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## KSR v. Teleflex: Obvious Ambiguity

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## **KSR V. TELEFLEX: OBVIOUS AMBIGUITY**

### I. INTRODUCTION

In 2007, the United States Supreme Court decided *KSR International Co. v. Teleflex, Inc.* At issue in the case was the standard for determining whether a patent is invalid because it was obvious.<sup>1</sup> Specifically, the Court evaluated the current approach of the Court of Appeals for the Federal Circuit (Federal Circuit) and whether that approach was consistent with Supreme Court precedent regarding obviousness.<sup>2</sup> The court held, in a unanimous decision, that the Federal Circuit “analyzed the issue in a narrow, rigid manner inconsistent with [Section 103 of the Patent Act] and [the Supreme Court’s] precedents.”<sup>3</sup> The decision to reverse the Federal Circuit’s application of the teaching, suggestion, or motivation to combine test was in error. The Court failed to suggest an alternate test or provide guidance to the lower courts for determining the question of obviousness, instead providing for future ambiguity in determining the obviousness question.

### II. BACKGROUND

The United States Patent Act (Patent Act) forbids issuance of a patent if the invention was obvious.<sup>4</sup> The requirement of non-obviousness is found in Section 103 of the Patent Act which states, in part:

A patent may not be obtained . . . if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a

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1. *KSR Int’l Co. v. Teleflex, Inc.*, 127 S. Ct. 1727, 1734 (2007).

2. *Id.*

3. *Id.* at 1746.

4. 35 U.S.C. § 103(a) (2006).

whole would have been obvious at the time the invention was made to a person having ordinary skill in the art . . . .<sup>5</sup>

The Supreme Court previously considered the obviousness question in the 1966 case of *Graham v. John Deere Co. of Kansas City*. In that case the Court created an objective standard, consisting of basic factual inquiries, for evaluating whether a patent is obvious:<sup>6</sup>

Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background the obviousness or nonobviousness of the subject matter is determined. Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented.<sup>7</sup>

The Court subsequently acknowledged that applying the test would be difficult and not unlike questions of negligence or scienter.<sup>8</sup> The Court then stated that it believed strict observance of the test would lead to “uniformity and definiteness.”<sup>9</sup>

The result of *Graham* was far from the desired uniformity and definiteness desired. In response to the difficulty of applying the *Graham* test, the Federal Circuit created the “teaching, suggestion, or motivation to combine” (TSM) test.<sup>10</sup> The Federal Circuit stated that a party seeking patent invalidity must show some motivation or suggestion to combine the prior art teachings, which

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5. *Id.*

6. *Graham v. John Deere Co. of Kan. City*, 383 U.S. 1, 17-18 (1966).

7. *Id.*

8. *Id.* at 18.

9. *Id.*

10. *See* *Al-Site Corp. v. VSI Int’l, Inc.*, 174 F.3d 1308, 1323-24 (Fed. Cir. 1999).

generally arises in the prior art references themselves, or may be inferred from the nature of the problem to be solved or from the knowledge of those of ordinary skill in the art.<sup>11</sup> It is this test that the court evaluated and found too narrow and rigid in *KSR*.

Further description of the TSM test is necessary. The requirement of a teaching, suggestion, or motivation to combine the prior art at the time of the invention protects against the entry of hindsight into the obviousness analysis.<sup>12</sup> To reach a non-hindsight conclusion regarding whether a person having ordinary skill in the art at the time of invention would have viewed the subject matter as a whole to be obvious, the reviewing party must provide some “rationale, articulation, or reasoned basis to explain why a conclusion of obviousness is correct.”<sup>13</sup> This helps ensure predictable patent determinations.<sup>14</sup> A suggestion, teaching, or motivation to combine the relevant prior art teachings does not have to be found explicitly in the prior art.<sup>15</sup> The teaching, motivation, or suggestion may be implicit in the prior art as a whole.<sup>16</sup> The test for an implicit showing is what the combined teachings, knowledge of one of ordinary skill in the art, and the nature of the problem to be solved as a whole would have suggested to those of ordinary skill in the art.<sup>17</sup> But rejections cannot be sustained by mere conclusory statements; there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.<sup>18</sup> This requirement is rooted in the Administrative Procedure Act, which ensures non-arbitrary decision making.<sup>19</sup>

#### *A. KSR v. Teleflex Procedural History*

Teleflex owned the exclusive license for a patent covering a mechanism for combining an electronic sensor with an adjustable

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11. *Id.*

12. *In re Kahn*, 441 F.3d 977, 986 (Fed. Cir. 2006).

13. *Id.* at 987.

14. *Id.*

15. *Id.*

16. *Id.* at 987 (citing *In re Kotzab*, 217 F.3d 1365, 1370 (Fed. Cir. 2000)).

17. *Id.* at 987-988 (citing *Kotzab*, 217 F.3d at 1370).

18. *Khan*, 441 F.3d at 988.

19. *Id.*

automobile pedal so the pedal's position could be transmitted to a computer that controlled the throttle in the vehicle's engine.<sup>20</sup> KSR, a competitor of Teleflex, added an electronic sensor to a pedal that KSR previously designed.<sup>21</sup>

Teleflex sued KSR for patent infringement.<sup>22</sup> In response, KSR filed a motion for summary judgment of invalidity.<sup>23</sup> In its motion, KSR alleged that it would have been obvious to someone with ordinary skill in the art of designing pedal systems to combine an adjustable pedal system with an electronic pedal position sensor to work with electronically controlled engines.<sup>24</sup> The district court evaluated the obviousness question by using the basic factual inquiries set forth in *Graham*.<sup>25</sup> After evaluating six sources of prior art, the level of the ordinary skill in the art, and the differences between the prior art and the claimed invention, the district court determined that the prior art taught the invention at issue, but then added that the invention would only be obvious if there was "some motivation or suggestion to combine the prior art teachings."<sup>26</sup> The district court found that the incentive to combine arose from the nature of the problem to be solved, and the prior art references related to the art of vehicle pedal systems.<sup>27</sup> Finally, the district court evaluated the secondary considerations mandated by *Graham* and found that whatever commercial success existed was insufficient to overcome KSR's clear and convincing evidence of obviousness.<sup>28</sup> The district court, therefore, granted KSR's motion for summary judgment of invalidity.

The Federal Circuit, however, did not agree with the district court's determination that the invention was obvious and vacated the district court's grant of summary judgment.<sup>29</sup> The Federal Circuit held that the district court had not been strict enough in

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20. KSR Int'l Co. v. Teleflex Inc., 127 S. Ct. 1727, 1734 (2007).

21. *Id.*

22. Teleflex Inc. v. KSR Int'l Co., 298 F. Supp. 2d 581 (E.D. Mich. 2003).

23. *Id.* at 583.

24. *Id.*

25. *Id.* at 587.

26. *Id.* at 593.

27. *Id.* at 594.

28. *Teleflex*, 298 F. Supp. 2d at 596.

