

## A Tsunami For the Determination of Patentability: The Supreme Court Puts Under Water Over 50 Years of Case Law on Obviousness

In *Graham v. John Deere Co.*, 383 U.S. 1, 12 (1966) the Supreme Court of the United States set forth a test for nonobviousness, a necessary criterion for patentability under the patent laws. The Court identified four factors that needed to be addressed in determining whether asserted subject matter of a claim was patentable: (1) the scope and content of the prior art; (2) differences between the prior art and the claims at issue; (3) the level of ordinary skill in the pertinent art; and (4) secondary considerations such as commercial success, unexpected results, long felt need, failure of others, copying by others, licensing and skepticism of experts.

The Supreme Court has reaffirmed the *Graham v. Deere* test in several decisions since its rendering. For example in *Sakraida v. Ag Pro Inc.*, 425 U.S. 273, 189 U.S.P.Q. 449, reh'g denied, U.S. 955 (1976) and *Anderson's-Block Rock, Inc. v. Pavement Salvage Co.*, 396 U.S. 57, 163 U.S.P.Q. 673 (1969), the Court applied the *Graham v. Deere* test to find patentability when a new or different function was seen, and when a synergistic result was elicited.

Over the past two decades, the Circuit Court of Appeals for the Federal Circuit (the "Federal Circuit") has gradually developed an obviousness test that some have argued departs from the statutory mandate for examining obviousness from the perspective of the "person having ordinary skill in the art." In trying to grapple with the *Graham v. Deere* test, and provide what it saw as some workable

guidelines, the Federal Circuit began to invalidate patents for obviousness only when challengers could present prior art that provided a suggestion or incentive to combine previously existing technologies. *ACS Hospital Systems, Inc. v. Montefiore Hospital*, 732 F.2d 1572, 1577 (Fed. Cir. 1984). The Federal Circuit's reasoning behind such a standard was to avoid hindsight reconstruction wherein the patent itself would be used as a guide through the maze of prior art references -- combining the right references in the right way so as to achieve the result in the claims in suit. Such requirement ultimately morphed into a requirement that a "teaching, suggestion or motivation" be found in the prior art to combine previously existing technologies. See, e.g., *In re Raymes*, 7.F.3d 1037, 1039 (Fed. Cir. 1993), the so-called "TSM" test. As a corollary to such test, the Federal Circuit often cited the rule that "obviousness-to-try" is not enough for a finding of obviousness.

In the *KSR International Co. v. Teleflex Inc. et al.* case, the petitioner argued that the Supreme Court's jurisprudence spanning over more than 150 years did not require as a prerequisite to declaring claimed subject matter unpatentable that there be a proven "teaching, suggestion, or motivation" to combine prior art teachings in the particular manner claimed in the patent. The Petitioner noted that in the *Graham v. Deere* case, and in other cases reviewed by the Supreme Court subsequent to *Graham v. Deere*, there was no indication that there

was a requirement for a “teaching, suggestion or motivation” to modify prior art into the particular configuration. Amici likewise argued that the Federal Circuit’s “teaching-suggestion-motivation” test extended patent protection to non-innovative combinations of familiar elements. They argued that the TSM test subjects individuals challenging the validity of patents, as well as PTOs patent examiners, to substantial obstacles in establishing obviousness beyond those that Section 103(a), and prior Supreme Court decisions, mandate. They argued that the application of Section 103(a) should depend on the “given factual context,” involving “similar fact-dependent legal judgments such as ‘negligence and scienter.’”

The respondents argued that a review of the inventor’s choice of elements from among the prior art, and the manner in which such elements were combined, were a sine qua non for determining whether “the subject matter as a whole” (as recited in the statute) is nonobvious. They noted that Federal Circuit has found that the “suggestion requirement” is a “critical safeguard,” *In re Rouffet*, 149 F.3d 1350, 1357 – 1358 (Fed. Cir. 1998), and represents “the best defense against the subtle but powerful attraction of a hindsight-based obviousness analysis.” *In re Dembiczak*, 175 F.3d 994, 999 (Fed. Cir. 1999). Amici supporting the petitioner’s position noted that the requirement for some suggestion in the art to combine or modify prior art teachings dated back more than five decades to decisions of the Court of Customs and Patent Appeals, the predecessor to the Federal Circuit, both before and after the *Graham v. Deere* decision. *In re Williams*, 223 F.2d 291, 293-294 (C.C.P.A. 1955); *In re Demarche*, 219 F.2d 952, 956 (C.C.P.A. 1955); *In re Hill*, 284 F.2d 955 (C.C.P.A. 1960); *In re Bergel*, 292 F.2d 955, 956-957 (C.C.P.A. 1961); *In re Imperato*, 486 F.2d 585, 587 (C.C.P.A. 1973).

