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Federal Circuit Patent Bulletin: *Idemitsu Kosan Co. v. SFC Co*

October 2, 2017

“Evidence concerning whether the prior art teaches away from a given invention must relate to and be commensurate in scope with the ultimate claims at issue.”

On September 15, 2017, in *Idemitsu Kosan Co. v. SFC Co.*, the U.S. Court of Appeals for the Federal Circuit (Prost, O’Malley,* Chen) affirmed the U.S. Patent and Trademark Office Patent Trial and Appeal Board inter partes review decision that certain claims of U.S. Patent No. 8,334,648, which related to a device containing a particular organic medium layered between an anode and cathode where the organic medium emits light when a voltage is applied through the electrodes, were invalid under 35 U.S.C. § 103 as obvious over International Publication WO 02/052904 (Arakane). The Federal Circuit stated:

“Whether a claimed invention is unpatentable as obvious under § 103 is a question of law based on underlying findings of fact.” Underlying factual findings include: “[t]he identification of analogous prior art,” “[w]hat the prior art teaches and whether it teaches toward or away from the claimed invention;” and the “existence of a reason for a person of ordinary skill to combine references.” The Board’s findings of fact concerning obviousness are reviewed for substantial evidence.

On appeal, Idemitsu does not appear to challenge the Board’s factual findings with respect to the correspondence between the ’648 patent’s components and some of the compounds disclosed by Arakane. Rather, Idemitsu argues that the Board erred in finding that Arakane taught combining those particular compounds for the purpose of creating a light emitting layer in an electroluminescent device. Specifically, Idemitsu claims that Arakane features a

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requirement that, “when combined in a layer, the HT compound and the ET compound must be selected so that the energy gap of the HT compound is smaller than the energy gap of the ET compound.” Idemitsu observes that the Board made no findings with respect to the energy gap relationship of the particular HT/ET combination corresponding to the ‘648 patent’s components. Hence, Idemitsu argues, the Board must have made one of two erroneous assumptions in order to find that Arakane nevertheless taught the combination thereof: either (1) a skilled artisan would have expected that all disclosed HT compounds in Arakane have a lower energy gap than all disclosed ET compounds; or (2) Arakane suggests combinations of HT and ET compounds that do not satisfy the energy gap relation in addition to combinations that do. . . .

We find that the Board plainly did not make the first assumption. The portions of the Board’s decision that Idemitsu cites demonstrate that the Board was merely restating SFC’s argument—not adopting it The Board, if it made any assumption, made the second one Idemitsu describes: finding that Arakane suggests combinations of HT and ET compounds that do not satisfy the energy gap relation in addition to combinations that do. More precisely, it found that Arakane suggests combinations of HT and ET compounds that produce a light emitting layer, regardless of their energy gap relation. We discern no error in that finding. . . .

Idemitsu’s only substantive argument on appeal appears to be that the Board should not have engaged in fact-finding on this issue without the benefit of additional extrinsic evidence, such as expert testimony. In some cases, that method of fact-finding could indeed be problematic. But here, Idemitsu provided no such supporting evidence for its own position—that Arakane teaches away from any non-energy-gap HT/ET combinations. SFC, of course, bears the ultimate burden of establishing unpatentability, but it is not required as a matter of law to rebut mere attorney argument with expert testimony in order to satisfy that burden. The Board weighed the parties’ competing arguments—each relying solely on the text of Arakane itself—and found SFC’s reading to be the more plausible one. That is precisely what the Board is supposed to do.

Idemitsu’s teaching away argument is of questionable relevance anyway. Evidence concerning whether the prior art teaches away from a given invention must relate to and be commensurate in scope with the ultimate claims at issue. Here, it is undisputed that the claims at issue do not include limitations with respect to half-life or efficiency. Hence, if Arakane teaches that the only drawback of non-energy-gap HT/ET combinations is poor performance under those criteria, it is of substantially reduced importance here. Nor, as Idemitsu suggests, was the Board’s finding unreasonable on the merits. . . . The syntactical structure is revealing. Arakane’s teaching to combine an HT compound with an ET compound is separate from its description of the energy gap; the teaching that hole recombination produces light is separate from the durability and efficiency description. This is mirrored, moreover, elsewhere in the description—which explicitly pegs the longer life and efficiency to the energy gap Thus, the Board reasonably concluded that Arakane teaches that a light-producing device can be made—regardless of comparative shortcomings in durability or resistance caused by imperfect energy gap ratio—by combining HT and ET compounds, including the claimed combinations, as the critical layer.