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## U.S. High Court Revisits the Obviousness Test in *KSR v. Teleflex*

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*Special to the Legal*

In the last few weeks, the patent world has been engaged in an active discussion of the impact of the U.S. Supreme Court's recent review of the legal standard for evaluating whether an invention is obvious in *KSR International Co. v. Teleflex Inc.*, *et al.*

Obviousness is difficult enough to explain to inventors seeking a patent. To an inventor, his or her own invention may seem obvious, and inventors even express this at times when trying to explain why or how they arrived at their invention. When an inventor says he or she was working on the idea for many years and suddenly one day the solution seemed obvious to the inventor, the inventor is explaining the "eureka" moment.

However, while the new invention may seem obvious to the inventor who was inspired to the eureka moment, it does not mean the invention would be obvious to others, and does not represent the standard applied to evaluate obviousness under the law.

The patent statute speaks to obviousness from the viewpoint of "one of ordinary skill in the art." In 35 U.S.C. Section 103(a), the law states that a patent may not be obtained when "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."

The statute, though, does not provide a

framework for analyzing when legal standard is met. The primary guiding case from the Supreme Court in this area is still *Graham v. John Deere Co.* The test in that case is oft quoted and relied on generally in patent litigation and examination when obviousness is at issue. Specifically, *Graham* provided a series of factors for evaluating obviousness under 35 U.S.C. Section 103(a) as a matter of law:

- The scope and content of the prior art;
- The differences between the prior art and the claimed invention;
- The level of ordinary skill in the art; and
- The presence or absence of indicia of non-obviousness.

The Federal Circuit Court of Appeals, the patent-specialty appellate court, over time developed a series of guidelines based on the *Graham* factors to evaluate a prima facie legal case of obviousness, which may be overcome by the various secondary factors when demonstrated. This Federal Circuit test includes determining whether: The prior art teaches or suggests all elements of the patent claims; the prior art provides a reasonable expectation of success in achieving the invention; and there is a "teaching, suggestion or motivation" in the prior art to combine various prior art references or to modify a prior art reference to achieve an invention.

This last factor is also known as the "TSM" test. In responding to examination reports and in litigation, practitioners typically address the *Graham* factors as well as the Federal Circuit's prima facie obviousness standard, including the TSM test.

In *KSR*, the Supreme Court, while not eliminating the TSM test, stressed the



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*Graham* factors and held that the TSM test should not be applied rigidly as the only way to evaluate obviousness. If this type of holding sounds familiar to patent law fans, it is.

It is a similar compromise holding to that applied by the Supreme Court in re-evaluating the doctrine of equivalents in the Supreme Court's *Hilton Davis* decision. In that case, the test in place at the time for evaluating infringement under the doctrine of equivalents was whether the claim element at issue performed substantially the same function, in substantially the same way to achieve substantially the same result (known as the tripartite test). The court did not overrule the test, but said the evaluation involved whether there was an "insubstantial difference" between the feature of the infringing device and the claim element. Thus, the tripartite test went from a touchstone test to merely one way in which insubstantiality can be established.

*KSR* represents a similar compromise by the Supreme Court seeking to strike a bal-

ance between those who wanted to overturn the TSM test altogether and those who support it as the only legal analytical tool employed to avoid application of improper “hindsight” in evaluating an invention.

As the saying goes, there is nothing new under the sun. All inventions, to some extent, are a combination of known items. Looking at an invention during examination or in litigation, as any good Monday morning quarterback might, it is easy to think an invention is obvious. However, “hindsight” is not a permissible tool in evaluating an invention for obviousness under the *Graham* factors. The TSM test was the vehicle the Federal Circuit had adopted to guard against hindsight, which creeps into the analysis more often than not, particularly in patent examination when there are inexperienced, nonlawyer examiners.

The Supreme Court holds in *KSR* that rigid application of the TSM test can be detrimental when an invention, otherwise obvious as a matter of law under *Graham*, is not found obvious absent an explicit finding that supports a motivation to combine. The court focuses the evaluation on whether an invention “manifests the extraordinary level of innovation” deserving of a patent.

