

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

#459/462

CIVIL MINUTES - GENERAL

Case No.	CV 18-3005 PSG (JPRx)	Date	July 6, 2022
Title	Edgewell Personal Care Brands, LLC et al v. Munchkin, Inc.		

Present: The Honorable Philip S. Gutierrez, United States District Judge

Wendy Hernandez

Not Reported

Deputy Clerk

Court Reporter

Attorneys Present for Plaintiff(s):

Attorneys Present for Defendant(s):

Not Present

Not Present

Proceedings (In Chambers): The Court GRANTS IN PART and DENIES IN PART Defendant’s motion for summary judgment and GRANTS IN PART and DENIES IN PART Plaintiffs’ motion for partial summary judgment.

Plaintiffs Edgewell Personal Care Brands, LLC (“Edgewell”), International Refills Company, Ltd (“International Refills”), and Angelcare USA, LLC (“Angelcare”) (collectively, “Plaintiffs”) have sued Defendant Munchkin Inc (“Defendant”) for patent infringement. *See generally Complaint*, Dkt. # 1; *see also First Amended Complaint*, Dkt. # 36 (“FAC”); Dkt. # 434 (order granting joint stipulation to join Angelcare as a plaintiff to this matter). Specifically, Plaintiffs allege that Defendant makes, uses, sells, offers to sell, and/or imports products that infringe U.S. Patent No. 6,974,029 (“the ’029 Patent”) and U.S. Patent No. 8,899,420 (“the ’420 Patent”) (collectively, “Asserted Patents”). *See generally FAC*.

Before the Court are two motions. First, Defendant filed a motion for summary judgment. *See generally* Dkt. # 462-2 (“*Def. MSJ*”).¹ Plaintiffs opposed, *see generally* Dkt. # 489 (“*Opp. to Def. MSJ*”), and Defendant replied, *see generally* Dkt. # 512 (“*Reply ISO Def.’s MSJ*”). Second, Plaintiffs filed a motion for partial summary judgment. Dkt. # 459-1 (“*Pl. MSJ*”). Defendant opposed, *see generally* Dkt. # 482 (“*Opp. to Pl. MSJ*”), and Plaintiff replied, *see generally* Dkt. # 507 (“*Reply ISO Pl. MSJ*”).

The Court finds these matters appropriate for decision without oral argument. *See* Fed. R. Civ. P. 78; L.R. 7-15. Having considered the moving, opposing, and reply papers, the Court **GRANTS** Defendant’s motion for summary judgment as it relates to lost profits and otherwise **DENIES** the motion. The Court also **GRANTS** Plaintiffs’ motion for partial summary judgment as to Defendant’s indefiniteness argument and that Defendant infringes the

¹ The Court cites the unsealed versions of the parties’ briefs and filings.

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“clearance” limitation in the ’420 Patent. The Court otherwise **DENIES** Plaintiffs’ motion.

I. Background

International Refills is the owner of the Asserted Patents and granted an exclusive license to Edgewell to practice them. *FAC* ¶¶ 20–21, 30–31. While this matter was pending, Edgewell assigned its exclusive license to the Asserted Patents to Angelcare. *See* Dkt. # 433. The ’029 Patent issued December 13, 2005 and is titled “Cassette for Dispensing Pleated Tubing.” *See* Dkt. # 459-8 (“the ’029 Patent”). The ’420 Patent issued December 2, 2014 and is titled “Cassette and Apparatus for Packing Disposable Objects Into An Elongated Tube of Flexible Material.” *See* Dkt. # 459-7 (“the ’420 Patent”). The ’420 Patent was filed on September 4, 2013 as U.S. Patent App. No. 14/017,842 (“the ’842 Application”), which claims priority to U.S. Patent App. No. 12/245,172 (“the ’172 Application”), filed on October 3, 2008. *See id.* The Asserted Patents are not in the same patent family, but both generally relate to an apparatus for collecting materials such as waste within a tube of material. ’029 Patent, 1:6–13 (“The present invention pertains to a cassette used for dispensing a pleated tubing contained therein. This type of cassette may be used . . . to collect waste refuse which can be disposed in packages collected in a tubular tubing.”); ’420 Patent, 1:20–27 (“The present application relates to an apparatus for packaging disposable material or objects into a tube of flexible plastic film material.”).

Plaintiffs allege that Defendant infringes certain claims of the ’029 and ’420 Patents with its sales and offers for sale of certain diaper pail refill cassette products “specifically designed for use with Plaintiff Edgewell’s Diaper Genie® System.” *FAC* ¶¶ 14, 16. Specifically, Plaintiffs currently assert infringement of Claims 1, 2, 4, 6, and 7 of the ’029 Patent and Claims 1–17 of the ’420 Patent by Defendant’s Second, Third, and Fourth Generation cassettes (“the Accused Products”). *See* Dkt. # 222 at 2:18–20 (Notice of Defendant’s Motion *in Limine* No. 6); *Parties’ Statement of Disputed and Undisputed Facts Regarding Defendant’s Summary Judgment Motion*, Dkt. # 327-4 (“*SDF*”), ¶¶ 29–30.² After claim construction proceedings in this case, Plaintiffs continue to assert literal infringement of the ’420 Patent but only assert infringement under the doctrine of equivalents for the ’029 Patent. *SDF* ¶ 20.

Claim 1 is the only independent claim of the ’029 Patent. It states:

² Plaintiffs do not accuse the Fourth Generation Cassettes of infringing independent Claim 11 of the ’420 Patent. *See Def. MSJ* 21:21–22. Additionally, the parties have not specified whether the asserted claims have changed since the Court’s previous summary judgment order, *see generally* Dkt. # 392, so the Court assumes the Asserted Claims are the same.

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1. A cassette for use in dispensing a pleated tubing comprising:
an annular body having a generally U shaped cross-section defined by an inner wall, an outer wall and a bottom wall joining a lower part of said inner and outer walls, said walls defining a housing in which the pleated tubing is packed in layered form;
an annular cover extending over said housing; said cover having an inner portion extending downwardly and engaging an upper part of said inner wall of said body and a top portion extending over said housing; said top portion including a tear-off outwardly projecting section having an outer edge engaging an upper part of said outer wall of said annular body; ***said tear-off section***, when torn-off, leaving a peripheral gap to allow access and passage of said tubing therebetween; said downwardly projecting inner portion having an inclined annular area defining a funnel to assist in sliding said tubing when pulled through a central core defined by said inner wall of said body; and
cooperating inter-engagement means on said upper part of said body and on opposite edges of ***said cover*** to lock said cover to said body.

'029 Patent, Claim 1 (emphases added).

The '420 Patent includes three independent claims. One of them, Claim 11, states:

11. A cassette for packing at least one disposable object, comprising:
an annular receptacle including an annular wall delimiting a central opening of the annular receptacle, a bottom wall at a bottom end of the cassette, and a volume receiving an elongated tube of flexible material radially outward of the annular wall, ***the annular receptacle including a clearance defined by a portion of the annular wall extending obliquely upward from a junction with the bottom wall, said portion of the annular wall joining with an upright portion of the annular wall whereby the clearance opens into the central opening;***
a length of the elongated tube of flexible material disposed in an accumulated condition in the volume of the annular receptacle; and
an annular opening at an upper end of the annular receptacle for dispensing the tubing such that the elongated tube extends through the central

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opening of the annular receptacle to receive disposable objects in an end of the elongated tube,
wherein at least a portion of the volume of the annular receptacle is located radially outward of and side by side with at least a portion of the clearance such that at least a portion of the elongated tube of flexible material is disposed in the accumulated condition in said portion of the annular receptacle.

'420 Patent, Claim 11 (emphasis added). As relevant here, independent Claims 1 and 6 also include a requirement for a clearance. *See id.* at Claim 1 (“[W]herein the annular receptacle includes a clearance in a bottom portion of the central opening, the clearance extending continuously from the annular wall and radially outward of a downward projection of the annular wall, the clearance delimiting a portion of the volume having a reduced width relative to a portion of the volume above the clearance.”), Claim 6 (“[W]herein the annular receptacle includes a clearance at a bottom of the central opening, the clearance being located radially outward of a downward projection of the annular wall relative to the central opening, and opening into the central opening.”).

On February 1, 2019, the Court construed the following relevant claim terms:

Term (Patent No., Claim No(s).)	Court’s Construction
“annular cover extending over said housing; said cover having an inner portion . . . and a top portion” (’029 Patent, Claims 1, 2, 4)	“annular cover” is construed as “a single, ring-shaped cover including at least a top portion and an inner portion that are parts of the same structure”
“engage” (’029 Patent, Claim 2) / “engaging” (’029 Patent, Claim 1)	“attach” / “attached to”
“clearance” (’420 Patent, Claims 1–3, 5–8, 10–13, 16–17)	“a space within the annular receptacle that is configured to prevent interference between the annular wall and another structure”
“extend[ing] continuously” (’420 Patent, Claims 1, 5, 16, 20)	“extend[ing] continuously from at least one point”

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Dkt. # 149 (“*Markman Order*”) at 27–29. For the term “clearance,” the Court rejected Defendant’s argument that the term referred to a structure as opposed to a “non-structural portion of the opening inside the claimed cassette.” *See id.* at 19–24. The Court also rejected Plaintiffs’ proposed construction, i.e., “a portion of the central opening of the annular receptacle that is complementary to a corresponding structure of the pail,” however, and adopted its own construction. *See id.* at 24 (taking issue with Plaintiffs’ construction requiring that the “clearance” be a “portion of the central opening” and the use of the unclaimed term “pail”).

