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## NOTE

### THE SUPREME COURT BRINGS A SEA CHANGE WITH *KSR INTERNATIONAL CO. V. TELEFLEX, INC.*

After several false alarms, or dashed hopes,<sup>1</sup> the Supreme Court is poised to change patent law. The Court granted certiorari to the Federal Circuit in *KSR International Co. v. Teleflex, Inc.* (“*KSR*”) on June 26, 2006.<sup>2</sup> The question presented is

[w]hether the Federal Circuit has erred in holding that a claimed invention cannot be held “obvious,” and thus unpatentable under 35 U.S.C. § 103(a), in the absence of some proven “teaching, suggestion, or motivation” that would have led a person of ordinary skill in the art to combine the relevant prior art teachings in the manner claimed.<sup>3</sup>

The patent system is built upon only four rules. First, the invention claimed in the patent application (“claimed invention”) must be disclosed in writing.<sup>4</sup> Second, the claimed invention must cover patentable subject matter.<sup>5</sup> Third, the claimed invention must be novel.<sup>6</sup> And fourth, the claimed invention must be non-obvious.<sup>7</sup> It is the fourth requirement, the non-obviousness requirement, that is at issue in *KSR*. To clarify, if the Patent Office determines that the claimed invention is *obvious* then a patent will not be issued.

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1. See *eBay Inc. v. MercExchange, L.L.C.*, 126 S. Ct. 1837, 1839 (2006) (focusing on the four-factor infringement test instead of the validity of the patent); *Metabolite Lab., Inc. v. Lab. Corp. of Am. Holdings*, 370 F.3d 1354, 1372 (Fed. Cir. 2004), *cert. granted in part*, 126 S. Ct. 543 (2005), *cert. dismissed*, 126 S. Ct. 2921 (2006) (dismissing certiorari as improvidently granted in a per curiam decision).

2. *KSR Int’l Co. v. Teleflex, Inc.*, 119 F. App’x 282 (Fed. Cir. 2005), *cert. granted*, 126 S. Ct. 2965, 2966 (2006).

3. Petition for Writ of Certiorari at 1, *KSR Int’l Co. v. Teleflex, Inc.*, No. 04-1350 (Fed. Cir. Apr. 6, 2005) [hereinafter *KSR* Petition].

4. 35 U.S.C. § 112 (2000).

5. *Id.* § 101.

6. *Id.* § 102. A claimed invention is not novel if it is anticipated by prior art. It is anticipated if a piece of prior art contains every element that the claimed invention is trying to patent. This section also defines the term as prior art. *Id.*

7. *Id.* § 103(a).

Inventors therefore argue that their inventions are *non-obvious* and should be granted a patent.

Practically, the obviousness requirement is the one large hurdle to overcome before a claimed invention becomes a patented invention. Probably because it is the most significant hurdle, a patent attorney can spend five minutes describing the first three patent requirements, but the next five days defining and explaining the obviousness requirement.<sup>8</sup> The complexity of the obviousness requirement is the reason why the Court's decision in *KSR* will have a significant impact on patent law. In fact, according to the parties, this decision has the potential of affecting the entire patent system and almost every patent issued to date.<sup>9</sup>

The obviousness requirement has, until this point, generally been governed by the Court of Appeals for the Federal Circuit's ("Federal Circuit") teaching-suggestion-motivation test.<sup>10</sup> This test was developed to be an objective analysis of obviousness under the factual inquiries developed by the Supreme Court.<sup>11</sup> The Supreme Court though has not explicitly endorsed the Federal Circuit's approach. The question presented in *KSR* reads directly on the teaching-suggestion-motivation test; therefore, the Supreme Court will endorse, discard, or modify the test.

This Note begins in Part I with a brief overview of the case history, including the district court and Federal Circuit's decisions and rationales. Part II will introduce the three sources of law the Court will consider in its analysis of *KSR*. Part III will outline two inherent problems I have identified within the application of the teaching-suggestion-motivation test. Part III will also discuss specific areas of science where the teaching-suggestion-motivation test's inherent problems are illustrated. Then Part IV will examine two issues I have determined the Court will face. The first of these issues will examine the arguments regarding the inherent problems

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8. See, e.g., Brief for Time Warner Inc. et al. as Amici Curiae Supporting Petitioner at 4, *KSR Int'l Co. v. Teleflex, Inc.*, No. 04-1350 (U.S. Aug. 22, 2006), 2006 WL 2452363, at \*4 [hereinafter Time Warner Brief] (noting that "utility and novelty—are easily satisfied by patent attorneys").

9. Brief for the Respondents at 15, *KSR Int'l Co. v. Teleflex, Inc.*, No. 04-1350 (U.S. Oct. 16, 2006), 2006 WL 2989549, at \*15 [hereinafter Teleflex Brief] (stating that the "millions of patents . . . would become susceptible to post hoc litigation . . . if this Court were" to question the teaching-suggestion-motivation test); *KSR* Petition, *supra* note 3, at 1-2 ("[T]his question affects every pending U.S. patent application, every issued U.S. patent, and every U.S. federal court challenge to the validity of a patent.").

10. For a discussion of this test, see *infra* Part II.C.

11. *Graham v. John Deere, Co.*, 383 U.S. 1 (1966). For a discussion of *Graham*, see *infra* Part II.B.

identified in Part III. The second issue will examine the arguments regarding whether the teaching-suggestion-motivation test conflicts with the current Supreme Court precedent and the governing statute. Part V will conclude with my opinion on the outcome of the case and the possible effects the Court's decision could have on the patent system depending on the outcome.

#### I. KSR INTERNATIONAL CO. V. TELEFLEX, INC.<sup>12</sup>

Teleflex, Inc. ("Teleflex") sued KSR International Co. ("KSR") in the U.S. District Court for the Eastern District of Michigan for infringement of a patent over which Teleflex held an exclusive license.<sup>13</sup> The patent ("565") disclosed a position-adjustable vehicle pedal assembly that Teleflex accused KSR of making.<sup>14</sup> KSR then filed a Motion for Summary Judgment on the invalidity of the '565 patent.<sup>15</sup> The district court did not discuss the facts of the infringement but instead disposed of the case by granting KSR's Motion for Summary Judgment on the invalidity of the '565 patent.<sup>16</sup>

The district court's analysis focused on whether the '565 patent was obvious under 35 U.S.C. § 103(a).<sup>17</sup> In its analysis, the court used the factual inquiries set out by the Supreme Court.<sup>18</sup> Its analysis under the *Graham v. John Deere*<sup>19</sup> inquiries first determined what the art was and then the level of one of ordinary skill in the art. Finally, the court determined the differences between the prior art and the claimed invention. Once the differences were determined, the court moved to applying the teaching-suggestion-motivation test.

The court used the teaching-suggestion-motivation test as part of its analysis under the *Graham* "Differences Between the Prior Art and the Claimed Invention" inquiry.<sup>20</sup> A motivation to combine was deemed necessary under the test for combining the "pedal assembly in which the pivot does not move with pedal adjustment" with the

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12. *KSR Int'l Co. v. Teleflex, Inc.*, 119 F. App'x 282 (Fed. Cir. 2005), *cert. granted*, 126 S. Ct. 2965, 2966 (2006).

13. *Teleflex, Inc. v. KSR Int'l Co.*, 298 F. Supp. 2d 581, 583 (E.D. Mich. 2003), *vacated*, 119 F. App'x 282 (Fed. Cir. 2005), *cert. granted*, 126 S. Ct. 2965, 2966 (2006).

14. *Id.* at 583-84.

15. *Id.* at 585.

16. *Id.*

17. *Id.* at 587-96. The obviousness analysis was ten pages of the sixteen-page opinion.

18. *Id.* at 587 (citing *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966)).

19. *Graham*, 383 U.S. at 17.

20. *Teleflex*, 298 F. Supp. 2d at 591, 593-95.

“modular pedal position sensors.”<sup>21</sup> The court found the necessary motivation to combine in the knowledge that a person with ordinary skill in the art would have of the applicable prior art.<sup>22</sup> The court also found “express teachings with respect to the desirability” of combining a pedal assembly with a sensor in the prior art.<sup>23</sup> The court granted the Motion for Summary Judgment after it decided the ’565 patent was obvious based on these findings under the teaching-suggestion-motivation test.

Teleflex appealed the district court’s decision to the Federal Circuit complaining that the district court used an “incorrect teaching-suggestion-motivation test” in its decision.<sup>24</sup> The Federal Circuit reviewed the facts of the case de novo,<sup>25</sup> reapplying the teaching-suggestion-motivation test.<sup>26</sup> In its application, the court agreed with Teleflex that the district court “did not apply the correct teaching-suggestion-motivation test.”<sup>27</sup> The court characterized the district court’s finding of the motivation to combine as being based on the nature of the problem to be solved and on the teachings of the prior art.<sup>28</sup> The Federal Circuit did not agree with the district court’s application of the test because, according to the Federal Circuit, the teaching-suggestion-motivation test requires the court to “make specific findings as to whether there was a suggestion or motivation” to combine the prior art.<sup>29</sup> The court found that the two pieces of prior art the district court combined were not addressing the same problem; therefore, the district court should not have used the nature of the problem to be solved as the motivation to combine.<sup>30</sup> The Federal Circuit also took issue with the express teachings the district court found in another piece of prior art because that piece of prior art did not relate to adjustable pedal assemblies but to wire chafing in pedal assemblies.<sup>31</sup>

The Federal Circuit vacated the grant of summary judgment in favor of KSR and remanded to the district court for a new determination under the teaching-suggestion-motivation test on

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21. *Id.* at 593.

22. *Id.* at 594.

23. *Id.*

24. *KSR Int’l Co. v. Teleflex, Inc.*, 119 F. App’x 282, 286 (Fed. Cir. 2005), *cert. granted*, 126 S. Ct. 2965, 2966 (2006).

25. *Id.* at 284.

26. *Id.* at 285.

27. *Id.* at 286.

28. *Id.* at 287.

29. *Id.* at 288.

30. *Id.*

31. *Id.* at 288-89.

January 6, 2005.<sup>32</sup> KSR then petitioned the Supreme Court for a writ of certiorari on April 6, 2005.<sup>33</sup> The Supreme Court granted certiorari to hear *KSR International Co. v. Teleflex, Inc.* on June 26, 2006.<sup>34</sup> Shortly afterward, the Court set oral arguments for November 28, 2006.<sup>35</sup>

## II. THE LAW

The Supreme Court's analysis in *KSR* will be based on three sources of law: the U.S. Code, Supreme Court precedent, and the Federal Circuit's teaching-suggestion-motivation test. Part II will introduce these three sources of law.

