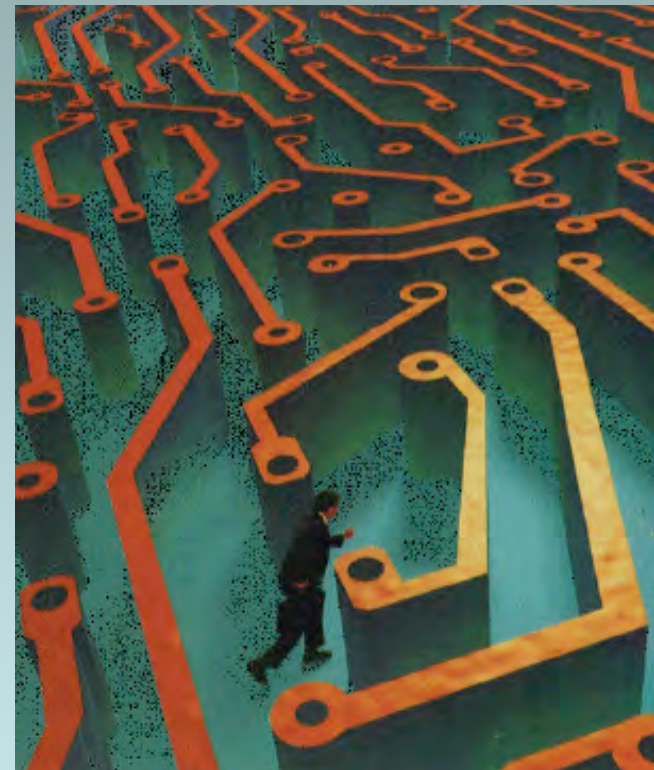


THE PATENT OBVIOUSNESS STANDARD UNDER ATTACK

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DISCUSSION TOPICS

- The Statutory Language - 35 U.S.C. 103(a)
- The Supreme Court Cases Interpreting §103
- The Fed Circuit's "Teaching, Suggestion, Motivation" Test
- The Patented Invention
- The Claim at Issue
- The District Court and Federal Circuit Decisions
- The Question before the Supreme Court
- The Oral Argument
- The Likely Outcome and its Effects

THE STATUTORY LANGUAGE

Title 35, U.S. Code, Section 103(a), enacted in 1952, provides:

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 (PHOSA)
to which said subject matter pertains.

"HINDSIGHT RECONSTRUCTION" NOT ALLOWED

- the subject matter [sought to be patented] *as a whole*
- *would have been* obvious
- *at the time* the invention was made
- to a person having ordinary skill in the art (PHOSA)
to which said subject matter pertains.

The words "sought to be patented" and "as a whole" prohibit *piecemeal reconstruction* of the invention *as claimed* from various individual elements found in the prior art, i.e., the claimed *structural interconnection* and *functional interrelationships* of the combined elements must be considered.

The words "would have been" and "at the time" are intended to emphasize that obviousness should be tested the instant *before* the invention was made, i.e., it is impermissible to work *backwards* from the claimed invention to the the prior art.

These are subtle points but they are at the heart of the inquiry.

SUPREME COURT DECISIONS INTERPRETING SEC. 103

- Graham v. John Deere Co. - 1966 (the keystone case)
- Adams v. U.S. - 1966
- Andersons-Black-Rock v. Pavement Salvage Co. - 1969
- Sakraida v. Ag Pro - 1976

THE GRAHAM FORMULATION

“Under Sec. 103,

- the scope and content of the prior art are to be determined,
- the 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.”

Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc, * * * may have relevancy.”

Note: the Graham formulation identifies the kinds of information that are proper to consider (i.e., the WHAT) -- it does not specify the analytical methodology to get from that information to the ultimate determination of obviousness (i.e., the HOW).

