

PATENT LAW

Supreme Court rejects Federal Circuit's application of its obviousness test

Nonobviousness is one of the three cornerstone requirements for patentability in the U.S. (the others being novelty and utility). Section 103 of the Patent Act prescribes that an invention is not patentable if “the differences between the 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.” The statutory language has been interpreted as prohibiting the granting of a patent where the teaching, suggestion or motivation is found in the prior art references. The issue of obviousness is commonly raised during examination of a patent application as a ground for rejection, and is also employed to invalidate asserted patents during litigation. As every practitioner and many inventors know all too well, the determination of which inventions are obvious is, at best, an imprecise science.

Graham v. John Deere and the TSM Test

The Supreme Court first set forth the test for obviousness in *Graham v. John Deere*, 383 U.S. 1 (1966). In *Graham*, the Court



articulated that obviousness should be determined by looking at: (1) the scope and content of the most analogous prior art; (2) the level of ordinary skill in the art; and (3) the differences between the claimed invention and the prior art.

In a clear effort to simplify the inquiry and increase uniformity, the Federal Circuit Court of Appeals relied on a rule

requiring the presence in prior art of a teaching, suggestion, or other motivation to combine references to reach the resulting invention prior to finding an invention as recited in a claim to be obvious. Because of its relative clarity and ease of application, what became known as the “teaching, suggestion, motivation” (TSM) test subsequently found widespread application in practice. However, because of a recent Supreme Court decision, the TSM test is no longer to be rigidly applied or to be the sole test for determining obviousness or lack thereof.

KSR v. Teleflex

On April 30, the Supreme Court issued one of the most highly anticipated patent law opinions in decades, *KSR v. Teleflex*, No. 04-1350, 2007 U.S. LEXIS 4745 (Apr. 30, 2007). Indeed, the case elicited at least 36 amicus briefs from concerned third parties, including Microsoft, General Electric, and Ford Motor Co. As most experts predicted, the

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opinion cast a great deal of doubt on the Federal Circuit's TSM test for obviousness. KSR involved a gas pedal manufactured by KSR that has an electronic sensor and automatically adjusts its height to the height of the driver. Teleflex brought suit, claiming KSR's pedal infringed its patent for a similar product, and KSR defended on the grounds that Teleflex's patent was invalid for obviousness. The Federal Circuit held that Teleflex's patent was not obvious because neither the reference that taught the electronic sensor nor that which taught automatic height adjustment contained an explicit teaching or suggestion to combine the references (i.e., it failed the TSM test).

In a far-reaching unanimous opinion authored by Justice Kennedy, the Supreme Court held that the Federal Circuit's strict application of the TSM test was incompatible with the Constitution, and particularly, that the concept of obviousness could not be pigeonholed into such a "rigid" inquiry. In its criticism, the Court repeatedly stressed the "flexibility" of the obviousness standard as well as that "common sense" must play a part in determinations—"rigid preventative rules that deny factfinders recourse to common sense...are neither necessary with our caselaw nor consistent with it."

Going Forward - Secondary Indicia, Teaching Away, and the Motivation to Try Standard

The "obvious" question for practitioners as well as examiners and inventors is, "Where does the KSR decision leave the obviousness test?" Clearly the bar for overcoming a finding of obviousness,

whether during patent application examination or litigation, has been raised. Rather than requiring an express or implicit teaching, suggestion or motivation to combine references, examiners and courts have greater leeway and can rely on common sense and/or the perceived ordinary skill in the applicable field as motivation. While this standard has always theoretically been present, it is clear that it was oftentimes disregarded by the USPTO and the Federal Circuit. The KSR decision does not invalidate the TSM test altogether, as many experts predicted it would; it simply invalidates the prevalent practice of looking solely to the test during an obviousness determination. Much to the chagrin of practitioners and inventors, while the absence of a teaching, suggestion or motivation in prior art can seemingly be cited as evidence of nonobviousness, it is no longer dispositive of the issue.

While the Graham factors never vanished from the patent law landscape, it appears that they will now be at the forefront of every obviousness inquiry. Practitioners can certainly argue that the gap between a claimed invention and prior art is too wide for a person of ordinary skill in the art to conceive the invention without undue experimentation. However, that inquiry is rather subjective and wrought with uncertainty. Consequently, presence of secondary indicia of nonobviousness could be critical. Such indicia include, but are not limited to: commercial success of the invention; a long-felt, but unsolved need; unexpected results; and the failure of others to solve the particular problem that the invention



addresses. Additionally, applicants can still successfully overcome an obviousness rejection by showing that a cited reference teaches away from the combination.

In addition to stressing the Graham factors, the Supreme Court expressly revived the "obvious to try" standard for finding an invention unpatentable for obviousness. Under such a standard, an invention is obvious when there is both (1) a motivation to try to solve a particular problem, and (2) a limited number of options available. Previous Federal Circuit jurisprudence also required a "reasonable likelihood of success," however, that requirement is nowhere to be found in the Supreme Court's discussion.

Conclusion

The law relating to obviousness is in flux after KSR v. Teleflex. Clearly, the bar for overcoming an obviousness rejection during prosecution has been raised and the bar for establishing obviousness during litigation has been lowered. But, like with all landmark decisions, it will take time to receive feedback from the U.S. Patent and Trademark Office and the lower courts in order to more clearly determine the effect of KSR on patent practice.