### A. 35 U.S.C. § 103(a)<sup>36</sup>

The overarching statute to be applied is § 103(a):

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, 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 to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.<sup>37</sup>

It is generally accepted that § 103(a) was enacted to codify the Supreme Court decision in *Hotchkiss v. Greenwood*.<sup>38</sup> In *Hotchkiss*, the invention was making doorknobs of potter's clay or porcelain instead of wood or metal.<sup>39</sup> The Court found that the making of metal or wood knobs was well-known and in the public domain.<sup>40</sup> Therefore, the Court decided that the substitution of the porcelain was the "work of the skilful mechanic, not that of the inventor."<sup>41</sup>

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32. *Id.* at 286.

33. KSR Petition, *supra* note 3.

34. *KSR Int'l Co. v. Teleflex, Inc.*, 119 F. App'x 282 (Fed. Cir. 2005), *cert. granted*, 126 S. Ct. 2965, 2966 (2006).

35. U.S. Supreme Court-Docket (04-1350), <http://www.supremecourtus.gov/docket/04-1350.htm> (last visited Mar. 23, 2007).

36. 35 U.S.C. § 103(a) (2000).

37. *Id.*

38. 52 U.S. (2 How.) 248 (1850); *see* *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966).

39. *Hotchkiss*, 52 U.S. at 264.

40. *Id.* at 265.

41. *Id.* at 267.

According to the Court, Congress intended to protect information in the public domain when it enacted § 103(a) in the Patent Act of 1952<sup>42</sup> the same way the Court in *Hotchkiss* was protecting doorknobs that were already in the public domain.

Before the Patent Act of 1952 created the obviousness requirement under § 103(a), the idea of an invention needing an “invention” to be patentable was regarded as an “essential mystery.”<sup>43</sup> In 1960, one author set out the “meaningless phrases” that were used to describe the “invention” requirement: “Patentable novelty, or simply patentable invention. Exercise of the inventive faculty, the creative faculty, inventive skill, or inventive effort. The creative work in the inventive faculty. A substantial invention or discovery. The flash of creative genius.”<sup>44</sup> From these abstract standards it is obvious that a change in the patent law was necessary in order to define the “invention” requirement. Section 103(a) now requires that “the subject matter as a whole . . . [not be] obvious at the time the invention was made to a person having ordinary skill in the art.”<sup>45</sup> This is the current “invention” requirement.

B. *Graham v. John Deere Co.*<sup>46</sup>

The seminal Supreme Court case is *Graham v. John Deere Co.* *Graham*’s non-obviousness analysis under § 103(a) consists of applying factual inquiries to the claimed invention.<sup>47</sup> However, there is disagreement over exactly what factual inquiries are in the test. The three accepted inquiries from *Graham* are as follows: (1) determining “the scope and content of the prior art,” (2) ascertaining the “differences between the prior art and the claims at issue,” and

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42. *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 150 (1989) (directing attention to the Court’s decision in *Aronson v. Quick Point Pencil Co.*, 440 U.S. 257, 262 (1979)); *see also id.* at 151 (explaining that it is “congressional understanding . . . that free exploitation of ideas will be the rule”).

43. Giles S. Rich, *Principles of Patentability*, 28 GEO. WASH. L. REV. 393, 403 (1960); *see also Sakraida v. Ag Pro, Inc.*, 425 U.S. 273, 279 (1976) (“It has long been clear that the Constitution requires that there be some ‘invention’ to be entitled to patent protection.”) (citing *Dann v. Johnston*, 425 U.S. 219, 219 (1976)); Glynn S. Lunney, Jr., *E-Obviousness*, 7 MICH. TELECOMM. & TECH. L. REV. 363, 364 (2001) (citing Judge Learned Hand complaining about the “invention” standard as being “as fugitive, impalpable, wayward, and vague a phantom as exists in the whole paraphernalia of legal concepts”).

44. Rich, *supra* note 43, at 403-04 (internal citations omitted).

45. 35 U.S.C. § 103(a) (2000).

46. 383 U.S. 1 (1966).

47. *Id.* at 3-5.

(3) resolving the “level of ordinary skill in the pertinent art.”<sup>48</sup> The Court makes clear that these inquiries are in no way optional.<sup>49</sup>

The disagreement stems from the Court’s nod to “secondary considerations.”<sup>50</sup> The Court stated that secondary considerations, such as “commercial success, long felt but unsolved needs, [and the] failure of others . . . *might* be utilized.”<sup>51</sup> Whether the secondary considerations are considered part of the factual inquiry test established by *Graham* has become a point of debate even within the amicus curiae briefs submitted in *KSR*.<sup>52</sup> Regardless of whether the secondary considerations are used, the Court has made clear that “commercial success without invention will not make patentability.”<sup>53</sup> However, the Federal Circuit does use evidence of commercial success and evidence of a longstanding need as probative under the *Graham* analysis.<sup>54</sup>

It is the Federal Circuit’s use of secondary consideration in the face of directly adverse Supreme Court precedent that causes the disagreement. Although this area might be discussed by the Supreme Court, it will not be a significant topic under the question

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48. *Id.* at 17; *see also Sakraida*, 425 U.S. at 279-80 (citing the “basic factual inquiries” under *Graham* as including the “scope and content of the prior art . . . differences between the prior art and the claims . . . and the level of ordinary skill in the pertinent art”).

49. *Graham*, 383 U.S. at 18 (“We believe that strict observance of the requirements laid down here will result in that uniformity and definiteness which Congress called for in the 1952 Act.”); *see also Anderson’s-Black Rock, Inc. v. Pavement Salvage Co., Inc.*, 396 U.S. 57, 62 (1969) (reiterating the need for “strict observance” of the *Graham* requirements).

50. *Graham*, 383 U.S. at 17.

51. *Id.* (emphasis added).

52. *Compare* Time Warner Brief, *supra* note 8, at 7 (identifying “three primary inquiries” and the optional secondary considerations) *with* Brief for Bar Ass’n of the District of Columbia-Patent, Trademark & Copyright Section as Amicus Curiae Supporting Neither Party at 4, *KSR Int’l Co. v. Teleflex, Inc.*, No. 04-1350 (U.S. Aug. 22, 2006), 2006 WL 2452366, at \*4, [hereinafter DC Bar Brief] (stating that *Graham* is a “collection of four factors”).

53. *Great Atl. & Pac. Tea Co. v. Supermarket Equip. Corp.*, 340 U.S. 147, 153 (1950) (citing *Toledo Pressed Steel Co. v. Standard Parts, Inc.*, 307 U.S. 350, 356-57 (1939)); *see also Anderson’s-Black Rock*, 396 U.S. at 59-61 (concluding that commercial success and fill a need was not enough to constitute patentable invention); *Jungersen v. Ostby & Barton Co.*, 335 U.S. 560, 567 (1949) (“The fact that this process has enjoyed considerable commercial success, however, does not render the patent valid.”); *Dow Chem. Co. v. Halliburton Oil Well Cementing Co.*, 324 U.S. 320, 330 (1945) (dismissing the questions of commercial success and filling a need as only being appropriate inquiries when there is a further question of invention).

54. *See* Lunney, *supra* note 43, at 376-78.

presented. Therefore, this Note will not discuss the propriety of using secondary considerations in an obviousness analysis.<sup>55</sup>

*C. The Court of Appeals for the Federal Circuit's Obviousness Test: The Teaching-Suggestion-Motivation Test*

The Federal Circuit developed the teaching-suggestion-motivation test to rebut the tendency of patent examiners ("Examiners") to use hindsight to invalidate a patent.<sup>56</sup> Using the patent application as the blueprint for creating the invention from other references is called "hindsight" and cannot be used as the basis for an obviousness rejection.<sup>57</sup>

The Federal Circuit as it currently exists<sup>58</sup> first used the teaching-suggestion-motivation test in its 1984 decision in *ACS Hospital Systems, Inc. v. Montefiore Hospital*.<sup>59</sup> The history of the teaching-suggestion-motivation test, though, reaches back even further to a United States Court of Customs and Patent Appeals

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55. It is interesting to note that Teleflex's appeal to the Federal Circuit contained three complaints. The last complaint was that the District Court did "not properly consider[] the commercial success" of Teleflex's patent. *KSR Int'l Co. v. Teleflex, Inc.*, 119 F. App'x 282, 286 (Fed. Cir. 2005), *cert. granted*, 126 S. Ct. 2965, 2966 (2006). The district court noted that the secondary considerations such as commercial success were not to be used to "reach the ultimate conclusion of obviousness." *Teleflex, Inc. v. KSR Int'l Co.*, 298 F. Supp. 2d 581, 595 (E.D. Mich. 2003), *vacated*, 119 F. App'x 282 (Fed. Cir. 2005), *cert. granted*, 126 S. Ct. 2965, 2966 (2006) (citing *Richardson-Vicks, Inc. v. Upjohn Co.*, 122 F.3d 1476, 1483 (Fed. Cir. 1997)). The district court concluded that the evidence of commercial success was "insufficient to overcome [KSR's] clear and convincing evidence of obviousness." *Id.* at 596. The Federal Circuit did not address Teleflex's complaint regarding the use of commercial success. *Teleflex*, 119 F. App'x at 286.

56. *See, e.g., In re Dembiczak*, 175 F.3d 994, 999 (Fed. Cir. 1999) ("Our case law makes clear that the best defense against the subtle but powerful attraction of a hindsight-based obviousness analysis is rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references.") The court in *Dembiczak* then went on to cite seven cases as examples of using the teaching-suggestion-motivation test as a cure for the hindsight-based obviousness rejection. *Id.*

57. MANUAL OF PATENT EXAMINING PROCEDURE § 2141(II) (8th ed. 2006), available at <http://www.uspto.gov/web/offices/pac/mpep/index.html>.

58. The Court of Appeals for the Federal Circuit was created in 1982 with the combination of the Court of Custom and Patent Appeals and the Court of Claims appellate division. United States Court of Appeals for the Federal Circuit: About the Court, <http://www.fedcir.gov/about.html> (last visited Mar. 23, 2007).

