No. 14-850

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

REPLY BRIEF FOR PETITIONER

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INTRODUCTION

This Court should grant review to reaffirm the long-standing rule that a general verdict must be vacated where one of the grounds that might have supported it is reversed on appeal and to resolve a well-developed split among the courts of appeals regarding the application of that rule.

Here, the jury found that two of BD's products infringed RTI's patents and awarded a general damages verdict of $5 million. On appeal, the Federal Circuit held that one of the products did not infringe, and accordingly affirmed in part and reversed in part. Consistent with the general verdict rule, both parties initially anticipated further proceedings before the district court to re-examine the damages verdict, but RTI later changed its mind. BD filed a motion seeking further damages proceedings, but the district court and the Federal Circuit held that such proceedings were precluded. As a consequence, BD now faces the prospect of paying *millions of dollars* in damages for conduct that the Federal Circuit has held *did not infringe* RTI's patents. This senseless result is contrary to this Court's precedents concerning the general verdict rule and 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.

In its brief in opposition, RTI does not dispute that, under the general verdict rule, a partial reversal on appeal generally requires reexamination of a general damages award. RTI nonetheless argues that this Court should not grant review because the Federal Circuit's decision in the second appeal had little to do with the general verdict rule and instead simply "interpreted its mandate from BD's first appeal, wherein BD

failed to request a remand in the event of a partial reversal of liability." Opp. 6. RTI also argues that the Court "cannot reach" the conflict among the courts of appeals. *Id.* 11.

RTI is wrong on all points. The Federal Circuit's decision represented a striking departure from this Court's precedents regarding the general verdict rule, which have never suggested that application of the rule requires a request for contingent relief in advance of a partial reversal on appeal or turns on the happenstance of whether the court of appeals expressly remands. The Federal Circuit therefore erred in its interpretation of its earlier mandate, with broad implications for other patent cases presenting multiple claims. In any event, this Court's precedent makes clear that a grant of review following a second appeal is appropriate where, as here, a party reasonably believed an issue would be addressed by the trial court following an initial appeal.

Finally, RTI's argument that this Court "cannot reach" the question that has divided the courts of appeals (Opp. 11) reflects a misunderstanding of the disagreement in those cases, which turned on whether a litigant's right to contingent relief under the general verdict rule can be forfeited before the predicate for that relief, a partial reversal on appeal, has come to pass. That question was central to the Federal Circuit's decision below and warrants review by this Court.

ARGUMENT

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

A. The Federal Circuit's Decision Departed From The General Verdict Rule

RTI does not appear to dispute that this Court's longstanding precedent requires that, where an appellate court partially reverses a general verdict, further proceedings regarding the validity of the rest of the verdict are required. *See* Opp. 6-7. Nor could it, since this Court has repeatedly reaffirmed that "'the judgment must be reversed and the case remanded'" where "'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); *see also Memphis Cmty. Sch. Dist.* v. *Stachura*, 477 U.S. 299, 312-313 (1986) (requiring a "new trial on compensatory damages" where there was an error in one theory supporting the damages verdict and "the verdict does not reveal the means by which the jury calculated damages"); Pet. 11-12.

Instead, RTI argues that the Federal Circuit was not bound to apply the general verdict rule because "BD never requested a retrial of damages in its first appeal." Opp. 6. But this Court has never in the 130 years since it decided *Maryland* v. *Baldwin*, 112 U.S. 490 (1884), suggested that application of the general verdict rule can hinge on whether a party affirmatively invokes it in advance of a partial reversal on appeal. Rather, this Court's precedent demonstrates that additional proceedings in the district court follow directly from the partial reversal of a general verdict. *See, e.g.*, *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)).

Until this case, the Federal Circuit adhered to this well-reasoned approach. *See* Pet. 13-15. As BD emphasized in its briefing below, the Federal Circuit previously held in *Verizon Services Corp.* v. *Vonage Holdings Corp.* 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." 503 F.3d 1295, 1310 (Fed. Cir. 2007) (emphasis added).[1] *Verizon* applied the general verdict rule *sua sponte*, even though neither party had raised the issue. *See id.*

The decision below, however, sharply diverged from the Federal Circuit's prior adherence to this Court's precedents, holding that BD's argument regarding the general verdict rule was waived because it "could have and should have been raised in the previous appeal." Pet. App. 6a.[2] The Federal Circuit thus fault-

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[1] RTI incorrectly implies that BD's briefs before the Federal Circuit did not address the general verdict rule. *See* Opp. 5. BD's briefs repeatedly explained that the district court's decision was inconsistent with the Federal Circuit's prior decision in *Verizon* applying the general verdict rule, which *Verizon* characterized as the "normal rule." *See, e.g.*, Pet. C.A. Br. 3, 14 (citing *Verizon* and stating that "[u]nder the 'normal rule' applicable to cases in which there has been a partial reversal, the district court was required to conduct further proceedings to determine the effect of the Court's mandate on the damages award"); Pet. C.A. Reply Br. 6, 7, 10, 15, 17 (discussing *Verizon*).

