

PATENT AND TRADEMARK LAW

Patent Office Issues New Guidance on the Law of Obviousness

By Rob Maier

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The United States Patent and Trademark Office (USPTO) recently published new guidance explaining the requirements for patent examiners to reject patent claims for obviousness in view of what was already known in the prior art. 89 Fed. Reg. 14449 (Feb. 27, 2024).

Under 35 U.S.C. §103, “[a] patent for a claimed invention may not be obtained...if the differences between the claimed invention and the prior art are such that the claimed invention as a whole would have been obvious before the effective filing date of the claimed invention to a person having ordinary skill in the art to which the claimed invention pertains.” This question of obviousness is often amorphous, and presents uncertainty in patent examination and patent disputes. The new guidance seeks to provide added clarity to patent examiners and practitioners regarding application of the law in this critical area.

According to Kathi Vidal, Under Secretary of Commerce for Intellectual Property and Director of the USPTO, “[i]n addition to issuing robust and reliable patent rights to innovators, our goal is to give those innovators clarity and certainty by applying the same standards whenever those rights are challenged before the USPTO. By providing this guidance,

we are injecting greater consistency and transparency not only into our processes, but into the entire innovation ecosystem.”

In particular, the new guidance focuses on interpreting precedential cases of the U.S. Court of Appeals for the Federal Circuit that

have been decided since the U.S. Supreme Court addressed the issue of obviousness in the seminal case of *KSR International v. Teleflex*, 550 U.S. 398, 127 S. Ct. 1727 (2007). This article provides a brief summary of the USPTO guidance, including regarding the multifactor analysis described in *KSR*, and the flexibility employed by the Federal Circuit in its post-*KSR* cases.

‘KSR’ and the ‘Graham’ Factors

In *KSR International v. Teleflex*, the Supreme Court unanimously found the patent at issue to be obvious and invalid in view of the prior art. In making its determination, the court followed the objective four factor analysis announced previously in *Graham v. John Deere*, 383 U.S. 1, 86 S. Ct. 684 (1966). The factors considered under that test are (1) “the scope and content of the prior art;” (2) “the differences between



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the prior art and the claims at issue;” (3) “the level of ordinary skill in the pertinent art;” and (4) “such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc.” (also known as objective indicia of nonobviousness). See *KSR*, 550 U.S. at 406 (quoting *Graham*).

As the USPTO guidance points out, these *Graham* factors have been emphasized by both the Federal Circuit, in its post-*KSR* decisions, and by the USPTO, in its Manual of Patent Examining Procedure (MPEP). See 89 Fed. Reg. at 14450; *Kinetic Concepts v. Smith & Nephew*, 688 F.3d 1342, 1360 (Fed. Cir. 2012) (“This court has explained, moreover, that the obviousness inquiry requires examination of all four *Graham*

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factors”); *Leo Pharmaceutical Products v. Rea*, 726 F.3d 1346, 1357 (Fed. Cir. 2013) (“Whether before the board or a court, this court has emphasized that consideration of the objective indicia is part of the whole obviousness analysis, not just an afterthought”); see also MPEP 2141, subsections I and II (9th ed. Rev. Jul. 2022).

Scope of Prior Art

The *KSR* approach requires flexibility in determining the scope of prior art—the first of the four *Graham* factors. Flexibility in this regard means that the scope of prior art must be understood to include not just explicit teachings, but also what the art reasonably suggests to a person having ordinary skill in the art (PHOSITA). See *KSR*, 550 U.S. at 418. This hypothetical PHOSITA that forms the basis for the analysis is considered to have ordinary creativity and common sense.

The Federal Circuit has repeatedly recognized therefore that prior art must be viewed through the perspective of a PHOSITA having ordinary creativity

and common sense. In a case in which the Patent Trial and Appeal Board (PTAB) made a determination of nonobviousness without considering a PHOSITA’s perspective on the prior art, the Federal Circuit vacated the decision because “the knowledge and perspective of one of ordinary skill in the art ... could easily explain why an ordinarily skilled artisan would have been motivated to combine or modify the cited references to arrive at the claimed inventions.” *Randall Mfg. v. Rea*, 733 F. 3d 1355, 1362 (Fed. Cir. 2013).