On October 16, 2019, the Court granted summary judgment that Defendant does not infringe the Asserted Patents. *See generally* Dkt. # 392. For the ’029 Patent, the Court held that neither of the Second or Third Generation Cassette products infringes the claimed “annular cover” and “tear-off outwardly projecting section” limitations under the doctrine of equivalents. *See id.* at 6–10. For the ’420 Patent, the Court further construed the term “clearance” to require there to be actual space between the claimed cassette as normally positioned and the annular wall. *See id.* at 11–13. Specifically, the Court stated, “the claimed clearance is the space around [the interfering] members that remains (if there is any), not the space where the interfering member or cassette is itself located upon insertion.” *Id.* at 14. The Court then held that the Second and Third Generation Cassette products do not infringe the “clearance” limitation under that construction. *See id.* at 13–14. Plaintiffs appealed. *See* Dkt. # 401.

On March 9, 2021, the Federal Circuit vacated the Court’s non-infringement determination for the ’420 Patent and reversed the non-infringement judgment for the ’029 Patent. *See generally* Dkt. # 423 (“*Appellate Order*”); *see also* Dkt. # 430 (adding the following sentence to the Federal Circuit’s Order at page 13, lines 3–6: “This testimony sufficed to create a question of fact precluding summary judgment as to the annular cover and whether the shrink wrap engages the outer annular wall of the Second Generation cassettes.” (citation omitted)). For the ’029 Patent, the Federal Circuit affirmed the Court’s claim constructions that the terms “annular cover” and “tear-off section” are part of a single structure and that the term “engage” means “attached.” *Appellate Order* at 9–10. Nevertheless, the Federal Circuit held that there is a genuine issue of material fact whether the Second and Third Generation Cassette products infringe the “annular cover” and “tear-off section” limitations under the doctrine of equivalents. *See id.* at 10–13. For the ’420 Patent, the Federal Circuit held that the Court erroneously construed the term “clearance” to require that some space remain between the cassette and the annular wall after insertion, stating that “[t]he clearance limitation is satisfied when the cassette itself is constructed with a clearance.” *Id.* at 3–7. Thus, the Federal Circuit vacated the Court’s non-infringement determination based on the Court’s construction. *Id.*

On July 9, 2021, the Court held a status conference and set a motion deadline of March

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15, 2022, *see* Dkt. # 439, which the Court later continued to May 5, *see* Dkt. # 451. Defendant now moves for summary judgment as to non-infringement, invalidity, and lost profit damages, *see generally* *Def. MSJ*, and Plaintiffs move for partial summary judgment as to infringement of the “clearance” limitation of the ’420 Patent and Defendant’s invalidity defenses, *see generally* *Pl. MSJ*.

II. Legal Standards

A. Summary Judgment

“A party may move for summary judgment, identifying each claim or defense—or the part of each claim or defense—on which summary judgment is sought. The court shall grant summary judgment if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(a).

A party seeking summary judgment bears the initial burden of informing the court of the basis for its motion and identifying those portions of the pleadings and discovery responses that demonstrate the absence of a genuine issue of material fact. *See Celotex Corp. v. Catrett*, 477 U.S. 317, 323 (1986). If the nonmoving party will have the burden of proof at trial, the movant can prevail by pointing out that there is an absence of evidence to support the moving party's case. *See id.* If the moving party meets its initial burden, the nonmoving party must set forth, by affidavit or as otherwise provided in Rule 56, “specific facts showing that there is a genuine issue for trial.” *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986).

In judging evidence at the summary judgment stage, the court does not make credibility determinations or weigh conflicting evidence. Rather, it draws all reasonable inferences in the light most favorable to the nonmoving party. *See T.W. Elec. Serv., Inc. v. Pac. Elec. Contractors Ass’n*, 809 F.2d 626, 630–31 (9th Cir. 1987). The evidence presented by the parties must be capable of being presented at trial in a form that would be admissible in evidence. *See* Fed. R. Civ. P. 56(c)(2). Conclusory, speculative testimony in affidavits and moving papers is insufficient to raise genuine issues of fact and defeat summary judgment. *See Thornhill Publ’g Co. v. Gen. Tel. & Elecs. Corp.*, 594 F.2d 730, 738 (9th Cir. 1979).

B. Patent Infringement

A determination of infringement, or lack thereof, of a U.S. patent requires a two-step analysis. *See PC Connector Sols. LLC v. SmartDiskCorp.*, 406 F.3d 1359, 1362 (Fed. Cir.

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2005).

First, the court must ascertain the scope of the claims as a matter of law. *Id.*; *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 970–71 (Fed. Cir. 1995) (en banc). Construction of the claims need not be an exhaustive process, “[a]s long as the trial court construes the claims to the extent necessary to determine whether the accused device infringes.” *Ballard Med. Prods. v. Allegiance Healthcare Corp.*, 268 F.3d 1352, 1358 (Fed. Cir. 2011) (affirming summary judgment of non-infringement without providing a complete claim construction because disputed terms were properly construed to exclude the structures that were used in the accused device).

In the second step of the infringement analysis, the court determines whether the properly construed claims cover the accused device, either literally or under the doctrine of equivalents. *See PC Connector*, 406 F.3d at 1362, 1364. Although this second step is a question of fact, when there are no genuine disputes of material fact, a grant of summary judgment is proper. *Id.* at 1364; *see also Rheox, Inc. v. Entact, Inc.*, 276 F.3d 1319, 1324 (Fed. Cir. 2002) (“[W]here the parties do not dispute any relevant facts regarding the accused product[s] but disagree over possible claim interpretations, the question of literal infringement collapses into claim construction and is amenable to summary judgment.”). Literal infringement requires that each and every claim limitation appear in an accused product. *See, e.g., Frank’s Casing Crew & Rental Tools, Inc. v. Weatherford Int’l, Inc.*, 389 F.3d 1370, 1378 (Fed. Cir. 2004). Where literal infringement is not present, infringement under the doctrine of equivalents may be found where the “accused product or process contain[s] elements identical or equivalent to each claimed element of the patented invention.” *Warner-Jenkinson Co., Inc. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 40 (1997).

C. Patent Invalidity

An issued patent is presumed valid. 35 U.S.C. § 282. Invalidity must be proven by clear and convincing evidence. *See Microsoft Corp. v. I4I Ltd. P’ship*, 564 U.S. 91, 95 (2011).

A patent claim may be invalid as “anticipated” if the patented invention was disclosed in a prior art reference more than one year prior to the patent claim’s effective filing date. *See* 35 U.S.C. § 102. Invalidity on the basis of anticipation “requires that every element and limitation of the claim was previously described in a single prior art reference, either expressly or inherently, so as to place a person of ordinary skill in possession of the invention.” *Sanofi-Synthelabo v. Apotex, Inc.*, 550 F.3d 1075, 1082 (Fed. Cir. 2008). Anticipation is a question of

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fact, but “it may be decided on summary judgment if the record reveals no genuine dispute of material fact.” *Golden Bridge Tech., Inc. v. Nokia, Inc.*, 527 F.3d 1318, 1321 (Fed. Cir. 2008).

Any party seeking to invalidate a claim as indefinite under 35 U.S.C. § 112, ¶ 2 must show that one skilled in the art would not understand the scope of the claim with reasonable certainty when read in light of the specification. *Intellectual Prop. Dev., Inc. v. UA–Columbia Cablevision of Westchester, Inc.*, 336 F.3d 1308, 1319 (Fed. Cir. 2003).

III. Discussion

Defendant’s summary judgment motion requests a determination as a matter of law that the claims of the ’420 Patent are invalid as indefinite based on the term “clearance,” that the Accused Products do not infringe the claims of the ’029 Patent, that Defendant’s Fourth Generation Cassettes do not infringe the claims of the ’420 Patent, and that Plaintiffs cannot recover lost profit damages. *See generally Def. MSJ*. Plaintiffs’ partial summary judgment motion requests a determination as a matter of law that the term “clearance” as used in the claims of the ’420 patent is not indefinite, that the Accused Products infringe the “clearance” limitation, and that the claims of ’420 Patent are governed by pre-America Invents Act (“AIA”) law and not invalid, including that the ’420 Patent is not invalid in view of European Registered Community Design No. 00079231-0001 (“the Morand Design”) under pre-AIA 35 U.S.C. § 102(d). *See generally Pl. MSJ*. The Court first addresses the parties’ arguments regarding the validity of the ’420 Patent, then turns to the remaining issues.