[2] RTI notes that the Federal Circuit suggested in its opinion that it was not addressing "waiver" arguments. *See* Opp. 5; Pet.

ed BD for challenging the *entire* damages award without presenting an express request for partial relief in the event of a partial victory.

Unlike the Federal Circuit's new rule, this Court's traditional approach makes obvious sense. A request for greater relief in the form of a complete reversal implicitly includes a request for partial relief in the event of a partial reversal. In addition, an appellate court that issues a partial reversal would ordinarily assume that its ruling would have more than mere advisory effect. The Federal Circuit's new rule, by contrast, would deprive litigants of the benefit of their partial victories on appeal if they do not include boilerplate language invoking the general verdict rule in the contingent event of a partial reversal. Such empty formalism creates a trap for unwary litigants and threatens to leave in place verdicts that have serious questions about their validity. *See* Pet. 14-15.[3]

App. 12a. Nonetheless, 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. *See* Pet. 23-24 (citing Pet. App. 8a).

[3] RTI suggests that such boilerplate is required by Federal Rule of Appellate Procedure 28(a)(9). *See* Opp. 7. However, the Federal Circuit did not rely on that rule, and nothing in its text requires parties to specifically request every contingent form of relief that might become necessary in the event of a partial reversal. *See Tabbaa* v. *Chertoff*, 509 F.3d 89, 96 (2d Cir. 2007) (general request for reversal was sufficient under Rule 28 to preserve right to contingent relief); *cf. Lowry Dev., LLC* v. *Groves & Assocs. Ins., Inc.*, 690 F.3d 382, 388 (5th Cir. 2012) (Rule 60(b) motion "only after the argument has 'ripened'" is a "more natural" course than "the hollow exercise of filing … an anticipatory, *pro forma* appeal"); 15A Wright et al., *Federal Practice and Procedure* § 3904 (2d ed. 1992) (cross-appeal "not required to preserve the right to orderly disposition of issues that become relevant only because of reversal").

The Federal Circuit erred by refusing to construe the mandate in *RTI I* in accordance with the general verdict rule, thereby precluding the district court from applying this Court's precedent on general verdicts. Given the frequency of multi-claim judgments and partial reversals in patent cases, the Federal Circuit's new rule has far-reaching implications for other patent disputes. *See* Pet. 14. This Court has a special duty to supervise the Federal Circuit to ensure adherence to this Court's pronouncements; it is therefore incumbent on this Court to grant review here. *See Cardinal Chem. Co.* v. *Morton Int'l, Inc.*, 508 U.S. 83, 89 (1993) ("Because the Federal Circuit has exclusive jurisdiction over appeals from all United States District Courts in patent litigation, the rule that it applied in this case … is a matter of special importance to the entire Nation. We therefore granted certiorari.").

B. The Mandate Rule Does Not Diminish The Appropriateness And Necessity Of Reviewing The Federal Circuit's Decision

RTI also argues that review should be denied because after the first appeal BD returned to the district court with the expectation—shared by RTI at the time (Pet. 7)—that the court would revisit the damages award in accordance with the general verdict rule. Opp. 1. In RTI's view, because the Federal Circuit did not specifically "remand" the case for further damages proceedings after the first appeal, BD should have "moved to modify or correct the mandate" or sought certiorari on this issue. *Id.* 6. These arguments are wrong, and the procedural history of this case only reinforces the importance of this Court's review of the Federal Circuit's application of the general verdict rule.

As noted, both parties initially anticipated that the district court would re-examine the jury's damages verdict in order to give effect to the Federal Circuit's decision partially reversing the jury's liability finding. *See* Pet. 6-7. That expectation was eminently reasonable given this Court's approach to the general verdict rule and the Federal Circuit's own prior decision in *Verizon*. *See supra* Part I.A. There is therefore no basis for the Federal Circuit's speculation—repeated by RTI in its brief—that BD "'arguably made an effort to avoid raising the issue'" of damages in the first appeal. Opp. 5 (quoting Pet. App. 7a). The Federal Circuit's partial reversal was the predicate for BD's challenge to the general damages verdict, and BD immediately sought further proceedings regarding damages when the case returned to the district court following the Federal Circuit's decision.

The parties' expectation of further proceedings was also reasonable given prior decisions by the Federal Circuit holding 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) (rejecting argument that "absence of the word 'remanded'" foreclosed further proceedings before the district court); *Exxon Chem. Patents, Inc.* v. *Lubrizol Corp.*, 137 F.3d 1475, 1483-1484 (Fed. Cir. 1998) (similar). Those decisions, in turn, relied on this Court's decision in *Sprague* v. *Ticonic National Bank*, 307 U.S. 161 (1939). *See Exxon Chem.*, 137 F.3d at 1483 ("*Sprague* … demonstrates that a judgment that does not specifically provide for a remand is not necessarily incompatible with further proceedings to be undertaken in the district court."); *see also Perkins* v. *Standard*

Oil Co. of Cal., 399 U.S. 222, 223 (1970) (per curiam) ("Our failure to make explicit mention in the mandate of attorneys' fees simply left the matter open for consideration by the District Court, to which the mandate was directed.").

