No. 15-998

IN THE

Supreme Court of the United States

MEDINOL LTD.,

Petitioner,

v.

CORDIS CORPORATION AND JOHNSON & JOHNSON,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE U.S. COURT OF APPEALS FOR THE FEDERAL CIRCUIT

BRIEF IN OPPOSITION

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CORPORATE DISCLOSURE STATEMENT

Johnson & Johnson: Respondent Johnson & Johnson has no parent corporations, and no entity owns 10% or more of its stock.

Cordis Corporation: Cardinal Health, Inc. is the parent corporation of Respondent Cordis Corporation, and owns 10% or more of its stock.

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INTRODUCTION

Petitioner Medinol Ltd. ("Medinol") asks this Court to resolve a question that is not raised by its appeal. There is no reason to grant certiorari in this case.

In the trial court, Medinol's patent infringement claim was dismissed on grounds of laches, based on a decision finding that its delay in filing suit was "unreasonable and inexcusable." Pet. App., 39a. Medinol concluded that any appeal from this judgment would be "futile,"[1] and so it did not appeal. Later, after its time to appeal had passed and after this Court's decision in *Petrella v. Metro-Goldwyn Mayer, Inc.*, 134 S. Ct. 1962 (2014), Medinol moved to set aside the final judgment under Rule 60(b)(6) of the Federal Rules of Civil Procedure.

Medinol's current appeal is therefore actually a challenge to the district court's discretionary decision to deny Medinol's Rule 60(b)(6) motion. As a result, this case does not raise the issue framed by the Question Presented, whether judges "may … use the equitable defense of laches to bar legal claims for damages that are timely under the express terms of the Patent Act." Resolution of that question would have no effect on the outcome of this case.

By Medinol's admission, its decision not to appeal from the judgment was a deliberate decision, based on Medinol's assessment that it had no chance

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[1] D.E. 71 in Case No. 1:13-cv-01408-SAS at 3.

of prevailing on appeal. Its later Rule 60(b)(6) motion was based on an untenable theory that Medinol does not repeat here. Medinol argued that *Petrella,* which addressed laches in copyright cases, also changed governing patent law and implicitly overruled *A.C. Aukerman Co. v. R.L. Chaides Construction Co.*, 960 F.2d 1020 (Fed. Cir. 1992) (en banc), which held that laches can be a defense to claims for damages in patent cases. Medinol's Rule 60(b)(6) theory was at odds with *Petrella* itself. *Petrella* expressly states that this Court was *not* addressing whether laches can be a defense to damage claims in patent cases.

The district court denied Medinol's Rule 60(b)(6) motion on the authority of an intervening Federal Circuit decision, which (correctly) held that *Petrella* left *Aukerman* intact. When Medinol appealed from the denial of its Rule 60(b) motion, the *only* issue it raised was whether the district court erred in concluding that *Petrella* did not "implicitly overrule" *Aukerman*. That issue is answered by footnote 15 in *Petrella*, which states: "We have not had occasion to review the Federal Circuit's position [in *Aukerman*]." *Petrella* 134 S. Ct. at 1974 n.15. Whether *Petrella* nonetheless overruled *Aukerman* is an issue that is not raised by Medinol's petition and not remotely worthy of certiorari, but it is the only issue that Medinol could legitimately raise here.

A decision in Medinol's favor on the Question Presented would not alter the outcome in this case. To change the outcome on its Rule 60(b)(6) motion, Medinol would need to go establish: (1) that *Petrella* itself implicitly overruled *Aukerman* and changed

governing patent law, notwithstanding this Court's statement to the contrary in *Petrella*; (2) that this supposed change in patent law was an extraordinary circumstance that would warrant setting aside a final judgment that Medinol chose not to appeal; and (3) that the district court abused its discretion in following controlling circuit court authority holding that *Petrella* left *Aukerman* intact and denying the Rule 60(b)(6) motion. On all of these issues, Medinol's position is directly contrary to decisions by this Court. In any event, Medinol's petition for certiorari presents none of these issues. A decision in Medinol's favor on its Question Presented would not alter the outcome in this case.

Medinol tries to ride on the coattails of the pending petition for certiorari in *SCA Hygiene Prods. Atkeibolog v. First Quality Baby Prods., LLC*, No. 15-927, which raises the question whether laches may bar claims for past damages in patent infringement cases. Medinol did not raise that issue in the trial court or in its appeal to the Federal Circuit and it is not properly raised here. In any event, the en banc decision in *SCA* correctly applies a provision in the Patent Act that provides a statutory basis for the laches defense, and is consistent with decisions by every regional circuit that considered the issue.

