No. 14-

IN THE

Supreme Court of the United States

BECTON DICKINSON AND COMPANY,
Petitioner,

v.

RETRACTABLE TECHNOLOGIES, INC.
AND THOMAS J. SHAW,
Respondents.

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

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

1. Where a jury uses a general verdict form to award damages, and at least one but not all of the claims submitted to the jury is set aside on appeal, are further proceedings to recalculate damages required under the general verdict rule?

2. To benefit from the general verdict rule following a partial reversal on appeal, must a litigant object to the general verdict form and invoke the general verdict rule in advance of a partial reversal (as four courts of appeal have held), or are these steps unnecessary (as five courts of appeals have held)?

RULE 29.6 DISCLOSURE

Becton Dickinson and Company has no parent corporation, and no publicly traded company owns ten percent or more of its stock.

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The decision of the United States Court of Appeals for the Federal Circuit (App. 1a-12a) is reported at 757 F.3d 1366. The decision of the United States District Court for the Eastern District of Texas (App. 13a-15a) is unreported, but available at 2013 WL 4037929.

JURISDICTION

The judgment of the court of appeals was entered on July 7, 2014. App. 1a. The court denied petitioner's petition for rehearing en banc on September 19, 2014. *Id.* 25a-26a. On December 4, 2014, the Chief Justice extended the time for filing a petition for a writ of certiorari to and including January 16, 2014. This Court has jurisdiction pursuant to 28 U.S.C. § 1254(1).

INTRODUCTION

This case presents a fundamental and recurring question of civil procedure that has split the courts of appeals. At trial, the jury determined that two separate products made by petitioner Becton Dickinson and Company ("BD") infringed patents owned by respondent Retractable Technologies, Inc. ("RTI"). The jury then returned a general damages verdict awarding $5 million for infringement by both products. On appeal, the U.S. Court of Appeals for the Federal Circuit held that the district court had misconstrued a critical term in RTI's patents, and that under the proper construction, the product that accounted for the vast majority of BD's sales did not infringe as a matter of law. The Federal Circuit accordingly affirmed in part and reversed in part.

When the case returned to the district court, however, the court held that, even though the general damages verdict rested in part on an infringement judgment that had been vacated, it lacked authority to recalculate damages because the Federal Circuit had not expressly remanded for that purpose. The district court thus required BD to pay damages on a patent that the Federal Circuit had held BD did not infringe.

On a second appeal, the Federal Circuit agreed with the district court that the partial reversal of the original judgment did not require—indeed, did not permit—a recalculation of damages, on the theory that BD had not objected to the use of a general damages verdict at trial and that BD's request for a complete reversal had not specifically requested contingent relief on damages in the event of a partial reversal.

The Federal Circuit's decision departs from the general verdict rule, created by this Court over a century ago in *Maryland* v. *Baldwin*, 112 U.S. 490 (1884). Under that rule, this Court has consistently held that a judgment grounded upon a general verdict must be vacated where, as here, it is unclear whether or not the verdict was based in part on an invalid theory. The Federal Circuit's decision also deepens a well-developed split among the courts of appeals regarding whether an appellant's entitlement to relief under the general verdict rule can be forfeited.

It is critical that the law be clear and unified on a question as basic as when damages can be recalculated following a partial reversal on appeal. This Court should grant the petition and resolve the confusion in the courts of appeals.

STATEMENT OF THE CASE

1. RTI and its founder, Thomas J. Shaw, filed patent infringement, antitrust, and other claims against BD in the U.S. District Court for the Eastern District of Texas. RTI accused two BD retractable syringes, the 1 mL Integra syringe and the 3 mL Integra, of infringing various claims of three patents.[1]

The accused syringes featured a needle that retracts into the body of the syringe after use, minimizing safety risks associated with contaminated needles. Each syringe accomplished this task in a different way. The 3 mL Integra featured a two-piece body and a circular cutter built into the inner plunger rod. The 1 mL Integra featured a one-piece body and a circular cutter built into the needle hub.

Petitioner first sold the 3 mL Integra in 2002 and the 1 mL Integra in 2004. The 3 mL Integra was by far the more popular of the two products, accounting for $47 million of the combined $57 million in U.S. sales by the time the case arrived at trial.

In January 2008, the district court severed the patent infringement case from the antitrust claims and other claims asserted by RTI. In the patent infringement suit, the district court issued a claim construction order in January 2009 in which it declined to adopt BD's proposed construction of several terms, including the term "body."

The infringement case proceeded to trial in October 2009. Both sides submitted expert testimony as to

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[1] RTI accused the 3 mL Integra of infringing U.S. Patent Nos. 7,351,224, ("the '224 patent"), and 6,090,077 ("the '077 patent"), and the 1 mL Integra of infringing the '224 patent and U.S. Patent No. 5,632,733 ("the '733 patent").

damages. RTI's expert testified that if BD infringed RTI's patents, RTI was entitled to a "lump sum" reasonable royalty of $72 million. That figure presumed the parties would have engaged in a hypothetical negotiation in May 2000, when RTI contended BD began testing the 3 mL Integra, and that BD would have agreed to provide a single lump sum payment for a license that would permit it to use the patents as much or as little as it wanted. C.A. App. 342.

Petitioner's damages expert, Dr. Stephen McGee, offered two potential damages assessments in the event the jury found that BD's products infringed respondent's patents under the court's claim construction. Both methods depended on whether one or both BD products infringed the patents. First, Dr. McGee testified that RTI may be entitled to a $5.3 million royalty based on RTI's "lost profits," of which $3.4 million was attributable to the 3 mL Integra syringe and $1.5 million was attributable to the 1 mL Integra syringe. C.A. App. 478. Second, Dr. McGee calculated royalties using a "running royalty" methodology, under which a licensor is paid based on the number of units actually sold, instead of in a lump sum up front. This method depended on BD's actual sales of the two products and yielded a combined total of $3 million for both products.

The verdict form contained an interrogatory that directed the jury to issue a general verdict regarding damages:

> Interrogatory No. 6.
>
> If you have found that any of BD's accused devices infringe any of the asserted claims of any of the '733 Patent, the '077 Patent, or the '224 Patent, then even if you have answered "yes" to any portion of Interrogatory Nos. 3 through

> 5 [regarding invalidity of the patents], please determine the amount of reasonable royalty damages that would fairly and adequately compensate RTI for infringement.

C.A. App. 143. Neither party objected to this instruction, which was crafted by the district court based on competing submissions by the parties, both calling for use of a general interrogatory on damages. *Id.* at 492.

The jury found that both the 1 mL and 3 mL syringes infringed RTI's three patents. The jury responded to Interrogatory No. 6 by awarding RTI $5 million without further explanation. C.A. App. 143. This amount was between Dr. McGee's running royalty calculation of $3 million and his lost profits calculation of $5.3 million, but dramatically less than the $72 million lump sum royalty figure proposed by RTI's damages expert.

BD moved for judgment as a matter of law and/or a new trial, arguing that RTI's patents were invalid and that BD's products did not infringe. The district court denied BD's motion.

On May 19, 2010, the district court entered final judgment in the case, ordering as to damages that:

> Plaintiffs shall have and recover from Defendant the total sum of $5,000,000.00, together with prejudgment interest at the prime rate, compounded annually, calculated up to entry of Final Judgment, and *based on running royalties* for infringement *from March 2002* up through trial, together with post-judgment interest on the entire sum calculated pursuant to 28 U.S.C. § 1961.

C.A. App. 110 (emphasis added; underlining omitted). The court's award of prejudgment interest from March 2002—the month when the 3 mL Integra was first sold and a full *two years before* the 1 mL Integra was launched—reflected its understanding that the jury's damages award included damages for infringement of the 3 mL syringe.

2. BD appealed the final judgment on multiple grounds, including its objection to the district court's claim construction. The Federal Circuit agreed with BD in part. The court found that the district court's construction of the term "body" in the patents was in error and that under the correct construction the 3 mL Integra did not infringe any of RTI's patents as a matter of law. *See Retractable Techs. Inc.* v. *Becton, Dickinson & Co.*, 653 F.3d 1296, 1304-1307 (Fed. Cir. 2011) ("*RTI I*"). The Federal Circuit's decision stated that the court "REVERSED IN PART AND AFFIRMED IN PART." *Id.*

RTI petitioned for rehearing and rehearing en banc from the Federal Circuit. The court denied RTI's petition. *See Retractable Techs. Inc.* v. *Becton, Dickinson & Co.*, 659 F.3d 1369 (Fed. Cir. 2011). RTI then petitioned this Court for certiorari, which this Court denied. *See Retractable Techs. Inc.* v. *Becton, Dickinson & Co.*, 133 S. Ct. 833 (2013).

