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IP FLASH

U.S. SUPREME COURT RULES ON OBVIOUSNESS

The U.S. Supreme Court issued its long-awaited decision on April 30, 2007 in *KSR International Co. v. Teleflex Inc.*, 550 U.S. ____, 82 USPQ2d 1385 (2007), a case that addresses one of the most fundamental questions of U.S. patent law regarding when an invention is obvious under 35 U.S.C. §103 and thus unpatentable. Stating that the results of ordinary innovation are not the subject of exclusive rights under the patent laws, the Supreme Court held that an obviousness analysis does not require application of a rigid rule to seek out precise teachings directed to specific subject matter of a challenged patent claim, but rather may take account of the inferences and creative steps that a person of ordinary skill in the art would employ.

In the case, Teleflex accused KSR of infringing a patent on an automobile accelerator pedal. KSR countered that the claim at issue was invalid because its subject matter was an obvious combination of known elements. The district court sided with KSR based on the teaching-suggestion-motivation (TSM) test. The TSM test provides that a claimed invention is considered obvious in light of a combination of two or more known elements if the prior art, the nature of the problem, or the knowledge of a person having ordinary skill in the art provides some teaching, suggestion or motivation to combine the elements. The Court of Appeals for the Federal Circuit (Federal Circuit) reversed, ruling that the district court “had not been strict enough” in applying the TSM test in this case. The Supreme Court reversed the Federal Circuit by rejecting the rigid application of the TSM test and providing a more general standard for making an obviousness determination based on the holding in *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1 (1966). *Graham* sets forth a framework for determining obviousness in which the scope and content of the prior art are determined, differences between the prior art and the claims at issue are ascertained, and the level of ordinary skill in the pertinent art is determined. The Court in *KSR* indicated that there was no necessary inconsistency between the TSM test and the *Graham* analysis, but that the Federal Circuit erred in transforming the general principles of *Graham* into “a rigid rule that limits the obviousness inquiry.”

The Court went on to articulate several errors related to the Federal Circuit's narrow application of the TSM test, including the errors of looking only at the problem the patentee was trying to solve and assuming that one of ordinary skill in the art attempting to solve a problem will only look at those prior art elements designed to solve the same problem. The Court also indicated that the Federal Circuit erred in concluding that a patent claim cannot be proved obvious by showing that the combination of elements was “obvious to try” and that the Federal Circuit drew the wrong conclusion from the risk of courts and patent examiners falling prey to hindsight bias. In analyzing the errors made by the Federal Circuit in its application of the TSM test, the Court stated that “[a] person of ordinary skill is also a person of ordinary creativity, not an automaton” and concluded that “[r]igid preventative rules that deny factfinders recourse to common sense... are neither necessary under our case law nor consistent with it.”

Following this case, it appears that obviousness may be easier to establish, although the particular consequences in the courts and in the U.S. Patent and Trademark Office remain to be seen. With a more flexible, and apparently broader, obviousness standard, it may become more difficult to obtain an issued patent from the U.S. Patent and Trademark Office and infringers may more readily employ obviousness as a way to avoid an accusation of patent infringement or obtain an advantage in a license negotiation.

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