

ALERT

Federal Circuit Patent Bulletin: *Promega Corp. v. Life Techs. Corp.*

December 12, 2017

"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."

On November 13, 2017, in *Promega Corp. v. Life Techs. Corp.*, on remand from the U.S. Supreme Court judgment that 35 U.S.C. § 271(f)(1) does not cover the supply of a single component of a multicomponent invention and that Life Technologies did not infringe U.S. Reissue Patent No. RE 37,984 (Tautz patent), which related to Taq polymerase genetic testing kits used in forensic identification and by clinical and research institutions around the world, the U.S. Court of Appeals for the Federal Circuit (Prost, Mayer, Chen*) affirmed the district court's judgment as a matter of law that Promega failed to prove its infringement case under 35 U.S.C. § 271(a)3 and § 271(f)(1) as well as the district court's denial of Promega's motion for a new trial on damages and infringement. The Federal Circuit stated:

In patent cases, "[t]he burden of proving damages falls on the patentee," and "[t]he[patentee] must show his damages by evidence." Damages "must not be left to conjecture by the jury. They must be proved, and not guessed at." When a patentee seeks lost profits as the measure of damages, "the patent holder bears the burden of proving the amount of the award." "[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." "[T]he amount is normally provable by the facts in evidence or as a factual inference from the evidence."

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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. 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. . . .

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. 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.” 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. 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 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. . . . This is an unusual case. Patent owners who prove infringement are typically awarded at least some amount of damages. 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 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.