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Law of patent anticipation gets a new twist

Federal Circuit holds verdict of nonobviousness does not always preclude finding of anticipation.

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ON OCT. 7, 2008, THE U.S. Court of Appeals for the Federal Circuit in *Cohesive Techs. Inc. v. Waters Corp.*, 543 F.3d 1351 (Fed. Cir. 2008), seemingly repudiated one of the settled maxims of patent law—that anticipation is the “epitome” of obviousness, and that a patent that is not obvious therefore cannot be anticipated.

In *Cohesive Techs.*, the alleged patent infringer, Waters Corp., appealed the U.S. District Court for the District of Massachusetts’ decision not to submit to the jury the question of whether Cohesive’s patent in suit was anticipated, notwithstanding that the jury had already had found the patent to be nonobvious. In a panel decision by Judge Richard Linn, the Federal Circuit held that the district court erred in not submitting the issue of anticipation to the jury, ruling that “it is not necessarily true that a verdict of nonobviousness forecloses anticipation.”

While experienced patent law practitioners have long understood, at least in theory, that a finding of nonobviousness does not automatically preclude a finding of anticipation, as a

practical matter, most courts—including the Federal Circuit itself—have relied upon the maxim that anticipation is the “epitome” of obviousness to assert that the issue of anticipation need not be considered once a finding of nonobviousness has been made.

The Federal Circuit’s *Cohesive Techs.* decision thus could have a potentially significant impact upon the practice of patent litigation. It may create opportunities for accused infringers to assert anticipation defenses when such defenses could not have been raised before. Conversely, it may require that patent owners obtain substantive nonanticipation opinions, and assert substantive nonanticipation arguments, in situations where none were needed previously. This article explains the Federal Circuit’s *Cohesive Techs.* decision and discusses its possible effects.

Anticipation and obviousness

Under U.S. patent law, an invention must satisfy at least two basic criteria to be patentable. First, it must be novel (i.e., not “anticipated”). Second, it must not be obvious. If an invention is either anticipated or obvious, any patent claiming that invention is invalid.

An invention is anticipated if a single prior art reference, such as a patent or a publication, discloses all the elements of the claimed invention. For example, if a patent claims blue polymer X, then an earlier advertisement specifically touting “blue polymer X” will anticipate the patent and thereby render it invalid.

An anticipating prior art reference need not expressly disclose all the elements of the claimed invention, but rather may do so inherently. A prior art reference inherently anticipates if it “necessarily”—that is, always or inevitably—leads to the claimed invention. For example, if a

patent claims blue polymer X, then an article describing a method that inevitably leads to the synthesis of blue polymer X will anticipate the patent, even though the article itself does not explicitly mention polymer X or its color.

While anticipation requires that all elements of the invention be disclosed expressly or inherently in a single prior art reference, obviousness permits the elements of the invention to be found among several prior art references. An invention may be obvious if a combination of prior art references—or a single prior art reference combined with the knowledge of a person of ordinary skill in the art—discloses all elements of the claimed invention. For example, if a patent claims blue polymer X, then the combination of an advertisement for polymer X and an article describing a method of making blue polymers may render the patent obvious.

Unlike anticipation, a showing of obviousness based on a combination of prior art references can be rebutted by so-called “objective indicia” or “secondary considerations” of nonobviousness, including unexpected properties, commercial success, a long-felt but unfulfilled need for the invention or the failure of others to make the invention. These objective indicia serve to demonstrate that, if the invention truly were obvious, then commercial incentives, industry pressures or common sense would have led someone to the invention long before the invention in fact was made.

Anticipation and obviousness are overlapping concepts. Obviousness requires that at least some of the elements of the invention be disclosed in one or more prior art references; anticipation requires that the elements of the invention be present in one single prior art reference. Based on this overlap, it would seem logical to conclude—as courts often have done—that anticipation is the “epitome” of obviousness and that an invention cannot be an-

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anticipated if it is found to be nonobvious. After all, if the claimed elements are not disclosed among multiple prior art references, it should be reasonable to assume that they are not disclosed in any single prior art reference.

However, although anticipation and obviousness may overlap, they do not overlap perfectly, and a finding of nonobviousness therefore does not automatically preclude a finding of anticipation. The Federal Circuit took the opportunity presented by *Cohesive Techs.* to explain why.

