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Clear Obviousness Rejections: Important Lessons from *Outdry v. Geox*

Virtual Instructor Led Training (VILT)

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Training Approach

- A recent case from the Court of Appeals for the Federal Circuit, *Outdry Technologies Corp. v. Geox S.P.A.*, 859 F.3d 1363 (Fed. Cir. 2017), will be used as a vehicle for discussing good practices for writing clear obviousness rejections.
- *Outdry* does not announce any new legal tests for obviousness, so the concepts discussed will be familiar to examiners.
- *Outdry* has been chosen because:
 1. it provides worthwhile guidance on how to write a clear obviousness rejection, and
 2. the invention involved is readily understandable to examiners across technologies.

Training Objectives

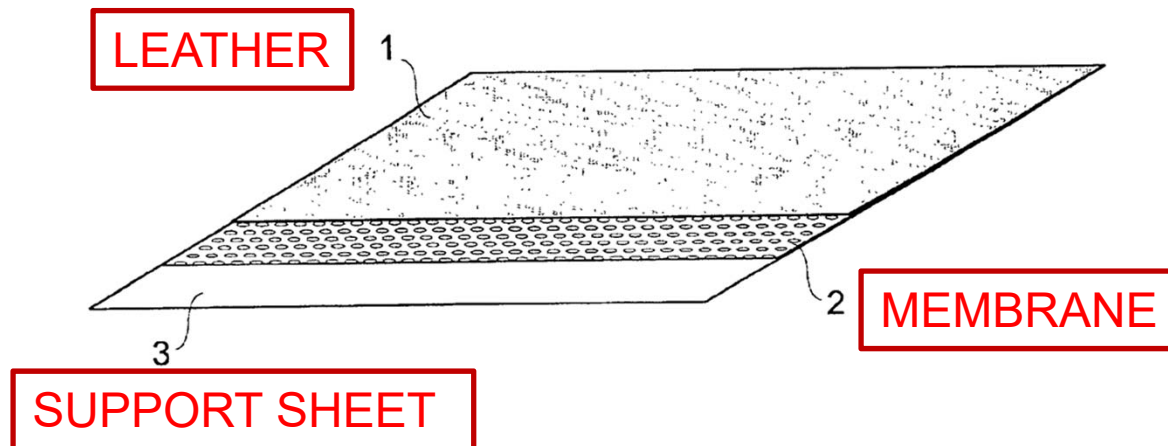
- After completing this training, examiners will have a better understanding of the need for:
 - proper claim construction
and
 - a clear articulation of the rejection, including
 - citation of evidence,
 - reasoned explanations, and
 - factual findings
- in the context of obviousness rejections.

Outdry v. Geox: History of the Case

- U.S. patent 6,855,171, entitled "Process for Waterproofing Leather and Leather Obtained by Means of Said Process," issued on February 15, 2005.
- The '171 patent was assigned to Outdry.
- Geox challenged the validity of the '171 patent in an inter partes review (IPR) proceeding at the Patent Trial and Appeal Board (PTAB).
- The PTAB held that the patent was invalid for obviousness.
- Outdry appealed the PTAB's decision to the Court of Appeals for the Federal Circuit (Federal Circuit or court).
- The Federal Circuit affirmed the PTAB's decision.

Outdry v. Geox: The Invention

1. A process for waterproofing leather (1), comprising directly pressing on an internal surface of the leather (1) at least one semi-permeable membrane (2) whose surface contacting the leather (1) is provided with a discontinuous glue pattern to adhere the leather to the semi-permeable membrane, wherein the glue pattern is formed of a multiplicity of dots having a density included between 50 dots/cm² and 200 dots/cm².



PTAB's Finding of Obviousness

The Thornton Reference

1. All limitations of claim 1 disclosed except the density of the glue dots.
2. Directed to "waterproof but breathable articles of clothing."
3. Discloses "a waterproof and breathable glove consisting of three layers: an inner knitted lining, a middle layer of film 105, and an outer water permeable layer, such as leather."
4. Teaches adhesive dots on the "outer surface of film 105 in spaced apart locations," and the use of heatwelding to "secure the barrier component of the glove."

Outdry, 859 F.3d at 1366.

PTAB's Finding of Obviousness (cont.)

The Scott Reference

1. Discloses using adhesive to adhere "a waterproof, vapor permeable membrane to fabric for rainwear."
2. States that the adhesive dot coverage should "be kept low to minimize the area of blocked micropores."
3. Teaches optimizing the amount of adhesive so as to achieve a balance between providing sufficient adhesion and minimizing blockage of micropores.

Outdry, 859 F.3d at 1366-67; PTAB Final Decision at 12.

PTAB's Finding of Obviousness (cont.)

The Hayton Reference

1. Discloses socks having (a) an inner knitted sock, (b) a water impermeable and vapor permeable barrier (i.e., a semi-permeable membrane), and (c) an outer knitted sock.
2. States that the barrier is attached to the inner surface of the outer sock using spaced apart dots of adhesive.
3. Teaches that the adhesive is "preferably applied as dots [having] a **density of 10 to 100 dots, preferably 15 to 75, more preferably 20 to 60 dots per square cm.**" (Note that the Hayton dot density range overlaps with the 50-200 dots/cm² of Outdry's claim 1.)

