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**STATE OF MINNESOTA
IN COURT OF APPEALS
A17-0968**

St. Jude Medical, Inc.,
Appellant,

vs.

Heath Carter, et al.,
Respondents.

**Filed September 17, 2018
Affirmed
Bjorkman, Judge**

Hennepin County District Court
File No. 27-CV-15-21203

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Considered and decided by Bjorkman, Presiding Judge; Reyes, Judge; and Bratvold,
Judge.

UNPUBLISHED OPINION

BJORKMAN, Judge

Plaintiff-appellant challenges the award of costs and disbursements, arguing that the district court abused its discretion by determining that defendants-respondents are the prevailing parties in this contract dispute. We affirm.

FACTS

Appellant St. Jude Medical, Inc. sued respondents, former employee Heath Carter and Boston Scientific Corporation, for breach of the noncompete provision in Carter's employment contract. Following trial, the jury determined Boston Scientific did not interfere with the contract and Carter breached the noncompete agreement, but awarded no damages for the breach. The district court denied St. Jude's request for injunctive relief. Both sides petitioned for costs and disbursements, each claiming to be the prevailing party for purposes of Minn. Stat. §§ 549.02, .04 (2016). The district court determined that Carter and Boston Scientific prevailed and awarded them \$16,257.85 in costs and disbursements. St. Jude separately appealed both the merits and, in this appeal, the denial of its claim for costs and disbursements.

This court reversed and remanded in the merits appeal, after concluding that the remedies provision of the noncompete agreement contemplates injunctive relief. *St. Jude Med., Inc. v. Carter*, 899 N.W.2d 869, 875 (Minn. App. 2017), *rev'd in part*, 913 N.W.2d 678 (Minn. 2018). The supreme court granted further review, and we stayed this appeal. On June 27, 2018, the supreme court issued its opinion, holding that the remedies provision of the noncompete agreement does not compel the district court "to conclude that the requirements for issuance of an injunction had been met." *St. Jude Med., Inc. v. Carter*, 913 N.W.2d 678, 684 (Minn. 2018). And the supreme court further concluded that the district court did not abuse its discretion by declining to grant a permanent injunction because St. Jude had not established irreparable harm. *Id.* at 686. This court subsequently dissolved the stay and accepted supplemental briefing in this costs appeal.

DECISION

When a judgment or dismissal is entered in a party's favor, the district court "shall" award that party its costs. Minn. Stat. § 549.02, subd. 1. Likewise, "the prevailing party . . . shall be allowed reasonable disbursements paid or incurred." Minn. Stat. § 549.04, subd. 1. A district court has discretion to identify the prevailing party, *Benigni v. County of St. Louis*, 585 N.W.2d 51, 54-55 (Minn. 1998), and an appellate court applies an abuse-of-discretion standard in reviewing awards of costs and disbursements, *HNA Props. v. Moore*, 848 N.W.2d 238, 242 (Minn. App. 2014). See *Ernster v. Scheele*, 895 N.W.2d 262, 265 (Minn. App. 2017) (stating that the district court decides "which party, if any, qualifies as a prevailing party" (quotation omitted)).

"The prevailing party in any action is one in whose favor the decision or verdict is rendered and judgment entered." *Borchert v. Maloney*, 581 N.W.2d 838, 840 (Minn. 1998); see *Elsenpeter v. St. Michael Mall, Inc.*, 794 N.W.2d 667, 673 (Minn. App. 2011) (stating that the determination of the prevailing party must include consideration of the general result and who succeeded under the law). District courts take a practical approach to determining the prevailing party, considering both "success on the merits" and entitlement to relief. *O'Brien v. Dombeck*, 823 N.W.2d 895, 902 (Minn. App. 2012) (stating that the prevailing-party determination "depends on a pragmatic analysis that takes into account the plaintiff's success on the merits and recovery of damages").

The record demonstrates that Boston Scientific prevailed on the tortious-interference-with-contract claim because the jury returned a verdict adverse to St Jude. And while St. Jude proved that Carter breached the noncompete agreement, St. Jude

received neither money damages nor injunctive relief flowing from the breach.¹ We are not persuaded that a party that proves one element of a breach-of-contract claim has, as a practical matter, prevailed on that claim. Indeed, this court rejected a similar argument in *Luna v. Zeeb*, 633 N.W.2d 540, 543-44 (Minn. App. 2001), in holding that a motor-vehicle accident victim who proved the defendant driver was negligent but recovered no damages because of the no-fault thresholds was not the prevailing party. *See also Hewitt v. Helms*, 482 U.S. 755, 760, 107 S. Ct. 2672, 2675 (1987) (stating that in order to prevail, “a plaintiff [must] receive at least *some relief* on the merits of his claim” (emphasis added)); *Bachovchin v. Stingley*, 504 N.W.2d 288, 290 (Minn. App. 1993) (holding that a motor-vehicle buyer was not “injured” for purposes of entitlement to statutory costs and disbursements for violation of a mileage disclosure statute, because the jury awarded no damages to the buyer).

Likewise here, the jury ruled in St. Jude’s favor on the element of breach, but St. Jude obtained no monetary or other relief. We conclude that the district court did not abuse its discretion in determining that St. Jude is not the prevailing party and therefore not entitled to costs and disbursements. Because we agree with the district court that respondents prevailed in this action, and because St. Jude does not challenge the amount awarded for respondents’ costs and disbursements, we affirm.

Affirmed.

¹ St. Jude contends in its supplemental brief that Carter’s breach entitles it to recover attorney fees, which would make it the prevailing party. Because this issue was not before the district court, it is outside the scope of our review. *See Thiele v. Stich*, 425 N.W.2d 580, 582 (Minn. 1988) (stating that appellate court does not generally address matters not presented to and considered by district court).