IP Alert: Improvement or Selection Inventions: Cannot Assume Obviousness Elements

Improvement or Selection Inventions: Cannot Assume Obviousness Elements

By Sarah A. Kagan

Last week, the U.S. Court of Appeals for the Federal Circuit vacated a rejection for obviousness and remanded an application for a formulation of the herbicide glyphosate to the Patent Trial and Appeal Board (PTAB). In re Stepan Company (No. 2016-1811, decided August 25, 2017). The PTAB had previously sustained the examiner's rejection for obviousness of the formulation over a single prior art reference, but had not articulated either a motivation to combine or a reasonable expectation of success. In the split decision of the appellate court, the majority and dissent squared off over the requirements of a prima facie case when a rejection is based on a single prior art reference.

The majority (JJ. Moore and O'Malley) held that the usual requirements for a prima facie case apply whether the rejection is based on one or more references. A rejection must include a determination that a skilled artisan would have (a) been motivated to combine the teachings of the prior art, and (b) had a reasonable expectation of success in doing so. The dissent (J. Lourie) opined that when a rejection is based on a single reference, no reasonable expectation of success or specific motivation to modify is required. The majority addressed head-on this leniency toward the U.S. Patent and Trademark Office in making rejections, stating, "[w]hether a rejection is based on combining disclosures from multiple references, combining multiple embodiments from a single reference, or selecting from large lists of elements in a single reference, there must be a motivation to make the combination and a reasonable expectation that such a combination would be successful, otherwise a skilled artisan would not arrive at the claimed combination." The majority's holding is consistent with the Manual of Patent Examining Procedure's guidance to examiners for rejections of a claim to a species based on a single prior art reference disclosing a genus encompassing the species. §2144.08 (instructing examiners to "determine whether one of ordinary skill in the art would have been motivated to select the claimed species or subgenus" and "consider the predictability of the technology.")

The same issue could play a decisive role in a different appeal to be argued at the Federal Circuit next week (September 8, 2017). In Merck Sharpe & Dohme B.V. v. Warner Chilcott Company, LLC (No. 2016-2583), Merck appeals the invalidation by the U.S. District Court for the District of Delaware of two claims as obvious over a single reference. Among other issues on appeal, Merck's second issue is highly reminiscent of the issue in In re Stepan Company: "Did the district court err in finding subject matter of claim 11 obvious where the court failed to make any findings regarding: a) why a POSA [person of ordinary skill in the art] would have been motivated to use the concentrations and load ratios required by claim 11; and b) why a POSA would have had a reasonable expectation of success in implementing those concentrations and ratios?"

Warner Chilcott's response to Merck's second issue aligns with the In re Stepan Company dissent. ("Merck treats the various teachings of PCT '015 as though they were separate prior art references.") Warner Chilcott's argument seems to assume motivation and reasonable expectation of success because it asserts that the claimed invention merely selects specific parameters that are generically disclosed in the single prior art reference.

Merck relied on InTouch Technologies Inc. v. VGO Communications Inc. 7512 F.3d 1327 (Fed. Cir. 2014) to support its assertion that the omissions in the PTAB rejection constituted error. While indeed InTouch Technologies generally supports Merck's position, InTouch related to multi-reference obviousness rejections. The In re Stepan Company majority opinion provides more specific support for Merck's position. A decision in the Merck case consistent with the In re Stepan Company majority opinion would grant Merck's request for reversal of invalidity.

Click here to download the decision in In re Stepan Company.

Click here to download a printable version of this article.

Posted: September 1, 2017