CLIENT ALERT

Patentee’s Admissions Trump Secondary Indicia of Non-Obviousness

Jul.10.2007

In PharmaStem Therapeutics, Inc. v. Viacell, Inc., et al. (No. 05-1490; Fed. Cir. 2007), despite a strong dissent, a divided Federal Circuit panel finds the two patents at issue obvious, dismissing evidence of secondary considerations and rejecting the PTO’s conclusion of non-obviousness during a prior reexamination. The panel majority concludes instead that the claimed invention was nothing more than scientific confirmation of what was already believed to be true.

At issue was whether the inventors had a reasonable expectation that the elements of the invention could be combined from several prior art references to derive the claimed compositions and methods. While the patentee relied at trial on the testimony of an expert to show that a skilled artisan would not have had a reasonable expectation of success, the panel majority looks to the patent specification itself, noting that admissions in the specification regarding the prior art are binding on the patentee for purposes of a later inquiry into obviousness. Therefore, the panel majority concludes, a reasonable jury would have found the claimed invention obvious because the inventors merely used routine research methods to prove what was already known to be true. Moreover, the panel dismisses the patentee’s arguments concerning secondary indicia of non-obviousness and arguments concerning the deference that should be given the PTO’s conclusions of non-obviousness during reexamination over some of the references cited at trial, finding that these arguments were insufficient to overcome prima facie obviousness.

Judge Newman’s strong dissent argues that more weight should be given to the secondary considerations and deference shown to the PTO’s conclusions in the reexamination, stating “my colleagues simply reweigh selectively extracted evidence, ignore the actual peer response and acclaim at the time these inventions were made, and decide that this long-sought advance would have been obvious to this court.”

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.