

PUBLISH

UNITED STATES COURT OF APPEALS
FOR THE TENTH CIRCUIT

September 11, 2019

Elisabeth A. Shumaker
Clerk of Court

C5 MEDICAL WERKS, LLC and
COORSTEK MEDICAL, LLC,

Plaintiffs - Appellees,

v.

No. 17-1173

CERAMTEC GMBH,

Defendant - Appellant.

Appeal from the United States District Court
for the District of Colorado
(D.C. No. 1:14-CV-00643-RBJ-CBS)

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Peter D. Vogl, Orrick, Herrington & Sutcliffe LLP, New York, New York (Lisa T. Simpson, Christopher T. Cariello, Orrick, Herrington & Sutcliffe LLP, New York, New York; Mark S. Davies, Orrick, Herrington & Sutcliffe LLP, Washington, D.C.; Diana Rutowski, Scott Lonardo, Orrick, Herrington & Sutcliffe LLP, Menlo Park, California; Michael J. Hoffman, Erin A. Kelly, Bryan Cave LLP, Denver, Colorado, with him on the brief), for the Plaintiffs-Appellees.

Before **HARTZ**, **PHILLIPS** and **EID**, Circuit Judges.

EID, Circuit Judge.

Plaintiff–Appellee C5 Medical Werks sued Defendant–Appellant CeramTec in the United States District Court for the District of Colorado for cancellation of CeramTec’s trademarks and a declaratory judgment of non-infringement. CeramTec moved to dismiss for lack of personal jurisdiction. The district court denied CeramTec’s motion and, after a bench trial, found in favor of C5. CeramTec appealed both the district court’s finding of personal jurisdiction and its determination on the merits.

We conclude that the district court did not possess personal jurisdiction over CeramTec. We hold CeramTec’s attendance at various tradeshows was fortuitous and, as such, was insufficient to show purposeful availment of the forum state, Colorado. Further, to the extent CeramTec engaged in enforcement activity, it did so outside of Colorado. Accordingly, we reverse the district court’s denial of CeramTec’s motion to dismiss for lack of personal jurisdiction and remand with instructions that the case be dismissed.

I.

CeramTec is a German company that produces ceramics and ceramic components for medical prostheses. These components use a ceramic composite called BIOLOX Delta. BIOLOX Delta contains 0.33% chromium, making it appear pink. C5 is a Delaware company headquartered in Grand Junction, Colorado. C5 also produces ceramic components for medical prostheses. C5’s composite currently in use is called Cerasurf-p. Cerasurf-p also contains 0.33% chromium and also appears pink. Unlike C5, CeramTec has no physical presence in Colorado. At the time C5 filed this suit against CeramTec, CeramTec had no employees, officers, or customers in Colorado. Though

CeramTec has no physical presence in Colorado, CeramTec has participated in three national industry conferences in Colorado, where it promoted its pink ceramic products.

CeramTec at one time had a patent on the use of the chromium-based material in its ceramic medical implants. Shortly before the patent expired, CeramTec began an application with the U.S. Patent and Trademark Office (PTO) to register the color pink for its hip joint components. The PTO denied CeramTec's application for a listing on the Principal Register but allowed the company to list its trademark on the Supplemental Register. After CeramTec's patent expired, other companies, including C5, began using a chromium composite in their ceramic components. In response, CeramTec made various attempts to enforce its trademark against C5's use of the color pink in its components. CeramTec seized C5's products from a tradeshow in Paris, France. CeramTec also sent a cease-and-desist letter to C5 in Colorado, objecting to C5's production of pink ceramic implants.

In March 2014, C5 initiated the present lawsuit. C5 sought cancellation of CeramTec's trademarks in the PTO and a determination on the merits that C5's products do not infringe on CeramTec's trademarks. In May 2014, CeramTec moved to dismiss C5's complaint for lack of personal jurisdiction. A month later, CeramTec filed a complaint against C5 in the District Court of Delaware, alleging trademark infringement, unfair competition, and deceptive trade practices. In the Colorado suit, the district court found it had personal jurisdiction over CeramTec. After a bench trial, the district court found in favor of C5 and granted C5's request for a declaration of non-infringement.

On appeal, CeramTec argues that the district court lacked personal jurisdiction. It also challenges the district court's declaration that CeramTec has no trade dress rights in the color pink.

II.