COUNTER-STATEMENT OF THE CASE

Medinol alleged in this case that certain stents sold in 1999-2011 by Cordis, which was a subsidiary of Johnson & Johnson at the time, infringed several Medinol patents. Cordis began selling stents with the allegedly infringing structure in 1999, but Medinol waited until 2013 to bring this case. By

then, Cordis had stopped selling *any* coronary stents. The only relief Medinol sought was past damages.

Cordis raised various defenses, including laches. On the consent of all parties, the district court bifurcated the laches issue for separate discovery and trial.

A. Medinol Never Challenged the Viability of the Laches Defense Before Judgment Was Entered, Despite Knowing that *Petrella* Was *Sub Judice* in This Court

Before the trial began on laches, this Court granted certiorari in *Petrella*. In his opening statement at trial, Medinol's counsel stated that *Petrella* involved "laches in copyright cases" and was "going to be argued, ironically, tomorrow …."[2]

Although Medinol knew that *Petrella* was *sub judice* in this Court and recognized that its outcome might have some bearing on patent cases, it did not assert that *Aukerman* was incorrectly decided or that laches was unavailable as a defense in patent cases. To the contrary, Medinol affirmatively told the district court that "[i]n a patent infringement suit, laches is an affirmative defense," and cited *Aukerman* for that proposition.[3] Before the entry of

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[2] D.E. 56 in Case No. 1:13-cv-01408-SAS at Tr.58:16-20.

[3] D.E. 55 in Case No. 1:13-cv-01408-SAS at 17.

judgment, Medinol never disputed the propriety of Cordis's laches defense.[4]

B. The Judgment

After hearing the evidence at trial, the district court found that Medinol had "unreasonabl[y] and inexcusabl[y]" delayed in filing suit over most of a fourteen-year period and that Cordis was harmed as a result. Pet. App., 39a, 50a. The district court did not address whether laches was a defense to a claim for patent damages because Medinol had conceded that it was. The court then entered judgment dismissing the complaint based on laches.[5]

C. Medinol Chose Not to Appeal from the Judgment Dismissing its Complaint

When the district court entered judgment, Medinol knew that *Petrella* had been argued in this Court and likely would be decided shortly. Medinol nonetheless chose not to appeal from the judgment.

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[4] Medinol's pre-trial brief purported to "reserve[] the right" to challenge *Aukerman* at some later time "based on the outcome of the pending appeal [to this Court] in *Petrella*" (D.E. 39 in Case No. 1:13-cv-01408-SAS at 6 n.1). But Medinol never challenged *Aukerman* in the district court and accepted it as controlling law, and then chose not to appeal from the judgment. Such purported "reservations of rights" are meaningless. The time for Medinol to raise the issue in the district court was before judgment was entered, not afterwards. *See Jackson v. Bloomberg, L.P.*, 298 F.R.D. 152, 169 (S.D.N.Y. 2014).

[5] D.E. 64 in Case No. 1:13-cv-01408-SAS.

If Medinol had appealed, it could have attempted to argue to the panel or in petition for hearing en banc that *Aukerman* should be overruled.[6] But any such argument was undoubtedly waived by its failure to preserve the issue in the district court and Medinol, by its own admission, decided that an appeal would be "futile."[7] Medinol's time to appeal from the judgment expired with no appeal having been taken.

D. The Decision in *Petrella*

Two weeks after Medinol's time to appeal expired, this Court issued its decision in *Petrella*, 134 S. Ct. 1962, on the laches defense in copyright cases.

Petrella did not decide any issue regarding patent law. Footnote 15 of *Petrella* notes differences between the Copyright Act and the Patent Act, and notes that "the Federal Circuit has held that laches can bar damages incurred prior to the commencement of suit [for patent infringement] …." *Petrella*, 134 S. Ct. at 1974 n.15 (citing *Aukerman*, 960 F.2d 1020). *Petrella* explicitly states it is *not* overruling *Aukerman*: "We have not had occasion to review the Federal Circuit's position." *Id*.

