

KSR International Co. v. Teleflex Inc. – Ordinary Innovation is Obvious

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On April 30, the Supreme Court in *KSR International v. Teleflex*, announced that “the results of ordinary innovation are not the subject of exclusive rights under the patent laws.” The Court was criticizing the Federal Circuit’s “teaching, suggestion and motivation” test for determining whether a patent is obvious, finding that a formalistic and rigid approach to this test “might stifle, rather than promote, the progress of useful arts.” The Court accordingly adopted a more flexible approach, asking whether an improvement is *more than* a predictable use of prior art elements according to their established functions.

Teleflex is an exclusive licensee of a patent on an adjustable electronic pedal system. This system combines an electronic sensor with an automobile gas pedal for transmitting the pedal’s position to a computer controlling the throttle in the vehicle’s engine. Teleflex accused KSR of infringing the patent when KSR added an electronic sensor to one of its previously designed automobile gas pedals. KSR counter-attacked, alleging that the asserted patent claim was an obvious combination of known elements. The district court agreed with KSR and granted summary judgment of invalidity. The Federal Circuit, however, ruled that because the prior art references did not address the precise problem that the Teleflex patent was trying to solve, there was no teaching, suggestion or motivation to combine these references, and therefore vacated the summary judgment. The Supreme Court reversed and reinstated the summary judgment.

Section 103 prohibits issuance of a patent when “the differences between 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.” In its prior decision in *Graham v. John Deere Co. of Kansas City*, the Supreme Court established an objective framework for applying section 103 requiring: (1) determination of the scope and content of the prior art; (2) identification of any differences between the prior art and the claims at issue; (3) determination of the level of ordinary skill in the pertinent art; and (4) review of any relevant secondary considerations, such as commercial success, long felt but unresolved needs and failure of

others. In subsequent cases, the Federal Circuit developed its “teaching, suggestion, or motivation” test to ensure a uniform and consistent approach to obviousness. Under this test, a patent claim is obvious only if there is “some motivation or suggestion to combine the prior art teachings” that can be found in the prior art itself, in the nature of the problem, or the knowledge of a person of ordinary skill in the art.

In *KSR*, the Supreme Court did not entirely reject the “teaching, suggestion, or motivation” test, but rather criticized the formalistic and rigid application of this test by the Federal Circuit in this case. The Court acknowledged that 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. But, the Court ruled that any teaching, suggestion or motivation does not need to be explicit and courts can take into account the inferences and creative steps that a person of ordinary skill in the art may employ: “A person of ordinary skill is also a *person of ordinary creativity*, not an automaton.”

In order to determine whether there was a reason for one skilled in the art to combine known elements in a manner claimed by the patent, courts must analyze the interrelated teachings of prior art references, the effects of known demands in the marketplace, and the background knowledge possessed by a person of ordinary skill in the art. The Supreme Court stated that the combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results, and further indicated that any of the following may provide a “reason” for combining these known elements:

- a need or problem known in the field of endeavor at the time of invention and addressed by the patent;
- an obvious use of familiar elements beyond their primary purposes; or
- a design need or market pressure to solve a problem.

The Court also rejected cases holding that a patent claim cannot be proved obvious merely by showing that the combination of elements was “obvious to try.” Rather, it recognized that, under particular circumstances, the fact that a combination was obvious to try might show that it was also obvious.

Finally, while acknowledging that there is a risk of hindsight bias, the Court emphasized that this risk cannot and should not overwhelm common sense in making obviousness determinations – either in the PTO or in the courts.

Thus, the Supreme Court has embraced a more expansive and flexible approach to obviousness. In particular, where new works have already been created and shared, further progress “is expected in the normal course,” and thus ordinary innovation is deemed “obvious.” This approach is likely to impact both prosecution and litigation practice and may make obviousness a more robust defense to patent infringement in certain circumstances. This is particularly relevant to the hardware and software industries, where patents frequently claim combinations of known techniques and elements.

The opinion is at <http://www.supremecourt.us.gov/opinions/06pdf/04-1350.pdf>.

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