC,
Defendants-Appellants.

Filed: February 14, 2018

Appeals from the United States District Court for the Western District of Wisconsin in No. 10-CV-0281, Chief Judge Barbara B. Crabb.

ON PETITION FOR PANEL REHEARING AND REHEARING EN BANC

Before PROST, *Chief Judge*, NEWMAN, MAYER[*], Lourie, Dyk. Moore, O'Malley, Reyuna, Wallach, Taranto, Chen, Hughes, and STOHL, *Circuit Judges*.

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[*] Circuit Judge Mayer participated only in the decision on the petition for panel rehearing.

PER CURIAM.

O R D E R

Cross-appellant Promega Corporation filed a combined petition for panel rehearing and rehearing en banc. A response to the petition was invited by the court and filed by appellants Life Technologies Corporation, Invitrogen IP Holdings, Inc. and Applied Biosystems, LLC. The petition was referred to the panel that heard the appeals, and thereafter the petition for rehearing en banc was referred to the circuit judges who are in regular active service.

Upon consideration thereof,

IT IS ORDERED THAT:

The petition for panel rehearing is denied.

The petition for rehearing en banc is denied.

The mandate of the court will issue on February 21, 2018.

FOR THE COURT

February 14, 2018
Date

/s/ Peter R. Marksteiner
Peter R. Marksteiner
Clerk of Court

APPENDIX E

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WISCONSIN

Case No. 10-cv-281-bbc

PROMEGA CORPORATION,
Plaintiff

and

MAX-PLANCK-GESELLSCHAFT ZUR FOERDERUNG DER WISSENSCHAFTEN E.V.,
Involuntary Plaintiff,

v.

LIFE TECHNOLOGIES CORPORATION, INVITROGEN IP HOLDINGS, INC., AND APPLIED BIOSYSTEMS, LLC,
Defendants.

Filed: September 18, 2012

This action came for consideration before the court with District Judge Barbara B. Crabb presiding. The issues have been considered and a decision bas been rendered.

AMENDED JUDGMENT IN A CIVIL CASE

IT IS ORDERED AND ADJUDGED that judgment is entered:

(1) granting defendants' motion for partial summary judgment with respect to plaintiff's claim of infringement of claims 25 and 27-31 of U.S. Patent No.

5,843,660 and defendants' counterclaims for non-infringement of the same claims;

(2) granting plaintiff's motion for summary judgment with respect to defendants' counterclaims that U.S. Patent Nos. 6,479,235, 6,221,598, 5,843,660 and 7,008,771 are invalid because they are anticipated, obvious or not enabled;

(3) dismissing the counterclaims filed by defendants for their failure to prove these counterclaims; and

(4) granting defendants' motion for judgment as a matter of law regarding 35 U.S.C. § 271(a) and (f)(1).

Approved as to form this 14th day of September, 2012.

/s/ Barbara B. Crabb
Barbara B. Crabb, District Judge

/s/ Peter Oppeneer — 9/18/12
Peter Oppeneer, Clerk of Court — Date