THE FEDERAL CIRCUIT TEST -- “TEACHING, SUGGESTION OR MOTIVATION”

For the past four decades, the Federal Circuit has refused to invalidate a patent for obviousness *unless* the challenger could present prior art that, either on its face or combined with “ordinary skill in the art,” provided a

“suggestion or incentive,”
ACS Hospital Systems, Inc. v. Montefiore Hospital (1984),

“teaching, suggestion or incentive,”
In re Geiger (1987)

“reason, suggestion, or motivation,”
In re Oetiker (1992), or

“teaching, suggestion or motivation,”
In re Raynes, (1993),
In re Rouffet (1998)
In re Dembizak (1999)

to *combine* previously existing technologies
in the particular manner set forth in the claim(s) at issue.

THE FEDERAL CIRCUIT TEST -- “TEACHING, SUGGESTION OR MOTIVATION”

Practical rules of application for the TSM Test --

- A “**teaching**” of the claimed combination occurs when one or more of the prior art references explicitly discloses the desirability of the combination *as claimed*.
- One or more of the references may also contain an inherent or implicit “**suggestion**” that the combination *as claimed* would be desirable, given the problem to be solved.
- Finally, the tacit knowledge and skill of the PHOSA, or even “common sense,” when combined with the teachings and/or suggestions of the references, may provide the “**motivation**” to make the claimed combination.
- In order to render a claimed combination obvious, the PHOSA must have had a reason to *consider* each of the references in solving the problem and to combine them *in the same way* (structurally and functionally) as set forth in the relevant claims.

THE FEDERAL CIRCUIT TEST -- "TEACHING, SUGGESTION OR MOTIVATION"

A trio of Federal Circuit cases decided in 2006

-- *after* the Supreme Court granted certiorari in KSR v. Teleflex --

In re Kahn
Dystar v. Patrick
Alza v. Mylan Labs

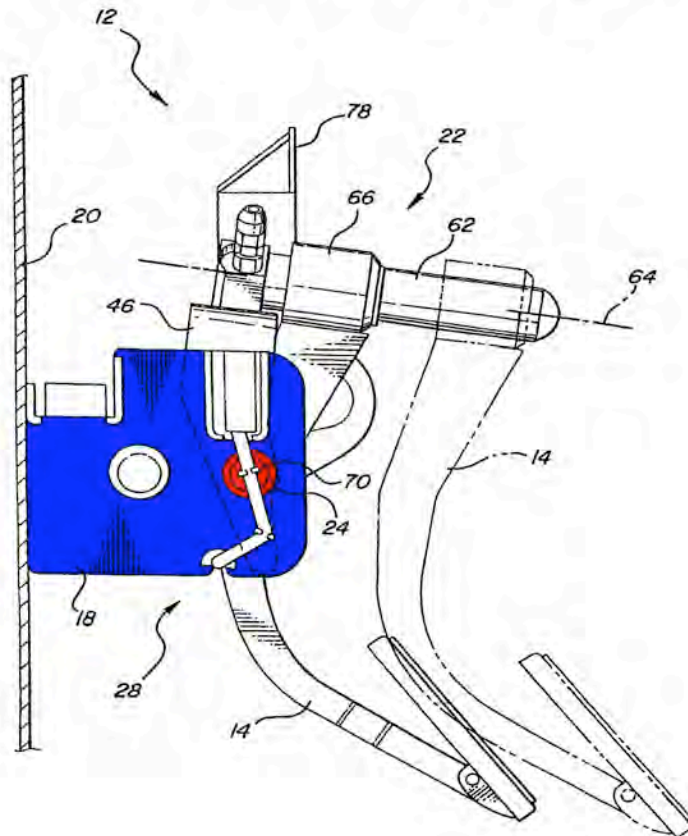
emphasize prior Federal Circuit case law that the *suggestion* or *motivation* need not be found in the prior art references themselves, but can arise when those references are interpreted through the lens of the knowledge, skill and experience possessed by the PHOSA.

Many practitioners and academics believe that these cases represent a communication from the Federal Circuit to the Supreme Court in order to neutralize any misconception that the *motivation* to make the claimed combination must be found within the four corners of the prior art references.