29. Teleflex Inc. v. KSR Int'l Co., 119 Fed. Appx. 282, 288 (Fed. Cir. 2005).

applying the TSM test.<sup>30</sup> The Federal Circuit faulted the district court for failing to make findings as to the specific understanding or principle of a skilled artisan that would have motivated the combination.<sup>31</sup> Additionally, the nature of the problem to be solved could not be used unless the prior art specifically referenced the precise problem the patentee was trying to solve.<sup>32</sup> Because the prior art relied on by the district court in its finding of obviousness was designed to solve different problems, the Federal Circuit held that the art would not have led a person skilled in the art to combine the references.<sup>33</sup> Additionally, the Federal Circuit rejected the determination that the combination would have been obvious to try because “obvious to try has long been held not to constitute obviousness.”<sup>34</sup>

### *B. KSR v. Teleflex Supreme Court Opinion*

Justice Kennedy delivered the unanimous opinion of the Court.<sup>35</sup> After describing the technology at issue, the facts of the case, and the procedural history, Kennedy rejected the approach of the Federal Circuit.<sup>36</sup> Kennedy stressed the need for an “expansive and flexible” approach while reiterating *Graham*’s requirement of “uniformity and definiteness.”<sup>37</sup> Kennedy stated that the Court’s decision in *Graham* reaffirmed the need for a “functional approach” in considering obviousness.<sup>38</sup> Therefore, Kennedy stated, *Graham* set forth the requirement of a broad inquiry.<sup>39</sup>

Kennedy continued to describe its precedent regarding the obviousness inquiry: “Neither the enactment of section 103 nor the analysis of *Graham* disturbed [the] Court’s earlier instructions

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30. *Id.*

31. *Id.*

32. *Id.*

33. *Id.*

34. *Id.* at 289.

35. *KSR Int’l Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 1727 (2007).

36. *Id.* at 1739 (“We begin by rejecting the rigid approach of the Court of Appeals.”).

37. *Id.*

38. *Id.*

39. *Id.*

concerning the need for caution in granting a patent based on the combination of elements found in the prior art.”<sup>40</sup>

Kennedy then described three post-*Graham* cases to illustrate whether a combination is obvious.<sup>41</sup> When a patent claims a structure already known in the prior art that is altered by the mere substitution of one element for another, the combination must do more than yield a predictable result.<sup>42</sup> However, when the prior art teaches away from combining certain known elements, discovery of a successful combination is likely to be non-obvious.<sup>43</sup> While the combination of old elements may perform a useful function, the elements must do more than operate as expected.<sup>44</sup> When a patent simply arranges old elements with each performing the same function it had been known to perform and yields no more than one would expect from such an arrangement, the combination is obvious.<sup>45</sup> Kennedy summarized that a court must ask whether the improvement is more than a predictable use of prior art elements according to their established functions.<sup>46</sup>

Kennedy pointed out that it isn't always as easy as simple substitution:

Often, it will be necessary for a court to look to interrelated teachings of multiple patents; the effects of demands known to the design community or present in the marketplace; and the background knowledge possessed by a person having ordinary skill in the art, all in order to determine whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at

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40. *Id.* A “patent for a combination which only unites old elements with no change in their respective functions ... obviously withdraws what is already known into the field of its monopoly and diminishes the resources available to skillful men.” *Id.* (citing *Great Atl. & Pac. Tea Co. v. Supermarket Equip. Corp.*, 340 U.S. 147, 152 (1950)).

41. *KSR*, 127 S. Ct. at 1739-40.

42. *Id.* at 1740 (citing *United States v. Adams*, 383 U.S. 39, 50-51 (1966)).

43. *Id.* (citing *Adams*, 383 U.S. at 51-52).

44. *Id.* (citing *Anderson's-Black Rock, Inc. v. Pavement Salvage Co.*, 396 U.S. 57, 60-62 (1969)).

45. *Id.* (citing *Sakraida v. Ag Pro, Inc.*, 425 U.S. 273, 282 (1976)).

46. *Id.*

issue.<sup>47</sup>

Kennedy further required that this analysis be made explicit in order to facilitate appellate review.<sup>48</sup> But Kennedy again made sure to point out that precise teachings to the specific invention are not necessary, and the inferences and creative steps taken by a skilled artisan would suffice.<sup>49</sup>

Kennedy next stated that the requirement of a teaching, suggestion, or motivation to combine to show obviousness was a helpful insight.<sup>50</sup> While a patent is not obvious just because it is a combination of known elements, it is important to identify a reason that would have led a skilled artisan to combine them to show that the invention was obvious.<sup>51</sup> “Helpful insights, however, need not become rigid and mandatory formulas.”<sup>52</sup> Kennedy pointed out that the TSM test was not necessarily at odds with Supreme Court precedent, but that making it a rigid rule impermissibly limits the obviousness inquiry.<sup>53</sup>

Kennedy was concerned with the narrow conception of the obviousness analysis used by the Federal Circuit in this case.<sup>54</sup> He set out the issue simply: if “there existed at the time of invention a known problem for which there was an obvious solution encompassed by the patent’s claims,” then a patent claim is invalid.<sup>55</sup> This is an objective standard.<sup>56</sup>

Kennedy pointed out that the Federal Circuit’s first error was ignoring that simple question by focusing only on the problem the particular patentee was trying to solve and ignoring the objective requirement.<sup>57</sup> Any need or problem existing in the field at the time of the invention that is addressed by the patent is a sufficient

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47. *KSR*, 127 S. Ct. at 1740-41.

48. *Id.* at 1741.

49. *Id.*

50. *Id.*

51. *Id.*

52. *Id.*

53. *KSR*, 127 S. Ct. at 1741.

54. *Id.*

55. *Id.* at 1742.

56. *Id.*

57. *Id.*



reason for combining known elements.<sup>58</sup>

The second error of the Federal Circuit, according to Kennedy, was that a skilled artisan would only be drawn to prior art that set out to solve the identical problem the artisan was trying to solve.<sup>59</sup> “Common sense teaches, however, that familiar items may have obvious uses beyond their primary purposes, and in many cases a person of ordinary skill will be able to fit the teachings of multiple patents together like pieces of a puzzle.”<sup>60</sup> People are creative, not “automatons.”<sup>61</sup>

Additionally, Kennedy did not agree with the Federal Circuit’s conclusion that an invention cannot be obvious by showing that it was obvious to try.<sup>62</sup> When faced with a problem, skilled artisans will pursue all options within their ability, and if this leads to success, “it is likely the product not of innovation but of ordinary skill and common sense.”<sup>63</sup>

Kennedy acknowledged the risk of hindsight bias in the obvious inquiry as well, but was unwilling to support “rigid preventative rules that deny factfinders recourse to common sense.”<sup>64</sup>

Finally, Kennedy did not consider a broader TSM test applied by the Federal Circuit after its decision in *KSR* because those decisions were not before the Court.<sup>65</sup>

### *C. Application of Law to the Facts of the Case*

Computer controlled throttles require an electronic sensor to translate the mechanical operation of the accelerator pedal to digital data.<sup>66</sup> Traditional mechanical pedals can be pushed down but could not be adjusted forward or back to accommodate drivers of varying height.<sup>67</sup> As a result, pedals were invented that solved

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58. *Id.*

59. *KSR*, 127 S. Ct. at 1742.

60. *Id.*

61. *Id.*

62. *Id.*

63. *Id.*

64. *Id.* at 1743.