3. While RTI's petition for certiorari was pending, the district court asked whether, assuming the petition was denied, the parties believed further proceedings would be necessary in light of the Federal Circuit's determination that the 3 mL Integra did not infringe RTI's patents. At that point, the parties agreed that the district court was required to determine what damages RTI was entitled to for infringement of the 1 mL

Integra alone. As RTI explained to the district court on May 11, 2012, if its petition for certiorari was denied, then

> the only remaining issue would be the amount of damages for the 1 ml product since the jury verdict form did not split out damages for the BD Integra 1 ml syringe (affirmed to infringe) as compared to the BD Integra 3 ml (infringement finding reversed). Thus, the sole issue would be the proper allocation of damages to be accorded infringement by the 1 mL Integra syringe *in light of the fact that the jury's award of $5 million for a reasonable royalty was based on its finding that both products infringed.*

C.A. App. 531-532 (emphasis added).

This statement was consistent with this Court's general verdict rule and the Federal Circuit's own precedent holding that where there is a partial reversal and "'the jury rendered a single verdict on damages … *the normal rule* would require a new trial as to damages.'" *Verizon Servs. Corp.* v. *Vonage Holdings Corp.*, 503 F.3d 1295 (Fed. Cir. 2007) (emphasis added) (citing *Memphis Cmty. Sch. Dist.* v. *Stachura*, 477 U.S. 299, 312 (1986)). It was also consistent with Federal Circuit case law recognizing that a district court has the authority to conduct additional proceedings consistent with the Federal Circuit's formal judgment and written opinion regardless of whether its mandate expressly orders a "remand." *See Tronzo* v. *Biomet, Inc.*, 318 F.3d 1378, 1380 (Fed. Cir. 2003); *Exxon Chem. Patents, Inc.* v. *Lubrizol Corp.*, 137 F.3d 1475, 1483-1484 (Fed. Cir. 1998).

But in an about-face after this Court denied certiorari, RTI argued for the first time that additional dam-

ages proceedings were unwarranted and, in fact, precluded. In response, BD filed a motion with the district court asking the court to modify the judgment by lifting the injunction on sales of the 3 mL syringe and by conducting further proceedings to recalculate damages for infringement by the 1 mL Integra alone. The district court granted the motion to modify the injunction, but ruled that despite the Federal Circuit's partial reversal, it lacked authority to conduct further proceedings concerning damages in the case. App. 13a-14a.

4. BD appealed the damages decision to the Federal Circuit. BD argued that the Federal Circuit's earlier ruling had to be construed in accordance with this Court's general verdict rule, which provides that where there has been a partial reversal, the district court may conduct further proceedings to determine the effect of the reversal on any damages award. *See* Appellants' Br. 13-17; Reply Br. 14-17.

A two-judge panel rejected this argument and held that, under the mandate rule, the district court lacked authority to recalculate damages despite the partial reversal. *Retractable Techs. Inc.* v. *Becton Dickinson & Co.*, 757 F.3d 1366 (Fed. Cir. 2014) ("*RTI II*").[2] The panel stated that BD's request for contingent relief and argument regarding the general verdict rule "could have and should have been raised in the previous appeal" (App. 6a), and faulted BD for "neither object[ing] to Interrogatory No. 6" at trial "nor indicat[ing] to this court … that it believed a partial reversal would require revisiting that award" (App. 8a).

[2] Judge Randall R. Rader, who appeared on the panel, retired on June 30, 2014 and did not participate in the decision below.

The panel refused to construe the mandate in *RTI I* consistently with *Verizon*, where the Federal Circuit had relied on this Court's cases to apply the general verdict rule *sua sponte* "though neither party briefed the issue" and had stated that where there is a partial reversal and "'the jury rendered a single verdict on damages … the normal rule would require a new trial as to damages.'" App. 5a-6a (quoting *Verizon*, 503 F.3d at 1310). The panel instead restricted this "normal rule" followed in *Verizon* and other cases to situations in the court has "specifically remanded the question of damages to the district court." App. 6a.

In short, the panel held that in the absence of an express remand for a recalculation of damages, a district court has no authority to apply the general verdict rule following a partial reversal, and that even though the failure to make an express request for partial relief had not resulted in a waiver in *Verizon*, BD lost its right to a remand to recalculate damages when it asked for a complete reversal without explicitly stating that it also wanted partial relief on damages in the event of a partial reversal on liability.

BD petitioned the Federal Circuit for rehearing and rehearing en banc. The Federal Circuit denied BD's request.

REASONS FOR GRANTING THE PETITION

This case provides the Court with an opportunity to reaffirm the general verdict rule and to resolve a deep split among the courts of appeals regarding the proper application of that rule.

This Court has long held that where one of the grounds that might have supported a general verdict is reversed on appeal, the general verdict must be vacated. The Federal Circuit's decision conflicts with this rule by holding that a partial reversal is not sufficient to permit additional proceedings by the district court. This new rule will govern all patent cases unless and until it is reversed by this Court. Given the frequency with which multiple patent claims are asserted in a single case, and the resulting opportunity for partial reversals on appeal, this creates a substantial risk of unfairness and arbitrary action in a large number of cases.

The Federal Circuit's decision also contributes to a 5-4 split on whether litigants must affirmatively invoke the general verdict rule in the trial and appellate courts to preserve their right to contingent relief in the event of a partial reversal. The Federal Circuit's shift in position moves the court from one side of the split to the other, putting it in conflict with the majority position.

The Court should take this opportunity to resolve the recurring and important questions presented by this case.

I. THE FEDERAL CIRCUIT'S DECISION CONFLICTS WITH THIS COURT'S PRECEDENT

A. This Court Has Consistently Held That A General Verdict Must Be Vacated On Appeal If Any Of The Underlying Claims Are Invalid

This Court's longstanding precedent holds that a general verdict in a multi-claim suit cannot stand if one of the submitted claims is vacated or reversed on appeal. *See Maryland* v. *Baldwin*, 112 U.S. 490, 493 (1884) ("[The verdict's] generality prevents us from perceiving upon which plea they found. If … upon any one issue error was committed … the verdict cannot be upheld."). Thus, where an appellate court partially reverses a general verdict, further proceedings at the district court regarding the validity of the rest of the verdict are required.

The general verdict rule is premised on the sound principle that only the jurors who rendered a verdict understand the reasons behind it. *See Skidmore* v. *Baltimore & Ohio R.R. Co.*, 167 F.2d 54, 60 (2d Cir. 1948) (general verdicts are "inscrutable and essentially mysterious"). Once one of the grounds upon which the jury could have relied is rejected on appeal, "it is impossible to know, in view of the general verdict returned whether the jury imposed liability on a permissible or an impermissible ground[.]" *Exxon Shipping Co.* v. *Baker*, 554 U.S. 471, 482 n.3 (2008). Principle and respect for the role of the jury under the Seventh Amendment thus dictate that "the judgment be reversed and the case remanded." *Id.* (internal quotation marks omitted).

In the 130 years since *Baldwin*, this Court has repeatedly reaffirmed the general verdict rule in civil cases. *See, e.g.*, *Spectrum Sports, Inc.* v. *McQuillan*,

506 U.S. 447, 460-461 (1993) (reversing court of appeals' judgment because general "verdict did not negate the possibility that [it] rested on" invalidated ground); *City of Columbia* v. *Omni Outdoor Adver. Inc.*, 499 U.S. 365, 384 (1991) ("The jury's general verdict … cannot be permitted to stand (since it was based on instructions that erroneously permitted liability[.])"); *Memphis Cmty. Sch. Dist.* v. *Stachura*, 477 U.S. 299, 312-313 (1986) (where "the verdict does not reveal the means by which the jury calculated damages," an error in one theory supporting the verdict "'is difficult, if not impossible, to correct without retrial, in light of the jury's general verdict'" (quoting *Newport* v. *Fact Concerts, Inc.*, 453 U.S. 247, 256 n.12 (1981)); *Greenbelt Coop. Publ'g Ass'n* v. *Bresler*, 398 U.S. 6, 11 (1970) ("[W]hen 'it is impossible to know, in view of the general verdict returned,' whether the jury imposed liability on a permissible or an impermissible ground, 'the judgment must be reversed and the case remanded.'" (quoting *New York Times Co.* v. *Sullivan*, 376 U.S. 254, 284 (1964)); *New York Times*, 376 U.S. at 284 (reversal of punitive damages award required vacatur of entire damages judgment, which did not differentiate between punitive and compensatory damages); *Sunkist Growers, Inc.* v. *Winckler & Smith Citrus Prods. Co.*, 370 U.S. 19, 29-30 (1962) (reversing "one theory of liability upon which [] general verdict may have rested" and finding it "unnecessary … to explore the legality of the other theories" as a result); *United New York & New Jersey Sandy Hook Pilots Ass'n* v. *Halecki*, 358 U.S. 613 (1959) ("a new trial will be required" where "there is no way to know that the invalid claim … was not the sole basis for the verdict"); *Wilmington Star Mining Co.* v. *Fulton*, 205 U.S. 60, 78 (1907) (reversing general ver-

dict, reasoning it "impossible to say that prejudicial effort did not result").