A. Invalidity of the ’420 Patent

i. *Indefiniteness of the Term “Clearance”*

Defendant asserts that the term “clearance” in the claims of the ’420 Patent is indefinite in view of the Federal Circuit’s recent construction of the term. *See Def. MSJ* 5:1–14:2. According to Defendant, the term must be indefinite because the Court’s original construction, which Plaintiffs concede is correct, conflicts with the Federal Circuit’s decision. *See Def. MSJ* 8:6–17. Specifically, Defendant contends, “[b]ecause the ‘clearance’ must be ‘configured to prevent interference between the annular wall and another structure’ it is necessarily ‘dependent on the way the claimed cassette is put to use in an unclaimed structure.’” *Id.* (citing *Defendant’s Rule 56 Statement of Uncontroverted Facts and Conclusion of Law in Support of its Motion for Summary Judgment*, Dkt. # 462-3 (“*DSUF*”), ¶¶ 5–8, 61–62). The Court disagrees.

The claims of the ’420 Patent recite an apparatus—i.e., a cassette—and, as the Federal

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Circuit found, should generally be “construed according to what the apparatus is, not what the apparatus does.” *Appellate Order* at 5 (citing *Hewlett–Packard Co. v. Bausch & Lomb Inc.*, 909 F.2d 1464, 1468 (Fed. Cir. 1990)). In construing the term “clearance,” the Court added the language “configured to prevent interference.” *See Markman Order* at 24. The Court used the phrase “configured to” to mean that the claimed “clearance” need not actually prevent interference, but instead must be designed to prevent interference or be capable of preventing interference. *See Revolution Eyewear, Inc. v. Aspex Eyewear, Inc.*, 563 F.3d 1358, 1369–70 (Fed. Cir. 2009) (finding that the phrase “capable of” did not require actual performance in an apparatus claim).³ The Court used the phrase “prevent interference” to address embodiments where the “chamfer clearance **41**” prevents the cassette **30** from “imped[ing] the movement of the moveable portion **58**.” *See* ’420 Patent at 6:34–44. Thus, so long as the clearance is designed so that the cassette does not impede the movement of objects such as the moveable portion, it is irrelevant that objects may contact the annular walls. In the embodiment depicted in Figure 7, for instance, the interfering members **70** of the holder **26** may impede the movement of the moveable portion, but the cassette **30** would not. *See* ’420 Patent at 8:40–46, Fig. 7.

Additionally, as the Federal Circuit found, the broader purpose of the “clearance” is “to ensure that the cassette **30** is properly installed in the holder **26** when the apparatus **10** is in use,” not just to prevent interference. *Appellate Order* at 6–7 (citing ’420 Patent at 5:14–15). And as an apparatus claim, the “clearance” needs only to be designed for that purpose. *See id.* at 7 (“The clearance limitation is satisfied when the cassette itself is constructed with a clearance.”); *see also Revolution Eyewear*, 563 F.3d at 1369–70. To the extent the Court’s previous construction conflicts with that broader purpose, the Court’s previous construction no longer applies.

Accordingly, the Court holds that the term “clearance” as used in the ’420 Patent is not indefinite. Therefore, the Court **GRANTS** Plaintiffs’ motion and **DENIES** Defendant’s motion as to Defendant’s indefiniteness defense.

³ Some courts have found that the phrase “configured to” is narrower than the phrase “capable of” because it means “intentional design rather than mere capacity.” *See, e.g., Acuity Brands Lighting, Inc. v. Ultravision Techs., LLC*, No. CV 19-2207 (MN), 2021 WL 3187439, at *7 (D. Del. July 28, 2021) (citing *Aspex Eyewear, Inc. v. Marchon Eyewear, Inc.*, 672 F.3d 1335, 1349 (Fed. Cir. 2012)). In adopting the phrase “configured to” in its *Markman* order, the Court took no position on that issue. *See Markman Order* at 24.

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ii. *Defendant's Remaining Invalidity Defenses*

a. *Summary of the Parties' Arguments*

Plaintiffs move for summary judgment on Defendant's remaining invalidity defenses to the '420 Patent. Plaintiffs' main challenge is to Defendant's reliance on the Morand Design. Preliminarily, Plaintiffs assert that pre-AIA law governs the '420 Patent because the provisions of the AIA apply only to applications with an effective filing date after March 16, 2013, and the '420 Patent claims priority back to the '172 Application, filed on October 3, 2008. *Pl. MSJ* 18:4–14 (citing *Becton, Dickinson & Co. v. Baxter Corp. Englewood*, 998 F.3d 1337, 1345 n.5 (Fed. Cir. 2021)); *see also* Manual of Patent Examining Procedure (“MPEP”) § 2159.02. Plaintiffs contend that although the '842 Application initially introduced a limitation requiring a clearance “integrally formed” with the annular wall of the annular receptacle, that limitation was not “new matter” that would break the chain of priority to the '172 Application. *See Pl. MSJ* 19:4–24:28.

Specifically, Plaintiffs emphasize that the '172 Application included Figure 2A, which depicts a clearance “integrally formed” with the annular wall. *Id.* 19:4–15 (citing *Statement of Uncontroverted Facts and Conclusions of Law in Support of Motion for Summary Judgment Filed by Plaintiffs*, Dkt. # 459-2 (“*PSUF*”), ¶ B7). Plaintiffs also aver that both parties' experts agree that “integrally formed” means “formed in one piece” and that Figure 2A depicts a clearance “integrally formed” with the annular wall. *See id.* 21:12–22:20 (citing *PSUF* ¶¶ B15, B23–B25, B27–B28, B30). Plaintiffs further assert that both parties' experts agree that the claimed “cassette” would likely be made from “injection molding,” which would result in an “integrally formed” “cassette,” including the “clearance.” *See id.* 23:4–27 (citing *PSUF* ¶¶ B19–B22, B26, B29, B32–B33). Finally, Plaintiffs argue that although the examiner objected to the use of the phrase “integrally formed” as new matter during prosecution of the '842 Application, the examiner continued to apply pre-AIA law after the applicant removed the phrase and that removal was not an “acquiescence” to the new matter objection. *See id.* 24:3–28 (citing *PSUF* ¶¶ B12–B13).

Under pre-AIA law, Plaintiffs argue that the Morand Design cannot invalidate the '420 Patent. *Id.* 8:19–28. Plaintiffs assert that the Morand Design cannot invalidate the '420 Patent under pre-AIA § 102(d) because it is a design used to protect how a product looks, not a patent. *See id.* 10:26–12:7 (citing *PSUF* ¶¶ A14–A15, A22–A23; Dkt. # 459-18). Plaintiffs also assert that the Morand Design does not disclose the “same invention” as the '420 Patent because it discloses neither “an elongated tube of flexible material” nor an “annular opening for dispensing the elongated tube.” *See id.* 12:9–15:13. Additionally, Plaintiffs contend that the Morand

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Design cannot be combined with other prior art under either § 102(d) or § 103 because it is not “prior art” but rather a “loss of right.” *See id.* 15:16–17:23 (citing *OddzOn Prod., Inc. v. Just Toys, Inc.*, 122 F.3d 1396, 1402 (Fed. Cir. 1997)).

As to Defendant’s remaining invalidity challenges to the ’420 Patent, Plaintiffs argue that each challenge is based on Defendant’s erroneous construction of the term “clearance” and fails as a matter of law. *Id.* 8:7–17.

Defendant responds that there is at least a genuine dispute of material fact whether the “integrally formed” limitation constitutes new matter. *Opp. to Pl. MSJ* 15:1–19:14. As Defendant highlights, the examiner rejected that limitation as new matter, and the applicant amended the claims to remove the limitation explicitly in response to the examiner’s rejection despite arguing that another limitation was not new matter. *Id.* 15:22–17:1 (citing *Defendant’s Rule 56 Statement of Genuine Disputes in Response to Plaintiffs’ Statement of Uncontroverted Facts and Conclusions of Law in Support of Motion for Partial Summary Judgment*, Dkt. # 482-1 (“*DSGD*”), ¶¶ E2–E5, E30, B7–B9). Defendant also asserts that the examiner continued to apply pre-AIA law because the examiner was required to unless the applicant provided a statement indicating that the invention is governed by the AIA. *See id.* 17:4–15 (citing *DSGD* ¶¶ E38–E40, E46). Moreover, Defendant contends that its expert disputes that the ’172 Application discloses the “integrally formed” limitation because it does not disclose how the cassette is made, nor does it “specify that the cassette may not be formed in ‘multiple pieces.’” *See id.* 17:17–19:14 (citing *DSGD* ¶¶ E50–E54).

