No. 17-1669

IN THE

Supreme Court of the United States

PROMEGA CORPORATION,

Petitioner,

v.

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

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

REPLY BRIEF FOR PETITIONER

MARK C. FLEMING
WILMER CUTLER PICKERING HALE AND DORR LLP
60 State Street
Boston, MA 02109

SETH P. WAXMAN
Counsel of Record
THOMAS G. SAUNDERS
JOSHUA M. KOPPEL
KEVIN M. LAMB
WILMER CUTLER PICKERING HALE AND DORR LLP
1875 Pennsylvania Ave., NW
Washington, DC 20006
(202) 663-6000
seth.waxman@wilmerhale.com

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The Federal Circuit's ruling that a verdict winner must raise new-trial arguments in its opposition to a motion for judgment as a matter of law (JMOL) on pain of waiver disregards the plain text and purpose of Federal Rule of Civil Procedure 50(d) and this Court's precedent. As LifeTech does not contest, Rule 50 creates a two-step process whereby a verdict winner may first defend its verdict in opposing JMOL and then, if JMOL is granted, move for a new trial. The Federal Circuit's decision instead requires the verdict winner to raise its alternative new-trial arguments in response to JMOL to preserve them—even though Rule 50(d), the Advisory Committee's note, and this Court's decisions

all make clear that the verdict winner may choose to raise such arguments by separate motion after JMOL is entered against it *rather than* in connection with the JMOL motion.

Without even defending the Federal Circuit's interpretation of Rule 50(d) on the merits, LifeTech tries to sidestep the issue by claiming that this is simply a "garden-variety" waiver case. The Federal Circuit found waiver in this case, however, because Promega did not present its new-trial argument in its "responsive JMOL brief." Pet. App. 17a. The Federal Circuit thus found waiver because Promega did exactly what Rule 50(d) authorizes—waiting to see whether JMOL would be entered against it before raising its own grounds for a new trial.

The Federal Circuit's rule directly conflicts with the accepted course of post-trial proceedings prescribed by Rule 50(d) and this Court's precedent. It will burden courts and litigants with unnecessarily complicated JMOL briefing. The Federal Circuit's legal error merits this Court's review.

I. THE FEDERAL CIRCUIT'S DECISION CONFLICTS WITH RULE 50(d) AND THIS COURT'S PRECEDENT

A. The Federal Circuit Squarely Decided The Question Presented

LifeTech primarily defends the Federal Circuit's decision by recasting it as something it is not—a "garden-variety application of ordinary waiver doctrine." Opp. 1. That recharacterization ignores the critical distinction between "ordinary" waiver of an issue at trial and the Federal Circuit's waiver finding here, which was premised on Promega not raising a new-trial argument in its JMOL opposition. It is of course true

that a point can be waived through failure to make an objection or introduce evidence at trial, thereby precluding a new-trial motion on those grounds. But that is not what the Federal Circuit ruled here. Rather, the Federal Circuit ruled that a verdict winner's failure to raise a new-trial argument *in opposition to JMOL* produced a waiver. In fact, that is no waiver at all under Rule 50(d) and this Court's precedent.

Here, the district court held that "because [Promega] did not seek a new trial on damages in the event [JMOL was granted], that issue is waived." Pet. App. 49a. The Federal Circuit likewise held 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[Tech]'s argument on this point" in its "*responsive JMOL brief*." *Id.* 17a (emphasis added); *see also id.* 20a ("Promega abandoned any alternative damages base when it failed to rebut Life's argument in its Rule 50(b) motion[.]").

Commentators have recognized the Federal Circuit's decision for what it is: a ruling that Promega "waived arguments that any damages could be awarded on a subset of the worldwide sales when it failed to [raise this argument] *in the JMOL briefing*." 7 *Annotated Patent Digest* § 43:42 (2018 update) (emphasis added); *see also* 131 Am. Jur. Trials 179, § 30 (2018 update) (Promega "waiv[ed] argument that trial record could support [alternative] damages calculation" by failing to raise it in response to LifeTech's "opening [JMOL] brief").

In finding waiver, the Federal Circuit thus decided that "a verdict winner must raise new-trial arguments in its opposition to a motion for [JMOL] in order to raise those arguments in a timely motion for a new trial

after entry of judgment." Pet. i. That holding is squarely presented for this Court's review.

