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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

WHITEWATER WEST INDUSTRIES,
LTD., a Canadian corporation,

Plaintiff,

v.

PACIFIC SURF DESIGNS, INC., a
Delaware corporation, and FLOW
SERVICES, a California corporation,

Defendants.

Case No.: 3:17-cv-01118

**ORDER DENYING DEFENDANTS’
MOTION FOR SUMMARY
JUDGMENT
(Dkt. No. 91)**

Now before the Court is the motion for summary judgment of Defendants Pacific Surf Designs (“PSD”) and Flow Services, Inc. (“Flow”). The motion is denied.

BACKGROUND

Plaintiff Whitewater West Industries, Ltd. (“Whitewater”) asserts that Defendants are infringing Patent No. 6,491,589 (“’589”), entitled “Mobile Water Ride Having Sluice Slide-Over Cover,” a patent generally relating to an artificial surfing water ride constructed for entertainment, often in a water park setting. The patent claims sheet-wave technology, in which a thin flow of water moves over a stationary surface at a high velocity, recreating something like an ocean wave in an enclosed system in which riders may surf. The ’589 patent allegedly improves on prior art by reducing the footprint of

1 the ride through shortening the transition surface between the water-injecting components
2 and the lower end of the ride surface. Importantly, the patent includes a cover over the
3 water-injecting components to prevent rider contact. The smaller size of the attraction
4 reduces manufacturing and shipping costs, allowing the ride to be installed in spaces
5 previously not possible, while improving rider performance and safety. The '589 patent
6 is embodied in the "FlowRider" line of products sold by Whitewater and its subsidiary
7 and licensee.

8 As mentioned elsewhere, the '589 patent has 57 total claims. Whitewater still
9 alleges that Defendants infringe at least claims 1, 3, 13, 15-17, 24-27, 29-38, 41-43, 50,
10 and 54-55 (the "Asserted Claims"). For example, Whitewater asserts that independent
11 claim 17 establishes that Defendants literally infringe at least one of the asserted claims.

12 Claim 17 recites:

13 17. A cover for a water ride sluice gate from which a flow of water jets out,
14 comprising a contoured flexible pad, a connector configured to removably
15 affix the cover to said sluice gate, a flexible tongue at a downstream end of
16 the cover, the tongue configured to extend over the water that jets from said
17 sluice gate, and a generally flat portion at an upstream end of the cover, said
tongue being urged downward against the flow of water jetting from said
sluice gate.

18 ('589 Patent, Claim 17).

19 PSD is Whitewater's competitor. By its motion, PSD claims the '589 patent is
20 invalid because of prior art embodied in the form of a wave ride at Hyland Hills,
21 Colorado, called the RetroRider. In fact, PSD asserts that this prior art "depicts exactly
22 what is claimed in the '589 patent," and predates the patent by several years.

23 **LEGAL STANDARD**

24 Summary judgment is appropriate when "after opportunity for discovery and upon
25 motion, there is no genuine dispute of material fact for trial and one party is entitled to
26 judgment as a matter of law." *Novartis Corp. v. Ben Venue Labs., Inc.*, 271 F.3d 1043,
27 1046 (Fed. Cir. 2001); Fed. R. Civ. P. 56(c). All facts must be viewed in the light most
28 favorable to the non-moving party, and all doubts must be resolved in the non-movant's

1 favor. *Helifix Ltd. v. Blok-Lok, Ltd.*, 208 F.3d 1339, 1345-46 (Fed. Cir. 2000). In this
2 case, discovery is ongoing.

3 DISCUSSION

4 “Patents are presumed valid, and the challenger bears the burden of establishing
5 invalidity.” *Rembrandt Diagnostics, LP v. Innovacon, Inc.*, No. 16-CV-00698-CAB-
6 NLS, 2018 WL 3707023, at *13 (S.D. Cal. Aug. 3, 2018) (quoting *Massachusetts Inst. of*
7 *Tech. v. Shire Pharm., Inc.*, 839 F.3d 1111, 1124 (Fed. Cir. 2016)).

8 Proving invalidity of a claim requires clear and convincing evidence. Defendants
9 correctly explain that deciding whether a claim is anticipated involves a two-step
10 analysis: the first step requires construing the claim, and the second step in the analysis
11 requires a comparison of the properly construed claim to the prior art. To anticipate a
12 claim “requires the presence in a single prior art disclosure of all elements of a claimed
13 invention arranged as in the claim.” *Finisar Corp. v. DirecTV Group, Inc.*, 523 F.3d
14 1323, 1334–35 (Fed. Cir. 2008) (quoting *Connell v. Sears, Roebuck & Co.*, 722 F.2d
15 1542, 1548 (Fed. Cir. 1983)).