E. Medinol's Motion Under Rule 60(b)(6)

After choosing to forgo an appeal from the judgment, and eleven weeks after *Petrella* was decided, Medinol moved to set aside the judgment

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[6] *See* Fed. Cir. Rules 35(a)(1) and 35(c).

[7] D.E. 71 in Case No. 1:13-cv-01408-SAS at 3.

under Rule 60(b)(6), on the theory that *Petrella* was "an intervening change in law" that made laches unavailable as a defense to damages in patent cases.[8] In response, Cordis pointed out that *Petrella* "explicitly states that it is not addressing patent law,"[9] and that Medinol "knowingly waived" its argument by "[never] challenging the existence of the laches defense [in the district court] and … [choosing] not to appeal."[10] Cordis also pointed out that it was entitled to rely on the finality of the judgment without further delay because its parent, Johnson & Johnson, was considering selling Cordis's business and needed certainty. [11]

The district court denied Medinol's Rule 60(b)(6) motion. Pet. App., 3a-6a. Relying on the controlling authority of *SCA Hygiene Prods. Aktiebolag v. First Quality Baby Prods., LLC*, 767 F.3d 1339, 1345 (Fed. Cir. 2014), the district court stated that "'*Petrella* notably left *Aukerman* intact,'" Pet. App., 5a n.8 (quoting *SCA*, 767 F.3d at 1345), and that "*Aukerman* remains good law" following *Petrella*. Pet. App., 5a (citing *SCA*, 767 F.3d at 1345).

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[8] D.E. 71 in Case No. 1:13-cv-01408-SAS at 3.

[9] D.E. 72 Case No. 1:13-cv-01408-SAS at 1 (citing *Petrella*, 134 S. Ct. at 1974 n.15).

[10] D.E. 72 in Case No. 1:13-cv-01408-SAS at 2.

[11] *Id.* As set forth in the Corporate Disclosure Statement above, that sale has occurred and Cordis is no longer owned by Johnson & Johnson.

In the exercise of its discretion, the district court also stated that it would be "unreasonable" to delay a decision on the Rule 60(b) motion "pending a potential decision … from an en banc panel of the Federal Circuit or the Supreme Court [in *SCA*]," as Medinol had requested. Pet. App., 6a.

F. Medinol's Appeal from the Denial of Its Rule 60(b) Motion

When Medinol appealed from the denial of its Rule 60(b)(6) motion, the *only* issue it raised on appeal was whether the district court erred in holding that *Petrella* did not "implicitly overrule" *Aukerman* on whether laches can be a defense to damages claims in patent cases.[12]

While Medinol's appeal was pending, the Federal Circuit granted en banc rehearing in *SCA* and heard that case en banc.[13] The en banc decision in *SCA* reaffirmed *Aukerman*'s holding that laches can be a defense to claims for past damages in patent cases. *See SCA Hygiene Prods. Aktiebolag v. First Quality Baby Prods., LLC*, 807 F.3d 1311, 1333 (Fed. Cir. 2015) (en banc). The parties to this case then jointly moved to dismiss Medinol's appeal. That motion was granted in a non-precedential order.[14] Because Medinol moved to dismiss its own appeal,

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[12] ECF No. 22 in Federal Circuit Case No. 15-1027 at 3.

[13] The Federal Circuit *sua sponte* stayed Medinol's appeal pending the en banc decision in *SCA Hygiene*. ECF No. 30 in Federal Circuit Case No. 15-1027 at 1-2.

[14] ECF No. 32 in Federal Circuit Case No. 15-1027.

the court of appeals never had occasion to review the denial of Medinol's Rule 60(b)(6) motion and never addressed whether the district court had abused its discretion in denying that motion.

G. Medinol Cannot Dispute that its Delay in Bringing This Action was Unreasonable and Unexcused, and Injured Cordis

Medinol now describes its delay in bringing this case as reasonable and excusable, but these assertions have no place here. Medinol could have challenged the district court's fact findings if it had appealed from the judgment. It did not do so because it concluded that any challenge would be "futile."[15] As a result, it could not, and did not, raise any such challenge in an appeal from the denial of its Rule 60(b)(6) motion. Medinol conceded this in the Federal Circuit, when it stated:

> Because Medinol is appealing the district court's denial of Medinol's request under Rule 60(b)(6) for relief …, as opposed to appealing the judgment itself, the judgment is not reviewable on this appeal …..[16]

This concession by Medinol is consistent with settled law that "an appeal from [the] denial of Rule 60(b) relief does not bring up the underlying judgment for

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[15] D.E. 71 in Case No. 1:13-cv-01408-SAS at 3.