Patent reissues not available for deliberate errors

Reissues Generally

Reissue is a long-existing administrative remedy that patent owners can use to correct errors in issued patents. Patent owners are the only parties that can initiate reissues and not every error is correctable through the reissue process. 35 U.S.C. § 251 and § 252 govern the prerequisites and effects of reissues, respectively. To obtain a reissue, a patent owner must satisfy several general conditions: he must show that the patent is “wholly or partly inoperative or invalid”, the defect arose through an honest error, and the reissue does not introduce “new matter” and is for the invention disclosed in the original patent. Furthermore, if the patent owner seeks to broaden the scope of the claims of the original patent, he must file a reissue application within two years from the grant of the original patent. The patent owner must also establish that the subject matter claimed in the reissue application is

patentable. Finally, the patent must not have expired prior to the USPTO granting the reissue.

Reissue Procedure

A patent reissue cannot proceed without an application from the patent owner. Such an application must contain all the parts required for normal patent applications and comply with all such



applicable rules. Additionally, the patent owner must include an offer to surrender his original patent upon the grant of the reissue and an oath that the original patent contains at least one error of which arose without deceptive intent. Reissue applicants have the duty to disclose all

known material information, including the existence of pending litigation. Following submission, the PTO examines a reissue application in the same manner as a regular patent application. Unlike litigation, prior allowance of a claim by the PTO does not give rise to a presumption of validity upon reissue examination.

Effect of Reissue

A granted reissue carries several benefits and consequences that patent owners should be aware of. First, a reissued patent is effective as of its issue date through the unexpired part of the original patent term. Additionally, insofar as original patented subject matter is deleted from the reissue, owners lose the rights to the original subject matter. Insofar as original patentable subject matter is retained, the owner retains the rights from the original without interruption. Insofar as patentable subject matter is added, the owner's rights are subject to intervening rights of third

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TIPS AND HAPPENINGS

NEWS AT MP&H

ROUNDTABLE DISCUSSION - Proposed Changes in U.S. Patent System



Marina Cunningham of McCormick, Paulding & Huber, LLP was recently featured as a panelist for the New England Roundtable Series 2007 on Patent Reform in the United States Patent and Trademark Office. Marina was one of four panelists selected from prominent New England based patent law firms to discuss how recently

proposed changes in U.S. patent law would affect their clients and practice.

The subjects discussed included the legislative proposal to harmonize U.S. patent law with the laws of Europe and Japan by issuing U.S. patents to the first applicant to file a patent application

for an invention rather than the current system wherein a patent grant is awarded to the first inventor regardless of who is the first to file a patent application for the invention. Additionally, some of the pros and cons of the proposed revisions to the patent system regarding creating statutory definitions of “willful infringement” and “inequitable conduct” were reviewed. The panel also discussed the Patent Office's proposals to limit the number of continuation applications; require explanations for references included with an Information Disclosure Statement; and the proposed post-grant opposition procedure in the Patent Office designed to reduce the cost of third-party challenges to patents.

A transcript of the roundtable discussion is available at www.ctlawtribune.com. Marina Cunningham can be contacted at cunningham@ip-lawyers.com.

parties which may allow the third party to continue according to equitable principles. Furthermore, all arguments and amendments made during reissue examination have the same effect on claim interpretation as the prosecution history of any original patent.

Defects (Un)Suitable for Reissue

Common patent defects that lead to reissues include original claims that are too narrow, thus failing to protect the entire scope of the invention, as well as claims that are too broad, potentially resulting in invalidity. While corrections are somewhat limited because of the prohibition against introducing new matter, specification and drawing errors are technically correctable. Reissue corrections that introduce new matter to address the enablement and best mode requirements of the written description of a

patent application are thus prohibited. In addition to errors to the specification, drawings or claims, other examples of correctable subject matter include priority claims, joinder of inventors, and certain errors arising from attorney-client miscommunication. It is imperative, however, for patent owners to realize that only inadvertent and honest errors are the proper subjects of reissue applications.

A recent Federal Circuit Court of Appeals decision, *In re Serenkin*, 81 U.S.P.Q. 2d 2011 (Fed. Cir. 2007), exemplifies the principle that only inadvertent errors, and not errors in judgment, are correctable via reissue. In the case, the patent owner originally submitted an application based on a provisional application, but forgot to include the drawings. By the time he realized the mistake the provisional application had expired. Faced with two

options-keeping the earlier priority date and proceeding without the drawings, or including the drawings but accepting a new filing date, the owner chose to include the drawings. After the patent issued, the owner unsuccessfully sought to regain the earlier priority date through reissue. On appeal from the Board of Patent Appeals and Interferences, the Federal Circuit agreed that though reissue can be used to perfect a mistake affecting priority, deliberate action fails to qualify as a "correctable error."

Conclusion

It is clear that reissue can be a particularly valuable tool for patent owners who make honest mistakes in their patent applications. However, potential reissue applicants should familiarize themselves with the prerequisites for application as well as the effects of reissue prior to applying.



McCormick, Paulding & Huber LLP
Intellectual Property Law

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Hartford, CT
City Place II
185 Asylum Street
Hartford, CT 06103
tel 860.549.5290
fax 860.527.0464

Springfield, MA
1350 Main Street
Springfield
MA 01103
tel 413.736.5401
fax 413.733.4543

McCormick, Paulding & Huber LLP
Intellectual Property Law
City Place II
185 Asylum Street
Hartford, CT 06103