B. The Federal Circuit's Decision Is Contrary To Rule 50(d) And This Court's Precedent

LifeTech offers no interpretation of Rule 50(d) that would support the Federal Circuit's finding of waiver based on failure to raise an argument at JMOL. Nor could it. As Promega has explained, the text, purpose, structure, and history of Rule 50(d) make clear that the verdict winner may wait to assert grounds for a new trial until after JMOL is entered against it. *See* Pet. 15-19. The Advisory Committee notes confirm that "'the verdict-winner *is entitled, even after entry of judgment n.o.v. against him*, to move for a new trial in the usual course.'" *Id.* at 16. This Court's decisions interpreting Rule 50 likewise emphasize the "concern … to protect the rights of the party whose jury verdict has been set aside … and who may have valid grounds for a new trial." *Neely* v. *Martin K. Eby Constr. Co.*, 386 U.S. 317, 325 (1967); *accord Weisgram* v. *Marley Co.*, 528 U.S. 440, 457 (2000).

LifeTech rebuts none of these points and does not even mention the Advisory Committee's note. Instead, it insists (at 11-12) that there is no conflict with *Neely* and *Weisgram* because those decisions do not displace ordinary waiver principles. But *Neely* "holds," as LifeTech concedes (at 12), that a verdict winner can request a new trial "'with a separate motion after n.o.v. is granted.'" That does not disturb the operation of waiver as a general matter, but it does foreclose what the Federal Circuit did here in basing a finding of waiver on conduct that *Neely* and Rule 50(d) expressly permit.

Nor is LifeTech helped by the fact that in both *Neely* and *Weisgram*, this Court affirmed appellate courts' power to enter JMOL against the verdict winner on appeal. Reversal of a district court's decision denying JMOL is governed separately by Rule 50(e)—which is inapplicable to the situation here, where the district court granted JMOL. But, more importantly, *Neely* and *Weisgram* confirm that a verdict winner does not waive new-trial arguments by failing to include them in its district-court brief opposing JMOL. As *Neely* explains, the verdict winner is *not* limited on appeal to its new-trial arguments below but is instead afforded the right under Rule 50(e) "to press th[e] same or different grounds" for a new trial. 386 U.S. at 325. In other words, the verdict winner does not waive any "different grounds" for a new trial by not including them in its opposition to JMOL. And if failing to raise a new-trial argument in opposition to JMOL does not waive that argument for appeal, it cannot conceivably waive that argument for a *pre-appeal* new-trial motion under Rule 50(d).

Furthermore, Rule 50(e) and *Neely* corroborate the asymmetry in Rule 50 generally, which requires verdict losers to file new-trial motions concurrently with their JMOL motions while granting verdict winners the right to assert grounds for a new trial later—after entry of JMOL against them or on appeal. And *Neely* explicitly cabins appellate courts' entry of JMOL to cases where "the record reveals" no basis to grant the verdict winner a new trial. *Neely*, 386 U.S. at 325; *accord Weisgram*, 528 U.S. at 456 (verdict winner "offered no specific grounds for a new trial" even in its rehearing petition).

LifeTech also urges (at 13) deference to the "*greater* discretion" of the district court to enter JMOL given

its proximity to the facts. But that discretion "must be exercised consistent with the requirements of the Federal Rules." *Unitherm Food Sys., Inc.* v. *Swift-Eckrich, Inc.*, 546 U.S. 394, 402-403 n.4 (2006). In any event, closeness to the facts of this case is irrelevant, because the district court and Federal Circuit alike rejected Promega's new-trial request based on the purported waiver that occurred when Promega did not make that request in opposition to JMOL. That holding directly conflicts with Rule 50(d) and *Neely*.[1]

C. The Question Presented Is Important And Warrants This Court's Review

The fundamental procedural question here is important because it concerns an extreme "depart[ure] from the accepted and usual course of judicial proceedings" that "call[s] for an exercise of this Court's supervisory power." Sup. Ct. R. 10(a); *see* Shapiro et al., *Supreme Court Practice* § 4.15, at 275-276 (10th ed. 2013) (discussing Supreme Court's "prime responsibility for the proper functioning of the federal judiciary" and collecting "grant[s] of certiorari" involving "construction of the federal rules of civil … procedure"). The Federal Circuit's decision guts Rule 50(d)'s protection for ver-

[1] LifeTech insists (at 14) that the decision is consistent with Seventh Circuit precedent. But none of its cases addresses the Rule 50(d) context. *Wallace* v. *McGlothan*, 606 F.3d 410 (7th Cir. 2010), dealt with procedural constraints on verdict *losers*, whose Rule 50(b) motion is limited to grounds first raised in a Rule 50(a) motion. *Wallace* held only that objections to a verdict loser's noncompliance with that procedure must be raised in response to the Rule 50(b) motion to be preserved for appeal. *Id.* at 418-419. *Wallace* says nothing about waiver of new-trial arguments that could have been (and were) raised under Rule 50(d). And contrary to LifeTech's description, *Popovits* v. *Circuit City Stores, Inc.*, 185 F.3d 726 (7th Cir. 1999), does not address new-trial motions at all.

dict winners and thus has broad procedural significance that merits review.