This court reviews a personal jurisdiction ruling de novo. *Bell Helicopter Textron, Inc. v. Heliquest Int'l, Ltd.*, 385 F.3d 1291, 1296 (10th Cir. 2004). Factual findings made by the district court during a bench trial are reviewed for clear error, and its legal conclusions are reviewed de novo. *Keys Youth Servs., Inc. v. City of Olathe*, 248 F.3d 1267, 1274 (10th Cir. 2001).

To establish personal jurisdiction over an out-of-state defendant, the plaintiff must make a prima facie showing that “jurisdiction is legitimate under the laws of the forum state and that the exercise of jurisdiction does not offend the due process clause of the Fourteenth Amendment.” *Employers Mut. Cas. Co. v. Bartile Roofs, Inc.*, 618 F.3d 1153, 1159 (10th Cir. 2010) (quotation marks omitted). Because Colorado's long-arm statute confers maximum jurisdiction permitted by constitutional due process, *Archangel Diamond Corp. v. Lukoil*, 123 P.3d 1187, 1193 (Colo. 2005), our only question here is whether the district court's exercise of personal jurisdiction comports with due process, *Dudnikov v. Chalk & Vermilion Fine Arts, Inc.*, 514 F.3d 1063, 1070 (10th Cir. 2008).

Due process requires that the out-of-state defendant both “purposefully established minimum contacts within the forum State” and that the “assertion of personal jurisdiction would comport with ‘fair play and substantial justice.’” *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 476 (1985) (quoting *Int'l Shoe Co. v. Washington*, 326 U.S. 310, 320

(1945)). A defendant's contact with the forum state may give rise to either general or specific jurisdiction. *Old Republic Ins. Co. v. Cont'l Motors, Inc.*, 877 F.3d 895, 903 (10th Cir. 2017). General jurisdiction arises where the defendant's contacts with the forum state are "so continuous and systematic as to render [it] essentially at home" there. *Goodyear Dunlop Tires Operations, S.A. v. Brown*, 564 U.S. 915, 919 (2011) (quotation marks omitted).

By contrast, "[s]pecific jurisdiction means that a court may exercise jurisdiction over an out-of-state party only if the cause of action relates to the party's contacts with the forum state." *Old Republic*, 877 F.3d at 904. Specific jurisdiction calls for a two-step inquiry: "(a) whether the plaintiff has shown that the defendant has minimum contacts with the forum state; and, if so, (b) whether the defendant has presented a 'compelling case that the presence of some other considerations would render jurisdiction unreasonable.'" *Id.* (quoting *Burger King*, 471 U.S. at 476–77). The minimum contacts test also has two requirements: "(i) that the defendant must have 'purposefully directed its activities at residents of the forum state,' and (ii) that 'the plaintiff's injuries must arise out of [the] defendant's forum-related activities.'" *Id.* (quoting *Shrader v. Biddinger*, 633 F.3d 1235, 1239 (10th Cir. 2011)).

A.

We find C5 has failed to establish personal jurisdiction over Defendant-Appellant CeramTec. As a threshold matter, we hold CeramTec properly preserved its challenge to personal jurisdiction by raising the defense in its Rule 12(b)(2) motion. *Brownlow v. Aman*, 740 F.2d 1476, 1483 n.1 (10th Cir. 1984) ("When the [moving party] raised the

defense of lack of in personam jurisdiction by their Motion to Dismiss, they complied with Rule 12(h)(1) and preserved the challenge on appeal.”).

Further, we agree with the district court that the question of personal jurisdiction here “turns on” the evaluation of specific, rather than general, jurisdiction. *See* Order Denying Motion to Dismiss (Order) at 6. CeramTec, a German company with no continuous physical or business presence in Colorado at the time of the trademark dispute, was not “at home” there. *See Goodyear*, 564 U.S. at 919.

However, after reviewing the record, we conclude that the evidence of CeramTec’s forum contacts put forward by C5 is insufficient to establish specific jurisdiction. C5 has alleged two categories of CeramTec’s contacts with Colorado: (1) contacts related to the promotion of its trademark, and (2) those related to the enforcement of its trademark. CeramTec’s contacts related to the promotion of its trademark were the “three occasions” on which CeramTec traveled to Colorado to “promote its brand and its unique pink color” at tradeshow in the state. Order at 7. CeramTec’s enforcement activities, by contrast, consisted of a seizure of C5’s products from a tradeshow in France and, later, a cease-and-desist letter sent to Colorado. Neither set of activities sufficiently establishes the minimum contacts necessary for CeramTec to be subject to specific jurisdiction in Colorado.

