

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO.: 08-81579-CIV-HURLEY/HOPKINS

WOODROW WOODS, et al.,

Plaintiffs,

vs.

DEANGELO MARINE EXHAUST, INC.,

Defendant.

ORDER DENYING DEFENDANT'S MOTION FOR SUMMARY JUDGMENT

THIS CAUSE is before the court upon defendant's motion for summary judgment [DE # 34]. For the reasons given below, the court will deny the motion.

BACKGROUND

This suit asserts a claim for patent infringement in violation of 35 U.S.C. § 271, et seq. In resolving the motion, the court has viewed the record evidence in the light most favorable to the plaintiff as the non-moving party. *See Fennell v. Gilstrap*, 559 F.3d 1212, 1216 (11th Cir. 2009).

The relevant history of this case involves three patent applications, two maturing into a patent and the other being abandoned. The applications sought patents for innovations regarding water jacketed exhaust pipes for marine exhaust systems. The innovations suggest, *inter alia*, an inward tapering of a marine exhaust pipe to prevent overheating and to prevent water from flowing through the pipe into the engine, a result that can cause corrosion and engine failure.

Plaintiffs first filed patent application No. 08/419,097 ('097 application) on April 10, 1995. On December 29, 2005, before the patent office responded substantively to the '097 application,

plaintiffs filed application No. 08/580,548 ('548 application) as a continuation-in-part of the '097 application.¹ The '548 application broadened the claims and disclosures of the '097 application. On December 15, 1997, plaintiffs filed a second continuation-in-part application, No. 08/990,821 ('821 application), which included additional drawings, disclosures, and claims.

After filing the '548 application, plaintiffs decided to take no further action on the '097 application. On July 1, 1996, the patent office issued an office action rejecting all claims of the '097 application as being clearly anticipated by the prior art. Plaintiffs, having decided to pursue the '548 application instead of the '097 application, did not respond to the patent office's office action. The patent office rejected the '097 application on January 31, 1997.

On April 15, 1997, the patent office issued an office action approving twelve claims in the '548 application and rejecting the other eight on grounds of indefiniteness. Plaintiffs amended two of the eight rejected claims, and dropped the other six claims. On April 21, 1998, the patent office issued patent No. 5,740,670 ('670 patent) for the '548 application.

On April 1, 1999, the patent office issued an office action approving two claims in the '821 application and rejecting the other nineteen. The patent office explained that the rejected claims were "clearly anticipated" by previously issued patents. Plaintiffs responded not by contesting the patent office's findings, but by amending the three independent claims and by adding three new claims. On August 16, 1999, the patent office issued patent No. 6,035,633 ('633 patent) for the '821 application.

¹ "A continuation-in-part application is just what its name implies. It partly continues subject matter disclosed in a prior application, but it adds new subject matter not disclosed in the prior application. Thus, some subject matter of a CIP application is necessarily different from the original subject matter." *Univ. of W. Va., Bd. of Trs. v. VanVoorhies*, 278 F.3d 1288, 1297 (Fed. Cir. 2002)

On December 31, 2008, plaintiffs filed this action claiming patent infringement under 35 U.S.C. § 271, et seq. The complaint alleges that the defendant has made, used, and sold water jacketed exhaust pipes for marine engines that infringe upon plaintiffs' patents. Plaintiffs seek treble damages as well as declaratory and injunctive relief for claimed violations of United States Patent Laws.

JURISDICTION

This court has jurisdiction over this action pursuant to 28 U.S.C. § 1331 because the complaint asserts a claim under 35 U.S.C. § 271.

Venue is proper in this district pursuant to 28 U.S.C. § 1391(a)(2) because a substantial part of the events or omissions giving rise to plaintiffs' claims occurred in the Southern District of Florida.

DISCUSSION

A. Standard of Review on Motion for Summary Judgment

Summary judgment is warranted if the pleadings, depositions, answers to interrogatories and admissions on file, together with the affidavits, if any, show that there is no genuine issue of material fact and that the moving party is entitled to judgment as a matter of law. *See* Fed. R. Civ. P. 56(c); *Celotex Corp. v. Cattrett*, 477 U.S. 317, 322 (1986). The moving party bears the burden of meeting this exacting standard. *See Adickes v. S.H. Kress & Co.*, 398 U.S. 144, 157 (1970). In determining whether summary judgment is appropriate, the facts and inferences from the record are viewed in the light most favorable to the non-moving party, and the burden is placed on the moving party to establish both the absence of a genuine issue of material fact and that it is entitled to judgment as a matter of law. *See Matsuhita Electric Industrial Co. v. Zenith Radio Corp.*, 475 U.S. 574, 586-87

(1986).

The non-moving party, however, bears the burden of coming forward with evidence of each essential element of his claims, such that a reasonable jury could return a verdict in his favor. *See Bailey v. Allgas, Inc.*, 284 F.3d 1237, 1243 (11th Cir. 2002). In response to a properly supported motion for summary judgment, “an adverse party may not rest upon the mere allegations or denials of the adverse party’s pleading, but . . . must set forth specific facts showing that there is a genuine issue for trial.” Fed. R. Civ. P. 56(e).

The existence of a mere scintilla of evidence in support of the non-movant’s position is insufficient; there must be evidence on the basis of which a jury could reasonably find for the non-movant. *See Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 252 (1986). A complete failure of proof concerning an essential element of the non-movant’s case necessarily renders all other facts immaterial and entitles the moving party to summary judgment. *See Celotex*, 477 U.S. at 323; *Gonzalez v. Lee County Housing Authority*, 161 F.3d 1290, 1294 (11th Cir. 1998).

