

Vol. 22 No. 21

June 8, 2007

# ***KSR v. TELEFLEX:*** **HIGH COURT’S “OBVIOUSNESS” RULING** **NO SEA CHANGE IN PATENT LAW**

by

The Honorable Gerald J. Mossinghoff

Reversing a once obscure “non-precedential” opinion of the U.S. Court of Appeals for the Federal Circuit, Justice Anthony M. Kennedy, writing for a unanimous U.S. Supreme Court in *KSR International Co. v. Teleflex Inc.*,<sup>1</sup> once again sought to define the elusive test of whether an invention is “obvious”— and thus not patentable — or “nonobvious”— and thus worthy of a U.S. patent.

**35 U.S.C. § 103.** Enacted in 1952 as a key section in the general codification of U.S. patent law in Title 35 of the U.S. Code, § 103 provides:

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.

That section was intended to provide an objective standard to replace the Supreme Court’s tests of whether a patent was for an “invention” or not — a test that confused the type of technology that could be patented with the quantum of creativity or innovation needed. One Justice, in a pre-1952 decision, went so far as to state that for an invention to be patentable it “must reveal the flash of creative genius.”<sup>2</sup>

***The Graham Trilogy.*** The Supreme Court initially set forth a framework for applying the § 103 test in

---

<sup>1</sup>127 S. Ct. 1727 (2007).

<sup>2</sup>*Cuno Engineering Corp. v. Automatic Devices Corp.*, 314 U.S. 84, 91 (1941). That case specifically prompted Congress to add a sentence to § 103 that “Patentability shall not be negated by the manner in which the invention was made.” The Supreme Court’s anti-patent bias during the period up to 1952 was so pronounced that Justice Robert H. Jackson in a dissent complained “that the only patent that is valid is one which this Court has not been able to get its hands on.” *Jungersen v. Ostby & Barton Co.*, 335 U.S. 560, 571 (1949) (dissenting opinion).

---

**The Honorable Gerald J. Mossinghoff** is a Senior Counsel to the Alexandria, Virginia law firm Oblon, Spivak, McClelland, Maier & Neustadt, P.C., and Armand and Irene Cifelli Professorial Lecturer in Law at the George Washington University Law School. Mr. Mossinghoff is a former Assistant Secretary of Commerce and Commissioner of Patents and Trademarks, and a former President of the Pharmaceutical Research and Manufacturers of America. Mr. Mossinghoff recently accepted an invitation to Washington Legal Foundation’s Legal Policy Advisory Board.

the *Graham v. John Deere* trilogy of cases in 1966.<sup>3</sup> It stated:

Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background the obviousness or nonobviousness of the subject matter is determined. Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented.

Significantly, in *KSR*, the Court stated regarding that test that “while the *sequence* of these questions might be reordered in any particular case, the factors continue to define the inquiry that controls.”<sup>4</sup> Such a “reordering” conceivably could place greater emphasis on the “secondary considerations.”

***The TSM Test.*** In the *KSR* case, the Supreme Court stated:

Seeking to resolve the question of obviousness with more uniformity and consistency, the Court of Appeals for the Federal Circuit has employed an approach referred to by the parties as the ‘teaching, suggestion, or motivation’ test (TSM test), under which a patent claim is only proved obvious if ‘some motivation or suggestion to combine the prior art teachings’ can be found in the prior art, the nature of the problem, or the knowledge of a person having ordinary skill in the art. . . . Because the Court of Appeals addressed the question of obviousness in a manner contrary to § 103 and our precedents, we granted certiorari. . . . We now reverse.<sup>5</sup>

The patent in suit claimed a combination of an adjustable pedal assembly for an automobile moveable in fore and aft positions to accommodate stature differences in drivers together with an electronic throttle control. The District Court found the combination to be obvious and the patent thus invalid. It granted summary judgment in *KSR*’s favor. The Federal Circuit reversed, with principal reliance on the TSM test.