THE PATENTED INVENTION

"Engelgau"

(U.S. Patent 6,237,565 - Fig. 2)

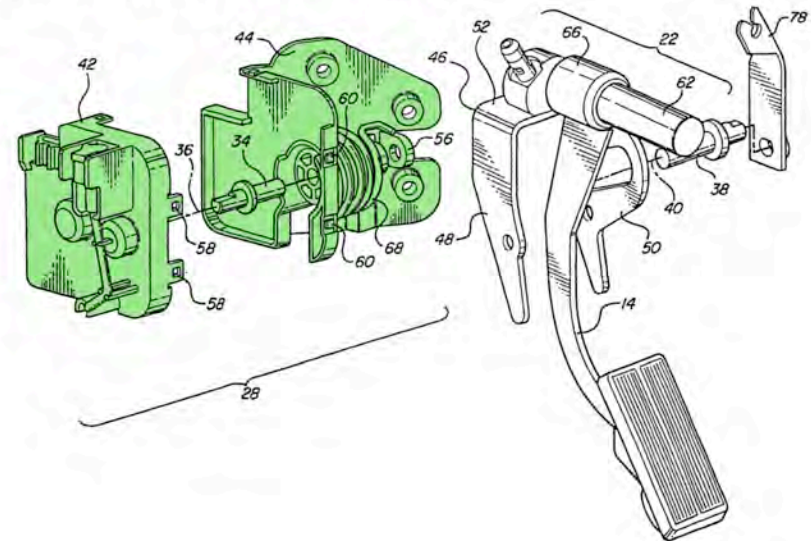


Relevant structural elements:

- (1) support 18 (blue);
- (2) pivot 24 (red);
- (3) pedal arm 14; and
- (4) electronic control 28 (green).

Note: pivot and ETC maintain fixed position as pedal is moved fore and aft (a design constraint imposed by space limitations, i.e., narrow footwell)

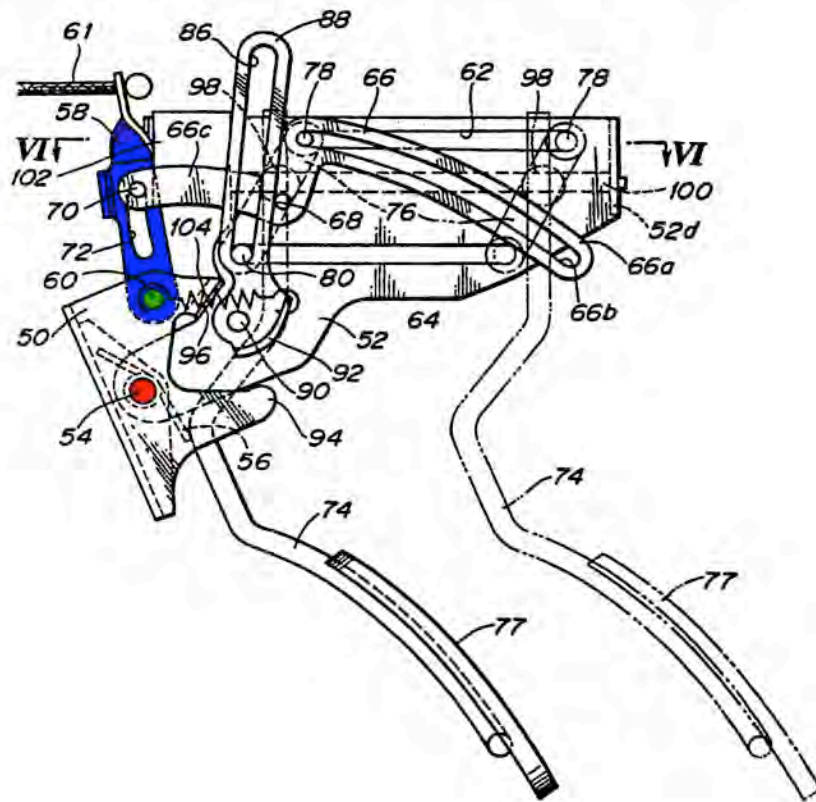
(U.S. Patent 6,237,565 - Fig. 4)