65. *KSR*, 127 S. Ct. at 1743.

66. *Id.* at 1735.

67. *Id.*

this problem.<sup>68</sup> In 1989, the Asano patent invented a support structure that allowed for adjusting the pedal relative to the driver while leaving one of the pedal's pivot points fixed.<sup>69</sup> In 1993, the Redding patent created a sliding mechanism that adjusted both the pedal and the pivot point.<sup>70</sup>

In 1991, an invention disclosed that, for electronic sensors, it was preferable to detect the pedal position in the pedal as opposed to in the engine.<sup>71</sup> In 1990, the Smith patent taught that to prevent wire chafing, the sensor should be placed on a fixed part of the pedal assembly rather than in or on the pedal's footpad.<sup>72</sup> In 1992, an invention disclosed a modular sensor that could be added to a mechanical pedal.<sup>73</sup> In 1994, Chevrolet sold a line of trucks with modular sensors attached to pedal support brackets.<sup>74</sup> In 1995, the Rixon patent disclosed an adjustable pedal assembly with an electronic sensor; however, this invention suffered from a wire chafing problem.<sup>75</sup>

In 1998, Ford Motor Company hired KSR to supply an adjustable mechanical pedal, and KSR obtained a patent for this adjustable pedal design in 1999.<sup>76</sup> In 2000, General Motors hired KSR to supply an adjustable pedal for use with computer actuated throttles.<sup>77</sup> To satisfy General Motor's requirements, KSR simply added a modular sensor to its 1999 invention originally developed for Ford.<sup>78</sup>

Teleflex owns the exclusive license to the Engelglau patent, which was invented on February 14, 1998.<sup>79</sup> The invention discloses a position-adjustable pedal assembly with an electronic pedal position sensor attached to the support member of the pedal

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68. *Id.*

69. *Id.*

70. *Id.*

71. *KSR*, 127 S. Ct. at 1735.

72. *Id.* at 1735-36.

73. *Id.* at 1736.

74. *Id.*

75. *Id.*

76. *Id.*

77. *KSR*, 127 S. Ct. at 1736.

78. *Id.*

79. *Id.*

assembly.<sup>80</sup> Attaching the sensor to the support member allows the sensor to remain in a fixed position while the driver adjusts the pedal.<sup>81</sup> The United States Patent and Trademark Office (USPTO) allowed this invention because it included a fixed pivot point, and the only prior art reviewed by the office were the inventions of Redding (adjustable pedal) and Smith (mounting of sensor on pedal support structure).<sup>82</sup> The Asano invention was not included in the patent office's review.<sup>83</sup>

Kennedy concluded that the district court was correct in its holding that at the time of Engelglau's invention, it was obvious for a person skilled in the art to combine the Asano invention with a pivot mounted pedal position sensor.<sup>84</sup> This was because the market created a strong incentive to convert mechanical pedals such as Asano for use with computer controlled throttles, and the prior art taught multiple ways of achieving this.<sup>85</sup> Kennedy stated that the Federal Circuit analyzed the problem too narrowly by asking whether a designer would have chosen both the Asano pedal and a modular sensor similar to those used in the Chevy truckline of 1994 and concluding that the artisan would not.<sup>86</sup> The district court asked the same question, but came to the correct conclusion that the artisan would have chosen to combine them.<sup>87</sup> Kennedy presented the question differently: "whether a pedal designer of ordinary skill, facing the wide range of needs created by developments in the field of endeavor, would have seen a benefit to upgrading Asano with a sensor."<sup>88</sup>

Kennedy emphasized that, in design, changing one component will often lead to changing others, and modifying existing designs to solve new problems is common.<sup>89</sup> If a designer was starting with the Asano pedal with the need to upgrade it to work with computer controlled throttles, the question for the designer would

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80. *Id.*

81. *Id.*

82. *Id.* at 1737.

83. *KSR*, 127 S. Ct. at 1737.

84. *Id.* at 1744.

85. *Id.*

86. *Id.*

87. *Id.*

88. *Id.*

89. *KSR*, 127 S. Ct. at 1744.

be where to attach the sensor.<sup>90</sup> The '936 patent taught placing the sensor on the pedal rather than in the engine.<sup>91</sup> Smith disclosed placement on the support structure rather than on the pedal itself.<sup>92</sup> Because of the Rixon patent's known wire chafing problems, a designer would know to place the sensor on a nonmoving part of the support structure.<sup>93</sup> Smith chose to mount the sensor on a pivot point, so a designer would likely place the sensor on the pivot as well.<sup>94</sup>

The Court also approached the question by starting with an invention with a known problem, such as Rixon, and fixing it.<sup>95</sup> In that situation, a designer would know from the Smith patent to avoid sensor movement and would be led to Asano, which contained a fixed pivot point.<sup>96</sup>

The Court dismissed the argument that the prior art taught away from combining Asano with a modular sensor because the combination would not have solved the problem intended to be solved by Engelglau.<sup>97</sup> Engelglau desired a small, simple, inexpensive pedal.<sup>98</sup> Asano was bulky, complex, and expensive.<sup>99</sup> But Teleflex failed to show that there would be no reason to upgrade Asano.<sup>100</sup> Judging Asano against Engelglau "would be to engage in the very hindsight bias Teleflex rightly urges must be avoided."<sup>101</sup>

The Court also stated, briefly, that the presumption of validity granted to issued patents seemed diminished due to the failure to disclose Asano to the USPTO during prosecution.<sup>102</sup>

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90. *Id.*

91. *Id.*

92. *Id.*

93. *Id.*

94. *Id.* at 1744-45.

95. *KSR*, 127 S. Ct. at 1745.

96. *Id.*

97. *Id.*

98. *Id.*

99. *Id.*

100. *Id.*

101. *KSR*, 127 S. Ct. at 1745.

102. *Id.*

### III. ANALYSIS

#### *A. Kennedy Was Inconsistent When He Rejected the TSM Test While Recognizing the Need for Uniformity and Definiteness.*

The Supreme Court erred when it rejected the approach of the Federal Circuit and further erred when it failed to provide an alternative test or give guidance for determining the obviousness question. When Justice Kennedy began the analysis of the Federal Circuit decision “by rejecting the rigid approach of the Court of Appeals [for the Federal Circuit,]” he seemingly signaled the creation of a new test or approach.<sup>103</sup> This new test or approach never came. Kennedy emphasized the Supreme Court’s past jurisprudence requiring an expansive and flexible approach.<sup>104</sup> However, Supreme Court precedent is far from clear when it comes to the malleability of the obviousness inquiry. Kennedy reiterated that “*Graham* recognized the need for ‘uniformity and definiteness.’”<sup>105</sup> But the rigid approach of the Federal Circuit made the obviousness inquiry uniform and definite. Kennedy justified his departure from this need for uniformity and definiteness by stating that, while *Graham* recognized the need for such a standard, “*Graham* reaffirmed the ‘functional approach’ of *Hotchkiss*.”<sup>106</sup> Kennedy stated that instead of appealing to the stated need for uniformity and definiteness and in light of *Graham*’s affirmation of the functional approach, *Graham* ultimately “set forth a broad inquiry and invited courts, where appropriate, to look at secondary considerations that would prove instructive.”<sup>107</sup> Kennedy’s reliance on both the need for uniformity and definiteness and the need for a functional approach is puzzling and makes clear that uniformity and definiteness are not necessarily as important as previously believed.