***Supreme Court Identifies Federal Circuit Errors.*** The Supreme Court identified four specific errors:

(1)The first error of the Court of Appeals in this case was . . . that courts and patent examiners should look only to the problem the patentee was trying to solve. . . .The Court of Appeals failed to recognize that the problem motivating the patentee may be only one of many addressed by the patent’s subject matter. The question is not whether the combination was obvious to the patentee but whether the combination was obvious to a person with ordinary skill in the art. Under the correct analysis, any need or problem known in the field of endeavor at the time of invention and addressed by the patent can provide a reason for combining the elements in the manner claimed.

(2)The second error of the Court of Appeals lay in its assumption that a person of ordinary skill attempting to solve a problem will be led only to those elements of prior art designed to solve the same problem. . . .Common sense teaches, however, that familiar items may have obvious uses beyond their primary purposes, and in many cases a person of ordinary skill will be able to fit the teachings of multiple patents together like pieces of a puzzle.

(3)The same constricted analysis led the Court of Appeals to conclude, in error, that a patent claim cannot be proved obvious merely by showing that the combination of elements was ‘obvious to try.’ . . .When there is a design need or market pressure to solve a problem and there are a finite number of identified, predictable solutions, a person of ordinary skill has good reason to pursue the known options within his or her technical grasp. If this leads to the anticipated success, it is likely the product not of innovation but of ordinary skill and common sense. In that instance the fact that a combination was obvious to try might show that it was obvious under § 103.

(4)The Court of Appeals, finally, drew the wrong conclusion from the risk of courts and patent examiners falling prey to hindsight bias. A factfinder should be aware, of course, of the distortion caused by hindsight bias and must be cautious of arguments reliant upon *ex post* reasoning. . . .Rigid preventive rules that deny factfinders recourse to

---

<sup>3</sup>*Graham v. John Deere Co. and Calmar, Inc. v. Cook Chemical Co.*, 383 U.S. 1 (1966); *Adams v. United States*, 383 U.S. 39 (1966).

<sup>4</sup>127 S. Ct. at 1734.

<sup>5</sup>*Id.* at 1735.

common sense, however, are neither necessary under our case law nor consistent with it.<sup>6</sup>

The Supreme Court was clear that the TSM test was alive and well; the issue was how it was applied:

When it first established the requirement of demonstrating a teaching, suggestion, or motivation to combine known elements in order to show that the combination is obvious, the Court of Customs and Patent Appeals captured a helpful insight. . . . As is clear from cases such as *Adams*,<sup>7</sup> a patent composed of several elements is not proved obvious merely by demonstrating that each of its elements was, independently, known in the prior art. Although common sense directs one to look with care at a patent application that claims as innovation the combination of two known devices according to their established functions, it can be important to identify a reason that would have prompted a person of ordinary skill in the relevant field to combine the elements in the way the claimed new invention does. This is so because inventions in most, if not all, instances rely upon building blocks long since uncovered, and claimed discoveries almost of necessity will be combinations of what, in some sense, is already known.

Helpful insights, however, need not become rigid and mandatory formulas; and when it is so applied, the TSM test is incompatible with our precedents. The obviousness analysis cannot be confined by a formalistic conception of the words teaching, suggestion, and motivation, or by overemphasis on the importance of published articles and the explicit content of issued patents. The diversity of inventive pursuits and of modern technology counsels against limiting the analysis in this way.<sup>8</sup>

In what I view was an intent by the Court to avoid upsetting the patent apple cart — to paraphrase one commentator in the *KSR* decision — it specifically cited with apparent approval the 2006 Federal Circuit decision in *In re Kahn*<sup>9</sup> as follows:

Often, it will be necessary for a court to look to interrelated teachings of multiple patents; the effects of demands known to the design community or present in the marketplace; and the background knowledge possessed by a person having ordinary skill in the art, all in order to determine whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue. To facilitate review, this analysis should be made explicit. See *In re Kahn*, 441 F.3d 977, 988 (CA Fed. 2006) ('[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness'). As our precedents make clear, however, the analysis need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ.<sup>10</sup>