UNCITED PRIOR ART

APS without ETC (Mechanical Throttle Cable)

"Asano"
(U.S. Patent 5,010,782 - Fig. 5)

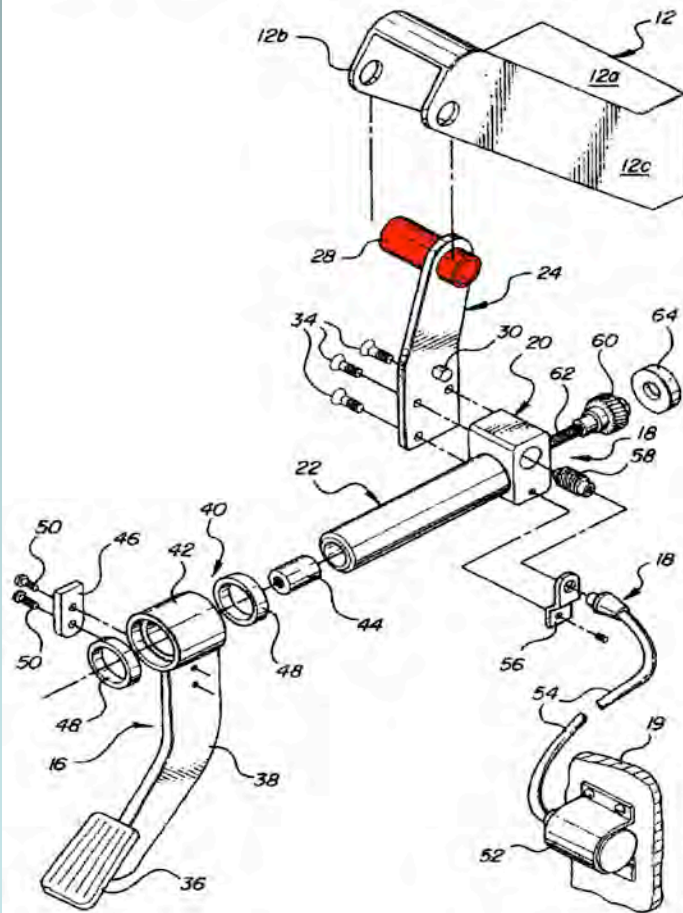


In Asano, when the driver steps on the pedal, the pedal assembly rotates around a fixed pivot 54 (red), creating a “first pivot axis.” This pivoting action triggers various mechanical linkages that eventually cause a lever 58 (blue) to rotate around a “second pivot axis” (60). Lever 58 in turn is attached to a cable (61) that extends into the engine compartment and actuates the throttle.

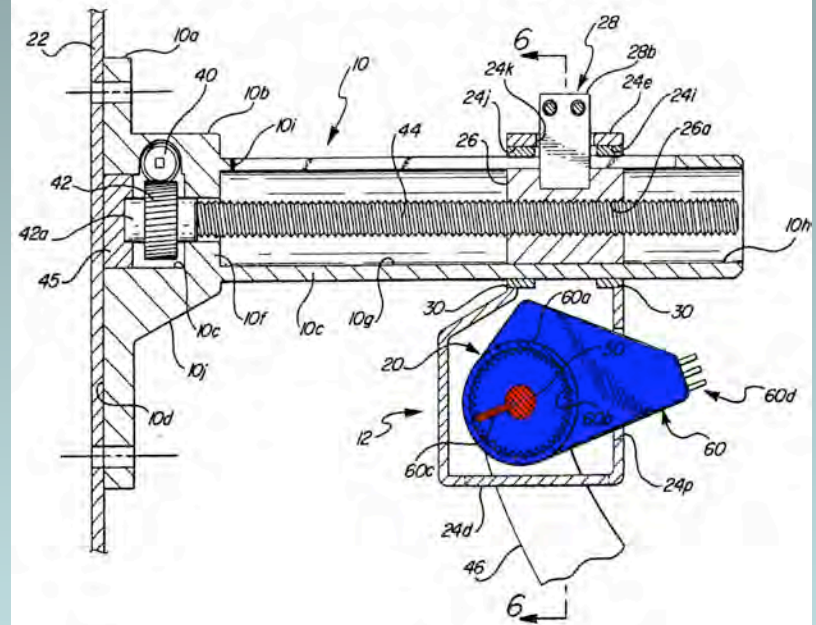
Note: The complicated linkages in Asano were designed to solve the “constant ratio” problem - i.e., adjustment of pedal position changes how much pressure produces same amount of acceleration