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103. *Id.* at 1739.

104. *Id.*

105. *Id.* at 1739 (citing *Graham v. John Deere Co. of Kan. City*, 383 U.S. 1, 18 (1966)).

106. *Id.* at 1739 (citing *Graham*, 383 U.S. at 12).

107. *KSR*, 127 S. Ct. at 1739 (citing *Graham*, 383 U.S. at 17).

*B. Kennedy Over-Simplified the Obviousness Question in Order to Reject the TSM Test.*

Kennedy relies on previous Supreme Court cases that illustrated the Court's previous mandate "for caution in granting a patent based on the combination of elements found in the prior art."<sup>108</sup> In 1950, prior to *Graham*, the Court held that a "patent for a combination which only unites old elements with no change in their respective functions" takes something previously known to the public and impermissibly grants an exclusive right to the patentee for this publicly known technology.<sup>109</sup> To be sure, when this is the case, a patent should not issue. But it is not always as simple as denying a patent that combines known elements. Denying patents under such a "rigid" rule would go against Kennedy's earlier declaration for a "functional approach." To do so would remove incentive for an inventor to try new combinations of known elements to solve a new problem. Clearly, a rule such as the one highlighted by Kennedy would require an exception. Kennedy illustrates this exception by pointing out the companion case to *Graham*. In *United States v. Adams*, an inventor substituted water for acids in a new battery and used a different type of electrode.<sup>110</sup> Clearly a combination of known elements, the Court still found the patent was not obvious because the prior art taught "away from combining certain known elements" and therefore "discovery of a successful means of combining them is more likely to be non-obvious."<sup>111</sup> Because the prior art warned of the risks involved in using the types of electrodes in the invention, the invention was not obvious. This conclusion, not surprisingly, would have occurred under the TSM test as well. The prior art of *Adams*, by teaching away from such a combination, inherently did not contain a teaching, suggestion, or motivation to combine these elements.

However, Kennedy continued to stress the Court's previous conclusion that combinations of known elements are not

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108. *Id.* at 1739.

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

110. *United States v. Adams*, 383 U.S. 39, 40 (1966).

111. *Id.* at 51-52.

patentable. Kennedy illustrated two post-*Graham* cases where the court found inventions to be obvious combinations of known elements. By focusing on these post-*Graham* cases illustrating an obvious combination, Kennedy buried the exception illustrated in *Adams*, a conclusion that would have been reached using the TSM test, with overly-simplistic cases that cater to Kennedy's anti-TSM bias. In 1969, the Court rejected a patent that combined a radiant heat burner and a paving machine.<sup>112</sup> In 1976, the Court rejected a patent that "simply [arranged] old elements with each performing the same function it had been known to perform."<sup>113</sup> These cases add very little in determining whether the TSM test is sufficient to determine the obviousness question. They illustrate nothing more than stating that the combination of a toothbrush and toothpaste is obvious. To reach such a conclusion, the wisdom of the Supreme Court is not necessary. In both cases, the TSM test would have found each invention obvious. There is clearly a motivation to combine a heating element with a paving machine. Likewise, a combination of elements contains an inherent motivation to re-arrange them if it leads to a better result. A bookshelf organized by author may be better arranged by title based on the needs of the user. When motivated to do so, the user does not become entitled to a patent on his new arrangement.

Kennedy conceded that the analysis may be more difficult than in the cases he illustrated.<sup>114</sup> This concession is an understatement. Kennedy then supported his rejection of the TSM test by highlighting the fact that the Court's precedent stated that when performing the obviousness inquiry, the analysis "need not seek out precise teachings" and that a "court can take into account the inferences and creative steps that a person of ordinary skill in the art would employ."<sup>115</sup> The fact that the Court has never explicitly required investigation into whether the prior art contained a teaching, suggestion, or motivation to combine does not mean that this analysis is not within the Court's precedent. Rather, it is quite possible that requiring a teaching, motivation, or

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112. *Anderson's-Black Rock, Inc. v. Pavement Salvage Co.*, 396 U.S. 57, 60-62 (1969).

113. *Sakraida v. Ag Pro, Inc.*, 425 U.S. 273, 282 (1976).

114. *KSR Int'l Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 1740 (2007).

115. *Id.* at 1741.

suggestion to combine is an effective tool to determine the obvious question in a uniform and predictable manner.

Kennedy seemed to believe that the USPTO and courts evaluating patent validity have an incentive to grant patents to obvious inventions. However, a patent applicant goes through a rigorous procedure with the USPTO while prosecuting his patent. The USPTO, in an overwhelming majority of applications, initially rejects a patent application as being anticipated by prior art or a combination of prior art. If the USPTO ultimately grants a patent after the patent prosecution process, the patent applicant has proven to the USPTO that the invention was not obvious. Patent examiners spend their entire day evaluating a particular class of inventions and have a very broad knowledge of the prior art related to an invention. For this reason, there is a presumption of validity given to patents that have been issued by the USPTO. The TSM test is useful in assuring that the invention is not invalidated by the courts due to hindsight bias. When the finder of fact looks at a patented invention and sees the solution, and then sees the prior art, it is easier to think that the invention was obvious.

*C. Kennedy Failed to Adequately Show That the TSM Test Was Inconsistent with Supreme Court Precedent.*

Kennedy again spoke of the TSM test in a positive light while concurrently rejecting the test when he stated that the Federal Circuit captured a helpful insight when requiring the demonstration of a teaching suggestion, or motivation to combine known elements in order to show an invention was obvious.<sup>116</sup> Kennedy agreed that it was important to identify a reason that would have prompted an inventor to combine the elements in the claimed way.<sup>117</sup> He was correct when he stated that most if not all inventions are combinations of what is already known.<sup>118</sup> But again, he discarded the helpful insight and uniformity of the test because it was too “rigid.” Kennedy’s flat out rejection of the TSM test is equally as rigid. Contradicting himself once again, Kennedy admitted that there was “no necessary inconsistency

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116. *Id.*

117. *Id.*

118. *Id.*



between the idea underlying the TSM test and the *Graham* analysis.<sup>119</sup> Explaining this contradiction, Kennedy complained that when the general principle of *Graham* is transformed to a rigid test, it limits the obviousness inquiry.<sup>120</sup> However, the presumption of validity granted to issued patents and future predictability necessitates limiting the inquiry, much like the when the Court limits its inquiry into issues of law before them to the questions presented. Why the Court pretends to avoid overstepping its mandate in one situation while clearly doing so in another is confusing. It appears that this case would have been better evaluated as an as-applied challenge than as a review of the TSM test itself.

