

LITIGATORS CORNER:

KSR: Some Things Are Best Left Unsaid



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Okay. Everyone else is talking about *KSR International Co. v. Teleflex, Inc.*, 500 U.S. ____, Slip Op. 04-1350 (April 30, 2007), so I might as well, too. As usual, the media hyper-ventilates. *The Wall Street Journal's* article leads with the headline, "Patent Holders' Power is Curtailed." It says *KSR* is the latest decision to "roll back patent holders' clout." It asserts — without any reasoning or proof — that *KSR* could have the most far-reaching effect on "technology companies," whose software programs "typically are built through small improvements in prior designs." Just to be on the safe side, the *Journal* swipes at NTP for its "windfall" recovery against RIM. I wonder how the *Journal* would feel about its copyrights — the expressions of its creative thoughts — being infringed.

KSR started with the district court's grant of a summary judgment of invalidity of one claim of a Teleflex patent. The Federal Circuit reversed because the district court did not analyze obviousness correctly, and because it ignored factual conflicts between the parties' experts. The Supreme Court granted a writ of *certiorari*, and reversed the Federal Circuit. It found the Federal Circuit's analysis of obvious-

ness too rigid, and discounted the value of a declaration by Teleflex's expert.

The decision could have simply disagreed with the Federal Circuit's analysis of the prior art references under 35 U.S.C. §103, and reversed. Instead, it wrote a peripatetic opinion which gives the appearance of re-energizing some disparaging views of inventions as unpatentable where they are combinations of old elements, or where a "flash of genius" is missing. 35 U.S.C. §103 was enacted in 1952 with the intention of putting these concepts in the grave. Unfortunately, *KSR* helps those who would like to turn the clock back.

First consider Thomas Edison, one of our most famous inventors, and originator of the widely quoted line that "genius is one percent inspiration and ninety-nine percent perspiration." Edison reportedly tried over one thousand materials before learning that carbonized cotton thread placed in a vacuum offered high resistance to the flow of electricity, and therefore made a suitable filament for his electric light bulb. Trial and error, using many known substances, was his inventive method. He is reported to have said that he never made an actual discovery. *The Wall Street Journal* would likely have considered Edison's invention to be a small improvement over prior designs, but not a patentable invention. Even Edison did not deny that his patent was built on prior art. His patent, U.S. No. 223,898, "Electric Light," says "I ... have invented an Improvement in Electric Lamps" His specification acknowledges the work done by others:

Heretofore light by incandescence has been obtained from rods of carbon of one to four ohms resistance, placed in closed vessels, in which the atmospheric air has been replaced by gases that do not chemically combine with the carbon.

E=IR was not new then. Cotton, carbon, and vacuum vessels were well known, too. By the standards some seek to apply now, Edison would not have made the cut as an inventor. He arguably fits the *Journal's* interpretation of *KSR* as forbidding patents on a "small improvement." The *Journal* would probably view him as a crank or troll in a laboratory with no real business other than inventing, and would disparage him

the same way it disparages NTP and its inventors. The same rather snooty smear could be applied to the Wright brothers. But where would we be if Edison or the Wright brothers had been unable to patent their inventions? We might never have known about these advances in technology, and would never have benefited from them.

But, *KSR* does not actually do what the *Journal* suggests. The decision is, in my opinion, wobbly. It wanders, and is going to do little more than add to the already existing confusion, and will therefore uselessly protract litigation, with everyone arguing about what *KSR* means. It says much more than needs to be said to justify a reversal. If we are to use hindsight, I'd say the Supreme Court should have dismissed the writ of *certiorari* as improvidently granted, rather than write as it did. The kinds of articles that disparage patents — like the *Journal's*, among others — seem to be influencing the Court. The late Chicago newspaper columnist Finley Peter Dunne once joked that the Supreme Court follows the election returns. Perhaps it is also influenced by the media's negative comments about patents in recent years.

The Federal Circuit's decision in *KSR* followed the law. Just like the Supreme Court, the Federal Circuit's decision in *KSR* cited *Graham v. John Deere Co.*, 383 U.S. 1 (1966), and said that the reason to combine could be implicit, as well as explicit, and that the nature of the problem could itself suggest a combination of prior art references. Its analysis of the references was different from the Supreme Court's, and it faulted the district court's resolution on summary judgment, of disagreements between the parties' experts.

