

** NOT FOR PRINTED PUBLICATION **

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
BEAUMONT DIVISION

MARK BARRY, M.D.,	§	
	§	
<i>Plaintiff,</i>	§	CIVIL ACTION No. 1:14-cv-104
	§	
v.	§	JUDGE RON CLARK
	§	
MEDTRONIC, INC.,	§	PRD
	§	
<i>Defendant.</i>	§	

**ORDER DENYING RENEWED MOTIONS FOR JUDGMENT AS A MATTER OF LAW
AND MOTION FOR NEW TRIAL AND/OR REMITTITUR**

Plaintiff Dr. Mark. A Barry asserted indirect infringement of two patents, U.S. Patent No. 7,670,358 (“the ‘358 Patent”) and U.S. Patent No. 8,361,121 (“the ‘121 Patent”), which relate to a system and method of aligning spinal vertebrae to correct for common spinal deformities like scoliosis. After a seven-day trial, the jury returned a verdict that was adverse in all respects to Defendant Medtronic, Inc., which timely moved orally and by written motion for judgment as a matter of law (“JMOL”) on several grounds under Rule 50(a). Dkt. # 406; *see also* Tr. at 1605–1629 (oral motions after Dr. Barry rested); Tr. at 1920–1962 (oral motions at close of evidence) (collectively, “Oral JMOL Motion”). The court granted Medtronic’s Rule 50(a) JMOL motion with respect to overseas indirect infringement of the ‘121 Patent but denied Medtronic’s Rule 50(a) JMOL motion on all other grounds. JMOL Order, Dkt. # 442. The court also denied Medtronic’s inequitable conduct defense (Dkt. # 443), granted a 20% enhancement in light of Dr. Barry’s motion for enhanced damages based on willfulness, and denied Dr. Barry’s motion for attorney’s fees. Dkt. # 444. The court then entered Final Judgment on May 16, 2017. Final Judgment, Dkt. # 452.

Medtronic timely renewed its JMOL motions pursuant to Rule 50(b) (Dkt. # 464), raising the same substantive arguments raised and rejected by this court through its prior Rule 50(a) Motion. Dkt. # 463. Medtronic also moved for a new trial and/or remittitur pursuant to Rule 59 Dkt. # 464. Dr. Barry responded to both motions. Dkts. ## 471, 472. For the reasons stated previously with regard any previously raised arguments (JMOL Order, Dkt. # 442) and the reasons that follow as to Medtronic's arguments regarding a new trial, Medtronic's motions are denied.

I. APPLICABLE LAW

A motion for JMOL may be made at any time before the case is submitted to the jury. FED. R. CIV. P. 50(a)(2). If the court does not grant a motion for JMOL made under Rule 50(a), "the court is considered to have submitted the action to the jury subject to the court's later deciding the legal questions raised by the motion." FED. R. CIV. P. 50(b). No later than twenty-eight days after the entry of judgment, the movant may file a renewed motion for JMOL, and may include an alternative request for new trial under Federal Rule of Civil Procedure 59. FED. R. CIV. P. 50(b).

II. MEDTRONIC'S RENEWED MOTIONS FOR JMOL

A. JMOL Standard of Review

Generally, a motion for JMOL is granted when there is no legally sufficient evidentiary basis for a reasonable jury to find for the party on an issue on which that party has been fully heard. FED. R. CIV. P. 50(a); *Reeves v. Sanderson Plumbing*, 530 U.S. 133, 150, 120 S. Ct. 2097, 2110 (2000). In entertaining a motion for JMOL, the court must review all of the evidence in the record, drawing all reasonable inferences in favor of the nonmoving party. *Reeves*, 530 U.S. at 150, 120 S. Ct. at 2110. The court may not make credibility determinations or weigh the evidence. *Id.* Thus, although the court should review the record as a whole, it must disregard all evidence favorable to the moving party that the jury is not required to believe. *Id.* The court

should give credence to the evidence favoring the nonmovant as well as “evidence supporting the moving party that is uncontradicted and unimpeached, at least to the extent that evidence comes from a disinterested witness.” *Id.*

Entry of JMOL is appropriate only if the jury’s verdict is unsupported by substantial evidence or premised on incorrect legal standards. *Hearing Components, Inc. v. Shure Inc.*, 600 F.3d 1357, 1369-70 (Fed. Cir. 2010) (citing *Cambridge Toxicology Grp. v. Exnicios*, 495 F.3d 169, 179 (5th Cir. 2007)). JMOL should be denied when, viewing the evidence in the light most favorable to the nonmovant and giving the nonmovant the benefit of all reasonable inferences, there is sufficient evidence of record to support a jury verdict in favor of the nonmovant. *See Poly-Am., L.P. v. GSE Lining Tech., Inc.*, 383 F.3d 1303, 1307 (Fed. Cir. 2004). Substantial evidence supports the jury’s verdict where the movant carries the burden of persuasion and the jury could have reasonably concluded that this burden was not met. *See id.* at 1309.

