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The Federal Circuit Provides Guidance On Obviousness Post *KSR*

The United States Court of Appeals for the Federal Circuit recently issued two opinions applying the obviousness analysis set forth in *KSR v. Teleflex*. *KSR* is the Supreme Court's watershed decision that modified the standard for determining whether a claimed invention is "obvious" in light of prior art. Both *Agrizap v. Woodstream Corp.*, No. 07-1415 (Fed. Cir. March 28, 2008) and *Ortho-McNeil Pharmaceutical v. Mylan Labs*, No. 07-1223 (Fed. Cir. March 31, 2008) provide insight into the Federal Circuit's application of the obviousness analysis post *KSR*.

In *Agrizap*, the Court vacated a jury verdict of non-obviousness, holding that the asserted patent claims involved a combination of familiar elements yielding predictable results. In *Ortho-McNeil*, the Court affirmed a summary judgment ruling of nonobviousness, in part, by finding that the claimed invention was a product of unpredictable results.

Agrizap v. Woodstream Corp.

The Federal Circuit considered *Agrizap* 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," and overruled a jury verdict of validity by finding the asserted patent obvious in view of the prior art. *Agrizap*, Slip

Op. at 11. While providing "due deference" to the jury's verdict, the Court noted that it reviewed the verdict under a *de novo* standard because "the ultimate conclusion of obviousness is a question of law." *Id.*

The disputed patent was directed to a method of electrocuting pests, such as gophers and rats. While not considered during prosecution of the patent-in-suit, the Court considered evidence of the plaintiff's public use of a commercial product containing the claim limitations of the patent, less a resistive electrical switch. The Court found the patent obvious in view of the commercial product and prior art "directed to solving the same problem" as the disputed patent, which favored resistive switches over mechanical switches. *Id.*

With regard to secondary considerations, the Court concluded that "the objective evidence of nonobviousness simply cannot overcome such a strong *prima facie* case of obviousness." *Id.* at 12. In particular, the combination of familiar elements to yield predictable results provided such a strong case of obviousness that "even when we presume the jury found that the objective evidence of nonobviousness favored *Agrizap*, this evidence is insufficient to overcome the overwhelming strength of *Woodstream's* *prima facie* case of obviousness." *Id.* at 11.

Ortho-McNeil Pharmaceutical v. Mylan Labs

In this decision, the Federal Circuit illustrated that following familiar or unfamiliar steps to achieve an unpredictable result will overcome a charge of obviousness. While affirming the summary judgment ruling of nonobviousness, the Federal Circuit also took an opportunity to explain obviousness in light of *KSR*.

In particular, the Court clarified *KSR*'s pronouncement that “[w]hen there is a design need or market pressure to solve a problem and there are a finite number of identified, predictable solutions, a person of ordinary skill has good reason to pursue the known options with his or her technical grasp.” *Ortho-McNeil*, Slip Op. at 9 (citing *KSR v. Teleflex*, 127 S. Ct. 1727, 1742 (2007)). The Court noted that this statement “posits a situation with a finite, and in the context of the art, small or easily traversed, number of options that would convince an ordinary skilled artisan of obviousness.” *Id.* The claimed invention, though, was directed to an epilepsy drug discovered unintentionally by an Ortho-McNeil scientist while searching for a new antidiabetic drug.

Additionally, the Court recognized that hindsight reconstruction should not influence any determination of obviousness, noting that hindsight reconstruction “is always inappropriate for an obviousness test.” *Id.* at 10. Instead, the Court concluded that “at the time of the invention the inventor’s insights, willingness to confront and overcome obstacles, any yes, even serendipity, cannot be discounted.” *Id.*

In clarifying *KSR*'s flexible teaching, suggestion, or motivation (TSM) test, the Court stated that “a rigid requirement of reliance on written prior art or patent references would, as the Supreme Court noted, unduly confine the use of the knowledge and creativity within the grasp of an ordinarily skilled artisan.” *Id.* Specifically, “a flexible TSM test remains the primary guarantor against a non-statutory hindsight analysis....” *Id.* The flexible TSM test “merely assures that the obviousness test proceeds on the basis of evidence—teachings, suggestions (a tellingly broad term), or motivations (an equally broad term)—that arise before the time of the invention as the statute requires.” *Id.* Moreover, “those teachings, suggestions, or motivations need not always

be written references but may be found within the knowledge and creativity of ordinarily skilled artisans.” *Id.* at 11.

Ultimately, the Court held the patent claims nonobviousness because “the challenges of this inventive process would have prevented one of ordinary skill in this art from traversing the multiple obstacles to easily produce the invention in light of the evidence available at the time of invention.” *Id.* With regard to secondary considerations, the Court noted that “evidence of objective criteria” supported the Courts finding of nonobviousness, as it included “unexpected results (anticonvulsive activity) for topiramate,” “skepticism of experts and copying,” and “commercial success.” *Id.*

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The *Agrizap* case illustrates the Federal Circuit's willingness to reverse even a jury's verdict of nonobviousness if the combination of familiar elements yields predictable results. The *Ortho-McNeil* case, on the other hand, illustrates the Federal Circuit's focus on whether an invention is a product of unpredictable results, and its willingness to find nonobviousness if it is not.