Nevertheless, the Supreme Court characterized the Federal Circuit's opinion as "rigid." It then appears to resurrect the flash-of-genius test, referring to a "need for caution in granting a patent based on the combination of elements found in the prior art." It cites one of its decisions predating the reenactment of the patent laws in Title 35 in 1952. This sentence in *KSR* is one which will be quoted a lot, and it does a great disservice, both to Edison's exhausting experimentation, and the Wright brothers' arduous wind-tunnel experiments. The Supreme Court then says this is a consistent statement of the law, citing three cases from 1966, 1969 and 1976. The whole topic was not necessary to the Supreme Court's decision. It will, however, contribute to future mischief.

That the digression caused by *KSR* was unnecessary is confirmed by the Supreme Court's later statements that "a patent composed of several elements is not proved obvious merely by demonstrating that each

of its elements was, independently, known to the prior art.” Then it wobbles again, opining that “common sense directs one to look with care at a patent application that claims as innovation the combination of two known devices according to their established functions”

Now do we have a new test: “Common Sense”? The decision doesn’t tell us what that is. It goes on to refer to “real innovation,” an equally vague term. Many inventions, such as the motion picture camera, now considered to be incredibly important, were derided as useless at the time they were invented. Lots of them could easily have been described as something other than real innovations. This is another digression that was not necessary to the decision.

Other language in the opinion might be taken as permission to use hindsight. It says that “one of the ways in which a patent’s subject matter can be proved obvious is by noting that there existed at the time of the invention a known problem” So far, so good. But the sentence continues with “for which there was an obvious solution encompassed by the patent’s claims.” Later, the opinion says that “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.” Both of these fragments could be construed to mix the patent and its claims into the analysis. The test is whether a person of ordinary skill, confronted with the problem, and without knowledge of the solution, would see a suggestion or reason to combine two or more references. To insist that this person have the invention in mind would undermine every patent with the blueprint approach. The “pieces of a puzzle” language doesn’t help, either. *KSR* later says that the analysis must not fall “prey to hindsight bias,” so it does not appear to change the vantage point. If that is true, why another digression?

And in fact the *KSR* opinion reads very much like the court did what it is not supposed to do: judge obviousness while having the challenged patent in front of it as a blueprint. The reason the opinion says the pivot point was the obvious place for a sensor was because that is what the Teleflex inventor chose to do. *KSR* gives me no confidence that the court did not use a hindsight analysis.

Edison was faced with what *KSR* refers to as “a finite number of identified, predictable solutions.” According to *KSR*, a “person of ordinary skill” would have had “good reason to pursue the known options within his or her technical grasp.” Given

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that test, it’s doubtful that Edison would now be considered an inventor of an improved electric light. He would not have satisfied the flash-of-genius test. The *KSR* opinion seems to lack an understanding of how real inventors work, or to comprehend how real inventions come about.

The *KSR* opinion could have started with Part III. What it boils down to is that the Supreme Court took a different view of the declarations than did the Federal Circuit. The latter reversed in part because the district court had ignored factual conflicts arising from the declarations. The Supreme Court reversed in part because it didn’t like the declaration from Teleflex’s expert, thinking it conclusory. Hmm. Sounds like two sets of judges disagreed about declarations by witnesses. Seems like a good reason to be leery about summary judgment.

The Patent Office issued a memorandum giving temporary guidance to examiners regarding how *KSR* applies to their work. It tells examiners that the teaching-suggestion-motivation test has not been rejected, but that its application must not be “rigid,” whatever that means. Examiners are to explicitly identify the reason a person of skill in the art would have been prompted to combine prior art to arrive at the invention.

I don’t think the Supreme Court is terribly comfortable with patent law. It visits the subject too infrequently. They need more familiarity. Talent isn’t enough without experience. You could have the hand-eye coordination of Ted Williams, and the bat speed of Roberto Clemente. But if you haven’t got experience and familiarity when you step into the batter’s box, you will flinch at the first buzzing fastball from Don Drysdale, flail at it, and strike out. Lack of familiarity should counsel caution, and *KSR* is not a cautious opinion.

The decision in *KSR* does not seem to break new ground. It says that the test for obviousness shouldn’t be rigidly applied. That’s about as specific and helpful as a manager of a baseball team telling his pitcher to “throw strikes,” and his hitters to “hit good pitches.” It makes statements that will be mischievously quoted, and then counters those statements with other language. Only more argument will result. To the extent it might be argued to break new ground, it uses terms and words — like “common sense” — that are human virtues, but which do not give us any better guidelines than “use your head.” I would have argued that the writ should have been dismissed as improvidently granted. Sometimes, it is best to say nothing. 