The standard for summary judgment is the same in the patent context as in any other. Summary judgment may be granted only if, after viewing the alleged facts in the light most favorable to the non-movant, there is no genuine issue whether the accused device is encompassed by the claims. *See Novartis Corp. v. Ben Venue Laboratories, Inc.*, 271 F.3d 1043, 1054-55 (Fed. Cir. 2001). November 16, 2009

B. Defendant’s Motion for Summary Judgment

Defendant argues that all claims in plaintiffs’ ‘670 and ‘633 patents are obvious in light of the prior art and are thus invalid under 35 U.S.C. § 103(a).

“A patent may not be obtained . . . if the differences between the subject matter sought to be

patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.” 35 U.S.C. § 103(a). Obviousness is a question of law based on underlying findings of fact that must be proven by clear and convincing evidence. *See Graham v. John Deere Co. of Kansas*, 383 U.S. 1, 17 (1996); *In re DBC*, 545 F.3d 1373, 1377 (Fed. Cir. 2008); *Newell Cos. v. Kenney Mfg. co.*, 864 F.2d 757, 767 (Fed. Cir. 1998). Meeting the standard to invalidate a patent as obvious is “especially difficult when the prior art was before the PTO examiner during prosecution of the application.” *Hewlett-Packard Co. v. Bausch & Lomb*, 909 F.2d 1464, 1467 (Fed. Cir. 1990) (citations omitted).

The primary factors to be considered are the scope and content of the prior art; the differences between the prior art and the claims at issue; and the level of ordinary skill in the pertinent art. *Graham*, 383 U.S. at 17-18; *see also KSR Int’l Co. v. Teleflex, Inc.*, 550 U.S. 398, 407 (2007) (noting that the *Graham* factors “continue to define the inquiry that controls”). Secondary considerations such as “commercial success, long felt but unsolved needs, [and] failure of others” may also be relevant as indicia of nonobviousness. *See Commonwealth Scientific and Indus. Research Organisation v. Buffalo Technology (USA), Inc.*, 542 F.3d 1363, 1377 (Fed. Cir. 2008). As with other invalidity issues, obviousness must be examined on a claim-by-claim basis. *See Dayco Prods., inc. v. Total Containment, Inc.*, 329 F.3d 1358, 1370 (Fed. Cir. 2003).

Here, defendant argues that the prior art renders the claims in plaintiffs’ ‘670 and ‘633 patents obvious and, consequently, unenforceable. Because the patent examiner considered the asserted prior art before approving the ‘670 and ‘633 patents, defendant’s burden of proving obviousness by clear and convincing evidence is “particularly heavy.” *See Impax Labs., Inc. v.*

Aventis Pharma., Inc., 545 F.3d 1312, 1314 (Fed. Cir.2008). Defendant, however, has failed to submit an expert report analyzing the ‘633 and ‘670 patents and the prior art. Defendant has also failed to address in its motion the level of skill in the art, or to introduce any evidence on the issue.

The lack of expert evidence is significant. “What a prior art reference discloses or teaches is determined from the perspective of one of ordinary skill in the art.” *Sundance, Inc. v. DeMonte Fabricating Ltd.*, 550 F.3d 1356, 1361 (2008). Further, “[w]hether a patent claim would have been obvious in light of prior art references is determined from the perspective of one of ordinary skill in the art.” *Id.* Therefore, although expert testimony is not always required, such evidence would help the court properly assess the primary factors set forth in *Graham*. See *Rutherford Controls Int’l Corp. v. Alarm Controls Corp.*, 2009 WL 3423849, *9 (E.D. Va. Oct. 23, 2009) (denying summary judgment on issue of obviousness because defendants failed to introduce expert evidence, making it “impossible to determine whether or not a person skilled in the art” would find the patents at issue obvious over the prior art). Without the benefit of expert guidance from one skilled in the art, the court must evaluate the defendant’s motion for summary judgment with only attorney argument.

The court has nonetheless considered the defendant’s arguments and has compared the patents at issue to the asserted prior art. It is true, as the defendant argues, that the asserted prior art depicts marine exhaust systems having features that appear similar to the ‘633 and ‘670 patents. None of the prior art, however, appears to teach or suggest inward tapering of the exhaust system, an allegedly important innovation that prevents overheating and water migration into the engine. There are thus genuine issues of material fact as to whether the ‘633 and ‘670 patents improve upon the prior art, and therefore summary judgment is inappropriate.

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Moreover, the relevant objective indica of non-obviousness militate against a finding of invalidity on obvious grounds. According to the affidavit of Mr. Woods, products incorporating the '633 and '670 patents "have [been] met with substantial commercial success" and "fulfill long-felt unresolved needs in the market." Woods Aff., DE # 44, ¶ 12. Defendant has produced no contradictory evidence.

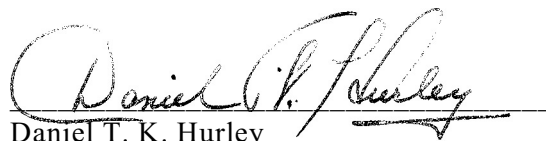
For these reasons, defendant has not proved by clear and convincing evidence that the prior art renders the claims in plaintiffs' '670 and '633 patents obvious. Summary judgment must therefore be denied on the issue of (non)obviousness.

CONCLUSION

For the foregoing reasons, it is hereby **ORDERED** and **ADJUDGED** that:

1. Defendant's motion for summary judgment [DE # 34] is **DENIED**.

DONE and **SIGNED** in Chambers in West Palm Beach, Florida, this 23rd day of November, 2009.



Daniel T. K. Hurley
U.S. District Judge

Copies provided to counsel of record