

One Year Later, Prosecutors Come To Grips With KSR

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Friday, Apr 04, 2008 --- While prosecutors across the board say last April's U.S. Supreme Court decision in KSR has made it easier for the U.S. Patent and Trademark Office to reject patent applications based on obviousness, they are using this challenge to step up their own games.

When the Supreme Court rejected how rigidly the teaching-suggestion-motivation test was being applied to determine whether an invention was obvious, many attorneys worried that obtaining patents would become a more difficult process and would discourage inventors. And although those fears have not been completely dispelled, prosecutors have not wasted any time to retool their strategies before patent examiners.

Catherine M. Polizzi, a patent attorney for the biotechnology industry at Morrison & Foerster LLP, said the decision has not fazed her in her day-to-day job because obviousness has always been an issue. Instead, she said the ruling helped her draw insight from an old Wendy's commercial.

"Where's the beef?' That's what this is about. You have to sharpen your focus on how to prove yourself up with inventions. Obviousness is about logic points in an invention, and you have to rebut the assumption of the patent office that the invention is obvious," said Polizzi, who is also co-chair of the firm's intellectual property practice.

Since KSR, Jonathan M. Fritz, a patent attorney specializing in the software industry at Whyte Hirschboeck Dudek SC, said he is conducting more extensive prior art searches before filing applications in order to have a solid understanding of existing inventions and avoid the minefield of obviousness rejections.

"The more knowledge you have before filing an application, the better you can draft substantiation and claims to anticipate potential rejections. To put those references before an examiner after doing a thorough prior art search, you can prepare better applications and have stronger patents issued as a result," he said.

In the unanimous KSR decision, the Supreme Court took the Federal Circuit to task for its "rigid approach" when using the TSM test to determine whether a person of ordinary skill in a given industry would combine earlier findings in the same manner claimed in the patent.

The high court found that the appellate court needed to look at broader

problems that someone in the field faces and seek out broader solutions within prior art, possibly even to inventions used for other purposes.

The patent office responded by revising its examination guidelines in October to say that examiners can still use the TSM test to reject a patent, but an invention may also be found obvious without using that approach.

Post-KSR examiners can also consider a combination of prior art elements, simple substitution of a known element or use of a known technique to improve similar devices in a patent determination.

Some attorneys, however, are troubled by how the patent examiners are explaining their reasons for rejecting a patent on the grounds of obviousness.

“It’s easier for the patent office to provide blanket statements and quote guidelines to make a rejection,” said Charles L. Miller, a patent attorney in the electrical industry at Banner & Witcoff Ltd. “It’s easier now for the patent office to look at a claim and find elements across different arts to make a rejection that it would have been obvious to make that combination.”

Dana M. Gordon, a patent attorney in the life sciences arena at Foley Hoag LLP, said after seeing more USPTO rejections stating briefly that the invention was predictable to one of ordinary skill in the art, he changed his tactics.

“A way for me to respond is to get a declaration from someone who is representative of the level of ordinary skill to say we wouldn’t have known about that at the time,” said Gordon, who is also the deputy chair of the firm’s IP group.

He added that it is also more important to articulate dependent claims and nuances of an invention now that the patent office can reject an application based on the rationale that the invention is obvious to try.

The number of patents rejected by the USPTO due to KSR remains unclear, but an internal analysis by Fulbright & Jaworski LLP in April showed that the percentage of patent applications that won on appeal had declined following the Supreme Court decision.

The analysis showed that the percentage of applications that prevailed on appeal between 2000 and 2006 ranged between 34% and 40%. But 2007 revealed a drop to a 25% success rate, and so far, 2008 applications have only won on appeal 24% of the time.

“The allowance rate is down. Even at the board of appeal, it certainly has more flexibility to reject as well,” Miller said.

Gordon said patent examiners are more often sticking to their guns.

“We’re seeing more rejections and examiners are less willing to remove them

in response to arguments. The overall effect is fewer patents are issuing, and it's taking longer and more elbow grease for them to issue," Gordon said.

Fritz said mechanical patent applications are likely to be more susceptible to USPTO rejections because many cases involve devices and inventions that are a combination of known elements or elements with improvements. In contrast, computer software patent applications are less vulnerable because they tend to include groundbreaking technology or claims not known in prior art, he said.

Polizzi said another challenge that has come up since the KSR decision is trying to adjust the expectations of her clients.

"When it comes to IP rights, inventors and owners of IP want as much as they can conceptualize," she said. "But it's not just a question of whether you get a patent or you don't. It's often the degree or scope of coverage you can get."

She said the more distance prosecutors can put between the prior art and the invention, the better chance they have at seeing the patent issued.

"You have to show why your invention is striking, unexpected, unpredictable. What's so special about it? That depends on the data and observations that you've made. All of these parts of the equation tie together," Polizzi said.