[16] ECF No. 22 at 8 in Federal Circuit Case No. 15-1027.

review." *Browder v. Director of Dept. of Corrections of Illinois*, 434 U.S. 257, 263 n.7 (1978).

In the Federal Circuit, Medinol argued that "the facts underlying the judgment are irrelevant,"[17] and its appeal brief in the Federal Circuit did not include *any* discussion of the facts concerning laches. Having abandoned those issues earlier, Medinol cannot take a different position here.

REASONS FOR DENYING THE PETITION

I. This Case Does Not Raise Medinol's Question Presented

The sole Question Presented by Medinol's petition is whether laches can be a defense to claims for damages in patent cases. Medinol could have raised that question in the district court and could have attempted to raise that question on appeal if it had appealed from the judgment dismissing its complaint. But Medinol decided not to raise the issue in the district court and not to appeal from the judgment. As a result, this case does not provide an opportunity for this Court to resolve what Medinol says is the Question Presented.

"[A]n appeal from [the] denial of Rule 60(b) relief does not bring up the underlying judgment for review." *Browder*, 434 U.S. at 263 n.7. In its appeal to the Federal Circuit, Medinol conceded that "the judgment [was] not reviewable on [its] appeal."[18] *See*

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[17] ECF No. 22 at 8 in Federal Circuit Case No. 15-1027.

[18] ECF No. 22 at 8 in Federal Circuit Case No. 15-1027.

Stevens v. Miller, 676 F.3d 62, 67 (2d Cir. 2012) ("In no circumstances … may a party use a Rule 60(b) motion as a substitute for an appeal it failed to take in a timely fashion."); *United Airlines, Inc. v. Brien*, 588 F.3d 158, 176 (2d Cir. 2009) ("[A] Rule 60(b) motion 'may not be used as a substitute for an appeal' …") (citation omitted).[19]

Moreover, the only question that could have properly been presented by Medinol's appeal does not warrant further review by this Court. The premise of Medinol's Rule 60(b)(6) motion was that *Petrella* itself implicitly overruled *Aukerman*, before the filing of Medinol's motion. Absent such an intervening change in controlling law, there would have been no basis for a Rule 60(b)(6) motion. Thus, that was the *only* issue that Medinol raised on appeal from the denial of its Rule 60(b)(6) motion. That is the only issue Medinol could properly have raised here.[20]

The question whether *Petrella* "implicitly overruled" *Aukerman* is not raised by this petition

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[19] The Federal Circuit, which had exclusive jurisdiction over the appeal in this patent infringement case, applies the law of the regional circuit (here, the Second Circuit) on issues "not unique to patent law," such as "the denial of a Rule 60(b) motion …." *Ceats, Inc. v. Cont'l Airlines, Inc.*, 755 F.3d 1356, 1360 (Fed. Cir. 2014).

[20] The order dismissing Medinol's appeal on the parties' joint motion does not expand the issues on Medinol's appeal beyond the sole question Medinol raised, of whether *Petrella* "implicitly overruled" *Aukerman*'s holding that laches may be raised as a defense to claims for damages for patent infringement. ECF No. 22 in Federal Circuit Case No. 15-1027 at 3.

and is not remotely worthy of certiorari. Footnote 15 in *Petrella* makes clear that that case was not addressing any issue of patent law and did not overrule *Aukerman*. *Petrella*, 134 S. Ct. at 1974 n.15 (noting differences between the Copyright Act and the Patent Act, and stating that this Court "ha[s] not had occasion to review the Federal Circuit's position [in *Aukerman*]."). In short, *Petrella* "did not in fact work the controlling change in the governing law which [the petitioner] asserted" in moving to set aside the judgment under Rule 60(b)(6). *Polites v. United States*, 364 U.S. 426, 433 (1960). There is no basis for granting certiorari here.