Kennedy was correct when he stated that if the patented claim extends to what is obvious, it is invalid under section 103.<sup>121</sup> In simple terms, Kennedy stated that “[o]ne of the ways in which a patent’s subject matter can be proved obvious is by noting that there existed at the time of invention a known problem for which there was an obvious solution encompassed by the patent’s claims.”<sup>122</sup>

Kennedy was incorrect, however, when he criticized the Federal Circuit for focusing on the problem that the inventor was trying to solve.<sup>123</sup> Kennedy’s opinion—that the court should look to all problems that could be solved by the patent’s subject matter, and whether the solution was obvious to a person with ordinary skill in the art—fails to take into account the common sense that Kennedy made clear was so important. A person having ordinary skill in the art cannot imagine every problem in his field. The specific problem addressed by the patentee is a necessary component of the obviousness inquiry because it is this very problem that leads to the patentee’s attempt to solve the problem with his invention. If a court is to determine whether an invention is obvious, it needs to put itself into the shoes of the inventor, and that includes focusing on the specific problem faced by the inventor. Focusing on every problem that could be solved by the subject matter is an example

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119. *Id.*

120. *KSR*, 127 S. Ct. at 1741.

121. *Id.* at 1742.

122. *Id.*

123. *Id.*

of the danger of hindsight bias and is not grounded in the reality of the inventive process.

Kennedy was likewise incorrect when he rejected the Federal Circuit's assumption that a person having ordinary skill in the art faced with a problem would be led only to those elements of prior art designed to solve the same problem.<sup>124</sup> This requirement of the Federal Circuit again protects against hindsight bias. Common sense dictates that when a problem arises, an inventor will be led to other solutions of similar problems. An objective person having ordinary skill in the art will not randomly investigate technology aimed at other problems. This does not mean that an inventor would ignore prior art that addressed a different problem. If said prior art appears useful to the new problem, an inventor would obviously consider it. But it should not be assumed that a person having ordinary skill in the art has knowledge of every possible use of prior art that is primarily directed to a different problem.

Kennedy was correct, however, when he stated that the Federal Circuit erred when it held that a patent cannot be proved obvious by showing that a combination was obvious to try.<sup>125</sup> If there exists a teaching, suggestion, or motivation to *try* a combination when faced with a problem to solve, this is no different than having a teaching, suggestion, or motivation to *actually* combine prior art elements. The inventive process inherently involves trial and error. Kennedy's criticism of the Federal Circuit in this regard was correct, but has little weight other than adding to a list of criticisms which makes a rejection of the Federal Circuit's approach more plausible. If something is obvious to try and it works, it is no longer a mere try. It is the hypothetical combination that is the subject of evaluation. Kennedy's criticism is nothing more than a distinction without a difference.

Kennedy used the Federal Circuit's aversion to hindsight bias against them when he equated the TSM test's protection from this bias with a rigid rule preventing investigation into the obviousness question.<sup>126</sup> The test is plainly necessary to protect against hindsight bias. Kennedy claimed that the TSM test denies

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124. *See id.*

125. *Id.*

126. *KSR*, 127 S. Ct. at 1742.

factfinders recourse to common sense.<sup>127</sup> But Kennedy failed to enumerate the ways in which the test does this. It appears throughout the opinion that Kennedy thought common sense would dictate that the combination of the adjustable pedal with a modular sensor was obvious, based on his perception of common sense. But a test based on a conclusory factor such as common sense is not a test at all. The rigid rejection by Kennedy of the TSM test opens the door for hindsight bias to rear its ugly head, disguised by a conclusion that common sense dictates an invention was obvious.

*D. Kennedy Erred When He Failed to Consider the Federal Circuit's Broader Conception of the TSM Test.*

Kennedy's greatest failure in evaluating the Federal Circuit's test for obviousness was his refusal to evaluate the broader conception of the TSM test used by the Federal Circuit after it decided the *KSR* case.<sup>128</sup> Kennedy was correct that those decisions were not before the Court and did not correct any error of the Federal Circuit in deciding *KSR*. But in rejecting the Federal Circuit's TSM test, Kennedy should have considered the Federal Circuit's broader version of the TSM test. Given the lengths Kennedy went to disparage the test created and modified by the Federal Circuit, Kennedy should have reviewed and discussed these opinions before concluding that the test was too rigid to allow for adequate review of the obviousness question.

In *DyStar Textilfarben GmbH & Co. Deutschland KG v. C.H. Patrick Co.*, the Federal Circuit clarified its TSM test. The Federal Circuit made clear that the test "is in actuality quite flexible and not only permits, but *requires*, consideration of common knowledge and common sense."<sup>129</sup> The Federal Circuit made clear that in considering obviousness, a critical step is casting the mind back to the time of invention, and "consider the thinking of one of ordinary skill in the art, guided only by the prior art

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127. *Id.* at 1742-43.

128. *Id.* at 1743.

129. *DyStar Textilfarben GmbH & Co. Deutschland KG v. C.H. Patrick Co.*, 464 F.3d 1356, 1367 (2006).

references and the then accepted wisdom in the field.”<sup>130</sup> Further, the Federal Circuit stated, “[h]aving established that this knowledge was in the art, the examiner could then properly rely, as put forth by the solicitor, on a conclusion of obviousness ‘from common knowledge and common sense of the person of ordinary skill in the art without any specific hint or suggestion in a particular reference.’”<sup>131</sup> The Federal Circuit did not stop there. It continued to explain the possibility of an implicit motivation to combine.<sup>132</sup> When an improvement is technology independent and the combination of references results in a product or process that is more desirable, for example more efficient or more durable, the desire to improve the product is universal and “common-sensical,” and the Federal Circuit determined that “there exists in these situations a motivation to combine prior art references even absent any hint of suggestion in the references themselves.”<sup>133</sup>

Kennedy further failed to consider the Federal Circuit’s explanation of its test from *Alza Corp. v. Mylan Labs., Inc.* The Federal Circuit stated plainly: “A suggestion, teaching, or motivation to combine the relevant prior art teachings *does not have to be found explicitly in the prior art.*”<sup>134</sup> “The teaching, motivation, or suggestion may be implicit from the prior art as a whole, rather than expressly stated in the references.”<sup>135</sup> “Rejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be *some* articulated reasoning with *some* rational underpinning to support the legal conclusion of obviousness.”<sup>136</sup> Kennedy’s rejection of the TSM test and reliance on common sense opens the door for these conclusory statements.

If these decisions had been considered more fully by the Court, it is possible that the TSM test would not have been disparaged as badly by Kennedy. In fact, Kennedy would have not been able to

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130. *Id.* at 1368 (citing *In re Kotzab*, 217 F.3d 1365, 1369 (Fed.Cir.2000)).

131. *Id.* (citing *In re Bozek*, 416 F.2d 1385, 1390 (C.C.P.A. 1969)).

132. *Id.*

133. *Id.*

134. *Alza Corp. v. Mylan Labs., Inc.*, 464 F.3d 1286, 1290 (2006) (emphasis in original).

135. *Id.*

136. *Id.* at 1291 (emphasis in original).

criticize the test as “rigid” and would have had to acknowledge the possibility that the TSM test included a common sense component as well as the fact that an explicit teaching, suggestion, or motivation to combine prior art references was not necessary.