This Court has never suggested that application of the general verdict rule can hinge on whether a party affirmatively invokes it by objecting to the use of a general verdict form at trial or by requesting contingent relief in advance of a partial reversal on appeal. Rather, this Court's extensive precedent makes plain that additional proceedings in the district court follow directly from the partial reversal of a general verdict.

B. The Federal Circuit's Departure From The General Verdict Rule Warrants Review

Until this case, the Federal Circuit adhered to the well-reasoned approach that this Court set forth in *Baldwin* and its progeny. Under what it described as the "normal rule," the Federal Circuit would remand for further proceedings pursuant to the general verdict rule following a partial reversal. *Verizon Servs. Corp.*, 503 F.3d at 1310; *NTP, Inc.* v. *Research in Motion, Ltd.*, 418 F.3d 1282, 1326 (Fed. Cir. 2005). Indeed, the panel acknowledged that before its decision in this case, the Federal Circuit had "regularly issue[d] remands when requested and appropriate, or on [its] own initiative if some but not all products are found on appeal not to infringe." App. 6a.

For example, in *Verizon*, much like in this case, the Federal Circuit partially reversed a finding of patent infringement based on the district court's erroneous claim construction of terms in one of several patents. 503 F.3d at 1311. Unlike this case, however, the Federal Circuit vacated the jury's entire damages award. The court explained that "the jury's verdict gives no indication what portion of such damages were allocated

to the infringement of the [non-infringed] patent" and "where the jury rendered a single verdict on damages, without breaking down the damages attributable to each patent, the normal rule would require a new trial as to damages." *Id.* at 1310. Moreover, the Federal Circuit granted this relief *sua sponte*, noting that "[t]he parties ha[d] not briefed whether there is any reason to depart from this general rule in this case." *Id.*

The decision below represents a sharp departure from the Federal Circuit's prior adherence to this Court's precedent. This sudden change in direction by the court with exclusive jurisdiction over patent cases will have immediate, national consequence. Patent cases routinely involve multiple claims, and partial reversals on appeal are a frequent occurrence. *See* Chris Barry et al., PricewaterhouseCoopers, 2014 *Patent Litigation Study* 25 (July 2014), *available at* http://www.patentinsurance.com/custdocs/2014-patent-litigation-study.pdf (study concluding that in 65% of patent infringement cases decided by the Federal Circuit from 2007 to 2011 "some aspects of the appeal were affirmed while others were reversed, remanded or vacated"). At best, the new approach will create confusion and a substantial risk of arbitrary, panel-dependent decisions as courts struggle to try to reconcile it with this Court's precedent and the Federal Circuit's prior practice. At worst, the decision will be treated as binding national precedent, forcing defendants to pay damages on patents they do not infringe. Either way, the decision warrants review.

The Federal Circuit's new rule creates the kind of trap for the "unwary litigant" that this Court has consistently disfavored. *See, e.g.*, *Walker* v. *City of Birmingham*, 388 U.S. 307, 319 (1967); *Angel* v. *Bullington*, 330 U.S. 183, 203 (1947). Parties have no reason to

raise the general verdict rule in advance of a partial reversal on appeal because the predicate for the rule's application does not yet exist. Parties asking for complete relief in the form of a complete reversal are also likely to assume that the request for greater relief implicitly includes a request for partial relief in the event of a partial reversal. The Federal Circuit's new rule nonetheless deprives parties of valuable rights if they do not spell out the obvious with boilerplate language invoking the general verdict rule in advance of a decision that would give rise to a basis for invoking the rule. This embrace of empty formalism threatens to "visit the harsh consequence of waiver" on countless litigants, leaving in place verdicts that, by virtue of a decision on appeal, have substantial questions about their continuing validity. *See Wilmington Star*, 205 U.S. at 78.

The tools that Congress gave the Federal Circuit to help it maintain national uniformity in patent law also amplify the court's errors and inconsistencies. Where, as here, the Federal Circuit deviates from sound practice and this Court's precedents, it is incumbent on this Court to intervene. That is particularly true in a case like this one where the error is procedural and likely to affect many litigants. Millions of dollars can change hands based on incorrect Federal Circuit precedent, and even more if the error is allowed to linger. This Court has a special responsibility to supervise the Federal Circuit to ensure that its pronouncements remain in line with the general principles articulated by this Court. The new rule applied in this case is incorrect and should be promptly reviewed.

II. THE FEDERAL CIRCUIT'S DECISION DEEPENS A WELL-DEVELOPED CIRCUIT SPLIT

Although the Federal Circuit's decision warrants review without more, this Court's guidance is also needed to resolve an entrenched circuit split on whether entitlement to the benefits of the general verdict rule can be forfeited.

Despite this Court's numerous precedents applying the general verdict rule upon a partial reversal, a split has arisen among the federal courts of appeals regarding whether the general verdict rule must be invoked in advance of a partial reversal on appeal. In keeping with this Court's precedents, five Circuits do not require a party to object to the general verdict before it is submitted to the jury or to anticipate the possibility of partial reversal on appeal. Four Circuits, however, have adopted formalistic rules providing that entitlement to the benefits of the general verdict rule may be forfeited. The Federal Circuit formerly belonged to the first camp, but its decision in this case shifts it into the second camp. The decision below thus deepens a well-developed split among the courts of appeals, turning a 6-3 split into a 5-4 split. This Court's review is necessary to remedy the divide.

A. The First, Second, Third, Eighth, And Eleventh Circuits Follow This Court's General Verdict Rule

The First, Second, Third, Eighth, and Eleventh Circuits do not require a party to object to a general verdict before it is submitted to the jury or to antici-

pate the possibility of partial reversal on appeal in order to apply the general verdict rule.[3]

The Third Circuit's approach is typical. In *Brokerage Concepts, Inc.* v. *U.S. Healthcare, Inc.*, 140 F.3d 494 (3d Cir. 1998), jury instructions permitted the jury to find the defendant liable for tortious interference under two different theories, one of which depended on the defendant's violation of other laws. *See id.* at 534. After the Third Circuit reversed the jury's verdict for the plaintiff on its antitrust and RICO claims, the court held that, under the general verdict rule, the tortious interference verdict had to be vacated as well. *See id.* ("'Where a jury has returned a general verdict and one theory of liability is not sustained by the evidence or legally sound, the verdict cannot stand because the court cannot determine whether the jury based its verdict on an improper ground.'" (quoting *Wilburn* v. *Maritrans GP Inc.*, 139 F.3d 350, 360 (3d Cir. 1998)); *see also Avins* v. *White*, 627 F.2d 637, 646 (3d Cir. 1980) ("'Where ... a general verdict may rest on either of two claims—one supported by the evidence and the other not—a judgment thereon must be reversed.'" (quoting *Albergo* v. *Reading Co.*, 372 F.2d 83, 86 (3d Cir. 1966)).

The Third Circuit rejected the plaintiff's argument that the defendant had waived the invocation of the general verdict rule by failing to object to the jury instructions for tortious interference, noting that "it was not until our decision on appeal [reversing the antitrust and RICO claims] that the tortious interference in-

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[3] The Sixth Circuit has recognized that "[o]ther courts have questioned whether a general verdict should be reversed for an invalid claim when the defendant does not object to a general verdict form," but has not weighed in on the issue. *West* v. *Media Gen. Operations, Inc.*, 120 F. App'x 601, 620 (6th Cir. 2005).

structions became erroneous." *Brokerage Concepts*, 140 F.3d at 534. The Third Circuit also held that although the case was "submitted to the jury on special interrogatories," the general verdict rule applied with full force because "as to the tortious interference count, the verdict rendered by the jury was the functional equivalent of a general verdict." *Id.* at 534 n.32.

The First Circuit has followed the same approach. For example, in *Gillespie* v. *Sears, Roebuck & Co.*, 386 F.3d 21, 30-31 (1st Cir. 2004), the First Circuit held that a party was not required to object to the use of a general verdict form in order to invoke this Court's general verdict rule on appeal. Judge Boudin, writing for the panel, noted that the First Circuit had "regularly vacated general verdicts where the award might have been rescued if either side had sought and obtained an adequate special verdict." *Id.* at 31. He explained that in this context:

> The term "waiver" is misleading; either side in this case could have asked for the special verdict to further break down the negligence and warranty claims by theory of defect. The issue is one of policy, *i.e.*, whether the court should create a rule that forfeits claims by an appellant that could have been isolated if either side had requested a better breakdown. The efficiency argument for such a rule is obvious; but the objections are also real.

