

**PRESS RELEASE FROM
COCHRAN FREUND & YOUNG LLC**

**REGARDING THE DECISION IN
*KSR INTERNATIONAL CO. V. TELEFLEX, INC., et al.***

The decision from the U.S. Supreme Court in *KSR International Company v. Teleflex, Inc., et al.* was decided on April 30, 2007. The case dealt with the standard of patentability and the conditions under which it is proper to combine prior art references to show that an invention is “obvious” over the prior art and therefore unpatentable. The invention at issue had to do with adjustable automotive pedal systems. The Supreme Court found “little difference” between the prior art teachings and Teleflex’s patent and held the patent to be invalid as being “obvious” over the prior art.

The U.S. Court of Appeals for the Federal Circuit (“Federal Circuit”) had previously established a test for whether it is proper to combine prior art references to show a claimed invention by determining whether there was some teaching, suggestion or motivation to combine those references, which has become known as the TSM test for determining obviousness. The District Court held that KSR had satisfied the teaching, suggestion, motivation (TSM) test, stating that the state of the industry would lead inevitably to the Teleflex patent claims that were shown in prior art references. The Federal Circuit reversed the District Court and upheld the validity of the Teleflex patent, indicating that the problem solved by the invention was not recognized in the prior art references.

The U.S. Supreme Court held that the narrow, rigid application of the TSM test by the Federal Circuit is inconsistent with the law of obviousness, as described in prior Supreme Court decisions and the patent statute relating to obviousness (35 U.S.C. § 103). The Supreme Court made it clear that a rigid application of the TSM test to the narrow teachings of the references is not proper. The Supreme Court stated that predictable use of prior art elements for their established functions is not patentable. The Court stated that a broad range of sources of prior art should be considered, such as the interrelated teachings of multiple patents, market demands and background knowledge of those skilled in the art, as long as the benefit of implementing predictable variations would be apparent to one of ordinary skill in the art. In order to show

obviousness, there must be an “explicit analysis” and consideration should be given to “inferences” and “creative steps” of a person of ordinary skill in the art. An invention is not obvious by merely demonstrating that each element was independently known in the prior art. However, a rigid and mandatory application of the TSM test is incompatible with Supreme Court precedent. The Supreme Court specifically stated, “[T]hat there is no necessary inconsistency between the [TSM] test and the Graham analysis,” but that the more flexible test outlined in the Supreme Court decision in *Graham v. John Deere*, 383 US 1 (1966), is the proper test for determining obviousness. The Supreme Court identified four particular areas in which the Federal Circuit applied the TSM test too narrowly. First, the Federal Circuit Court erred by stating that patent examiners and courts should only look at the “problem” being solved in the prior art reference. Secondly, the Supreme Court held that a person of ordinary skill in the art that is attempting to solve a problem is not limited to prior art elements designed to solve the “same problem.” Commonly known elements may have uses other than their primary use and these other uses may be considered to be obvious uses. Third, the Supreme Court held that the Federal Circuit erred in concluding that a patent claim cannot be proved obvious merely by showing that the combination of the elements was obvious to try. However, there must be a “design need” or “market pressure” that is known at the time of the invention and that there are a “finite number” of identified, predictable solutions. Further, a person of ordinary skill in the art would need a good reason to pursue these known options and the known options would need to be within that person’s technical grasp. Also, there must be some anticipation that trying these known options would be successful. Fourth, rigid application of the TSM test should not deny fact finders recourse to common sense in making an obviousness determination.

The decision from the Supreme Court does not appear to substantially change the law of obviousness or to preclude the use of the TSM test. One of the changes that the Supreme Court has made to the Federal Circuit TSM test is that a prior art reference does not have to address the same problem. The use of the TSM test was not overturned by the Supreme Court, only the rigid application of that test. The Supreme Court did not introduce a new test for obviousness, but reaffirmed Supreme Court precedent, such as the tests set forth in *Graham v. John Deere*, 383 US 1 (1966), and *In Re Adams*, 383 US 39, 148 USPQ 479 (1966). The Supreme Court stated that it is important to identify a reason that would have prompted a person of ordinary skill in the

art to combine the elements of the prior art to show that an invention is obvious and that hindsight must be avoided, which is accomplished by using the TSM test. The Court made it clear, however, that the TSM test cannot be a rigid and mandatory formula that is incompatible with Supreme Court precedent and the use of common sense.

In our opinion, backing away from the rigid application of the TSM test may lead to less certainty in the obviousness analysis in the near future, but the basic standards of patentability have not been substantially changed and the patent system will not be significantly affected. In many ways, this decision from the Supreme Court appears to be limited to the specific facts of this case since the Federal Circuit did not consider the broader teachings of the prior art, such as market demand, background knowledge of those skilled in the art and the interrelated teaching of the references that appeared to render the invention obvious. William W. Cochran, Samuel M. Freund, James R. Young and Christopher P. Whitham of Cochran Freund & Young LLC of Fort Collins and Boulder, Colorado, initiated the filing of an *amicus curie* brief to the Supreme Court in this case with other experienced and well known patent attorneys, including Christopher R. Benson of Howrey Simon Arnold and White LLP, located in Austin, Texas, Stephen G. Kunin of Oblon, Spivak, McClelland, Maier & Neustadt, P.C., located in Washington, D.C., and William P. O'Meara of Klass, Law, O'Meara and Malkin, P.C., of Denver, Colorado, which was done at the request of Robert Greene Sterne of Sterne, Kessler, Goldstein & Fox, PLLC, of Washington, D.C., who were substantively involved in this case. The *amicus curie* brief was submitted as the group of Experienced, Practicing Patent Attorneys.