No. 17-1332

IN THE

Supreme Court of the United States

G. DAVID JANG, M.D.

Petitioner,

v.

BOSTON SCIENTIFIC CORPORATION, AND SCIMED LIFE SYSTEMS, INC., NKA BOSTON SCIENTIFIC SCIMED, INC.,

Respondents.

On Petition for a Writ of Certiorari To the United States Court of Appeals For the Federal Circuit

REPLY BRIEF FOR PETITIONER

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REPLY BRIEF FOR PETITIONER

The Federal Circuit's "ensnarement" defense violates the Seventh Amendment. As this Court has recognized, the correct way to address ensnarement (*i.e.*, the factual question whether an equivalent would invade the prior art) is to allow the jury to consider relevant prior art when it decides equivalence. *Graver Tank & Mfg. Co.* v. *Linde Air Prods. Co.*, 339 U.S. 605, 609 (1950). But the Federal Circuit has adopted a different, and unconstitutional, approach. After a patent holder proves infringement under the doctrine of equivalents to the jury, the infringer may claim "ensnarement" and require the patent holder to justify the jury's verdict to the court, through a convoluted test that compares hypothetical claims to the prior art. Pet. App. 15a-17a; *DePuy Spine, Inc.* v. *Medtronic Sofamor Danek, Inc.*, 567 F.3d 1314, 1324-1325 (Fed. Cir. 2009). Here, Dr. Jang proved, and the jury found, that respondents infringed his patents for a life-saving arterial stent. But the district court abrogated the verdict (and $86 million in damages) because it disliked the hypothetical claims it required Dr. Jang to propose after trial. The Federal Circuit approved this blatantly unconstitutional procedure. Pet. App. 15a-25a.

Respondents have no real defense of the ensnarement doctrine. How could they? It is well-established that a patent holder has the right to a jury trial on patent infringement, including on the factual question of equivalence, which necessarily involves considering any prior art. So instead of seriously engaging on the merits, respondents argue waiver and attempt to minimize the importance of the question presented. But they are wrong on both counts: Dr. Jang preserved

his constitutional objection at every turn, and vindicating Seventh Amendment rights is of paramount importance.

Only this Court can correct the Federal Circuit's error and protect the Seventh Amendment rights of Dr. Jang and other patent holders. The petition should be granted.

I. THE FEDERAL CIRCUIT'S ENSNAREMENT DEFENSE VIOLATES THE SEVENTH AMENDMENT

1. The constitutional analysis is straightforward: A patent holder has a Seventh Amendment right to a jury determination on patent infringement. See *Markman* v. *Westview Instruments, Inc.*, 517 U.S. 370, 377 (1996). A patent holder may prove infringement using the doctrine of equivalents. *Warner-Jenkinson Co., Inc.* v. *Hilton Davis Chem. Co.*, 520 U.S. 17, 23 (1997). Equivalence is a question of fact to be decided by the jury as part of deciding infringement. *Id.* at 38; see also *Gill* v. *Wells*, 89 U.S. 1, 28 (1874). And equivalence depends on "the context of the patent, *the prior art*, and the particular circumstances of the case." *Graver Tank*, 339 U.S. at 609 (emphasis added). Accordingly, an argument that the device does not infringe because the asserted equivalent would encompass or invade the prior art must be decided by the jury. And, once equivalence has been found, that fact may not be reexamined by a court unless allowed at common law.

The Federal Circuit's ensnarement defense runs roughshod over these principles. It allows the court to reexamine the jury's equivalence finding in view of the prior art. Pet. App. 21a-22a. Prior art is treated as a

legal question, rather than a factual one, using a complicated "hypothetical claim" approach. *Id.* at 15a-17a, 21a-22a. Courts can undertake this analysis after the jury already has found infringement by equivalence, with the patent holder again bearing the burden of proof. *Id.* at 16a-17a. And courts can overturn a valid infringement verdict without even finding that the asserted equivalent ensnares the prior art. *Id.* at 20a-21a. From root to branch, the ensnarement defense violates the Seventh Amendment.

