Supreme Court Dictates Flexible Approach to Obviousness

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The United States Supreme Court issued a landmark decision on April 30, 2007 that will have a significant impact on patent prosecution and litigation in the coming years. The unanimous court rejected the Federal Circuit’s rigid application of the teaching-suggestion-motivation (T-S-M) test, mandating instead a more flexible “totality of the circumstances” approach to determine whether a patent is obvious, and therefore invalid. KSR Int’l Co. v. Teleflex, Inc., 550 U.S. ___ (2007).

KSR notes that “the combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.” Slip op. at 12. KSR reaffirms the Court’s 1851 Hotchkiss and 1966 Graham decisions, endorsing “a broad inquiry,” designed to invite courts, “where appropriate, to look at any secondary considerations that would prove instructive.” Slip op. at 11. Ultimately, KSR declares that an obviousness analysis should “take account of the inferences and creative steps that a person of ordinary skill in the art would employ,” (slip op. at 15) rather than “seek out precise teachings directed to the specific subject matter of the challenged claim.” Slip op. at 14.

The holding of KSR has already been cited by the U.S. Court of Appeals for the Federal Circuit, finding obviousness where the patent holder presented “no evidence that the inclusion of a reader in this type of device was uniquely challenging or difficult for one of ordinary skill in the art.” Leapfrog Enterprises, Inc. v. Fisher-Price, Inc., No. 06-1402, slip op. at 10 (May 9, 2007).

ANALYSIS OF OBVIOUSNESS - A NEW AND FLEXIBLE APPROACH

Obviousness is defined in 35 U.S.C § 103 (a): “[a] patent may not be obtained . . . if . . . 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.” KSR identifies a new approach to analyzing obviousness that can be articulated as follows:

An invention is obvious under 35 U.S.C. § 103 if:

(1) the combination is no more than the predictable use of known elements according to their established functions; and

(2) there was a reason to combine the known elements.

The first prong of this approach affirms the Court’s previous holdings in Sakraida and Anderson’s-Black Rock (“a court must ask whether the improvement is more than the predictable use of prior elements according to their established functions”). KSR, 550 U.S., slip op. at 13. KSR emphasizes that “a combination of familiar elements . . . is likely to be obvious when it does no more than yield predictable results.”

The second prong replaces an inflexible T-S-M requirement with KSR’s more expansive “reason to combine.” While promoting a totality of the circumstances approach, the Court also suggests three considerations often necessary to determine whether such a reason to combine is present:

1. interrelated teachings of multiple patents (i.e., teaching or suggestion in the prior art);

2. the effects of demands known to the design community or present in the marketplace; and

3. background knowledge possessed by a person having ordinary skill in the art with ordinary creativity, insight, and common sense. KSR, 550 U.S., slip op. at 14.

The first two considerations are reminiscent of the Federal Circuit’s T-S-M test. The third consideration, however, significantly expands the scope of evidence providing a reason to combine elements. The third consideration also reduces the evidentiary hurdle a patent challenger must leap to avoid hindsight reconstruction. In particular, the Court invites a patent challenger to look beyond the teachings of patents and scientific articles, and to consider the creativity, insight, and common sense of a person having ordinary skill in the art. “A person of ordinary skill is also a person or ordinary creativity, not an automaton.” KSR, 550 U.S., slip op. at 17.

The three considerations enumerated by KSR are not intended to be applied rigidly and are not necessarily dispositive. Rather, KSR encourages consideration of any relevant factors. “Under the correct analysis, 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.” KSR, 550 U.S., slip op. at 16.

COMPARISON OF THE KSR APPROACH WITH THE T-S-M TEST

The T-S-M test was created by the Federal Circuit based on the three-part test of Graham v. John Deere, 383 U.S. 1 (1966). Graham delineated a determination of obviousness based on (a) the scope and content of the prior art; (b) differences between the claimed invention and the prior art; and (c) the level of ordinary skill in the art. Graham, 383 U.S. at 17. Under Graham, a finding of obviousness could be rebutted with evidence of secondary considerations such as commercial success, long-felt need, and the failure of others in the art to solve the same problem. Graham, 383 U.S. at 17.

The Federal Circuit explained that the T-S-M test is a subsidiary requirement of the first part (“the scope and content of the prior art”) of the Graham inquiry in In re Kahn. An explicit finding of obviousness based on a motivation to combine found in the prior art is required, the Federal Circuit reasoned, to avoid a finding of obviousness based on conclusory statements that could lead to an inference of impermissible hindsight reconstruction.

The T-S-M test required some motivation to combine based on either the teachings or suggestions in the prior art, or the knowledge available to a person of skill in the art. The scope and content of the prior art was limited to analogous art, namely art that the patentee was likely to have considered. KSR does not reject the T-S-M test, but subsumes the test as factors providing evidence of a “reason to combine.” However, KSR advocates an objective approach to determine the scope and con-
tent of prior art, that would include non-

alogous art.