Kennedy attempted to justify the failure to consider these cases because they were not before the Court.<sup>137</sup> He then attempted to mitigate the effect of his opinion on the TSM test by stating that the extent to which the decisions in *DyStar* and *Alza* “may describe an analysis more consistent with our earlier precedents and our decision here is a matter for the Court of Appeals to consider in its future cases.”<sup>138</sup> But when Kennedy devoted much of his opinion to criticizing the Federal Circuit’s test, it is irresponsible to refuse to consider the test in light of those decisions. Kennedy left open the ability for the Federal Circuit to apply its TSM test in the future so long as it conforms to the mandate of KSR. But the opinion reads more like a condemnation of the TSM test than a mistake by the Federal Circuit in applying its test. The Federal Circuit, in light of this decision, is unlikely to attempt to use the TSM test again, though it appears the TSM test was well within existing Supreme Court precedent.

*E. Kennedy Failed to Comply with His Own Mandate When He Applied the Law to the Facts of the Case.*

After rejecting the TSM test, Kennedy proceeded to evaluate the invention using an approach that is far from uniform and functional. While the Federal Circuit asked whether an objective inventor faced with the same problem would have chosen both the Asano pedal and the modular sensor, Kennedy instead asked whether a pedal designer, faced with “the wide range of needs created by developments in the field of endeavor, would have seen a benefit to upgrading Asano with a sensor.”<sup>139</sup> This analysis begs the question. Kennedy essentially asked whether a designer starting with the invention would have noticed the invention. The inventive process involves the discovery of a problem and imagining a solution. Kennedy hands the hypothetical inventor the

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137. *KSR Int’l Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 1743 (2007).

138. *Id.*

139. *Id.* at 1744.

solution and asks whether it can solve the problem. This is exactly the kind of hindsight bias that the TSM test protects against. Simply stating that one has not fallen prey to hindsight bias doesn't make it true. Of particular note is the fact that during the prosecution of the patent in the PTO, the Asano patent was not discovered. If it was so obvious to upgrade Asano, either the Asano inventors would have tried upgrading it already, or others in the field would have found Asano when looking for a solution.

This is not to say that finding the invention obvious was an incorrect conclusion. However, Kennedy's analysis destroys any predictability when determining the obviousness question and makes issued patents subject to future invalidity. The Federal Circuit said as much in a footnote of the aforementioned *DyStar* case. The footnote reads:

Indeed, the United States Supreme Court recently granted *certiorari* in a case involving this court's application of the suggestion test. In *KSR*, we vacated a district court's grant of summary judgment of invalidity for obviousness. The district court found a motivation to combine not in the references but "largely on the nature of the problem to be solved", which we did not deem erroneous. Rather, we vacated because the court did not explain sufficiently its rationale, and failed to make "findings as to the specific understanding or principle within the knowledge of a skilled artisan that would have motivated one with no knowledge of [the] invention to make the combination in the manner claimed."<sup>140</sup>

This is an important point that should not be taken lightly. Kennedy focused too much on the invention in front of him and whether it was obvious to combine all of the references before him. The hindsight is blinding. Kennedy ignored the rationale behind the Federal Circuit's decision to vacate the district court's grant of summary judgment. The Federal Circuit did not vacate

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140. *DyStar Textilfarben GmbH & Co. Deutschland KG v. C.H. Patrick Co.*, 464 F.3d 1356, 1367 n.3 (2006).

because there was no explicit teaching, suggestion, or motivation to combine. Rather, they vacated because the district court failed to point out the rationale behind its conclusion that the teaching, suggestion, or motivation to combine was implicit.

The theme of Kennedy's opinion is one of overreaction and overreaching in condemning the TSM test. Kennedy relied on the ambiguous Supreme Court precedent of *Graham* in finding the Federal Circuit's test to be too rigid in application. But the test is not too rigid. It is a functional and predictable test, open to flexibility in determining the question of obviousness. All the Federal Circuit asks is for a court to point out why a teaching, suggestion, or motivation to combine is implicit in the problem to be solved. The Federal Circuit does not demand that it exist explicitly.

#### IV. IMPLICATIONS

The rejection by the Supreme Court of the Federal Circuit's application of the TSM test in *KSR* is certain to cause a change in the way that the industry handles the obviousness question. How it affects actual practice, though, is far from predictable. What is certain, however, is that there is less predictability for inventors and patent attorneys when evaluating whether an invention will be considered non-obvious and patentable or, instead, obvious and un-patentable.

##### *A. The Increased Uncertainty Regarding Patentability Will Cause a Decrease in Innovation and a Decrease in Patent Applications*

The number of patent applications filed in the USPTO is increasing yearly.<sup>141</sup> For instance, from 2004—2006, patent applications of US origin filed with the patent office were approximately 189,000, 207,000 and 221,000 respectively.<sup>142</sup> However, the number of patents granted does not necessarily

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141. U.S. Patent and Trademark Office, U.S. Patent Statistics Chart, [http://www.uspto.gov/go/taf/us\\_stat.htm](http://www.uspto.gov/go/taf/us_stat.htm) (last visited Apr. 20, 2008).

142. *Id.*

correlate.<sup>143</sup> In 2004, 84,000 patents were granted.<sup>144</sup> In 2005, 74,000 were granted.<sup>145</sup> In 2006, 90,000 were granted.<sup>146</sup> This indicates that it is far from predictable that a patent will issue when an inventor applies for patent protection. This further shows that the patent office does not easily grant patents to applicants. It is a rigorous process that costs thousands of dollars to an inventor because of filing fees and attorney's fees. Even a moderately complex invention can cost the inventor between \$9,000 and \$12,000, with a highly complex invention costing upwards of \$25,000.<sup>147</sup> The TSM test gave inventors and patent attorneys a predictable and workable test for evaluating whether to pursue a patent for certain inventions. However, given the uncertainty caused by the Supreme Court's opinion, it appears likely that inventors may be hesitant to invest their money in the process. One of the purposes of the patent system is "[t]o promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries."<sup>148</sup> When the chance of getting a patent is unclear, the inventor has less incentive to create a new invention. It may be difficult to predict with certainty the extent to which the decreased incentive stunts creativity because of the constant increase of patent applications every year. However, as is the case with any investment, the higher the risk in the investment, the less valuable it becomes to the risk taker.

*B. The USPTO No Longer Requires Patent Examiners to Articulate a Teaching, Suggestion, or Motivation to Combine When Concluding a Patent is Obvious*

An obvious corollary to the added uncertainty of the ability to obtain a patent is the fact that the USPTO is likely to grant fewer patents as a result of the decision. No longer bound by the

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143. *Id.*

144. *Id.*

145. *Id.*

146. *Id.*

147. IP Watchdog, Cost of Obtaining a Patent, [http://www.ipwatchdog.com/patent\\_cost.html](http://www.ipwatchdog.com/patent_cost.html) (last visited Apr. 20, 2008).

148. U.S. CONST. art I, § 8.



requirement of articulating a teaching, suggestion, or motivation to combine when concluding that a patent is obvious, patent examiners can rely on hindsight bias as well as their bias for not granting a patent in their decision to reject a patent application. An examiner can point to prior art and state simply that it would have been obvious to combine multiple references. Without a requirement to articulate a reason for why it is obvious, other than common sense, it will be difficult for an inventor to argue that the examiner is mistaken.

