Post-KSR Decisions on Obviousness: Practical Implications for Patent Prosecution, Opinion and Enforcement Practice

MIPLA IP Law Revisions Roundtable
April 16, 2008
Greg H. Gardella
Presentation content prepared by John A. Dragseth & Greg Gardella
District court grants summary judgment of obviousness

Federal Circuit reverses unanimously, noting that “the best defense against the subtle but powerful attraction of a hindsight-based obviousness analysis is a rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references.”

Supreme Court reverses unanimously
KSR -- Supreme Court Holding

• Combination of known elements
  – “The combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.”
  – “[W]hen a patent ‘simply arranges old elements with each performing the same function it had been known to perform’ and yields no more than one would expect from such an arrangement, the combination is obvious.”

• Applying an improvement to a new device
  – “[I]f a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill.”
Supreme Court Holding (cont.)

- Apparent reason to combine
  - “Often, it will be necessary for a court to look to interrelated teachings of multiple patents; the effects of demands known to the design community or present in the marketplace; and the background knowledge possessed by a person having ordinary skill in the art, all in order to determine whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue.”
  - “Under the correct analysis, any need or problem known in the field of endeavor at the time of invention and addressed by the patent can provide a reason for combining the elements in the manner claimed.”
Pfizer, Inc. v. Apotex (Fed. Cir. 2007) (decision on en banc petition)

- REVERSES BENCH DECISION OF NONOBVIOUSNESS
- The claims related to amlodipine besylate, the active ingredient in the hypertension drug Norvasc.
- **Newman**: Emphasized that the panel had found the claims invalid for being obvious to try.
- **Lourie**: Emphasized the panel's failure to defer to fact findings by the trial court regarding unexpected properties of the compound, the panel's improper emphasis on the lack of functional superiority in the claimed compound, and the panel's improper reliance on the expectations of the inventors rather than the expectations of a hypothetical POSITA.
- **Rader**: Noted that three district courts had held the claims valid, that the area was unpredictable, and that the panel focused on the lack of therapeutic value in the invention when the compound had lots of other positive features such as manufacturability.
Pharmastem Therapeutics, Inc. v. Viacell, Inc. (Fed. Cir. 2007)

REVERSES JURY FINDING OF NONOBIousNESS

Invention: Storing and providing stem cord blood with enough hematopoietic cells so that one unit of blood will have an effect in an adult.

The prior art plainly showed and suggested such an approach.

Main issue: Reasonable expectation of success

“Scientific confirmation of what was already believed to be true may be a valuable contribution, but it does not give rise to a patentable invention.”

REVERSES BENCH FINDING OF NONOBVIOUSNESS

Invention: method of treating bacterial ear infections by putting antibiotic ofloxacin into the ear.

District court erred in determining that POSITA was a day-to-day doc rather than a drug developer dude

That error infected its Section 103 analysis because the district court had tossed one reference for being inapplicable (and that was also the only reason the patentee’s expert dismissed the reference)
Agrizap, Inc. v. Woodstream Corp. (Fed. Cir. 2008)

**REVERSED JURY VERDICT OF NON-OBVIOUSNESS**

“This is a textbook case of when the asserted claims involve a combination of familiar elements according to known methods that does no more than yield predictable results. The only difference between the Gopher Zapper and the asserted claims, as conceded by Agrizap, is the type of switch used to complete the circuit that triggers the generator. The asserted claims simply substitute a resistive electrical switch for the mechanical pressure switch employed by the Gopher Zapper.”

“In this case, the objective evidence of nonobviousness simply cannot overcome such a strong prima facie case of obviousness.”
Omegaflex, Inc. v. Parker-Hannifin
(Fed. Cir. 2007)

- VACATES SUMMARY JUDGMENT OF NONOBLVIOUSNESS
- The invention related to a "locating sleeve" for aligning flexible natural gas piping with pipe fittings.
- The Fed Cir faulted the district court for ignoring expert testimony that a POSITA would have recognized the importance of proper alignment, and would have had a reasonable expectation of success.
Syngenta Seeds, Inc. v. Monsanto Co.  
(Fed. Cir. 2007)

**AFFIRMS JURY FINDING OF OBVIOUSNESS**

**Invention:** a transgenic corn plant that expressed high levels of Bt protein by including a foreign DNA sequence with high G+C content.

**Jury found claims invalid for obviousness.**

**Prior art suggested such a structure and Fed Cir rejected Syngenta's argument that there was no reasonable expectation of success -- a question of fact.**

**The prior art included relevant teachings and explained that its teaches would extend beyond the disclosed tobacco plant. There was thus substantial evidence. Also, the jury was able to reject Syngenta's argument that there was an unexpected degree of success with the invention.**
Leapfrog Enters., Inc. v Fisher-Price (Fed. Cir. 2007)

- AFFIRMS BENCH DECISION OF OBVIOUSNESS
- Invention: an electronic phonetics reading device.
- “An obviousness determination is not the result of a rigid formula disassociated from the consideration of the facts of a case. Indeed, the common sense of those skilled in the art demonstrates why some combinations would have been obvious where others would not.”
- “Applying modern electronics to older mechanical devices has been commonplace in recent years.”
- “Given the strength of the prima facie obviousness showing, the evidence on secondary considerations was inadequate to overcome a final conclusion that claim 25 would have been obvious.”
Takeda Chem. Indus., Ltd. v. Alphapharm Pty., Ltd (Fed. Cir. 2007)

