

Obviousness after *KSR v Teleflex*: a private practice perspective

While many may see *KSR* as helpful to patent infringers, a close reading of the decision reveals that the opposite may, in fact, be the case

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Other commentators will write eloquently on whether *KSR v Teleflex* was correctly decided, and whether its result is good or bad for society at large. We write to question whether *KSR* really makes it easier to prove a patent obvious. More importantly, we ask if we will ever really know what it holds. We also provide a practitioner's reference sheet, quoting all 27 articulated obviousness and non-obviousness standards or guides found in *KSR*, and coupling each with a brief suggestion for how to present your case to a judge if you want to make the opposite point. Interestingly, there are just as many jewels in *KSR* for patentee-advocates as for accused infringers, if not more.

Examiners hit hard

Reading *KSR v Teleflex* made us wonder who has it worst under *KSR*'s changes to the law of patent obviousness. We believe the answer is not patentees, but patent examiners. Examination guidelines stretching back 30 years or more might no longer apply. On 3rd May 2007, Margaret A Focarino, Deputy Commissioner for Patent Operations to Technology Center Directors at the USPTO, sent out a memo to patent office examiners which, among other things, stated that the office: "is studying the [*KSR*] opinion and will issue guidance to the patent examining corps . . . in the near future."

All the examiners and their supervisors will need at least some retraining. But first, the USPTO might need to put in motion its rulemaking machine, taking care to give all interested parties notice and a chance to be

heard. And once that's done, once all the guidelines are revised to match the new legal standards, the office will continue to do what it does: examine applications and allow those which pass muster to go to issue.

When owners of those patents sue, the accused will still do what they do: attack the patents with an argument that they were obvious and should never have issued in the first place. After all that, the new, more flexible *KSR* obviousness standards won't prevent accused infringers from attacking the examination process (not to mention the examiners), calling it and them inadequate. That's why patent examiners have it worst: *KSR* will ostensibly give them tools to shore up their quality control, but criticism of their results will never go away.

Lawyers, too, face difficulties. The playing field has shifted. An analysis that used to include a cautionary item on the judge's check-list (the teaching, suggestion, motivation requirement) is now more wide-reaching and far less predictable. Whether we focus our practice on patentee-oriented work, accused-infringer oriented work, opinion writing or licensing, the *KSR* decision is a disruptor. But not necessarily in the manner that some of us might think.

No extra help for infringers

On the surface *KSR* appears to help accused infringers invalidate patents. That seems to be what the Supreme Court intended. We do not believe that is what will happen. For instance, *KSR* says a few things about experts and summary judgment which are just as pro-patentee as pro-accused. Since the obviousness determination is a question of law (*KSR* holds), the issue may be decided on summary judgment when there is

The KSR reference sheet; or 27 ways to prove a patent obvious (or not)

Obvious • Non-obvious • Supreme Court language in quotation marks

no genuine issue of material fact about the *Graham* factors: the scope and content of the prior art, the scope of the patent claims, and the differences between the prior art and the patent claims. If there are no disputes on these points, we do not need experts. This part is not new, but carries added weight when voiced for the first time by a unanimous Supreme Court. It is not hard to envision a tactically minded patentee taking advantage of the new emphasis on how purely legal (and expert-free) the final determination might be.

Get ready for a wave of patentee early summary judgment motions. One of the *Graham* factors (claim scope) is arguably evident from the face of the patent and maybe the file history. Another (what is in the prior art?) is more or less the defence's burden to provide. The final factor (how different are they?) is just a synthesis of the other two. As a patentee, why not file a purely legal issue motion early and see what happens? Filing early sets the accused infringer back on its heels, before it has a good command over what is in the prior art. Under *KSR*, one can argue, expert testimony by the accused infringer which fails to establish that a *Graham* factor is in dispute will not bear on the purely legal issue the judge ultimately faces (time will tell whether the *Graham* factor "scope of the prior art" will become the new fertile ground for expert debate).

We can predict more plaintiff wins when the patent-in-suit is complex, more defence wins when it is simple. That is because common sense is now permitted full play when the judge makes that final, purely legal call, and lay judges will feel more comfortable deploying common sense to pass judgment on inventions they easily understand. Since the case gives patentees as many tools as it does accused infringers, it would be wrong to think *KSR* represents a sea change in overall system-wide outcomes.

