Maschoff Brennan
INTELLECTUAL PROPERTY AND COMPLEX LITIGATION

That Invention is Not Obvious! Hindsight Is Worse Than You Think

A recent newspaper article about the inventor of the traffic light observed: "It seems so obvious now. But then that's the thing about inventions. They're always plain to see in hindsight." As the saying goes, "hindsight is 20/20." The U.S. Patent Office, however, is often dismissive of this basic insight.

In my experience filing hundreds of patent applications, the Patent Office is frequently dismissive of the effect hindsight has on its determination of obviousness for a claim of a patent or patent application. This should be no surprise. Examiners are simply following the guidance provided by the MPEP — the Patent Office official manual establishing ground rules for granting or denying an application. The MPEP is sparing in its guidance on avoiding hindsight, stating:"[h]owever, '[a]ny judgment on obviousness is in a sense necessarily a reconstruction based on hindsight reasoning, but so long as it takes into account only knowledge which was within the level of ordinary skill in the art at the time the claimed invention was made and does not include knowledge gleaned only from applicant's disclosure, such a reconstruction is proper.'" This terse statement dramatically downplays the effect hindsight has on the obviousness analysis the Patent Office performs. The general belief seems to be that so long as an examiner is aware that he or she should be able to avoid hindsight, that awareness of the principle suffices, without more, to avoid the use of hindsight in evaluating whether an invention would have been obvious.

This Patent Office view, however, is starkly inconsistent with both common sense and the well documented understanding that people are generally incapable of avoiding hindsight even when overtly attempting to do so. For example, in an oft-cited study, subjects were given a scenario and asked to assign the probability to four different potential outcomes. In one group, no actual outcome was provided to the subjects. In another four groups, subjects were told that one of the four outcomes was the "true" outcome, but were told to respond "as they would have had they not known the outcome." This study is widely recognized for its methodological simplicity and rigor in demonstrating a principle directly at odds with the MPEP statement. What it shows is that, in 13 of 16 cases, the mean probability of the "true" outcome was substantially higher for the group that was told to ignore the "true" outcome when responding. On average, the probability of an event increased from an average 25% in the group that had no knowledge of the outcome, to an average of 34% in the group that was told to ignore what it knew. This suggests that relying on forethought to avoid hindsight results in significant error.

Applying the statistical adjustment for forethought to the Board's decision, one can make the following observation. If the Board or an Examiner, applying the prevailing preponderance of the evidence standard for determining obviousness, believes that a claim is 51% likely to be obvious, the variance reflected by the study described above suggests that the probability that the claims are obvious is in fact about 18% lower, or 33%. It follows that for most cases that seem to be close, the Patent Office is usually wrong when it determines that the claims are obvious. Similarly, for a truly close case, the Board or Examiner, failing to adjust for the bias of hindsight, would probably believe that the likelihood of obviousness is about 68%. With the unavoidable effects of hindsight, perhaps the clear and convincing standard used by the courts in reality yields a result that in fact is closer to the preponderance of the evidence standard that the MPEP intends to be the correct basis for determining whether an application is obviousness. This observation itself seems obvious.

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