
The Supreme Court Changes the Obviousness Standard: A First Look at *KSR*

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When should a court hold that a patent claim is invalid? When should a Patent Office Examiner allow a claim in a pending application, and when should the claim be rejected? On April 30, 2007, the US Supreme Court, in *KSR Int'l Co. v. Teleflex, Inc.*, changed the standard to be used in deciding if a patent claim is “obvious,” and hence unpatentable.

Historically, the Court of Appeals for the Federal Circuit, the district courts below it, and the Patent and Trademark Office (PTO) applied the so-called TSM test: A claim is not obvious unless some teaching, suggestion or motivation to combine the prior art teachings can be found in the prior art, the nature of the problem, or the knowledge of a person having ordinary skill in the art. In *KSR*, the Supreme Court characterized the TSM test, at least as it has sometimes been applied, as unduly rigid and “contrary to §103 and [the Supreme Court’s] precedents.” But if TSM is too rigid, what “tests” or “inquiries” should a court and the Patent and Trademark Office pursue to decide if a claimed invention is obvious? There seems to be general agreement that the effect of the Supreme Court decision will be to “raise the bar;” patents that previously would have survived a validity attack may not do so now, and applications that the PTO would have allowed may be rejected. The Supreme Court said that “[o]ften, it will be necessary ...to determine whether there was an apparent reason to combine [] known elements in the fashion claimed by the patent,” but left open when such a “reason” would not be needed. And although a May 3 memo issued by the PTO’s Deputy Commissioner for Operations said that “it remains necessary [for a PTO Examiner rejecting a claim] to identify a reason,” the PTO, like the Supreme Court, gave no simple or specific answer as to what such a reason might be.

What the Supreme Court did say is that there should be an “expansive and flexible approach” to determining obviousness. This “approach,” and some of *KSR*’s guidelines and presumptions, seem quite different from those applied by the lower courts in recent years.

Since it was established in 1982, the Court of Appeals for the Federal Circuit has given high priority to protecting inventors and ensuring that patents on non-obvious ideas are upheld. To this end, it established a number of rules intended to avoid improper hindsight analysis.

The Supreme Court’s approach seems different, in at least two important ways.

First, with KSR, the Supreme Court seems to have changed the underlying bias. Rather than focusing on why patents *should* be granted or upheld, the Supreme Court decision started with the importance of “declining to allow patents for what is obvious.” Quoting its 1950 decision in *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.*, the Court said that granting patents for combinations that only unite old elements with no change in their respective functions diminishes the resources available to skilful men; and added that granting patents on advances that would occur in the ordinary course without real innovation retards progress.

Second, and perhaps more important, the Court looked at the “person of ordinary skill” in a different light. Rather than assuming that an ordinary skilled person might not create something new unless taught, suggested or motivated to do so, the Supreme Court emphasized that those of “ordinary skill” are creative, not automatons, and *are likely* to make many obvious, non-patentable advances.

Concluding its decision, the Court put these two thoughts together, saying that many advances are not patentable, and that patents on “the results of ordinary innovation” should not be granted:

We build and create by bringing to the tangible and palpable reality around us new works based on instinct, simple logic, ordinary interferences, extraordinary ideas, and sometimes even genius. *** [T]he 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 the useful arts.

In the Supreme Court’s view, little of this reasoning appears to be new, at least in the case of so-called combination patents. In a long line of decisions, starting with *Hotchkiss v. Greenwood*, 11 How. 248 (1851), and extending through *Sakraida v. AG Pro, Inc.* 425 U.S. 273 (1976), the Court has consistently held that “[t]he mere aggregation of a number of old parts or elements which, in the aggregation, perform or produce no new or different function or operation than that theretofore performed or produced by them, is not patentable invention.” *Great Atlantic & Pacific Tea Co.*

What is, perhaps, new are a number of statements as to what is “likely” to be obvious, and what a person of ordinary skill might be expected to do. For example, drawing on its prior decisions, the Court started with the propositions that a “combination of familiar elements according to known methods is *likely* to be obvious when it does no more than yield predictable results” and that “[i]f a person of ordinary skill can implement a predictable variation, §103 likely bars its patentability.” According to the Court, one question that “must [be] ask[ed is] whether the improvement is more than the predictable use of prior art elements according to their established function.”

The Court went on to discuss some questions that a court might ask to determine if it would have been obvious to do what some patents claim. For example, does the patent claim encompass an obvious solution to a known problem that may not be the same as the problem with which the patentee was concerned? The Court said, “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 elements in the manner claimed,” and that one “error of the Court of Appeals lay in its assumption that a person of ordinary skill attempting to solve a problem will be led only to those elements of prior art

designed to solve the same problem.” What the lower court in *KSR* apparently should have done was to determine whether “a person of ordinary skill in the art could have combined Asano [a prior art patent] with a pedal position sensor [itself also old] in a fashion encompassed by claim 4, and would have seen the benefits of doing so.”

One aspect of the Supreme Court’s decision that will clearly engender future discussion is the role of “obvious to try.” The Federal Circuit has long held that a patent is not invalid simply because it is “obvious to try” to do what the patent did; what also must be shown is that there would have been a “reasonable likelihood of success.” The Supreme Court said that “the fact that a combination was obvious to try might show that it was obvious under §103.” But under what circumstances? When anticipated success is likely, predictable, or only a fervent hope? The Supreme Court decision does not say.

And what remains of TSM? The Supreme Court accepted that “[t]here is no necessary inconsistency between the idea underlying the TSM test and the *Graham*[v. *John Deere*, 383 U.S. 1 (1966)] analysis,” but TSM quite clearly is now only one part of a broader inquiry into whether a claimed invention is “obvious.” Importantly, TSM, and the Court’s observations that some “combinations” are “likely to be obvious,” and that §103 “likely bars” “a predictable variation,” are one-way streets. They can lead to the conclusion that an “invention” is “obvious,” but what points the other way?

The clearest indication of what would *not* be obvious was the Court’s statement that it previously, in *United States v. Adams*, 383 U.S. 39 (1966), upheld the patent on Adams’s battery because “[t]he fact that the [individually known] elements worked together in an unexpected and fruitful manner supported the conclusion that Adams’s design was not obvious to those skilled in the art.” But when is an advance both “unexpected” (rather than “predictable” or “obvious to try”) and more than the result of “ordinary innovation” (given *KSR*’s admonition that the “person of ordinary skill is also a person of ordinary creativity, not an automaton”)? These are questions with which patentees, patent applicants, the Federal Circuit and the US Patent and Trademark Office will struggle, likely for several years to come.

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