

**Keywords:** obviousness, secondary consideration, objective evidence of nonobviousness

**General:** Objective evidence of nonobviousness can overcome *prima facie* obviousness.

*Transocean Offshore Deepwater Drilling Inc. v. Maersk Drilling USA Inc*  
104 U.S.P.Q.2d 1785 (Fed. Cir. November 15, 2012)

## I. Facts

Transocean owns U.S. Patent No. 6,047,781 (the ‘781 patent) and U.S. Patent No. 6,068,069 (the ‘069 patent), which share a common specification and are generally related to an offshore drilling rig. The patented technology centers on a “dual-activity” rig that includes two advancing stations, a main station and an auxiliary station, rather than a conventional single station rig. Transocean asserted claims of the ‘781 patent and the ‘069 patent (as well as certain claims of an additional patent) against Maersk and alleged that Maersk infringed the claims by entering into a contract with Statoil Gulf of Mexico LLC (Statoil), which granted Statoil the right to use an allegedly infringing drilling rig.

In *Transocean I*, the district court granted Maersk’s motion for summary judgment of obviousness, concluding that the asserted claims would have been obvious over the combination of two prior art references: U.K. patent application GB 2 041 836 (Horn) and U.S. Patent No. 4,850,439 (Lund). The district court also granted Maersk’s motion for summary judgment that the asserted claims were not enabled and granted summary judgment of noninfringement in favor of Maersk. Transocean appealed these rulings, along with the district court’s grant of summary judgment of collateral estoppel and no willful infringement. On appeal, the Federal Circuit vacated the district court’s grant of summary judgment of noninfringement and reversed the grant of summary judgment of invalidity for nonobviousness and lack of enablement. The case was remanded to the district court for consideration of the evidence of nonobviousness and undue experimentation.

On remand, a jury found that Maersk failed to prove that the claims were obvious and not enabled. The jury also found that Maersk infringed and awarded \$15 million dollars in damages to Transocean. However, the district court granted Maersk’s motion for JMOL that the asserted claims were invalid as obvious and not enabled. Transocean appealed the ruling.

## II. Issues

- A. Did the district court err by granting Maersk’s motion for judgment as a matter of law on validity of the claims of the ‘781 and the ‘069 patents as being obvious?
- B. Did the district court err by granting Maersk’s motion for judgment as a matter of law on validity of the claims of the ‘781 and the ‘069 patents as lacking enablement?

## III. Discussion

- A. Yes. The Federal Circuit reinstated the jury verdict that the ‘781 and ‘069 patents are nonobvious as supported by substantial evidence. Maersk argued that the Federal Circuit’s opinion in *Transocean I* established that the combination of the Horn and Lund references rendered the patents at issue *prima facie* obvious and that this was the law of the case. The Federal Circuit agreed, and the *prima facie* case of obviousness was not reconsidered. However, the Federal Circuit emphasized that “establishment of a *prima facie* case, however, is *not* a conclusion on the ultimate issue of obviousness.” The Federal Circuit went on to

explain that the existence of a *prima facie* case of obviousness establishes a rebuttable presumption that can be disproved with evidence.

At the district court, the jury considered seven types of objective evidence of nonobviousness: commercial success, industry praise, unexpected results, copying, industry skepticism, licensing, and long-felt but unsolved need. The Federal Circuit agreed with the jury that the evidence of nonobviousness outweighed the *prima facie* case and reversed the district court's grant of JMOL of obviousness.

With regard to commercial success, the Federal Circuit disagreed with the district court's consideration that the rejection of similar claims before the EPO was relevant to the analysis of commercial success, noting that consideration of the prior art in this type of analysis is the sort of hindsight bias that consideration of objective evidence is supposed to avoid. In contrast, Transocean presented evidence of a market premium for their patented rigs as well as other evidence that the Federal Circuit concluded was compelling evidence of nonobviousness.

With regard to industry praise and unexpected results, Transocean presented inventor testimony, industry articles, and competitor statements as evidence of industry praise and unexpected results. The Federal Circuit found this evidence to be convincing and rejected Maersk's arguments that the praise and unexpected results were not tied to the claimed features.

Transocean presented additional evidence of copying, licensing, industry skepticism, and long-felt need. For example, Transocean provided inventor testimony that the industry had been searching for solutions for performing certain activities of the rigs without interrupting operations on the drilling well.

- B. Yes. The Federal Circuit reinstated the jury verdict that the '781 and '069 patents are enabled as supported by substantial evidence. On remand, the jury examined the issue of whether a person of ordinary skill in the art could practice the claims without undue experimentation and found the patents to be enabled in light of the evidence presented.

The district court held to the contrary, granting JMOL of no enablement because it concluded that Transocean's evidence failed to support the jury's determination. The district court held that a skilled artisan would not be able to make and use the invention without undue experimentation. The district court also stated that, alternatively, "the enablement protocol was so obvious that it failed to invent or enable the claimed invention." The Federal Circuit rejected the district court's reasoning and noted that, under the district court's logic, the asserted claims are not enabled because they would have been obvious. As with the evidence in support of nonobviousness, the Federal Circuit agreed with the jury that the evidence was sufficient for a reasonable conclusion of enablement. The Federal Circuit also noted that Maersk's own expert testimony seemed to support Transocean's proposition that the claimed modifications to the rig would be little effort.

#### **IV. Conclusion**

The Federal Circuit noted that "[f]ew cases present such extensive objective evidence of nonobviousness, and thus we have rarely held that objective evidence is sufficient to overcome a *prima facie* case of obviousness." In Transocean, the patent holders were well served by presenting evidence that addressed many different factors in support of nonobviousness of their

patents. In addition, much of their evidence was presented in the form of inventor testimony, which the Federal Circuit found to be compelling.