Id. "Where feasible and desirable," Judge Boudin explained, "one of the parties ordinarily has an incentive to ask for … a special verdict; and, if no one does, the judge can insist." *Id.* But the parties should not forfeit their right to invoke the general verdict rule simply because a litigant did not object to a general form verdict

or anticipate the contingency of securing a partial reversal on appeal.

Other circuits have held that a party remains entitled to the full benefits of the general verdict rule even where that party affirmatively requested the use of a general verdict form. In *Bruneau ex rel. Schofield* v. *South Kortright Central School District*, for example, the Second Circuit explained that under the general verdict rule, where "alternative theories for imposing liability are given to the jury" and one is later deemed impermissible, the "usual course is to reverse the verdict and order a new trial because it is impossible to determine whether the invalid theory was or was not the sole basis for the verdict." 163 F.3d 749, 759 (2d Cir. 1998), *abrogated on other grounds by Supreme Fitzgerald* v. *Barnstable Sch. Comm.*, 555 U.S. 246, (2009) (citing, *inter alia*, *Halecki*, 358 U.S. at 619). The panel directly addressed the question of waiver, noting that the appellant had, in fact, "insisted on a general verdict form" below. *Id.* Nevertheless, the panel concluded that the request for a general verdict form was of no moment; the appellant was still entitled to "rely upon the general verdict rule." *Id.*

Similarly, the Eleventh Circuit has held that a losing party does not waive the right to a new trial following a partial reversal of a general verdict by submitting special interrogatories that were "confusing and complex" and thus unusable as an alternative to the general verdict form. *Royal Typewriter Co.* v. *Xerographic Supplies Corp.*, 719 F.2d 1092, 1099 n.1 (11th Cir. 1983). The court emphasized that the "burden of supporting the general verdict in a case containing multiple issues rests on the appellee." *Id.*

The refusal in *Royal Typewriter* to affirm the jury verdict on waiver grounds is consistent with the Eleventh Circuit's broader recognition that application of the general verdict rule is mandatory. As the court has noted elsewhere, "it is well-settled that where one of two possible bases for a general verdict is unauthorized, *the entire verdict must be reversed* even though the other basis would support the verdict." *Richards* v. *Michelin Tire Corp.*, 21 F.3d 1048, 1055 n.13 (11th Cir. 1994) (citations omitted; emphasis added); *see also Maccabees Mut. Life Ins. Co.* v. *Morton*, 941 F.2d 1181, 1184 (11th Cir. 1991) (where a jury issues a general verdict, "all theories" must have been "properly submitted to the jury to sustain the court below. Failure of any one mandates a new trial in the district court"); *Bennett* v. *Hendrix*, 426 F. App'x 864, 866 (11th Cir. 2011) ("While we recognize the obvious interest of everyone involved to see this litigation end, our precedent does not permit the jury's general verdict to stand.").

The Eighth Circuit has also closely followed this Court's guidance and has declined calls to require that a party object to a general verdict form in order to invoke the *Baldwin* rule. For example, in *Friedman & Friedman, Ltd.* v. *Tim McCandless, Inc.*, 606 F.3d 494 (8th Cir. 2010), the jury awarded a single damages amount for breach of contract and fraudulent misrepresentation claims. On appeal, the Eighth Circuit held that the breach of contract claim should not have gone to the jury and that because "the verdict form did not differentiate between damages for each of Friedman's two claims, the whole case must be retried." *Id.* at 502. The Eighth Circuit rejected the argument that the defendant needed to object to the verdict form to rely on the general verdict rule. *Id.*; *see also New York Marine*

& Gen. Ins. Co. v. *Continental Cement Co.*, 761 F.3d 830, 836 (8th Cir. 2014) (same).

B. The Fifth, Seventh, Ninth, And Tenth Circuits Have Adopted A "Forfeiture" Rule

The Fifth, Seventh, Ninth, and Tenth Circuits all require that a party formalistically challenge a general verdict either at trial or on appeal before they will apply the *Baldwin* rule to vacate a general verdict following a partial reversal.

Judge Kozinzki, writing for the Ninth Circuit in *McCord* v. *Maguire*, 873 F.2d 1271 (9th Cir. 1989), has articulated these circuits' position. The appellant in *McCord*—a physician found liable on eight separate claims of medical negligence—argued that he was entitled to a new trial on all claims because the jury issued a general verdict but several of the claims submitted to the jury were unsupported by sufficient evidence. *Id.* at 1273-1274. The Ninth Circuit did not find it necessary to reach the merits of the insufficiency claim. Instead, it reasoned that the appellant's "failure to request a special verdict as to each factual theory in the case" was dispositive, as it "prevent[ed] [the plaintiff] from pressing [the general verdict rule] argument on appeal." *Id.* at 1274. The court added:

> Litigants … who wish to challenge the sufficiency of the evidence as to some, but not all, specifications of negligence must present an appropriate record for review by asking the jury to make separate factual determinations as to each specification. Any other rule would unnecessarily jeopardize jury verdicts that are otherwise fully supported by the record on the

> mere theoretical possibility that the jury based its decision on unsupported specifications.

Id.

The Fifth Circuit has applied a similar forfeiture analysis in refusing to apply the general verdict rule. In *Wellogix, Inc.* v. *Accenture, L.L.P.*, 716 F.3d 867 (5th Cir. 2013), the Fifth Circuit stated:

> Accenture does not direct us to any request to the district court for a special verdict, FED. R. CIV. P. 49(a), nor to a request for answers to questions, FED. R. CIV. P. 49(b), nor to any pertinent objection to the jury submission and charge, FED. R. CIV. P. 51, nor, later, to any request for verdict clarification, nor, finally, to any such contention of inherent ambiguity in the general verdict in their new trial motion. In such circumstances, with no objection made as to form or substance, we have explained that a request for retrial has not been preserved.

Id. at 879.

The reasoning of the Seventh and Tenth Circuits is similar. *See Fox* v. *Hayes*, 600 F.3d 819, 847 (7th Cir. 2010) ("[T]he defendants never objected to the structure of the verdict form at trial, nor did they propose their own version of the jury form. Accordingly, they have waived their argument that the punitive damage awards cannot stand because the verdict form does not tie them to specific substantive claims."); *Anixter* v. *Home-Stake Prod. Co.*, 77 F.3d 1215, 1231 (10th Cir. 1996) ("[W]hen a party fails to object to a jury instruction or request a special interrogatory a general verdict is upheld where there is substantial evidence support-

ing any ground of recovery[.]" (internal quotation marks omitted)).

Thus, these circuits, unlike the First, Second, Third, Eighth and Eleventh, will apply the principle this Court articulated in *Baldwin* and its progeny only where litigants have formally—and unsuccessfully—requested a trial's resolution by means of a specialized verdict. The result is a fundamental and irreconcilable divide among the circuits on the proper scope of the general verdict rule.

C. The Federal Circuit's Decision In This Case Conflicts With The Majority Position In The 5-4 Split

The decision in this case aligns the Federal Circuit with three other courts of appeals in conflict with the position of the First, Second, Third, Eighth, and Eleventh Circuits. This stark conflict cannot be resolved without this Court's guidance.

Although the Federal Circuit stated that it "need not reach the arguments as to Becton's waiver" of the general verdict rule in light of its application of the mandate rule (App. 12a), the court's application of the mandate rule expressly relied on BD's failure to object to the general damages interrogatory or to request contingent relief in the event of a partial reversal. Specifically, the Federal Circuit stated:

> Becton neither objected to Interrogatory No. 6 [the general damages question] nor indicated to this court or Retractable that it believed a partial reversal would require revisiting that award. Thus, the $5 million award was within the scope of the judgment, was incorporated into the mandate without argument, and was

> precluded from further consideration by the district court.

App. 8a. This reasoning puts the Federal Circuit in conflict with the prevailing rule in the five other circuits that hold that an earlier objection is not required to benefit from the general verdict rule.

Further, as explained by the Third Circuit, a challenge to a general verdict based on a partial reversal does not become ripe "until the decision on appeal" reverses one potential basis for the general verdict. *Brokerage Concepts*, 140 F.3d at 534. Before that point, the question of whether the general verdict or damages award can be supported by the remaining theory does not arise, and therefore is not a question within the scope of the original judgment for purposes of applying the mandate rule to preclude further litigation of questions within that scope. The Federal Circuit's contrary holding, which treats the contingent question of what relief should be granted *after* a partial reversal as part of the *earlier* judgment, is logically flawed and cannot be reconciled with the Third Circuit's view that the question does not become ripe "until the decision on appeal."