Defendant also responds that there is at least a genuine dispute of material fact whether the Morand Design invalidates the ’420 Patent under pre-AIA § 102(d). *Id.* 19:15–25:11. Defendant avers that the Morand Design is a foreign “patent” under § 102(d) because the rights conveyed under the design are “both substantial and exclusive in nature.” *Id.* 19:22–20:15 (quoting *In re Carlson*, 983 F.2d 1032, 1036 (Fed. Cir. 1992) and citing *DSGD* ¶ E1; *Golden Eye Media USA, Inc. v. Trolley Bags UK Ltd.*, 525 F. Supp. 3d 1145, 1202 (S.D. Cal. 2021)). Defendant also argues that despite being a “loss of right,” references under § 102(d) may constitute prior art and may be combined with other references under § 103. *See id.* 21:4–22:12 (citing *Novartis Pharms. Corp. v. Mylan Pharms. Corp., Inc.*, No. CV 08-5042 (PGS), 2011 WL 13199424, at *5–7 (D.N.J. Jan. 26, 2011); *Ex Parte Appeal No. 242-47*, 196 U.S.P.Q. 828, at *2 (Pat. Off. Bd. App. 1976); MPEP § 2135.01). Defendant further argues that the Morand Design inherently discloses or renders obvious the “elongated tube of flexible material” and “annular opening” limitations. *See id.* 22:14–24:15 (elongated tube of flexible material), 24:17–25:11 (annular opening).

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Finally, Defendant argues that for each of its invalidity challenges, it applied the meaning of the term “clearance” that Plaintiffs applied in their infringement analysis based on the Federal Circuit’s guidance. *See id.* 12:8–14:23.

Plaintiffs reply that Defendant’s experts’ conflicting testimony cannot create a genuine dispute of material fact regarding whether the ’172 Application provides written description support for the “integrally formed” limitation. *Reply ISO Pl. MSJ* 7:20–9:1. Plaintiffs also argue that Defendant cannot overcome the presumption that the examiner correctly applied pre-AIA law. *Id.* 9:3–8 (citing *Brooktree Corp. v. Advanced Micro Devices, Inc.*, 977 F.2d 1555, 1574 (Fed. Cir. 1992)). Plaintiffs further contend that Defendant’s “acquiescence” argument fails because “silence in the face of rejection is not acquiescence” and the applicant never explicitly acquiesced to the examiner’s new matter rejection. *See id.* 9:8–23 (citing *TorPharm Inc. v. Ranbaxy Pharm., Inc.*, 336 F.3d 1322, 1330 (Fed. Cir. 2003); *Woodrow Woods & Marine Exhaust Sys., Inc. v. Deangelo Marine Exhaust, Inc.*, 692 F.3d 1272, 1287 (Fed. Cir. 2012)).

Regarding the Morand Design, Plaintiffs also reply that the Morand Design does not convey substantial and exclusive rights akin to those of a utility patent, and Defendant’s cited case is irrelevant. *Id.* 9:28–10:6 (citing *In re Carlson*, 983 F.2d 1032, 1036 (Fed. Cir. 1992)). Plaintiffs further aver that Defendant presents only attorney argument to support its assertion that the Morand Design inherently discloses the “elongated tube of flexible material” and “annular opening” limitations. *See id.* 10:8–11:21. Finally, Plaintiffs argue that references under § 102(d) cannot be combined with prior art under § 103, and even if they could, Defendant has not established that the Morand Design is a reference under § 102(d). *See id.* 11:23–12:25.

b. Analysis

The Court finds that the ’420 Patent is governed by AIA §§ 102 and 103. Sections 102 and 103 of the AIA apply “to any patent application that contains *or contained at any time* a claim to a claimed invention that has an effective filing date that is on or after March 16, 2013.” MPEP § 2159.02 (emphasis added); *see also Colt Int’l Clothing Inc. v. Quasar Sci., LLC*, 304 F. Supp. 3d 891, 893 (C.D. Cal. 2018). “The question whether new matter has been added to an application is a question of fact.” *Commonwealth Sci. & Indus. Research Org. v. Buffalo Tech. (USA), Inc.*, 542 F.3d 1363, 1380 (Fed. Cir. 2008).

The analysis in *Litton Systems, Inc. v. Whirlpool Corp.*, 728 F.2d 1423, 1438 (Fed. Cir. 1984) and *Pennwalt Corp. v. Akzona Inc.*, 740 F.2d 1573, 1578–79 (Fed. Cir. 1984) regarding the doctrine of prosecution history “acquiescence” is instructive. In *Litton*, the Federal Circuit held that a patentee was estopped from arguing that an examiner’s new matter rejection was

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erroneous because it acquiesced to that rejection by filing a continuation-in-part (“CIP”) application. 728 F.2d at 1438. In *Pennwalt*, the Federal Circuit clarified its decision in *Litton*, explaining that there is a rebuttal presumption that an applicant acquiesces to an examiner’s rejection when the applicant files a CIP application. 740 F.2d at 1578–79. The court stated, “once a *prima facie* case of acquiescence is established, the patentee must come forward with countervailing evidence.” *Id.* at 1579.

There is no genuine dispute here that the applicant acquiesced to the examiner’s new matter objection to the “integrally formed” limitation in the ’842 Application. During the prosecution of the ’842 Application, the examiner rejected the claims as including new matter, identifying the “integrally formed” limitation and from Claim 6, the limitation “the clearance being located radially outward of a downward projection of the inner annular wall relative to the central opening.” *DSGD* ¶ E2. In response, the applicant amended the claims to remove the “integrally formed” limitation and responded:

[T]he Examiner contends that the following limitation of claim lacks description in the specification and constitutes new matter, . . . ‘the clearance extending from and being integrally formed with the inner wall.’ In reply, Applicant removes this limitation from claim 1 and revises the claim to describe the clearance as “extending continuously from the annular wall.

Id. ¶¶ E3–E4. For the Claim 6 limitation, however, the applicant successfully overcame the examiner’s objection by referencing Figure 6. *Id.* ¶ E5. Although the applicant amended the claim language to overcome the new matter rejection rather than file a CIP application, the applicant’s amendment and statement establish a *prima facie* case of acquiescence. Plaintiffs present no countervailing evidence to show that the applicant did not intend to acquiesce to the examiner’s rejection. Thus, the applicant acquiesced to the examiner’s new matter objection for the “integrally formed” limitation, and the claims of the ’420 Patent are entitled only to the filing date of the ’842 Application—September 4, 2013. And because that filing date post-dates March 16, 2013, AIA §§ 102 and 103 govern the claims of the ’420 Patent.

Plaintiffs assert that the applicant was “silent in the face of a rejection” and therefore did not acquiesce to the examiner’s rejection, but Plaintiffs’ cited cases are inapposite. *See Reply ISO Pl. MSJ* 9:11–16. In *TorPharm*, the Federal Circuit rejected an argument that an applicant “acquiesced” to a finding that claims to a product-by-process were obvious where the applicant amended the claims to overcome a prior art rejection and the underlying product was later found to be anticipated. 336 F.3d at 1330. Similarly, in *Woodrow Woods*, the Federal Circuit found

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that amending a claim to overcome a prior art rejection, without more, does not qualify as an admission that the initial claim was unpatentable. 692 F.3d at 1287 (“[V]iewing an amendment as an admission that the initial claim was unpatentable requires more than the mere presence of a limitation.” (citing *TorPharm*, 336 F.3d at 1330)). Here, the applicant explicitly addressed the examiner’s new matter rejection and amended the claims to remove the “integrally formed” limitation in response to that rejection. Thus, the applicant explicitly acquiesced to the examiner’s rejection, unlike in *TorPharm* and *Woodrow Woods*.

Finally, citing *Brooktree*, Plaintiff argues that the examiner’s application of pre-AIA law is presumptively correct, *Reply ISO Pl. MSJ* 9:4–6, but the court in *Brooktree* held, “the fact that the Patent Office allows . . . an amendment *without objection thereto as new matter* (within the meaning of Title 35 U.S.C. § 132) is entitled to an especially weighty presumption of correctness,” 977 F.2d at 1574–75 (emphasis added). Here, the examiner objected to the “integrally formed” limitation as new matter, and the applicant amended the claims to remove the limitation. That the examiner continued to apply pre-AIA law does not change those facts.

Because Plaintiffs’ analysis regarding the Morand Design depends on their argument that pre-AIA law applies, the Court does not consider those arguments. Accordingly, the Court **DENIES** Plaintiffs’ motion for determinations that the pre-AIA law governs the ’420 Patent and that the ’420 Patent is not invalid in view of the Morand Design.

The Court also finds that Defendant’s invalidity analysis regarding the term “clearance” is consistent with the Court’s construction. Defendant’s expert, Mr. Glenn May, opines that a “‘clearance’ is a space created by any geometric feature in the bottom portion of a cassette that fits into a receptacle (and thus avoids interference), regardless of how such space interacts with the structure of the receptable.” *DSGD* ¶ E95. Defendant asserts that Mr. May applied that construction, which is consistent with the Court’s construction of the term, in his invalidity analysis. *Opp. to Pl. MSJ* 12:25–13:7. Plaintiffs do not otherwise dispute that Defendant’s invalidity challenges are improper, and thus, the Court **DENIES** Plaintiffs’ motion as to the remainder of Defendant’s invalidity challenges.

