

## Kennedy Pushed for Flexibility in Patent Law as Justice

Justice Anthony Kennedy, who announced his retirement June 27, had his hand in several notable patent opinions during his 30-year tenure with the U.S. Supreme Court.

Kennedy's rejection of rigid analytical frameworks in patent law is consistent with his overall reputation for being a flexible jurist, Matthew Rizzolo, counsel for Ropes & Gray LLP, told Bloomberg Law.

Kennedy wrote 15 opinions in patent-related cases since joining the court in February 1988, and five of those were the decisions of the court, according to Bloomberg Law data.

His opinions were "very practical, from a practitioner's standpoint," Erika Harmon Arner, a partner Finnegan, Henderson, Farabow, Garrett & Dunner LLP, told Bloomberg Law. "He rejected rigid tests that the Federal Circuit had established in several areas of patent law, and made courts take a more holistic approach when analyzing issues like obviousness."

Though Kennedy did not write a large number of patent-related cases—Justice Clarence Thomas has written 32 during the same period, by comparison—the effect of his opinions was wide-ranging. The *KSR* ruling changed the rules for obviousness, which come up in almost every patent case, while issues like injunctions and patent eligibility are topics that patent practitioners continue to be hot topics of debate.

"What made his opinions especially remarkable was the breadth of their applicability," Arner said.

**Be Flexible** Kennedy's 2007 opinion in *KSR International v. Teleflex* rejected what the court saw as the Federal Circuit's overly "narrow" approach when analyzing if a patent was obvious in light of prior research.

Before the high court's *KSR* ruling, a party attacking a patent for obviousness had to show there was a "teaching, suggestion, or motivation" to combine the prior research. Kennedy rejected that test as a requirement when proving if a patent is obvious, though he said it could still help with the analysis.

Kennedy's 2010 opinion in *Bilski v. Kappos* also rejected the overuse of a rigid test when deciding if an invention covered eligible subject matter. He said the "machine-or-transformation" test wasn't the only way to analyze patent eligibility.

Under the test, an invention is eligible for protection if it's tied to a particular machine or device, or if it transforms something into a different state or thing. Similar to his opinion in *KSR*, Kennedy said the test is a useful "investigative tool" when analyzing patent eligibility, but it's not the only test to use.

*Bilski* was part of the line of Supreme Court decisions that developed the two-part test that practitioners and courts now use to determine whether an invention is patent-eligible. Courts first look at whether an invention is directed at an abstract idea or law of nature. If it's abstract, it's unpatentable unless there's an inventive concept.

Some attorneys have criticized the flexible nature of the law on patentability as being unclear and unpredictable.

"As the author in *Bilski*, Justice Kennedy did not provide clear guidance" on how to analyze patent eligibility, leading to the "unworkable two-step process on the same basic issue that we are stuck with today," Robert L. Stoll, partner at Drinker Biddle & Reath LLP and former commissioner of patents at the Patent and Trademark Office, told Bloomberg Law.

The Federal Circuit and the Patent and Trademark Office wanted to have easy-to-apply bright-line tests for patent eligibility but Kennedy said that wasn't the way to go, according to Arner.

Kennedy echoed his emphasis on flexible patent eligibility tests in *eBay v. MercExchange*, Rizzolo said. That 2006 decision made it harder for patent owners to block infringers even after winning an infringement lawsuit, by requiring courts to apply a four-part test to determine whether it should grant the injunction.

Kennedy's concurrence emphasized the importance of avoiding "categorical rules," and that the patent owner's right to exclude others from using an invention doesn't "dictate" the relief it should receive. He also warned of what he saw as a growing business model of non-practicing entities using patents of "suspect validity" to get license fees, and a need to be mindful of these issues when applying the four-part injunction test.

By PETER LEUNG

To contact the reporter on this story: Peter Leung in Washington at [pleung@bloomberglaw.com](mailto:pleung@bloomberglaw.com)

To contact the editor responsible for this story: Rebecca Baker at [rbaker@bloomberglaw.com](mailto:rbaker@bloomberglaw.com)

To request permission to reuse or share this document, please contact [permissions@bna.com](mailto:permissions@bna.com). In your request, be sure to include the following information: (1) your name, company, mailing address, email and telephone number; (2) name of the document and/or a link to the document PDF; (3) reason for request (what you want to do with the document); and (4) the approximate number of copies to be made or URL address (if posting to a website).