

Intellectual Property Alert:

Weak Structural Similarity Augmented by Functional Similarity Suffices for *Prima Facie* Case of Obviousness

By Sarah A. Kagan

May 25, 2018 — The U.S. Court of Appeals for the Federal Circuit affirmed on May 14 the U.S. Patent and Trademark Office Patent Trial and Appeal Board's decision that claim 6 of Anacor's U.S. Patent No. 7,582,621 is unpatentable for obviousness. *Anacor Pharmaceuticals, Inc. v. Iancu*, Case No. 2017-1947. The claim was to a method of treating dermatophyte-caused toenail fungus using a particular boron heterocycle compound.

Anacor argued that the dissimilarity between the structures of compounds in the two prior art references prevented their combination to form a *prima facie* case. The court chastised Anacor for taking a binary view of structural similarity, *i.e.*, it is either present or absent. The binary view led Anacor, the court stated, to mischaracterize the PTAB's final written decision. Indeed, the court found that the PTAB recognized the lack of close structural similarity and appropriately supplemented it with functional similarity between the compounds of the two references.

The court roundly rejected Anacor's theory that close structural similarity is required for a *prima facie* case of obviousness of a method of treatment. The court cited decades-old cases that rely on similarity of properties rather than structure to generate a *prima facie* case or "an inference of obviousness." The court concluded that substantial evidence supported the PTAB's final written decision because it used the appropriate legal standards. The court rejected Anacor's invitation to set up a rigid, single-factor test for *prima facie* obviousness in which close structural similarity is required. Such a test would ignore other types of evidence that this court and prior cases have found probative of obviousness.

Click here to read the decision in *Anacor Pharmaceuticals v. Iancu.*

Click here for our report on the oral hearing of this case.

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