

ZUP, LLC v. NASH MANUFACTURING, INC., Appeal No. 2017-1601 (Fed. Cir. July 25, 2018). Before Prost, Newman, and Lourie. Appealed from E.D. Virginia (Judge Hudson).

Background:

ZUP and Nash are competitors in the water recreational device industry. ZUP was granted a patent for a water recreational board that simultaneously contains, among other things, side-by-side handles and side-by-side foot bindings. Having these features increased the stability of a rider when changing positions on the board.

ZUP sued Nash for contributory and induced infringement. Nash's board did not literally infringe ZUP's board, but a user could configure Nash's board in a way that infringed.

The district court, on summary judgment, agreed with Nash that ZUP's patent was invalid for obviousness, and that ZUP's evidence of secondary considerations was insufficient to rebut the strong showing of obviousness.

Issue/Holding:

Is ZUP's patent invalid for obviousness? Yes, affirmed.

Discussion:

ZUP argued that the goal of its patent is to increase the stability of a rider when changing positions on the board. ZUP also admitted that the "age-old" motivation in this particular field of art is increasing rider stability, which is the purpose of each of the prior art elements incorporated into ZUP's invention. The Federal Circuit concluded that, because the elements of the prior art were being used in ZUP's claims for their established purpose of increasing rider stability, there is no genuine dispute as to the existence of a motivation to combine the prior art elements. The Federal Circuit acknowledged that the references do not teach the simultaneous use of each of the prior art elements. However, the Federal Circuit concluded that ZUP's use of the same elements for their intended purpose is simply the predictable use of prior art elements according to their established functions.

ZUP's secondary considerations of a long-felt but unresolved need and copying were insufficient to rebut the obviousness conclusion. The Federal Circuit concluded that ZUP's expert testimony of a general frustration for over 50 years that no product existed that enabled the "weakest" and "most athletically challenged" members of the boating community to ski or wakeboard, coupled with Defendant's previous statements that ZUP had a "great product," did not establish a long-felt but unresolved need. The Federal Circuit found that the differences between the claimed invention and the prior art were minimal, and that the evidence showed that ZUP was not the first to achieve the goal of achieving rider stability when transitioning positions.

The Federal Circuit also found ZUP's evidence of copying unpersuasive because for Nash's board to infringe, a user would need to ignore Nash's warnings not to have handles attached to the board while standing.

In her dissent, Judge Newman argued that the majority opinion is a textbook example of an impermissible hindsight analysis, which uses the inventor's teachings as a template to render the invention obvious.