On October 10, 2007, the USPTO issued guidelines for patent examiners when determining the obviousness question in light of *KSR*.<sup>149</sup> The patent examiner is instructed to engage in the factual inquiries set forth in *Graham v. John Deere*: (1) Determine the scope and content of the prior art; (2) Ascertain the differences between the claimed invention and the prior art; and (3) Resolve the level of ordinary skill in the art.<sup>150</sup> Additionally, the examiner should evaluate objective evidence or “secondary considerations” such as commercial success, long felt but unsolved needs, failure of others, and unexpected results.<sup>151</sup> “The question of obviousness must be resolved on the basis of these factual inquiries.”<sup>152</sup> These factual inquiries are broadly worded and allow for various conclusions by different examiners. The USPTO includes guidance for performing these factual inquiries. For determining the scope and content of the prior art, the USPTO suggests determining the broadest scope possible.<sup>153</sup> Further, the USPTO suggests a search should cover “the claimed subject matter, and should also cover the disclosed features which might reasonably be expected to be claimed.”<sup>154</sup> The USPTO then states that a rejection need not be based on a teaching, suggestion, or motivation to combine, but if the search finds one, that would be preferred.<sup>155</sup> This shows the effect of the decision on the patent

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149. Patent and Trademark Office Examination Guidelines for Determining Obviousness Under 35 U.S.C. 103 in View of the Supreme Court Decision in *KSR International Co. v. Teleflex Inc.*, 72 Fed. Reg. 57,526 (Oct. 10, 2007).

150. *Id.*

151. *Id.*

152. *Id.* at 57,527.

153. *Id.*

154. *Id.*

155. 72 Fed. Reg. at 57,527.

office. By allowing an examiner to proceed with rejecting the patent for obviousness without locating a teaching, suggestion, or motivation to combine, the USPTO opens the door for the examiner to fall prey to hindsight bias when considering the prior art.

The USPTO also points out various rationales to support rejections based on obviousness.<sup>156</sup> In making an obviousness rejection, the examiner does not need to locate a teaching, suggestion, or motivation to combine in the prior art.<sup>157</sup> Rather, the examiner need only explain why the differences between the invention and the prior art would have been obvious.<sup>158</sup> Again, the examiner is given a large amount of discretion in concluding an invention is obvious. Further, neither the particular motivation to make the claimed invention nor the problem the inventor was trying to solve controls. The only question to the examiner is whether the invention would have been obvious after considering all of the facts. This theme of allowing an obviousness rejection based on overall picture without requiring any evidence that the invention was obvious, other than the examiners conclusion that it was obvious, is troubling and likely to lead to inconsistent and unpredictable rejections.

While the USPTO does not completely abandon the TSM test, it does remove the requirement of using the test. The USPTO mildly states “if the search of the prior art and the resolution of the *Graham* factual inquiries reveal that an obviousness rejection can be made using the TSM rationale, then such a rejection could be made.”<sup>159</sup> However, without a finding such as this, there is still nothing preventing a rejection from being made. As a result, the TSM test becomes nothing more than one of many possible rationales for rejecting an invention as being obvious. These other rationales include: combining prior art elements according to known methods to yield predictable results; simple substitution of one known element for another; use of known techniques to improve similar devices; applying a known technique to a known device to ready for improvement to yield predictable results; and

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156. *Id.* at 57,528.

157. *Id.*

158. *Id.*

159. *Id.*

obvious to try.<sup>160</sup> These rationales appear to be nothing more than conclusory statements about obviousness. Additionally, the use of these rationales is not dependent on the TSM test no longer existing. Each of them qualifies as a teaching, suggestion, or motivation to combine based on the prior art and the knowledge of the inventor.

*C. The Supreme Court's Rejection of the TSM Test Will Result in Inconsistent Decisions by the Lower Courts.*

The Supreme Court's rejection of the Federal Circuit's requirement for an articulated reason will have an effect on litigation as well. Accused patent infringers can now allege invalidity with a straight face because there is no longer a requirement to articulate the reason for finding a patent obvious. Without a clear test from the Supreme Court for the obviousness inquiry, district courts will be able to operate bound only by their own "common sense" and the Federal Circuit's constantly evolving precedent in light of the Supreme Court's rejection of the Federal Circuit's test. The risk of hindsight bias in these situations is extremely high. The resulting inconsistency from various district courts and little Federal Circuit precedent so far will lead to the very problems that the creation of the Federal Circuit was created to solve. The obviousness question will be applied based on the common sense and conclusion of district court judges across the country. Who is to say when something is common sense and when it isn't?

*D. The Federal Circuit Has Responded to the Supreme Court's Rejection of the TSM by Creating a New "Rigid" Test.*

The Federal Circuit has attempted to bring consistency to obvious inquiry in light of *KSR* when it considered the obviousness question after the Supreme Court's decision. On August 1, 2007, the Federal Circuit decided *In re ICON Health and Fitness, Inc.* Icon initiated a reexamination proceeding while in the midst of litigation against at least six defendants.<sup>161</sup> The

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160. *Id.*

161. Patently-O, Reasonable Pertinence may be Sufficient to Combine

decision was an appeal by Icon from a decision by the Board of Patent Appeals and Interferences during reexamination of Icon's patent.<sup>162</sup> The Board held that Icon's claims were unpatentable as obvious.<sup>163</sup> Icon's invention consisted of a treadmill with a folding base, allowing the base to swivel into an upright storage position.<sup>164</sup> Of note in the invention was a gas spring connected between the tread base and the upright structure to assist in retaining the treadmill base in the upright position.<sup>165</sup> The examiner rejected Icon's claims as obvious based on a combination of a design by Damak and a design by Teague.<sup>166</sup> Icon did not dispute that Damak contained all of the limitations of Icon's invention other than the gas spring.<sup>167</sup> The Teague invention pertained to a bed that folded up into a cabinet or recess.<sup>168</sup> Teague disclosed the use of a dual action spring that essentially partially supports the weight of the bed in both the open and closed positions.<sup>169</sup> The Federal Circuit rejected Icon's argument that the Teague invention falls outside the treadmill art and addresses a different problem.<sup>170</sup> The Federal Circuit stated that if the art was reasonably pertinent to the problem addressed by Icon, then the prior art could serve as analogous art.<sup>171</sup> The Federal Circuit defined prior art as reasonably pertinent if "it is one which, because the matter with which it deals, logically would have commended itself to an inventor's attention in considering the problem."<sup>172</sup> The court further stated that "the finding that Teague, by addressing a similar problem, provides analogous art to Icon's application *goes a long way* towards demonstrating a reason

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References in Obviousness Rejection, <http://www.patentlyo.com> (Aug. 2, 2007).

162. *In re ICON Health and Fitness, Inc.*, 496 F.3d 1374, 1377 (Fed. Cir. 2007).

163. *Id.*

164. *Id.*

165. *Id.*

166. *Id.*

167. *Id.*

168. *ICON Health and Fitness*, 496 F.3d at 1377.

169. *Id.* at 1378.

170. *Id.* at 1379.