II. A Decision in Medinol's Favor on its Question Presented Would Not Change the Outcome in This Case

In addition, a decision in Medinol's favor on its Question Presented would not provide a basis for reversing the denial of Medinol's Rule 60(b)(6) motion. In moving to set aside the judgment under Rule 60(b)(6), Medinol needed to show: (1) that there had been an intervening change in governing patent law; and (2) that extraordinary circumstances warranted setting aside the judgment on that basis. *Ackermann v. United States*, 340 U.S. 193, 199 (1950). Even then, whether to set aside the judgment under Rule 60(b) was committed to the district court's discretion and will not be reversed absent an abuse of that discretion. *Browder*, 434 U.S. at 263 n.7; *Gonzalez v. Crosby*, 545 U.S. 524, 535 (2005) ("Rule 60(b) proceedings are subject to only limited and deferential appellate review."). A decision in Medinol's favor on its Question Presented would not alter the calculus on any of these issues.

A. A Decision in Medinol's Favor Would Not Erase This Court's Clear Statements that Petrella *Was Not Deciding Any Issue of Patent Law*

Medinol's Rule 60(b)(6) motion rested on the untenable assertion that *Petrella* was an intervening change in governing patent law. Indeed, the only issue Medinol raised in its appeal from the denial of that motion was its assertion that *Petrella* "implicitly overruled" *Aukerman*.[21] *But see Petrella*, 134 S. Ct. 1974 n.15 ("We have not had occasion to review the Federal Circuit's position [in *Aukerman*]."). A decision for Medinol on its Question Presented would not transform *Petrella* into a decision that overruled *Aukerman*, when *Petrella* states it is not doing so.

Petrella applied existing law to the Copyright Act. As the en banc majority in *SCA* noted, nothing in *Petrella* indicates that that decision "extends to the patent context …." *SCA*, 807 F.3d at 1321 (citing *Petrella*, 134 S. Ct. 1974 at n.15). Even the judges who dissented in *SCA* did not suggest that *Petrella* overruled *Aukerman* by itself.

B. There Are No Extraordinary Circumstances That Warrant Setting Aside a Judgment From Which Medinol Chose Not to Appeal

Because of the importance of finality in our legal system,[22] a party that seeks to set aside a

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[21] ECF No. 22 in Federal Circuit Case No. 15-1027 at 3.

[22] *See McCleskey v. Zant*, 499 U.S. 467, 491 (1991) ("One of the law's very objects is the finality of its judgments.").

judgment under Rule 60(b)(6) based on a change in governing decisional law must show "extraordinary circumstances" warranting that relief. *Ackermann*, 340 U.S. at 199; *see also Gonzalez*, 545 U.S. at 535. "Intervening developments in the law by themselves rarely constitute the extraordinary circumstances required for relief under Rule 60(b)(6) …." *Agostini v. Felton*, 521 U.S. 203, 239 (1997); *see also Gonzalez*, 545 U.S. at 536 ("It is hardly extraordinary that … after petitioner's case was no longer pending" this Court arrived at an interpretation of a statute that differed from the "then-prevailing interpretation" in the Eleventh Circuit.); *In re Terrorist Attacks on September 11, 2001*, 741 F.3d 353, 357 (2d Cir. 2013) ("[A]s a general matter, a mere change in decisional law does not constitute an 'extraordinary circumstance' for the purposes of Rule 60(b)(6).") (quoting *Marrero Pichardo v. Ashcroft*, 374 F.3d 46, 56 (2d Cir. 2004)).

It is especially difficult, if not impossible, for a party to show "exceptional circumstances" under Rule 60(b)(6) where that party "made a considered choice not to appeal" from the judgment it seeks to set aside. *Ackermann*, 340 U.S. at 198. As *Ackermann* makes clear, a petitioner "cannot be relieved of such a choice because hindsight seems to indicate to him that his decision not to appeal was probably wrong." *Id.* "There must be an end to litigation someday, and free, calculated, deliberate choices are not to be relieved from." *Id.*; *see also Gonzalez*, 545 U.S. at 537 (finding that a change in the law was "all the less extraordinary … because of [petitioner's] lack of diligence in pursuing review of the [relevant] issue"); 12 MOORE'S FEDERAL PRACTICE

(3d ed.) (20__) § 60.48[5][b] at 60-190 (Extraordinary circumstances warranting relief under Rule 60(b)(6) are not present where the failure to raise an issue before judgment resulted from a "litigation choice made by [the movant].").