First, the promotional activities do not show the purposeful availment of Colorado necessary for jurisdiction to arise. CeramTec’s attendance at various tradeshow in Colorado, as opposed to some other state, was by chance. As C5 concedes, CeramTec did not choose where the tradeshow were held; it only chose to attend. But C5 asserts

that merely engaging in commercial promotion in the forum state—even if the location of the promotion is determined by others—is sufficient to invoke the jurisdiction of the forum state. We decline to take that position. These “fortuitous” contacts are not the “purposeful availment” required for a finding of specific jurisdiction. *Bell Helicopter*, 385 F.3d at 1296 (quoting *Burger King*, 471 U.S. at 475).

Further, to the extent that CeramTec engaged in enforcement activity, it did so entirely outside of Colorado. The conduct related to the tradeshow seizure occurred in France. Not only did the tradeshow take place in France, the authorizing court and the bailiff who seized the items were French. Nevertheless, C5 argues that because the effects of the seizure were intended to be felt in Colorado, where C5 resides, there is specific jurisdiction in Colorado. In support, C5 relies on *Dudnikov v. Chalk & Vermilion Fine Arts, Inc.*, 514 F.3d 1063 (10th Cir. 2008). In *Dudnikov*, plaintiffs used eBay to schedule an auction of prints which defendants believed infringed their copyrights. *Id.* at 1067. Defendants sent a notice of copyright infringement to eBay in California, and eBay cancelled the auction. *Id.* Though the notice “formally traveled only to California,” we held it was still “an intended means to the further intended end of cancelling plaintiffs’ auction in Colorado.” *Id.* at 1075. Because defendants’ “express aim” was to “halt a Colorado-based sale by a Colorado resident,” we found jurisdiction over defendants to be proper. *Id.* at 1075–76.

Dudnikov is distinguishable from the facts here. Unlike the single Colorado-based auction at issue in *Dudnikov*, C5 points to no particular sale or transaction in Colorado that was disrupted by CeramTec’s actions in France. Rather, C5 claims that customers

declined to place orders for C5's products after the seizure. Because C5's products are manufactured in Colorado, the "brunt of the harm" to C5's "bottom line and reputation" occurred in Colorado. Aple. Br. at 61. But merely interacting with a plaintiff "known to bear a strong connection to the forum state" is not enough to establish jurisdiction.

Rockwood Select Asset Fund XI (6)-I, LLC v. Devine, Millimet & Branch, 750 F.3d 1178, 1180 (10th Cir. 2014) (citing *Walden v. Fiore*, 571 U.S. 277, 284 (2014)). C5 has not made a prima facie case that CeramTec's seizure was intended to do anything more than stop C5's immediate marketing efforts in France, that is, outside the forum. See *Campbell Pet Co. v. Miale*, 542 F.3d 879, 887 (Fed. Cir. 2008) (finding personal jurisdiction where private enforcement efforts took place in forum state).

Nor is CeramTec's cease-and-desist letter a proper basis for jurisdiction. First, we agree with the Federal Circuit that a single cease-and-desist letter is insufficient to confer jurisdiction in a declaratory judgment action like this one. *Inamed Corp. v. Kuzmak*, 249 F.3d 1356, 1361 (Fed. Cir. 2001) ("We have . . . repeatedly held that the sending of an infringement letter, without more, is insufficient to satisfy the requirements of due process when exercising jurisdiction over an out-of-state patentee."); *Red Wing Shoe Co. v. Hockerson-Halberstadt, Inc.*, 148 F.3d 1355, 1361 (Fed. Cir. 1998). Acknowledging this, C5 argues that CeramTec did more than issue a single cease-and-desist letter.

However, we have already determined that neither CeramTec's seizure in France nor its promotional efforts in Colorado support a claim of personal jurisdiction. Because C5 has failed to allege sufficient activities in addition to the cease-and-desist letter, we conclude

the district court's exercise of personal jurisdiction over CeramTec was improper. We do not, therefore, reach the merits of C5's claims.

III.

For the reasons stated above, we REVERSE the district court's denial of CeramTec's motion to dismiss for lack of personal jurisdiction and REMAND with instructions that the case be dismissed.