B. Discussion

Medtronic renews its motions for judgment as a matter of law as to induced infringement, invalidity, damages, willful infringement, inequitable conduct, and standing. Mtn., Dkt. # 463, at p. 7. In addressing each of these issues, Medtronic raises no new substantive arguments that would support overturning the jury verdict. The court already discussed in detail in its JMOL Order (Dkt. # 442) its reasons for denying those motions as to each of those issues. For the same reasons, the court denies Medtronic’s Renewed Rule 50(b) Motion for Judgment as a Matter of Law as to each of those issues.

III. MEDTRONIC’S MOTION FOR A NEW TRIAL AND/OR REMITTITUR

A. Standard of Review—Motion for New Trial

Rule 59(a) of the Federal Rules of Civil Procedure permits a trial court to grant a new trial based on that court’s appraisal of the fairness of the trial and the reliability of the jury’s verdict. *See* FED. R. CIV. P. 59(a). “For example, a new trial may be granted if the court finds that the verdict is against the great weight of the evidence, that the trial was unfair, or that prejudicial error was committed in the course of the trial.” *Mid-Continent Cas. Co. v. Eland Energy, Inc.*, 795 F. Supp. 2d 493, 546 (N.D. Tex. 2011), *aff’d*, 709 F.3d 515 (5th Cir. 2013). However, the judgment should stand when the evidence presented at trial could reasonably support the jury’s verdict and when the verdict is not against the great weight of the evidence. *See, e.g., Carter v. Fenner*, 136 F.3d 1000, 1010 (5th Cir. 1998); *Eyre v. McDonough Power Equip., Inc.*, 755 F.2d 416, 420–21 (5th Cir. 1985).

The grant or denial of a new trial is within the discretion of the district court. *Scott v. Monsanto Co.*, 868 F.2d 786, 789 (5th Cir. 1989). The court’s discretion to grant a new trial must be “tempered by the deference due to a jury.” *Id.* at 789. While the court may weigh the evidence in its review of a motion for new trial (*Whitehead*, 163 F.3d at 270 n.2), the court must not simply substitute its opinion for the collective wisdom of the jury. *See Smith v. Transworld Drilling Co.*, 773 F.2d 610, 613 (5th Cir. 1985).

B. Discussion

Medtronic moves for a new trial on infringement, invalidity, and damages, citing both prejudicial error by the court and a jury verdict against the great weight of the evidence as to each of these issues. Medtronic also, in the alternative to a new trial on damages, requests a remittitur. The court addresses each of these issues below.

(1) Infringement

Medtronic claims that it is entitled to a new trial on infringement for three reasons.

First, Medtronic claims that the testimony of Dr. Barry's survey expert, Dr. David Neal, should have been excluded. The court has, at several junctures in this case, previously addressed the admissibility of Dr. Neal's testimony and concluded that Dr. Neal's testimony and his survey were not inadmissible. The court overruled Medtronic's *Daubert* motion and addressed the issue again in denying Medtronic's JMOL Motion on the issue of infringement. *See* Dkt. # 293 (Order Denying *Daubert* Mtn.); Dkt. # 442 (JMOL Order), at pp. 9–11. For the same reasons, the court overrules Medtronic's objections and denies its request for a new trial insofar as it relies on objections to Dr. Neal's testimony and the Neal Survey.

Second, Medtronic claims that the court improperly precluded Medtronic from offering evidence of non-infringement based on the claim term "mechanically linked." The court explained on the record at trial and in its JMOL Order, its ruling at trial that limited the anticipated testimony from Medtronic's non-infringement expert Dr. Rex Marco about the term "mechanically linked." That ruling was based on the court's conclusion that based on the way Dr. Marco was testifying, his testimony about that term was in direct conflict with the court's claim construction of that term. Courts are the gatekeepers of the evidence and in patent cases, are especially charged with ensuring expert testimony comports with the court's claim construction. Medtronic made no offer of proof to show the court misapprehended the tenor of Dr. Marco's proposed testimony about "mechanically linked." Counsel did not even take the thirty seconds required to state the anticipated testimony to demonstrate a misunderstanding by the court. Even if this ruling greatly curbed Medtronic's non-infringement case, those limitations had been in place since the court entered its claim construction order. The court's ruling does not justify a new trial.

