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Obviousness after KSR – Litigation Perspective

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Obviousness after KSR – Litigation Perspective

By Richard Beem

ありがとうございます。

Arigatou gozaimasu.

Thank you very much.

JPAA

AIPPI-Japan

AIPLA & IP Practice in Japan Committee

Shoichi Okuyama

David Schnapf

John Linzer

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What does “obvious” mean?

Is there “invention”? (US before 1952)

= inventive step (JP + WO)

= non-obviousness (US after 1952)

Obvious (US) = no inventive step (JP + WO)

What is patent *litigation*?

= adversaries before a decisionmaker

- Appeal to Board
- Appeal from Board to District Court (§145)
- Infringement litigation in District Court
- International Trade Commission (ITC)
- Appeal Board, Court or ITC to Fed. Cir.

Why should Japanese patent attorneys care?

(about U.S. patent litigation)

- Because the priority documents:
 - The Japanese patent application
 - And the PCT application
- And the prosecution in the USPTO
 - Responses to office actions
- Are most important in U.S. patent litigation

Key Effects of KSR

- Easier for Examiner, Board, and Courts to reject or invalidate claims based on obviousness
- Easier for District Court to invalidate patent on summary judgment (without trial)

Strategy after KSR (1 of 4)—

Be bold in the USPTO

- File detailed application with good claims, both detailed and broad
- Work with Examiner to obtain allowance
 - Interview
 - Avoid amending novel claims **NEW TACTIC!**
 - To avoid new grounds of rejection
 - Submit Rule 132 declaration re commercial success, etc.
- Appeal to Board after 2nd rejection **NEW TACTIC!**
- Think twice before asking for pre-appeal conference
 - Don't give Examiner chance to improve rejection

Strategy after KSR (2 of 4)—

Be bold in USPTO & Courts

- Applicants should file appeals and complaints
- Appeal obviousness rejection to Board
- Appeal adverse Board decision to District Court
 - **New tactic** (Section 145)
 - Especially if commercial success
 - Evidence of non-obviousness
 - Pays for cost of litigation, plus a return on investment
- If your client's US patent is infringed, file complaint in District Court
 - Do not fear obviousness defense even after KSR
 - Marshal the facts to rebut obviousness argument
- Appeal adverse District Court decision to Federal Circuit

Strategy after KSR (3 of 4)—

How to “marshal” the facts

- Collect your facts (documents, things, witnesses)
- Make them march in a row
- Tell a logical story to win

See R. Beem, “The Abraham Lincoln School of Patent Litigation,” *The Practical Litigator* 59 (May 2008), also available online at www.BeemLaw.com.

Strategy after KSR (4 of 4)—

Be bold in US Courts: How to Win!

- Identify and marshal the facts
- Focus on key issues:
 - Infringement (most important)
 - Validity (especially obviousness)
 - Avoid distraction (discovery disputes)
- Use your expert to explain key facts
- Use your adversary's admissions in documents and deposition testimony
- Present winning case to USPTO, district court or ITC, and Federal Circuit

Questions so far?

The statute endures



A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 [novelty] of this title, 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. Patentability shall not be negated by the manner in which the invention was made.

35 U.S.C. § 103(a) (1952).

Six parts of the statute:

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 [novelty] of this title, if

- [1] the differences between the subject matter sought to be patented and the prior art are such that
- [2] the subject matter as a whole
- [3] **would have been* obvious**
- [4] at the time the invention was made
- [5] to a person having ordinary skill in the art to which said subject matter pertains.

But

- [6] Patentability shall not be negatived by the manner in which the invention was made.**

35 U.S.C. § 103(a) (1952).

*Compare the Supreme Court's pronouncement in *KSR* that claim 4 "is" obvious.

**Legislatively overruling cases requiring "flash of genius" or long years of toil.

Before *KSR*, there was *Deere*:

Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined. Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented.

Graham v. John Deere Co., 383 U.S. 1, 17-18 (1966).



