Supreme Court Rules on the Obviousness of Inventions Under the “Teaching-Suggestion-Motivation” Test

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On April 30, 2007, the Supreme Court issued a unanimous opinion in the appeal of KSR International Co. v. Teleflex Inc. concerning the legal standard in determining when inventions are obvious. The Court reversed the United States Court of Appeals for the Federal Circuit’s strict application of the “teaching, suggestion, or motivation” test (the “TSM test”), criticizing the Federal Circuit for having “analyzed the [obviousness] issue in a narrow, rigid manner inconsistent with [35 U.S.C.] § 103 and our precedents.” The Court acknowledged that the reasoning behind the TSM test was consistent with the Court’s prior obviousness decisions and the Patent Act, but made it clear that courts must not insist on a rigid application of a formulaic rule in determining whether a claimed invention was or was not obvious. In a bow to the rationale behind the Federal Circuit’s TSM test, the Court emphasized that courts must continue to make their obviousness analyses “explicit,” so that they may be properly reviewed by the appellate court.

The Patent Act of 1952 requires that all patents have utility, novelty, and be nonobvious. 35 U.S.C. §§ 101 (utility), 102 (novelty) and 103 (nonobviousness). The nonobviousness requirement extends the field of unpatentable material beyond that which is known to the public under the novelty requirement. That is, one cannot patent developments that, while novel, were such that a person of ordinary skill in that particular field would have made in due course. The Court set out the framework for applying the nonobviousness standard 40 years ago in Graham v. John Deere Co., where the Court identified four factors that guide the obviousness inquiry: (1) the scope and content of the prior art; (2) the skill level of a person of ordinary skill in the art; (3) the differences between the claimed invention and the prior art’s teachings; and (4) any objective indicia of nonobviousness, such as commercial success. These four factors, however, did not specifically address how to determine whether a patent would be obvious in light of a combination of two or more prior art references.

To determine whether a combination of prior art references renders a patent obvious, the Federal Circuit has emphasized the importance of identifying a “teaching, suggestion, or motivation” that would have prompted a person of ordinary skill in the art to combine two or more prior art references in the manner claimed by the patent. The KSR v. Teleflex opinion is the first time the Court has specifically addressed the adequacy of that test.

In KSR, the Court considered whether a claim directed to “a position-adjustable pedal assembly with an electronic pedal position sensor attached to the support member of the pedal assembly” was obvious over the prior art. The patent in KSR covered a combination of two earlier technologies, an adjustable gas pedal for automobiles and an electronic pedal sensor to control the engine. Adjustable pedals for automobiles have been used since the 1970s and pedals using electronic sensors have been around since the 1990s. Teleflex received a patent for the combination of the two technologies and sued KSR on the patent after KSR began supplying GM’s light trucks with this type of pedal assembly.

The trial court, applying both the Court’s Graham factors as well as the Federal Circuit’s TSM test, found the claimed combination to be obvious to one of ordinary skill in the art and granted summary judgment of invalidity. The Federal Circuit, relying primarily on the TSM test, reversed, ruling that “the District Court had not been strict enough in applying the test, having failed
to make ‘finding[s] as to the specific understanding or principle within the knowledge of a skilled artisan that would have motivated one with knowledge of [the] invention’... to attach an electronic control to the support bracket of the [prior art] assembly.”

In reversing the Federal Circuit and finding the claim at issue to be obvious, the Court provided guidance on the proper approach in assessing obviousness under Section 103. The Court began by emphasizing the “expansive and flexible approach” applied by cases such as Graham v. John Deere, and the “need for caution in granting a patent based on the combination of elements found in the prior art.” At the same time, cognizant of the fact that “inventions in most, if not all, instances rely upon building blocks long since uncovered,” the Court noted that an invention may be found obvious if such a combination “yields no more than one would expect from such an arrangement.”

The Court also recognized that, in order to find a claimed combination obvious, there must be “an apparent reason to combine the known elements in the fashion claimed by the patents at issue.” Thus, the Court did not abolish the Federal Circuit’s TSM test completely; instead, it made clear that this test cannot require “precise teachings directed to the specific subject matter of the challenged claim.” In the context of the KSR facts, the Court found that “[a] person having ordinary skill in the art could have combined [the prior art pedal] with a pedal position sensor in the fashion encompassed by claim 4, and would have seen the benefits of doing so.”

The Court addressed four principal flaws in the reasoning of the Federal Circuit’s TSM test. The first error was the Federal Circuit’s holding that courts and patent examiners should look only to the problems the patentee was trying to solve when addressing the obviousness inquiry. The Court stressed that the question is not whether the combination was obvious to the patentee, but whether the combination was obvious to a person with ordinary skill in the art.

The second error was the Federal Circuit’s assumption that a person of ordinary skill in the art attempting to solve a problem will be led only to those elements or prior art designed to solve the same problem. According to the Court, “[a] person of ordinary skill is also a person of ordinary creativity, not an automaton.”