B. Infringement of the “Clearance” Limitation of the ’420 Patent

i. *Summary of the Parties’ Arguments*

Plaintiffs assert that there is no dispute that the Accused Products infringe the “clearance” limitation of the ’420 Patent. *Pl. MSJ* 6:22–8:5. According to Plaintiffs, “the Federal Circuit has already confirmed that Munchkin’s Generation 2 and 3 cassettes themselves are constructed

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with a clearance.” *Id.* 6:24–27 (citing *Appellate Order* at 4). Because the Federal Circuit rejected Defendant’s only non-infringement argument for the term “clearance,” Plaintiffs argue that there can be no dispute that the Second and Third Generation cassettes infringe that limitation. *Id.* 6:27–7:3. Plaintiffs contend that Defendant’s only remaining evidence is the testimony of its expert, who applied the wrong construction. *See id.* 7:4–8:5. Because Plaintiffs’ expert determined that the Accused Products include a clearance under the proper construction, Plaintiffs assert that the Court should grant summary judgment in their favor. *Id.* (citing *PSUF* ¶¶ D14–D16).

Defendant responds that it does dispute infringement for each of the Accused Products. *Opp. to Pl. MSJ* 7:21–8:20. For the Second and Third Generation cassettes, Defendant asserts that the cassettes cannot infringe the “clearance” limitation unless the term is indefinite. *Id.* 7:23–27 (citing *DSGD* ¶ E79). For the Fourth Generation cassettes, citing its expert’s report, Defendant asserts that the cassettes do not infringe the “clearance” limitation for the following reasons:

there is nothing existing “radially outward of a downward projection of the annular wall” (where a “clearance” should exist) and no “portion of the annular wall joining with an upright portion of the annular wall,” as explicitly required by the claims, and that the pass-through notches cannot be “clearance[s]” as claimed.

Id. 8:14–19 (citing *DSGD* ¶ E84).

Defendant also asserts that Plaintiffs “have not and cannot establish infringement.” *Id.* 8:22–23 (citing *DSGD* ¶¶ E82–E88). Regarding the opinions of Plaintiffs’ expert, Mr. Michael Jobin, Defendant argues that Mr. Jobin never considered whether the “clearance” “is the same size as the interfering members in Diaper Genie diaper pail,” despite opining that “the size and shape of any cassette must be considered in conjunction with the size and shape of the features of the pail(s) into which the cassette is designed to fit in.” *Id.* 8:25–9:4 (citing *DSUF* ¶ 65; *DSGD* ¶ E88). Defendant also takes fault with Mr. Jobin’s opinion that a “clearance” may exist regardless of contact” with the interfering members. *Id.* 9:4–9 (citing *DSUF* ¶ 74; *DSGD* ¶¶ E105–E106). Defendant further contends that Mr. Jobin’s invalidity opinions and opinions on Defendant’s First Generation cassettes contradict his infringement analysis for the “clearance” limitation. *See id.* 9:10–10:20. Finally, Defendant avers that Mr. Jobin’s analysis fails to account for Court’s construction requiring the “clearance” to be “configured to prevent interference between the annular wall and another structure.” *See id.* 11:3–12:1.

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Defendant also moves for summary judgment that its Fourth Generation cassettes do not infringe the claims of the '420 Patent because they lack the claimed "clearance." *Def. MSJ* 21:4–24. Claims 1 and 6 recite that the "clearance" must extend or be located "radially outward of a downward projection of the annular wall." '420 Patent, Claims 1, 6. Defendant asserts that because the Fourth Generation cassettes have no "inflection point" in the "annular wall," "there can be no 'downward projection of the annular wall' within the receptacle that is separate from the annular wall itself." *Def. MSJ* 22:2–7.

In addition, Defendant argues that the accused "notch clearances" in the Fourth Generation cassettes cannot satisfy the "clearance" limitation because they "do not 'delimit' anything in relation to the cassette or its width or volume" as required by Claims 1 and 6. *Id.* 23:3–22. Those claims recite that the "clearance" "delimit[s] a portion of the volume having a reduced width relative to a portion of the volume above the clearance." '420 Patent, Claim 1; *see also id.*, Claim 6 ("delimit[s] a reduced width of said portion of the volume relative to the volume above the clearance."). Citing Mr. Jobin's testimony, Defendant contends that structural walls are necessary to define and delimit the cassette, and the "notch clearances" have no structural walls in the cassette. *Def. MSJ* 23:23–24:8 (citing *DSUF* ¶¶ 145–147). Thus, Defendant concludes that neither feature of the Fourth Generation cassettes infringes the "clearance" limitation. *Id.* 24:9–11.

Plaintiffs respond that Defendant's interpretation of "downward projection of the annular wall" as "an imaginary downward line continuing in the plane of the annular wall" is flawed and unsupported, as evidenced by Mr. Jobin's testimony. *Opp. to Def. MSJ* 16:11–17:18 (citing *Statement of Uncontroverted Facts in Opposition of Defendant's Motion for Summary Judgment*, Dkt. # 489-2 ("PSAF"), ¶¶ B19–B21). Regarding the "notch clearances," Plaintiffs assert that all that is required of the delimiting limitations is that "the notches in the [Fourth Generation] cassette intrude into the volume of the cassette, define a narrower volume of the cassette, and reduce the volume of the cassette." *Id.* 17:19–18:11.

In support of their own motion, Plaintiffs reply that Defendant provides no factual dispute that the Second and Third Generation cassettes infringe the "clearance" limitation. *See Reply ISO Pl. MSJ* at 3:26–4:13. Plaintiffs also emphasize that Defendant's own employee confirmed that the Fourth Generation cassettes infringe the "clearance" limitation under both of Plaintiffs' theories. *See id.* 2:14–20 (citing *Deposition Transcript of Kevin Johnson*, Dkt. # 508-3, 43:6–44:8, 93:4–10).

Replying to Plaintiffs' opposition to its motion, Defendant avers that Plaintiffs'

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interpretation of “downward projection of the annular wall” would mean that any cassette with a tapered wall would necessarily have a “clearance.” *Reply ISO Def. MSJ* 8:20–28. According to Defendant, the applicant disclaimed that interpretation during the prosecution history by asserting that the “‘downward projection’ is simply a geometric term used to denote an imaginary extension of the annular wall.” *Id.* 9:1–16 (citing Dkt. # 513-2 at 5, 9; *Biogen Idec, Inc. v. GlaxoSmithKline LLC*, 713 F.3d 1090, 1095 (Fed. Cir. 2013)). Finally, Defendant contends, “by definition, the vents are not ‘delimiting’—i.e., defining the limits of—the cassette or its volume,” as evidenced by the fact the “film inside the cassette can *protrude outside* the vent and cassette.” *Id.* 9:17–10:12 (emphasis in original).

ii. Analysis

There is no genuine dispute that the Second and Third Generation cassettes infringe the “clearance” limitation of the independent claims of the ’420 Patent. First, Mr. Jobin provides expert testimony establishing a *prima facie* case that each of the Accused Products infringe the “clearance” limitation of the independent claims of the ’420 Patent. *See PSAF* ¶¶ D14–D16 (citing *Plaintiffs’ Opening Report of Michael Jobin on Infringement*, Dkt. # 459-22, ¶¶ 235–37, 357–60). Second, the Court is not persuaded by Defendant’s arguments that the Accused Products cannot infringe unless the term “clearance” is indefinite and that Mr. Jobin never measured the size of the interfering members of the Diaper Genie pail. As the Court determined above, the term “clearance” is not indefinite and need only be “*configured* to prevent interference,” which aligns with the Federal Circuit’s ruling that “[t]he clearance limitation is satisfied when the cassette itself is constructed with a clearance.” *See Appellate Order* at 7. Thus, the size of the specific interfering members of the Diaper Genie pail is not germane to whether the cassettes infringe the “clearance” limitation. Third, Defendant’s suggestion that the term “interference” means any contact, *see Opp. to Pl. MSJ* 11:3–12:1, is unsupported, as the specification suggests that “interference” means to not impede motion, *see* ’420 Patent at 2:61–64, 6:38–40. Thus, it is also irrelevant that the “clearance” may contact the “interfering members.”

The Court finds that there is also no genuine dispute that Fourth Generation cassettes meet the “clearance limitation.” Plaintiffs argue that the “notch clearances” of the Fourth Generation cassettes meet the “clearance” limitation, as seen in the figures reproduced from Mr. Jobin’s report below:

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See Reply ISO Pl. MSJ 4:17–19; see also Supplemental Expert Report of Michael Jobin on Infringement, Dkt. # 459-23 , ¶¶ 68–69. Within each “notch clearance,” both the width and volume of the cassette are reduced relative to just above the “notch clearances.” A width and volume of zero is still a reduced width and volume. The ’420 Patent states that “clearances of different shapes can be used instead of a chamfer,” ’420 Patent at 7:63–64, and the Court construed the term “extending continuously” to mean “extending continuously from at least one point,” *Markman Order* at 25. Additionally, as stated above, one of the purposes of the “clearance” is to “prevent interference,” and a width of zero would ensure that the “clearance” prevents interference with a movable portion. Defendant cites to nothing that would otherwise prevent the “notch clearances” from satisfying the “clearance” limitation. Thus, a “pass through notch” at a single point on the cassette would satisfy the “clearance” limitation.