CITED PRIOR ART APS + ETC (ETC Moves with Pedal Support)

"Rixon '183"
(U.S. Patent 5,632,183 - Fig. 2)



"Rixon '593"
(U.S. Patent 5,819,593 - Fig. 5)



In Rixon '593, when the pedal is depressed by the driver, this causes pivot 50 (red) to rotate. An ETC 60 (blue) is attached to that pivot and measures the rotation. Pivot (50) and ETC (60) thus all travel fore and aft with the pedal (16).

THE PATENT CLAIM AT ISSUE

4. A vehicle control pedal apparatus (12) comprising:

- a support (18) adapted to be mounted to a vehicle structure (20);
- an adjustable pedal assembly (22) having a pedal arm (14) moveable in force and aft directions with respect to said support (18);
- a pivot (24) for pivotally supporting said adjustable pedal assembly (22) with respect to said support (18) and defining a pivot axis (26); and
- an electronic control (28) attached to said support (18) for controlling a vehicle system;

said apparatus (12) characterized by said electronic control (28) being responsive to said pivot (24) for providing a signal (32) that corresponds to pedal arm position as said pedal arm (14) pivots about said pivot axis (26) between rest and applied positions wherein the position of said pivot (24) remains constant while said pedal arm (14) moves in fore and aft directions with respect to said pivot (24). (*Emphasis added.*)

THE DISTRICT COURT AND FED CIRCUIT DECISIONS

- In the District Court, KSR moved for summary judgment of invalidity arguing that a PHOSA would have combined Asano (uncited) with an ETC by simply attaching the ETC to Asano's pivot 54
- Teleflex responded that because of space limitations (imposed by the unusually restricted size of the Ford F350 footwell), the PHOSA would not have even considered modifying Asano because Asano was too bulky (as well as expensive to manufacture) because of its complexity in order to solve the constant ratio problem. Teleflex further argued that, *even if* the PHOSA would have considered Asano, claim 4 requires that the ETC, and the pivot to which it responds, are fixed to the pedal support structure and KSR "could point to no suggestion" in the prior art to incorporate an ETC into the Asano structure in the manner specified by claim 4.
- KSR supported its motion with a single declaration from one of its employees. Teleflex submitted two affidavits from independent experts with substantial industry experience
- The District Court granted KSR's summary judgment motion and the Federal Circuit reversed and remanded because KSR had not made any showing of a "teaching, suggestion or motivation" in the prior art to combine Asano and an ETC in the manner claimed.

THE ISSUE ON APPEAL

Whether the Federal Circuit 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.

BURDEN OF PROOF ISSUES

During prosecution --

in the face of a rejection based on obviousness, the applicant must persuade the Examiner that the claimed subject matter is not obvious in view of the cited prior art (by argument and/or by submitting declarations establishing “secondary indicia of non-obviousness” -- e.g., long-felt need or commercial success.