Respondents' tepid attempt to justify the ensnarement defense rests on the premise that prior art is relevant to infringement under the doctrine of equivalents. Br. in Opp. 7-8. But that point is not in dispute. See Pet. 21. The question is not *whether* to account for the prior art in a trial on infringement under the doctrine of equivalents, but *how*. This Court's precedents teach that prior art is evidence that the jury should weigh like any other evidence relevant to infringement. See, *e.g.*, *Graver Tank*, 339 U.S. at 609. Respondents have no answer to this clear teaching from *Graver Tank*, even as they insist that the court rather than the jury should consider prior art in this context. But prior art is not some kind of special, super-secret evidence that can be withheld from the jury and then introduced by the losing party *after* the jury's verdict for the court to weigh on its own under the Byzantine "hypothetical claim" test. Prior art is simply evidence relevant to infringement that must (if introduced by either party) be considered by the jury in making the factual finding of equivalence.

2. Respondents argue that the ensnarement defense has a long pedigree, but they provide no support for that assertion. Br. in Opp. 9. They cannot identify a single decision of this Court, or indeed any historical

source, that mentions ensnarement. *Ibid.* That is because the "ensnarement" defense did not exist at common law. Tellingly, it also does not appear in the Patent Act's list of defenses to infringement. See 35 U.S.C. 282. The Federal Circuit made up the ensnarement defense from whole cloth, and has made it more convoluted and unmoored from this Court's decisions in each iteration. See Pet. 14-18. As this case vividly illustrates, it has now become a get-out-of-jail-free card for an infringer to play after a jury has found infringement of a valid patent. While it may be true that the Federal Circuit's ensnarement decisions are consistent with each other, they are consistently wrong. And a lower court's repeated violations of the Constitution make an issue more worthy of this Court's review—not less, as respondents contend. See Br. in Opp. 2, 7-8.

Respondents next argue (Br. in Opp. 11-12) that ensnarement is a "legal limitation" on the doctrine of equivalents, akin to prosecution history estoppel. But whether the asserted equivalent ensnares the prior art is a factual question, not a legal one. See *Graver Tank*, 339 U.S. at 609; *Winans* v. *Denmead*, 56 U.S. 330, 333, 338 (1853). In over 150 years of precedent, Pet. 29, this Court has never suggested that ensnarement is a legal limitation on equivalence. In fact, the Court said the opposite in *Warner-Jenkinson*: The Court identified only two "legal limitations" on equivalence—prosecution history estoppel and vitiation of a claim element. 520 U.S. at 39 n.8. Even the district court acknowledged that ensnarement is not a "legal limitation" ever recognized by this Court. Pet. App. 29a n.1.

Unlike ensnarement, prosecution history estoppel is an equitable doctrine that can disentitle a patent

holder from taking certain positions based on his conduct before the PTO. See *DePuy*, 567 F.3d at 1323-1324; see also *Warner-Jenkinson*, 520 U.S. at 30. Where an applicant narrows the patent's claims to convince the PTO to issue the patent, the patent holder is bound by those representations in later litigation. See *Festo Corp.* v. *Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 727 (2002). This is an ordinary estoppel by conduct—an equitable doctrine to which no jury-trial right attaches. See also *Therasense, Inc.* v. *Becton, Dickinson & Co.*, 649 F.3d 1276, 1290 (Fed. Cir. 2011) (en banc) (similar for doctrine of inequitable conduct).

The ensnarement defense, in contrast, is simply a defense on the merits of infringement that depends on prior art. It has nothing to do with equity or the patent holder's conduct.

3. Respondents invoke Rule 50 to try to justify the Federal Circuit's procedure for considering ensnarement. Br. in Opp. 13. Under Rule 50, a fact issue need not be submitted to the jury when the evidence is insufficient as a matter of law. See Fed. R. Civ. P. 50(a)(1); see also *Warner-Jenkinson*, 520 U.S. at 39 n.8. But that proves our point: When either party has a right to a jury trial on a fact issue, that issue must go to the jury, and the court can take the issue from the jury only when no reasonable jury could find for the plaintiff. Pet. 21; see *Baltimore & Carolina Line* v. *Redman*, 295 U.S. 654, 659 (1935). This is consistent with the Seventh Amendment because it codifies the common law practice of reserving questions raised by a motion for a directed verdict. *Montgomery Ward & Co.* v. *Duncan*, 311 U.S. 243, 250 (1940); see Fed. R. Civ. P. 50 advisory committee's note (1991 amendment).