Accordingly, the Court **GRANTS** Plaintiffs’ motion that the Accused Products infringe the “clearance” limitation in the independent claims of the ’420 Patent.⁴

C. Non-Infringement of the ’029 Patent

Defendant’s summary judgment motion also requests a determination as a matter of law

⁴Plaintiffs do not dispute that the Fourth Generation cassettes do not infringe Claim 11 of the ’420 Patent, however. Thus, for the Fourth Generation cassettes, this Order is limited to independent Claims 1 and 6 of the ’420 Patent.

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that the Accused Products do not infringe the claimed “annular cover” of the ’029 Patent for three reasons. *See Def. MSJ* 14:3–21:2. As explained below, the Court finds that for each argument, there is at least a genuine issue of material fact whether the Accused Products infringe the ’029 Patent.

i. “an outer edge engaging an upper part of said outer wall of said annular body”

a. Summary of the Parties' Arguments

Defendant asserts that the Accused Products do not have an “annular cover” with an “outer edge” engaging an “upper part” of the cassette. *Def. MSJ* 14:14–16:14. Claim 1 of the ’029 Patent requires an “annular cover” with a “tear-off outwardly projecting section” that has “an outer edge engaging an upper part of said outer wall of said annular body.” ’029 Patent, Claim 1. Defendant argues that the “shrink-wrap packaging” on the Second Generation cassettes and the “blister cap packaging” on the Third and Fourth Generation cassettes do not have an “outer edge” that “engage[s]” the “upper part” of the outer wall. *Def. MSJ* 14:15–15:20 (citing *DSUF* ¶¶ 102–104, 110). According to Defendant, Mr. Jobin admits that the outer edge of the shrink wrap of the Second Generation cassette does not “engage” with the upper part of the outer wall, but instead forms around it. *Id.* 15:20–16:2 (citing *DSUF* ¶ 105). Additionally, as Defendant contends, Mr. Jobin concedes that the blister cap does not engage at the “outer edge” of the cap, but instead engages “near the edge.” *Id.* 16:2–9 (citing *DSUF* ¶¶ 107–109). Because Plaintiffs have not disclosed a doctrine of equivalents theory, Defendant requests that the Court grant summary judgment of non-infringement for the ’029 Patent. *Id.* 16:11–14 (citing *DSUF* ¶ 111).

Plaintiffs respond that the Federal Circuit already found that Plaintiffs’ doctrine of equivalents analysis for the limitation “having an outer edge engaging an upper part of said outer wall of said annular body” precludes summary judgment. *Opp. to Def. MSJ* 8:23–9:10 (citing *Appellate Order* at 10–13). Plaintiffs assert that Defendant’s non-infringement theory for that limitation relies on an overly narrow reading of the claim language. Specifically, Plaintiffs aver that the “outer edge” is not limited to the “absolute terminal end of the cover,” as evidenced by Figure 1 of the ’029 Patent, and the “outer edge” may extend beyond the lip of the outer wall of the cassette. *See id.* 10:3–15. Under that interpretation, Plaintiffs contend that there is at least a genuine dispute whether the Accused Products infringe the ’029 Patent. *See id.* 9:17–10:2 (citing *PSAF* ¶ B1), 10:16–11:21 (citing *PSUF* ¶ B5). Plaintiffs also contend that Defendant waived that non-infringement defense for failing to disclose it during discovery. *See id.* 11:22–12:6 (citing *PSUF* ¶¶ B6–B7).

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Defendant replies that the Federal Circuit only addressed the “engaging” limitation and not the “outer edge”/ “upper part” argument, which the Court has not yet addressed. *Reply ISO Def. MSJ* 4:26–5:7. Defendant argues that there is no dispute that the Second Generation cassettes’ “shrink-wrap extends far down the outside wall of the cassette, such that the ‘outer edge’ is near the bottom” and is not engaging. *Id.* 5:8–13 (citing *Plaintiffs’ Rule 56 Statement of Disputed Facts in Opposition to Defendant’s Motion for Summary Judgment*, Dkts. # 489-1 (“*PSDF*”) ¶¶ 105–106). Defendant also asserts that Mr. Jobin testifies that the blister cap of the Third and Fourth Generation cassettes engages with a “sharp lip of the cassette . . . well below the ‘upper part’ of the cassette[.]” *Id.* 5:14–6:4 (citing *DSUF* ¶¶ 108–109; ’029 Patent at 2:51–56, Fig. 1). Additionally, Defendant contends that “Plaintiffs have known about this specific argument for years.” *See id.* 5 n.3.

b. Analysis

A reasonable juror could find that “outer edge” of the “annular cover” of the Accused Products engages the “upper part” of the cassette. As a preliminary matter, the Court rejects Plaintiffs’ waiver argument as Plaintiffs had plenty of notice of Defendant’s non-infringement theories for this limitation. Nevertheless, for the Second Generation cassettes, there is no dispute that the shrink wrap extends well beyond the “upper part” of the cassette, *see Opp. to Def. MSJ* 11:6–7, but a reasonable juror could find that the entire portion of the shrink wrap that extends around and beyond the “upper part” of the cassette constitutes the “outer edge” of the “annular cover.” Additionally, for the Third and Fourth Generation cassettes, even assuming that the “outer edge” of the blister cap engages with the “sharp lip” of the cassette, a reasonable juror could find that the lip qualifies as part of the “upper part” of the cassette. Defendant does not cite to anything in the intrinsic evidence that delineates where the “upper part” of the cassette and the “outer edge” of the “annular cover” need to begin and end. Instead, Defendant cites to only the preferred embodiments, and the Court will not import those limitations into the claims. *See Kara Tech. Inc. v. Stamps.com Inc.*, 582 F.3d 1341, 1348 (Fed. Cir. 2009) (“The patentee is entitled to the full scope of his claims, and we will not limit him to his preferred embodiment or import a limitation from the specification into the claims.”). Thus, Defendant’s arguments are questions of fact for the jury.

ii. “an inclined annular area defining a funnel”

a. Summary of the Parties’ Arguments

Defendant asserts that the Accused Products do not have an “annular cover” with an “inclined annular area defining a funnel.” *Def. MSJ* 16:15–19:13. Claim 1 of the ’029 Patent

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requires that the “annular cover” has a “downwardly projecting inner portion having an inclined annular area defining a funnel to assist in sliding said tubing when pulled through the central core defined by said inner wall of said body.” ’029 Patent, Claim 1. According to Defendant, the intrinsic evidence shows that a “funnel” requires “smooth, uniform, and sloping annular areas.” See *Def. MSJ* 16:16–25 (citing *DSUF* ¶¶ 112–15, 118). Defendant argues that the Accused Products do not have a “smooth” or “uniform” funnel because they have “various alternating features and adornments.” See *id.* 17:11–18:11. Defendant avers that several of these features are “flat” and the ’029 Patent distinguishes between “flat” areas and “funnel” areas. *Id.* 18:12–25 (citing *DSUF* ¶¶ 123–25, 128). As further evidence, Defendant contends that those features do not “assist in sliding said tubing when pulled through the central core,” as confirmed by Mr. Jobin. *Id.* 18:26–19:6 (citing *DSUF* ¶¶ 122, 126–27). And because Plaintiffs also do not present a doctrine of equivalents theory for this limitation, Defendant asserts that the Court should grant summary judgment of non-infringement. *Id.* 19:7–13 (citing *DSUF* ¶ 129).

Plaintiffs respond that the Accused Products have an “annular cover” with “an inner portion having an inclined annular area defining a funnel . . . regardless of the additional holes, ‘crenelations,’ flat portions or steps[.]” *Opp. to Def. MSJ* 12:10–18 (citing *PSAF* ¶ B9). According to Plaintiffs, “[c]ontrasting these holes, crenelations, flat portions, or steps, Mr. Jobin explained during his deposition that ‘the *other* areas around the perimeter of the inside diameter, [has a] frustoconical shape which would be funnel-like, and . . . it goes around the full perimeter near the inside diameter.’” *Id.* 12:18–21 (emphasis in original) (citing *PSAF* ¶ B10). Plaintiffs also object to Defendant’s attempt to import a “smooth” and “uniform” requirement from Figure 2 of the ’029 Patent into the term “funnel.” *Id.* 12:22–13:4 (citing *Cont’l Circuits LLC v. Intel Corp.*, 915 F.3d 788, 797 (Fed. Cir. 2019)).