During litigation --

the accused infringer must prove to the trier of fact (judge or jury) *by clear and convincing evidence* that a PHOSA would have considered the claimed invention obvious. *However*, if the challenger introduces uncited prior art that is *more relevant* than that considered by the Examiner, the burden shifts to the patent owner to show that, *given the problem to be solved*, a PHOSA either:

- (a) *would not have considered* the reference or;
- (b) *would not have combined it with other prior art in the particular manner specified by the claim(s)*

AMICUS BRIEFS - Supporting KSR (Opposing TSM Test)

- U.S. Govt. (PTO)
- Intel and Micron
- Cisco, GM, Electrolux, Fortune Brands and Hallmark
- Time Warner, IAC-Interactive, and Viacom
- Business Software Alliance (BSA)
- Computer & Communications Industry Association (CCIA)
- 14 IP Law Professors
- 6 Economists and Legal Historians
- Electronic Frontier Foundation
- Progress & Freedom Foundation
- AARP, Patients not Patents, Public Patent Foundation
- Colliani and Armstrong (patent attys., former US Court of Claims judge)
- Prof. Lee M. Hollaar (computer science professor & patent agent)

AMICUS BRIEFS - Supporting Teleflex (Endorsing TSM Test)

- 3M, GE, P&G, DuPont, J&J
- Tessera, Qualcomm & AmberWave
- Michelin, Arvin-Meritor, Nartron (automotive suppliers)
- Intellectual Property Owner Association (IPO)
- Biotechnology Industry Organization (BIO)
- Pharmaceutical Research & Manufacturers. Of America (PHARMA)

- IP Licensing Companies (Intellectual Ventures and 9 other s)
- IP Investors (Altitude, InflexionPoint, Interdigital, OceanTomo & 3 others)
- Technology Properties, Ltd.

- American Bar Association
- American Intellectual Property Law Association
- Federal Circuit Bar Association
- New York Intellectual Property Law Assn.
- Intellectual Property Law Association of Chicago

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AMICUS BRIEFS (Cont.)

Supporting Teleflex - endorsing TSM Test - cont.

- 5 Business & Law Professors
- Franklin Pierce Law Center
- 6 Chemistry & Bioengineering Professors

- Universities (UCal, RPI, RCT, STC, UTexas, UNM, WARF, WRF)

- 4 Practicing Patent Attorneys
- Harold Milton (patent atty that prosecuted patent in suit)
- Lee Thomason (patent atty/litigator)
- United Inventors Association

Supporting Neither Party

- IBM
- Ford & Daimler-Chrysler
- 24 IP Law Professors
- DC Bar Association (endorses Fed Circuit TSM test)

THE ORAL ARGUMENT

JUSTICE ALITO: Well, once you define the teaching, suggestion and motivation test that way so that it can be implicit, that it can be based on common sense, I don't quite understand the difference between that and simply asking whether it's obvious. Could you just explain what that adds?

MR. GOLDSTEIN (Teleflex): *Well, all that it adds is an analytical framework.*

CHIEF JUSTICE ROBERTS: It adds a layer of Federal Circuit jargon that lawyers can then bandy back and forth, but if it's -- *particularly if it's nonexclusive*, you can say you can meet our teaching, suggestion, or motivation test *or* you can show that it's nonobvious, it seems to me that it's worse than meaningless because it complicates the inquiry rather than focusing on the statute.



JUSTICE SCALIA: It is -- I agree 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 it nonobvious. *This is gobbledygook. It really is, it's irrational.*

THE LIKELY OUTCOME AND ITS EFFECTS

- The Court will uphold the TSM test, but it will be held to be *nonexclusive* -- i.e., a *permissible, but not mandatory*, way to demonstrate obviousness
- The Court will not identify the “other ways” of establishing obviousness, but will leave to the PTO and the District Courts to articulate using the broad framework principles set forth in Graham
- The number of PTO obviousness rejections will increase and the number of U.S. patents issued per year will decline
- The validity of tens or hundreds of thousands of issued U.S. “combination” patents will be called into question, on the theory that they would not have been issued under some other ill-defined, or undefined, test of obviousness.
- Patent infringement litigation will increase because fewer disputes will settle
- *Other than that, it's pretty much business as usual.*