Clearly, the court wants to cut back on patent issuance, and stresses that the obviousness evaluation must remain largely contextual, but there is little in the court’s opinion to support the court’s allegation that use of the TSM test itself has led to the issuance of patents which could be viewed as invalid for obviousness.

There are many factors that can contribute to a patent that may later be found obvious as a matter of law, including issuance of a patent in the absence of a critical prior art citation, inexperienced examiners, confusing data as well as the fact that obviousness is, in fact, a contextual evaluation. Such contextual evaluations are not absolute, and what may look good during examination, when subjected to intense litigation and discovery with virtually limitless searching for invalidating prior art by defense counsel, can later be held invalid.

A careful review of *KSR* shows much conjecture and little analysis to support the court’s rationale on the detrimental effects of

the TSM test, but articulates a clear and unequivocal statement that the TSM test will no longer be a test that is rigidly applied to evaluate obviousness as a matter of law.

For supporters of the TSM test, *KSR* is an unfortunate test case, and review of the underlying Federal Circuit opinion shows that the TSM test was not as well applied in the context of this particular invention as it has been in other decisions. Further, the invention is not a strong invention, and both in the decision and at oral argument before the Supreme Court there is mention of overly broad claiming and of possibly claiming the wrong aspect of the invention. The invention at issue was a good case for additive obviousness and people would likely find the invention ultimately obvious under any standard.

Further, the Federal Circuit did not “uphold” the patent, but remanded the case to the district court in view of the existence of a material issue of fact in a summary judgment motion regarding whether there was evidence supporting a motivation to modify the prior art to achieve the invention. The district court could have reviewed the evidence and maintained its original view that the patent was invalid. In contrast, from the viewpoint of one advocating removal of the TSM test, *KSR* is a strong case for advocates of tightening up on issuance of patents.

While the TSM test remains viable post-*KSR*, it is now only one way to evaluate obviousness. The Supreme Court stated other factors as pertinent in evaluating obviousness under the *Graham* factors, but did not adopt a new “test” or construct — only guidelines to apply under a *Graham* analysis. Examples of such factors include creation of synergy, introducing new or different functions, unexpected results, results that far surpass those existing in the art, a long passage of time without achieving the invention in view of the cited art, and the prior art teaching away from the invention.

These factors were also adopted by the U.S. Patent and Trademark Office (PTO) in a May 3 memorandum regarding examination. The memo acknowledges *KSR*, promises future guidelines, and instructs examiners in the interim to continue to make explicit a

“reason why a person of ordinary skill in the art would have combined the prior art elements in the manner claimed.”

While the Supreme Court states that the TSM test has created an undue restriction and an “extraordinary burden” on examiners to find a suggestion in the art to support a combination rejection, this is not borne out in practice. Examiners search broadly, and many issue ill-founded rejections. Further, the same test has been in place for over twenty years without such a “burden” being an issue.

So why now? It is no secret that the PTO is overburdened, but by the large increase in patent applications and the inability to hire and train examiners to keep up with the pace of filing, as well as the PTO’s inability to retain qualified examiners. Further, the PTO itself, while overburdened has instructed its examiners to continue to look for a motivation in the art to combine references.

We will all have to watch how new facts are analyzed under *KSR* to see how examination and validity law will be shaped. In seeking patents, attorneys should anticipate more rejections based on the examiner’s view of what one of ordinary skill in the art would do as “routine” skill, and so should focus inventors on the importance of providing evidence to support the invention under secondary considerations and the various factors cited in *KSR* and in prior case law as indicators of non-obviousness. Further, litigators should expect a more difficult time in defending patents and also seek and muster such evidentiary showings prior to subjecting the patent to scrutiny in litigation.

Finally, this case, which suggests attempting to cut back on patents issued which may be invalid under Section 103, should be carefully watched by the public. Public policy in the patent area should be examined by Congress based on *KSR* and various PTO proposed changes through a clearer lens with a view to truly promote science through encouraging innovation using the patent system, and not through the hope of “shared” technology outside of it as suggested in *KSR*. •