Only this Court can resolve the conflict among the courts of appeals and restore the proper application of the general verdict rule.

III. The Question Presented Is Both Recurring And Important

The problem presented here is important and likely to recur. The majority of federal civil cases are decided by means of general form verdicts or, as in this case, through a combination of special interrogatories regarding liability and a general verdict regarding dam-

ages. *See* Wright & Miller, *Federal Practice & Procedure* § 2501 (3d ed. 2008) ("Most jury-tried civil cases in federal courts are resolved, and always have been, by a general verdict[.]"); *id.* § 2511 ("[T]he court may take a middle course between the general verdict, which is used most commonly, and the special verdict procedure of Rule 49(a). Use of a general verdict accompanied by written interrogatories has several valuable objectives.").

There is no reason to expect this situation to change. The choice of verdict form "rests in the sound discretion of the trial court," and that discretion is "not likely to be overturned on appeal." Wright & Miller, *supra*, § 2505. Many district courts prefer general damages verdicts because they avoid confusion. For example, in *MirrorWorlds LLC* v. *Apple, Inc.*, No. 6:08-cv-88 (E.D. Tex.), the verdict form solicited a special verdict on the amount of damages for each of three patents that the jury found to infringe. The jury filled in the same number—$208.5 million—on each of the three lines. *Id.*, Dkt. 409, at 2. The result was confusion over whether the jury had intended to award a total of $208.5 million or $625.5 million. Commentators have also highlighted the potential of complicated special verdict forms to create juror confusion. *See* Thornburg, *The Power and the Process: Instructions and the Civil Jury*, 66 Fordham L. Rev. 1837, 1874 (1998) ("The special verdict format is not inherently clearer than the general verdict. On the contrary, a special verdict in a separate and distinct format may actually conflict with a jury's normal thought processes and be more difficult to understand. Thus, the special verdict is unlikely to lead to faster or more accurate verdicts than would a clearly drafted general verdict. Commentators in fact

believe that the special verdict may actually be more difficult for the jury and more time consuming.")

The federal rules' liberal attitude toward joinder also means that federal civil cases commonly involve multiple claims and causes of action. *See United Mine Workers of Am.* v. *Gibbs*, 383 U.S. 715, 724 (1966) ("[J]oinder of claims, parties and remedies [under the Federal Rules of Civil Procedure] is strongly encouraged."). And of the more than 250,000 civil cases filed in federal court each year, approximately six percent—or 15,000—will reach the circuit courts of appeal on a given calendar year.[4] Because each of those cases could be subject to partial reversal upon reaching the circuit courts, each presents an opportunity for the issue presented here to determine its outcome.

* * *

The Federal Circuit's decision below brings to the fore a significant issue that plagues the lower courts and merits this Court's attention. More than one hundred years ago, this Court set forth a clear and easily administrable rule: where a general verdict is partially overturned, the reversing court must remand for further proceedings. The logic behind the rule is clear. With a general verdict, it is impossible to know whether the jury relied on legal theories or evidence that, with the benefit of the appellate court's determination, were not permissible for consideration and thus could have poisoned the well. Despite that sound logic and

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[4] *See* Administrative Office of the U.S. Courts, *Judicial Facts and Figures* (2013), *at* http://www.uscourts.gov/Statistics/JudicialFactsAndFigures/judicial-facts-figures-2013.aspx (last visited Jan. 9, 2015) (noting 284,604 civil cases filed in federal court in 2013; 15,031 civil appeals filed in the geographic circuits; and 1,259 filed in the Federal Circuit).

this Court's consistent reiteration of the rule, a number of courts of appeals, including the Federal Circuit here, have taken it upon themselves to depart from this Court's precedent. In doing so, they have constructed hurdles to further proceedings after a partial reversal that this Court has never endorsed. Specifically, those circuits have created a well-defined split with five other circuits that continue to faithfully adhere to the Baldwin rule. The split has created the undesirable circumstance that a litigant's entitlement to the benefits of the general verdict rule is determined by nothing more than the happenstance of the geographic circuit in which the litigant's case happens to be pending.

Only this Court can ameliorate the confusion created by the departure from its precedents and ensuing split among the courts of appeals. It should grant certiorari to do so.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted.

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APPENDICES

APPENDIX A

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

No. 2013-1567

RETRACTABLE TECHNOLOGIES, INC.
AND THOMAS J. SHAW,
Plaintiffs-Appellees,
v.

BECTON DICKINSON AND COMPANY,
Defendant-Appellant.

July 7, 2014

[757 F.3d 1366]

* * *

Before LOURIE AND LINN, *Circuit Judges.*[*]

LINN, *Circuit Judge.*

Becton, Dickinson and Company ("Becton") appeals from the district court's denial of Becton's motion to modify the district court's damages award following the partially successful appeal of the infringement judgment on which the award was based. *Retractable Techs., Inc. v. Becton, Dickinson & Co.*, No. 2:07-cv-250-LED-RSP, 2013 WL 4037929 (E.D. Tex. Aug. 7,

[*] Randall R. Rader, who retired from the position of Circuit Judge on June 30, 2014, did not participate in this decision.

2013) ("*Opinion*"). Because the mandate rule forecloses the relief that Becton seeks, we affirm.

I. BACKGROUND

In 2007, Retractable Technologies, Inc. ("Retractable") sued Becton in the Eastern District of Texas, alleging that Becton's 1 mL and 3 mL Integra™ syringes infringed various claims of Retractable's patents. *Retractable Techs., Inc. v. Becton, Dickinson & Co.*, 653 F.3d 1296, 1301 (Fed. Cir .2011). Becton had commercially launched its 3 mL syringe in March 2002 and the 1 mL syringe in May 2003. J.A. 348. At trial, Retractable presented its theory that infringement began in 2000 and that a hypothetical negotiation at that time would have resulted in a lump sum payment of approximately $72 million for a ten-year license to practice the patents in any type or number of syringes, granting Becton freedom to operate. *Id.* Becton countered with a lost profits theory that would have Retractable's recovery limited to approximately $5 million based on the sales of the 1 mL and 3 mL syringes, the vast majority of which were the 3 mL syringe. J.A. 477-78. Alternatively, Becton argued that a reasonable royalty would have been no more than approximately $3 million. *Id.* at 478. The jury ultimately found that both the 1 mL and 3 mL syringes infringed. The jury's verdict form included a number of interrogatories, including Interrogatory No. 6:

> If you have found that any of BD's [Becton's] accused devices infringe any of the asserted claims of any of the [patents-in-suit], then even if you have answered "yes" to any portion of Interrogatory Nos. 3 through 5 [regarding invalidity], please determine the amount of reasonable royalty damages that would fairly and

> adequately compensate RTI [Retractable] for infringement.

The jury responded: "$5,000,000." J.A. 143. The district court subsequently entered a final judgment in Retractable's favor and a permanent injunction against the continued sale of both syringes.

Becton appealed the infringement and validity determinations to this court but neither appealed nor requested a remand of the damages determination in the event the infringement or validity determinations were upset in any way. *Becton*, 653 F.3d at 1302. Becton simply requested that this court "reverse the judgment or, in the alternative, order a new trial on infringement and/or invalidity." J.A. 1057, 1099. In that appeal, we concluded that the district court misconstrued one claim term. As a consequence, we held as a matter of law that the 3 mL syringe could not infringe the asserted claims. Therefore, we reversed the district court's judgment that the 3 mL syringe infringed. *Becton*, 653 F.3d at 1311. But we affirmed the judgment that the 1 mL syringe infringed and that the claim at issue was not invalid. *Id.* Having no basis for a new trial on infringement or invalidity, no remand was ordered. *See id.*

Becton subsequently requested the district court to modify the permanent injunction and the damages award in light of this court's decision. Becton used Fed. R. Civ. P. 60(b)(5) as its vehicle for filing the motion, a rule under which the court "may relieve" a party from a final judgment when the judgment "has been satisfied, released, or discharged; it is based on an earlier judgment that has been reversed or vacated; or applying it prospectively is no longer equitable …." Becton also argued that independent of Rule 60(b), modification

was necessary to conform the judgment to this court's mandate, contending that the injunction and the damages award must be adjusted to reflect the fact that the lower-selling 1 mL syringe is the only remaining infringing product. Retractable consented to modification of the permanent injunction to exclude from its scope the non-infringing 3 mL syringe, and the district court so ordered, concluding that its broad equitable powers allowed it to prospectively modify that injunction. *Opinion* at *1. However, the district court concluded that the mandate rule precluded it from revisiting the damages issue because it was within the scope of the original judgment and was not raised in the prior appeal nor remanded to the district court for reconsideration. *Id.*

Becton appeals. This court has jurisdiction under 28 U.S.C. § 1295(a)(1).

