KSR Supreme Court Oral Argument

When *certiorari* was granted earlier this year, there were many who saw this case as a slam dunk victory, an outright reversal of the Federal Circuit reversal of summary judgment. Petitioner’s counsel was quoted in last month’s *ABA Journal* that “I think [the court] will vote 9-0 to reinstate the district court judgment. That’s what the solicitor general has urged… as well as the patent office. So I don’t think I’m going too far out on a limb here.” Steve Seidenberg, *Stating the Obvious*, ABA Journal, pp. 14-15 at 15 (October 2006).

While it is expected that the Supreme Court will reverse and remand the *KSR* case, it will do so setting only a somewhat modified obviousness standard. It does seem clear even at this early date that the Court may maintain the teaching-suggestion-motivation test of the Federal Circuit, but in a way that this is a “nonexclusive” factor for determining obviousness.

Additionally, the Court is very well aware that it should not make major changes in the obviousness standard, to upset the applecart in terms of the validity of patents granted over the past generation at the PTO under the current teaching-suggestion-motivation test.

Attached is a summary of highlights of the oral argument in the *KSR* obviousness case at the Supreme Court today that consists largely of personal impressions of the writer at the argument today.

Regards,
Hal
Overview of the Case after the Oral Argument

The only issue directly before the Court is –

Whether 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.”

This is the “Questioned Presented”, and the only issue directly before the Court. In light of the oral argument at the Court and in consideration of the many briefs of the parties and the amici, particularly the United States, it is expected that the Court will say ”yes” to the “Question Presented”, and reverse and remand the case to the Federal Circuit.

It is expected that in such a remand, the patent in suit should remain alive for further consideration of its validity in view of a modified test for obviousness that will change the Federal Circuit teaching-suggestion-motivation test as one necessary for a finding of invalidity to a nonexclusive factor for consideration of validity.

There are several alternate solutions to an outright reversal of the Federal Circuit: (a) The Federal Circuit’s Kahn test of implicit motivation; (b) the United States’ “sufficiently innovative” test; and (c) Respondent’s “apparent” test.

Respondent scored points with its argument that the Court should not upset more than twenty years of precedent and create uncertainty as to the validity of a generation of patents. See Caution concerning an Upset of an Established Practice.
Justice Breyer revived the *Winslow* test from forty years ago, which presented yet another angle to the case. See *The Winslow “Patents on a Wall” Test*.

Several precious minutes of argument time were lost in a sideshow that looked at the validity of claims 1-3 of the patent in suit (only claim 4 was at issue). See *A Sideshow – The Unchallenged Validity of Most Claims of the Patent*.

### Teaching-Suggestion-Motivation as a Nonexclusive Test

In the expected reversal and remand in the *KSR* case, it is expected that the Court will *modify* the Federal Circuit obviousness test that as a condition precedent requires that the attacking party establish the teaching-suggestion-motivation element. Instead, the Court may well *maintain* teaching-suggestion-motivation as a *nonexclusive* factor in determining obviousness.

Arguing in favor of reversal in *KSR* for the United States as *amicus curiae* Deputy Solicitor General Thomas G. Hungar unequivocally supported *maintaining* the motivation test for obviousness *on a nonexclusive basis*.

Justice Kennedy directly asked Petitioner’s counsel whether “it would be advisable for us to say that the [motivation] test teaches us something important; it has a valuable place [in the obviousness determination]; it’s just not the *exclusive* test for what’s obvious”. Unequivocally, Petitioner answered, “Certainly.”

Justice Breyer criticized setting up nonexclusive tests for determining obviousness. “[T]o hope to have a nonexclusive list seems to me a little bit like Holmes trying to hope to have an exclusive list of what counts as negligence. In the law we have many standards that you can get clues about, but you can’t absolutely define them, and why isn’t this one of them?”

