

K-TEC, Inc. v. Vita-Mix Corp. 696 F.3d 1364 (Fed. Cir. 2012)

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BACKGROUND

Plaintiff-Appellee K-TEC, Inc. (“K-TEC”) owns two U.S. patents, 6,979,117 (‘117 patent) and 7,281,842 (‘842 patent), for the construction of their commercial blenders. The construction protected by these patents consist of “four side walls,” which may form right angles, and a “fifth truncated wall” that could be planar or curved. The purpose of this particular construction is to decrease cavitation and increase efficiency by creating a vortex that moves from the center of the axis to the truncated wall.

In 2001, K-TEC started selling a five-sided blending container embodying the ‘117 and ‘842 patents, which generated high market demand for its new container. Consequently, in 2002, Appellant-Defendant Vita-Mix Corp. (“Vita-Mix”), who is a commercial blender market competitor, began the process of redesigning their four-sided container. Although Vita-Mix contemplated various design upgrades, Vita-Mix decided to use K-TEC’s five-sided blending container as a model for their upgraded blending container. In May 2003, Vita-Mix released its new MP blending container, which it admitted was a replica of K-TEC’s patented new blending container.

In 2005, K-TEC informed Vita-Mix that its MP container infringed the parent patent of the ‘117 and ‘842 patents. Additionally, K-TEC informed Vita-Mix that its MP container would also infringe K-TEC’s ‘117 patent, which was issuing soon. Accordingly, Vita-Mix tried to design around the ‘117 patent but eventually decided to use a design whose fifth wall was curved as opposed to flat. Vita-Mix claimed this design was different from their MP because the corners were round instead of flat like their previous model. Vita-Mix named the remodeled design XP but still used identical item numbers from the old MP design on the XP, and maintained that its performance was equivalent to their previous MP container. Upon release of the XP, Vita-Mix stopped selling the MP blender.

Once the ‘117 patent issued, K-TEC sued Vita-Mix for infringement of their ‘117 patent based on the MP blender and later amended its complaint to allege Vita-Mix’s XP infringed its ‘842 patent. The District Court of Utah granted summary judgment for K-TEC’s motion that the XP

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blender infringed its patents. It also rejected Vita-Mix's summary judgment claim based on the notion that the truncated wall limitation was invalid for indefiniteness because the district court's construction of the claim used the word "typical" and the court construed the "fifth truncated wall" to mean a planar or curved wall that truncates.

Simultaneously, Vita-Mix began an inter partes reexamination of the K-TEC's patents in which K-TEC prevailed. Hence, in 2010, the remaining actions were tried. Vita-Mix relied on Ash, a blender hopper with a multi-sided bottom half and larger rectangular top, and U.S. Patent 7,063,456 ("Miller") to prove the invalidity of the '117 and '842 patents. The parties introduced evidence of whether the United States Patent and Trademark Office ("USPTO") had considered Ash in their findings. The court then instructed the jury that the USPTO had included Ash later on in its invalidity proceeding. Additionally, through jury instruction the court limited the testimony of Vita-Mix's witness, Mr. Miller. Ultimately, the jury returned a verdict for K-TEC, the court concluded that Vita-Mix was not entitled to judgment as a matter of law and entered judgment against Vita-Mix. Vita-Mix now appeals.

ISSUE

The United States Court of Appeals for the Federal Circuit addressed the issue of whether the United States District Court of Utah erred in entering a summary judgment concluding that Vita Mix's XP blending container infringed K-TEC's patents.

DECISION

The Federal Circuit affirmed the district court and jury findings. First, the Court maintained that the district court did not err in granting summary judgment that the XP infringed K-TEC's patents or in declaring that the patents at issue were valid. Secondly, the Court concluded that Vita-Mix failed to show it was denied a fair trial. Finally, the Court maintained that Vita-Mix was not entitled to a judgment as a matter of law regarding the Ash reference claim, its claim that it did not willfully infringe, and its inadequate damages claim.

REASONING

To determine whether the district court's final finding against Vita-Mix was erroneous, the court applied the law of the regional circuit at issue (the Tenth Circuit) for review: summary judgment is upheld when a movant shows there is no genuine dispute regarding any material fact; judgment as a matter of law is reviewed *de novo* and is upheld when the evidence in a record cannot support a jury's findings; and evidentiary rulings are reversed only when the district court has abused its discretion and made a clear error that "prejudicially affects a substantial right of a party." Using these standards the court addressed the six sub-issues Vita-

Mix raised on appeal.

