

ALERT

Federal Circuit Patent Bulletin: *Intercontinental Great Brands LLC v. Kellogg N. Am. Co.*

September 18, 2017

"[P]ersuading a fact finder that an expert agency is incorrect on a proposition is likely to be a greater forensic challenge to the advocate than showing the proposition to be incorrect in the absence of a contrary expert-agency determination [but this] does not mean that something more than clear and convincing evidence is required."

On September 7, 2017, in *Intercontinental Great Brands LLC v. Kellogg N. Am. Co.*, the U.S. Court of Appeals for the Federal Circuit (Prost, Reyna, Taranto*) affirmed the district court's summary judgment that U.S. Patent No. 6,918,532, which relates to resealable packages to maintain food freshness, was invalid for obviousness, but not unenforceable for inequitable conduct. The Federal Circuit stated:

A claimed invention is unpatentable "if the differences between the claimed invention and the prior art are such that the claimed invention as a whole would have been obvious" to one of ordinary skill in the relevant art. Obviousness is a legal question based on underlying factual determinations. Among the factual determinations are "the scope and content of the prior art, differences between the prior art and the claims at issue, the level of ordinary skill in the pertinent art, and any objective indicia of non-obviousness." Also a fact question, of significance here, is whether the relevant skilled artisan had a motivation to combine pieces of prior art in the way eventually claimed in the patent at issue. . . .

"In *KSR*, the Supreme Court criticized a rigid approach to determining obviousness based on the disclosures of individual prior-art references, with little recourse to the knowledge, creativity, and

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common sense that an ordinarily skilled artisan would have brought to bear when considering combinations or modifications.” “[T]he Court required an analysis that reads the prior art in context, taking account of ‘demands known to the design community,’ ‘the background knowledge possessed by a person having ordinary skill in the art,’ and ‘the inferences and creative steps that a person of ordinary skill in the art would employ.’” A “court must ask whether the [claimed] improvement is more than the predictable use”—a “predictable variation”—“of prior art elements according to their established functions,” considering whether more is involved than “the simple substitution of one known element for another or the mere application of a known technique to a piece of prior art ready for the improvement.” “[I]f a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill.” The court should consider a range of real-world facts to determine “whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue.” “One of the ways in which a patent’s subject matter can be proved obvious is by noting that there existed at the time of invention a known problem for which there was an obvious solution encompassed by the patent’s claims.” . . .

The district court drew its conclusion of obviousness only after, not before, considering the objective indicia. . . . The staged consideration undertaken by the district court, . . . makes sense within the motivation-to-combine framework, a framework with which Kraft does not take issue. When a challenger shows that a “motivation” existed for a relevant skilled artisan to combine prior art in the way claimed in the patent at issue, such a showing commonly supports and leads readily to the further, ultimate determination that such an artisan, using ordinary creativity, would actually have found the claimed invention obvious. But the latter conclusion does not follow automatically from the former finding, and additional evidence may prevent drawing it. Identification of a “motivation” to make the combination may not give a complete picture of what a skilled artisan, exercising ordinary creativity without the incentive of patent protection, would actually have found it obvious to “disclose[] or devise[]” at the relevant time. Even with a motivation proved, the record may reveal reasons that, after all, the court should not conclude that the combination would have been obvious, i. e., already part of the public domain. . . .

Kraft’s final argument invokes this court’s recognition that a “party challenging validity shoulders an enhanced burden if the invalidity argument relies on the same prior art considered during examination.” According to Kraft, that proposition applies here based on the reexamination, in which Graham, the 2002 Machinery Update article, and the Packaging News article (containing the same photograph as appeared in the 2001 Machinery Update article) were considered. It suffices to say, however, that in this case the “enhanced burden” proposition provides no basis for a different result. The “enhanced burden” point certainly confirms a practical truth about litigation: persuading a fact finder that an expert agency is incorrect on a proposition is likely to be a greater forensic challenge to the advocate than showing the proposition to be incorrect in the absence of a contrary expert-agency determination. This court has not, however, ascribed any larger meaning to the “enhanced burden” point, which, the court has explained, does not mean that something more than clear and convincing evidence is required. In any event, this is not a case in which what the PTO concluded makes a difference

In its cross-appeal, Kellogg argues that the district court erred when it granted Kraft summary judgment rejecting Kellogg's inequitable-conduct charge. The only issue here concerns the arguments Kraft made about Packaging News to the Board during reexamination. . . . There is no doubt that the Packaging Material sentence was important to the Board's decision: the Board relied on that sentence to reverse the examiner's rejections of Kraft's claims. But to prevail, Kellogg had to prove that Kraft, in what it did not say about the sentence that was the focus of the Board's attention, had a "specific intent to mislead or deceive the PTO." The intent requirement is demanding: the evidence must be "sufficient to require a finding of deceitful intent in the light of all the circumstances"; deceptive intent "must be the single most reasonable inference able to be drawn from the evidence"; and "when there are multiple reasonable inferences that may be drawn, intent to deceive cannot be found." . . .

The Board had the 2002 Machinery Update article in the record, but it was not a basis for the examiner's rejections on review and so was not the subject of any discussion before the Board. The alleged wrong, moreover, is not what Kraft affirmatively stated about Packaging News. The only alleged wrong is Kraft's omission of any statement that the sentence in the Packaging News reference on which the Board was directly focusing was actually a misprint. But even if the sentence was a misprint, the district court properly concluded that the record does not support an inference of deceptive intent under the *Therasense* standard.