Reinforcing that observation, the Supreme Court also stated:

We note the Court of Appeals has since elaborated a broader conception of the TSM test than was applied in the instant matter. See, e.g., *DyStar Textilfarben GmbH & Co. Deutschland KG v. C. H. Patrick Co.*, 464 F.3d 1356, 1367 (2006) ('Our suggestion test is in actuality quite flexible and not only permits, but *requires*, consideration of common knowledge and common sense'); *Alza Corp. v. Mylan Labs., Inc.*, 464 F.3d 1286, 1291 (2006) ('There is flexibility in our obviousness jurisprudence because a motivation may be found *implicitly* in the prior art. We do not have a rigid test that requires an actual teaching to combine . . .'). Those decisions, of course, are not now before us and do not correct the errors of law made by the Court of Appeals in this case. The extent to which they may describe an analysis more consistent with our earlier

---

<sup>6</sup>*Id.* at 1742.

<sup>7</sup>Footnote 3, *supra*.

<sup>8</sup>127 S. Ct. at 1741.

<sup>9</sup>441 F.3d 977, 988 (Fed. Cir. 2006).

<sup>10</sup>127 S. Ct. at 1741.

precedents and our decision here is a matter for the Court of Appeals to consider in its future cases. What we hold is that the fundamental misunderstandings identified above led the Court of Appeals in this case to apply a test inconsistent with our patent law decisions.<sup>11</sup>

**Significance of *KSR*.** The *KSR* decision is significant for several reasons:

(1)The issue of obviousness is pervasive in U.S. patent law, in my estimate being involved in as high as 90% of all patent disputes, whether at the United States Patent and Trademark Office (“USPTO”) or in the courts.

(2)The *KSR* case addressed the inherent nature of patented inventions themselves and not how patents are exploited, enforced or litigated. As such, it is a fundamental decision, potentially affecting virtually every patent applied for or granted.

(3)There are currently an estimated 1.7 million patents in force today, each of which was issued under § 103 and subject to a potential challenge that an already granted patent did not meet the nonobviousness test as now articulated in *KSR*.

(4)A consistent theme across the lay press in reporting the *KSR* decision is that it will make it more difficult to get a U.S. patent and easier to challenge existing ones, and that could especially harm the biotechnology and pharmaceutical sectors.<sup>12</sup> My own view is that the true scientific advances in those industries particularly will readily withstand the *KSR* test.

(5)The newly articulated *KSR* test will be more challenging to the USPTO, with its staff of 5,000 examiners, the largest percentage of which are newly graduated engineers. Almost by definition, a rigid TSM test is easier to apply than a more flexible one, particularly since to be sustained on appeal, a USPTO decision to deny a patent must be “supported by substantial evidence” under the *Zurko* ruling.<sup>13</sup>

(6)Finally, the newly articulated flexible TSM test is highly fact intensive — the *KSR* decision devoted five pages to describing a simple and relatively straightforward mechanical invention and the prior art. Intelligently applying it to a several hundred-page specification on computer architecture or a biotechnology/genomic invention will demand the very best of technical and scientific experts, in litigation and perhaps earlier at the USPTO.

**Conclusion.** It seems clear to me that the *KSR* case will not come close to producing a sea change in U.S. patent law. The Supreme Court emphasized its reliance on earlier precedents on § 103 and noted that the Federal Circuit has already adopted a more flexible application of the TSM test. And the allowance rate in the USPTO — i.e., that percentage of patent applications which actually results in patents — has dropped from between 60% and 70% from 1975 to 2000 to below 55% in the past few years. Finally, there is no reason, in my view, to believe that *KSR* will cause a drop in the number of U.S. patents applied for, a clear motivation for some of the stated support for a narrower Supreme Court’s view of what can be patented.

---

<sup>11</sup>127 S. Ct. at 1743.

<sup>12</sup>See, e.g., W. POST, May 1, 2007, at D2; W. TIMES, May 1, 2007, at C10.

<sup>13</sup>*Dickinson v. Zurko*, 527 U.S. 150 (1999).