

## ***Volvo Penta of the Americas, LLC v. Brunswick Corp.*, 81 F.4th 1202 (Fed. Cir. 2023) (Moore, Lourie, Cunningham)**

BY TREY POWERS

Volvo Penta appealed from a Board decision finding all of its claims unpatentable as obvious. The claims at issue covered a tractor-type stern drive for a boat. Volvo Penta raised three main issues on appeal, arguing (1) that the Board's finding of a motivation to combine was not supported by substantial evidence; (2) that the Board erred in determining that there was no nexus between the claims and the objective evidence of nonobviousness; and (3) that the Board erred in its consideration of Volvo Penta's evidence of objective indicia of nonobviousness.

The Federal Circuit vacated and remanded. As to motivation to combine, the court found the Board's decision was supported by substantial evidence. Volvo Penta argued that the Board had "ignored a number of assertions in its favor," but the court found that the Board had sufficiently addressed and supportably rejected each of them. The court did conclude that the Board's reliance in its motivation-to-combine analysis on corporate testimony from Volvo Penta was error because the corporate representative was not a person of ordinary skill in the art, but it deemed the error harmless because the Board's ultimate finding was nonetheless supported by substantial evidence.

Turning to the issue of nexus, the court first addressed Volvo Penta's arguments regarding a presumption of nexus. A presumption of nexus, the court explained, attaches when the patent owner sufficiently shows that the asserted objective evidence is tied to a specific product that "embodies the claimed features and is coextensive with them." Additionally, even if a patent owner is not entitled to a presumption of nexus, it may still demonstrate a nexus for the purpose of objective indicia of nonobviousness by establishing that the objective evidence is the direct result of the unique characteristics of the claimed invention.

The court found that that Volvo Penta did not provide sufficient argument on co-extensiveness to establish entitlement to a presumption of nexus. The court concluded, however, that Volvo Penta demonstrated a nexus even absent a presumption because it sufficiently argued that the "inventive combination" of the claimed features accounted for the objective evidence of nonobviousness it presented. For example, the court found that Volvo Penta was clear in its briefing during the IPR that the inventive (and claimed) arrangement of a "steerable tractor-type drive" was responsible for the evidence of industry praise and also the subject of Brunswick's copying.

Finally, having found a sufficient nexus, the court went on to critique the Board's evaluation of Volvo Penta's objective evidence of nonobviousness. The Federal Circuit found the Board's final written decision "overly vague and ambiguous." For example, when considering copying evidence, the Board found evidence that Brunswick copied. However, in its decision, the Board simply stated that copying evidence was afforded "some weight" but did not further explain. The Federal did not consider this satisfactory. The court made similar findings for Volvo Penta's uncontested evidence of commercial success, which was only afforded "some weight" by the Board—a conclusion the Federal Circuit regarded as inadequately explained.

Regarding long-felt but unsolved need, the court found the Board failed to adequately consider the evidence. For example, the Board dismissed certain evidence as merely describing the benefits of the product without indicating a long-felt problem that others had failed to solve. But the Federal Circuit determined that this understanding was not supported by substantial evidence and was directly contradicted by evidence that actually identified a long-felt need for the claimed invention.

The Federal Circuit also addressed the Board's concluding remark that Volvo Penta's objective evidence was outweighed by Brunswick's "strong evidence" of obviousness. The court noted that the Board's finding that certain objective factors (copying, praise, and commercial success) were entitled to some weight could potentially be *summed* to afford, collectively, greater weight, which the Board did not address or appear to consider. Accordingly, the Federal Circuit vacated the Board's decision and remanded for further proceedings.



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