Similarly, the Federal Circuit has invalidated patent claims directed to a water recreational device with stability features, finding that viewing the prior art through the perspective of a PHOSITA, “[g]iven the focus on rider stability in the industry,” rendered the claims obvious. *Zup v. Nash Manufacturing*, 896 F. 3d 1365, 1373 n.2 (Fed. Cir. 2018).

Notably, patent examiners are required to apply the law of obviousness consistent with Federal Circuit precedent. Thus, the MPEP instructs examiners that “[p]rior art is not limited just to the references being applied, but includes the understanding of a one of ordinary skill in the art,” and to consider a PHOSITA’s “ordinary creativity.” MPEP 2141, subsections II and III.

In order to qualify as prior art in an obviousness determination, the prior art must be analogous to the claimed invention. The Federal Circuit again employs flexibility in determining analogous art. See *Airbus S.A.S. v. Firepass*, 941 F. 3d 1374, 1379 (Fed. Cir. 2019) (stating “that an analysis of whether an asserted reference is analogous art should take into account any relevant evidence in the record cited by the parties to demonstrate the knowledge and perspective of a [PHOSITA]”). Prior art is considered to be analogous where it shares the “same field of endeavor” with and is “reasonably pertinent” to the claimed invention.

Motivation to Combine

Another key concept of obviousness that is referenced in the USPTO guidance is “motivation to

combine.” Patent claims may be rendered obvious where multiple prior art references disclose or suggest the elements of the claimed invention, and a PHOSITA is motivated to combine those multiple prior art references to arrive at the claimed invention. The Federal Circuit also views this issue with flexibility, through the perspective of a PHOSITA. See *Outdry Technologies v. Geox*, 859 F.3d 1364, 1370–71 (Fed. Cir. 2017) (“Any motivation to combine references, whether articulated in the references themselves or

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supported by evidence of the knowledge of a skilled artisan, is sufficient to combine those references to arrive at the claimed process”).

Reasons to combine or modify prior art can be found, for example, in market forces, known needs or problems in the field, and the general desire of a PHOSITA to improve on the prior art. See *Plantronics v. Aliph*, 724 F. 3d 1343, 1354 (Fed. Cir. 2013) (citing *KSR*, 550 U.S. at 418-421); see also *In re Ethicon, Inc.*, 844 F. 3d 1344, 1351 (Fed. Cir. 2017); *Intel v. Qualcomm*, 21 F. 4th 784, 796 (Fed. Cir. 2021) (reversing the PTAB’s determination of nonobviousness and stating that the general motivation to increase energy efficiency “is not inherently suspect”).

Evidence Needed

The guidance notes, however, that the identified flexibility is not without its limits, and does not negate the need for articulated reasoning and evidentiary support. Indeed, the guidance acknowledges that a flexible approach to the obviousness inquiry disallows “[r]igid preventative rules that deny factfinders

recourse to common sense.” *KSR*, 550 U.S. at 421, 127 S. Ct. at 1742. Nevertheless, “[t]he key to supporting any rejection under 35 U.S.C. 103 is the clear articulation of the reason(s) why the claimed invention would have been obvious.” MPEP 2142.

Indeed, the guidance acknowledges that although this approach is flexible, a proper obviousness rejection still requires the decision-maker to provide adequate analysis based on evidentiary support—which the guidance calls a “frequent” theme in post-*KSR* Federal Circuit jurisprudence. Similarly, the guidance also explains that any legally proper obviousness rejection “must identify facts and then articulate sound reasoning that leads to the conclusion that the claims would have been obvious to a PHOSITA.”

Conclusion

The guidance from the USPTO reminds examiners, applicants, and practitioners alike that the *KSR* approach, including the four *Graham* factors, should be applied with flexibility. However, the guidance also cautions that this flexibility has its limits, and that sound reasoning and evidence are still required. And, while these guidelines may merely restate certain aspects of the law of obviousness, some commentators have expressed a concern that the emphasis on flexibility in the obviousness analysis may urge examiners to issue more obviousness rejections.

Ultimately, the guidance provides a helpful articulation of recent principles of obviousness, particularly as these standards continue to be applied to wider ranging, ever more complex technologies.

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