Treasure trove

KSR is a disruptor because it sacrifices predictability in the service of flexibility. *KSR*'s holding is deceptively limited. *KSR* reversed the Court of Appeals for the Federal Circuit because it erred to require a finding, supported by evidence, of a teaching, suggestion or motivation to combine different parts of the prior art into the claimed invention. The way it reaches that holding is the problem. By our count, *KSR* announces 27 different legal standards or tools of analysis for making the final legal

"The combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results."

Show the result achieved was not predictable.

1

the combination is obvious."

Show the old elements arranged into a combination, each by themselves, do some function beyond what it was previously known to do, or yields a result which would have been unexpected at the time.

7

"[W]hen a patent claims a structure already known in the prior art that is altered by the mere substitution of one element of another known in the field, the combination must do more than yield a predictable result."

Show the result achieved was not predictable. Show the prior art structure is altered by more than a mere substitution.

2

"[D]esign incentives and other market forces can prompt variations of [a work]."

Show there were no contemporary design incentives or other market forces prompting variations of the prior art base structure.

"[I]f a person of ordinary skill can implement a predictable variation [of a work], § 103 likely bars its patentability."

Show that the variation was unpredictable, or show the variation was beyond the ordinary artisan's skill to implement.

9

Show the prior art does not teach away from the combination.

"[W]hen the prior art teaches away from combining certain known elements, discovery of a successful means of combining them is more likely to be nonobvious."

3

"The device ... did not create some new synergy."

Show a synergy arising from a combination.

4

"The two in combination did no more than they would in separate, sequential operation."

Show the prior art items in combination do more than they would in separate operations.

5

"[I]f a technique has been used to improve one device, and a person of ordinary skill in the art would recognise that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill."

Show the technique used to improve the other device is not used to improve the pertinent prior art device. Or, show there was no recognition that a person of ordinary skill in the art would recognise the same technique would improve similar devices in the same way. Or, show application of the improvement technique to the pertinent prior art device is beyond ordinary skill.

10

"[T]he combination of old elements ... added nothing to the nature and quality of the radiant-heat burner already patented."

Show the combination of something into another old element changes the nature or quality of the old element.

6

"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."

Show nothing in the design community

or marketplace asked for a solution to the problem solved by the claims. Show nothing provided any contemporaneous reasons to combine the elements the way the inventor did.

Show more than the mere existence of each claim element in the prior art.

"[A] patent composed of several elements is not proved obvious merely by demonstrating that each of its elements was, independently, known in the prior art."

"[I]t often may be the case that market demand, rather than scientific literature, will drive design trends [toward obvious techniques]."

Show nothing in the design community or marketplace asked for a solution to the problem solved by the claims, and there was no trend toward the invention.

"There is no necessary inconsistency between the idea underlying the TSM test and the Graham analysis."

Show (still) there was no teaching, suggestion or motivation to make the claimed combination.

"One of the ways in which a patent's subject matter can be proved obvious is by noting that there existed at the time of invention a known problem for which there was an obvious solution encompassed by the patent's claims."

Show no awareness in the art of the problem solved by the claims – the inventor was the first to see the problem itself.

"[A]ny 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 elements in the manner claimed."

Show there was no need or problem addressed by the patent which was known in the field of endeavour.

"[I]n many cases a person of ordinary skill will be able to fit the teachings of multiple patents together like pieces of a puzzle."

Show the prior art puzzle was too complex for ordinary artisans to fit the pieces together.

"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 ... [T]he fact that a combination was obvious to try might show that it was obvious under § 103."

Show nothing in the design community or marketplace asked for a solution to the problem solved by the claims, and there was no trend towards the invention. Show there was no set of identified or predictable solutions to a known problem. Show the known options were outside the ordinary artisan's technical grasp.

Show the arguments offered do not rely on hindsight – they are based on evidence of contemporary perceptions.

"A fact finder should be aware, of course, of the distortion caused by hindsight bias and must be cautious of arguments reliant upon ex post reasoning."

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

Show common sense reasons why an invention would not have been obvious.

"A person having ordinary skill in the art could have combined Asano with a pedal position sensor in a fashion encompassed by claim 4, and would have seen the benefits of doing so."

Show the contended combination does not have all of the elements of the patent claim. Show the ordinary artisan would not have seen the benefits of combining.

"There then existed a marketplace that created a strong incentive to convert mechanical pedals to electronic pedals, and the prior art taught a number of methods for achieving this advance."