---

*This paper provides same day reflections of the oral argument. Comments are welcome concerning the reaction of others to the oral argument. This paper is not for further general distribution (other than limited distribution for colleagues) and will be replaced by a more detailed paper in the near future.* The comments here represent personal views and do not necessarily reflect the views of any colleague, organization or client thereof.

Comments: {hwegner@foley.com}
**But, Just what is “Motivation”?** In addition to downplaying the teaching-suggestion-motivation test, there were plural comments from the members of the Court openly questioning precisely what is meant by “motivation” under the Federal Circuit test: No satisfactory answer was received.

Justice Breyer poked at a definition for “motivation” and found no clear answer. Justice Scalia later added that he, “like Justice Breyer, [doesn’t] understand what the motivation… element is.”

**A Combative Attack on Federal Circuit Precedent:** The tenor of the argument was set in the first five minutes involving colloquy with the Chief Justice, Justice Alito and Petitioner’s counsel. First, soft-voiced, Justice Alito questioned Petitioner as to “what is the difference between asking whether something is implicit in… the prior art and simply asking whether it would have been obvious to a person of ordinary skill in the art?” Jabbing his finger toward the justice in a contrasting voice, Petitioner replied: “The statute and this Court’s precedent make the benchmark of patentability skill, what degree of skill is needed to devise [the claimed] subject matter in respect to an objectively defined problem, objective looking at the claim and looking at the prior art. *What the Federal Circuit is talking about here is an inquiry into motivation, not skill.* Those two are very different concepts. There is not a word in this Court’s precedents that says that whether a patent should be granted or not depends on whether a hypothetical person had hypothetical motivation to do what everybody knows he could do. To this, the Chief Justice immediately answered that “[o]f course the reason that the Federal Circuit has devised this additional test or gloss on *Graham* is that they say obviousness is… deceptive in hindsight. In hindsight, everybody says, ‘I could have thought of that”, and that … if you don’t have the sort of constraint that their test imposes, it’s going to be too easy to say that everything was obvious.” Petitioner’s counsel responded: “Well, the Court, Mr. Chief Justice, the Court needs to be very clear what is meant by the term ‘hindsight.’ If by hindsight is meant looking at what’s claimed now – the subject matter sought to be patented – and comparing that to the prior art, to
call that analytical process improper hindsight is to make a frontal assault on
the statute itself. …

**Several Alternative Tests**: There was some sentiment that if the Federal
Circuit test should be thrown out, then what alternative would there be to
replace the Federal Circuit test.

(a) **Federal Circuit’s redefined “Implicit” Motivation test:**

Several Federal Circuit obviousness cases have been decided in recent
months, each manifestly a reaction to the grant of certiorari. Of these, the
leading case is *In re Kahn*, 441 F.3d 977 (Fed. Cir. 2006)(Linn, J.), which
sets forth an *implicit* motivation standard: “A suggestion, teaching, or
motivation to combine the relevant prior art teachings does not have to be
found explicitly in the prior art, as ‘the teaching, motivation, or suggestion
may be implicit from the prior art as a whole, rather than expressly stated in
the references.... 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.’” *Kahn*, 441 F.3d at 988-89 (quoting *In re Kotzab*, 217 F.3d
1365, 1370 (Fed.Cir.2000) (emphasis added; internal citations omitted by
the court).

Justice Ginburg specifically questioned Petitioner’s counsel as to
whether the *Kahn* case essentially provides the same result as Petitioner
seeks: If the *Kahn* “implicit motivation” test of *Kahn* is followed, is there
really any difference between what the Court has said before and the Federal
Circuit standard?

Justice Alito compared Petitioner’s proposed answer to do away with
teaching-suggestion-motivation with the new Federal Circuit “implicit
motivation” test of *Kahn*, and could not see a difference in the results
achieved with the two tests: “I don’t understand the difference.”

--- 5 ---

This paper provides same day reflections of the oral argument. Comments are
welcome concerning the reaction of others to the oral argument. This paper is not for
further general distribution (other than limited distribution for colleagues) and will
be replaced by a more detailed paper in the near future. The comments here
represent personal views and do not necessarily reflect the views of any colleague,
organization or client thereof.

