

Is Brand v. Miller Consistent With KSR Int'l Co. v. Teleflex Inc.?¹

By Charles L. Gholz²

Introduction

KSR Int'l Co. v. Teleflex Inc., ___ S.Ct. ____, ___ USPQ2d ___ (S. Ct. 2007), was decided on April 30, 2007. Brand v. Miller, ___ F.3d ____, ___ USPQ2d ___ (Fed. Cir. 2007), was decided on May 14, 2007. Brand doesn't refer to KSR. Should it have? And, more importantly, is Brand consistent with KSR?

What KSR Said That Might Be Inconsistent With Brand

In KSR, the Supreme Court reversed the Federal Circuit's reversal of a district court's grant of a motion for a summary judgment that the involved claim in Teleflex's patent was invalid for obviousness. The Federal Circuit had remanded to the district court with instructions that the case should go to trial on the issue of the combinability of the references. The Supreme Court held that the references were properly combinable and that Teleflex's claim was therefore invalid. It then remanded the case "for further proceedings consistent with...[its] opinion." Those further proceedings will presumably consist largely of entry of judgment for KSR.

The basic question answered by the Supreme Court's opinion is what it takes to justify combining references, there being no dispute that Teleflex's claim was invalid if the references were properly combinable.

The Supreme Court started with a quotation of the well-known Graham factors, then asserted that those factors "continue to define the inquiry that controls."³ It then stated unequivocally that:

If a court, or patent examiner, conducts this analysis and

concludes the claimed subject matter was obvious, the claim is invalid under §103.⁴

Of course, the reference to a “patent examiner” was pure dictum. However, it would take a bolder attorney than I to argue that it should be disregarded for that reason.

The Federal Circuit had employed its “teaching, suggestion, or motivation” (TSM) test. According to the Supreme Court:

under...[that test] 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.⁵

The Supreme Court substituted a test under which a patent claim is only proved obvious if the person or entity challenging validity can “identify a reason that would have prompted a person of ordinary skill in the relevant field to combine the elements [of the prior art] in the way the claimed new invention does.”⁶ Whether there is any real difference between the two tests is a question beyond the scope of this article. What is important here is what the Supreme Court said about the trier-of-fact’s entitlement to rely on “common sense.”;

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. *** A person of ordinary skill is also a person of ordinary creativity, not an automaton.

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 §103.⁷

Rigid preventative rules that deny factfinders recourse to common sense, however, are neither necessary under our case law nor consistent with it.⁸

We build and create by bringing to the tangible and palpable reality around us new works based on instinct, simple logic, ordinary inferences, extraordinary ideas, and sometimes even genius. These advances, once part of our shared knowledge, define a new threshold from which innovation starts once more. And as progress beginning from higher levels of achievement is expected in the normal course, the results of ordinary innovation are not the subject of exclusive rights under the patent laws. Were it otherwise[,] patents might stifle, rather than promote, the progress of useful arts. See U. S. Const., Art. I, §8, cl. 8. These premises led to the bar on patents claiming obvious subject matter established in *Hotchkiss* and codified in §103. Application of the bar must not be confined within a test or formulation too constrained to serve its purpose.⁹

What *Brand* Said That Might Be Inconsistent with *KSR*

In *Brand*, the Federal Circuit reversed the BPAI's grant of judgment to Miller on the issue of derivation,¹⁰ saying:

We hold that the Board impermissibly relied on its own expertise in determining the question of derivation and that the Board's conclusion is not supported by substantial record evidence. We therefore reverse and remand for further proceedings consistent with this opinion.¹¹

In *In re Gartside*, 203 F.3d 1305 (Fed. Cir. 2000),...[w]e

concluded that findings of fact by the Board must in all cases be supported by substantial evidence of record.¹²

The fact that section 706 of the APA requires that the Board's decision be reviewed on the record does not directly answer the question whether the Board's decisions may be based on the Board's substantive expertise reflected in the record. However, in a contested proceeding involving "resolution of conflicting private claims to a valuable privilege," it is particularly important that the agency's decision on issues of fact be limited to the written record made before the agency.¹³

The[] detailed regulations governing contested cases highlight the Board's role in such cases as an impartial adjudicator of an adversarial dispute between two parties.

We therefore hold that, in the context of a contested case, it is impermissible for the Board to base its factual findings on its expertise, rather than on evidence in the record, although the Board's expertise appropriately plays a role in interpreting record evidence.¹⁴

Comments

(1) I do not see any difference between an Article III trial judge's applying his or her "common sense" to fill gaps in the evidentiary record and a panel of Article I trial judges applying their own "expertise" to do the same thing. In fact, I note that 35 USC 6(a) says that "The administrative patent judges shall be persons of competent legal knowledge and scientific ability who are appointed by the Director." (Emphasis supplied.) Moreover, and more importantly, they are "persons of competent...scientific [and/or engineering] ability"--probably unlike both the Article III judge whose original decision was vindicated by the Supreme Court's decision in KSR and the justices themselves.

(2) Counsel for Brand opined (in an email to me) that:

Brand v. Miller says the Board cannot (in inter partes cases) elevate its own opinion over expert evidence of record. This does not mean that APJs can only hold a claim unpatentable on the basis of the testimony of an expert witness, especially when there is no expert evidence of record.

I'm not convinced. Miller submitted no expert testimony, Brand did, the board didn't buy Brand's expert's testimony and held for Miller, and the court reversed--using language that emphasizes Miller's lack of evidence, not the fact that the board discounted Brand's evidence.

(3) The Federal Circuit's record on certiorari is abysmal.¹⁵ Clearly, it was "cruising for a bruising" in KSR. Was it doing so again in Brand? Miller has sought reconsideration, but of course that is unlikely to get anywhere.¹⁶ However, I wouldn't say the same about a petition for certiorari.

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³ ___ S.Ct. at ___, ___ USPQ2d at ___.

⁴ ___ S.Ct. at ___, ___ USPQ2d at ___; emphasis supplied.

⁵ ___ S.Ct. at ___, ___ USPQ2d at ___.

⁶ ___ S.Ct. at ___, ___ USPQ2d at ___.

⁷ SO at 16-17, ___ S.Ct. at ___, ___ USPQ2d at ___; emphasis supplied.

⁸ SO at 17, ___ S.Ct. at ___, ___ USPQ2d at ___; emphasis supplied.

⁹ SO at 23-24, ___ S.Ct. at ___, ___ USPQ2d at ___.

¹⁰ Although the issue was derivation, the court's rationale would be equally applicable to any issue.

¹¹ SO at 1-2, ___ F.3d at ___, ___ USPQ2d at ____.

¹² SO at 7-8, ___ F.3d at ___, ___ USPQ2d at ____.

¹³ SO at 9, ___ F.3d at ___, ___ USPQ2d at ____, citing Sangamon Valley Television Corp. v. United States, 269 F.2d 221, 224 (D.C.Cir. 1959).

¹⁴ SO at 10-11, ___ F.3d at ___, ___ USPQ2d at ____.

¹⁵ Of course, a probable explanation for the Federal Circuit's record on certiorari is that, because in matters over which the Federal Circuit has exclusive jurisdiction there is no opportunity for inter-circuit disputes, the Supreme Court only grants certiorari to the Federal Circuit in those matters in cases which at least several of the justices anticipate reversing the lower court.

¹⁶ Miller's request for reconsideration argues only that the panel overlooked facts of record. Even if that's true, that is unlikely to interest anyone other than the two real parties in interest.