

Keywords: 35 U.S.C. § 103, obviousness, inherency

General: Inherency may be used to supply a missing claim limitation when the missing claim limitation is necessarily disclosed by a reference; however, the PTO may require an applicant to prove that subject matter shown to be in a reference does not possess a characteristic relied upon with respect to functional limitations.

Southwire Company v. Cerro Wire LLC
U.S. Court of Appeals for the Federal Circuit
Case No. 2016-2287
Decided September 8, 2017

I. Background

Southwire Company was issued U.S. Patent No. 7,557,301 (“the ‘301 patent”) directed to methods for manufacturing an electric cable in which a lubricant is incorporated into an outer sheath of the cable to reduce a pulling force required during installation of the cable. Claim 1 of the ‘301 patent reads:

1. In a method of manufacturing a finished electrical cable having a conductor core and a jacket formed primarily of a first material, the jacket surrounding at least said conductor core and defining the outermost exterior surface of the finished cable, *the improvement comprising combining a preselected lubricant with said first material prior to the formation of said jacket in order to provide a reduced coefficient of friction of said cable outermost exterior surface and also reduce the amount of force required to pull the cable during its installation through building passageways, in which said lubricant is of the type which migrates through said jacket to be available at said outermost exterior surface of said finished cable during the cable's installation through building passageways, the finished electrical cable having the characteristic that an amount of force required to install said cable . . . is at least about a 30% reduction in comparison to an amount of force required to install a non-lubricated cable of the same cable type and size through corresponding holes in said arrangement.*¹

Cerro Wire filed a request for *inter partes* reexamination of the ‘301 patent. During *inter partes* reexamination, the Examiner found that all forty-two claims of the ‘301 patent would have been obvious over several combinations of art. One of those combinations included U.S. Patent No. 6,160,940 (“Summers”) and two other references. Summers describes a fiber optic cable and teaches that friction reducing additives can be included in plastic cable jackets to “reduce resistance to a cable pulling force.”² Though Summers does not explicitly teach the 30% reduction claims in the ‘301 patent, the Examiner found that following the teachings of Summers would result in the 30% reduction because it “is an inherent result of the cable being made in accordance with the method steps.”³

¹ ‘301 patent, Reexamination Certificate (emphasis added).

² Summers, col. 3, l. 65–col. 4, l. 16.

³ *Cerro Wire, Inc. v. Southwire Co.*, No. 2015-004351, 2015 Pat. App. LEXIS 10285, at *9-10 (P.T.A.B. Sept. 29, 2015).

Southwire appealed the Examiner's decision to the Patent Trial and Appeal Board ("PTAB"), and the PTAB affirmed the Examiner's decision. More specifically, the PTAB found that a prima facie case of obviousness was established because the cables of the '301 patent and Summers were produced by identical or substantially identical processes. Additionally, because Summers teaches reducing a coefficient of friction using a lubricant, the PTAB concluded that Summers inherently teaches the 30% reduction claimed in the '301 patent. Cerro Wire appealed the PTAB's decision to the U.S. Court of Appeals for the Federal Circuit.

II. Issues

1. Did the PTAB err in finding that Summers inherently teaches the claimed 30% reduction?
2. Did the PTAB err in finding that the claims of the '301 patent were obvious?

III. Discussion

1. Yes, the Federal Circuit determined that the PTAB incorrectly relied on inherency in finding the claims of the '301 patent obvious. While noting that inherency may be used to supply a missing claim limitation in making an obviousness determination, the Federal Circuit emphasized that the missing claim limitation must necessarily be disclosed by a reference.⁴ However, the PTAB cited no evidence that the 30% reduction would necessarily occur from performing the method taught by Summers. Thus, the court found that the PTAB erred in relying on inherency.

2. No. Although the Federal Circuit determined that the PTAB erred in relying on inherency in its finding of obviousness, the court also found that the PTAB's error was harmless because the PTAB did not need to invoke inherency. When each limitation of a process other than a functionally expressed limitation is expressly disclosed by prior art, the USPTO can require an applicant to prove that the subject matter shown in the prior art does not possess the characteristic relied on by the applicant.⁵ The Federal Circuit then reviewed the PTAB's finding that Summers disclosed a process that was identical or substantially identical to the process disclosed in the '301 patent and determined that this finding was supported by substantial evidence. More specifically, the court found that: 1) "[n]one of the patented steps differs in any material way from the process disclosed in Summers;" 2) there was "no evidence that the claimed 30% reduction in pulling force would have been unexpected or unattainable from the process disclosed in Summers;" and 3) there was "no evidence that the process disclosed in Summers did not produce the [30% reduction] in pulling force." The Federal Circuit also determined that neither the '301 patent nor evidence provided by Southwire gave any indication that the claimed 30% reduction "was something other than an observed result of an older process." Accordingly, the court affirmed the PTAB's decision that the claims of the '301 patent were obvious.

IV. Conclusion

The Federal Circuit determined that the PTAB incorrectly relied on inherency because the prior art did not necessarily teach the claimed 30% reduction in pulling force. However, the court found that the claims of the '301 patent were obvious because the prior art disclosed a process nearly identical to the claimed process and there was no evidence that the process taught by the prior art would not produce the improvement recited by the claims of the '301 patent.

⁴ *PAR Pharm., Inc. v. TWI Pharm., Inc.*, 773 F.3d 1186, 1194-95 (Fed. Cir. 2014).

⁵ *In re Best*, 562 F.2d 1252, 1254-55 (CCPA 1977).