Outdry, 859 F.3d at 1367.

PTAB's Finding of Obviousness (cont.)

Reasoning

1. The references may be used to show obviousness because they are analogous art to claim 1. They are from the same field of endeavor, and/or are reasonably pertinent to the problem of providing good adhesion while minimizing obstruction to vapor permeability.
 - a. All references discuss breathable yet waterproof clothing.
 - b. All three use adhesive dots to bond layers. Thornton and Hayton specifically disclose applying adhesive to a semi-permeable membrane.
 - c. At least Scott teaches optimizing the amount of adhesive to ensure both sufficient adhesion and good vapor permeability.

PTAB Final Decision, page 12.

PTAB's Finding of Obviousness (cont.)

Reasoning

2. It would have been obvious to modify the glue pattern of Thornton to achieve the glue dot density of claim 1 in view of the teachings of Scott and Hayton.
 - a. Scott provides a reason to optimize the amount of adhesive, which is to ensure both sufficient adhesion and good vapor permeability.
 - b. Hayton teaches a glue dot density that overlaps with the density required by claim 1.

PTAB Final Decision, page 12.

PTAB's Finding of Obviousness (cont.)

Summary of the PTAB's Conclusion

1. All limitations were taught by the combination of Thornton, Scott, and Hayton.
2. Person having ordinary skill in the art (PHOSITA) would have had a reason to combine the teachings of Thornton, Scott, and Hayton.
3. PHOSITA would have had a reasonable expectation of success in combining the teachings of Thornton, Scott, and Hayton.
4. Claim 1 would have been obvious based on the preponderance of the evidence.

Outdry, PTAB Final Decision, pp. 11.

Court's Review of PTAB's Decision

In the following slides, we will focus on the court's review of the PTAB's decision that claim 1 would have been obvious, with a particular emphasis on:

- claim construction,
- citation of evidence,
- reasoned explanations, and
- factual findings

Claim Construction: “Process for Waterproofing Leather”

1. A **process for waterproofing leather** (1), comprising directly pressing on an internal surface of the leather (1) at least one semi-permeable membrane (2)

According to the court:

1. The phrase a “process for waterproofing leather” in the preamble “is simply a statement of intended use, not a separate claim limitation.”
2. Meeting the claimed step limitations necessarily results in a “process for waterproofing leather.”

Outdry, 859 F.3d at 1368.

Claim Construction:

“Process for Waterproofing Leather” (*cont.*)

1. A **process for waterproofing leather** (1), comprising directly pressing on an internal surface of the leather (1) at least one semi-permeable membrane (2)

According to the court (*cont.*):

3. It is not necessary for a reference to state that the process it teaches is a “process for waterproofing leather” in order for an obviousness rejection to be proper.

Outdry, 859 F.3d at 1368.

Claim Construction: “Directly Pressing”

1. A process for waterproofing leather (1), comprising **directly pressing** on an internal surface of the leather (1) at least one semi-permeable membrane (2)
.....

The “direct” concept was discussed only once (col. 1, lines 57-61) in the specification:

“... the process according to the present invention allows said membrane to be *applied directly to the leather* which has to be waterproofed, *so as to avoid the use of a semipermeable lining* and the water penetration between leather and lining.”

Claim Construction: “Directly Pressing” (*cont.*)

1. A process for waterproofing leather (1), comprising **directly pressing** on an internal surface of the leather (1) at least one semi-permeable membrane (2)

.....

Applying the broadest reasonable interpretation in light of the specification (BRI), the PTAB had construed “directly pressing” to mean:

“applying pressure without any intervening materials or layers other than the recited adhesive.”

Outdry, 859 F.3d at 1368.

Claim Construction: “Directly Pressing” (*cont.*)

1. A process for waterproofing leather (1), comprising **directly pressing** on an internal surface of the leather (1) at least one semi-permeable membrane (2)
.....

At the Federal Circuit, Outdry had proposed that:

“... ‘directly pressing’ means applying uniform pressure to create a ‘*uniform, sealed sheet*’ of waterproof leather so that a *water cushion cannot develop.*”

Outdry, 859 F.3d at 1367.

Claim Construction: “Directly Pressing” (*cont.*)

1. A process for waterproofing leather (1), comprising **directly pressing** on an internal surface of the leather (1) at least one semi-permeable membrane (2)
.....

Agreeing with the PTAB, the Federal Circuit stated that:

“directly pressing” means “applying pressure without any intervening materials or layers other than the recited adhesive.”

The court also stated that Outdry’s proposed construction was not supported by the specification.

Outdry, 859 F.3d at 1367-68.

The Importance of Proper Claim Construction

1. A **process for waterproofing leather** (1), comprising **directly pressing** on an internal surface of the leather (1) at least one semi-permeable membrane (2)

1. According to the court:
“To require ‘directly pressing’ to result in ‘constant contact between the membrane and leather such that no water permeates the leather’ would improperly narrow the claims under the BRI standard.”

