Is Federal Circuit Law "Gobbledygook?"

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If you think the Federal Circuit's teaching-suggestion-motivation test for evaluating nonobviousness is "gobbledygook," you are in good company. During the U.S. Supreme Court's November 28th oral argument in *KSR International Co. v. Teleflex, Inc. et al.*, Justice Scalia commented that:

> I agree with the Chief Justice. It is misleading to say that the whole world is embraced within these three nouns, teaching, suggestion, or motivation, and then you define teaching, suggestion, or motivation to mean anything that renders it nonobvious. This is gobbledygook. It really is, it's irrational.[1]

Consequently, based questioning by the Justices at oral argument, the odds are that patent law with respect to 35 U.S.C. 103(a) is about to change.

Under current Federal Circuit law:

> A patent claim is obvious, and thus invalid, when the differences between the claimed invention 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." obviousness is ultimately a legal determination, it is based on several underlying issues of fact, namely: (1) the scope and content of the prior art; (2) the level of skill of a person of ordinary skill in the art; (3) the differences between the claimed invention and the teachings of the prior art; and (4) the extent of any objective indicia of non-obviousness. When obviousness is based on the teachings of multiple prior art references, the movant must also establish some "suggestion, teaching, or motivation" that would have led a person of ordinary skill in the art to combine the relevant prior art teachings in the manner claimed.[2]

The rationale for this teaching-suggestion-motivation test is to protect against courts and juries engaging in a hindsight-based obviousness analysis. According to the Federal Circuit, "[c]ombining prior art references without evidence of such a suggestion, teaching, or motivation simply takes the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability-the essence of hindsight."[3] Consequently, Federal Circuit precedent provides that "a person of ordinary skill in the art must not only have had some motivation to combine the prior art teachings, but some motivation to combine the prior art teachings in the particular manner claimed."[4]

This case, *KSR International Co. v. Teleflex, Inc. et al.*, is the first one heard by the Supreme Court on obviousness since *Sakraida v. Ag Pro, Inc.*[5], which was decided in 1976 – well before the founding of the Federal Circuit. At oral argument, the Justices were not impressed with the test developed by the Federal Circuit regarding obviousness. Justice Scalia said that the test is "meaningless."[6] Chief Justice Roberts thought the test was "worse that meaningless," because "it adds a layer of Federal Circuit jargon that lawyers can then bandy back and forth" and "complicates the [obviousness] inquiry rather than focusing on the statute."[7]

One of the primary complaints about the teaching-suggestion-motivation test was with respect to "motivation." Justice Breyer stated that he understood what teachings and suggestions were, but that he did not understand what was meant by the term "motivation." In particular, he reasoned that:

> I can understand, I think, what a teaching is. I take it a teaching is you put all the prior art — that's what I guess that's what Judge Rich explained, which I thought was very enlightening to me in . . . *Winslow*. You put it all around the room. All right, we've got it all around the room, and I begin to look at it and if I see over that it somehow teaches me to combine these two things, if it says, Breyer, combine this and that, that's a teaching and then it's obvious. Now, maybe it doesn't have the teaching, it just has the suggestion. Maybe it says, we suggest you combine this or that; okay, then it's obvious. But I don't understand, though I've read it about 15 or 20 times now, it though I've read it about 15 or 20 times now, I just don't understand what is meant by the term "motivation."[8]

Consequently, at least some Justices appeared to be considering sweeping aside the teaching-suggestion-motivation test in its entirety. However, this prompted a string of questions by Justice Souter evidencing a concern for potential chaos. In particular, he questioned whether the Court was "going to produce chaos" if the test was "tip[ped] over now," because the Federal Circuit has been applying the test for over 20 years.[9] Justice Souter reasoned that "if the error is common enough and long enough, the error becomes law" and questioned whether in effect that is what the Court is presented with in this case.[10] Further, he asked whether "100,000 cases" would be filed the morning after a decision

overruling the teaching-suggestion-motivation test.[11] Justice Scalia also questioned the ramifications of sweeping aside the Federal Circuit's test.

