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IPUPDATES

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USPTO UPDATES

USPTO Guidance Regarding Obviousness Rejections

BY RICHARD D. KELLY

At the end of February, the USPTO published updated obviousness guidelines. Please see the Guidance **here**.

The objective of the Guidelines is to focus on the flexible approach to obviousness found in the post-*KSR* Federal Circuit obviousness decisions. The guidance emphasizes the need for the examiner to give a reasoned explanation when making an obviousness rejection. Section III of the guidance discusses the flexible approach. The section is unlikely to provide uniformity in the application of obviousness under 35 U.S.C. §103, assuming that is the objective of the guidance. The guidance suggests the use of common sense in making rejections common knowledge generally, or common knowledge in the relevant art would have been understood by PHOSITA (person of ordinary skill in the art). The problem is that most examiners have no actual experience in the art citing *Randall Mfg.* v. *Rea,* 733 F.3d 1355 (Fed. Cir. 2013). In *Randall* there was "background information that could easily explain why an ordinary skilled artisan would have been motivated to combine or modify the cited references to arrive at the claimed inventions." How will the average examiner know about background information if it's not in the cited prior art?

The Guidance in Section IIIC requires the examiner to provide articulated reasoning and evidentiary support citing to *Arendi S.A.R.L.* v. *Apple Inc.,* 832 F.3d 1355, 1362 (Fed. Cir. 2016) ("[O]ur cases repeatedly warn" that common sense cannot substitute for reasoned analysis and evidentiary support.) Common sense in normal usage does not require a reference. This opens the door for mischief further increasing the cost of patent procurement.

Section IV reminds the examiners that they must consider all the evidence "that is relevant and properly of record at that time." This is a reminder to practitioners to present evidence refuting the examiner's obviousness rejection. This will be more important as examiners attempt to follow the new guidance and begin applying "common sense."

In responding to rejections, one should review the rejection for reference to "common sense." If the examiner has not provided a citation to prior art supporting the reliance to the level of skill in the art, Applicants should cite to references refuting the examiner's assertion if not well-supported. This applies both ways, when submitting an expert declaration that something is not obvious, the expert must provide reason and evidence to support the assertion.

There also may be opportunities to challenge the level of skill in the art. In my over 50 years of experience both as an examiner and as a prosecuting attorney, I have never see the level of skill expressed in an examiner rejection. However, the Guidelines now make this an issue. The Guidance is silent on how the examiner is to determine the level of ordinary skill in the art.

It will be interesting to see how the Guidance is applied.

USPTO and U.S. Copyright Office Conclude Joint Study on Non-Fungible Tokens (NFTs)

BY SAMEER GOKHALE

On March 12, 20224, the USPTO and the Copyright Office published a joint study for Congress on IP law and policy implications of non-fungible tokens (NFTs). The report addresses commenters' views that NFTs may play a supportive role in the management, transfer, or licensing of IP rights. The report also recognized concerns that buyers and sellers do not know what IP rights or types of IP infringement are implicated in the creation, marketing, and transfer of NFTs.

Regarding patents, the study addresses comments that patentability requirements related to utility patents and design patents should be addressed. The Offices concluded that existing statutory enforcement mechanisms are currently sufficient to address infringement concerns related to NFT applications, and that changes to IP laws, or to the registration and recordation practices, are not necessary at this time. A copy of the study can be found **here**.

JPO UPDATES

JPO Releases System for Non-Disclosure of Patent Applications

BY KASUMI KANETAKA

The JPO, on March 11, 2024, **released information** regarding the system for non-disclosure of patent applications ("System"), which will be introduced on May 1, 2024, under the Economic Security Prohibition Act. Under the System, the patent procedures (publication, decision of patent grant, decision of refusal, etc.) are suspended by a procedure called "security designation" for patent applications which would highly likely create a situation to undermine the security of the nation and its citizens through actions taken from the outside.