171. *Id.*

172. *Id.* at 1379-80.

to combine the two references.”<sup>173</sup> “Once the elements are shown in reasonably pertinent art, then an obviousness determination is as simple as connecting the dots.”<sup>174</sup> It appears that the Federal Circuit is saying that when they have concluded that two types of art address a similar problem, there is an inherent reason to combine them, without regard to whether there is an obvious reason to do so.

Of course, it should be noted that the Federal Circuit explained the connection between Teague’s invention and Icon’s invention by showing that both inventions used the spring in similar ways.<sup>175</sup> This sounds like the risk of hindsight bias coming into play yet again. When looking at the invention next to the prior art, it is easy to draw the conclusion that it would have been obvious to combine the Damak invention with the Teague invention. But it is not necessarily true that when two different inventions use an element in a similar way that it must have been obvious to combine one of them with an existing invention. This analysis removes any credit to the inventor for realizing a novel application of existing technology. Additionally, IP attorney Steve Sereboff reported that “examiners can make a prima facie case of obviousness simply by showing that all of the elements in the claim are known.”<sup>176</sup> This is not to say that Icon’s patent was necessarily a novel invention and deserving of patent protection. But the analysis of the Federal Circuit post *KSR* and without the TSM test takes on an overly conclusory theme without a detailed investigation into whether it was truly obvious for a treadmill to have a gas powered spring to retain the treadmill. If it was so obvious, wouldn’t Damak have thought to include one?

Given the Federal Circuit’s decision in *In re ICON*, it appears that the Federal Circuit has traded one rigid test for another. Instead of requiring a teaching, suggestion, or motivation to combine the prior art references in order to find an invention obvious, the Federal Circuit now looks to whether reasonably pertinent art contains all of the elements of the invention. If the prior art is reasonably pertinent, it “goes a long way” to finding a

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173. *Id.* at 1380 (emphasis added).

174. *See* Patently-O, *supra* note 161.

175. *Id.*

176. *Id.*

reason to combine the references and thus the invention was obvious. This is surely not the flexible approach the Supreme Court desired after their decision in *KSR*. Perhaps this new approach is simply in response to the Supreme Court's desire for uniformity. It is possible that the Supreme Court actually desired a uniformly flexible approach to the obvious question, but defining such an approach could prove more difficult than defining what is simply obvious.

The Federal Circuit is likely concerned with predictability more than flexibility, and given the Supreme Court's desire for both, the Federal Circuit may have chosen the lesser of two evils when it comes to determining patentability. As previously stated, the cost of prosecuting patents is high. This high cost limits the availability of the patent system to inventors with sufficient resources to go through the process of arguing with the patent office. An unpredictable system would further widen the gap between the haves and have-nots in the technological world, limiting the patent system to large entities having an already large patent portfolio. The idea of the one man inventor would die a quick death without some sort of ability on his part to predict whether investing in the patent system would give him a return on his investment in the form of exclusive rights to his discovery.

*E. The Added Uncertainty Caused by the Supreme Court May Increase Inventors' Willingness to Protect Their Discoveries by Using Trade Secrets.*

Given the larger gamble by the inventor when investing in an unclear patent system, the inventor may choose alternate ways of securing the exclusive right to his technology. One alternative to the patent system is protecting an invention by keeping it a trade secret. This alternative is not preferable to an inventor or the public as a whole. The patent system is essentially a contract between the inventor and the public, where the inventor receives the exclusive right to make and use his discovery and, in return, the public is made aware of the discovery and in turn the public can research and improve on the invention to the benefit of society as a whole. If an inventor keeps his discovery a secret, the public does not benefit. While the inventor is still able to use his

invention and make money off of his discovery, there is still the risk that someone else will discover the same invention at a later date. If this occurs, the value of the discovery to the initial inventor is lower. But without some way to predict whether or not his invention will be declared obvious, the trade secret route may be more attractive than the expensive, prolonged process of patent prosecution coupled with the risk of coming away with nothing. And not to be forgotten, in addition to the time and money lost on a failed patent application, the inventor has also lost the secret of his discovery by disclosing it publicly.

The Federal Circuit seems quite aware of this dilemma, and appears to have chosen the route of predictability over the idea of flexibility. Instead of having a predictable test requiring a teaching, suggestion, or motivation to combine in order to find a patent obvious, the Federal Circuit now has a rigid predictable test where if every element of an invention exists in various prior art, and the prior art is reasonably pertinent to the problem solved by the invention, the invention is obvious. The Federal Circuit has traded a test more likely to grant a patent for a test highly likely to reject a patent. Perhaps this was the desire of the Supreme Court all along.

But if the industry has to choose between erring by granting more patents and erring by granting less patents, is granting more patents the worse result? The inventor of an arguably obvious invention is still the first person to discover a new and useful utilization of the technology. If an invention solves a problem, why should the inventor be punished when extensive hindsight review reveals that the components of the invention existed elsewhere in similar art? The art was dissimilar enough to prevent others from discovering the new use. These discoveries benefit society to the extent that without them, society would not have the use of the more efficient technology. Removing patent protection from these borderline cases only serves to chill the ambition of inventors who work to improve existing technology. It is true that granting too many patents could remove from society obvious combinations of existing inventions that society may already be using. But the patent act prohibits granting patents for technology that is already in public use. The danger of taking these inventions from the public is minimal. The Supreme Court was likely swayed

by the invention before them in *KSR* when they rejected the Federal Circuit's use of the TSM test. The combination of the modular sensor with an adjustable pedal certainly appears to have been obvious, given the myriad patents already disclosing extremely similar technology, but that did not justify rejecting a process that was capable of determining the obvious question in a fair and predictable manner.

The rejection of the Federal Circuit's TSM test is likely to bring the obviousness question back to the Supreme Court before long. The TSM test was a response to the Supreme Court's decision in *Graham*. The *Graham* test was ambiguous and unworkable, and this ambiguity was the likely reason the Federal Circuit created the TSM test. The *Graham* test did not function as anticipated by the Supreme Court in the past, and there is no indication that it is likely to function properly in the future. As the *In re ICON* case shows, the Federal Circuit is not afraid to create rigid tests in order to create predictability in the industry. This new "all elements" test is likely to lead to a more egregious failure to properly investigate whether a claimed invention was truly obvious. The courts need only to decide that prior art is reasonably pertinent to the problem to be solved. Once this conclusory determination is made, concluding that it would be obvious to combine elements from one with the elements of another is a small step.

## V. CONCLUSION

The Supreme Court erred when it rejected the Federal Circuit's TSM test. Instead of having a workable, predictable, and uniform test for determining the obviousness question, the industry is left with an ambiguous mandate of the Supreme Court to resort more often to common sense. The Supreme Court failed to adequately examine the Federal Circuit's TSM test to determine whether the test complied with Supreme Court precedent. Rather, the Court was swayed by hindsight bias and the particular invention before them in concluding that the approach of the Federal Circuit was wrong. The result of the Supreme Court's decision is a likely return to ambiguity in the near future with regard to the obviousness question. As a result, the Federal Circuit is likely to develop a new test to resolve that ambiguity. When that happens,



the Supreme Court will likely be pushed into service once again to review to the state of obviousness jurisprudence. Perhaps then the Court will investigate further the benefits of a workable test such as the one recently rejected.

*Nicholas Angelocci*