16 “Anticipation is a question of fact, reviewed for substantial evidence when tried to
17 a jury.” *Finisar*, 523 F.3d at 1334. “Invalidity for anticipation . . . is a factual inquiry.”
18 *Gen. Elec. Co. v. Nintendo Co.*, 179 F.3d 1350, 1353 (Fed. Cir. 1999). However,
19 “[w]hile anticipation is a question of fact, it may be decided on summary judgment if the
20 record reveals no genuine dispute of material fact.” *Leggett & Platt, Inc. v. VUTEk, Inc.*,
21 537 F.3d 1349, 1352 (Fed. Cir. 2008) (quoting *Golden Bridge Tech., Inc. v. Nokia, Inc.*,
22 527 F.3d 1318, 1321 (Fed. Cir. 2008)). “In determining whether there is a genuine issue
23 of material fact, we view the evidence in the light most favorable to the party opposing
24 the motion, with doubts resolved in favor of the nonmovant.” *Id.* (citations omitted). In
25 determining whether a patent has been anticipated, courts look to see if a single prior art
26 reference describes every element of the claims asserted in the patent. *In re*
27 *Cyclobenzaprine Hydrochloride Extended-Release Capsule Patent Litig.*, 676 F.3d 1063,
28 1068–69 (Fed. Cir. 2012). A claim is anticipated when each and every limitation is found

1 either expressly or inherently in a single prior art reference. *King Pharm., Inc. v. Eon*
2 *Labs, Inc.*, 616 F.3d 1267, 1274 (Fed. Cir. 2010). Put differently, invalidity could be
3 shown where a method that infringes later, would anticipate, if earlier. *Upsher-Smith*
4 *Labs., Inc. v. PamLab, LLC*, 412 F.3d 1319, 1322 (Fed. Cir. 2005) (holding that a product
5 “which would literally infringe if later in time anticipates if earlier”). “In other words,
6 for a method that infringes later to anticipate if earlier, the infringing method and
7 anticipatory method *must be identical.*” *Phigenix, Inc. v. Genentech Inc.*, 238 F. Supp. 3d
8 1177, 1194 (N.D. Cal. 2017) (emphasis added). “Where there is a material dispute as to
9 the credibility and weight that should be afforded to conflicting expert reports, summary
10 judgment is usually inappropriate.” *Id.* (quoting *Crown Packaging Tech., Inc. v. Ball*
11 *Metal Beverage Container Corp.*, 635 F.3d 1373, 1384 (Fed. Cir. 2011)).

12 The salient issue for this inquiry is not one of timing. The Hyland Hills, Colorado
13 RetroRider product was built several years before date of the ‘589 patent. It is not
14 disputed that the Hyland Hills product was publicly used as a water entertainment
15 attraction. Instead, the salient issue is whether, based on the Hyland Hills product, there
16 is a genuine issue of material fact as to the anticipation of the invention described in the
17 patent. Defendants argue that it does, focusing on the claim language. Plaintiff focuses
18 on the obvious differences in the embodiments of the Hyland Hills design and the ‘519
19 design.

20 The Court finds that there are stark differences. There are differences in the
21 orientation of the flow and curves and the resulting entertainment experience for the
22 consumer/surfer/rider as between the older Hyland Hills RetroRider and the current Flow
23 Rider ‘589 embodiments. The RetroRider requires a rider to end the ride by going with
24 the water flow to the rear of the rider. Were the rider to go forward as far as one can go,
25 he or she would be met with a vertical wall. The vertical wall reaches well above the
26 upward curving flow surface. Below and behind this wall is the water flow nozzle. A
27 rider simply cannot ride over this area. The ‘589 FlowRider embodiment, on the other
28 hand, permits a rider to end the ride at either end. The rider may exit to the rear with the

1 water flow. Importantly, the rider may also exit the ride against the flow by riding
2 forward and riding over the top of the nozzle cover. The forward movement is not uphill
3 as in the RetroRider. The forward movement is relatively flat or horizontal and the water
4 flow emerges from an unseen nozzle covered by and protected by a cover and tongue.
5 These differences by themselves are sufficient to demonstrate that genuine issues exist so
6 as to require the anticipation theory be tried by a fact finder. In other words, because
7 PSD cannot demonstrate that the Hyland Hills device anticipates every element of the
8 asserted '529 claims by clear and convincing evidence, it is not entitled to summary
9 judgment of invalidity.