Defendant replies that Plaintiffs’ concession that the Accused Products have other features around the accused “annular” “funnel” portion of the “annular cover” shows that the portion is not “annular” or a “funnel.” *Reply ISO Def. MSJ* 6:10–18.

b. Analysis

A reasonable juror could also find that the Accused Products have an “annular cover” with “an inclined annular area defining a funnel.” Defendant provides no intrinsic evidence other than Figure 2 to support its construction that the “funnel” must be a “smooth, uniform, and sloping annular area[.]” as Mr. May opines. See *DSUF* ¶ 118. Again, the Court declines to import limitations from the preferred embodiments into the claims. See *Kara Tech.*, 582 F.3d at 1348. Rather, whether the accused “annular cover” has “an inclined annular area defining a funnel” in view of the features in the “inclined annular area” is a question of fact for the jury.

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iii. *Defendant's Ensnarement Defense*

a. *Summary of the Parties' Arguments*

Defendant asserts that Plaintiffs cannot rebut Defendant's defense that Plaintiffs' doctrine of equivalents theory for the "annular cover" and "tear-off outwardly projecting section" ensnares the prior art. *Def. MSJ* 19:14–21:2. According to Defendant, it asserted an ensnarement defense to Plaintiffs' doctrine of equivalents theories for those limitations. *Def. MSJ* 19:15–25 (citing *DSUF* ¶¶ 32–33, 130; *G. David Jang, M.D. v. Bos. Sci. Corp.*, 872 F.3d 1275, 1285 (Fed. Cir. 2017)). Under *Jang*, Defendant argues that Plaintiffs needed to identify a "hypothetical claim" that is broader than original Claim 1 of the '029 Patent that literally covers the Accused Products but does not cover the prior art, which Plaintiffs failed to do. *See id.* 19:26–21:2 (citing *DSUF* ¶¶ 13–14, 17, 19, 131–32 and *Jang*, 872 F.3d at 1282, 1287). Specifically, Defendant argues that Plaintiffs' hypothetical claim is identical to Claim 1 except that the "annular cover" comprises "one or more parts," which is no different than the scope of the term "annular cover." *Id.*

Plaintiffs respond that both the Court and the Federal Circuit agreed with Defendant that the term "annular cover" requires a single structure, and Defendant cannot now argue that the original claim permitted an "annular cover" with multiple "portions" or "sections." *See Opp. to Def. MSJ* 14:4–15:10. Plaintiffs also briefly claim that Defendant waived its ensnarement argument. *Id.* 13:28–14:1.

Defendant replies, "[a]n 'annular cover comprised of one or more parts' is still a single annular cover—i.e., a single structure." *Reply ISO Def. MSJ* 7:23–24. Thus, Defendant asserts that Plaintiffs' doctrine of equivalents theory is still as broad as original Claim 1. *Id.* 7:24–8:7.

b. *Analysis*

The Court is not persuaded by Defendant's ensnarement argument. At Defendant's request, the Court specifically construed the term "annular cover" to require a single structure, *see Markman Order* at 5–10, a construction which the Federal Circuit adopted, *see Appellate Order* at 9–10. Defendant now argues that even though the Accused Products cannot literally infringe the "annular cover" limitation because the accused cover has two pieces, Plaintiffs' doctrine of equivalents theory stating that the "annular cover" may have one or more pieces somehow has the same scope as the claimed "annular cover." *See Def. MSJ* 19:14–21:2. Defendant's argument has no merit and borders on the frivolous.

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Title	Edgewell Personal Care Brands, LLC et al v. Munchkin, Inc.		

* * *

Because the Court finds that there is a genuine dispute of material fact whether the Accused Products infringe the '029 Patent, the Court **DENIES** Defendant's motion as to its non-infringement arguments for the '029 Patent.

D. Lost Profits

Defendant's summary judgment motion also requests a determination as a matter of law that Plaintiffs cannot recover lost profit damages. *Def. MSJ* 24:12–30:22. First, Defendant argues, "Edgewell cannot obtain lost profits because it has never been the selling entity with respect to the patented refill cassettes, and because its 'inexorable flow' theory is contrary to law and unsupported." *Id.* 24:14–16. Second, Defendant argues, "Angelcare USA cannot obtain lost profits at least before July 1, 2021, the earliest date on which it both sold the patented refill cassettes and allegedly had capacity to make the claimed lost sales." *Id.* 24:16–18. Third, Defendant argues that "none of the Plaintiffs can obtain lost profits, for any period, because Munchkin's Fourth Generation Cassette is an acceptable non-infringing alternative." *Id.* 24:18–20.

A patentee is entitled to lost profit damages when it proves it would have made additional sales but for the accused infringer's infringement. *Mentor Graphics Corp. v. EVE-USA, Inc.*, 851 F.3d 1275, 1284 (Fed. Cir. 2017). "The goal of lost profit damages is to place the patentee in the same position it would have occupied had there been no infringement." *Id.* at 1285. "Thus, the fact finder's job is to determine what would the patent holder have made . . . if the infringer had not infringed." *Id.* Nevertheless, "[w]hether lost profits are legally compensable in a particular situation is a question of law." *Siemens Med. Sols USA, Inc. v. Saint-Gobain Ceramics & Plastics, Inc.*, 637 F.3d 1269, 1287 (Fed. Cir. 2011).

As a "useful, but non-exclusive" means of establishing lost profits damages, courts apply the four-factor test first articulated in *Panduit Corp. v. Stahl Bros. Fibre Works, Inc.*, 575 F.2d 1152 (6th Cir. 1978). *See Mentor Graphics*, 851 F.3d at 1284. Those four factors are: "(1) demand for the patented product; (2) absence of acceptable non-infringing alternatives; (3) manufacturing and marketing capability to exploit the demand; and (4) the amount of profit it would have made." *Id.* at 1285.

Because Defendant has not shown that the Fourth Generation Cassette is an acceptable non-infringing alternative as explained above, the Court rejects Defendant's third argument. The Court considers Defendant's first and second arguments below.

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i. Lost Profits for Plaintiff Edgewell

a. Summary of the Parties' Arguments

Defendant moves for summary judgment that Edgewell cannot recover lost profits. *Def. MSJ* 24:21–29:9. Defendant asserts that one of Edgewell’s subsidiaries, non-party Edgewell Personal Care, LLC (“EPC”), sold the patented refill cassettes through December 18, 2020, not Edgewell. *Def. MSJ* 24:23–25:1 (citing *DSUF* ¶¶ 156–58, 165). Defendant thus contends that Edgewell is not entitled to lost profits because the Federal Circuit has repeatedly found that “a patentee may not claim, as its own damages, the lost profits of a related company.” *Id.* 27:10–14 (quoting *Warsaw Orthopedic, Inc. v. NuVasive, Inc.*, 778 F.3d 1365, 1375 (Fed. Cir. 2015), *vacated on other grounds sub nom. Medtronic Sofamor Danek USA, Inc. v. NuVasive, Inc.*, 136 S. Ct. 893 (2016)).

According to Defendant, Plaintiffs intend to argue that despite not selling the patented refill cassettes themselves, Edgewell may still recover lost profits from EPC under an “inexorable flow” theory. *Id.* 25:4–6 (citing *DSUF* ¶ 161). Defendant emphasizes that the Federal Circuit has repeatedly rejected claims to lost profits under that theory. *See id.* 25:7–27:21 (citing *Warsaw*, 778 F.3d 1374–76; *Spine Sols., Inc. v. Medtronic Sofamor Danek USA, Inc.*, 620 F.3d 1305, 1317–19 (Fed. Cir. 2010); *Mars, Inc. v. Coin Acceptors, Inc.*, 527 F.3d 1359, 1367 (Fed. Cir. 2008); *Mars, Inc. v. Trurx LLC*, No. 6:13-cv-00526, 2016 WL 4061981, at *2 (E.D. Tex. Apr. 29, 2016)). Additionally, Defendant argues that Plaintiffs’ reliance on the “the totality of the profit earned across” Edgewell, EPC, and another Edgewell subsidiary “reflected in the Edgewell profit and loss statements” is similar to the patentee’s reliance on “consolidated financial statements” that the Federal Circuit rejected in *Coin Acceptors*. *Id.* 28:6–25 (citing *DSUF* ¶¶ 166–67; *Coin Acceptors*, 527 F.3d at 1367; *Poly-America, L.P. v. GSE Lining Tech., Inc.*, 383 F.3d 1303, 1310–11 (Fed. Cir. 2004); *Illinois Tool Works, Inc. v. Seattle Safety, LLC*, No. 2:07-cv-02061, 2010 WL 11523620, at *12–14 (W.D. Wash. Oct. 13, 2010) (rejecting “pooled bank accounts”)).

Plaintiffs respond that, contrary to Defendant’s assertion that Edgewell never sold the patented refill cassettes, Edgewell purchased the cassettes from one of its subsidiaries “and then sold each cassette to [EPC].” *Opp. to Def. MSJ* 19:24–26 (emphasis in original) (citing *PSAF* ¶¶ C2, C4), 20:7–21:24 (citing *PSAF* ¶¶ C1–C12). Plaintiffs assert that Edgewell “lost a sale to EPC every time [Defendant] sold an infringing cassette,” and thus, this is not an “inexorable flow” lost profits case. *Id.* 19:27–20:5 (citing *Poly-Am., L.P.*, 383 F.3d at 1310–11); *see also id.* 21:28–22:18 (distinguishing Defendant’s cited cases on the ground that the plaintiff did not sell any products). Plaintiffs also distinguish the Federal Circuit’s decisions in *Coin Acceptors*,

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Spine Solutions, and *Warsaw* on the ground that they involved a “traditional royalty-bearing license agreement,” a different procedural posture, and a failure to prove an entitlement to true-up payments based on the facts, respectively. *See id.* 22:19–23:28.