Medinol hopes to ride on the coattails of the pending petition in *SCA*. But "[t]he rationale for denying relief [under Rule 60(b)(6)] is particularly strong in cases in which a party had not bothered to appeal to challenge existing law and then hopes to benefit from the efforts of some other person's appeal." 12 MOORE'S FEDERAL PRACTICE § 60.48[5][b] at 60-200-201. This principle is applicable here because the record shows that Medinol was well aware of the pending *Petrella* appeal and understood that this Court's reasoning in that case might bear on the continued viability of the laches defense in patent cases. Nonetheless, Medinol chose not to raise the issue in the district court and chose not to file an appeal, concluding that the odds of succeeding in what it viewed as a "futile" appeal did not warrant the expenditure of time and money. Changing course after *Petrella* was decided and attempting to piggyback on SCA's petition is "exactly the sort of conduct [that this Court] condemned in *Ackermann* … and [it] should never be considered an extraordinary circumstance under which equity would set aside a final judgment." *Id.* at 60-201.

A ruling for Medinol on its Question Presented could not relieve Medinol of the consequences of its decision to forego an appeal from the underlying judgment. *Ackermann*, 340 U.S. at 198; *Gonzalez*,

546 U.S. at 535-37. It would not provide a basis for altering the outcome of this case.

C. There is No Basis for Asserting that the District Court Abused its Discretion in Following Controlling Authority

In denying Medinol's Rule 60(b)(6) motion, the district court followed the controlling authority of the panel decision in *SCA*, 767 F.3d 1338, which held that *Petrella* "left *Aukerman* intact" and that "*Aukerman* remain[ed] controlling precedent" after *Petrella*. *See* Pet. App., 5a-6a. These statements echo this Court's statements in *Petrella* footnote 15. A decision in Medinol's favor on its Question Presented could not transform the district court's adherence to then- (and still-) controlling authority into an abuse of discretion.

In addition, after being advised that Cordis' then-parent company, Johnson & Johnson, was considering selling Cordis's business and desired finality in this litigation, the district court made a discretionary determination that after years of unexcused delay by Medinol, it would be "unreasonable" to further to delay a decision on Medinol's Rule 60(b)(6) motion pending possible review of the *SCA* case by the court of appeals en banc or by this Court. Once again, Medinol has no basis for arguing that this was an abuse of the district court's discretion.

For all of these reasons, a decision in Medinol's favor on its Question Presented could not alter the outcome of this case.

III. The En Banc Decision in *SCA* Is Correct and Consistent with Other Authority

The en banc decision in *SCA*, 807 F.3d 1311, pet. for cert. pending, No. 15-927, correctly decided the question Medinol seeks to raise. That decision is consistent with *Petrella* and with decisions from other circuits after passage of the 1952 Patent Act. There is no need for further review.

A. SCA *is Consistent with Decisions by Every Regional Circuit that Addressed the Issue*

Every regional circuit that addressed the issue after passage of the 1952 Patent Act agreed that laches is a defense to claims for damages in patent cases:

> Second Circuit: *Smith v. Sinclair Refining Co.*, 257 F.2d 328, 329-30 (2d Cir. 1958);
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> Third Circuit: *Minn. Mining & Mfg. Co. v. Berwick Indus., Inc.*, 532 F.2d 330, 333-34 (3d Cir. 1976); *Jenn-Air Corp. v. Penn Ventilator Co.*, 464 F.2d 48, 50 (3d Cir. 1972);
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> Fourth Circuit: *Olympia Werke AG v. Gen. Elec. Co.*, 712 F.2d 74, 80 (4th Cir. 1983); *Potter Instrument Co. v. Storage Tech. Corp.*, 641 F.2d 190, 191 (4th Cir. 1981);
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> Fifth Circuit: *Studiengesellschaft Kohle mbH v. Eastman Kodak Co.*, 616 F.2d 1315, 1331 (5th Cir. 1980);
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> Sixth Circuit: *TWM Mfg. Co. v. Dura Corp.*, 592 F.2d 346, 348-49 (6th Cir. 1979); *Gen.*

Elec. Co. v. Sciaky Bros., Inc., 304 F.2d 724, 727 (6th Cir. 1962);

Seventh Circuit: *Baker Mfg. Co. v. Whitewater Mfg. Co.*, 430 F.2d 1008, 1009-15 (7th Cir. 1970)*;*

Ninth Circuit: *Jensen v. Western Irrigation & Mfg., Inc.*, 650 F.2d 165, 168 (9th Cir. 1980); *Whitman v. Walt Disney Prods., Inc.*, 263 F.2d 229, 231 (9th Cir. 1958);

Tenth Circuit: *Potash Co. of Am. v. Int'l Minerals & Chem. Corp.*, 213 F.2d 153, 154 (10th Cir. 1954).