10 Some examples are helpful. Claim 1.B of the '589 patent specifies a nozzle cover
11 substantially covering the nozzle biased downward against the flow of water which
12 permits riders to ride over the nozzle without injury. For their strongest argument,
13 Defendants argue that the older RetroRider also has a nozzle cover that embodies these
14 elements. Def. Mem. of Ps. & As., at 4 (“The detailed drawing [of the RetroRider] . . .
15 depicts a 6” foam pad nozzle cover mounted directly on the face of the nozzle”), and 14
16 (“the nozzle pad in Hyland Hills is attached to the face of the nozzle”). But that is
17 inaccurate. The RetroRider has a “bumper pad.” The bumper pad is mounted vertically
18 on the vertical wall above the riding surface. The bumper pad is *not* mounted directly on
19 the face of the nozzle. Far from it. The nozzle is below, and behind, the vertical wall and
20 its bumper pad. The bumper pad touches neither the nozzle, nor the device that adjusts
21 the flow aperture, nor the water from the nozzle. It may or may not have a flexible
22 tongue, but on the RetroRider the bumper pad-tongue does not contact the surface flow of
23 the water ejected from the nozzle. It simply hangs down from the vertical wall face
24 above the water flow. Claim 1 requires that the flexible tongue be biased downward
25 “against the flow of water.” It is “urged downward to squeeze against the flow.” The
26 tongue pushes downward “to keep a light tension against the jetted water.” The bumper
27 pad of the older RetroRider, whether or not configured with an angled “tongue” does not
28 touch the flow of water. It does not ride against the water or squeeze against the flow. It

1 provides no tension against the jetted water. The jetted water, instead flows untouched,
2 unimpeded, and out of contact, through the space below the RetroRider bumper pad.

3 Defendants make much of the fact that the RetroRider bumper pad is made of
4 closed cell polyurethane foam core like the newer FlowRider. Def. Mem. of Ps. & As., at
5 6 and 16. But the significance is trivial. Mr. Lochtefeld, the designer, explained that the
6 material was chosen for its characteristic of not absorbing water like a sponge, something
7 open-celled polyurethane foam would do, and something unremarkable in a waterpark
8 attraction. See 117:22 – 118:7.

9 Defendants argue that the older RetroRider bumper pad is for the protection of the
10 rider, as is the nozzle cover in the ‘589 patent. Thus, they argue that it anticipates the
11 ‘589 patent. It is correct that in both cases riders are offered protection from injury by
12 contact with the hard edges of the nozzles. But the protection is achieved in markedly
13 different ways. In the RetroRider, the bumper pad does not come between the rider’s
14 head or limbs and the nozzle. Instead it reduces the likelihood of contact by physically
15 separating the rider from most of the area where contact can be made. On the newer
16 FlowRider, the cover and tongue lay on top of the nozzle. It is a slide-over sluice gate
17 cover. It provides a smooth surface for a rider to ride above and over the nozzle without
18 likelihood of contact. These differences demonstrate a genuine issue of material fact as
19 to anticipation of the ‘589 Claim 1.

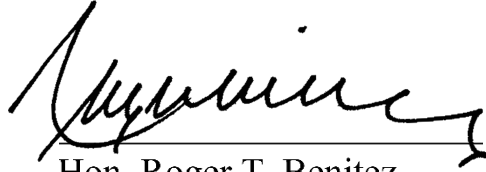
20 The Court finds that there are genuine issues of material fact as to whether the
21 Hyland Hills RetroRider public use expressly or inherently anticipates the asserted claims
22 of the ‘589 patent. When the evidence is viewed in a light most favorable to Whitewater,
23 there is enough evidence for a reasonable trier of fact to find that the public use in Hyland
24 Hills and the ‘589 patent are not identical. *E.g., Gen-Probe Inc. v. Beckon Dickinson and*
25 *Co.*, 899 F. Supp. 971, 982-83 (S.D. Cal. 2012) (denying summary judgment of
26 invalidity). There are genuine issues about whether the Hyland Hills prior art describes
27 every element of the claims asserted in the ‘589 patent. *In re Cyclobenzaprine*, 676 F.3d
28 at 1068-69.

CONCLUSION

Defendants' motion for summary judgment of invalidity is denied.

IT IS SO ORDERED.

Dated: September 27, 2018



Hon. Roger T. Benitez
United States District Judge

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