

*Not So Obvious After All: Patent's Nonobviousness Requirement, KSR,
and the Fear of Hindsight Bias*

Glynn S. Lunney, Jr. & Christian Johnson

Before the creation of the Federal Circuit in 1982, nonobviousness served as the primary gatekeeper for patents. When patent holders sued for infringement and lost, more than sixty percent of the time, they lost on the grounds that their patent was obvious. With the advent of the Federal Circuit, nonobviousness became a much less difficult hurdle to surmount. From 1982 until 2005, when patent holders sued for infringement and lost, obviousness was the reason in less than fifteen percent of the cases. While obviousness remained formally a requirement of patent protection, there can be little doubt that the Federal Circuit had substantially diminished the doctrine's once central role.

A potential turning point arose in 2007, however, with the Court's decision in *KSR v. Teleflex*. In its decision, the Court, with one hand, rejected some of the key restrictions the Federal Circuit had placed on the obviousness doctrine, and with the other, broadened the circumstances under which obviousness could be found. Taken at face value, the Court's decision seemed poised to reinvigorate the nonobviousness requirement. Yet, an analysis of appellate patent decisions since 2007 reveals that the Court's decision has had no significant impact on the reduced role that the Federal Circuit has given the doctrine. The nonobviousness requirement remains a pale shadow of its former self.

This article presents this historical background and then turns to the fear of hindsight bias that seems to have motivated much of the desire to limit obviousness's reach. As articulated by the Federal Circuit, hindsight bias represents the fear that a factfinder will use an inventor's own invention against her. Having been told of the inventor's solution, the factfinder will use the inventor's own actions as a roadmap showing how to combine existing prior art elements to solve the problem at hand. With the benefit of hindsight, a factfinder will too readily infer that the inventor's solution was obvious. In a series of articles, Professor Gregory Mandel has presented results from empirical tests that he believes demonstrate the potential for substantial hindsight bias in patent litigation. In this article, the authors modify and extend Professor Mandel's empirical tests. Our results raise questions regarding Professor Mandel's conclusions and tend to refute the notion that hindsight bias is a serious problem in patent litigation.