

PATENT OFFICE EXAMBENEFIT FROM THE **PLI EXPERIENCE**RECEIVE A **10%** DISCOUNT ON PLI'S PATENT OFFICE EXAM COURSE**PLI**SM**Register Now**

When Commercial Success Can Prove Non-Obviousness

WEN XIE

FEBRUARY 10, 2022, 07:15 AM



2

Three recent Federal Circuit decisions are informative with respect to successfully (or unsuccessfully) utilizing secondary considerations in countering an obviousness attack.

Imagine, as a patentee, that you assert your broadly claimed patent(s) against an alleged infringer, and your opponent takes you to the Patent Trial and Appeal Board (PTAB) via an inter partes review (IPR) petition, where they present sufficient evidence of obviousness such that you have to resort to (gulp) secondary considerations. While no dream situation for patentees, it is important to understand the patent owner's evidentiary burden when confronting obviousness challenges using secondary considerations, such as commercial success, long-felt but unsolved needs, failure of others and unexpected results.



Here are three recent Federal Circuit decisions that are informative with respect to successfully (or unsuccessfully) utilizing evidence of commercial success in countering an obviousness attack.

Campbell Soup Company v. Gamon Plus, Inc.

The Federal Circuit has widely held that evidence of objective indicia of nonobviousness must have a nexus to the claims. That is, there must be a legally and factually sufficient connection between the evidence and

the patented invention. (Simply speaking, the feature that the patent owner says is making them lots of money in the market needs to be in the claims that they are trying to assert). This standard was again reaffirmed by the court in *Campbell Soup v. Gamon* in August 2021.

The PTAB found in favor of the patentee, Gamon, in concluding that Campbell failed to demonstrate that Gamon's claimed design for a canned soup display rack was not obvious over the submitted prior art, reasoning that although a primary reference alone had the same overall visual appearance as the claimed design, Gamon's evidence of commercial success was probative in countering the teachings of the prior art.

When Campbell brought its appeal before the Federal Circuit, the court found the Board to have engaged in "circular reasoning." In the Federal Circuit's opinion, the claims covered only a small portion of Gamon's commercial display rack: its label area, cylindrical object, and stops. Particularly, the court noted that the size of the label area was not claimed. Striking down the Board's reasoning that the unclaimed portions were "insignificant to the ornamental design", the court ruled that in determining coextensiveness, the question is not whether unclaimed features are insignificant to a product's ornamental design. The question is instead whether unclaimed features are "insignificant," period.

The Federal Circuit reiterated that the purpose of the coextensiveness requirement is to ensure that nexus is presumed only when the product is the invention disclosed and claimed. By limiting its analysis to

ornamental significance, the Board simply did not answer the relevant question: whether Gamon's display rack is the invention. Therefore, substantial evidence did not support a nexus between Gamon's asserted objective indicia and the claims.

Patent tip from *Campbell Soup*: In determining coextensiveness, the question is not whether unclaimed features are insignificant to a product's ornamental design (a patentability question). The question is instead whether unclaimed features are insignificant to the commercial product (a question of nexus between the claimed design and commercial success).

Fox Factory Inc. v. SRAM

The Federal Circuit's *Campbell* decision widely cited its earlier decision in *Fox Factory, Inc. v. SRAM, LLC*, 944 F.3d 1366 (Fed. Cir. 2019).

Interestingly, SRAM's '027 and '250 patents for a bicycle chainring were challenged by Fox Factory at IPR and thereafter litigated before the Federal Circuit where they were afforded two different outcomes.

The first time Fox Factory appealed to the Federal Circuit in 2019, the court found that SRAM's X-Sync products were not coextensive with the independent claims of the '027 patent because the products include a critical unclaimed feature not covered by the independent claims of the '027 patent. SRAM had argued that a particular gap filling feature was "critical" that amounted to the "heart" of the challenged '250 patent (i.e., *another* patent).

Unfortunately for SRAM, its argument for the '250 patent did not translate successfully to the '027 patent when the '027 patent did not claim the critical feature of the '250 patent. In the Federal Circuit's opinion, a patent claim is not coextensive with a product that includes a critical unclaimed feature that is claimed by a *different patent* and that materially impacts the product's functionality.

Good thing for SRAM, later on in the '250 patent appeal, the Federal Circuit found in favor of a nexus between the X-Sync chainring and the claimed invention, as the '250 patent recited a >80% gap-filling feature that was crucial to the X-Sync chainring's commercial success.

Patent tip from *Fox Factory*: The Federal Circuit does not accept arguments of criticality in considering features that are claimed a related patent but not in the patent in question, despite the patents being directed to the same commercial product.

Chemours Company v. Daikin

Clearly, claim scope is crucial to proving nexus with objective indicia. In July 2021, Chemours appealed before the Federal Circuit, arguing that the Board improperly rejected an extensive showing of commercial success by finding no nexus on a limitation-by-limitation basis, rather than the invention as a whole of Chemour's patents relating to a polymer that can be forced at high extrusion speeds.

In particular, the Board found no nexus between the claimed invention and the alleged commercial success because a primary reference disclosed all features except for the claimed melt flow rate. The Board then found that other prior art of record disclosed melt flow rates within the recited parameters.

The Federal Circuit agreed with Chemours, ruling that the separate disclosure of individual limitations, where the invention is a unique combination of three interdependent properties, does not negate a nexus.

The *Chemours* decision bodes well for patent holders, reaffirming that the nexus between a product to a unique combination of claim limitations cannot be negated by a combination of several prior art teachings.

Patent tip from *Chemours*: As obviousness is oftentimes asserted using the combined teachings of more than one prior art reference, *Chemours* recognizes that the unique combination of disclosed features in a claim is crucial to proving a nexus with commercial success, and ultimately non-obviousness.

Image Source: Deposit Photos

Author: donscarp

Image ID: 13250779

**WEN XIE**

Wen Xie is the founder and owner of Lux Lumen Intellectual Property, PC, a client-centered patent specialty firm that fuses digital modernity with traditional patent practice. Wen has over a [\[...see more\]](#)

Warning & Disclaimer: The pages, articles and comments on IPWatchdog.com do not constitute legal advice, nor do they create any attorney-client relationship. The articles published express the personal opinion and views of the author as of the time of publication and should not be attributed to the author's employer, clients or the sponsors of IPWatchdog.com.

**Pro Say**

February 10, 2022 02:25 pm

Re Campbell Soup:

"the court found the Board to have engaged in 'circular reasoning.'"

Whew. Thank goodness the CAFC never engages in such in their eligibility decisions.

[View Comments](#)



At IPWatchdog.com our focus is on the business, policy and substance of patents and other forms of intellectual property. Today IPWatchdog is recognized as the leading sources for news and information in the patent and innovation industries.

© 1999 – 2025 IPWatchdog, Inc.

[Terms & Conditions of Use](#) | [Privacy Policy](#)

Images on IPWatchdog Primarily Provided by

