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The Non-Obviousness Hurdle

The nonobviousness criterion for patentability is the biggest hurdle currently faced by Applicants during prosecution of patent applications before the United States Patent and Trademark Office (USPTO). This IP Corner expands upon the obviousness analysis.

The case law as it developed after the *Graham* case (discussed in May/June 2009 *HTP*), required a rigorous application of a requirement for a showing of a teaching, suggestion, or motivation in the prior art that would have led an ordinary skilled artisan to modify a prior art reference or to combine reference teachings to arrive at the claimed invention. In other words, given the differences between the claimed invention and the prior art, would a person having the requisite level of skill in the art have been motivated to modify or combine teachings of the prior art in a manner that would arrive at the claimed invention? For example, consider the following scenario:

• The claimed invention is to an alloy composition ABC for use as a corrosion-resistant manufacturing material in devices exposed to a salt-water environment

• A first reference discloses an alloy ABD having good corrosion resistance

• A second prior art reference discloses a composition suitable for use in making the hull of a ship comprising B alloyed with any of C, D, or E.

The claimed invention may be considered obvious over the first prior reference that teaches the elements A and B in view of the second reference that teaches that both C and D can be alloyed with B in a device that would be exposed to a salt-water environment. Thus, the reasoning is that the differences between the claimed invention and the first reference are that the claim is to an AB alloy with an addition of element C and corrosion resistance specifically in salt-water environments, whereas the reference is to an AB alloy with an addition of element D (instead of C) and a general property of corrosion resistance (no specific teaching of salt-water resistance). One skilled in the art would be motivated to substitute C or E for element D in the ABD alloy to specifically obtain good corrosion resistance in a salt-water environment since the second reference suggests that C, D, and E are interchangeable alloying elements in combination with element B for salt-water environments.

Recently, however, the Supreme Court revisited the requirement for a rationale supporting a conclusion of obviousness in *KSR International Co. v. Teleflex Inc.*, 127 S. Ct. 1727 (2007), and held that it was an error to apply the TSM test in an overly rigid and formalistic way. Rather, a more flexible approach must be used that also takes into account such things as market demands that drive design trends, other problems being solved by the prior art that may provide a reason for combining elements, common sense, and ordinary creativity. Consequently, there are various rationales that may support a conclusion of obviousness under this more flexible approach, including:

• Combining prior art elements according to known methods to yield predictable results

• Simple substitution of one known element for another to obtain predictable results

• Use of known technique to improve similar devices (methods, or products) in the same way

• Applying a known technique to a known device (method, or product) ready for improvement to yield predictable results

• "Obvious to try" - choosing from a finite number of identified, predictable solutions, with a reasonable expectation of success

• Known work in one field of endeavor may prompt variations of it for use in either the same field or a different one based on design incentives or other market forces if the variations are predictable to one of ordinary skill in the art

• Some TSM that would have led one of ordinary skill to modify the invention of the prior art reference or to combine reference teachings to arrive at the claimed invention; however, the modification cannot render the prior art invention unsuitable for its intended purpose or change its principle of operation.

The result, perceived by some, of the *KSR* decision is an increased trend by USPTO Examiners to reject patent claims as being obvious, and to steadfastly maintain the obviousness position even in the face of well-reasoned arguments and/or secondary evidence. As mentioned above, the *nonobviousness* criterion has certainly become the biggest hurdle currently faced during prosecution of a patent application due to this post-*KSR* trend. Applicants are often faced with the options of having to significantly narrow the scope of the claimed invention, abandon the application, or appeal the rejection(s) to the Board of Patent Appeals and Interferences, where a three Judge panel will review the facts and law and decide if the Exam-

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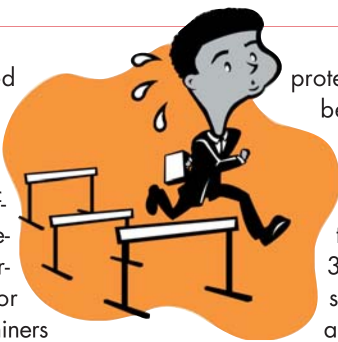
iner's rationale is supported thereby.

From a patent prosecution standpoint, obtaining patent protection has become more difficult and costly following the decision in *KSR*, and often the perception by those prosecuting or applying for patents is that Examiners are being unreasonable and running up costs by issuing badly reasoned rejections and often refusing to withdraw them even in the face of well-reasoned arguments and evidence. There are likely good cases and/or bad Examiners feeding the perception, bad cases and/or good Examiners undeserving of the perception, and extreme cases that exaggerate the issue. Regardless, by opening up the obviousness analysis to the more flexible approach and taking a more critical view of this criterion, the following outcomes seem to exist:

1. Obtaining patent protection is more difficult and often more costly for Applicants
2. Some inventions deserving of patent protection never receive it because the Applicant gives up due to the increased and prohibitive cost of fighting the battle
3. Under the increased scrutiny, fewer questionable patents are now issued, thereby strengthening the U.S. patent system.



One might argue that outcome (3) justifies outcome (1), as well as some occurrences of outcome (2). Certainly, reducing incidents of bad lawsuits over weak and/or questionable patents would be a further favorable outcome of the increased scrutiny of obviousness. Whether you are a proponent of the current trend depends on your perspective. Are you an independent inventor or in a small business trying to patent your new technology, but can't afford the increasing cost? Have you observed a patent issue on technology you feel you have been practicing for years before the patentee even applied for their patent? Is your portfolio experiencing increased appeals and their associated costs due to what you view as a rise in badly reasoned obviousness rejections? Are you a market leader and frequently the target of lawsuits over what you see as patents of questionable validity?

As with most, if not all, areas of the law, justice is a balancing act. The USPTO and the Courts try to find the right balance between protecting and rewarding innovation and guarding against abuse of the patent system. Over the years, the patent pendulum tends to swing back and forth between anti-patent and pro-patent stances, and the balancing act remains an elusive ideal. The current trend would seem to be more on the anti-patent side. This is good if you're an accused infringer, but seemingly unfair if you're an innovator. Whatever your perspective, it helps to understand the current trend so that you can make informed decisions when navigating the patent system. Bear in mind, however, that one thing is likely: the pendulum will swing again. **HTP**

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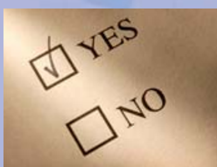

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