The “reason to combine” approach in 

SR is broader than the T-S-M motivation 

stest, because a teaching or suggestion in 

prior art is now only one factor in finding 

reason to combine. Other factors such as 

the effects of demands known to the 

design community and demands of the 

arketplace are also relevant to the analysis. 

portantly, the Court also declares that a 

reason to combine may be derived from 

any need or problem known in the field . . . 
.and addressed by the patent,” particularly 

where there are a “finite number of identi-

ed, predictable solutions,” lending a per-

son of ordinary skill “good reason to pursue 

the known options within his or her techni-

cal grasp.” KSR, 550 U.S., slip op. at 17. 

ather than prohibiting proof of obvious-

ness by showing a combination of elements 

was “obvious to try,” KSR permits such 

alysis, and states “in that instance the fact 

that a combination was obvious to try 

might show that it was obvious under § 

103.” Id. In other words, where finite and 

 predictable solutions would lead to anticipa-

ted success, ordinary skill and common 

sense, and not innovation, has likely been 

shown. This alone is perhaps the most 

notable change in the law announced by the 

KSR court.

It is unclear how KSR’s expansive con-

ideration of reasons to combine will 

impact the secondary considerations enu-

merated in Graham. For example, if a 

recognized need or problem in the art might 

now evidence a reason to combine, how will 

this reconcile with the concept of a “long 

felt, but unsolved need,” “long felt but 

unsolved needs . . . might be utilized . . . 
[a]s indicia of obviousness or nonobvious-

ness”. Graham, 383 U.S. at 18.

POST-KSR CONSIDERATIONS

KSR subjects patents and patent applica-

tions to a new obviousness standard, one 

based on a broader spectrum of evidentiary 

considerations. John Dudas, the current 

Director of the United States Patent and 

Trademark Office, has acknowledged the 

change publicly: “[t]he decision gives our 

examiners more flexibility to use their con-

siderable technical skills to reject obvious 

changes to existing technology.” Joan 

Biskupic, Ruling Toughens Patent Process, 

USA TODAY, May 1, 2007, available at 

http://www.usatoday.com/printedition/mone-

y/20070501/1b_patents01_art.htm.

A patent examiner has now been invited, 

either indirectly, to make rejections of 

claims based on the ordinary creativity, 

common sense, or inferences of a person 

skilled in the art. Prosecution counsel can 

expect to see Examiners more frequently 

issue obviousness rejections based on a 

single reference combined with ordinary 

creativity, common sense, or inferences of a 

person skilled in the art.

In response to KSR, the USPTO issued a 

memorandum on May 3, 2007, outlining 

the holding of the Supreme Court, and 

informing the patent examining corps that 

“[t]he Office is studying the opinion and 

will issue guidance . . . in view of the KSR 

decision in the near future.” Until that 

time, the memorandum emphasized that “it 

remains necessary to identify the reason 

why a person of ordinary skill in the art 

would have combined the prior art elements 

in the manner claimed.”

The Federal Circuit was quick to follow 

KSR in Leapfrog, where the Federal Circuit 

affirming the District Court’s ruling of 

obviousness. Referencing KSR, Leapfrog 

hints at the potentially more stringent 

requirement that a non-obvious combina-

tion be “uniquely challenging or difficult 

for one of ordinary skill in the art.” Slip op. 

at 10. In addition, Leapfrog considers as 

relevant the fact that the patent holder did 

not present any evidence that the invention 

was an unobvious step over the prior art. 

Slip op. at 10.

As a result of KSR, an applicant will be 

more likely to overcome an obviousness 

rejection if able to show a synergistic result, 

an unexpected outcome, or some other 

improvement beyond an established func-

tion and predictable use of the existing ele-

ments. Graham’s secondary considerations 

(unexpected results, commercial success, 

failure of others, copying by others, licens-

ing, and skepticism of experts, etc.) will 

therefore be even more important evidence 

that the invention was not obvious at the 

time it was made.

Proactive drafting measures might be 

taken to avoid expected obviousness chal-

lenges. For example, efforts may be made to 

include specific statements identifying any 

and all improvements, unexpected results, 

synergies, and other evidence that the com-

bination provides a result that is more than 

what might be predictable to the skilled 

person. Useful information demonstrating 

that the art in question teaches away from 

the invention, or evidence showing disbelief 

by others may also be used. At the same 

time, the drafter must be cautious in iden-

tifying problems in the background of the 

application and setting up a predictable 

roadmap to the inventor’s solution. Such 

statements may be construed as evidence of 

a reason to combine, tending to show that 

the invention was obvious.

A delicate balance will also need to be 

struck during prosecution between providing 

evidence of the unpredictability of the 

results and ensuring adequate disclosure to 

meet the written description and enable-

ment requirements. One might also expect 

KSR’s broader interpretation of what is 

within the grasp of a person of skill in the 

art for an obviousness analysis to be simi-

larly broadened in the context of that per-

son’s understanding of what the applicant 

has enabled and described in the patent 

application. These nuances remain to be 

more fully vetted in future cases.

The expanded evidence available to 

challenge the obviousness of an invention 

applies not only to applications being pro-

secuted at the USPTO, but also to invalidity 

challenges against issued patents through 

litigation and USPTO reexamination pro-

ceedings. Because the KSR approach is 

fact-specific and flexible, increased 

reliance on both expert testimony and per-

suasive advocacy by trial counsel of all 

available evidence showing the problems in 

the field, the ordinary creativity of the 

skilled artisan, or the demands of the mar-

ketplace will become even more critical in 

the defense or prosecution of patents in lit-

igation or reexamination before the USPTO.

It remains to be seen how the Federal 

Circuit will respond to the KSR decision 

to articulate a flexible, but definitive test 

for obviousness out of the direction pro-

vided by the Supreme Court. What is 

clear, however, is that any resulting test 

must remain flexible and allow the Courts 

and the USPTO to consider any factors 

that are relevant to the obviousness 

determination.