Archetype IP

Federal Circuit Friday

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> What is constant in history is greed and foolishness and a love of blood and this is a thing that even God – who knows all that can be known – seems powerless to change.
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> – Cormac McCarthy, *All The Pretty Horses* (1992)

An epic tale of greed and flawed trial strategy came to a close on November 13 with the Federal Circuit's decision in *Promega v. Life Technologies*. Having been deeply involved in this case on Life's side since just before trial, the final favorable outcome is welcome and restorative of my faith in ultimate justice and fairness.

Promega had two theories of liability in this patent infringement case:

1) Under §271(a), for infringing DNA testing kits *sold in the United States*; and
2) Under §271(f)(1), for infringing DNA testing kits *assembled in the UK and sold worldwide*, the primary "hook" for this theory being the shipping of a generic enzyme from the United States to the UK for inclusion as one of several components in the accused DNA testing kits.

Apparently hell-bent on ensuring the biggest possible damages award, Promega focused the jury exclusively on a single "big" number – total worldwide sales of the accused products – and actively prevented the jury from learning what portion of those sales occurred in the United States. Only a big number would be in front of the jury, Promega decided, all the better to get a big damages award.

Promega effectively abandoned damages under its 271(a) theory, though, since its trial strategy left the jury with no US revenue number and no way to determine appropriate damages for infringement under 271(a). And there were factual and legal problems with Promega's 271(f)(1) theory that would play out – unfavorably to Promega – first at the district court and then later at the Supreme Court. Promega was alerted to its errors by Life's mid-trial JMOL, and the district court provided Promega an opportunity to supplement the record with evidence specific to damages under 271(a). To no avail.

The district court granted JMOL in favor of Life, finding that Promega had not proven its case under a correct interpretation of 271(f)(1) and that any infringement that had occurred under 271(a) could not support a $52 million damages verdict that had been based on worldwide sales. The Supreme Court agreed that Promega's interpretation of 271(f)(1) was wrong and that the sourcing of a single commodity component of a multi-component product from the United States was not sufficient to trigger liability under 271(f)(1).

On remand from the Supreme Court to the Federal Circuit, Promega argued that it was entitled to a new trial on damages for infringement under 271(a). The Federal Circuit rejected that argument, finding that although "there is evidence in the record to support some unspecified amount of §271(a) infringement," Promega had "declined to use its opportunity [at trial] to establish entitlement to an alternative, smaller damages award" under 271(a) and had waived any argument for damages other than lost profits on total worldwide sales.

In the end, Promega took nothing. Its "all-or-nothing damages strategy," to fixate on worldwide revenues to boost damages, doomed Promega's ability to recover *any* damages for infringement.