In the proceedings before the Massachusetts district court, *Cohesive* accused Waters' high-performance liquid chromatography columns of infringing its patent. Waters countered with allegations that *Cohesive's* patent was anticipated by seven separate prior art references, and also that *Cohesive's* patent was obvious, both in light of each prior art reference independently, and in light of various combinations of the references. Near the end of trial, the court indicated that it did not intend to charge the jury on the question of anticipation, instead concluding that "the contentions that the defendant is making [are] best captured by obviousness"; that Waters' anticipation arguments were "iffy"; and that the district court could not find that the requirements for anticipation had been met. The district court directed a verdict of no anticipation.

A Federal Circuit panel led by Linn reversed the directed verdict of no anticipation, finding that the district court had erred on two grounds in not allowing the jury to consider the question of anticipation. First, the Federal Circuit observed that the district court did not find that no reasonable jury could conclude that the prior art references anticipated *Cohesive's* patent. Rather, the district court characterized Waters' anticipation arguments as "iffy," which did not foreclose the possibility of a verdict of anticipation.

Second—and more importantly—the Federal Circuit ruled that "[d]espite the often quoted maxim that anticipation is the 'epitome of obviousness,' novelty under 35 U.S.C. § 102 and nonobviousness under 35 U.S.C. § 103 are separate conditions of patentability and therefore separate defenses available in an infringement action." 543 F.3d at 1363. The Federal Circuit enumerated the specific differences between anticipation and obviousness: "Obviousness can be proven by combining existing prior art references, while anticipation requires all elements of a claim to be disclosed within a single reference. Moreover, obviousness requires analysis of secondary considerations of nonobviousness, while secondary considerations are not an

element of a claim of anticipation. And although anticipation can be proven inherently, proof of inherent anticipation is not the same as proof of obviousness." *Id.* at 1364.

In response to Judge Haldane Robert Mayer's dissent—which asked, "If a series of prior art references did not render the claimed invention obvious, how could one of those references contain each and every element of the claimed invention so as to render it anticipated?"—the Federal Circuit panel illustrated the distinction between anticipation and obviousness with the following example: "Consider, for example, a claim directed toward a particular alloy of metal. The claimed metal alloy may have all the hallmarks of a nonobvious invention—there was a

Patentees will need to face anticipation arguments head-on.

long felt but unresolved need for an alloy with the properties of the claimed alloy, others may have tried and failed to produce such an alloy, and, once disclosed, the claimed alloy may have received high praise and seen commercial success. Nevertheless, there may be a centuries-old alchemy textbook that, while not describing any metal alloys, describes a method that, if practiced precisely, actually produced the claimed alloy. While the prior art alchemy textbook inherently anticipates the claim under § 102, the claim may not be said to be obvious under § 103.

"This is precisely why our precedent has rejected reliance on the 'legal homily' that 'anticipation is the epitome of obviousness.'" *Id.* at 1364 n. 2.

In view of these considerations, the Federal Circuit concluded that "[a] court cannot refuse to submit the issue of anticipation to the jury simply because the accused infringer has also asserted an obviousness defense. It is for the litigants—not the court—to make the strategic decision as to whether to assert one, both or neither of those defenses in a jury trial." *Id.* at 1364-65.

Practical effects of the decision

As noted above, those already familiar with the intricacies of patent law understood, at least in theory, that a finding of nonobviousness would not necessarily preclude a finding of anticipation in all situations. With *Cohesive Techs.*, the Federal Circuit for the first time confirmed that understanding, and brought that theory into the realm of practice.

Prior to *Cohesive Techs.*, the maxim that anticipation is the "epitome" of obviousness often had been invoked by courts—including the Federal Circuit itself—to justify their refusal to rule separately upon the issue of anticipation, once a finding of nonobviousness had been reached. And the maxim has appeared, and continues to appear, in briefs, patent validity opinions and even expert reports as a convenient way of disposing with anticipation arguments without having to address the legal or technical merits of those arguments.

After *Cohesive Techs.*, patent owners and litigants may have to think twice about employing such strategies. Although a finding of nonobviousness in many cases will preclude a finding of anticipation, there are special situations in which the maxim may not hold. In such situations, *Cohesive Techs.* makes clear that patent owners may not be able to rely upon their nonobviousness contentions, coupled with the axiom that anticipation is the "epitome" of obviousness, to defend against charges of anticipation.

Instead, patent owners should be prepared to address the merits of any such anticipation arguments head-on, whether in pre-suit validity opinions or during actual litigation. Although—as Mayer's dissent notes—no previous Federal Circuit decision had remanded the issue of anticipation to the district court while upholding a finding of nonobviousness, *Cohesive Techs.* definitively establishes that such a situation is no longer just a theoretical possibility. Patent owners and litigants are encouraged to adjust their practices accordingly. **NLJ**

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