59. 732 F.2d 1572 (Fed. Cir. 1984). The court in *ACS Hospital Systems* traces the test to the United States Court of Custom and Patent Appeals. *Id.* at 1577 n.14.

decision in 1943.<sup>60</sup> The Court of Customs and Patent Appeals stated that in the novelty analysis, “the question always is: does such art suggest doing the thing which the applicant has done?”<sup>61</sup> This type of suggestion or teaching requirement has continued to be prevalent even after the *Graham* decision.<sup>62</sup>

The test is a practical test requiring a teaching, suggestion, or motivation to combine the elements found in various pieces of prior art to reach the claimed invention before a determination of obviousness can be rendered.<sup>63</sup> In 2000 the Federal Circuit outlined that the motivation, suggestion, or teaching can come from three different sources: an explicit statement; what the person having ordinary skill in the art would have known; or the nature of the problem.<sup>64</sup> The Examiner must look at the “combined teachings, knowledge of one of ordinary skill in the art, and the nature of the problem to be solved as a whole” to find that the teaching-suggestion-motivation test is implicitly satisfied.<sup>65</sup> Regardless of whether the teaching-suggestion-motivation test requires an explicit or implicit motivation, the Examiner or court must articulate the reasons behind the obviousness finding.<sup>66</sup>

A further discussion of whether the teaching-suggestion-motivation test requires explicit or implicit motivation to combine and how this determination will affect the Supreme Court’s decision can be found in Part IV.A.<sup>67</sup>

### III. THE PROBLEMS

The Supreme Court will apply the three sources of law discussed in Part II to its analysis of two specific problems within the teaching-suggestion-motivation test. I focus on these two problems because they are inherent to the application of the test.

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60. *In re Fridolph*, 134 F.2d 414, 416 (C.C.P.A. 1943); see also *In re Kahn*, 441 F.3d 977, 986 (Fed. Cir. 2006) (stating that the motivation-suggestion-teaching test was first used in the “predecessor court”).

61. *Fridolph*, 134 F.2d at 416.

62. See, e.g., *In re Rinehart*, 531 F.2d 1048, 1051 (C.C.P.A. 1976); *In re Bergel*, 292 F.2d 955, 956 (C.C.P.A. 1961). But see *In re Conti*, 337 F.2d 664, 670 (C.C.P.A. 1964) (finding that the validity analysis did not need the references to “suggest or hint” at the combination to find that one of ordinary skill in the art would combine the references); *In re André*, 341 F.2d 304, 308 (C.C.P.A. 1965) (citing *Conti*, 337 F.2d at 670).

63. *Kahn*, 441 F.3d at 987.

64. *In re Kotzab*, 217 F.3d 1365, 1370 (Fed. Cir. 2000).

65. *Id.*

66. See *Kahn*, 441 F.3d at 988 (citing *In re Lee*, 277 F.3d 1338, 1343-46 (Fed. Cir. 2002) and *In re Rouffet*, 149 F.3d 1350, 1355-59 (Fed. Cir. 1998)).

67. See *infra* Part IV.A and accompanying footnotes.

First, if there is not a significant body of prior art, the Examiners cannot invalidate patents based on obviousness. "Thus, non-obviousness is ultimately predicated on whether there is an adequate body of literature that is accessible to patent examiners to render a determination of patentability."<sup>68</sup> This arises from the perceived inflexibility of the teaching-suggestion-motivation test. Second, the knowledge of the person having ordinary skill in the art ("PHOSITA") is not taken into account, except to provide a motivation to combine. Therefore, if there is no prior art to combine, then the claimed invention will be found to be non-obvious, regardless of whether a PHOSITA would find the claimed invention to be obvious or not.<sup>69</sup>

Part III also discusses several areas of science where the inherent problems of the application of the teaching-suggestion-motivation test can be illustrated for the reader to understand how these inherent problems affect the grant of patents.

The test itself has affected almost every granted patent; therefore, the problems inherent in the test have caused great concern to patent practitioners.<sup>70</sup> It is my belief that the problems addressed in Part III are the reasons why the Court granted certiorari. A reading of Part III should then clarify why the Court granted certiorari. Even though the Court may not address both of these specific problems in its analysis, the effect of the decision will either eliminate or enforce these inherent problems.

Part IV will go on to analyze the issues that will need to be addressed by the Supreme Court, including the inherent problems outlined here in Part III.

#### A. *Inherent Problems in the Teaching-Suggestion-Motivation Test.*

##### 1. *Inflexibility*

The broadest concern with the teaching-suggestion-motivation test is its perceived inflexibility.<sup>71</sup> The teaching-suggestion-motivation test is interpreted as requiring an explicit suggestion to combine in the prior art to support a finding of obviousness. An explicit suggestion means that there must be some suggestion to combine one piece of art with another or several other pieces of prior

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68. John H. Barton, *Non-Obviousness*, 43 IDEA 475, 482-83 (2003).

69. See *infra* Part III.B.

70. See *infra* Part III.A and accompanying footnotes.

71. See, e.g., Brief for the United States as Amicus Curiae at 13, *KSR Int'l Co. v. Teleflex, Inc.*, No. 04-1350 (U.S. May 25, 2006), 2006 WL 1455388, at \*13 [hereinafter U.S. Petition].

art, which, when combined, would create the claimed invention.<sup>72</sup> Unless the Examiner can find such a motivation to combine, the claimed invention cannot be found non-obvious. As stated in the Introduction, if the claimed invention is non-obvious, then a patent will be granted for the claimed invention.<sup>73</sup> Therefore, even if a PHOSITA or the Examiner herself would consider the claimed invention obvious, there still must be an explicit motivation to combine.

As the National Research Council points out in its study of the patent system, “if it is obvious to those of skill in the art to combine references, it is unlikely that they will publish such information.”<sup>74</sup> If there are no references to combine, or if the idea is so simple that no one publishes it,<sup>75</sup> then the U.S. Patent & Trademark Office (“Patent Office”) will not have the requisite references to combine in support of an obviousness rejection. The Patent Office is therefore allowing patents to grant on what might be an obvious combination to the person having skill in the art.<sup>76</sup>

An extensive analysis of the arguments regarding the inflexibility of the teaching-suggestion-motivation test can be found at Part IV.A.

## 2. *Person Having Ordinary Skill in the Art (“PHOSITA”)*

The second most pervasive concern is the apparent disappearance of the PHOSITA from the teaching-suggestion-motivation test.<sup>77</sup> The Court determined that the obviousness

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72. *Brown & Williamson Tobacco Corp. v. Philip-Morris, Inc.*, 229 F.3d 1120, 1124-25 (Fed. Cir. 2000).

73. *See supra* Introduction.

74. COMM. ON INTELLECTUAL PROPERTY RIGHTS IN THE KNOWLEDGE-BASED ECON. BD. ON SCIENCE, TECH., AND ECON. POLICY, POLICY AND GLOBAL AFFAIRS DIV., NAT’L RESEARCH COUNCIL, A PATENT SYSTEM FOR THE 21ST CENTURY 90 (Stephen A. Merrill et al. eds., 2004), *available at* <http://orsted.nap.edu/openbook/0309089107/gifmid/90.gif> [hereinafter NRC Committee Report].

75. Time Warner Brief, *supra* note 8, at 3 (noting that the Federal Circuit’s test is biased “in favor of pre-existing evidence that is documented or otherwise publicly accessible”).

76. *See id.* at 4 (“Many emerging fields evolve so quickly that patents and printed articles cannot keep up with the latest developments. In such fields, it is difficult to satisfy the Federal Circuit’s rigid evidentiary test even when a claimed ‘invention’ would have been perfectly obvious to one skilled in the field.”).

77. *See* Brief for Computer & Communications Industry Ass’n as Amicus Curiae Supporting Petitioner at 9, *KSR Int’l Co. v. Teleflex, Inc.*, No. 04-1350 (U.S. Aug. 22, 2006), 2006 WL 2452364, at \*9 [hereinafter Communications Industry Brief] (“The suggestion test also marginalizes the ‘person having ordinary skill in the art’ in contravention of *Graham* and Section 103.”); Brief

analysis must take into consideration what the PHOSITA would know.<sup>78</sup> If the test is inflexible and requires some explicit motivation to combine references, then what the PHOSITA would know from those references or from common knowledge in the field is not taken into consideration.<sup>79</sup> But if the test is flexible then possibly the motivation to combine can come from the knowledge of the PHOSITA. However, even under a flexible interpretation of the teaching-suggestion-motivation test, the PHOSITA's knowledge is being used only to provide the "knowledge to combine" and not for "knowledge in the field."<sup>80</sup> As the United States amicus curiae brief asking the Court to grant certiorari states, the teaching-suggestion-motivation test "fails to account adequately for the problem-solving abilities of persons of ordinary skill in the art."<sup>81</sup>

An extensive analysis of the arguments regarding the disappearing PHOSITA can be found at Part IV.A. The effects of these two inherent problems, the inflexibility and the lack of the PHOSITA, are illustrated in the test's application to the following two areas of science.

#### *B. Application of the Test to Certain Types of Patents*

##### *1. Obviousness and Biotechnology Patents*

The field of biotechnology encompasses the technology used in biomedical, microbiology, chemistry, and biochemistry research as well as the fruits of such research, including gene sequences and prescription drugs.<sup>82</sup>

One specific area of concern under biotechnology is the patents on genetic sequences. The teaching-suggestion-motivation test

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for the United States as Amicus Curiae Supporting Petitioner at 25, *KSR Int'l Co. v. Teleflex, Inc.*, No. 04-1350 (U.S. Aug. 22, 2006), 2006 WL 2453601, at \*25 [hereinafter U.S. Amicus Brief] ("The Court should reiterate that the role of the hypothetical person of ordinary skill is critical in the non-obviousness inquiry.").

78. See, e.g., *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 150 (1989) (stating that § 103(a) extends § 102 to what is known by the PHOSITA); *Dann v. Johnston*, 425 U.S. 219, 229 (1976) (noting that courts must consider what would be obvious to the PHOSITA).

79. Time Warner Brief, *supra* note 8, at 4 (urging the Court to reject the "Federal Circuit's rigid requirement and return to a more flexible approach that allows courts to consider different evident of obviousness as appropriate for different technologies").

80. *Princeton Biochemicals, Inc. v. Beckman Coulter, Inc.*, 411 F.3d 1332, 1338-39 (Fed. Cir. 2005).

81. U.S. Petition, *supra* note 71, at 16.

82. *STEDMAN'S MEDICAL DICTIONARY* 207 (27th ed. 2000).

requires that the prior art “suggest” the structure of the compound.<sup>83</sup> This creates a per se non-obviousness rule for genetic sequences that have not been disclosed in the prior art.<sup>84</sup> Therefore, if there is no prior art, the genetic sequence in the claimed invention cannot be determined to be obvious by the Examiner and a patent will be granted. When there is a teaching of the actual structure, the test then becomes whether there is a suggestion to make the “specific molecular modifications necessary to achieve the claimed invention.”<sup>85</sup> This requirement means that even if a PHOSITA knows that she can make the necessary modifications to the prior art structure and create the claimed structure there still will not be an obviousness determination and again, the patent will be granted.