II. Standard of Review

Interpretation of this court's mandate is a question of law that this court reviews *de novo*. *Laitram Corp. v. NEC Corp.*, 115 F.3d 947, 950-51 (Fed. Cir. 1997).

III. Analysis

Becton argues that this court's mandate, reversing the infringement verdict for the 3 mL but not the 1 mL syringe, required the district court to conduct new damages proceedings because the original judgment is inconsistent with that mandate. Becton further argues that the issue of damages attributable only to the 1 mL syringe was not within this court's mandate because it was not and could not have been considered previously. To the extent the damages issue was within the mandate, Becton argues that the district court erred by declining to apply an exception to the mandate rule in

cases of a substantial change in the evidence. Lastly, Becton argues that it did not waive the argument over damages by failing to raise it in the previous appeal because it contends that before the court's mandate, Becton had no argument that the damages award itself was erroneous.

Retractable responds that the damages award, based on Interrogatory No. 6, is not inconsistent with this court's mandate. Retractable further argues that the damages issue is within the court's mandate because Becton could have and should have raised this issue in the previous appeal. Retractable further argues that there has not been a substantial change in the evidence that would warrant an exception to the mandate rule. Retractable also argues that Rule 60(b) cannot be used to support Becton's requested relief.

Becton's first argument, that the damages award is inconsistent with the mandate, puts the cart before the horse. Considering that argument requires reconsideration of the damages award itself, which is possible only if the mandate rule allows revisiting the question, does not apply, or can be avoided by an exception. Becton further contends that this court's mandate actually *requires* the district court to conduct further proceedings on damages to determine the effect of the reversal on any damages award. We disagree.

Becton relies on *Verizon Servs. Corp. v. Vonage Holdings Corp.*, 503 F.3d 1295, 1310 (Fed. Cir. 2007). In that case, the court reversed a finding of infringement under one of three asserted patents and, though neither party briefed the issue, remanded to the district court to further consider the damages issue in light of that partial reversal. *Verizon* remarked that "where the jury rendered a single verdict on damages,

without breaking down the damages attributable to each patent, the normal rule would require a new trial as to damages." *Id.* *See also NTP, Inc. v. Research in Motion, Ltd.*, 418 F.3d 1282 (Fed. Cir. 2005) (remanding for further consideration of damages in light of a partial reversal and a general verdict); *Accentra, Inc. v. Staples, Inc.*, 500 F. App'x 922, 931 (Fed. Cir. 2013) (same). But *Verizon*, *NTP*, and *Accentra* were all cases in which our court specifically remanded the question of damages to the district court, either because we were requested to do so or determined *sua sponte* under the circumstances before us that such action was appropriate. The cases do not stand for the proposition that the district court is required, let alone permitted, to revisit damages in the absence of a reversal or remand of a damages determination within a judgment of invalidity or infringement appealed to this court. While this court regularly issues remands when requested and appropriate, or on our own initiative if some but not all products are found on appeal not to infringe, there is no "normal rule" giving district courts the authority to regularly revisit or recalculate damages that fall within our mandate.

Becton's current substantive argument—that the damages award must be revisited if either one of the two products at issue are found not to infringe—could have and should have been raised in the previous appeal. Becton conceded at oral argument that in a single sentence in the previous appeal it could have raised the issue of remanding the damages issue. *See* Oral Argument at 35:48, *Retractable Techs., Inc. v. Becton Dickinson & Co.*, No. 2013-1567, *available at* http://www.cafc.uscourts.gov/oral-argument-recordings/search/audio.html ("… if we could go back in time, we'd add a portion of a sentence asking to vacate the damages award, or

could we wish that 'remand' was a word that was at the end of the court's opinion, the answer is obviously 'for sure'"). Instead, Becton not only made no effort to raise the issue, it arguably made an effort to avoid raising the issue by only requesting the district court to reverse the judgment or order a new trial on infringement and/or validity. J.A. 1057, 1099.

Becton contends nonetheless that the district court was free to revisit damages because doing so at least would have been consistent with this court's mandate. While the district court was certainly free to take action consistent with the mandate, *see Exxon Chem. Patents, Inc. v. Lubrizol Corp.*, 137 F.3d 1475, 1484 (Fed. Cir. 1998), that does not mean that it was likewise free to disturb matters that were within the mandate. "Unless remanded by this court, all issues within the scope of the appealed judgment are deemed incorporated within the mandate and thus are precluded from further adjudication." *Engel Indus., Inc. v. Lockformer Co.*, 166 F.3d 1379, 1383 (Fed. Cir. 1999). Becton's failure in the prior appeal to raise the issue of remand is critical given the general nature of the jury verdict on damages and Retractable's lump-sum reasonable royalty theory that was presented to the jury.

> [The] responsibility [to review judgments appealed to us] can be properly discharged only if the court assumes that the appellant has fully set forth its attack on the judgment below; only then will the court be able to address with confidence the range of issues determined by the appealed judgment.... An issue that falls within the scope of the judgment appealed from but is not raised by the appellant in its opening brief on appeal is necessarily waived. Unless remanded by this court, all issues within the

> scope of the appealed judgment are deemed incorporated within the mandate and thus are precluded from further adjudication.

166 F.3d at 1383. The damages award was within the scope of the appealed judgment and thus was incorporated into the mandate when Becton failed to raise the issue of a remand to consider parsing dam-ages by product.

Becton contends that a damages amount attributable solely to the 1 mL syringe was not determined by the jury or decided by the district court in the original judgment and, thus, should not be deemed within the court's mandate. However, the damages award was the result of the general nature of Interrogatory No. 6. The judgment included the $5 million infringement award, which did not specify amounts separately for each product and could have been based on Retractable's lump-sum reasonable royalty theory, which was not dependent on the type or number of products sold but rather on granting Becton freedom to operate. Becton neither objected to Interrogatory No. 6 nor indicated to this court or Retractable that it believed a partial reversal would require revisiting that award. Thus, the $5 million award was within the scope of the judgment, was incorporated into the mandate without argument, and was precluded from further consideration by the district court.

This case is unlike *Lubrizol*, in which the district court never reached the issue of infringement under the doctrine of equivalents and thus was free to consider the issue following reversal on literal infringement. *Lubrizol*, 137 F.3d at 1484. Nor is the case like *Laitram*, 115 F.3d at 952, in which the district court was free to address issues "not only undecided on the merits by the

trial court because they were moot, and thus on appeal unripe, but also neither presented to us nor discussed in our opinion, nor necessary to our disposition of the appeal." Remand was not necessary in either case for the district court to address those issues because the issues were not within the appealed judgment.

Nor does an exception to the mandate exist in this circumstance. Becton contends that a substantial change in the evidence has occurred and that such a change warrants an exception to the mandate rule. In *Tronzo v. Biomet, Inc.*, 236 F.3d 1342, 1349 (Fed. Cir. 2001), the court noted that the mandate rule was "prudential" and that "courts have considered revisiting issues otherwise foreclosed in circumstances where there has been a substantial change in the evidence." *Tronzo* later refers to a "substantial change in the facts." *Id.* at 1350. Of the four cases *Tronzo* cites in support for exceptions to the mandate rule, two cases discuss the force of the mandate rule in the face of changes in the underlying evidence or facts: *Arizona v. California*, 460 U.S. 605 (1983) and *Heathcoat v. Potts*, 905 F.2d 367 (11th Cir. 1990). In *Arizona*, the Court held that the Court may revisit an issue "in reaction to changed circumstances" that "could not be disposed of at the time of an initial decree." 460 U.S. at 623-24. In *Heathcoat*, the Eleventh Circuit noted that an exception exists to the law of the case doctrine when "a subsequent trial produce[d] substantially different evidence."[1] 905 F.2d at 371. Here, as discussed above, Becton could have and should have raised the issue at the previous appeal.

[1] *Heathcoat* discusses two other exceptions, neither of which is relevant to Becton's argument that a substantial change in the evidence allows an exception to the mandate rule.

Further, no subsequent trial has occurred and there has been no actual change in the evidence or the facts.

