

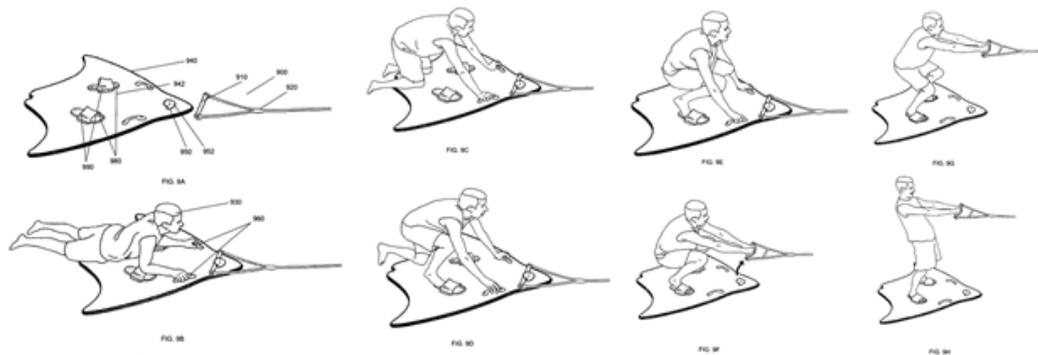
Keywords: Obviousness; objective indicia of non-obviousness; *Graham* factors

General: A weak showing of both long-felt but unresolved need and copying cannot overcome a strong showing of obviousness set forth by predictable use of prior art elements according to established functions.

ZUP, LLC v. Nash Mfg., Inc.
 No. 2017-1601 (Fed. Cir. 2018)
 Decided July 25, 2018

I. Facts

Glen Duff, Chief Innovative Officer of ZUP, LLC (“ZUP”), is a co-inventor of U.S. Patent No. 8,292,681 (the ‘681 patent). The ‘681 patent claims a wake-board and a method of riding the wake-board, in which a rider simultaneously uses side-by-side handles and side-by-side foot bindings to help maneuver between various riding positions. The claimed method of transitioning on the wake-board is shown below.



After grant of the patent in 2012, ZUP introduced the “ZUP Board” to the market. In 2013, Nash Manufacturing, Inc. (“Nash”) and ZUP discussed a potential joint manufacturing venture for the ZUP board. After these discussions fell through, Nash brought its own “Versa Board” to market. The Versa Board had several holes on the top surface of the board that allowed users to attach handles or foot bindings in various configurations, but Nash warned its users against having the handles attached to the board while standing. If a user theoretically ignored Nash’s warnings, the user could attach the handles and foot bindings in a configuration that paralleled the method of riding that ZUP described in the ZUP Board patent.

ZUP filed an infringement claim against Nash. Nash counterclaimed, seeking a declaration of non-infringement and invalidity on grounds of obviousness. ZUP presented evidence of secondary considerations to the district court, including long-felt but unresolved need and copying. Despite these considerations, in a summary judgement, the district court found the claims of the ‘681 patent obvious in light of a combination of six prior patents involving water recreational boards. That is, the district court found that all the elements of the claimed invention existed in the prior art, including: a riding board, a tow hook, handles, foot bindings, and a plurality of rails on the bottom surface of the riding board. The district court then concluded that one of ordinary skill in the art would have been motivated to combine the various elements from the prior art references “to aid in rider stability, to allow a wide variety of users to enjoy the device, and to aid users in maneuvering between positions on a water board.” Accordingly, the district court rendered ZUP’s contributory and induced infringement claims moot. ZUP appealed this decision to the Federal Circuit.

II. Issues

- 1) Would a person of ordinary skill in the art have been motivated to combine the prior art references in the way claimed in the '681 patent?
- 2) Did the district court properly evaluate ZUP's evidence of secondary considerations?

III. Discussion

1) Yes. In a split decision, the court affirmed the district court's holding that the ZUP Board patent claims were invalid as obvious under § 103(a) because a person of ordinary skill in the art would have had a motivation to combine the well-known elements of the prior art to solve a longstanding goal. All parties agreed with the content of the prior art, and novelty of the ZUP board was not disputed. However, in view of evidence regarding the consistent desire for riders to change positions while riding water recreational boards, and given that the elements of the '681 patent were used in the prior art for this purpose, the court stated that there is "no genuine dispute as to the existence of a motivation to combine."

2) Yes. The court also held that the district court properly evaluated ZUP's evidence of secondary considerations, as set forth by the Supreme Court in *Graham v. John Deere Co.*, 383 U.S. 1 (1966). The *Graham* factors include (1) the scope and content of the prior art, (2) the difference between the prior art and the claimed invention, (3) the level of ordinary skill in the art, and (4) secondary considerations.

With reference to the secondary considerations of long-felt but unresolved need and copying presented by ZUP, the court first disagreed with ZUP's demonstrations of the existence of a long-felt but unresolved need for a water recreation device that eases the process of achieving a standing position. In particular, the court cited a previous decision, noting that "[w]here the differences between the prior art and the claimed invention are as minimal as they are here, however, it cannot be said that any long-felt need was unsolved." *Geo. M. Martin Co. v. All. Mach. Sys. Int'l LLC*, 618 F.3d 1294, 1304–05 (Fed. Cir. 2010). With respect to the alleged copying, the court noted that although Nash obtained a sample product from ZUP during initial discussions, for the Nash's Versa Board to resemble the claimed invention, a user would need to ignore Nash's instructions on how to use the Versa Board—instructions that specifically discourage users from keeping the handles attached to the board while standing.

In summary, the court concluded that the weak evidence of secondary considerations presented by ZUP simply cannot "overcome" the strong showing of obviousness established by application of the other three *Graham* factors to the facts of the case. See *Ohio Willow Wood Co. v. Alps S., LLC*, 735 F.3d 1333, 1344 (Fed. Cir. 2013) ("[W]here a claimed invention represents no more than the predictable use of prior art elements according to established functions, as here, evidence of secondary indicia are frequently deemed inadequate to establish non-obviousness."). The court affirmed.

IV. Conclusion

In this decision, the court notes that weak evidence of secondary considerations cannot overcome a strong showing of obviousness. Although ZUP presented arguments and evidence regarding long-felt but unresolved need and copying, the court stated this evidence was insufficient to combat obviousness in view of well-known elements of the prior art combined to solve a longstanding goal.

V. Dissent

Judge Newman dissented, arguing that the obviousness determination presented by the majority was improper because the prior patents never suggested the specific wakeboard modifications claimed by ZUP. In particular, Judge Newman noted that Duff's realignment of known elements in a crowded field, achieving benefits not previously achieved, weighs against obviousness.

Moreover, Judge Newman argued that the majority improperly treated the fourth *Graham* factor of secondary considerations as a rebuttal factor, rather than an integral aspect of the obviousness analysis that must be considered in combination with the other *Graham* factors. By stating that the secondary considerations must "overcome" the others, Judge Newman contended that the majority engaged in improper judicial hindsight.

In December 2018, ZUP petitioned the Supreme Court for writ of certiorari, asking for confirmation regarding whether secondary considerations are properly relegated to rebuttal evidence.