Another area of concern is in the prescription drug market. The teaching-suggestion-motivation test allows combination patents to be granted on prescription drugs already in use thereby significantly increasing the time before generic drugs can be introduced into the marketplace.<sup>86</sup> These combination patents encompass modifying inactive elements of a drug or taking drugs used for one disease and patenting the use of a combination of those drugs to treat either the same disease or a new disease.<sup>87</sup> These combinations are then allowed because, as discussed above,<sup>88</sup> there is not prior art suggesting using a combination of drugs instead of just one drug or providing the motivation to modify the inactive elements of the drug. Without such prior art, there can be no finding of obviousness. Furthermore, the fact that a PHOSITA, such as a doctor, knows that a combination of drugs might work better than just one drug is not enough for an obviousness determination and again, the patent will be granted.

Supporters of the current test insist that the teaching-suggestion-motivation test provides the predictability regarding new inventions necessary for researchers in this field to continue their

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83. *In re Deuel*, 51 F.3d 1552, 1557 (Fed. Cir. 1995).

84. NRC Committee Report, *supra* note 74, at 92; *see Deuel*, 51 F.3d at 1559 (“We today reaffirm the principle . . . that the existence of a general method of isolating cDNA or DNA molecules is essentially irrelevant to the question whether the specific molecules themselves would have been obvious, in the absence of other prior art that suggests the claimed DNAs.”).

85. *Id.* at 1558 (internal citations omitted).

86. Brief of AARP et al. as Amici Curiae Supporting Petitioner at 4, 7, *KSR Int’l Co. v. Teleflex, Inc.*, No. 04-1350 (U.S. Aug. 22, 2006), 2006 WL 2452368, at \*4, \*7 [hereinafter AARP Brief] (outlining how generic drugs are affected by the teaching-suggestion-motivation test).

87. *Id.* at 5-6.

88. *See supra* Part III.A.1.

work.<sup>89</sup> The reason given is that the research takes considerable money and time; therefore, a predictable system of evaluating obviousness must be in place to guarantee a patent from the outlay of these resources.<sup>90</sup> However, in testimony before the United States Senate Committee on the Judiciary, the co-chairs of the Committee on Intellectual Property Rights in the Knowledge-Based Economy under the National Research Council put forth their conclusion that current patents are “substandard.”<sup>91</sup> One of their four reasons for these substandard patents is that there has “been some dilution of the application of the non-obviousness standard in biotechnology.”<sup>92</sup> This dilution is the teaching-suggestion-motivation test.

*2. Obviousness and Computer Hardware, Software, and Business Method Patents.*

I have included these areas together because business method patents are usually software patents applied to businesses. This subpart will first introduce what patents can be found in these areas. Then this subpart will outline the problems as applied to these patents.

Computer updates occur when “computer programs that implement and improve information processing steps or control features” are applied to a current system.<sup>93</sup> Usually, software is the method for improving the old system although hardware that has been updated with new components can also be used. Most of the patents under scrutiny are software patents. Likewise, business method patents are usually software applied to a business problem/solution. The Manual of Patent Examining Procedure (“MPEP”) published by the Patent Office for its Examiners has defined business method patents as patents related to “[d]ata processing” including “financial, business practice, management, or cost/price determination[s].”<sup>94</sup> Like the computer updates

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89. Brief of Biotechnology Industry Organization as Amicus Curiae Supporting Respondents at 8, *KSR Int'l Co. v. Teleflex, Inc.*, No. 04-1350 (U.S. Oct. 16, 2006), 2006 WL 2983166, at \*8 [hereinafter *Biotechnology Brief*].

90. *Id.* at 9.

91. *A Patent System for the 21st Century: Hearing on the Perspectives on Patents Before the S. Comm. on the Judiciary*, 109th Cong. (Apr. 25, 2005) (statement of Richard C. Levin, Ph.D., President, Yale University, & Mark B. Myers, Ph.D., Wharton School, University of Pennsylvania), available at [http://judiciary.senate.gov/print\\_testimony.cfm?id=1475&wit\\_id=4217](http://judiciary.senate.gov/print_testimony.cfm?id=1475&wit_id=4217).

92. *Id.*

93. Richard S. Gruner, *Everything Old Is New Again: Obviousness Limitations on Patenting Computer Updates of Old Designs*, 9 B.U. J. SCI. & TECH. L. 209, 228 (2003).

94. MANUAL OF PATENT EXAMINING PROCEDURE, *supra* note 57, § 1865.01.

introduced above, the Patent Office is applying the obviousness analysis to software patents.<sup>95</sup>

The field of computer hardware and software, and business method patents has turned into a “patent thicket” where “overlapping intellectual property rights” must be cut through before a new product can be developed and brought to market.<sup>96</sup> The Federal Trade Commission (“FTC”) attributes part of the “patent thicket” to the “incremental innovations” in this field.<sup>97</sup> The “patent thicket” can also be attributed to the teaching-suggestion-motivation test that allows both a combination of individual changes<sup>98</sup> and “minor variations”<sup>99</sup> to be patented.

The main problem with the teaching-suggestion-motivation test as applied to these patents is the lack of prior art in the field. The limited amount of prior art precludes a finding of obviousness under the teaching-suggestion-motivation test because there is not enough art within which to find the teaching, suggestion, or motivation to combine.<sup>100</sup> In fact, Mr. Merges, in his 1999 article, notes that, on average, less than five prior art references are cited against a “software-implemented business concept patent[] . . . .”<sup>101</sup>

The literature necessary to build an extensive pool of prior art is not available for several different reasons, four of which are included here. First, the patentability of software patents was originally questioned; therefore, patents were not issued on software until late in the Patent Office’s history.<sup>102</sup> Second, unpublished ideas are a side effect of the “secret use of innovative software and

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95. See Dan L. Burk & Mark A. Lemley, *Is Patent Law Technology-Specific?*, 17 BERKELEY TECH. L.J. 1155, 1166-67 (2002).

96. FED. TRADE COMM’N, TO PROMOTE INNOVATION: THE PROPER BALANCE OF COMPETITION AND PATENT LAW AND POLICY, ch. 4, at 6 (2003), available at <http://www.ftc.gov/os/2003/10/innovationrpt.pdf> [hereinafter FTC REPORT] (quoting Carl Shapiro, *Navigating the Patent Thicket: Cross Licenses, Patent Tools, and Standard-Setting*, in 1 INNOVATION POLICY AND THE ECONOMY 119, 120 (Adam Jaffe et al. eds., 2001)).

97. *Id.*; see also Julie E. Cohen & Mark A. Lemley, *Patent Scope and Innovation in the Software Industry*, 89 CAL. L. REV. 1, 4 (2001) (describing one of the factors that is problematic under the doctrine of equivalencies as the “incremental improvement[s]” found in software).

98. See *infra* Part IV.B (discussing combination patents).

99. See, e.g., Communications Industry Brief, *supra* note 77, at 16 (noting that a patent thicket can be created when a firm patents “minor variations on the initial patent”).

100. Gruner, *supra* note 93, at 254-56.

101. Robert P. Merges, *As Many as Six Impossible Patents Before Breakfast: Property Rights for Business Concepts and Patent System Reform*, 14 BERKELEY TECH. L.J. 577, 589 (1999).

102. Gruner, *supra* note 93, at 254-55.

business methods.”<sup>103</sup> Third, the nature of the industry does not lend itself to publication.<sup>104</sup> For business methods specifically, the innovation is found in business plans, the businesses themselves, and in industry literature,<sup>105</sup> but not in patents or academic articles. And fourth, the original cataloging system of software patents in the Patent Office hinders the examiners’ ability to identify relevant prior art.<sup>106</sup> Software patents were originally disclosed in the context of a machine that used the software for a specified purpose.<sup>107</sup> The Patent Office classification system then cataloged these patents according to the purpose of the machine instead of the type or content of the software.<sup>108</sup> This classification leaves the examiners without a system of identifying patents whose software component would qualify as being in the relevant art field for the claimed invention being examined.<sup>109</sup>

Without literature that qualifies as prior art, the examiners have no basis for an obviousness determination under the teaching-suggestion-motivation test. Therefore, applications for inventions that may actually be obvious to the PHOSITA are granted patent status. Mr. Cohen’s 2001 article refers to approximately eighty thousand software patents issued by the Patent Office as being plenty of prior art from which an examiner can find a motivation to combine.<sup>110</sup> But that pool of prior art cannot level the field against the inaccurate and misleading cataloging system, the incremental nature of software patents, the undisclosed source code or trade secrets, and the lack of other academic literature.

This Note will now move into an analysis of the teaching-suggestion-motivation test that the Supreme Court could focus on when it makes its decision in *KSR*. The inherent problems discussed in Part III can be found through both subparts of the analysis.

#### IV. ANALYSIS

The question presented by the Supreme Court will guide the Court’s analysis. There are two aspects of the question presented that the Court will have to address. The first aspect is whether the teaching-suggestion-motivation test requires “some proven

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103. *Id.* at 255.

104. Cohen & Lemley, *supra* note 97, at 42.

105. Merges, *supra* note 101, at 590.

106. Cohen & Lemley, *supra* note 97, at 12-14.

107. *Id.* at 13.

108. *Id.* at 9, 13.

109. *Id.* at 13.

110. *Id.* at 3.

‘teaching, suggestion, or motivation’ that is explicit or implicit.<sup>111</sup> Under the question presented, the Court’s analysis will address the inflexibility of the test and whether the PHOSITA has been excluded. The second aspect is the relatively generic question of whether the test conflicts with the *Graham* factual inquiries or § 103(a) by requiring any motivation at all to combine the prior art.<sup>112</sup> This Part will discuss both of these possible aspects of the Supreme Court’s analysis.

A. *Is an Explicit Motivation to Combine Required in the Teaching-Suggestion-Motivation Test and Where Has the PHOSITA Gone?*

The inflexibility and PHOSITA concerns outlined in Part III.A can be tempered or extinguished if the Federal Circuit’s teaching-suggestion-motivation test accepts either an explicit or implicit motivation to combine references. As the briefs in support of KSR make clear, it is the perceived rigid application of the teaching-suggestion-motivation test that is the primary reason for the Court to change the test.<sup>113</sup>

This issue is of particular concern for the amicus briefs. One amicus brief supporting the Federal Circuit test goes as far as accusing those calling the teaching-suggestion-motivation test “rigid” of having misread a number of Federal Circuit decisions.<sup>114</sup> The segment of amicus briefs supporting KSR instead characterize the few Federal Circuit cases that indicate using an implicit motivation to combine as “illusory” and the “exception” to the rule.<sup>115</sup>

If there were an implicit motivation to combine, it would allow the Examiner more flexibility in determining obviousness. An implicit motivation could also include an analysis of what the

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111. KSR Petition, *supra* note 3, at i.

