

## Federal Circuit Patent Bulletin: *InTouch Techs., Inc. v. VGo Commc'n, Inc.*

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May 9, 2014

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On May 9, 2014, in *InTouch Techs., Inc. v. VGo Commc'n, Inc.*, the U.S. Court of Appeals for the Federal Circuit (Rader, Lourie, O'Malley\*) affirmed-in-part, reversed-in-part, and remanded the district court's judgment entering the jury verdict that VGo did not infringe U.S. Patents No. 6,346,962, No. 6,925,357, and No. 7,593,030, which related to remote telepresence technology regarding camera movement, arbitrating control of a robot, and a call back mechanism to notify a previously denied user that the robot is now available, and that claim 79 of the '357 patent and claim 1 of the '030 patent were invalid for obviousness. The Federal Circuit stated:

"A general jury verdict of invalidity should be upheld if there was sufficient evidence to support any of the alternative theories of invalidity." "Because obviousness is a mixed question of law and fact, '[w]e first presume that the jury resolved the underlying factual disputes in favor of the verdict [ ] and leave those presumed findings undisturbed if they are supported by substantial evidence. Then we examine the [ultimate] legal conclusion [of obviousness] de novo to see whether it is correct in light of the presumed jury fact findings." A patent is invalid for obviousness "if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains." Obviousness is a question of law based on underlying factual findings: (1) the scope and content of the prior art; (2) the differences between the claims and the prior art; (3) the level of ordinary skill in the art; and (4) objective indicia of nonobviousness. Courts must consider all four Graham factors prior to reaching a conclusion regarding obviousness. A party seeking to invalidate a patent on obviousness grounds must "demonstrate 'by clear and convincing evidence that a skilled artisan would have been motivated to combine the teachings of the prior art references to achieve the claimed invention, and that the skilled artisan would have had a reasonable expectation of success in doing so.'" While an analysis of any teaching, suggestion, or motivation to combine elements from different prior art references is useful in an obviousness analysis, the overall inquiry must be expansive and flexible. "Often, it will be necessary for a court to look to interrelated teachings of multiple patents; the effects of demands known to the design community or present in the

marketplace; and the background knowledge possessed by a person having ordinary skill in the art, all in order to determine whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue. To facilitate review, this analysis should be made explicit." The district court must consider evidence showing objective indicia of nonobviousness, which constitute "independent evidence of nonobviousness." Objective indicia "may often be the most probative and cogent evidence of nonobviousness in the record." "These objective criteria help inoculate the obviousness analysis against hindsight." And, "[t]his built-in protection can help to place a scientific advance in the proper temporal and technical perspective when tested years later for obviousness against charges of making only a minor incremental improvement." *Id.* We must also keep in mind "[t]hat which may be made clear and thus 'obvious' to a court, with the invention fully diagrammed and aided, . . . may have been a breakthrough of substantial dimension when first unveiled."

Following the jury verdict of invalidity, the district court entered judgment finding claim 79 of the '357 patent and claim 1 of the '030 patent invalid for obviousness. . . . The district court also found that "the File History of the '357 Patent and the prior art references themselves, to which the jury had full access, include additional reasons and motivations to combine the prior art, all of which, taken together, provide substantial evidentiary support for the jury's finding that the '357 and '030 Patents are invalid." Turning to the InTouch's evidence, the district court found that the InTouch "offered expert testimony that its patents were not obvious, and attempted to bolster this testimony with objective indicia of nonobviousness. . . . While our standard of review regarding the jury's implied factual findings is a stringent one, we agree with InTouch that the evidence on which VGo relies is not substantial enough to support an obviousness finding. . . .

InTouch submitted evidence regarding the substantial commercial success of its product, widespread industry praise, and licenses. InTouch also provided expert testimony [that] there was a nexus between these objective indicia and the asserted claims. . . . While, in denying JMOL, the trial court relied on the success of VGo's competing robot and the jury's right to use its common sense, on this record we find neither of those factors sufficient to support a judgment of obviousness. Indeed, the second factor is not even relevant to the obviousness inquiry. A court may only rely upon the common sense of one of ordinary skill in the art, not that of the jury in assessing a claim of obviousness. . . . For these reasons, we conclude that VGo failed to meet its burden of proving invalidity of the '357 patent by clear and convincing evidence, and that the district erred in denying JMOL as to the validity of the '357 patent. Therefore, we reverse the district court's judgment of invalidity regarding claim 79 of the '357 patent.