The only intervening change Becton identifies is this court's previous opinion, reversing-in-part the infringement verdict based on claim construction. However, Becton identifies no support for its position that a decision of this court can be considered a change in the "evidence" sufficient to create an exception to the mandate of that same decision. Contrary to Becton's contention, the court in *Tronzo* did not substantively analyze whether its own decision was a substantial change in the evidence or facts, but rather whether the *district court's* decision was such a change. In *Tronzo*, a jury awarded approximately $7 million in compensatory damages and $20 million in punitive damages. 236 F.3d at 1345-46. The defendant, Biomet, appealed with respect to infringement, validity, state law claims, and the compensatory damages associated with those claims. *Id.* at 1346. Biomet did not appeal punitive damages. At the first appeal, this court reversed regarding aspects of infringement, validity, and compensatory damages for the state law claims. *Id.* This court then specifically remanded for the district court to reconsider compensatory damages. *Id.* The district court reduced the compensatory damages to $520 and correspondingly reduced punitive damages to $52,000. *Id.* However, Biomet had not appealed the punitive damages award. Thus, without an exception to the rule, the mandate rule precluded the district court from revisiting the issue. On a second appeal, this court carefully analyzed whether the district court's reduction of the compensatory damages was a substantial change sufficient to trigger such an exception and concluded it was not. *Id.* at 1349-50. Significantly, however, the subject of that analysis was the *district court's* change to the compensatory damages

award, not this court's reversal and remand that prompted the change in the first instance.

Becton has not presented a compelling reason to extend *Tronzo*. Becton contends that the damages award is inconsistent with the mandate, but none of the arguments are persuasive. Becton points out that the 3 mL syringe, whose infringement finding was reversed, far outsold the 1 mL syringe. But there is no way to conclude from this record what the significance of that alleged disparity might have been in the jury's deliberations. Becton next contends that the district court's modification of the injunction to remove the 3 mL syringe from its scope is inconsistent with the district court's refusal to revisit damages and that, had the district court not issued an injunction in the first instance, Becton's victory on the previous appeal would have had no impact at all. However, the injunction—unlike the verdict—clearly implicated each syringe individually and easily could be parsed. Moreover, a district court has broad equitable authority to modify its own injunction prospectively, authority that is independent of an appellate mandate. *See Amado v. Microsoft Corp.*, 517 F.3d 1353, 1358 (Fed. Cir. 2008). To the extent that Becton desired a partial reversal to have greater impact, it had the opportunity to request a remand on damages in the first appeal but did not. Becton points out that the district court did order prejudgment interest beginning in 2002, when the non-infringing 3 mL syringe entered the market, rather than 2003, when the infringing 1 mL syringe entered the market. However, Becton is not seeking recalculation of prejudgment interest but an adjustment of the $5 million damages award—an argument that could have and should have been addressed previously. Becton argues that the district court's rationale would leave the $5 million award

unassailable even if this court had reversed infringement findings of both syringes. But that is not the current circumstance, and moreover in that situation, the complete reversal would have erased the judgment entirely. Lastly, Becton argues that the mandate rule should account for some policy or principle of fairness, but again: Becton had a fair opportunity to raise the issue during the prior appeal but did not. To permit this issue to be revisited anew would be to endorse an end-run around the mandate rule, which we are not about to do.

Concluding that the mandate rule forecloses the relief that Becton seeks, we need not reach the arguments as to Becton's waiver of the issue or whether Rule 60(b) was an appropriate vehicle for the requested relief.

IV. CONCLUSION

For the foregoing reasons, this court affirms.

AFFIRMED

APPENDIX B

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

No. 2:07-cv-250-LED-RSP

RETRACTABLE TECHNOLOGIES, INC., *et al.*,
Plaintiffs,

v.

BECTON, DICKINSON AND CO.,
Defendant.

[2013 WL 4037929]

ORDER

Before the Court is Defendant Becton, Dickinson and Company's Rule 60(b)(5) Motion to Conform Judgment to Federal Circuit Mandate (Dkt. No. 395), filed on March 8, 2013. The Magistrate Judge issued a Report and Recommendation on May 13, 2013 (Dkt. No. 402) recommending denial of the Motion.

BD relies upon cases where damage awards were revisited after the partial reversal of a jury's finding of infringement. *Accentra, Inc. v. Staples, Inc.*, 500 Fed. Appx 922 (Fed. Cir. 2013); *Verizon Services Corp. v. Vonage Holdings Corp.*, 503 F.3d 1295 (Fed. Cir. 2007); *NTP, Inc. v. Research in Motion, Inc.*, 418 F.3d 1282 (Fed. Cir. 2005). However, in each of these cases the Federal Circuit expressly vacated the damage award and remanded the case. BD also contends that *Tronzo*

v. Biomet, Inc., 236 F.3d 1342, 1349 (Fed. Cir. 2001), supports BD's position by noting that "courts have considered revisiting issues otherwise foreclosed in circumstances where there has been a substantial change in the evidence." However, the panel gave no indication in *Tronzo* that its own decision could ever be considered a "change in the evidence," especially since it reversed the district court for revisiting the punitive damage award (not appealed) after the district court reduced the compensatory damage award (appealed and remanded) from more than $7 million to just $520.

BD fails to address the fact that later Federal Circuit opinions like *Designing Health, Inc. v. Collett*, 226 Fed. Appx 976, 980 (Fed. Cir. 2007) specifically cite *Tronzo* for the proposition that: "An issue within the scope of the initial judgment of a district court is necessarily incorporated within the scope of a court of appeals' mandate, and remanding the case to the district court without instructions to revisit the issue *forecloses further review on remand*." (emphasis added). The argument that such a rule would foreclose relief from the damage award even if the judgment had been reversed entirely (Dkt. No. 402 at 14), ignores the reality that a complete reversal would leave no judgment to collect. Here, the judgment was only reversed in part.

BD concedes that it would require a new trial on damages to grant the relief it requests, as it admits that the record does not currently contain the facts necessary to separate out the damages it contends were due to the 3 mL product found not to infringe. (Dkt. No. 404 at 5 and 15).

BD also argues that the modification of the injunction is inconsistent with the conclusion that the mandate forecloses a new trial on damages. However, the

authority of the district courts to modify injunctions does not derive from any appellate mandate. *Amado v. Microsoft Corp.*, 517 F.3d 1353, 1358, 1360 (Fed. Cir. 2008) ("district courts possess broad equitable authority to modify injunctions," and further concluding that the mandate rule did bar retroactive revisiting of the injunctive relief but not prospective modification).

The Court hereby ADOPTS the Magistrate Judge's Report and Recommendation. BD's Rule 60(b)(5) Motion to Conform Judgment to Federal Circuit Mandate (Dkt. No. 395) is DENIED for the reasons stated therein.

So ORDERED and SIGNED this 7th day of August, 2013.

/s/ Leonard Davis
LEONARD DAVIS
UNITED STATES DISTRICT JUDGE

APPENDIX C

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

No. 2:07-cv-250-LED-RSP

RETRACTABLE TECHNOLOGIES, INC., *et al.*,

v.

BECTON, DICKINSON AND CO.,

REPORT AND RECOMMENDATION

Before the Court is "Defendant's Rule 60(B)(5) Motion to Conform Judgment to Federal Circuit Mandate" (Dkt. No. 170), filed on March 8, 2013 by Becton, Dickinson and Company ("BD"). Having considered the parties' arguments and the record evidence, the Court finds that BD's motion should be DENIED.

The procedural history is not contested. The original complaint alleged claims of both patent infringement and antitrust violations. This Court severed those claims for the sake of efficiency. (Dkt. No. 66). The patent claims were tried to a jury, which rendered a verdict of infringement as to both of the accused products, together with a single award of $5,000,000 in royalty damages. The jury also found that the patents were not invalid and the infringement was not willful.

The jury made its finding regarding damages by filling in a single blank in answer to the following interrogatory:

> If you have found that any of BD's accused devices infringe any of the asserted claims of any of the '733 Patent, the '077 Patent, or the '224 Patent, then even if you have answered "yes" to any portion of Interrogatory Nos. 3 through 5 [invalidity and willfulness], please determine the amount of reasonable royalty damages that would fairly and adequately compensate RTI for infringement.

(Dkt. No. 319 at 6.) Neither party objected to the verdict form. (Dkt. No. 333 at 103-104.) The Court entered a Final Judgment and Permanent Injunction on May 19, 2010 reflecting the jury verdict as modified by the post-trial motion practice. The judgment enjoined, among other things, the continued sale of the products found to infringe. (Dkt. No. 366.)

BD filed a Notice of Appeal on June 16, 2010, which lists five specific orders complained of: (1) denial of summary judgment, (2) denial of judgment as a matter of law, (3) granting a permanent injunction, (4) claim construction, and (5) certain evidentiary and discovery rulings. (Dkt. No. 368.) Thus, while the injunction was appealed, the damage award was not. BD's brief in the Federal Circuit lists six issues in the Statement of Issues, none of which mention or relate to the damage award. (pp. 1–2.) The only mention of damages in the appellant's brief is in a single sentence of the "Prior Proceedings" section describing the jury verdict. (p. 29.) The "Conclusion" of the appellant's brief reads, in its entirety: "The Court should reverse the judgment or, in the alternative, order a new trial on infringement

and/or invalidity." (p. 68.) The obvious effect of ordering a new trial only on infringement or invalidity would be to leave the damage award intact if plaintiff again prevailed on infringement and invalidity. The record certainly indicates that the failure to appeal the damage award was no mere oversight.