Rule 50(d) expressly authorizes the verdict winner to defer consideration of its own grounds for a new trial until after the district court grants JMOL against it. That two-staged approach to post-trial motion practice makes good sense for the reasons Promega has previously explained (*see* Pet. 16-19, 22-23)—none of which LifeTech contests. The Federal Circuit's decision, however, would replace that rational and orderly system with a single stage of post-trial briefing covering not only the verdict loser's request for JMOL—and alternatively for a new trial—but any new-trial grounds the verdict winner would assert in the event JMOL is granted against it.

LifeTech argues (at 16) that the issue "appears to be vanishingly rare" as reported in judicial decisions. But the new waiver rule applied in this case does not deal with some obscure part of trial practice. It is commonplace for a plaintiff to assert multiple theories of liability and multiple ways to calculate damages. It is also commonplace for verdict losers to file JMOL motions trying to knock out some of those theories and contending that there was insufficient evidence on a point. Verdict winners who might have focused before on defending the verdict will now have to throw in the kitchen sink, squeezing into their JMOL opposition all sorts of alternative arguments for what should happen under various theoretical scenarios that may never materialize. That is an inevitable result of the risk of waiver—a risk that *Finjan, Inc.* v. *Blue Coat Systems, Inc.*, 879 F.3d 1299, 1312 (Fed. Cir. 2018), makes crystal clear by directing district courts in light of the decision below to consider on remand from vacated damages verdicts whether the plaintiff "has waived the right to

damages based on alternate theories." While *Finjan* did not itself *find* waiver , its recognition that the plaintiff *may* have waived the right to damages under the rule in this case is harm enough.

Moreover, the harm here will occur even if there is no outpouring of decisions applying the rule. Indeed, one would not expect to see cases reach the point of a decision precisely because litigants will now load up their JMOL oppositions with new-trial arguments. That is not a cure to the problem but an ongoing harm caused by the Federal Circuit's rule. Rule 50(d) reflects this Court's judgment that the costs of a staggered approach—permitting separate briefing on a verdict winner's motion for a new trial in the rare event that the district court vacates the verdict and awards JMOL—are outweighed by the far greater costs of inserting the verdict winner's (often unnecessary) new-trial arguments in the standard course of JMOL briefing. The Federal Circuit's rule improperly reverses that judgment embodied by Rule 50(d), despite this Court's exclusive authority to "prescribe" the procedural rules that resolve such competing considerations. 28 U.S.C. § 2072(a).

LifeTech tries (at 9-10, 15) to cabin the predictable impact on litigation conduct by suggesting that the Federal Circuit's rule applies narrowly to failures to respond to a JMOL motion's "essential premises" or to issues "squarely and extensively briefed." But the rule encompasses any argument a party "'could or should'" have made in opposition to JMOL. Pet. App. 24a. Moreover, "an essential premise" (Opp. 9) of every JMOL motion is that there is no basis to grant the verdict winner a new trial and no "evidence upon which the jury might reasonably find" in its favor, 9B Wright & Miller, *Federal Practice & Procedure* § 2524 (3d ed.

2017). A verdict winner can always oppose JMOL by arguing for a new trial because prevailing on any such argument would result in the denial of JMOL. But requiring the verdict winner to do so is directly contrary to the plain text of Rule 50(d).

The fact is that Promega—far from seeking "'to undo its own procedural failures'" (Opp. 14)—did exactly what Rule 50(d) authorizes. The Federal Circuit improperly found waiver on that basis. Such "disregard of the clear requirements of … the Federal Rules of Civil Procedure" is an important issue worthy of certiorari. *Supreme Court Practice* § 4.15, at 276.

II. LIFETECH'S ADDITIONAL ARGUMENTS ARE UNAVAILING

LifeTech makes several misguided factual arguments to suggest that review should be denied. Opp. 17. These attempts to distract from the important legal issue in this case fail.