112. *Id.*

113. Time Warner Brief, *supra* note 8, at 6 (noting the Federal Circuit test is a “rigid, uniform evidentiary test requiring detailed objective evidence of a prior teaching, suggestion or motivation”); AARP Brief, *supra* note 86, at 11 (calling the Federal Circuit test a “rigid rule”); Brief of Intellectual Property Law Professors as Amici Curiae Supporting Petitioner at 3, KSR Int’l Co. v. Teleflex, Inc., No. 04-1350 (U.S. Aug. 22, 2006), 2006 WL 2452369, at \*3 [hereinafter IP Professors Brief] (stating that under the Federal Circuit’s test, “a prima facie showing of obviousness cannot be made without evidence of a ‘suggestion to combine’ prior art references”).

114. See Brief of Business and Law Professors as Amici Curiae Supporting Respondents at 10-12, KSR Int’l Co. v. Teleflex, Inc., No. 04-1350 (U.S. Oct. 16, 2006), 2006 WL 2983165, at \*10-12 [hereinafter Business Professors Brief].

115. Brief of Cisco Systems Inc. et al. as Amici Curiae Supporting Reversal at 8, KSR Int’l Co. v. Teleflex, Inc., No. 04-1350 (U.S. Aug. 22, 2006), 2006 WL 2452365, at \*8 [hereinafter Cisco Brief].

PHOSITA would know as required under the *Graham* analysis.<sup>116</sup> There does appear to be a trend in the Federal Circuit to move away from the perceived explicit requirement of the test, highlighted by the amicus curiae briefs supporting Teleflex, toward allowing implicit teachings, suggestions, or motivations to combine references.<sup>117</sup>

In fact, the Federal Circuit now states that the motivation to combine can come from the common knowledge of a PHOSITA.<sup>118</sup> In several recent decisions, the Federal Circuit has restated the teaching-suggestion-motivation test as requiring the court to ask “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.”<sup>119</sup> However, intellectual property law professors scoff at the Federal Circuit’s supposed use of the PHOSITA.<sup>120</sup> They accuse the court of “marginaliz[ing] the PHOSITA, equating ordinary *skill* with knowledge and motivation and ignoring the aspect of ordinary skill comprising routine experimentation and application of ordinary tools, methods, and problem-solving abilities.”<sup>121</sup>

Even though the Federal Circuit claims that it allows the knowledge of the PHOSITA to have a bearing on a determination of obviousness, the law professors characterize the actual approach of the court as “limit[ing] the role of the PHOSITA” to that of a person

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116. For why this may not be enough to include the PHOSITA as required under *Graham*, see *infra* notes 122-31 and accompanying text.

117. *But see* Brief of Intellectual Property Owners Ass’n as Amicus Curiae Supporting Respondents at 2-3, *KSR Int’l Co. v. Teleflex, Inc.*, No. 04-1350 (U.S. Oct. 12, 2006), 2006 WL 2950591, at \*2-3 [hereinafter IPO Brief] (noting that the Federal Circuit sometimes applies the teaching-suggestion-motivation test as requiring an explicit motivation to combine). When considering the IPO brief, note that this brief was filed in support of Teleflex. “IPO does not, however, support a wooden application of the suggestion test that would require an express suggestion, teaching, or motivation to combine references in the prior art.” *Id.* at 3; *see also* DC Bar Brief, *supra* note 52, at 2 (noting that the teaching-suggestion-motivation test could use “some refinement”).

118. *DyStar Textilfarben GmbH & Co. Deutschland KG v. C.H. Patrick Co.*, 464 F.3d 1356, 1361 (Fed. Cir. 2006) (citing *Motorola, Inc. v. Interdigital Tech. Corp.*, 121 F.3d 1461, 1472 (Fed. Cir. 1997)).

119. *Alza Corp. v. Mylan Labs., Inc.*, 464 F.3d 1286, 1290 (Fed. Cir. 2006) (quoting *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006)); *see also In re Johnston*, 435 F.3d 1381, 1385 (Fed. Cir. 2006) (citing *Med. Instrumentation & Diagnostics Corp. v. Elekta AB*, 344 F.3d 1205, 1221-22 (Fed. Cir. 2003)) (restating the teaching-suggestion-motivation test).

120. IP Professors Brief, *supra* note 113, at 2-3.

121. *Id.* at 3.

having ordinary skill who is “incapable of applying or recombining [prior art] with even a modicum of creativity.”<sup>122</sup> The FTC’s report on the patent system is also concerned with the role of the PHOSITA in the Federal Circuit’s test.<sup>123</sup> The report cites instances where the application of the teaching-suggestion-motivation test “read[s] the PHOSITA” out of the analysis.<sup>124</sup> It goes on to recommend that the obviousness analysis should include the “creativity and problem-solving skills” that are characteristic of the PHOSITA.<sup>125</sup> The report states that the role of the PHOSITA is limited now because the teaching-suggestion-motivation test is rigid<sup>126</sup> in that the Federal Circuit only allows the PHOSITA’s knowledge as it applies to the prior art.<sup>127</sup> Therefore, even if a PHOSITA believes a patent is obvious, there must still be “affirmative evidence” of a motivation to combine before the Federal Circuit will acknowledge obviousness.<sup>128</sup> If the test were more flexible, the PHOSITA’s actual knowledge and creativity could be taken into account.

Teleflex disagrees with this analysis that the rigidity of the teaching-suggestion-motivation test precludes the knowledge of the PHOSITA and makes it harder for courts to find obviousness. Teleflex asserts in its brief that the Federal Circuit has supported findings of obviousness in twenty-six cases over the last two-and-a-half years.<sup>129</sup> Teleflex cites two recent cases where the Federal Circuit recognizes implicit motivations to combine<sup>130</sup> and twelve cases where the Federal Circuit has affirmed Patent Office findings of obviousness<sup>131</sup> as evidence that the Federal Circuit’s test allows for implicit motivations to combine.

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122. *Id.* at 12. The brief goes on to say that “[t]rained scientists, engineers and other practitioners are seldom so dull-witted as to unvaryingly require the specific, step-by-step combination of elements from the prior art.” *Id.* at 14 (quoting John R. Thomas, *Formalism at the Federal Circuit*, 52 AM. U. L. REV. 771, 802 (2003)).

123. FTC Report, *supra* note 96, at ch. 4, at 13-15.

124. *Id.* at ch. 4, at 14.

125. *Id.* at ch. 4, at 15.

126. *Id.* at ch. 4, at 14.

127. For a discussion of how the Federal Circuit does not use the PHOSITA, see IP Professors Brief, *supra* note 113, at 15-16.

128. U.S. Amicus Brief, *supra* note 77, at 19.

129. Supplemental Brief for the Respondents at 6, *KSR Int’l Co. v. Teleflex, Inc.*, No. 04-1350, (U.S. June 6, 2006), 2006 WL 1547496, at \*6 [hereinafter Supplemental Brief].

130. *Id.* at 3 (citing *In re Kahn*, 441 F.3d 977 (Fed. Cir. 2006) and *Cross Med. Prods., Inc. v. Medtronic Sofamor Danek, Inc.*, 424 F.3d 1293 (Fed. Cir. 2005)).

131. Supplemental Brief, *supra* note 129, at 4 n.2.

There is no question that the Federal Circuit disagrees with the contention that the teaching-suggestion-motivation test is a “rigid categorical rule.”<sup>132</sup> The court insists that the test can be filled through “any number of sources, including common knowledge, the prior art as a whole, or the nature of the problem”<sup>133</sup> and that commentary to the contrary has “misdescribe[d] our suggestion test.”<sup>134</sup> The court goes on to cite an earlier case where an “express suggestion” to combine was deemed not required under the teaching-suggestion-motivation test.<sup>135</sup>

The Federal Circuit has adopted a tone of indignation at the suggestion that its test requires an explicit suggestion to combine.<sup>136</sup> The Federal Circuit in *DyStar Textilfarben GmbH & Co. Deutschland KG v. C.H. Patrick Co.* spent a significant portion of its opinion discussing why the teaching-motivation-suggestion test is flexible and how it does conform to the *Graham* factual inquiries.<sup>137</sup> Additionally, the Federal Circuit in *Alza Corp. v. Mylan Laboratories, Inc.* outlined the “current state” of the court as “not hav[ing] a rigid test,” but instead a “flexibl[e]” test that allows for implicit motivations to combine.<sup>138</sup> The source of this indignation might come from the presence of *KSR* on the Supreme Court docket. The Federal Circuit even used a footnote in *DyStar* to discuss the pendency of *KSR* in the Supreme Court.<sup>139</sup> The court also defended

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132. *DyStar Textilfarben GmbH & Co. Deutschland KG v. C.H. Patrick Co.*, 464 F.3d 1356, 1361 (Fed. Cir. 2006).

133. *Id.* (citing *In re Dembiczak*, 175 F.3d 994, 999 (Fed. Cir. 1999)).

134. *Id.* at 1365 (referring to “various commentators” and “major reports”).

135. *Id.* at 1361 (quoting *Motorola, Inc. v. Interdigital Tech. Corp.*, 121 F.3d 1461, 1472 (Fed. Cir. 1997)).

136. *See, e.g., id.* at 1365-70. I have included here some of the more memorable phrases from *DyStar*. “It is difficult to see how our suggestion test could be seen as rigid and categorical . . . .” *Id.* at 1367. “[W]e have repeatedly held that an implicit motivation to combine exists not only when a suggestion may be gleaned from the prior art as a whole . . . .” *Id.* at 1368. “We required no documentary evidence of motive.” *Id.* (regarding the decision in *Pro-Mold & Tool Co. v. Great Lakes Plastics, Inc.*, 75 F.3d 1568 (Fed. Cir. 1996)). “Our precedent on this point, moreover, is consistent with the Supreme Court’s holdings in *Graham* and three other obviousness decisions pre-dating the establishment of this court.” *Id.* at 1369.

137. *Id.* at 1365-70; *see also infra* Part IV.B (referring to *DyStar* and *Alza* with regards to the Federal Circuit’s contention that the teaching-suggestion-motivation test is consistent with the *Graham* inquiries).

