

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

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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.

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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 jury 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 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.

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 postverdict 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 Applied 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