Third, Medtronic claims that the jury's verdict is against the weight of the evidence, citing the same alleged shortcomings that it identified in its JMOL motions. For the same reasons that the court previously rejected those arguments, it rejects them as a bases for Medtronic's request for a new trial. Medtronic has not sustained its burden of proving that the infringement verdict was against the weight of evidence.

For these reasons, Medtronic is not entitled to a new trial on infringement.

(2) Invalidity

Medtronic claims that it is entitled to a new trial on invalidity for two reasons.

First, Medtronic complains that the court erred in instructing the jury on “an artificial and unsupported distinction between medical experimentation and experimental use in the patent context” within the discussion of prior public use and prior public sale. Mot. (Dkt. # 464) at p. 12. It is well within the court's providence to instruct the jury in a manner that avoids potential confusion of the issues. Medtronic claimed that the patents were invalid based on prior public use and sale; in rebuttal, Dr. Barry sought to prove—and ultimately did prove—that all the pre-critical date uses, if any practiced all the limitations of the claims, were “experimental uses” in the patent law context, which means they could not have been invalidating.

Starting from the motions in limine stage, it became clear to the court that because this case involved medical procedures often used with young patients, the concept of patent law “experimental use” could be confusing. The court concluded that the jury would need an instruction to distinguish between valid “experimental use” and the unfairly prejudicial idea that Dr. Barry was secretly experimenting with untested medical procedures on small children. Listening to counsel's repeated arguments and responses to the court, it became clear to the court that Medtronic hoped to leave the jury with an impression of the latter.

The court concluded at trial that an instruction that clearly delineated between the two interpretations of “experimental” would serve to head off any potential jury confusion. Medtronic has not cited, and the court has not located, any case law in which prejudicial error resulted from instructing the jury in a way that distinguishes the meaning of patent-specific terms from the meaning that might generally, and perhaps prejudicially, be understood by a layman. The fact that, as Medtronic states, the “Federal Circuit has repeatedly applied traditional experimental use principles in cases involving medical patents” (Mot. (Dkt. # 464) at p. 13) without an instruction does not render unnecessary the court’s instruction in this particular case.

Second, Medtronic claims that the jury’s finding of no invalidity is against the weight of the evidence. Again, Medtronic cites the same substantive alleged shortcomings cited in its prior JMOL motions; Medtronic even incorporates those arguments by reference in this section. Mtn. (Dkt. # 464), at p. 15. For the same reasons that the court previously rejected those substantive arguments, it rejects them as a basis for a new trial. Medtronic has not proven that the invalidity verdict was against the weight of the evidence, and the jury’s verdict should stand.

For these reasons, Medtronic is not entitled to a new trial on invalidity.

(3) Damages

Medtronic claims that it is entitled to a new trial on damages for three reasons. The court addresses Medtronic’s remittitur request in the next section.

First, Medtronic claims that the testimony of Dr. Barry’s damages expert Ms. Kimberly Schenk was unreliable, inadmissible, and should have been excluded. Medtronic urges that Ms. Schenk’s reliance on the survey by Dr. Neal was improper and, in doing so, identifies the same alleged shortcomings raised in its *Daubert* motion to exclude Ms. Schenk’s testimony and its JMOL motions. The court has previously ruled that Ms. Schenk’s testimony is not inadmissible

and not improper based on those very same alleged shortcomings. Dkt. # 293 (*Daubert* Order); Dkt. # 442 (JMOL Order) at pp. 25–26. For the same reasons, the court denies a new trial on this ground.

Second, Medtronic claims, as it previously did through its JMOL motions, that it is entitled to a new trial because Ms. Schenk improperly calculated damages from the issuance date of the ‘358 Patent even though, according to Medtronic, Dr. Barry did not establish inducing acts until after that date. *See* Mtn. (Dkt. # 464) at p. 18. Medtronic’s objection on this point, which the court previously rejected (JMOL Order (Dkt. # 442) at p. 26), again arises from the incorrect assertion that Dr. Barry did not establish inducing acts until after March 2, 2010; however, as explained in great detail in the court’s JMOL Order (Dkt. # 442), there was substantial evidence of Medtronic’s induced infringement starting from March 2010 and the ‘358 Patent issued on March 2, 2010, which is when Ms. Schenk’s damages model starts. It was therefore not against the great weight of evidence for the jury to conclude that Dr. Barry was entitled to damages for infringement from that date. The cases relied upon by Medtronic in the present motion certainly provide no support for its flawed position; they do not hold that it would be prejudicial error or goes against the great weight of the evidence to uphold a damages verdict when there is substantial evidence, including expert testimony, that damages are due from the date on which the damages expert’s model begins.