Show nothing in the design community or marketplace created an incentive for a solution to the problem solved by the claims, and there were no solutions to the problem taught in the prior art.

"The proper question to have asked was whether a pedal designer of ordinary skill, facing the wide range of needs created by developments in the field of endeavor, would have seen a benefit to upgrading Asano with a sensor."

Show the ordinary artisan (starting with the basic prior art design) would not have seen a benefit to upgrading to incorporate the rest of the claimed invention.

Show the prior art does not teach away from the combination.

"Teleflex indirectly argues that the prior art taught away from attaching a sensor to Asano ..."

"What the declaration does not indicate is that Asano was somehow so flawed that there was no reason to upgrade it, or pedals like it."

Show the basic prior art design starting point was so flawed that there was no reason to upgrade it, or designs like it.

Show the absence of secondary factors (objective indicia of non-obviousness).

"... secondary factors ..."

"[M]ounting a modular sensor on a fixed pivot point of the Asano pedal was a design step well within the grasp of a person of ordinary skill in the relevant art."

Show the improvement to the basic prior art design was a design step outside the grasp of a person of ordinary skill in the relevant art.

determination of whether an invention would have been obvious. Twenty-two of them explain how to find obviousness and five explain how to find non-obviousness, but all of them can be mirrored in their wording and used to argue the opposite point. The practitioner who gets over the initial bewilderment is left with a treasure trove of arguments to fit every conceivable need.

As such, *KSR* created either a practitioner's worst nightmare or the practitioner's best-equipped toolbox. Trial judges will probably see it as a mess. Some of the announced standards arguably contradict one another (eg, "[W]hen a patent simply arranges old elements with each performing the same function it had been known to perform and yields no more than one would expect from such an arrangement, the combination is obvious"; vs: "[A] patent composed of several elements is not proved obvious merely by demonstrating that each of its elements was, independently, known in the prior art"). Some are circular (eg, "One of the ways in which a patent's subject matter can be proved obvious is by noting that there existed at the time of invention a known problem for which there was an obvious solution encompassed by the patent's claims"). Others appear to obliterate the timeframe restriction of Section 103 that the Federal Circuit has for years been working to instill into trial court thinking, without directly addressing the issue (compare *KSR* wording "likely to be obvious", "the combination is obvious", "using the technique is obvious", "when the prior art teaches away, ... discovery of a successful means of combining them is more likely to be non-obvious", with the Federal Circuit in *In re Dembiczak*: "The oft-difficult but critical step of casting the mind back to the time of invention").

Undoubtedly, *KSR* removes one patentee argument for non-obviousness (ie, the argument that the absence of a teaching, suggestion or motivation (TSM) to combine by itself nullifies an obviousness case). Further, it is clear that arguing from an absence of an express teaching to combine is now a thing of the past. That said, nothing in *KSR* precludes a patentee from making these arguments in a softer form. For instance, under the new flexible approach to determining obviousness or non-obviousness, there is nothing wrong with a trial judge observing the absence in the record of a teaching, suggestion or motivation to combine, and relying on that fact to support

a finding of non-obviousness, as long as he or she is careful to indicate this lack supports the absence of any apparent reason for having combined the prior art (see number 11 in the list on page 27). Patentees can still use these TSM arguments as a key part of an obviousness rebuttal.

Arguments for patentees

Parts of the *KSR* decision suggest even more arguments useful to a patentee. For example, *KSR* itself says it remains viable for patentees to refute obviousness by showing the prior art teaches away from a combination. *KSR* also preserves the argument that combining all of the prior art elements as contended by the attacker still does not result in the complete claimed invention. Another more subtle argument emerges from a close reading of *KSR*: under *KSR*, a patentee can prevail if the evidence shows that the inventor was the first to recognise the problem solved by the claimed invention. Finally, *KSR* gives one gift to patentees in the form of an argument that may not have been viable before the decision issued: if a base reference of a combination is so flawed that there is no reason to upgrade it, this fact alone will refute obviousness over the combination. So, while *KSR* takes away some tools from patentees, it confirms or even adds others.

The table which starts on page 26 is our list of 27 ways to prove a patent obvious (or not) under *KSR*, and the mirrored language which may be used to support the opposing point. We do not doubt others might make this list differently, adding one here or subtracting one there. But we believe the active practitioner will find our reference sheet useful in the years to come. *KSR* brings us change and unpredictability. We intend to be ready for it and you should, too. ■

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