> It isn't just the Federal Circuit that has been applying this test. It's also the Patent Office and it's been following the Federal Circuit's test for 20 years or so. What, what is – assuming that we sweep that test aside and say that it's been incorrect, what happens to the presumption of validity of, of patents which the courts have been, have been traditionally applying? Does it make any sense to presume that patents are valid which have been issued under an erroneous test for the last 20 years?[12]

The Deputy Solicitor General for the United States did not advocate that extreme of a position. Instead, the United States took the position that the problem with the Federal Circuit's test is that it is exclusive.[13] The test is construed and applied as the sole means of proving obviousness.[14] Consequently, the problem is that Federal Circuit law precludes obviousness determinations in the absence of satisfaction of the teaching-suggestion-motivation test. [15]

The United States' argument regarding exclusivity may have been persuasive to some. For example, Justice Kennedy seemed to allow that the teaching-suggestion-motivation test may "serve to show us at least one way in which there can be obviousness."[16] Justice Kennedy further asked whether it would "be inadvisable for us to say that the motive test teaches us something important; it has a valuable place; it's just not the exclusive test for what's obvious."[17] Justice Kennedy went so far as to ask whether the test "would serve a valid purpose, i.e., . . . can we keep the motivation test and then supplement it with other, with other means of, other ways of showing obviousness?"[18]

As an interesting aside, the Supreme Court seemed troubled by the Federal Circuit's recent attempts to erect a series of escape devices from the categorical teaching-suggestion-motivation test that, at least prior to *certiorari* being granted, was imposed in all cases. For example, Justice Scalia observed that "in the last year or so, after we granted cert in this case after these decades of thinking about it [the teaching-suggestion-motivation test], it [the Federal Circuit] suddenly decides to polish it up."[19] Justice Kennedy admonished counsel to identify, when referencing Federal Circuit precedent, whether the case was decided after its opinion in *KSR Int'l*, because "when the case has been decided after, I think it has much less, much less weight" and was potentially "irrelevant."[20] Thus, it is unlikely that the Supreme Court will give much consideration to the cases issued by the Federal Circuit on obviousness after grant of *certiorari* in this case.

Thus, how is the U.S. Supreme Court going to rule? The odds are that patent law with respect to 35 U.S.C. 103(a) is about to change. Based on the Justices' comments at oral argument, it is unlikely that the Federal Circuit's teaching-suggestion-motivation test will remain the exclusive test for determining obviousness. The test, in one form or another, may remain as one way of establishing obviousness. However, other non-exclusive factors likely will be available for consideration too. As a result, the new Supreme Court test probably will make it easier for the U.S. Patent & Trademark Office to reject claims as obvious, because examiners will not have to adhere to a rigorous showing of a "teaching, suggestion, or motivation" to combine the references in order to achieve the claimed subject matter. Further, for the same reason, the new test likely will make it easier for accused infringers to prove invalidity for obviousness by clear and convincing evidence. IPT

ENDNOTES

1. Transcript of Oral Argument at 41, *KSR Int'l Co. v. Teleflex, Inc.*, 126 S. Ct. 2695 (2006) (granting *cert.*).
2. *See Teleflex, Inc. v. KSR Int'l. Co.*, No. 04-1152, 2005 WL 23377, at *2 (Fed. Cir. Jan. 6, 2005).
3. *See id.* at *3.
4. *See id.*
5. *See Sakraida v. Ag Pro, Inc.*, 425 U.S. 273 (1976)
6. Transcript of Oral Argument at 36, line 25 ("I would say its test is meaningless.").
7. *Id.*at 40, lines 6-13 ("It adds a layer of Federal Circuit jargon that lawyers can then bandy back and forth, but if it's — particularly if it's nonexclusive, you can say you can meet our teaching, suggestion, or motivation test or you can show that it's nonobvious, it seems to me that it's worse than meaningless because it complicates the inquiry rather than focusing on the statute.")
8. *Id.*at 9, lines 2-20.
9. *Id.*at 20, lines 6-11.
10. *Id.*at 20, lines 20-25.
11. *Id.*at 21, lines 10-12.
12. *Id.*at 23, lines 8-18.
13. *Id.*at 18-19.
14. *Id.*at 18-19.
15. *Id.*at 18-19.
15. *Id.*at 12, lines 12-19; p. 19, lines 5-9.
17. *Id.*at 11, lines 18-21.
18. *Id.*at 19, lines 5-9.
19. Id.at 53, lines 6-9
20. Id.at 36, lines 6-15.