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### IP Court decision on non-obviousness affects corporate knowledge management

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Under the Taiwanese Patent Examination Guidelines, overcoming technical bias is one of the four secondary considerations when determining non-obviousness. In terms of knowledge management, there are two kinds of technical bias: positive and negative. Although the Taiwan IP Court appears to deny the concept of negative bias, it is an issue worthy of discussion, particularly from the aspect of corporate knowledge management. This article looks at this issue by considering two examples of bias.

#### Example 1 – positive bias

The invention relates to a composition of Ingredients A and B. The composition is prepared by mixing the two ingredients at a temperature of less than 50 degrees Celsius, because it is believed in the field that ingredient A cannot be heated over 50 degrees Celsius. The composition's ingredients fail to mix well, so researchers add solvents to overcome this problem. However, this increases the preparation cost.

The invention shows that this drawback can be overcome by mixing the ingredients at a temperature of more than 50 degrees Celsius and that, according to the formula of the composition, such temperature will not harm Ingredient A. Thus, the idea that Ingredient A cannot be heated over 50 degrees Celsius is a bias, and the invention is worth patenting as overcoming a technical bias.

#### Example 2 – negative bias

This example is a real argument from an IP Court decision. The validation of the patent (filed in 2002) concerned was challenged by a combination of Citations 1 and 2. Citation 1 (issued in 1995) was a prior art facing similar technical problems as the patent, but using another manner to resolve the problem. Citation 2 (issued in 1986) taught a similar concept to the patent, but did not teach applying the concept to the technical problems as the patent did.

The patentee argued that in almost 20 years (from the time when Citation 2 was issued to the filing day of the patent), no one had applied the technical features of Citation 2 as the patent did. Even Citation 1, while facing similar technical problems as the patent, did not use the concept of Citation 2. It was the patentee's position that there must be bias avoiding those with ordinary skill in the art from thinking of applying Citation 2 to the technical problems of Citation 1 and accomplishing the patent.

#### Analysis

A positive bias involves a certain level of teaching away – that is, the common knowledge in the field teaches those with ordinary skills away from resolving technical problems in a manner against it. In contrast, a negative bias is slightly intangible, as it is based on an idea that prior knowledge is forgotten when a certain technical problem is encountered.

As companies recognise the value of intellectual property and invest increasing resources in knowledge management, a key issue in terms of IP value is how the non-obviousness concept in the patent system works alongside the knowledge management system. Modern knowledge management is conceptualised in four processes:

- Creation – the process in which new content is developed or existing content is replaced.
- Storage/retrieval – an organisational memory of the newly created knowledge.
- Transfer of the created and stored knowledge to a place where the knowledge is needed or can be used.
- Application of the knowledge in specific fields or to specific issues.

Based on Example 1, the positive bias lies in transferring or applying, as some biases teach those having ordinary skills in the art away from transferring the knowledge to the place where it can be used or away from applying the knowledge to resolve technical problems.

But what about negative bias? How can knowledge be forgotten? A negative bias occurs if the knowledge was not properly stored, retrieved or transferred. A piece of knowledge could be forgotten due to the excess of information available – sometimes a piece of knowledge is put aside before being considered or digested. It is not uncommon for R&D personnel to find accidentally that an old technical means is actually useful for current technical problems.



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Usually, research, innovation and development in a technical field follow a trend, and knowledge that does not belong to such trend can easily be ignored. Therefore, created knowledge may not positively teach away from an application, but rather may be negatively forgotten when a problem is faced. However, as it does not reflect the main trend, the created knowledge is not properly stored or retrieved, or is never transferred to where it is needed.

This situation could be harmful to the field as the created knowledge might not be remembered and, at worst, could be lost permanently. Since the objective of the patent system is to promote the “encouragement, protection and utilization of creations of inventions...in order to promote the development of industry” (see Article 1 of the Patent Act), an invention is worth patenting when it puts a forgotten piece of knowledge back on the table.

However, in Example 2 the IP Court was unconvinced by the patentee's statement. Rather, it concluded that since both of the citations did not teach away the combination of the two, the bias did not exist. It seems that the IP Court disagreed with the existence of negative bias.

Although it might be difficult to define 'forgotten' knowledge, the most important issue with regard to whether the court should take the opposite position to the patentee is whether an invention based on overcoming a negative bias is worth rewarding. To define narrowly that a bias shall be distinctly linked to a certain level of teaching away is a bias in itself. The concept of negative bias is worth further discussion, as this kind of invention or research reinvigorates and makes valuable something that has been forgotten or ignored. Before the IP Court changes its mind, at both prosecution stage and in patent litigation, rights holders should consult experienced legal counsel in order to determine their strategy to protect and defend their valuable inventions against non-obviousness challenges.

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