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More Ammunition Against Obviousness Rejections

Law360, New York (June 15, 2012, 12:46 PM ET) -- We are often confronted with an obviousness rejection from a patent examiner that is based on only a legal principle that the examiner has been taught, but does not completely understand. The examiner merely repeats that legal principle as the basis of the rejection and without applying it to the facts of the rejection, and we are left to argue against that position (often unsuccessfully). In such a scenario, I will often counter with an explanation of the legal principle from the Manual of Patent Examining Procedure.

But the U.S. Patent and Trademark Office Board of Patent Appeals and Interferences just gave us additional ammunition to use in these scenarios. In May, the board reversed an obviousness rejection because it relied solely on a legal principle. *Ex Parte Nakhamkin*, Appeal No. 2012-003291 (B.P.A.I. May 23, 2012). Citing to *In re Ochiai*, 71 F. 3d 1565, 1572 (Fed. Cir. 1995), the board specifically held that reliance solely on a per se rule of obviousness is improper. The board ruled that when rejecting a claim as obvious over the prior art, the examiner must compare the claimed invention — including all its limitations — with the teachings of the prior art rather than relying on the legal principle alone.

In *Nakhamkin*, the claims were directed to an adiabatic compressed air energy storage system and an associated method of utilizing and recovering energy and heat obtained during the low pressure compression of air. The claims contained the limitation that the preheated compressed air expanded by the turbine structure is heated only by heat from the thermal storage device and without burning fuel. The examiner rejected the claims as obvious over *Frutschi* (U.S. 4,523,432), arguing that this reference disclosed the claimed subject matter except for the limitation noted above.

Relying on the disclosure in *Frutschi* that air storage plants with adiabatic operation (i.e., operation without a gas turbine combustion chamber) were known, the examiner argued it would have been obvious to omit the combustion chambers and the recuperator of *Frutschi* in order to heat the compressed air only by heat from the thermal storage device. The examiner relied on the legal principle that omission of an element and its function is obvious where the remaining elements perform the same function since it involves only routine skill in the art.

The board reasoned that the examiner was actually relying on the legal principle of *In re Edge*, 359 F.2d 896 (C.C.P.A. 1966) and concluded that such reliance alone was improper in the rejection. They concluded that the rejection substituted a per se rule of obviousness (i.e., that omission of [an] element while retaining the function of the omitted element is not a patentable distinction) in place of a reason to modify *Frutschi*'s system after carefully considering the facts.

The board found that the examiner failed to provide a comparison between the facts of *Edge* and the facts of the underlying application to explain how the holding of *Edge* applied to the claimed subject matter. Thus, the board held that an examiner's identification of a per se rule of obviousness — without more — is insufficient to satisfy the examiner's burden since obviousness

rejections “cannot be sustained by mere conclusory statements.” In *re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006); *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 417–418 (2007). Instead, an examiner must (1) compare the facts of the underlying application with the facts of the case relied on and (2) explain how the holding of the case applies to the pending claims.

This decision, along with *Ochiai* and *Kahn*, when used with the MPEP can be an effective two-prong approach against the citation of a naked legal principle by the examiner. The first prong attacks the conclusory reliance by the examiner on the legal principle using the reasoning by the board in *Nakhamkin*. The second prong uses the explanation of the legal principle in the MPEP. For example, in situation described above, MPEP § 2144.04(a) specifies that omission of an element and its function is obvious, provided that the element itself is not desired. MPEP § 2144.04(b) specifies that omission of an element but retention of its function is not obvious. And the explanations in both sections (a) and (b) provide further limitations on this legal principle that could be used in the second prong to argue against the obviousness rejection.

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