SCA is consistent with these cases. No court of appeals reached a contrary conclusion.

B. SCA *is Consistent with Petrella*

The en banc decision in *SCA* also is consistent with *Petrella*. The Copyright Act, which *Petrella* addressed, does not have any provision recognizing laches as a defense. In contrast, § 282(b) of the Patent Act, 35 U.S.C. § 282(b), provides a statutory basis for the laches defense. Neither *Petrella* nor any other case suggests that laches should be unavailable where the operative statute makes laches a defense.

C. SCA *Correctly Interpreted § 282(b)*

As the court of appeals held en banc in *SCA*, "Congress codified a laches defense in 35 U.S.C. § 282(b)." *SCA*, 807 F.3d at 1323. Section 282(b) provides that the defense of "unenforceability" "shall

be" available "in any action involving the validity or infringement of a patent …." 35 U.S.C. § 282(b).

The term "unenforceability" in § 282(b) covers defenses such as laches, estoppel and unclean hands. Courts have long used the terms "unenforceability" or "unenforceable" in referring to laches.[23] Where, as here, a statute uses a term that had "accumulated settled meaning" in judicial decisions, courts "presume" that Congress incorporated that meaning unless the statute "otherwise dictate[s]." *United States v. Wells*, 519 U.S. 482, 491 (1997) (citation omitted)); *see also* Vol. 2B N. Singer & J. Singer, SUTHERLAND ON STATUTORY CONSTRUCTION, § 50:1 at 148 (7th ed. 2012). Congress did not "otherwise dictate" here.

Moreover, "Congress legislates against the backdrop of existing law." *McQuiggin v. Perkins*, 133 S. Ct. 1924, 1934 n.3 (2013). Where a principle is

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[23] *See*, *e.g.*, *United States v. New Orleans Pac. R. Co.*, 248 U.S. 507, 511 (1919) (addressing whether a trust agreement was "*unenforceable* by reason of inexcusable laches"); *Ball v. Gibbs*, 118 F.2d 958, 961 (8th Cir. 1941) (a claim may be "*unenforceable* … due to unreasonable or unconscionable delay in commencing the action"); *Todd v. Russell*, 104 F.2d 169, 175 (2d Cir. 1939), *aff'd*, 309 U.S. 280 (1940) (questioning whether claims were "stale and *unenforceable*"); *Thorpe v. William Filene's Sons Co.*, 40 F.2d 269, 269 (D. Mass. 1930) (laches renders claims "*unenforceable*"); *Tangeman v. Sjoblom*, 106 Fla. 379, 385 (Fla. 1932) (analyzing whether a "claim had become stale and *unenforceable*"); *Jones Mining Co. v. Cardiff Mining & Mill Co.*, 56 Utah 449, 459 (Utah 1920) (laches bars claims that are stale and *unenforceable*"); *Sunter v. Sunter*, 190 Mass. 449, 456 (Mass. 1906) (laches may render a claim "stale, and hence *unenforceable*") (all italics added).

well established in case law, courts may "take it as a given that Congress has legislated with an expectation that the principle will apply 'except when a statutory purpose to the contrary is evident.'" *Astoria Fed. Sav. & Loan Ass'n v. Solomino*, 501 U.S. 104, 108 (1991) (quoting *Isbrandtsen Co. v. Johnson*, 343 U.S. 779, 783 (1952)). Prior to the 1952 Patent Act, it was well-settled that laches is "applicable in patent cases." *Potash,* 213 F.2d at 154 (collecting cases). Every circuit that had addressed the issue recognized laches as a defense to claims for damages for patent infringement.[24] Under these cases, the laches defense was available in actions at law for