- AFFIRMS BENCH FINDING OF NON-OBVIOUSNESS
- Invention: antidiabetic compound.
- For a prima facie case, the law requires structural similarity AND support in the prior art for the change in structure (i.e., the “reason” from KSR).
- Dyk concurrence: He thought two broad claims were likely invalid
Frazier v. Layne Christensen Co. (Fed. Cir. 2007)

- AFFIRMS JMOL OF OBVIOUSNESS
- Invention: using a gas gun to create percussive waves in a well to remove impediments to water flow.
- Fairly fact-specific, but Federal Circuit did refer to the district court’s citation of “common sense”
- District court’s reference to “novelty” was not error when viewed in context
In re Icon Health & Fitness, Inc., slip op., 2007 WL 2189161 (Fed. Cir. Aug. 1, 2007)

**AFFIRMS PTO REJECTION FOR OBVIOUSNESS**

Invention: A folding treadmill having "a gas spring… to assist in stably retaining said tread base."

Prior art:
- (1) a plain folding treadmill and
- (2) a Murphy-style bed having a dual-acting spring.

Main issues were claim construction and whether the Murphy bed was analogous art.

This case does not seem too important to the KSR issue because that issue was really not part of the case, because the PTO gives such broad claim interpretations, and because the PTO receives great deference.
Technology Licensing Corp. v. Gennum Corp.,
No. 01-04204, 2007 WL 1319528, at *18 n.38 (N.D. Cal. May 4, 2007)

- After bench trial, court finds no infringement, but no invalidity either
- Invention: “synch separators” for processing composite video
- Defendant first raised the issue after trial, which killed the issue.

Smith & Nephew, Inc. v. Arthrex, Inc.,
No. 04-29, 2007 WL 1467228 (D. Or. May 17, 2007)

- Invention: resilient bone anchor
- Finds non-obviousness on summary judgment, mainly because S&N raised the issue and Arthrex did little or nothing to respond.

Abbott Labs. v. Sandoz, Inc.,
No. 05-5373, 2007 WL 1549498 (N.D. Ill. May 24, 2007)

- Court refuses to stay enforcement of preliminary injunction because of KSR.
- Even under KSR, neither piece of defendant’s prior art showed a particular claim limitation. Noted emphasis in KSR that finding scattered elements in the prior art does not make for an obviousness case.
- Patent related to BIAxin
- Patents found not obvious
- Invention: pioneer drug to treat gastrointestinal disorders

- Invention: Electronic transmission downshifting (when ABS is used)
- Finds independent claims anticipated and dependent claims obvious on summary judgment
- Even found “motivation”
- Patentee’s expert evidence had material gaps and was conclusory

Matter of Certain Foam Footwear (April 2008)
- Invention: Strap structure for Crocs shoes
- Claims found obvious
- Opinion/report not made public yet
Practical Implications for Prosecution

- Value of arguably overbroad claims continues to fall
  - Reexamination trends put these claims at risk
  - KSR has made matters worse
  - Deterrent effect of arguably overbroad claims will sometimes be modest to nonexistent

- Surgical, surgical, surgical
  - Such claims have always been the most valuable
  - Now there is a much bigger delta between the value of a surgical claim and the value of an overbroad claims

- Know the prior art and get it cited
  - Perhaps the best defense against KSR

- Keep a CON alive to get claims surgically directed to the competition
Practical Implications for Prosecution (cont.)

Know commercial trends – what features are likely be commonly used?
  - Good way to narrow claims, even if not central to your perceived novelty

Consider narrowing claims to market/niche of interest
  - If you really only care about NAND flash with dual word read/write, then consider so limiting your claims (or at least some of them)

Counting on your dependent claims?
  - Having super-broad independent claims plays into reexam tactic
  - Also colors the perception of judges, juries

When prosecution simple inventions, beef up claims and spec
Practical Implications for Enforcement and Defense

For broad patents, reexamination has never looked better
- Inter partes gives you a right to appeal to the Federal Circuit
- Also provides an opportunity to provide reasoning/rationale to combine

The existence of a pending CON or DIV is a critical factor
- A CON can be used to moot reexam tactics
- Art and arguments can be laundered in ex parte prosecution

Judges will be more inclined to grant SJ or JMOL of obviousness
- Recent data is a dramatic departure from the past
- Now such a motion has a fighting chance where the prior art is decent

Single patent salvos are now less likely to hit the mark
- More important than ever for a patentee to assert multiple patents on distinct features
Practical Implications for Enforcement and Defense (cont.)

- Simple inventions are at the center of the danger zone
  - Basic mechanical inventions play into KSR rationale, may be difficult to defend
In other news . . .
First Action Pilot Program

- For classes 707 and 709 (databases and networking)
  - These areas are terribly backlogged
- Grants a non-discretionary pre-first-office-action interview

Procedure:
- Request initiating FAPP process
- Examiner provides report with prior art (Pre-Interview Communication)
- Request for actual interview (or not)
- Interview (or not)
- Office Action “promptly” or “upon completion of the interview”
- May get courtesy copy of Action upon completion of interview (!)
- Condensed period for responding (30 days) with limited extensions of time

- April 28, 2008 to November 1, 2008