

Keywords: obviousness framework; subjective preference; teaching away

General: A “subjective preference” analysis is not a framework for analyzing obviousness of claims and may not be used to disregard “teaching away” evidence.

Polaris Industries, Inc. v. Arctic Cat, Inc.

United States Court of Appeals for the Federal Circuit

No. 2016-1807, 2016-2280

Decided: February 9, 2018

I. Background

Polaris Industries, Inc. (“Polaris”) owns U.S. Patent No. 8,596,405 (“the ’405 patent”), which is directed to all-terrain vehicles (“ATVs”) having at least two seats arranged side-by-side. The specification of the ’405 patent teaches an ATV having a low center of gravity. *See* ’405 patent, col. 4, lines 24-28. For example, the specification discloses having a ratio of wheelbase to seat height greater than about 6.0 to 1.0 and positioning various relatively heavy components vertically proximate the frame to lower the vehicle’s center of gravity. *See id.* at col. 4, lines 24-28; col. 5, lines 23-26.

Arctic Cat, Inc. (“Arctic Cat”), after being sued for infringing claims of the ’405 patent in district court, filed two petitions for *inter partes* review, challenging the patentability of the claims of the ’405 patent as obvious in view of combinations of certain prior art references, including U.S. Patent Nos. 7,658,258 (“Denney”), 5,327,989 (“Furuhashi”), and 3,709,314 (“Hickey”).

The Board issued two Final Written Decisions¹ in response to the petitions. In the 1427 Decision, the Board determined that all thirty-eight claims of the ’405 patent were obvious in view of Denney and Furuhashi. In the 1428 Decision, the Board determined that Arctic Cat had not shown that the claims of the ’405 patent were obvious over combinations including Hickey. Polaris appealed the 1427 Decision, and Arctic Cat conditionally cross-appealed the 1428 Decision.

On appeal, Polaris contested the 1427 Decision on multiple grounds. Regarding claims 17-19, Polaris contended, *inter alia*, that the Board improperly rejected its evidence that Denney teaches away from claims 17-19 of the ’405 patent. Claims 18 and 19 depend from claim 17, which recites:

17. The all-terrain vehicle of claim 16, further comprising a fuel tank, the spaced-apart seating surfaces including a driver seating surface and a passenger seating surface, the fuel tank being positioned below one of the seating surfaces.

¹ *See Arctic Cat, Inc. v. Polaris Indus., Inc.*, No. IPR2014- 01427, 2016 WL 498434 (P.T.A.B. Feb. 4, 2016) (1427 Decision); *Arctic Cat, Inc. v. Polaris Indus., Inc.*, No. IPR2014-01428, 2016 WL 498539 (P.T.A.B. Feb. 4, 2016) (1428 Decision)

II. Issues:

- 1) Did the Board properly consider Polaris's evidence that Denney "teaches away" from claims 17-19 and apply a correct test or framework in determining obviousness?

III. Discussion

No. The court determined that the Board erred in failing to consider Polaris's uncontested evidence that that Denney "teaches away" from claims 17-19 in evaluating whether persons of skill in the art would have been motivated to modify Denney to meet the limitations of claims 17-19. Further the court determined that the Board applied an incorrect test or framework in determining obviousness.

Denney discloses that it would be advantageous to combine the attractive features of the lower center of gravity vehicles with the attractive features of the shorter wheelbase. However, Denney discloses that by raising the occupancy area of an ATV, the center of gravity of the ATV is also raised. Claim 17 generally recites a fuel tank being positioned below one of the seating surfaces. Polaris introduced undisputed evidence that placing a fuel tank underneath one of Denney's seats would have required significantly raising the occupancy area. Thus, Polaris argued Denney "teaches away" from claims 17-19.

In the 1727 IPR, the Board appeared to ignore the "teaching away" evidence presented by Polaris in reaching the conclusion that claims 17-19 were obvious. The Board simply stated that the assertions were unpersuasive for the same reasons as set forth for independent claim 1. In this earlier analysis, the Board asserted "that an obviousness analysis should focus on whether a modification is known to implement and has known benefits." 1427 Decision, 2016 WL 498434, at *15. Further, the Board stated that "one of ordinary skill has the ability to weigh the various benefits and disadvantages based on subjective preferences." *Id.*

In response, the court stated that they have never articulated a framework for analyzing whether claims would have been obvious that includes the phrase "subjective preference" or that permits a tribunal to wholly disregard the significance of prior art teachings based on such a characterization. The court further went on to describe three problems with the "subjective preference" analysis. First, subjective preferences invite hindsight bias. Second, "subjective preferences" focuses on what a skilled artisan would have been able to do, rather than what a skilled artisan would have been motivated to do at the time of the invention. Third, "subjective preferences" encourages the fact-finder to outright discard evidence relevant both to "teaching away" and to whether skilled artisans would have been motivated to combine references.

IV. Conclusion

The Board must analyze teaching away under the framework that case law has articulated to determine whether statements in the prior art merely expresses a general preference for an embodiment or whether the prior art teachings "criticize, discredit, or otherwise discourage" an embodiment.