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Obviousness After KSR, Leapfrog

Monday, May 21, 2007 --- * The Supreme Court Speaks on Obviousness *

On April 30, 2007 the United States Supreme Court handed down an important decision on the scope of obviousness under 35 USC § 103.

Although the case concerned the placement of an electronic control, (i.e., a throttle control) on a vehicle control pedal, language in the decision could affect on the scope afforded claims drawn to computer implemented inventions, such as automated systems and business method patents.

Applying a “teaching, suggestion, motivation test” the Federal Circuit had reversed a District Court’s finding that a claimed vehicle control pedal was obvious.

The Supreme Court, citing Federal Circuit case law characterized the TSM test as one “under which a patent claim is only proved obvious if some motivation or suggestion to combine the prior art teachings can be found in the prior art, the nature of the problem, or the knowledge of a person having ordinary skill in the art.

Acknowledging that the idea underlying the TSM test is not necessarily inconsistent with the expansive and flexible functional approach the Supreme Court has taken toward obviousness, the Court found the Federal Circuit’s application of the TSM test as a rigid rule that limits the obviousness inquiry to be incompatible with its precedents.

The Supreme Court agreed that a patent composed of several elements is not proved obvious merely by demonstrating that each of its elements was, independently, known in the prior art.

However, the Court also stated that its precedents make clear that the analysis need not seek out precise teachings directed to the specific subject matter of the challenged claim, because a court can take account of the inferences and creative steps a person of ordinary skill in the art would employ.

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

Claims drawn to computer implementations of business practices are likely to

receive scrutiny, given the Court's statement that the "combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results."

Another reason to expect scrutiny of claims drawn to computer implemented inventions, such as Internet implementations of business practices, is the Court's comment that "when a work is available in one field of endeavor, design incentives and market forces can prompt variations of it, either in the same field or a different one. If a person of ordinary skill can implement a predictable variation, § 103 likely bars its patentability."

Noting that in many fields there is little discussion of obvious techniques or combinations, and that market demand, rather than scientific literature may drive design trends, the Court commented that granting patent protection to advances that would occur in the ordinary course without real innovation retards progress.

Expanding the obviousness inquiry from scientific literature to market forces seems likely to affect the analysis of whether claims drawn to business methods and Internet implementations are merely advances in the ordinary course.

The Court also noted that in some cases a patent claim may be proved obvious by showing the combination of elements was obvious to try. The Court noted that a "person of ordinary skill is also a person of ordinary creativity."

Where a design need or market pressure to solve a problem exists and there are a finite number of identified, predictable solutions, an ordinarily skilled person has good reason to pursue the known options within his grasp.

Since achieving the anticipated success is not the result of innovation, but of ordinary skill and common sense, the fact that the combination was obvious to try might show it was obvious under § 103.

In view of the Court's comments, the patentability of computer-implemented inventions may depend upon demonstrating innovation beyond merely migrating well-known techniques to an automated system or business practices to the Internet.

Computer implemented inventions are likely to face scrutiny as to whether they constitute real innovation producing unexpected results or, instead, are mere advances in the ordinary course.

* Leapfrog Enterprises Inc. v. Fisher-Price Inc.—The Federal Circuit Weighs In *

On May 9, 2007, in its first obviousness ruling after KSR, the Federal Circuit sustained a district court's finding that a claim drawn to an interactive learning device with a processor, a memory and a reader, was obvious over

the combination of a prior art electromechanical learning device and another device using a processor and a memory.

Neither prior art device contained the claimed reader, which identified the book inserted into the claimed device. In its decision, the court noted that accommodating a prior art mechanical device to modern electronics would have been reasonably obvious to one of ordinary skill in designing children's learning devices and that applying modern techniques to older mechanical devices has been commonplace for years.

The prior art electro-mechanical device (Bevan) used a phonograph record and an electric motor actuated by depressing uniquely shaped puzzle pieces to cause a phonograph needle to move to a specific place on the record to play a sound corresponding to a letter.

The court found that Bevan's electromechanical device taught an apparatus that achieves the goals of the claimed invention, i.e., associating letters with their sounds and encouraging children to sound our words phonetically.

The second piece of prior art (SSR) was a learning toy, which produced the sound of a word's first letter and the remaining portion of the word, instead of each individual letter. The SSR device had a speaker, a memory and a processor, which determined the identity of the book and the page from the locations of triangles and stars on the book's pages when depressed by the user.

The court concluded that SSR provided a road map to one of ordinary skill desiring to produce an electronics-based phonics learning tool for children. Thus, the court reasoned that the district court's conclusion that one of ordinary skill could have utilized the electronics of SSR with the operational method taught by Bevan to allow a child to press each letter of a word to hear the corresponding sound was not clear error.

Turning to the reader, the court determined that there was ample evidence in the record that readers were known in the art at the time of the invention and, citing KSR, noted that Leapfrog failed to present any evidence that including a reader in this type of device was uniquely challenging or difficult for one of ordinary skill.

The court also found that notwithstanding the evidence of commercial success, praise and long felt need, the strength of the prima facie obviousness showing was such that these secondary considerations could not overcome the district court's finding of obviousness.

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