In *KSR International Co. v. Teleflex Inc. et al.* the Court was faced with determining whether a patent claiming an adjustable gas pedal with an electronic pedal position sensor located on a pivot associated with the gas pedal was obvious in light of prior art designs that employed non-adjustable pedals mounted on the wall of the footwell, which were coupled to an electronic pedal position sensor which was attached to the stationary wall bracket to which the pedal and its pivot connected.

The Supreme Court in *KSR International Co. v. Teleflex Inc. et al.* in an 8 – 0 opinion (Justice Roberts not participating) dispensed with nearly fifty years of jurisprudence with respect to the need to point to a ‘suggestion, teaching or motivation’ from the prior art before obviousness could be found. The Court stated that the key question that any court must ask with respect to improvement patents is whether the “improvement is more than the predictable use of prior-art elements according to their established functions.” That is, the Court found that the “combination of familiar elements according to known methods is likely to be obvious when it does not more than yield predictable results” (“when a patent ‘simply arranges old elements with each performing the same function it had been known to perform’ and yield no more than one would expect from such an arrangement, the combination is obvious.”). Thus, when a person of ordinary skill in the art “can implement a predictable variation, and would see the benefit of doing so, §103 likely bars its patentability.” The Court stated that “any need or problem known in the field and addressed by the patent can provide a reason for combining the elements in the manner claimed,” and therefore that the courts and patent examiners need not only look to the problem the patentee was trying to resolve.

Repudiating years of case law, emanating as early as the 1940s in the C.C.P.A. case of *In re Leum*, 158 F.2d 311, 72 U.S.P.Q. 127 (C.C.P.A. 1946) to present, that “obvious-to-try” was not sufficient in itself for demonstrating obviousness, the Court held that “obviousness-to-try” could be sufficient to demonstrate obviousness if there was “anticipated success” in the trials. The Court indicated that the analysis of obviousness need not “seek out precise teachings directed to specific subject matter of the challenged claims, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ.”

The Court noted that “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 a good reason to pursue the known options within his or her technical grasp [and if] ... this leads to the anticipated success, it is likely that the product [is] not of innovation but of ordinary skill and common sense.” While noting that the teaching-suggestion-motivation test in itself is not necessarily inconsistent with the *Graham v. Deere* test, it found that the Federal Circuit’s rigid and mandatory application of the same to be inconsistent with its precedents.

### **What Does The Decision Mean To A Patent Holder And Patent Applicant?**

The *KSR International Co. v. Teleflex Inc. et al.* decision means a great deal to patent holders

and patent applicants. As noted by the first chief judge of the Federal Circuit “virtually all inventions are ‘combinations,’ and ... every invention is formed of ‘old elements’ ... Only God works from nothing. Man must work with old elements.” H.T. Markey, *Why Not the Statute?*, 65 J. Pat. Off. Soc’y 331, 333 – 334 (1983).

First, the decision suggests an avenue of attack against a number of patents held by patent owners which were granted under the narrower TSM test and/or granted based on an “obvious-to-try does not equal obviousness” argument.

Second, the opinion suggests a much higher barrier for patent applicants, as Examiners will presumably now be able to cite obviousness with little more than an assertion that one of ordinary skill in the art would ultimately come up with the claimed invention in the ordinary course without real innovation. The need for the invention that is pointed out in the application can be cited by the Examiner as the same force that would lead a person of ordinary skill in the art to pursue options including those recited in the claim.

Third, the *KSR International Co. v. Teleflex Inc. et al.* opinion may portend a rampant increase in appeals being filed at the U.S.P.T.O. as applicants wait for the lower courts to define a workable standard for determining patentability within the KSR framework.

### **For more information please contact:**

**Steven J. Moore**  
(203) 351-8020  
smoore@kelleydrye.com