Comments: {hwegner@foley.com}
Other members of the Court rolled their eyes when mention was made of DyStar Textilfarben GmbH & Co. Deutschland KG v. C.H. Patrick Co., 464 F.3d 1356 (Fed. Cir. 2006)(Michel, C.J.), decided virtually on the eve of the hearing, that seemingly retreats from prior Federal Circuit precedent. Respondent’s counsel was prepared for this attack and pointed out that the post-certiorari Federal Circuit cases on obviousness (such as Kahn and Dystar) were relevant because they cited and incorporated much earlier Federal Circuit precedents that established the “implicit motivation” test.

Respondent dismissed the odd patents that have been granted such as the pumpkin trash bag (upheld by the court) and the child’s method of swinging patent as “outliers” amongst the numerous patents and decided cases at the Federal Circuit.

“Gobbledygook” “Irrational”: The Chief Justice ridiculed the implicit motivation test. When Respondent’s counsel said that this test “adds an analytical framework. It’s an elaboration”, the Chief Justice interrupted: “It adds a layer of Federal Circuit jargon that lawyers can then bandy back and forth, but … particularly if it’s nonexclusive [as one possible factor in determining obviousness], you can say you can meet or teaching, suggestion, or motivation test or you can show that it’s nonobvious, it seems to me that [the implicit motivation test] is worse than meaningless because it complicates the inquiry rather than focusing on the statute.” Chiming in, Justice Scalia “agree[d] with the Chief Justice. It is misleading to say that the whole world is embraced within these three nouns, teaching, suggestion, or motivation, and then you define teaching, suggestion, or motivation to mean anything that renders [the invention] nonobvious. This is gobbledygook. It is… irrational.”

(b) United States’ “sufficiently innovative” Innovation Test: The United States in its amicus brief substitute for a teaching-motivation-test of an invention being “sufficiently innovative” was challenged by Justice
Wegner, KSR Case – Same Day Reflections After the Oral Argument

Ginsburg: “I understand [the government’s amicus] brief to say that [the obviousness test] has to be supplemented by what you have… labeled ‘sufficiently innovative.’ And then I begin to think, well, what’s ‘sufficiently innovative?’ How is a trier of fact supposed to know if something [is ‘sufficiently innovative.’] In other words I think what you’re suggesting as a supplement is rather vague.”

(c) Respondent’s “Apparent” Test: Respondent argued that the teaching-suggestion-motivation test was largely analytical, to avoid the hindsight establishment of obviousness. In hindsight, virtually any combination invention is capable of being made, yet the test proposed by Respondent is whether the combination would have been apparent to the worker in the art.

Caution concerning an Upset of an Established Practice:

In questioning the Deputy Solicitor General, Justice Souter expressed a concern, reprised by others, that caution should be exercised in making any major change in the standard of obviousness that has been the basis of practice for a generation. The Court is also aware that there is now a more than twenty year practice under the teaching-suggestion-motivation test that is applied both in the context of validity determinations as well as by the Patent and Trademark Office (PTO) in their grant of patents on a daily basis. Respondent’s counsel asked the rhetorical question whether there could be any presumption of patent validity for the some 160,000 patents that have annually been granted under the teaching-suggestion-motivation should it be overruled. The Court, indeed, appeared to be impressed by this line of argumentation.

Justice Souter assumed for sake of argument that the teaching-suggestion-motivation test may be wrong, but with its longstanding acceptance in the patent community, perhaps this factor should dictate its maintenance: “I’m raising the question that comes up in the old motto….If the error is common enough and long enough, the error becomes the law.

Comments: {hwegner@foley.com}
And, in effect, is that what we are confronted with here?” The Deputy Attorney General said that nevertheless the Federal Circuit should be reversed because “it would be [a] dangerous proposition for this Court to endorse that line of argumentation…..” Justice Souter persisted: “No. But if we see it your way, are there going to be 100,000 [patent litigation] cases filed tomorrow morning?”