The third error was the Federal Circuit’s invocation of the rule that “a patent claim cannot be proved obvious merely by showing that the combination of elements was ‘obvious to try.’” The Court recognized that, where “there is a design need or market pressure to solve a problem and there are a finite number of identified, predictable solutions... the fact that a combination was obvious to try might show that it was obvious under § 103.”

The fourth error identified by the Court was that the Federal Circuit was incorrect in rigidly applying its TSM test so as to prevent the risk of courts and patent examiners falling prey to hindsight bias. The Court emphasized that the Federal Circuit’s rigid application of its TSM test precludes courts from any “recourse to common sense,” and that this is neither necessary nor consistent with the case law. However, the Court recognized that a “factfinder should be aware, of course, of the distortion caused by hindsight bias and must be cautious of argument reliant upon ex post reasoning.”

Although the Court criticized the rigidity of the Federal Circuit’s application of the TSM test to its obviousness determination in KSR, the Court reiterated that “[t]here is no necessary inconsistency between the idea underlying the TSM test and the Graham analysis.” Moreover, the Court did not change the fact that prior art that “teaches away” from the claimed combination may be evidence of nonobviousness. The Court also emphasized the Court’s Graham factors, where in the KSR case, the patentee had offered no evidence of secondary factors indicating the nonobviousness of the invention.

The Court’s decision was not unexpected given the questioning during oral argument and three recent Federal Circuit cases which have addressed the TSM test since the Court granted certiorari in KSR.

During oral argument, referring specifically to the TSM test, Justice Scalia characterized the test as the “three imponderables” and “gobbledygook,” while Chief Justice Roberts characterized the test as “another layer of Federal Circuit jargon.” At various instances during the oral argument, Justices Breyer, Kennedy and Alito made it clear that they thought the invention at issue was an obvious combination of the prior art or that the TSM test should not be the exclusive test for obviousness. While Justice Breyer stated that he thought the invention was “pretty obvious,” Justice Kennedy opined that if a “good mechanic” could put an invention together, then it should be obvious, and that certainly the Teleflex inventor would not be the only one to think that the two
prior art references at issue in KSR should be combined. Justice Alito explained that he did not see any difference between asking whether a claimed invention was implicit in the prior art and simply asking whether it was obvious.

The Court recognized that “the Court of Appeals has since elaborated a broader conception of the TSM test than was applied in the instant matter . . . . [t]he extent to which they may describe an analysis more consistent with our earlier precedents and our decision here is a matter for the Court of Appeals to consider in its future cases.” (Alza Corp. v. Mylan Labs., Inc.; 3 Dystar Textilfarben GMBH & Co. Deutschland KG v. C.H. Patrick Co.; 4 In re Kahn.) In these cases, the Federal Circuit emphasized that the explicit requirement of a “teaching, suggestion, or motivation” to combine prior art is not the exclusive standard being applied for obviousness and that the current test is much broader and flexible.

In Alza, the Federal Circuit found the patent at issue obvious and went to great lengths to explain that the lack of an “explicit teaching” in the prior art reference was not a determinative factor. In Dystar, the Federal Circuit, in rejecting the patentee’s argument that an issued patent must be found nonobvious absent an explicit motivation to combine prior art references, stressed that a motivation to combine need not be found in the prior art references themselves, but may come from the knowledge of one of ordinary skill in the art, or, in some cases, from the nature of the problem to be solved. Similarly, in Kahn, the Federal Circuit affirmed the PTO’s rejection of a patent application on obviousness grounds, emphasizing that the TSM test asks not merely what the references disclose, but whether a person of ordinary skill in the art, possessed with the understandings and knowledge reflected in the prior art, and motivated by the general problem facing the inventor, would have been led to make the combination recited in the claims.

In considering these recent decisions, the Court acknowledged that “there is no necessary inconsistency between the idea underlying the TSM test and the Graham analysis. But when a court transforms the general principle into a rigid rule that limits the obviousness inquiry, as the Court of Appeals did here, it errs.” Although the Court’s KSR decision removes the requirement of an express “teaching, suggestion, or motivation” to alter the prior art to render a patent obvious, it does not eliminate it – emphasizing the need for flexibility in conducting the obviousness inquiry.

In concluding its opinion, the Court articulated the policy behind not patenting obvious inventions: “We build and create by bringing to the tangible and palpable reality around us new works based on instinct, simple logic, ordinary inferences, extraordinary ideas, and sometimes even genius. These advances, once part of our shared knowledge, define a new threshold from which innovation starts once more. And as progress beginning from higher levels of achievement is expected in the normal course, the results of ordinary innovation are not the subject of exclusive rights under the patent laws. Were it otherwise patents might stifle, rather than promote, the progress of useful arts [under the Constitution].”

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3 Alza Corp. v. Mylan Labs., Inc., 464 F.3d 1286 (Fed. Cir. 2006).
5 In re Kahn, 441 F.3d 977 (Fed. Cir. 2006).