138. *Alza Corp. v. Mylan Labs., Inc.*, 464 F.3d 1286, 1291 (Fed. Cir. 2006). The opinion only cites two cases to “illustrate the current state” of the teaching-suggestion-motivation test. *Id.*

139. *DyStar*, 464 F.3d at 1367 n.3.

its rationale for vacating the district court's judgment in that same footnote.<sup>140</sup>

Given that the *DyStar* opinion was handed down on October 3, 2006, and the *Alza* opinion on September 6, 2006, only months after the Supreme Court granted certiorari to hear *KSR* on June 26, 2006, one must entertain the idea that the Federal Circuit is doing damage control.<sup>141</sup> As opposed to its decisions in *DyStar* and *Alza*, a Federal Circuit decision in January 2006 highlighted the various decisions that require "some teaching, suggestion, or motivation in the prior art to select the teachings of separate references and combine them to produce the claimed combination."<sup>142</sup> In *Johnston*, the court did go on to clarify that the motivation does not need to be stated expressly in the prior art but can be derived from the problem to be solved or the knowledge of the PHOSITA.<sup>143</sup> Still, even with the problem to be solved and what the PHOSITA would know at the time of invention, it was the teachings found in the prior art that provided the motivation to combine.<sup>144</sup>

The Federal Circuit's characterization of its own test could be highly influential in the Supreme Court's ruling. However, even more influential is the teaching-suggestion-motivation interpretation the Patent Office has directed its Examiners to follow when granting patents.

The MPEP is *the* guide for patent examiners in the Patent Office. The MPEP condenses case law and statutes into chapters establishing the guidelines for patent examiners to use when determining if an application should be rejected or allowed.<sup>145</sup> Chapter 2100, *Patentability*, sets out the obviousness test that the patent examiners follow.<sup>146</sup> The test has three prongs:

First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally

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140. *Id.*

141. See IPO Brief, *supra* note 117, at 2 (stating that the interest of the Intellectual Property Owners Association "arises from the indication that this case may be used as a vehicle for overturning the Federal Circuit's established 'teaching, suggestion, or motivation' test of obviousness").

142. *In re Johnston*, 435 F.3d 1381, 1384 (Fed. Cir. 2006). The Federal Circuit cites four separate cases requiring a teaching, suggestion, or motivation in the prior art before the prior art can be combined. *Id.* at 1384-85.

143. *Id.* at 1385.

144. *Id.* at 1386.

145. Foreword to MANUAL OF PATENT EXAMINING PROCEDURE, *supra* note 57, available at <http://www.uspto.gov/web/offices/pac/mpep/documents/foreword.htm>.

146. See *id.* § 2142, available at [http://www.uspto.gov/web/offices/pac/mpep/documents/2100\\_2142.htm#sect2142](http://www.uspto.gov/web/offices/pac/mpep/documents/2100_2142.htm#sect2142).

available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations.<sup>147</sup>

Looking at the test, it appears that the MPEP interprets the Federal Circuit's teaching-suggestion-motivation test to allow implicit motivation to combine from the "knowledge generally available" to the PHOSITA.<sup>148</sup> The MPEP clarifies that "[t]he teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the *prior art* . . . ."<sup>149</sup> The MPEP later states that "[t]he mere fact that references *can* be combined or modified does not render the resulting combination obvious unless the *prior art* also suggests the desirability of the combination."<sup>150</sup> These further clarifications indicate that there must be an explicit motivation in the prior art to combine instead of an implicit motivation derived from the knowledge of the PHOSITA at the time of the invention. However, the MPEP goes on to state that the "teaching, suggestion, or motivation must be found either explicitly or implicitly in the references themselves or in the knowledge generally available to one of ordinary skill in the art."<sup>151</sup> This last instruction allows Examiners to look outside the prior art to find the motivation to combine. The amicus briefs, though, question the actual use of this one statement allowing implicit motivations to combine.<sup>152</sup>

The United States' amicus curiae brief focuses on the inflexible nature of the teaching-suggestion-motivation test as it is actually applied.<sup>153</sup> The United States cites examples where the Federal

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147. *Id.*

148. *Id.*

149. *Id.* (emphasis added) (citing *In re Vaeck*, 947 F.2d 488, 493 (Fed. Cir. 1991)).

150. *Id.* § 2143.01(III) (emphasis added) (citing *In re Mills*, 916 F.2d 680, 682 (Fed. Cir. 1990)), available at [http://www.uspto.gov/web/offices/pac/mpep/documents/2100\\_2143\\_01.htm#sect2143.01](http://www.uspto.gov/web/offices/pac/mpep/documents/2100_2143_01.htm#sect2143.01).

151. *Id.* § 2143.01(I); see also *id.* § 2144.01 ("[I]t is proper to take into account not only specific teachings of the reference but also the inferences which one skilled in the art would reasonably be expected to draw therefrom.") (quoting *In re Preda*, 401 F.2d 825, 826 (C.C.P.A. 1968)), available at [http://www.uspto.gov/web/offices/pac/mpep/documents/2100\\_2144\\_01.htm#sect2144.01](http://www.uspto.gov/web/offices/pac/mpep/documents/2100_2144_01.htm#sect2144.01).

152. See U.S. Amicus Brief, *supra* note 77, at 20 (noting that the implicit motivation to combine that the Federal Circuit insists it uses is very difficult to apply "in view of the [Federal Circuit's] stringent requirement that *specific* evidence be introduced" for the motivation to combine).

153. U.S. Petition, *supra* note 71, at 9.

Circuit required “affirmative evidence in the prior art of a teaching, suggestion, or motivation to combine the features.”<sup>154</sup> In one footnote, the United States cites a Federal Circuit statement in 2002 that contradicts all of its later assertions.<sup>155</sup> The Federal Circuit stated that “[c]ommon knowledge and common sense, even if assumed to derive from the [PTO’s] expertise, do not substitute for evidence of a ‘specific hint or suggestion’ to combine prior art.”<sup>156</sup>

If the Supreme Court finds that the Federal Circuit allows implicit motivations to combine, then it is more likely that the Court will determine that the teaching-suggestion-motivation test as applied is following the *Graham* precedent. However, even if the teaching-suggestion-motivation test allows either implicit or explicit motivations to combine the references, it is still requiring some sort of motivation to combine elements of prior art. The next analysis will look directly at whether the teaching-suggestion-motivation test is consistent with the *Graham* precedent.

*B. Does the Teaching-Suggestion-Motivation Test Conflict with the Graham Factual Inquiry or 35 U.S.C. § 103(a) by Requiring a Motivation to Combine Prior Art to Find Obviousness?*

The Supreme Court’s decision on whether the teaching-suggestion-motivation test is consistent with the *Graham* precedent and § 103(a) will be an important element of the Court’s decision. It is unlikely that the Court will change or strike the test if it finds the teaching-suggestion-motivation test is consistent with *Graham* and § 103(a). The Court could find, however, that the test has replaced the *Graham* factual inquiries as the determinative analysis thereby adding an additional requirement to the statute. If this is the decision, then the Court will probably find that the Federal Circuit is attempting to legislate from the bench and will strike down the test.

Several briefs in support of KSR contend that the teaching-suggestion-motivation test has become the determinative factor regardless of how the *Graham* test factual inquiry turns out.<sup>157</sup> One

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154. *Id.* at 14 (citing three separate Federal Circuit cases).

155. *Id.* at 14 n.6 (citing *In re Lee*, 277 F.3d 1338, 1344-45 (Fed. Cir. 2002)).

156. *Id.* (quoting *In re Lee*, 277 F.3d 1338, 1344-45 (Fed. Cir. 2002)) (alteration in original).

157. *Id.* at 9 (describing the Federal Circuit test as an “inflexible requirement for determining obviousness”); U.S. Amicus Brief, *supra* note 77, at 17 (“The Federal Circuit’s test is flawed because it erroneously elevates [the motivation requirement] to the *exclusive* means for [demonstrating obviousness].”); *see also* Brief for 3M Co. et al. as Amici Curiae Supporting Respondents at 3, *KSR Int’l Co. v. Teleflex, Inc.*, No. 04-1350 (U.S. Oct. 16, 2006), 2006 WL 3004029, at \*3 [hereinafter 3M Brief] (supporting the teaching-

amicus brief characterizes the Federal Circuit as “eviscerate[ing] [the] nonobviousness standard” by “inappropriately read[ing] non-existent language into Section 103.”<sup>158</sup> Those supporting Teleflex insist instead that the teaching-suggestion-motivation test is consistent with the *Graham* precedent regardless of whether it is the determinative factor.<sup>159</sup>

This subpart will first explain what the motivation to combine requirement is in relation to the *Graham* inquiries and § 103(a). Then this subpart will move to an analysis of the arguments for and against the test’s consistency with *Graham* and § 103(a).

The Federal Circuit’s decision in *Princeton Biochemicals, Inc. v. Beckman Coulter, Inc.*<sup>160</sup> is an interesting example of how the motivation requirement affects the obviousness inquiry. The court in *Princeton Biochemicals* found that an obviousness rejection where the motivation to combine came from the knowledge of the PHOSITA and the nature of the problem was a valid rejection.<sup>161</sup> Note that the knowledge imparted was the motivation to combine all the elements found in the prior art and not the knowledge of one having ordinary skill in the art. So although the motivation to combine was not explicitly found in the prior art, the elements were explicit in the prior art, and there was a motivation to combine those elements.<sup>162</sup> This decision shows that a lack of prior art or a lack of motivation from some source will preclude an obviousness rejection.<sup>163</sup> Therefore, regardless of what the analysis under the *Graham* inquiries determines, the Federal Circuit will not find the claimed invention is non-obvious if there is no prior art with no motivation to combine.

The teaching-suggestion-motivation test’s primacy is particularly evident in combination patents. Combination patents are patents that combine old elements, or elements already in the public domain, to create a “new” invention.<sup>164</sup> These types of patents are the most common patents no matter which area of science the

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suggestion-motivation test as the “exclusive standard for determining whether or not prior art may be combined or modified to conclude that a claim in a patent or patent application would have been obvious to a person of ordinary skill in the art at the time the invention was made”).

158. Communications Industry Brief, *supra* note 77, at 2.

159. Biotechnology Brief, *supra* note 89, at 3 (stating that the teaching-suggestion-motivation test provides the “objective bases” for the Patent Office and courts to “determine whether an invention is patentable”).

160. 411 F.3d 1332 (Fed. Cir. 2005)

161. *Id.* at 1338-39.

162. *Id.* at 1338.

163. *See supra* Part III.