A review process of whether a patent application should be kept non-disclosed consists of two stages: (1) a primary review by the JPO; and (2) a security review (a secondary review) by the Cabinet Office. In addition, under the System, filing foreign applications (including PCT applications) is prohibited in certain cases. To comply with the Act, applicants may obtain a prior confirmation from the Commissioner of the JPO as to whether the foreign application is prohibited (Prior Confirmation Regarding Prohibition of Foreign Applications) from filing for their applications. Please see **here** for the system of primary review by the JPO and the system of prior confirmation regarding prohibition of foreign applications.

Please note that most of the applications will not be affected by the System since those applications which need to be kept non-disclosed should disclose technology which falls under specified technology field. Therefore, if an application discloses completely different technology from the specified technology field, the patent procedures of the application would not be suspended under the System but processed as usual.

However, if an application discloses technology which may fall under the specified technology field and an applicant may consider filing a foreign application, it is suggested to go over guidelines from the JPO and the Cabinet Office to decide what procedures to take to comply with the Act.

JPO Provides Guidance Regarding Accelerated Examination

BY KASUMI KANETAKA

Aiming to offer the "world's fastest and utmost quality patent examinations," the JPO provides two schemes to accelerate patent examination: (1) Accelerated Examination, and (2) Super Accelerated Examination.

The **table** below shows the average first action pendency for different examination schemes in the fiscal year 2022.

Based on the table, by requesting Accelerated Examination or Super Accelerated Examination, applicants can obtain examination results more quickly than using regular examination scheme. Request for fast-track schemes is free of charge. It is recommended to be aware and utilize these schemes for filing applications in Japan to secure faster filing dates.

J-PlatPat Search Functions Updated

BY KASUMI KANETAKA

J-PlatPat (Japan Platform for Patent Information) is an official digital library for patents, utility models, designs, and trademarks. See **here**. The Japan Patent Office announced that there were some updates made to search functions of the J-PlatPat. Examples of the updates are as follows.

- Person name searches for trademark and trial decision searches will be changed from exact match searches to partial match searches
- Up to 5 entered search conditions can be saved for patent/utility model searches, design patent searches, trademark searches, and trial decision searches. Search conditions can be imported/exported in CSV format if needed.

LIFE SCIENCES NEWS

Peptide Fragment of Naturally Occurring Peptides Are Patent Eligible

BY RICHARD D. KELLY

The PTAB in *Ex parte Ezerzer*, Appeal 2022-004253 (February 7, 2024) reversed an examiner's rejection that peptide sequences, which were found partial sequences of human chemokine receptors, were patent ineligible, 35 U.S.C. §101. The examiner relied upon *Ass'n for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 593 (2013) for the concept that "claims are not saved by the fact that isolating DNA from the human genome severs the chemical bonds that bind gene molecules together."

Ezerzer relied first upon the fact that there were no examples in the USPTO's guidance document where a small fragment of a known protein had been found to be a product of nature. Ezerzer pointed to evidence that the claimed fragments had materially different properties as having anti-inflammatory properties which allowed them to be used as therapeutic agents to treat disorders which involve the expression of CKs naturally occurring peptides were incapable of treating.

The PTAB first dealt with whether the claims were directed to a product of nature since it was possible that in nature the CK peptide was cleaved to produce the claimed peptide fragment. Unlike in *Myriad* the claims on appeal recited a specific structure defined as SEQ ID Nos: 2 and 16, had an anti-inflammatory effect. The PTAB found that the examiner had not established that the peptides necessarily exist in nature. The PTAB concluded "that the mere possibility that the peptides of claim 1 might have existed as a natural phenomenon is insufficient to establish that the composition is a product of nature and therefore a judicial exception."

The PTAB then went on to consider whether the claimed compound was "markedly different to what was found in nature." Given the data found in the specification on how this peptide differentially binds the inflammatory targets of interest relative to other targets, it is supportive of a finding that the claimed peptide differs structurally from the anti-inflammatory CXCR3 protein. The PTAB concluded that the claimed peptide was markedly different from the prior art.

In prosecuting peptide sequences, one is advised to recite in the claim the property that distinguishes the fragment over the full-length peptide as well as the sequences claimed.

NEWSLETTER EDITOR: **SAMEER GOKHALE**