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[24] *See*, *e.g.*: *Lukens Steel Co. v. Am. Locomotive Co.*, 197 F.2d 939, 941 (2d Cir. 1952); *Dwight & Lloyd Sintering Co. v. Greenawalt*, 27 F.2d 823, 827 (2d Cir. 1928); *A.R. Mosler & Co. v. Lurie*, 209 F. 364, 371 (2d Cir. 1913); *Safety Car Heating & Lighting Co. v. Consol. Car Heating Co.*, 174 F. 658, 662 (2d Cir. 1909); *Banker v. Ford Motor Co.*, 69 F.2d 665 (3d Cir. 1934); *Westco-Chippewa Pump Co. v. Del. Elec. & Supply Co.*, 64 F.2d 185, 186-88 (3d Cir. 1933); *Window Glass Mach. Co. v. Pittsburgh Plate Glass Co.*, 284 F. 645, 651 (3d Cir. 1922); *Union Shipbuilding Co. v. Boston Iron & Metal Co.*, 93 F.2d 781, 783 (4th Cir. 1938); *Wolf Mineral Process Corp. v. Minerals Separation N. Am. Corp.*, 18 F.2d 483, 490 (4th Cir. 1927); *Shaffer v. Rector Well Equip. Co.*, 155 F.2d 344 (5th Cir. 1946); *Ford v. Huff*, 296 F. 652, 657-58 (5th Cir. 1924); *Brennan v. Hawley Prods. Co.*, 182 F.2d 945, 947-49 (7th Cir. 1950); *Universal Coin Lock Co. v. Am. Sanitary Co.*, 104 F.2d 781, 782-83 (7th Cir, 1939); *George J. Meyer Mfg. Co. v. Miller Mfg. Co.*, 24 F.2d 505, 506-08 (7th Cir. 1928); *Wolf, Sayer & Heller v. United States Slicing Mach. Co.*, 261 F. 195, 197-98 (7th Cir. 1919); *Montgomery Ward & Co. v. Clair*, 123 F.2d 878, 883 (8th Cir. 1941); *United Drug Co. v. Ireland Candy Co.*, 51 F.2d 226, 232 (8th Cir. 1931); *Gillons v. Shell Co.*, 86 F.2d 600, 606-07 (9th Cir. 1936).

money damages,[25] and in actions for an accounting, which included damages.[26]

The legislative history confirms that Congress intended to preserve existing law on defenses to patent infringement. The Senate and House Reports to the 1952 Patent Act both state: "The defenses to a suit for infringement are stated in general terms [in § 282], changing the language in the present statute, but *not materially changing the substance*." Sen. Rep. No. 1979 to H.R. 7794, at 9 (June 27, 1952) (emphasis added); House Rep. No. 1923 to H.R. 7794, at 10 (May 12, 1952) (same). This legislative history defeats any suggestion that Congress intended to overrule prior cases recognizing the laches defense in patent cases.

In addition, the oft-cited Commentary on the 1952 Patent Act by P.J. Federico states that "unenforceability" under § 282(b) "'*would include … equitable defenses such as laches*, estoppel and unclean hands.'" *SCA*, 807 F.3d at 1322 (quoting P.J. Federico, COMMENTARY ON THE NEW PATENT ACT, 35 U.S.C. 1 (West 1954)) (emphasis added in *SCA*). Mr. Federico was a "principal draftsman of the 1952 recodification," *Diamond v. Chakrabarty*, 447 U.S. 303, 321 (1980), and this Court has relied

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[25] *See Banker*, 69 F.2d 665; *Ford*, 296 F. at 657-58.

[26] *See Gillons*, 86 F.2d at 606-07; *Westco-Chippewa*, 64 F.2d at 186-88; *Dwight & Lloyd*, 27 F.2d at 827.

on his Commentary.[27] Mr. Federico's Commentary is consistent with § 282(b) and its legislative history.

Nothing in § 282(b) restricts the kinds of cases in which laches is available. Indeed, § 282(b)) states that "unenforceability," which includes laches, shall be a defense in "*any* action involving the … infringement of a patent" (emphasis added), without regard to whether the action seeks equitable relief, legal relief or both.[28]

The en banc decision in *SCA* correctly interpreted § 282(b) consistent with unbroken precedent. Even if the issue decided in *SCA* were properly presented in this case, review would be unwarranted.

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[27] *See Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 28 (1997); *Diamond*, 447 U.S. at 321; *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 365 U.S. 336, 342 n.8 (1961).

[28] "'[A]ny' is a powerful and broad word, and … it does not mean 'some' or 'all but a few,' but instead means 'all.'" *Price v. Time, Inc.*, 416 F.3d 1327, 1336 (11th Cir. 2005) (citing *United States v. Gonzales*, 520 U.S. 1, 5 (1997)).

CONCLUSION

Medinol's petition should be denied.

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Respectfully submitted,

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