RTI argues, in effect, that BD should have anticipated that the Federal Circuit would depart from these decisions when interpreting its mandate, and is now out of luck for failing to do so. But there was every reason for BD to expect the Federal Circuit to adhere to its precedent and to permit further proceedings on damages consistent with the general verdict rule.

In similar circumstances, this Court has explained that a party's reasonable decision to return to the district court for further proceedings, rather than to seek immediate review by the Supreme Court, is no obstacle to this Court's review following a second appeal. *See Hetzel* v. *Prince William Cnty.*, 523 U.S. 208, 210 n.2 (1998) (per curiam) (rejecting argument that this Court "should not consider petitioner's Seventh Amendment claim because she failed to raise it in her prior petition for certiorari" where "petitioner did not raise this claim at that time because she reasonably construed the Court of Appeals' decision" as permitting a "new trial" on remand).[4] That principle fully applies here.

Contrary to RTI's suggestion, the Federal Circuit's arbitrary departure from the prior precedents on which BD relied is not a reason to shield the Federal Circuit's

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[4] *See also Mercer* v. *Theriot*, 377 U.S. 152, 153-154 (1964) (per curiam) ("We now consider all of the substantial federal questions determined in the earlier stages of the litigation, for it is settled that we may consider questions raised on the first appeal, as well as those that were before the court of appeals upon the second appeal." (internal quotation marks, citation, and alteration omitted)).

failure to apply the general verdict rule from review. Rather, it counsels strongly in favor of review.

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

This Court's review is also needed to resolve a deep split among the circuits regarding whether a party can waive the benefits of the general verdict rule. RTI does not dispute that there is a well-developed conflict among the circuits, but instead suggests that the Court "cannot reach that conflict in this case." Opp. 11. RTI's argument rests on a misunderstanding of the general verdict rule and of the circuit split described in BD's Petition.

As described in the Petition, the First, Second, Third, Eighth, and Eleventh Circuits follow this Court's guidance and do not require that a party formalistically object to a general verdict in order to apply the general verdict rule upon partial reversal. By contrast, the Fifth, Seventh, Ninth, and Tenth Circuits demand that a party must object to a verdict at trial or on appeal or forfeit the rule's application. *See* Pet. 16-24.

RTI claims that the conflict among these circuits "does not pertain to this appeal because the Federal Circuit's opinion does not turn on whether BD objected to the jury question." Opp. 11. It reasons that "BD's failure to request a remand … in its appeal" represents the "overriding problem" that led to the result below. *Id.* 11 n.3. But RTI's description of the circuit split rests on a misunderstanding of the general verdict rule and of the "problem" inherent in the Federal Circuit's ruling.

The general verdict rule is grounded on the basic principle that only the jury that rendered a general

verdict will know the reasons that supported it. *See* Pet. 11. When an appellate court partially reverses it therefore cannot know whether a general verdict rested on a now-invalid ground, and the proper remedy is to vacate the general verdict and remand for further proceedings. *See id.* 11-13. From the perspective of the rule, it is irrelevant whether a party objects to a general verdict form before the district court or invokes general verdict principles for the first time on appeal—in either case, the appellate court cannot know whether the general verdict rests on a valid or invalid ground.

Thus, the crucial predicate for the rule's application is not objection at either the trial or appellate levels, but rather the occurrence of a contingent event—the appellate court's issuance of a partial reversal. As the Third Circuit explained in *Brokerage Concepts, Inc.* v. *U.S. Healthcare, Inc.*, "it was not until [its] decision on appeal" partially reversing that general verdict principles became applicable. 140 F.3d 494, 534 (3d Cir. 1998). The Federal Circuit's opinion holding that a party must raise the general verdict rule in advance of a partial reversal is contrary to the approach of the Third Circuit and the other Circuits that have declined to impose waiver rules (and also, as noted above, contrary to the Federal Circuit's own prior approach to the general verdict rule).[5]

The Court's review is needed to restore cohesion to the law. This Court has never required that a party divine the prospect of partial reversal on appeal for the

[5] Moreover, contrary to RTI's description, the Federal Circuit's opinion did not suggest only that BD should have raised a general verdict argument in the prior appeal. Rather, the court also faulted BD for not "object[ing] to Interrogatory No. 6" at trial. Pet. App. 8a.

general verdict rule to apply. The fact that five circuits have engrafted such a requirement onto this Court's clearly articulated rule is both directly relevant to the present dispute and calls for this Court's guidance. This question is crucial, recurring, and likely to remain uncorrected without this Court's intervention. *See* Pet. 24-26.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted.

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