Questioning the Deputy Solicitor General, Justice Scalia pointed out that beyond the application of the test of obviousness by the Federal Circuit, “[i]t isn’t just the Federal Circuit that has been applying this test. It’s also the Patent Office and it’s been following the Federal Circuit’s test for 20 years or so. … Assuming that we sweep [the suggestion-teaching-motivation] test aside and say that it’s been incorrect, what happens to the presumption of validity of… patents which the courts have been traditionally applying? Does it make any sense to presume that patents are valid which have been issued under an erroneous test for the last twenty years?”

In an interesting response, the Deputy Solicitor General bluntly answered: “Your Honor, I think that it would make sense because the statute requires it, and as a practical matter it doesn’t make any difference, because the only category of cases in which the result would change under our test is the category in which as a matter of law, in light of the factual issues that are required under Graham, as a matter of law the Court concludes that the difference between the claimed invention and the prior art is so trivial that it cannot be given the protection of a patent.”

The Winslow “Patents on a Wall” Test

Justice Breyer showed an interest in the test proposed by the late Judge Rich in Winslow and showed that he was implicitly toying with the idea of using that test as part of the obviousness inquiry. Under the Winslow test:
“[T]he proper way to apply the 103 obviousness test to a case like this is to first picture the inventor as working in his shop with the prior art references – which he is presumed to know – hanging on the walls around him. One then notes that what applicant Winslow built here he admits is basically a … bag holder having air-blast bag opening to which he has added two bag retaining pins. If there were any bag holding problem in the [primary prior art reference] Gerbe machine when plastic bags were used, their flaps being gripped only by spring pressure between the top and bottom plates, Winslow would have said to himself, 'Now what can I do to hold them more securely?' Looking around the walls, he would see [the secondary prior art reference] Hellman's envelopes with holes in their flaps hung on a rod. He would then say to himself, 'Ha. I can punch holes in my bags and put a little rod [pin’ through the holes. That will hold them. After filling the bags, I'll pull them off the pins as does Hellman. Scoring the flap should make tearing easier.’” In re Winslow, 365 F.2d 1017, 1021 (CCPA 1966)(Rich, J.).

The Winslow test is seemingly simple and easy to apply; yet, even the author of that test admits that it is flawed as a basis for general analysis of obviousness. See In re Antle, 444 F.2d 1168, 1171 (CCPA 1971)(Rich, J.).

**A Sideshow – The Unchallenged Validity of Most Claims of the Patent:**

The fact that only claim 4 was considered invalid by the trial court and claims 1-3 had no validity challenge was raised by the Court. Petitioner’s counsel brought this upon himself by bringing up the point that “[w]e are not talking about the patentability of claims 1, 2 or 3 of the patent we are talking about claim 4 in which these respondents got a little greedy. Claim 4 describes almost nothing –“. Justice Kennedy immediately asked Petitioner: Do you concede… that claims 1 through 3 are valid?” Refusing to answer, Petitioner stated that “[w]e take no position on that. They’re not an issue in the case.” Persisting, Justice Kennedy asked: “If I had asked your opinion as an expert would you?” Again, Petitioner refused to answer: “Well, Your Honor, with respect, I would have no opinion on that question.”
After further colloquy, Justice Kennedy persisted: [D]on’t [claims] 1, 2 and 3 do the same thing [as contested claim 4]?” Petitioner started to answer (“Well, because – because –”), whereupon Justice Kennedy said: “If they’re invalid then… I’m struggling to find what your test is.” Thereafter, an extended monolog by Petitioner explained the difference between the uncontested claims and claim 4.

Much later – during the questioning of the Deputy Attorney General – Justice Kennedy returned to claims 1-3, asking “[w]hat about” these claims? The Deputy Attorney General answered: “I don’t know. Those have not been litigated….”