First, LifeTech implies (at 20) that Promega waived its right to damages under 35 U.S.C. § 271(a) before JMOL by pursuing worldwide damages. LifeTech cannot dispute, however, that the trial record contains extensive evidence quantifying sales by LifeTech in the United States that infringed under § 271(a). *See* Pet. 7-8 (citing testimony from LifeTech's sales representatives, sales records, and testimony explaining how "'to tell the location of the sale as well as the amount of the sale'"). Instead, LifeTech argues (at 20) that Promega's quantification of its U.S. sales does not establish how many sales were "unlicensed" and "does not address the damages from those sales." But that was not the basis for the Federal Circuit's or district court's finding of waiver. Nor could it have been. The

record contained evidence regarding the percentage of infringing sales, the products Promega would have sold absent that infringement, the dynamics of the two-supplier market, and Promega's profit margins. C.A.J.A. 5669-5670; 3A Trial Tr. 13-14, 30, 41-42; 4C Trial Tr. 80-81. Moreover, the burden of proving which sales were licensed was *LifeTech's*, not Promega's. C.A.J.A. 187, 191. The jury could have easily calculated lost profits based on U.S. sales by following the same steps it did to calculate damages based on total world-wide sales. *Cf.* C.A.J.A. 201-204.

Second, LifeTech argues (at 20-22) that Promega's evidence of U.S. sales was insufficient to support a jury verdict because no witness summarized that evidence. But LifeTech does not dispute any of the evidence from which a jury could have quantified some amount of U.S. sales—such as testimony about total sales in specific regions and "pivot" worksheets showing total sales by country and product. Pet. 7-8.[2] Instead, LifeTech argues (at 21) that the evidence of U.S. sales was *too much*, because "the jury would have needed to review thousands of rows of … multiple spreadsheets, cross-reference each row ..., and … translate … 'plan codes.'" But that is simply wrong and conflicts with multiple decisions holding that lay jurors are competent to read and add numbers. Pet. 27-29.

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[2] LifeTech notes (at 7) that Promega initially objected to LifeTech asking a witness to quantify the amount of U.S. sales based on Promega's understanding (and the district court's) that LifeTech had conceded that there was no need to get into that issue. *See* Pet. 7 n.1. But when LifeTech reversed its position, the court allowed Promega to reopen its case and present evidence of LifeTech's sales in the United States, *which Promega did.* Pet. App. 6a; *see also, e.g.*, C.A.J.A. 6249-6270.

Moreover, many of the sales figures were quite accessible. For example, one of LifeTech's sales representatives testified that he sold $30 million of STR kits in his U.S. region. C.A.J.A. 5978, 5986-5987, 5989. That alone could have supported a jury award based on sales within the United States, thereby justifying a new damages trial. Indeed, LifeTech admits (at 10) that it "would not be entitled to full judgment in its favor unless there was no basis in the record for any legitimate damages award."

Third, while conceding (Opp. 22) that Promega's decision to accept a general verdict rather than request specific verdicts under various alternative theories did not itself waive alternative damages awards, LifeTech singles out that decision as purportedly "one [of] multiple indications" that Promega ultimately waived damages on any subset of total worldwide sales. Tellingly, however, LifeTech identifies no other decision indicating waiver—except Promega's failure to raise a new-trial argument in opposition to LifeTech's JMOL motion. Nor was there anything improper about asking the jury for a general verdict. *See* Pet. 30-31. Requiring plaintiffs on pain of waiver to seek detailed verdict forms that ask the jury to specify a damages award for each alternative theory of liability—just in case one or more of those theories is later found to be unsupported—would only complicate trials, make verdict forms unwieldly, and result in more inconsistent verdicts.

LifeTech's attempts to reframe the decision below founder on the clear holding—recognized in subsequent decisions and commentaries—that a verdict winner forfeits the ability to seek a new trial by failing to request one in its "responsive JMOL brief." Pet. App. 17a; *see supra* pp. 2-4. That ruling cannot be reconciled with the text of Rule 50(d) or this Court's precedent.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted.

MARK C. FLEMING
WILMER CUTLER PICKERING
HALE AND DORR LLP
60 State Street
Boston, MA 02109

SETH P. WAXMAN
Counsel of Record
THOMAS G. SAUNDERS
JOSHUA M. KOPPEL
KEVIN M. LAMB
WILMER CUTLER PICKERING
HALE AND DORR LLP
1875 Pennsylvania Ave., NW
Washington, DC 20006
(202) 663-6000
seth.waxman@wilmerhale.com

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