Before *KSR* –

Federal Circuit required,
for a holding of
obviousness, proof of a
teaching, suggestion or
motivation (TSM) to
combine prior art
references



After *KSR* –

No requirement of explicit teaching, suggestion or motivation (TSM) in prior art

But still after *KSR* –

- Obviousness requires more than proof that each element was known in prior art
- Must identify reason to combine elements
- Inventions usually rely upon “building blocks”
- Claimed discoveries necessarily combine what is already known



KSR opened door for obviousness

- Familiar elements...known methods...predictable results
- Technique used to improve one device would improve similar devices in same way
- Court looks at entire record to find reason to combine known elements
- Any need or problem can provide reason for combining elements
- “Obvious to try”
- Design need or market pressure to solve problem...finite number of identified, predictable solutions...good reason to pursue known options



But still after *KSR*—

- Teaching away rebuts obviousness

“Teleflex has not shown anything in the prior art that taught away from the use of Asano.”

- Secondary factors rebut obviousness

“[F]inally, we conclude Teleflex has shown no secondary factors to dislodge the determination that claim 4 is obvious.”

KSR invites summary judgment of obviousness—

- In considering summary judgment the district court can and should take into account expert testimony
- But obviousness is a legal question, thus, summary judgment may be granted despite conflicting expert testimony

Federal Circuit cites *KSR*

- Even odds for affirmance
- Even odds for obviousness



Improve odds with advocacy



See R. Beem, “The Abraham Lincoln School of Patent Litigation,” *The Practical Litigator* 59 (May 2008), also available online at www.BeemLaw.com.

Eisai v. Dr. Reddy's Labs

533 F.3d 1353 (Fed. Cir. 2008)

- District court held rabeprazole claims not obvious
- Federal Circuit affirmed
- Based mainly on expert testimony

(Thanks to Roger Hahn for identifying this case.)

Appeals from the Board

Before *KSR*—

In re Dembiczak, 175 F.3d 994 (Fed. Cir. 1999)

- The Federal Circuit applied the TSM test and held that the Board erred in holding the claims to be unpatentable as obvious and subject to double-patenting.
- Obviousness is a legal issue that the Court reviewed *de novo*, providing no deference to the Board.

Appeals from the Board

After *KSR*—

In re Translogic Tech., Inc., 504 F.3d 1249 (Fed. Cir. 2007)

- Affirmed Board's rejection of claims as obvious.
- Court found most elements in cited references, “missing” element was well-known
- Only refutation of obviousness was absence of teaching, suggestion or motivation (TSM)
- Court rejected rigid application of TSM in view of *KSR*.

After *KSR*—

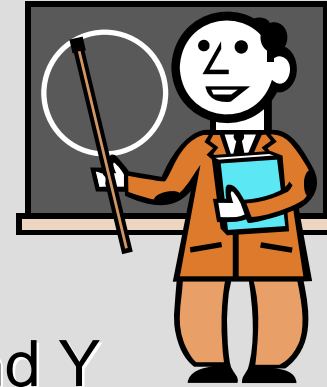
- Apply the statute, *Graham v. Deere*, *KSR*, and other cases
- Prepare cases for trial and appeal
- Plan for motions for summary judgment of obviousness

For patent owner to defeat summary judgment—

- Establish question of material fact
- Dispute scope and content of prior art and level of ordinary skill*
- Rely on objective indicia—commercial success, long-felt need, failure of others—and show nexus
- Show prior art teaches away, uses different principle, or is unsuitable for purpose
- Good luck if patent is based on:
 - Substitution of electronic component
 - Or addition of Internet

*Teleflex lost to KSR partly for failure to dispute these questions of fact.

Experts are key—



- Use elementary logic
 - Reference 1 has elements X and Y
 - Reference 2 has element Z
 - Obvious to combine X, Y and Z
- Explain details
 - Scope and content of prior art
 - Level of ordinary skill
 - Whether invention was within ordinary skill

More for experts—

- Teaching, suggestion or motivation (TSM)?
- Was combination known prior to invention?
- Known functions? Or additional, unexpected benefit?
- Long-felt need?

Still more for experts—

- Skepticism or criticism by others?
- Copying by others?
- Nexus between objective indicia and claimed invention?
- Prior art “teaches away”?
- Invention violated accepted wisdom?

Questions?

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