Outdry, 859 F.3d at 1368.

The Importance of Proper Claim Construction (*cont.*)

1. A **process for waterproofing leather** (1), comprising **directly pressing** on an internal surface of the leather (1) at least one semi-permeable membrane (2)

2. Under Outdry's proposed construction, the Thornton reference would not meet the "directly pressing" limitation and would not be "a process for waterproofing leather" because Thornton allows for water to be present between the lining and the leather.

Outdry, 859 F.3d at 1367.

The Importance of Proper Claim Construction (*cont.*)

1. A **process for waterproofing leather** (1), comprising **directly pressing** on an internal surface of the leather (1) at least one semi-permeable membrane (2)

3. Proper claim construction is a critical first step in evaluating a claim for obviousness. If the PTAB had adopted the faulty claim construction argued by Outdry, an invalid claim would have been allowed to stand.

Clear Articulation of the Rejection

The *Outdry* court noted that it had previously criticized the PTAB in other cases for failing to provide an adequate explanation of its findings in connection with obviousness rejections. In particular,

- citation of evidence,
- reasoned explanations, and
- factual findings

were sometimes missing. *Outdry*, 859 F.3d at 1369.

Although the court's comments were directed at the PTAB, they provide valuable lessons for patent examiners when writing obviousness rejections.

Clear Articulation of the Rejection (cont.)

Adequate citation of evidence is needed for a clear obviousness rejection.

The court had vacated the PTAB's obviousness decision in the *Rovalma* case because it "did not cite any evidence, either in the asserted prior-art references or elsewhere in the record, with sufficient specificity for us to determine whether a person of ordinary skill in the art would have been so motivated."

Outdry, 859 F.3d at 1369, quoting *Rovalma v. Bohler-Edelstahl*, 856 F.3d 1019, 1025-26 (Fed. Cir. 2017).

Clear Articulation of the Rejection (cont.)

A reasoned explanation is needed for a clear obviousness rejection.

The court in *In re Van Os* had held that the PTAB's finding that it would have been intuitive to combine the teachings of the references did not meet the need for a reasoned explanation because "[a]bsent some articulated rationale, a finding that a combination of prior art would have been 'common sense' or 'intuitive' is no different than merely stating the combination 'would have been obvious.' "

Outdry, 859 F.3d at 1369, quoting *In re Van Os*, 844 F.3d 1359, 1361 (Fed. Cir. 2017).

Clear Articulation of the Rejection (cont.)

Factual findings are needed for a clear obviousness rejection.

In the *NuVasive* case, the court had vacated the PTAB's decision because it "never actually made an explanation-supported finding" that PHOSITA would have had a reasonable basis to combine the prior art.

Outdry, 859 F.3d at 1369, quoting *In re NuVasive*, 842 F.3d 1376, 1384 (Fed. Cir. 2016).

Clear Articulation of the Rejection (cont.)

The *Outdry* court stated that the PTAB's decision in this case did not suffer from these deficiencies, but instead included:

- clearly articulated arguments about PHOSITA's motivation for combining the teachings of the references,
- evidence-based reasons why PHOSITA would have optimized the amount of adhesive
- an explanation of why the references are analogous art to the claimed invention, and
- an express conclusion that PHOSITA would have combined the teachings of the references to arrive at the claimed invention.

Outdry, 859 F.3d at 1369-70.

Clear Articulation of the Rejection (cont.)

The court also responded to Outdry's argument that the PTAB's rationale was erroneous because it was not "addressed by the patent," stating:

"The Board was not required to limit its motivation to combine inquiry to the problem faced by the inventor of the '171 patent. The Supreme Court expressly rejected this argument in *KSR* Outdry appears to interpret *KSR*'s use of the phrase "addressed by the patent" to suggest the problem must be identified within the patent. Neither *KSR* nor our post-*KSR* precedent limits the motivation to combine inquiry in this manner. . . .

Clear Articulation of the Rejection (cont.)

. . . Any motivation to combine references, whether articulated in the references themselves or supported by evidence of the knowledge of a skilled artisan, is sufficient to combine those references to arrive at the claimed process. The motivation supported by the record and found by the Board need not be the same motivation articulated in the patent for making the claimed combination.”

Outdry, 859 F.3d at 1370-71, citing *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 420 (2007).

Clear Articulation of the Rejection (cont.)

Summarizing its review of the PTAB's decision, the *Outdry* court stated:

"The Board thus identified a precise and specific reason why a person of ordinary skill in the art would have been motivated to modify Thornton with Scott and Hayton, explained why one of skill would have been so motivated, and cited evidence in the references to support its reasoning. The Board engaged in reasoned decisionmaking and sufficiently articulated its analysis in its opinion to permit our review. It contains a clear and thorough analysis."

Outdry, 859 F.3d at 1370.

Training Summary

The Examiners should now have a better understanding of the need for:

- proper claim construction
and
- a clear articulation of the rejection, including
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Question?

Please send your questions to
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