164. *See, e.g.,* Lunney, *supra* note 43, at 378.

invention is found.<sup>165</sup> The Supreme Court's test for combination patents asks if the invention "result[s] in an effect greater than the sum of the several effects taken separately."<sup>166</sup> "[O]nly when the whole in some way exceeds the sum of its parts is the accumulation of old devices patentable."<sup>167</sup>

The Court stated that the concern over combination patents exists because "[a] patent for a combination which only unites old elements with no change in their respective functions . . . obviously withdraws what already is known into the field of its monopoly and diminishes the resources available to skillful men . . ."<sup>168</sup> Because of this concern, the Court emphasized that the "[c]ourts should scrutinize combination patent claims with a care proportioned to the difficulty and improbability of finding invention in an assembly of old elements."<sup>169</sup> The Federal Circuit, however, starts with the presumption that combination patents are valid and looks for some teaching, suggestion, or motivation within the prior art to prove otherwise.<sup>170</sup> This approach has been characterized as an "outright dismiss[al]" of the Supreme Court's "standard for determining the validity of a combination patent."<sup>171</sup>

The MPEP has also interpreted the Federal Circuit's motivation to combine the references as a determinative requirement. "Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so."<sup>172</sup> Although the MPEP states that the motivation to combine can come from "the nature of the problem to be solved, the teachings of the prior art, and the knowledge of persons of ordinary skill in the art," there is still a prerequisite motivation to combine.<sup>173</sup> In fact, if there is no motivation then there can be no obviousness rejection even if

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165. See *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530, 1540 (Fed. Cir. 1983) ("Virtually all patents are 'combination patents.'").

166. *Sakraida v. Ag Pro, Inc.*, 425 U.S. 273, 282 (1976) (citing *Anderson's-Black Rock, Inc. v. Pavement Salvage Co., Inc.*, 396 U.S. 57, 61 (1969)).

167. *Great Atl. & Pac. Tea Co. v. Supermarket Equip. Corp.*, 340 U.S. 147, 152 (1950).

168. *Sakraida*, 425 U.S. at 281 (alteration in original) (quoting *Great Atl. & Pac. Tea Co. v. Supermarket Equip. Corp.*, 340 U.S. 147, 152-53 (1950)).

169. *Great Atl. & Pac. Tea Co.*, 340 U.S. at 152.

170. Lunny, *supra* note 43, at 380; see also Communications Industry Brief, *supra* note 77, at 3 (noting that the Federal Circuit presumes combination patents are valid).

171. AARP Brief, *supra* note 86, at 9.

172. MANUAL OF PATENT EXAMINING PROCEDURE, *supra* note 57, § 2143.01(I), available at <http://www.uspto.gov/web/offices/pac/mpep/index.html>.

173. *Id.*

all the elements are found in the prior art.<sup>174</sup> Likewise, if there is no prior art, there can be no obviousness rejection.<sup>175</sup>

This motivation to combine requirement is not found explicitly in either the *Graham* factual inquiries or § 103(a). Section 103(a) only requires that the obviousness analysis determines the differences between the claimed invention and prior art in light of what the PHOSITA knows.<sup>176</sup> In that same vein, the *Graham* inquiries focus on identifying the scope and content of the prior art and comparing that to the claimed invention in light of what the PHOSITA knows.<sup>177</sup> If there is no motivation requirement in either § 103(a) or the *Graham* inquiries, can the teaching-suggestion-motivation test be consistent with § 103(a) and the *Graham* factual inquiries? Teleflex and the Federal Circuit would say yes. While the Federal Circuit rests on its precedent, Teleflex relies on three arguments for the determination that the teaching-suggestion-motivation test is consistent. First, that the test is consistent with the language of § 103(a).<sup>178</sup> Second, that the test is the only way to prevent improper hindsight analysis.<sup>179</sup> And third, that the test is flexible and therefore is consistent with the *Graham* inquiries and § 103(a).<sup>180</sup> This subpart will now discuss these three arguments and the rebuttals.

Supporters for finding that the Federal Circuit test is consistent with the *Graham* inquiries consistently rely on the language of § 103(a) itself.<sup>181</sup> Section 103(a) requires that the differences between the prior art and the invention “as a whole” be obvious.<sup>182</sup> The IPO Brief in support of Teleflex reads the teaching-suggestion-

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174. *Id.* § 2143.01(III).

175. *Id.* § 2143.03 (where the title of the section is “All Claim Limitations Must Be Taught or Suggested”).

176. 35 U.S.C. § 103(a) (2000).

177. *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966).

178. *KSR Int'l Co. v. Teleflex, Inc.*, 119 Fed. App'x 282, 285 (2005), *cert. granted*, 126 S. Ct. 2965, 2966 (2006); Teleflex Brief, *supra* note 9, at 22-26.

179. *KSR*, 119 Fed. App'x at 285 (2005); Teleflex Brief, *supra* note 9, at 27-28.

180. *KSR*, 119 Fed. App'x at 285 (2005); Teleflex Brief, *supra* note 9, at 18-19.

181. *See, e.g.*, 3M Brief, *supra* note 157, at 18-21 (outlining how the teaching-suggestion-motivation test is consistent with the Patent Act); Business Professors Brief, *supra* note 114, at 13-16 (outlining how the teaching-suggestion-motivation test is consistent with the Patent Act); Brief of Fallbrook Technologies, Inc. et al. as Amici Curiae Supporting Respondents at 16, *KSR Int'l Co. v. Teleflex, Inc.*, No. 04-1350 (U.S. Oct. 16, 2006), 2006 WL 3004030, at \*16 [hereinafter Fallbrook Brief] (insisting that the teaching-suggestion-motivation test is in tune with Congressional intentions).

182. 35 U.S.C. § 103(a) (2000).

motivation test as supporting this requirement to consider the prior art “as a whole.”<sup>183</sup> The 3M Brief further contends that the Federal Circuit’s test is a “fine-tuning” of the Supreme Court’s precedent.<sup>184</sup> Similarly, Teleflex’s brief insists that *Graham* does “not specify a test for obviousness” and is instead a “development of the doctrine.”<sup>185</sup> The Federal Circuit uses a similar argument, referring to its test as “inform[ing] the *Graham* analysis.”<sup>186</sup>

The “as a whole” language does require the prior art to be considered in conjunction with one another. However, the *Graham* inquiries have already fulfilled this requirement with their focus on the prior art. There is no requirement for a “motivation to combine” to make a finding of obviousness. Instead, the Supreme Court instructs later courts to determine what should be considered prior art and what is found in prior art, then to ascertain the differences between that prior art and the claimed invention, and finally to resolve the skill level of one working in that area of art.<sup>187</sup> These three conditions, with the optional secondary considerations as the fourth inquiry, alone are to determine obviousness or non-obviousness under *Graham*. For these reasons, the Supreme Court probably will not accept this argument that the teaching-suggestion-motivation test is consistent with the *Graham* factual inquiries and § 103(a).

Another consistent theme throughout the arguments is that the teaching-suggestion-motivation test is necessary to combat the problems of a hindsight analysis believed to be acknowledged by the language of § 103(a) and *Graham*, but never solved.<sup>188</sup> The American Intellectual Property Law Association (“AIPLA”) insists that the requirement “to combine separate prior art teachings” is a “necessary part” of the non-obviousness analysis under § 103(a).<sup>189</sup>

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183. IPO Brief, *supra* note 117, at 3-7.

184. 3M Brief, *supra* note 157, at 5; *see also* Brief for Amicus Curiae New York Intellectual Property Law Ass’n in Support of Respondents at 15, *KSR*, No. 04-1350 (U.S. Oct. 16, 2006), 2006 WL 2983164, at \*15 [hereinafter New York Brief] (stating that the *Graham* decision did not provide a method of avoiding the hindsight bias which is where the teaching-suggestion-motivation test steps in).

185. Teleflex Brief, *supra* note 9, at 9-10.

186. *In re Kahn*, 441 F.3d 977, 987 (Fed. Cir. 2006).

187. *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966).

188. *See, e.g.*, Business Professors Brief, *supra* note 114, at 20-25 (discussing why the teaching-suggestion-motivation test is the only test that “directly combats the hindsight bias”); New York Brief, *supra* note 184, at 16-23.

189. Brief of American Intellectual Property Law Ass’n as Amicus Curiae Supporting Respondents at 1, *KSR Int’l Co. v. Teleflex, Inc.*, No. 04-1350 (U.S. Oct. 12, 2006), 2006 WL 2950592, at \*1 [hereinafter AIPLA Brief].

AIPLA contends that it is the motivation to combine requirement keeping hindsight out of the obviousness analysis.<sup>190</sup> It goes on to argue that the motivation to combine requirement has already been required by the Supreme Court precedent.<sup>191</sup> The amicus brief filed for several large corporations tries to restate this motivation requirement as nothing more than requiring the “identification of supporting evidence or the articulation of the reason that a hypothetical skilled artisan would have been expected to come up with the patented invention.”<sup>192</sup> This is another articulation of how the test solves the hindsight problem. But the Federal Circuit has gone too far in trying to erase hindsight analysis from the examination procedure.<sup>193</sup>

In general, those opposed to the teaching-suggestion-motivation test argue that the *Graham* inquiries are sufficient to combat hindsight because the inquiries, as required under § 103(a), require the Examiner to step back to the time when the invention was made.<sup>194</sup> Other briefs opposing the Federal Circuit’s test accuse the court of belittling the ability of the Examiners to avoid hindsight bias and the courts’ ability to recognize when it has been used.<sup>195</sup> The last argument made against the contention that the test is necessary to avoid hindsight analysis is that, even if the test were necessary, it extracts too high a toll on the patent system.<sup>196</sup>

190. *Id.* at 17-20.

191. *Id.* at 9-13.

192. 3M Brief, *supra* note 157, at 4.

193. *See* Brief of The Progress & Freedom Foundation as Amicus Curiae Supporting Petitioner at 13, *KSR Int’l Co. v. Teleflex, Inc.*, No. 04-1350 (U.S. Aug. 22, 2006), 2006 WL 2452361, at \*13 [hereinafter Progress & Freedom Brief] (describing the Federal Circuit’s efforts as “placing too great a burden on an articulation of the nonobviousness doctrine as *the* solution to the problem of controlling the exercise of subjective judgment and hindsight bias”); Time Warner Brief, *supra* note 8, at 25 (describing the Federal Circuit’s test as “wholly unnecessary to protect against any improper hindsight bias”).

194. *See, e.g.*, Brief of the Business Software Alliance as Amicus Curiae Supporting Petitioner at 24, *KSR Int’l Co. v. Teleflex, Inc.*, No. 04-1350 (U.S. Aug. 22, 2006), 2006 WL 2453605, at \*24, [hereinafter Business Alliance Brief] (“The appropriate safeguard against hindsight bias is . . . careful application of the standard announced by the Court in *Graham*.”).

195. *See* U.S. Amicus Brief, *supra* note 77, at 10, 21; Brief of Intel Corporation and Micron Technology, Inc. as Amici Curiae Supporting Petitioner at 11, *KSR Int’l Co. v. Teleflex, Inc.*, No. 04-1350 (U.S. Aug. 22, 2006), 2006 WL 2453606, at \*11 [hereinafter Intel Brief].