Plaintiffs further contend that the Federal Circuit has never legally foreclosed the “inexorable flow” theory and that courts have regularly denied summary judgment motions on the issue. *See id.* 24:6–26:18 (citing *PSAF* ¶¶ C2–C4, C8–C12; *Polaris Indus. v. Arctic Cat Inc.*, No. 15-4129, 2018 U.S. Dist. LEXIS 111452, at *21 (D. Minn. July 3, 2018); *Schwendimann v. Arkwright Advanced Coating, Inc.*, 220 F. Supp. 3d 953, 973 (D. Minn. 2016); *Corning Optical Commc’ns Wireless v. SOLiD, Inc.*, No. 14-cv-03750-PSG, 2015 U.S. Dist. LEXIS 124772, at *19–21 (N.D. Cal. Sep. 16, 2015)). Based on those cases, Plaintiffs aver that they have produced “‘contractual, structural, [and] historical’ evidence of inexorable flow” showing that “all revenue, costs, or profits that are received or incurred by any Edgewell entity are recorded and accounted for by plaintiff Edgewell.” *Id.* Moreover, Plaintiffs argue that Edgewell’s “profit and loss statements” are different than the “‘consolidated financial statements’ or ‘pooled bank accounts’ that were purportedly disfavored by prior courts” because “EPC pays Edgewell for the cassettes it purchases from Edgewell.” *Id.* 26:20–25 (emphasis in original) (citing *PSAF* ¶¶ C3–C5).

Defendant replies that Plaintiffs’ lost profits claim is not based on the profits Edgewell lost in sales to EPC but rather the profits EPC lost in its sales to retailers. *Reply ISO Def. MSJ* 10:17–11:4 (citing *PSDF* ¶¶ 157, 161–63, 166, 168, 174). As Defendant argues, “[n]owhere in Mr. Milani’s report does he purport to calculate Edgewell’s lost profits using ‘EPC’s net resale price of the Patented Cassettes minus a small markup,’ as Edgewell now alleges.” *Id.* 11:8–10 (citing *Updated Revised Expert Report of Michael K. Milani*, Dkt. # 462-29 (“*Milani Rpt.*”) at 78). Thus, Defendant asserts that Plaintiffs’ theory is an “inexorable flow” theory. Defendant also reiterates that Federal Circuit precedent indicates that a patentee cannot claim the lost profits of its related company. *See id.* 12:1–17. Finally, Defendant argues that Plaintiffs’ only evidence to support their “inexorable flow” theory is the “profit and loss statement” that the Federal Circuit has rejected and the conclusory declaration of Edgewell’s 30(b)(6) witness, Erik Rahner. *Id.* 12:18–13:16.

b. Analysis

The Court finds that Edgewell cannot recover lost profits. Plaintiffs claim to base their lost profits theory for Edgewell on Edgewell’s sales to EPC, but Plaintiffs seek the profits that EPC lost in sales to its retailers as a result of Defendant’s alleged infringement, not Edgewell’s lost profits on its sales to EPC. *See Milani Rpt.* at 13 (“I understand that Edgewell indirectly

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sold the Patented Refills to the customers for which lost profits are claimed through December 18, 2020 and the profits from those sales inexorably flowed to Edgewell from the selling entity, Edgewell Personal Care LLC.”); *id.* at 78 (“Edgewell and Angelcare USA earn revenue from its customers (mostly retailers).”). Additionally, Plaintiffs cannot show that but for Defendant’s infringement, EPC would have purchased from Edgewell instead of Defendant because EPC never purchased any cassettes from Defendant. Thus, the Court agrees with Defendant that Plaintiffs in fact rely on an “inexorable flow” theory.

As stated, “a patentee may not claim, as its own damages, the lost profits of a related company.” *Warsaw*, 778 F.3d at 1375. Although the Federal Circuit has not foreclosed the possibility of a parent company recovering the lost profits of its subsidiary under an “inexorable flow” theory, *see Coin Acceptors*, 527 F.3d at 1367, the Federal Circuit has consistently rejected claims to lost profits under that theory, *see id.*; *see also Warsaw*, 778 F.3d 1374–76.

Plaintiffs’ theory here fares no better, as the evidence does not show that EPC’s profits “inexorably flow” to Edgewell. According to the sales agreement between EPC and Edgewell, EPC pays “a certain percentage (to be agreed upon between the parties hereto) of [Edgewell’s] net resale price,” which “shall yield a targeted operating margin percentage to [Edgewell][.]” *Sales Agreement*, Dkt. # 490-11, § 9.3. In his declaration, Mr. Rahner stated that the markup EPC paid to Edgewell has “been between 1% and 5%.” *Declaration of Erik Rahner*, Dkt. # 327-2 (sealed) (“*Rahner Decl.*”) ¶ 4. The sales agreement shows only that EPC purchases goods from Edgewell at a certain percent markup, not that EPC’s profits on its on sales “inexorably flowed” to Edgewell. Mr. Rahner also states, “[t]he proceeds of the sale of [the cassettes], including all profits, is realized by” Edgewell, *id.* ¶ 5, but provides no evidentiary support for this assertion.

Plaintiffs further assert that “Edgewell’s witnesses testified that ‘profit and loss statements produced in this case,’ show that the entire value of the sale ends up in Edgewell’s bank account.” *Opp. to Def. MSJ* 21:18–21 (citing *PSAF* ¶¶ C9–C10). Edgewell’s “profit and loss statement” contains only general sales information, however, and Plaintiffs do not provide any explanation for how it shows that EPC’s profits “end[] up in Edgewell’s bank account.” *See id.* 21:18–20; *EPC Total Infant Care Market: U S A*, Dkt. # 490-13 (“*Profit & Loss Statement*”). Even accepting Plaintiffs’ characterization that the statement represents Edgewell’s bank account, as Defendant emphasizes, that statement is no different than the “consolidated financial statements” and “pooled bank accounts” previously rejected by the Federal Circuit and another court, respectfully. *Reply ISO Def. MSJ* 13:1–4; *Coin Acceptors*, 527 F.3d at 1367; *Illinois Tool Works*, 2010 WL 11523620, at *13–14 (“controlling [the subsidiary’s] cash is not the same as inexorably receiving [the subsidiary’s] profits”).

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Accordingly, the Court **GRANTS** Defendant's motion as to Plaintiffs' claim to lost profits for Edgewell.

ii. *Lost Profits for Plaintiff Angelcare*

Defendant also moves for summary judgment that Angelcare cannot recover lost profits before July 1, 2021. *Def. MSJ* 29:10–30:5. According to Defendant, Angelcare did not begin selling its patented refill cassettes until December 19, 2020 and cannot claim lost profits before that date. *Id.* 29:11–14 (citing *DSUF* ¶¶ 177–78). Defendant also asserts that “[f]rom December 19, 2020 through June 30, 2021, Angelcare USA lacked sufficient capacity to meet the demand for patented refill cassettes” and thus cannot claim lost profits from that period either. *Id.* 29:14–30:4 (citing *DSUF* ¶ 183).

Plaintiffs respond that from December 18, 2018 to December 18, 2019, Edgewell sold the patented cassettes on behalf of Angelcare and remitted the profits to Angelcare. *Opp. to Pl. MSJ* 28:9–20 (citing *PSAF* ¶¶ C15, C17). Plaintiffs assert that Angelcare is entitled to those profits, too. *See id.* 28:21–29:7.

Defendant replies that Plaintiffs' theory for Angelcare is the same “inexorable flow” theory Plaintiffs rely on for Edgewell and fails for the same reason. *Reply ISO Def. MSJ* 13:20–14:5, 14:10. Defendant also asserts that Plaintiffs never disclosed that theory prior to their opposition and are precluded from relying on it under Federal Rule of Civil Procedure 37(c)(1). *Id.* 14:8–9.

The Court agrees with Defendant that Plaintiffs' lost profits theory for Angelcare is effectively the same as their theory for Edgewell. Accordingly, the Court **GRANTS** Defendant's motion as to Plaintiffs' claim to lost profits for Angelcare as well.

IV. Conclusion

For the foregoing reasons, the Court **GRANTS IN PART** and **DENIES IN PART** both motions, as follows:

- The Court **GRANTS** Defendant's motion for summary judgment as it relates to lost profits and otherwise **DENIES** the motion.

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- The Court **GRANTS** Plaintiffs' motion for partial summary judgment as to Defendant's indefiniteness argument and that Defendant infringes the "clearance" limitation in the '420 Patent. The Court otherwise **DENIES** Plaintiffs' motion.

IT IS SO ORDERED.