



Intellectual Property Advisory: Comments on *KSR Int'l Co. v. Teleflex, Inc.*

By Joseph M. Potenza

On April 30, 2007, the U.S. Supreme Court came out with the long-awaited decision clarifying some 50 years of appellate court patent precedent in the case of *KSR Int. v. Teleflex Inc.* In this decision the Supreme Court roundly criticized the Federal Circuit's "Teaching, Suggestion or Motivation" test as inconsistent with the Supreme Court's seminal *Graham v. Deere* decision on obviousness whenever the so-called TSM test is applied as a rigid and mandatory formula, which the Supreme Court decided the Federal Circuit had done in *KSR*. The next few years may be "undiscovered country" for patent lawyers as new law is created to follow the new precedent.

In this case the Federal Circuit criticized the District Court since the prior art Asano pedal didn't "address the precise problem that the patentee was trying to solve" and commented "that whether it was obvious to try the combination of Asano and a sensor was likewise irrelevant, because "obvious to try" has long been held not to constitute obviousness".

In rejecting the Federal Circuit's analysis, the Supreme Court referred to TSM (Teaching, Suggestion and Motivation) as a "helpful insight" to aid the obviousness inquiry but has rejected its rigid application. (p.15). It seemed to say that a motivation that is "found implicitly in the prior art" may be sufficient and the Federal Circuit should consider if such an analysis is consistent with the Supreme Court's decision here. Our Amicus Brief on behalf of the ABA argued that TSM is valid if the Prior Art is considered with an "implicit analysis". The problem with the Federal Circuit cases is that they gave "lip service" to an implicit analysis but required explicit teachings (in applying TSM). The Supreme Court gave the Federal Circuit some comfort, of sorts, by noting more recent Federal Circuit cases applying the TSM case may have been "flexible" enough to pass muster. The Supreme Court also noted, however, that those cases weren't before them for analysis. The Federal Circuit's decisions in *DyStar v. C. H. Patrick* and *Alza v. Mylan Labs* may therefore remain good law unless or until the Federal Circuit reverses these decisions itself in light of *KSR*.

Despite the potential viability remaining in the Federal Circuit's *DyStar* and *Alza* decisions, the landscape has changed dramatically with the Supreme Court's revival of obviousness arguments that were previously rejected by the Federal Circuit over 20 years ago. In providing "guidance" to the Federal Circuit, and to District Court judges, the

Supreme Court appears to give new life to long discredited tests for obviousness, including the requirement of “synergy” whenever prior art components are combined in a new invention (pp. 12-13) by citing *Anderson's Black Rock and Sakraida v. AG Pro*, and the “obvious to try” test. “Synergy” requires that elements function in combination differently than they function separately. If elements function in combination as they function when separate or apart, then synergy is absent and the invention is obvious. Synergy based patent invalidity rulings were a favorite of the 9th Circuit, where nine out of ten patents were routinely invalidated on grounds of obviousness back before the formation of the Federal Circuit and the vesting of sole jurisdiction over patent appeals in that court.

In *KSR* the Supreme Court provided a brand new test for the combination of prior art patents, elements and teachings “like pieces of a jigsaw puzzle.” Under this new test, “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 [prior art] elements in the manner claimed.” The Supreme Court invited searching the prior art to mix-and-match patent claim elements by noting: “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.”

This new test means that prior art patents, their teachings, and individual elements disclosed in those patents, can be combined with other prior art to render a patent claim invalid if these prior art references can be found to address problems that were also known to exist in the field of endeavor addressed by the patent. This knowledge must have been possessed at the time of invention by persons of ordinary skill in the relevant art. More importantly, the individual elements disclosed in prior art references, “need not” solve the problem(s) addressed by the combination of those elements in the claimed invention. The Supreme Court warned that those of ordinary skill seeking to solve a specific problem “will not” be led to only those elements of prior art designed to solve the same problem. This warning greatly broadens the permitted reasons by which the prior art elements can be combined to achieve the combination of elements recited in the patent claims under attack. This is where the Supreme Court also noted: “Common sense teaches... 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 jigsaw puzzle.”

In light of this ground breaking decision, a patent claim can now be invalidated by hunting through the prior art in order to find all of the elements recited in the patent claim under attack. If all of the individual elements of the patent claim can be found in the prior art, then the Supreme Court decision makes it much easier to piece them together in fashioning an invalidity challenge. While reasons must also be found to combine the individual prior art patents or other references, satisfactory reasoning for the proposed combination of prior art elements will be found if problems addressed by those individual

prior art elements were also known to exist in the field of endeavor of the patent under attack (at the time of invention by those of ordinary skill in the relevant art) or in the same related field or even in a different one. There need be no unity or commonality between those problems addressed by the disparate elements of the prior art and the problem(s) solved by the combination of those elements in the claimed invention. The prior art elements need not necessarily relate to problems found in the “field of endeavor” of the patent. The Court said:

"When a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or a different one. If a person of ordinary skill can implement a predictable variation, Section 103 likely bars patentability." (p. 13).

* * *

"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" (emphasis added) (p. 14).

It is also likely that in cases where all of the patent claim elements can be found in the prior art, obviousness may be established if these elements, when combined, function in essentially the same way as they functioned separately. Further, unexpected results will no longer save patents if those unexpected results arose from an “obvious to try” experiment. Specifically, the Supreme Court said:

"When there is a design need or market pressure to solve a problem and there are 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. . . . In that instance the fact that a combination was obvious to try might show that it was obvious under Section 103". (p17).

The Supreme Court also indicated that mere disagreement between parties and their expert witnesses did not create an issue of material fact depriving District Court judges of grounds to rule upon patent obviousness upon Summary Judgment. Summary judgment is not precluded when an expert provides "a conclusory affidavit addressing the question of obviousness".

"The ultimate judgment of obviousness is a legal determination...Where as here, the content of the prior art, the scope of the patent claim, and the level of ordinary skill in the art are not in material

dispute, and the obviousness of the claim is apparent in light of these factors, summary judgment is appropriate". (p. 23)

The Supreme Court also regarded the Federal Circuit's safeguards against so-called 20/20 hindsight in the combining of prior elements as defying "common sense." "Rigid preventative rules that deny fact finders recourse to common sense, however, are neither necessary under our case law nor consistent with it". (p. 17).

Probable Consequences and Noteworthy Points:

Expect to see a larger number of patents now invalidated at the Summary Judgment level on the basis of obviousness. There may be less fact issues; for example, non-analogous art will now be somewhat limited. It is likely the U.S. Patent and Trademark Office will also decrease substantially the number of patents allowed, and the scope of patent claim coverage in those patents.

Other Points:

The Court rejected "obvious to try". This is now permissible, at least when there are only a "finite number of identified, predictable solutions" (p. 17).

Rejected an overemphasis of published articles and explicit content of issued patents--- market demands will drive some trends. (p. 15)

A rigid focus on the precise problem to be solved is not sufficient --- any need or problem known in the field of endeavor at the time of the patent can provide a reason for combining. (p. 16)

Design incentives and other market forces can prompt variations of a work either in the same field or a different one. (p. 13). This will limit the use of non-analogous art.

Non-predictable and unexpected results are heightened considerations in assessing obviousness (p. 12-13). This may be easier to establish in chemical cases and more difficult to establish in mechanical and electrical cases.

The Supreme Court seems to be raising the bar for patentable inventions as there are more advances:

"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.

In my view, we now have more ammunition to attack patents as defendants but it will concomitantly make it more difficult to get and defend patents.

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