

Supreme Court raises bar for patents in *KSR*

On April 30, the Supreme Court issued a significant patent law decision in *KSR International Co. v. Teleflex Inc.* concerning how an invention should be evaluated to determine if it is entitled to patent protection.

The decision leaves many existing patents more vulnerable to attack and may make it more difficult to obtain a patent in the first place.

Central to the case is the interpre-

tation and application of 35 United States Code § 103(a), which forbids issuance of a patent "if 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."

So what makes an invention "obvious" under the statute?

In a typical obviousness inquiry, the claimed invention is not completely taught or anticipated by a single prior art reference, such as a prior patent or printed article; however, the missing subject matter may be found in one or more other

prior-art references or deemed to be known by one of ordinary skill in the art.

A wider framework

More than 40 years ago, the Supreme Court's landmark decision in *Graham v. John Deere Co. of Kansas City* provided an analytical framework for determining obviousness that looked at the scope and contents of the prior art, differences between the prior art and the claimed invention, the level of ordinary skill in the pertinent art, and various secondary considerations such as commercial success, long-felt but unsolved needs, and failure of others.

See PATENTS, Page 17

The ruling endorses a wider obviousness inquiry that considers common knowledge and market forces, not merely what is written in scientific and technical literature.



PATENT LAW

GEORGE SNYDER

THURSDAY, MAY 31, 2007

www.buffalolawjournal.com • BUFFALO LAW JOURNAL 17

PATENTS: 'TSM test' relegated to more minor role in determining merits

FROM PAGE 1

The U.S. Court of Appeals for the Federal Circuit, the highest patent court below the Supreme Court, has employed a more restrictive test requiring an identifiable "teaching, suggestion, or motivation" in the prior art to combine the prior-art teachings of the various references. In *KSR*, which involves automobile gas-pedal technology, the Federal Circuit applied the so-called "TSM test" to overrule the district court and find that Teleflex's patent claim was indeed valid over the prior art.

The *KSR* case gave the Supreme Court an opportunity to loosen and expand what it perceived to be an overly rigid and restrictive application of the TSM test by the Federal Circuit. On a more fundamental level, *KSR* offered a chance to address widespread public concern that too many undeserved patents are being granted and enforced, thereby stifling innovation and economic growth.

The Supreme Court reaffirmed its *Graham* factors, but did not dispense with the TSM test altogether, recognizing that the TSM test could provide helpful insight in weighing whether a claimed invention is obvious.

The ruling endorses a wider obviousness inquiry that considers common knowledge and market forces, not merely what is written in scientific and technical literature. Consequently, *Graham* is reinvigorated and the TSM test is relegated to a greatly diminished role. U.S. Patent and Trademark Office examiners may have more leeway to reject pending patent claims, and patent defendants may have stronger arguments to invalidate patent rights they are accused of infringing.

The Supreme Court further held that obviousness is ultimately a legal determination for which summary judgment may be entirely appropriate. Conclusory expert declarations proffered by Teleflex failed to create or keep open a question of fact, and the District Court properly reached summary judgment.

Ruling's ramifications

The ramifications of *KSR* for patent practice are immediate and crucial.

For those who prepare and prosecute patent applications in the Patent Office, there is concern that patent examiners are too rushed and lack the necessary facts to thoroughly evaluate obviousness. Often, examiners are accused of viewing an invention in hindsight, not through the eyes of someone skilled in the art at the time the invention was made, as the patent law intends. The *KSR* decision will make it more difficult to overcome improper rejections based on hindsight, rejections that the TSM standard is designed to prevent.

The Patent Office issued a short memorandum to its examiners advising of the *KSR* decision and reminding examiners to explicitly provide a reason for combining prior-art references in any obviousness rejection. However, under *KSR*, such reason may exist outside of the prior-art references specifically cited by the examiner.

Patent attorneys and agents will need to pay added attention to the story behind an invention, such as unsuccessful attempts and unexpected results, and fill the prosecution record with evidence that may be helpful under the *Graham* factors. Nevertheless, inventions that combine familiar elements according to known methods to yield predictable results will likely be rejected as obvious.

For patent litigators, the *KSR* ruling changes the playing field. In the past, obviousness arguments were largely confined to the four corners of the prior-art documents cited to invalidate a patent claim. Now, arguments and supporting evidence will be expanded in the spirit of *KSR*. Invalidity arguments based on obviousness will

Patent attorneys and agents will need to pay added attention to the story behind an invention, such as unsuccessful attempts and unexpected results.

increase in number and complexity, with evidence of the level of ordinary skill in the art playing a more important role. An increased rate of successful summary-judgment motions for invalidity is expected, something the Supreme Court was probably aiming to achieve.

For the commercial public at large, the impact of *KSR* remains to be seen. In the software industry, many companies are hoping that *KSR* will provide the legal foundation necessary to strike down numerous patents that experienced programmers regard as bogus. However, there is concern that *KSR* will increase the risk associated with start-up ventures based purely on patent rights, and may cause a curtailment of venture-capital funding.

In the end, *KSR* encourages consideration of more evidence in the hope that

this will better crystallize the abstraction of obviousness on a case-by-case basis. Each patent examiner or judge, considering the evidence, will draw his or her own conclusion in light of personal experience.

In this respect, obviousness is like another abstraction, obscenity, about which Supreme Court Justice Potter Stewart remarked, "I shall not today attempt further to define the kinds of material I understand to be embraced ... But I know it when I see it."

A partner in *Hodgson Russ LLP's intellectual property and technology practice group*, George Snyder has experience in patent matters involving mechanical and electro-mechanical arts, medical devices, computer software and optical technologies. He can be reached at gsnyder@hodgsonruss.com.