Addressing Vita-Mix's first issue on appeal, the court concluded K-TEC was entitled to summary judgment on the question of whether the XP container infringed K-TEC's patents. The Court said there was no genuine dispute since Vita-Mix's XP container consisted of four side walls and a fifth truncated wall that literally infringed on K-TEC's container, regardless of whether Vita-Mix's fifth wall was planar or not. The court maintained the XP container fell into the limitations of K-Tec's '842 patent and even visual comparison validated the infringement finding. Hence, the district court's grant of summary judgment was proper.

Next, the court affirmed the district court's grant of summary judgment that Grimes and Hobbes were not analogous art. A reference must either be "from the same field of endeavor" or "reasonably pertinent to the particular problem" the inventor is trying to solve, to be considered prior art.¹ First, the court reasoned that Vita-Mix did not raise a genuine issue of material fact that Grimes and Hobbes, which were about the size of the containers, were pertinent in addressing K-TEC's quest to reduce cavitation when blending. The court proceeded to say Vita-Mix's invalidity report of '117 and '842 failed to raise a genuine issue of material fact because it did not address why K-TEC's inventors would have reviewed patents concerning neither blending or food mixing containers to address its cavitation problem. The Court maintained Vita-Mix had the burden of proving a genuine issue of material fact and failed to meet it; hence, the district court ruled appropriately.

The court then turned to the issue of whether the district court denied Vita-Mix a fair trial. First, the court said there was no abuse of discretion in permitting the parties to discuss whether the USPTO had reviewed Ash or informing the jury that Ash was being reexamined by the USPTO. The court explained that the district court had broad discretion in weighing and ultimately determining the admissibility of such evidence. The court maintained that the district court properly explained what reexamination meant and cured any unfair prejudice by instructing the jury that the reexamination of Ash was valueless. Next, the court said the district court did not err by changing the construction of the "truncated wall" because it was merely clarifying its initial construction, which is supported by the intrinsic record. Finally, the court concluded that Vita-Mix did not meet its burden of showing that the district court abused its discretion by permitting K-TEC to cross-examine Vita-Mix's witness Mr. Miller using potentially inadmissible prosecution history as evidence, since the prosecution history was not used to prove the truth of the matter asserted. Therefore, the court concluded Vita-Mix failed to show they were deprived of a fair trial.

Fourth, the court maintained that Vita-Mix failed to prove by clear and convincing evidence that a reasonable jury would find that Ash, its reference, contained four side walls and a fifth truncated wall as described

1. *Innovation Toys, LLC. V. MGA Entm't Inc.*, 637 F.3d 1314 (Fed. Cir. 2011).

in K-TEC's patents. Not only did the court note that K-TEC's evidence and expert testimony that proved a reasonable jury would not find that Ash contained all the elements of its patent because it only referenced a regular corner, not a truncated one, but the court also maintained that Vita-Mix had the burden to prove the existence of every element but failed to meet this burden. Hence, the court maintained that the district court was proper in denying Vita-Mix a judgment as a matter of law that K-TEC's claims were invalid.

Again, the court maintained that the district court was proper in denying Vita-Mix's motion for judgment as a matter of law regarding the issue of whether Vita-Mix willfully infringed K-TEC's patents. The court reasoned K-TEC provided ample evidence that Vita-Mix knew it was infringing. There was evidence that Vita-Mix's first redesigned container, the MP, was an exact copy of K-TEC's container and that Vita-Mix chose to copy K-TEC's design despite the availability of other non-infringing designs. Furthermore, K-TEC provided evidence that Vita-Mix's goal was to redesign its MP container with as few trivial modifications as possible so that its customers would not notice the MP had been replaced with the XP . Hence, the court maintained that Vita-Mix was not entitled to judgment as a matter of law on the question of willful infringement.

Finally, the court held that the district court did not err in denying Vita-Mix's motion for judgment as a matter of law on damages. The district court's ruling was proper because K-TEC provided Vita-Mix with ample notice that its blending container infringed its patent: 1) K-Tec gave notice that Vita-Mix's MP would infringe its '117 patent; 2) when the K-Tec's patent was issued, it informed Vita-Mix that its MP infringed its patent, which led the CEO to be informed of the infringement; and 3) Vita-Mix released its XP, which is essentially the MP with trivial changes. The court held denial of judgment as a matter of law was proper.