196. Intel Brief, *supra* note 195, at 11; *see also* Business Alliance Brief, *supra* note 194, at 23-24. As has been discussed above, one of the apparent tolls of this test is the increase in patents that should not be granted. *See* FTC REPORT, *supra* note 96, at 12 (pointing out that the requirement for “concrete suggestions” in the art, instead of what a PHOSITA would understand, and the

Although the fears of Examiners using hindsight in analysis are well-founded, they are not enough for the Supreme Court to decide that the Federal Circuit's test is in some way better than its own factual inquiries.

The last argument for the teaching-suggestion-motivation test supporters is a general contention that, because the test is flexible, there is nothing in its application that is inconsistent with *Graham* or § 103(a). One Teleflex brief, filed June 6, 2006, requesting that the Court not grant certiorari, cites several cases from January 2004 through June 2006 where the Federal Circuit either affirmed findings of obviousness or reversed findings of non-obviousness, and five cases where findings of obviousness were reversed.<sup>197</sup> Teleflex cites these cases to discredit the supposition that the current Federal Circuit test is contrary to the *Graham* test.<sup>198</sup> Teleflex also uses these cases to counter the opinion that the Federal Circuit is "hostile to findings that patents are invalid as obvious."<sup>199</sup> All the briefs in support of Teleflex also insist that the teaching-suggestion-motivation test is consistent with *Graham* or at least the statutory underpinnings of § 103(a).<sup>200</sup>

The Federal Circuit has recently supported the teaching-suggestion-motivation test as being consistent with the *Graham* factual inquiries in several explicit statements.<sup>201</sup> In *Alza*, the court stated that the teaching-suggestion-motivation test was "developed [to be] consistent with the Supreme Court's obviousness jurisprudence as expressed in *Graham* . . . ."<sup>202</sup> Then again, in *DyStar*, the court insisted that its "precedent on [obviousness],

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focus on individual elements in the art, instead of the whole work, as the reason there are more patents on obvious inventions being granted).

197. Supplemental Brief, *supra* note 129, at 4-6.

198. *Id.* at 4.

199. *Id.* at 6. *But see* Lunney, *supra* note 43, at 371-74 (discussing an empirical study of appellate decisions in patent litigation regarding invalidity and invalidity found on obviousness grounds). The patent invalidity rate has fallen significantly since the Federal Circuit took jurisdiction over these cases. *Id.* The Federal Circuit has continued to find invalidity less often and to base less findings of invalidity on obviousness. *Id.*

200. *See* IPO Brief, *supra* note 117, at 2 (arguing that the test "if flexibly applied, is consistent with the statutory language of § 103(a)"); Fallbrook Brief, *supra* note 181, at 15 (contending that *Graham* does require "evidence that it would have been obvious to modify the prior art . . .").

201. *See, e.g.,* *Alza Corp., v. Mylan Labs., Inc.*, 464 F.3d 1286, 1290 (Fed. Cir. 2006); *DyStar Textilfarben GmbH & Co. Deutschland KG v. C.H. Patrick Co.*, 464 F.3d 1356, 1369 (Fed. Cir. 2006).

202. *Alza*, 464 F. 3d at 1290.

moreover, is consistent with the Supreme Court's holdings in *Graham* . . . .<sup>203</sup>

The United States, in its amicus curiae brief urging the Court to grant certiorari, though, pointed to the "rigorous and inflexible" Federal Circuit test as "alter[ing] *Graham*'s functional approach" so that "patents that would otherwise be subject to invalidation as obvious" are granted.<sup>204</sup> The United States expounded on this theory in its amicus curiae brief after the Court granted certiorari. The brief notes the many ways the Court has avoided establishing a rigid test like the one used by the Federal Circuit.<sup>205</sup> It posits that the Court had ample opportunity to adopt the teaching-motivation-suggestion test, and by declining to do so, it has condemned the test.<sup>206</sup> Whether the Court will interpret its own past silence on the test<sup>207</sup> as either condemnation or acquiescence is yet to be seen.

The outcome of this general argument will depend on the Court's interpretation of the test regarding the inherent problems outlined in Part III.A. The more flexible the Court sees the test, and the more the Court finds the PHOSITA's knowledge is taken into consideration, the more likely the Court will accept the test as consistent with its argument. This last argument can only be used to support a decision of consistency and, I believe, is not strong enough on its own to convince the Court that the test is consistent with the Court's precedent or § 103(a).

Besides the many counterarguments to Teleflex and the Federal Circuit's contentions, the facts of one argument against the teaching-suggestion-motivation test cannot be disputed. The test was developed by another court before the Patent Act of 1952 was enacted.<sup>208</sup> The argument is that the Federal Circuit is holding onto an outdated test that was rejected when the Patent Act of 1952 was passed and then again when the *Graham* decision was handed down. The Federal Circuit acknowledged that the teaching-suggestion-motivation test was developed outside of the Patent Act of 1952 and *Graham* in a recent decision, but still argued that the test was consistent with precedent.<sup>209</sup> Like the general argument regarding flexibility above, this argument will not alone convince

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203. *DyStar*, 464 F.3d at 1369.

204. U.S. Petition, *supra* note 71, at 12.

205. U.S. Amicus Brief, *supra* note 77, at 11-16.

206. *Id.* at 17 n.4.

207. For an overview of the cases in which the Court did not condone or condemn the teaching-suggestion-motivation test, see *id.* at 13-14.

208. See *supra* notes 58-62 and accompanying text.

209. *In re Kahn*, 441 F.3d 977, 986-87 (Fed. Cir. 2006); see also Cisco Brief, *supra* note 115, at 4-5.

the Court one way or the other. I agree with the Federal Circuit in that the source of the test does not matter as long as the Court finds it is consistent with its precedent.

As shown above, the Court will need to analyze the consistency question from different angles. Part V will conclude with the possible decisions of the Supreme Court and how they could affect the patent system.

#### V. CONCLUSION

The outcome of *KSR* will depend on the Court's analysis of the problems inherent with the application of the teaching-suggestion-motivation test and its decision on whether the test is consistent with the *Graham* factual inquiries and § 103(a). In its decision, the Court can decide to (1) adopt the teaching-suggestion-motivation test as the Federal Circuit describes it as an additional test under the *Graham* inquiries; (2) adopt the teaching-suggestion-motivation test, but also modify the test so that it requires implicit motivations to combine and includes a full consideration of what the PHOSITA would know; or (3) discard the test as being inconsistent with Supreme Court precedent and the U.S. Code. Part V briefly discusses how these three possibilities could change the patent system.

The first possible decision is that the Court will adopt the teaching-suggestion-motivation test as it is described by the Federal Circuit. Even though this would practically be keeping the status quo, there would still be ripples in the patent system. Patents would still be issued on small changes or combinations, but there will probably be less litigation over those patents. A litigant will have less room to argue that the test should not apply or that the *Graham* inquiries outweigh the test if there is a Supreme Court ruling endorsing the teaching-suggestion-motivation test. Likewise, the district courts will be less willing to grant motions for summary judgment on invalidity based on obviousness. Once the court's grant of summary judgment is reviewed, the Federal Circuit will make a de novo determination under the teaching-suggestion-motivation test that the district court will have to follow on the merits of the case.

The second possible decision is for the Court to modify the teaching-suggestion-motivation test to address the inherent problems and find the test as modified to be consistent with precedent. This will result in an initial wave of litigation to determine whether the current patents were correctly deemed non-obvious. Unfortunately, even after the initial wave of litigation and petitions, there will still be a rising tide of litigation. This tide will

be attributed to litigation at the district court and Patent Office level regarding the correct application of the teaching-suggestion-motivation test's implicit motivations and what exactly the "ordinary skill" of the PHOSITA is in that particular patent. Litigation will increase at the appellate level as well when unpopular decisions are reached at the district court level.

The third possible decision is for the Court to completely discard the teaching-suggestion-motivation test. If the Court goes this direction, the proverbial floodgates will open. At that point, every patent licensee will either sue for a determination of patent validity or petition the Patent Office for a reexamination of the patent. The result will be a huge strain on the court system and the Patent Office for years. However, after this tsunami of lawsuits passes, the system should stabilize under the *Graham* inquiries. The *Graham* inquiries do include the PHOSITA requirement that will cause disagreement as under the second possible Supreme Court decision, but the *Graham* inquiries do not include the "motivation to combine" requirement from the teaching-suggestion-motivation test.<sup>210</sup> The lack of the motivation to combine requirement will decrease the amount of litigation passing through the court system. Therefore, even if discarding the teaching-suggestion-motivation test will create a downpour of litigation, the downpour should turn to no more than a drizzle. More importantly, the Examiners will have the flexibility to reject patent applications for inventions that the PHOSITA would regard as being obvious without needing some motivation to combine. For these reasons, I believe, and hope, that the Supreme Court will discard the teaching-suggestion-motivation test.

In the opening paragraphs, I noted that both sides of *KSR* believe the outcome of this case will cause a sea change in the patent system. As the possible Supreme Court decisions above show, this could very well be the case. But in a larger context, it is important to remember that the outcome will also affect the overall integrity of the patent system. Justice Bradley's statement in 1883 is still applicable today:

The design of the patent laws is to reward those who make some substantial discovery or invention, which adds to our knowledge and makes a step in advance in the useful arts. Such inventors are worthy of all favor. It was never the object of those laws to grant a monopoly for every trifling device, every shadow of a shade of an idea, which would naturally and spontaneously occur to any skilled mechanic or operator in the

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210. See *Graham v. John Deere Co.*, 383 U.S. 1 (1966).

ordinary progress of manufactures. Such an indiscriminate creation of exclusive privileges tends rather to obstruct than to stimulate invention. It creates a class of speculative schemers who make it their business to watch the advancing wave of improvement, and gather its foam in the form of patented monopolies, which enable them to lay a heavy tax upon the industry of the country, without contributing anything to the real advancement of the art. It embarrasses the honest pursuit of business with fears and apprehensions of concealed liens and unknown liabilities to lawsuits and vexatious accountings for profits made in good faith.<sup>211</sup>

The question before the Court could be condensed into a question of statutory interpretation: does the Federal Circuit's teaching-suggestion-motivation test go outside the bounds of the Patent Act of 1952? However, as discussed throughout this Note, the real question is much broader. It will determine if Justice Bradley's "speculative schemers"<sup>212</sup> are allowed to dam-up the flowing market with patent monopolies while creative inventors are left to navigate the patent system with nothing but a life vest.

Clara R. Cottrell\*

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211. *Atl. Works v. Brady*, 107 U.S. 192, 200 (1883).

212. *Id.*

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