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Federal Circuit Vacates and Remands PTAB Decision for Vaguely and Ambiguously Weighing Secondary Considerations

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On August 24, 2023, the U.S. Court of Appeals for the Federal Circuit reversed and remanded the Patent Trial and Appeal Board's decision in Volvo Penta of the Americas, LLC v. Brunswick Corporation, finding the Board failed to adequately analyze and weigh the secondary considerations identified by Volvo.

Volvo owns U.S. Patent No. 9,630,692 ("692 Patent"), a patent related to a boat motor configuration that increases the distance between the propeller and swimmers in the water.[i] In 2015, Volvo launched its commercial embodiment of the '692 Patent, the Forward Drive.[ii] In August 2020, Brunswick launched its own product, the Bravo Four S, and petitioned for *inter partes* review of all '692 Patent claims on the same day.[iii]

The Board instituted Brunswick's petition.[iv] Volvo submitted evidence of objective indicia of non-obviousness, but the Board nevertheless found the challenged claims unpatentable as obvious.[v]

Volvo appealed to the Federal Circuit.

The panel considered whether there was a nexus between the claims and Volvo's objective indicia evidence. It affirmed that Volvo was not entitled to a presumption of nexus given its insufficient allegations of coextensiveness—which, as the Board identified, amounted to a "single, conclusory sentence and one-paragraph citation".[vi] Independent of a presumed nexus, the panel found Volvo had nonetheless presented sufficient evidence of a nexus and held the Board's contrary determination was unsupported by substantial evidence.[vii]

The panel also evaluated whether the Board properly conducted a "reasoned, collective weighing of [Volvo's] evidence of secondary considerations".[viii] Though the Board considered certain factors—including evidence of copying, commercial success, industry praise, and long-felt but unresolved need—the panel found the Board's analysis was "overly vague and ambiguous".[ix] The panel critiqued the Board's assignment of "some weight" to the clear evidence of copying, noting that copying is typically strong evidence of nonobviousness.[x] The panel similarly disagreed with the

Board's assignment of only "some weight" to evidence of commercial success given the lack of evidence otherwise detracting from the same,[xi] as well as the same weight given to industry praise.[xii] Despite uniformly affording these factors the same "some weight," the Board failed to explain "why it gave these three factors the same weight, or even whether or not that constituted precisely the same weight".[xiii]

The panel further addressed the Board's ultimate summation of weight afforded to the factors. While the Board found that "Brunswick's strong evidence of obviousness outweighs the Patent Owner's objective evidence of nonobviousness", it failed to explain its conclusion.[xiv] The panel held:

The Board does not discuss the summation of the factors at all other than to say, without explanation, that they collectively "weigh[] somewhat in favor of nonobviousness". That is not sufficient to sustain its determination.[xv]

The panel vacated and remanded the Board's decision, instructing the Board to reevaluate the totality of the evidence of obviousness in relation to the secondary considerations in view of its guidance.[xvi]

Footnotes:

[i] *Volvo Penta of the Americas, LLC v. Brunswick Corporation*, No. 2022-1765, at *4 (Fed. Cir. Aug. 24, 2023).

[ii] *Id.* at *3.

[iii] *Id.* at *4. *See also Brunswick Corp. v. Volvo Penta of the Ams., LLC*, IPR2020-01512, 2022 WL 1153453 (P.T.A.B. Mar. 3, 2022) (hereinafter, the "PTAB Decision").

[iv] *Volvo Penta of the Americas, LLC v. Brunswick Corp.*, No. 2022-1765, at *4.

[v] *Id.* at *6 (citing PTAB Decision at *34).

[vi] *Id.* at *12 (citing PTAB Decision at *27).

[vii] *Id.* at *13-14.

[viii] *Id.* at *15.

[ix] *Id.*

[x] *Id.* at *15-16.

[xi] *Id.* at *16-17.

[xii] *Id.* at *17.

[xiii] *Id.*

[xiv] *Id.* at *19.

[xv] *Id.* at *19-20 (quoting PTAB Decision at *34).

[xvi] *Id.* at *20.

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