Finally, Medtronic claims that the damages award is excessive and that it is entitled to a new trial because the award is not “tied to the footprint of the alleged invention in the marketplace.” Dkt. # 464 at pp. 19–20. Underlying these contentions are the same objections Medtronic previously raised as to the Neal Survey and Ms. Schenk’s allegedly unreliable testimony, which were already considered and rejected in this court’s JMOL Order, as well as prior sections of this

Order. Medtronic has therefore not proven that the damages award is against the great weight of evidence or that it is entitled to a new trial.

(4) Remittitur

As an alternative to a new trial, Medtronic requests a remittitur to the amount of \$1,358,400.00, an amount it claims is based on Medtronic's business records showing the number of times a VCM kit was opened. Dkt. # 464 at p. 20. The base damages award upheld by the court is computed as follows: \$15,095,970.00 for infringement of the '358 Patent within the United States plus \$2,625,210.00 for infringement of the '121 Patent within the United States, which totals \$17,721,180.00. Because this award is not excessive or so large as to appear "contrary to right reason," remittitur is not warranted.

a. Legal Framework

Remittitur for excessive damages is a procedural issue not unique to patent law. *Imonex Services, Inc. v. W.H. Munzprufer Dietmar Trenner GMBH*, 408 F.3d 1374, 1380 (Fed. Cir. 2005). Therefore, the law of the Fifth Circuit governs this issue. Under Fifth Circuit law, there is a "strong presumption in favor of affirming a jury award of damages." *Giles v. General Elec. Co.*, 245 F.3d 474, 488 (5th Cir. 2001). The jury's award "is not to be disturbed unless it is entirely disproportionate to the injury sustained." *Caldarera v. E. Airlines, Inc.*, 705 F.2d 778, 784 (5th Cir. 1983). Only if the court is "left with the perception that the verdict is clearly excessive" should deference to the jury be abandoned. *Giles*, 245 F.3d at 488. To grant remittitur, the damages award must be "excessive or so large as to appear contrary to right reason." *Laxton v. Gap, Inc.*, 33 F.3d 572, 586 (5th Cir. 2003). The size of the remitted award is determined by the "maximum recovery rule," reducing damages to the maximum amount a reasonable jury could have been awarded. *Id.* at 488-89; *see also Shockley v. Arcan, Inc.*, 248 F.3d 1349, 1362 (Fed. Cir. 2001).

b. Discussion

The damages award in this case is not excessive and is well within “right reasoning” based on the evidence presented to the jury. Damages for patent infringement must be “adequate to compensate for the infringement, but in no event less than a reasonable royalty[.]” 35 U.S.C. § 284. “The determination of the amount of damages based on a reasonable royalty is an issue of fact.” *Unisplay, S.A. v. Am. Elec. Sign Co.*, 69 F.3d 512, 517 (Fed. Cir. 1995). Deciding how much to award as damages in a patent infringement case “is not an exact science.” *Kalman v. Berlyn Corp.*, 914 F.2d 1473, 1482 (Fed. Cir. 1990).

The court previously discussed in detail why the damages awarded in the Final Judgment were supported by substantial evidence in its Order on JMOL. At trial, Dr. Barry’s damages expert Ms. Schenk presented evidence supporting a royalty of \$1200 per procedure based on a comparable license. She also testified, based on the Neal Survey and the testimony of Dr. Neal, as to the number of procedures that occurred during the period of infringement. Ms. Schenk’s testimony withstood rigorous cross-examination. The jury was then properly instructed, with no objection from either side, on the reasonable royalty inquiry and the relevant *Georgia-Pacific* factors. The jury applied the relevant factors and evidently adopted Ms. Schenk’s damages model in full, despite Medtronic’s attempts to discredit her testimony and the testimony of Dr. Neal. After trial, the court combed through the record and, based on its decision to grant Medtronic’s Motion for JMOL as to overseas indirect infringement of the ‘121 Patent, subtracted the amount that was not supported by substantial evidence, or \$2,625,210.00. Dkt. # 442 (JMOL Order) at p. 27. The court cannot conclude that based on this, the award provided in the Final Judgment of \$17,721,180.00 is excessive or that the jury’s award was outside of “right reason.”

IV. CONCLUSION

For the foregoing reasons, Medtronic's Motion for Judgment as a Matter of Law (Dkt. # 463) and Medtronic's Motion for a New Trial and/or a Remittitur Under Federal Rule of Civil Procedure 59 (Dkt. # 464) are DENIED.

So **ORDERED** and **SIGNED** this **21** day of **July, 2017**.

A handwritten signature in black ink, appearing to read "Ron Clark", written in a cursive style.

Ron Clark, United States District Judge