In this case, the Federal Circuit explicitly rejected Dr. Jang's contention that respondents were obligated to follow the Rule 50 procedure. Pet. App. 21a-22a. And respondents manifestly did not follow Rule 50. They did not argue, pre-verdict, that no reasonable jury could find infringement because the asserted equivalence ensnares the prior art. (Respondents' Rule 50(a) motion did not mention ensnarement at all.) Post-verdict, they did not challenge the jury's finding of equivalence. Pet. App. 10a. They did not "*renew*" a motion for judgment as a matter of law after trial, Br. in Opp. 13, because they made no such motion during trial. Instead, by *invoking* the ensnarement doctrine, respondents bypassed the jury entirely and forced Dr. Jang to craft hypothetical claims to avoid forfeiting his jury verdict. That is not a routine application of Rule 50. It is a mechanism for setting aside a jury verdict that was not countenanced at common law, and one that intrudes on a core jury function.

Respondents say that a court may "determine a question of law following a jury verdict" as long as the issue was "preserved." Br. in Opp. 12-14. But equivalence (and, thus, ensnarement) is a factual issue for the jury to decide. So the way parties "preserve" their arguments about ensnaring the prior art is by introducing evidence on this point and arguing its significance to the jury, or moving for summary judgment or judgment as a matter of law if the evidence is manifestly insufficient. If the prior art is so clear as to preclude infringement, the court can decide that on summary judgment under Rule 56, or it can grant judgment as a matter of law under Rule 50. But what the court cannot do is conduct a jury trial to verdict on infringement, then allow the infringer to pull out the ensnarement defense and prior art post-verdict and

shift the burden to the patent holder to justify the jury verdict all over again.

II. THIS CASE IS AN IDEAL VEHICLE FOR ADDRESSING THE CONSTITUTIONALITY OF THE ENSNAREMENT DEFENSE

Ensnarement was the dispositive issue in vacating Dr. Jang's otherwise unchallenged jury verdict. Pet. App. 9a, 28a. A ruling that the defense was applied in violation of Dr. Jang's Seventh Amendment rights would require reinstatement of the jury verdict—and hundreds of millions of dollars in damages and interest. This case is therefore the perfect vehicle for this Court to examine the constitutionality of the ensnarement defense.

1. Respondents' primary argument (Br. in Opp. 6-7) is that Dr. Jang waived his Seventh Amendment challenge. That is untrue. Dr. Jang objected to the ensnarement defense at the earliest possible stage and at every opportunity thereafter.

Before trial, respondents mentioned ensnarement in passing in a motion *in limine*, when they were trying to convince the district court to prevent Dr. Jang from making any doctrine-of-equivalents argument. See C.A. J.A. 6797. Dr. Jang opposed, *id.* at 6874-6877, and the court denied the motion, *id*. at 65-69. Near the end of trial, respondents invoked ensnarement again and asked the court to hold a "mini[-]trial" post-verdict, where it could consider the ensnarement defense and potentially set aside an adverse jury verdict. *Id.* at 9859. Dr. Jang objected, specifically requesting that the issue of ensnarement be submitted to the jury. *Id.* at 10172. Following Federal Circuit precedent, the district court refused to instruct the jury on ensnarement and agreed to hold a post-verdict

hearing (after the jury was discharged) if the jury found infringement under the doctrine of equivalents. *Id.* at 10371. In the post-verdict ensnarement briefing and in his new-trial motion, Dr. Jang again argued that the ensnarement defense "would abrogate Dr. Jang's rights under the Seventh Amendment." Plaintiff's Closing Br. on Ensnarement 1, 3 (No. 05-426 ECF No. 710) (C.D. Cal. Aug. 25, 2015); see C.A. J.A. 11300, 11308, 11359-11360 & n.2.

After the district court overturned the jury verdict based on ensnarement, Dr. Jang appealed to the Federal Circuit. He expressly invoked the Seventh Amendment in his opening brief, Jang C.A. Br. 2-4, 30, 48-50, his reply brief, Jang C.A. Reply Br. 4-5, 25-26, and his petition for rehearing, Jang C.A. Pet. for Reh'g 14-15. He argued that the ensnarement hearing violated his Seventh Amendment right to a jury trial and violated Rule 50 (the procedure designed to avoid violating the Seventh Amendment's Reexamination Clause), including because prior art should be considered by the jury. Jang C.A. Br. 48; see also *id.* at 30-31, 43-51. Accordingly, Dr. Jang properly preserved the constitutional claim presented in the petition, and he may continue to press the claim and any arguments in support of it. See, *e.g.*, *Yee* v. *City of Escondido*, 503 U.S. 519, 535 (1992).

