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SECONDARY CONSIDERATIONS OF NON-OBVIOUSNESS MUST STILL BE CONSIDERED

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Süd-Chemie, Inc. v Multisorb Technologies, Inc., 554 F.3d 1001, US Court of Appeals for the Federal Circuit, 30 January 2009

A US District Court erred in granting summary judgment of obviousness and in failing to consider secondary considerations of non-obviousness.

Legal context

In 2007, the US Supreme Court in *KSR International Co. v Teleflex Inc.*, 550 US 398 (2007) rewrote two decades of jurisprudence by the US Court of Appeals for the Federal Circuit ('Federal Circuit') on the law of obviousness. Before *KSR* the Federal Circuit required that, in order to demonstrate that two or more references can be combined, there must be some teaching, suggestion, or motivation to combine prior art elements to render a claim obvious (see eg *In re Kahn*, 441 F.3d 977, 986 (Fed. Cir. 2006); *In re Fulton*, 391 F.3d 1195, 1200-01 (Fed. Cir. 2004)). The US Supreme Court in *KSR* rejected this 'rigid' test, and instead now looks for a more global understanding of the hypothetical artisan of ordinary skill having knowledge of all the relevant prior art, problems, and unresolved needs in the field.

Since *KSR*, and, in particular, over the past few months, the Federal Circuit has found numerous patents invalid as obvious despite district court or jury verdicts findings to the contrary. In each of these instances, the Federal Circuit discounted the trial court and fact finder's reliance on secondary considerations of non-obviousness (see eg *Ball Aerosol & Specialty Container, Inc. v Limited Brands, Inc.*, 555 F.3d 984, 994 (Fed. Cir. 2009); *Boston Scientific Scimed, Inc. v Cordis Corp.*, No. 2008-1073, 2009 US App. LEXIS 588, at *25-*26 (Fed. Cir. 15 January 2009); *Sundance Inc. v Demonte Fabricating, Ltd*, 550 F.3d 1356, 1368 (Fed. Cir. 2008).

In *Süd-Chemie*, the District Court found the patent-in-suit invalid as obvious on a motion for summary judgment. The Federal Circuit reviewed this decision.

Facts

Süd-Chemie owned US patent 5,743,942 ('the '942 patent') which was directed to a desiccant container that was permeable to water vapour, but not to liquids. The claimed desiccant container consisted of two films: (i) a microporous film and (ii) a laminate film. The two films were heat-sealed to each other around the edges to form a closed container for the desiccant material placed within. Süd-Chemie made commercial desiccant containers covered by the '942 patent.

The '942 patent recognized that the prior art desiccant packages created seals from films coated with adhesives and sealed together with heat sealers to solve the problem of water leakage. By contrast, the '942 patent sought to solve this problem by requiring the use of packaging films that are not coated with adhesives but that are 'compatible' with each other.

The '942 patent explains that when the two films are sealed together with a heat sealer, uncoated but compatible film materials form stronger seals than adhesive-coated films. In addition, compatible films are less costly and can be sealed using conventional high-throughput heat-sealing machines that cannot readily be used with adhesive-coated films.

Multisorb made and sold TranSorb desiccant bags, which were also designed and marketed to protect cargo from moisture damage during shipment.

The key prior art reference relied upon by the District Court in finding the '942 patent claims invalid was US patent 4,487,791 ('Komatsu'). The District Court found that the polymeric microporous and laminate films disclosed by Komatsu were identical to those described in the '942 patent and that both patents taught heat sealing the films using conventional high-speed packaging equipment. The District Court, therefore, found that Komatsu disclosed each of the elements of claim 1 of the '942 patent, 'with the exception of the absorbent material disposed between the layers' (*Süd-Chemie*, 554 F.3d at 1004). Nonetheless, that Court found that simply substituting a desiccant material for an oxygen-absorbing material would have been obvious, citing KSR. The District Court, therefore, granted summary judgment that the '942 patent was invalid for obviousness in view of the prior art Komatsu patent.

Analysis

The Federal Circuit found that the evidence before the District Court does not support the court's conclusion that Komatsu discloses the use of compatible polymeric materials, and for that reason, it concluded that the court's summary judgment order must be vacated.

In its analysis, the Federal Circuit addressed three factual disputes raised by Süd-Chemie on appeal. The third factual dispute is relevant here. In particular, unlike the District Court, the Federal Circuit found that Komatsu did not teach that the inner surfaces of the microporous and laminate films be 'comprised of compatible polymeric materials', as required by claim 1 of the '942 patent.

The Federal Circuit reached this conclusion despite the fact that both '942 patent and the Komatsu patent disclosed using the same general class of materials to form a desiccant package: microporous and laminate films made from polyethylene, polypropylene, and other polyolefinic materials. In particular, the Federal Circuit recognized that the '942 patent defined 'compatible films' based on the films having similar softening points. Since the Komatsu patent disclosed films that had different softening points, the films disclosed were not 'compatible'.

With respect to secondary considerations, Süd-Chemie argued that unexpected results, copying, and commercial success indicate that the invention of the '942 patent would not have been obvious to a person of skill in the art. The Federal Circuit faulted the District Court for failing to explicitly address the secondary consideration evidence:

As we have repeatedly emphasized, evidence relating to secondary considerations 'constitutes independent evidence of nonobviousness' and can be quite instructive in the obviousness inquiry. ... The district court should therefore attend carefully to any evidence of these secondary considerations of nonobviousness on remand: 554 F.3d at 1008 (citations omitted).

The Federal Circuit also recognized that, among the secondary considerations that the District Court should consider on remand, was evidence set forth in the '942 patent specification itself regarding 'the allegedly unexpected advantages of uncoated over coated films ... that the results were surprising' in the form of the experimental evidence included as Examples 1–3 (554 F.3d at 1009: 'The district court should consider that evidence, as well as any contrary evidence offered by Multisorb, as it pertains to the obviousness inquiry').

Nonetheless, the Federal Circuit concluded its analysis by confirming:

Of course, evidence of unexpected results and other secondary considerations will not necessarily overcome a strong prima facie showing of obviousness, ... , and we make no judgment as to the probative value of Süd-Chemie's evidence regarding the asserted secondary considerations beyond emphasizing that the district court should take such evidence into account when conducting its obviousness analysis. 554 F.3d at 1009 (citation omitted).

Practical significance

Süd-Chemie is a significant case in that the Federal Circuit reconfirms that secondary considerations still must be considered as part of an obviousness analysis, even though its consideration of such evidence may be heavily discounted when a strong prima facie showing of obviousness has been made.

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