

The Changing Face of Non-Obviousness

By: Lori M. Brandes, Ph.D. and Eric K. Steffe



It is difficult to think of a case that has had more influence on patent practice than *KSR v. Teleflex* (550 U.S. 398 (2007)). In *KSR*, the U.S. Supreme Court rejected the established practice that an invention could not be obvious unless there was a teaching, suggestion or motivation in the prior art to make the invention. After *KSR*, it is unquestionably easier to establish a *prima facie* case of obviousness. As such, patent applicants and patentees are increasingly relying on secondary considerations of non-obviousness (*e.g.*, unexpected results, commercial success, or long-felt need) to overcome *prima facie* obviousness. Moreover, obviousness has become the go-to argument for many patent challengers, particularly in post-grant proceedings before the Patent Trial and Appeal Board (PTAB).

How are secondary considerations faring for patentees in post-grant proceedings?

- **Overall not well.** Out of post-grant proceedings decided from January 2018-January 2020 where secondary considerations of non-obviousness were raised, only about **15%** found the secondary considerations persuasive. For example:
 - ◇ *Lectrosonics v. Zaxcom*, IPR2018-00129, Paper 33 (PTAB Jan. 24, 2020) (evidence of industry praise and long-felt need, but not evidence of failure of others, weighed heavily in favor of non-obviousness of proposed substitute claims)
 - ◇ *Hytera Communications v. Motorola Solutions*, IPR2018-00128, Paper 47 (PTAB May 9, 2019) (evidence of competitor's copying and marketing efforts "modestly supports a conclusion that the claims would not have been obvious")
 - ◇ *Fox Factory v. SRAM*, IPR2017-01440, Paper 62 (PTAB Dec. 6, 2018) (evidence of commercial success, licensing, copying, praise by others, long-felt, unresolved need and failure by others weighed "significantly" in favor of non-obviousness)
 - ◇ *Argentum Pharmaceuticals v. Alcon Research*, IPR2017-01053, Paper 52 (PTAB Sep. 20, 2018) (evidence of "considerable" commercial success and long-felt need "tip the scales further" in favor of Patent Owner, in contrast to the "relatively weak" evidence of obviousness)
 - ◇ *Campbell Soup Company v. Gamon Plus*, IPR2017-00094, Paper 84 (PTAB Apr. 11, 2018) ("strong" evidence of commercial success, industry praise and copying by competitors supported the ultimate determination of non-obviousness)
 - ◇ *Paint Point Medical Systems v. Blephex*, IPR2016-01670, Paper 44 (PTAB Feb. 28, 2018) (copying by competitors and industry praise given weight in determination of non-obviousness)
 - ◇ *Polygroup v. Willis Electric*, IPR2016-01610 and IPR2016-01612, Paper 187 (PTAB Feb. 26, 2018) (a "remarkable amount of evidence" suggesting non-obviousness, including industry praise, copying and commercial success)
 - ◇ *Telebrands v. Tinnus Enterprises*, PGR2016-00031, Paper 88 (PTAB Feb. 7, 2018) (evidence of commercial success and industry praise, but not evidence of copying and long-felt need, was entitled to "significant" weight and supported an "overwhelming showing" of non-obviousness)
- Historically, the U.S. Patent and Trademark Office (USPTO) has been wary of secondary considerations, possibly because of the examinational nature of prosecution and reexamination.
 - ◇ In contrast, post-grant proceedings give the PTAB truth-revealing benefits of the adversarial process, including cross-examination.

What can patent applicants and patentees do?

- **Have an evidence-based narrative that explains non-obviousness.** The threshold for making a *prima facie* case of obviousness is lower post-*KSR*, but it can be attacked with evidence.
 - ◇ Even *KSR* recognized that secondary considerations are important to avoid the problem of "hindsight bias" – when a USPTO examiner or patent challenger uses what the inventor has taught to arrive at a determination of obviousness, rather than what the prior art has taught.

- ◇ Evidence supporting why a person of ordinary skill in the art (POSITA) would not have combined prior art references to arrive at the invention often dovetails with secondary considerations.
 - » For example, a POSITA would not reasonably have combined X and Y because the result was thought to be toxic. Unexpectedly, however, X+Y not only proved to be non-toxic but increased Z tenfold. The industry had been searching for a non-toxic agent with large amounts of Z for many years. X+Y received industry recognition and praise as a result.
- ***Develop the narrative early.*** Prosecution of an application should be undertaken with an eye towards possible appeal of an examiner's obviousness rejection or post-grant obviousness challenge.
 - ◇ Putting secondary consideration evidence on record during prosecution could deter potential patent challengers. However, it also alerts patent challengers of the patentee's best arguments for overcoming an obviousness challenge.
 - ◇ While the specific prior art grounds of a possible post-grant challenge may not be foreseeable, the patentee probably at least has an idea of why the invention is significant.
 - ◇ Developing secondary consideration evidence early allows patentees to use it early in a post-grant proceeding, when it could make the most difference.
 - » Because anticipation is a tougher standard to satisfy, patent challengers (and the PTAB) tend to pursue grounds based on obviousness in post-grant proceedings.
 - » A patent owner's preliminary response to a post-grant challenge is due within *three months* from when the challenge was filed. This is simply not enough time to develop substantial evidence of secondary considerations, especially when experimental data needs to be collected or expert declarations need to be prepared.
 - » After the patent owner's preliminary response, the PTAB decides whether or not to institute a post-grant proceeding and on which claims.
 - » **Avoiding the institution of valuable claims is often the best defense** because the odds of saving an instituted claim are not good once the PTAB decides to institute a proceeding.
 - **81%** of proceedings to date with a final written decision have resulted in some or all of the instituted claims being found unpatentable. (Data current as of Dec. 31, 2019; https://www.uspto.gov/sites/default/files/documents/Trial_Statistics_20191231.pdf)

Ten years ago, *KSR* forever changed the face of patent obviousness. While USPTO examiners and patent challengers can now more readily establish a *prima facie* case of obviousness, all is not lost for patent applicants. Recent trends show that the PTAB can find evidence of secondary considerations persuasive to overcome *prima facie* obviousness. Therefore, a strategy of proactively developing evidence of secondary considerations of non-obviousness early in the patent process can place applicants in the best position to face obviousness rejections by the USPTO as well as post-grant obviousness challenges.