Not only was the argument pressed, but it was passed on below. The court of appeals considered and rejected Dr. Jang's arguments, seeing "nothing legally unsound in [respondents] raising ensnarement through [their] pretrial motion *in limine*, and the district court conducting a post-trial hearing on the defense contingent on an infringement verdict under the doctrine of equivalents." Pet. App. 22a. The court disagreed with Dr. Jang's argument that, for the court to

take the fact issue of ensnarement away from the jury, the infringer must raise it in a motion for summary judgment or judgment as a matter of law. *Id.* at 20a-25a. In so doing, the court followed its own precedent. *DePuy*, 567 F.3d at 1323-1324. The issue is ready for this Court's review.

2. Respondents state that Dr. Jang conceded that "ensnarement does not implicate the Seventh Amendment." Br. in Opp. 5 (quoting Jang C.A. Br. 48). False: The quoted language was Dr. Jang's (accurate) summary of existing Federal Circuit law—specifically, the *DePuy* case, which held that ensnarement could be considered by the court post-verdict, 567 F.3d at 1324. See Pet. App. 21a-22a (relying on *DePuy*). And on the same page of his brief, Dr. Jang specifically highlighted the "constitutional infirmity" of that precedent. Jang C.A. Br. 48. Respondents admitted this below: In their appellate brief, they acknowledged that Dr. Jang had "invoke[d] the Seventh Amendment" in objecting to the Federal Circuit's ensnarement defense. Resp. C.A. Br. 61 n.32. For respondents now to state that Dr. Jang conceded anything is beyond the pale.

Respondents are likewise wrong in saying that Dr. Jang "elected" to utilize the Federal Circuit's hypothetical claim process. Br. in Opp. 4. In the district court, respondents asserted that the hypothetical claim procedure was required under Federal Circuit precedent, C.A. J.A. 10710, and complained that "Dr. Jang has resisted presenting a hypothetical claim," *id.* at 10758. Dr. Jang eventually did present hypothetical claims, but only because the district court and the Federal Circuit's ensnarement precedent required him to follow this procedure. This was not Dr. Jang's

choice, but his only option once the district court refused to submit ensnarement to the jury and directed that the *DePuy* procedure would control. *Id.* at 10371.

Throughout this case, respondents have always insisted that ensnarement is a question for the court to decide after the jury's verdict, while Dr. Jang has consistently argued that the jury must decide this issue. The Seventh Amendment argument is fully preserved.

III. THE QUESTION PRESENTED IS IMPORTANT AND WARRANTS REVIEW NOW

Congress and this Court have tasked the Federal Circuit with "promot[ing] certainty, consistency, and reviewability" with respect to the doctrine of equivalents. *Warner-Jenkinson*, 520 U.S. at 39 n.8. The Federal Circuit has done just the opposite in developing the ensnarement defense. It has transformed prior art into a special category of evidence to be considered not by a duly empaneled jury in finding the critical fact of equivalence and, thus, infringement; but as a "legal defense" determined by the court precisely to second-guess the jury's finding. Patent holders can lose their verdicts without any factfinder, let alone the jury, ever considering if the prior art is ensnared, what the prior art says, or even whether the prior art is, in fact, prior art. This undermines the patent system as a whole, by negating the rights that inhere in validly issued U.S. patents. The practical consequences of this decision are every bit as serious as the constitutional implications.

Respondents suggest that not enough cases raise ensnarement to warrant this Court's attention. Br. in Opp. 9-11. Yet respondents admit that the Federal

Circuit has decided dozens of cases raising this issue. *Id.* at 10. A significant number—up to 45% in some years—of Federal Circuit infringement cases involve the doctrine of equivalents, Pet. 32, and ensnarement is a potential defense in all of them. That is a substantial portion of the Federal Circuit's (exclusive) patent docket by any measure. And use of the ensnarement defense will no doubt increase now that the Federal Circuit has made it such an easy way out for infringers following a verdict of infringement. Many commentators already have taken note. See *id.* at 30.

* * * * *

The Seventh Amendment violations in this case are the culmination of a line of Federal Circuit cases on ensnarement. The result here shows that the defense has passed the breaking point. The district court negated a jury verdict based on a defense and evidence that the jury never considered, and the Federal Circuit shrugged. Only this Court can restore patent holders' Seventh Amendment rights, protect their property rights in valid patents, and bring certainty to the patent system. The petition for a writ of certiorari should be granted.

Respectfully submitted.

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