Not surprisingly, the Federal Circuit Opinion discusses the issues presented by BD and does not mention the damage award. The Court affirmed the jury finding of infringement as to one of BD's products, affirmed the finding of no invalidity, and reversed the infringement finding as to the second BD product accused. The Judgment of the Federal Circuit, issued as mandate, reads: "Reversed in part and affirmed in part." The damage award was not vacated. There is no remand, nor does the Opinion discuss any further proceedings in this Court.

APPLICABLE LAW

Rule 60(b) allows a district court "on motion and just terms" to "relieve a party … from a final judgment" for certain enumerated reasons. BD's motion is based upon section (b)(5) of Rule 60, which permits relief if "the judgment has been satisfied, released or discharged; it is based on an earlier judgment that has been reversed or vacated; or applying it prospectively is no longer equitable." While this is a patent case, the Federal Circuit has held that a Rule 60(b) motion is purely procedural and not unique to patent law, therefore it is governed by the law of the regional circuit, in this case the Fifth Circuit. *Marquip, Inc. v. Fosber America, Inc.*, 298 F.3d 1363, 1369 (Fed. Cir. 1999).

DISCUSSION

The effort to fit this issue into Rule 60(b)(5) is made questionable by the language of the rule itself. To say that this judgment is "based on an earlier judgment that has been reversed" is simply not accurate. This *is* the same judgment that was affirmed in part and reversed in part.[1] The real question is what part has been reversed and what part affirmed.

The Federal Circuit has provided guidance on how to interpret its mandates. In *Designing Health, Inc. v. Collett*, 226 Fed.Appx. 976, 980 (Fed. Cir. 2007), the Court held that:

> An issue within the scope of the initial judgment of a district court is necessarily incorporated within the scope of a court of appeals' mandate, and remanding the case to the district court without instructions to revisit the issue forecloses further review on remand.

There can be no doubt that the $5 million damage award in the instant case was "within the scope of the initial judgment" since it was expressly set out therein. The Federal Circuit in *Designing Health* even considered it "notable" that its prior opinion "did not order remand of any issues on appeal; it only 'affirmed-in-part and reversed-in-part' the decision of the district court," just as it did in this case. *Id.* at 980. Thus, *Designing Health* strongly points toward denial of BD's motion.

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[1] While the Fifth Circuit has held that the two judgments can be simultaneous, and one does not have to be "earlier" than the other, it still required that there be two judgments, one of which was based on the other, which was reversed. *Lowery Development, L.L.C. v. Grove & Associates Ins., Inc.*, 690 F.3d 382, 387 (5th Cir. 2012).

To the same effect is *Engel Industries, Inc. v. The Lockformer Co.*, 166 F.3d 1379 (Fed. Cir. 1999), wherein the Court held that "an issue that falls within the scope of the judgment appealed from but is not raised by the appellant in its opening brief on appeal is necessarily waived. *Unless remanded by this court, all issues within the scope of the appealed judgment are deemed incorporated within the mandate and thus are precluded from further adjudication.*" *Id.* at 1383 (emphasis supplied). In *Engel*, the defendant had succeeded in obtaining a reversal of the trial court's finding of infringement but waited until after the appeal to move for relief in the district court from the trial court's order that it continue to pay royalties. When the trial court ruled that it lacked jurisdiction to do so because of the lack of a remand, the defendant returned to the Federal Circuit. The Federal Circuit noted that its prior opinion (reversing the finding of infringement) had been a "judgment affirming-in-part, reversing-in-part, without remanding" and held that the trial court was correct in determining that the mandate rule foreclosed further review of the defendant's liability for royalties. *Id.* at 1383-84.

Another example is provided in *Tronzo v. Biomet, Inc.*, 236 F.3d 1342 (Fed. Cir. 2001), in which the trial court awarded $7,134,000 in compensatory damages and $20,000,000 in punitive damages on both patent infringement and state law claims. The Federal Circuit reversed the patent infringement findings but affirmed the state law liability findings, and vacated the compensatory damage awards and remanded for a new determination of compensatory damages on the state law claims. *Id.* at 1345. On remand the trial court set the compensatory damages at just $520 and reduced the punitive damages from $20 million to $52,000. On the

second appeal, the Federal Circuit affirmed the new compensatory damage award but held that the mandate rule foreclosed review of the punitive damage award, thus leaving it at the original $20 million:

> [W]hile disputing various rulings of the district court on appeal, Biomet chose not to contest the amount of punitive damages. Because Biomet failed to raise this issue, clearly implicated in the initial decision of the district court, our mandate in *Tronzo I* acted to prevent Biomet from raising this issue on remand or in any future proceedings in this litigation.

Id. at 1349.

None of this is new law. Since the Federal Circuit opinion in this case was issued on July 8, 2011, BD has had ample opportunity to ask that Court for clarification or relief. Indeed, that was exactly what was done in the *Designing Health* case, though without success. BD has offered no persuasive reason to depart from the rules discussed above. Determination of the effect of the reversal of the infringement finding as to the 3 mL Integra (but not the 1 mL Integra) syringes is not a simple matter of arithmetic as BD argues. RTI points out numerous issues that would have been presented to the Federal Circuit on the initial appeal if BD had decided to appeal the damage award. Since neither expert suggested the numbers awarded by the jury, the court would have to weigh the expert testimony and other damage evidence to redetermine the damages for each accused product. These are matters that should have been presented to the Federal Circuit on appeal and not raised for the first time in this court.

The one matter that is properly raised for the first time in this Court is the permanent injunction. The law

is clear that a district court has continuing jurisdiction to modify the prospective effect of an injunction if a change in circumstances justifies the modification. 11 *Wright, Miller & Kane*, Federal Practice and Procedure § 2863 (2012). Furthermore, RTI has consented to modification of the injunction "to exclude BD's 3mL Integra from the definition of Infringing Products in the injunction" and has offered a proposed Order to that effect. (Dkt. No. 391 at 3.) BD has not objected to the form of the proposed order attached by RTI as Exhibit A to its March 5, 2013 Notice (Dkt. No. 391-1) and entitled "Order Modifying Permanent Injunction."

CONCLUSION

For the foregoing reasons, the Court RECOMMENDS that BD's Rule 60(B)(5) Motion to Conform Judgment to Federal Circuit Mandate (Dkt. No. 170) be DENIED. The Court FURTHER RECOMMENDS that the Court enter the proposed Order Modifying Permanent Injunction filed as Dkt. No. 391-1 on March 5, 2013.

A party's failure to file written objections to the findings, conclusions, and recommendations contained in this report within fourteen days after being served with a copy shall bar that party from de novo review by the district judge of those findings, conclusions, and recommendations and, except on grounds of plain error, from appellate review of unobjected-to factual findings, and legal conclusions accepted and adopted by the district court. Fed. R. Civ. P. 72(b)(2); see *Douglass v. United Servs. Auto. Ass'n*, 79 F.3d 1415, 1430 (5th Cir. 1996) (en banc).

SIGNED this 13th day of May, 2013.

/s/ Roy S. Payne
ROY S. PAYNE
UNITED STATES MAGISTRATE JUDGE

APPENDIX D

NOTE: This order is nonprecedential.

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

No. 2013-1567

RETRACTABLE TECHNOLOGIES, INC.
AND THOMAS J. SHAW,
Plaintiffs-Appellees,

v.

BECTON DICKINSON AND COMPANY,
Defendant-Appellant.

ON PETITION FOR REHEARING AND
REHEARING EN BANC

Before Prost, *Chief Judge*, Newman, Lourie, Dyk, Moore, O'Malley, Reyna, Wallach, Taranto, Chen, Hughes, Lourie, and Linn, *Circuit Judges*.

PER CURIAM

O R D E R

A combined petition for panel rehearing and for rehearing en banc having been filed by the appellant, Becton, Dickinson and Company and a response thereto having been invited by the court and filed by the appellees, Retractable Technologies, Inc. and Thomas J. Shaw and the petition for rehearing, having been referred to the panel that heard the appeal, and thereafter the petition for rehearing en banc and response having been re-

ferred to the circuit judges who are in regular active service,

Upon consideration thereof,

IT IS ORDERED THAT:

The petition for panel rehearing is denied.

The petition for rehearing en banc is denied.

FOR THE COURT

September 19, 2014 /s/ Daniel E. O'Toole
Daniel E. O'Toole
Clerk of Court