

KSR alters the legal landscape for patent owners

On Monday, April 30, in *KSR v. Teleflex*, the U.S. Supreme Court issued an opinion that could have far-reaching effects on patents and their enforcement. As a result, it now may be easier to invalidate patents and harder to obtain them.

The decision, which addresses the standard for obviousness under 35 U.S.C. §103, has widespread implications, both for patent litigators and for those seeking to obtain patents from the U.S. Patent & Trademark Office (PTO). In considering validity challenges, judges will have more freedom to choose the considerations and evidence that are important to an obviousness analysis. Setting aside over 20 years of precedent of the U.S. Court of Appeals for the Federal Circuit, the Supreme Court rejected the use of “rigid and mandatory formulas” not required by the patent statute. The Federal Circuit’s “teaching, suggestion, and motivation” test is, in that regard, merely one consideration courts can look to in considering whether a patent is obvious. Other language in the Supreme Court’s opinion could be read to resuscitate “obvious-to-try” theories long derided by the Federal Circuit, and even to suggest that the presumption of validity may be “diminished” when prior art has not been considered by the PTO. Similarly, at the PTO, patent examiners will have more freedom to reject patent claims on the grounds of obviousness. Before the KSR decision, the Federal Circuit’s “teaching, suggestion, motivation” test made it difficult for patent examiners to justify such rejections.

KSR also could have substantial effects on patent litigation strategy and tactics. The Supreme Court, which sustained the trial court’s grant of summary judgment of obviousness before trial, not only lowered the bar for finding a patent obvious, but also may have made it easier for district court judges to resolve obviousness issues without recourse to a jury. Expect to see accused infringers file more motions for summary judgment, asking district courts to invalidate patents before trial – and, significantly, expect to see more district courts grant such motions. Before KSR, grants of summary judgment of obviousness were rare, and, as a practical matter, accused infringers had to take their chances before a jury. Now accused infringers will have two bites at the apple: first with the judge on summary judgment, then with the jury at trial.

In resolving KSR, the Supreme Court did not purport to create a new standard for determining obviousness. But it did make statements that could change how the issue of obviousness is argued and, perhaps more importantly, affect how the decision will be applied in different industries. On the one hand, biotechnology, pharmaceutical, and chemical companies may find a silver lining in the Supreme Court’s heavy reliance on the predictability of results in determining whether a discovery is obvious. But on the other hand, patentees and patent applicants in the mechanical, computer software, and business method arts – where the results of new combinations are more predictable – may find the court’s more flexible obviousness standard somewhat more problematic.

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