

KSR v. Teleflex

The Obviousness Baseline



Teleflex Incorporated and subsidiary Technology Holding Company (hereinafter: Teleflex) suing KSR International Co. for patent infringement started a host of debates in 2007 around ‘obviousness as applied to patent claims.’ While many disagreed with the final verdict laid down by the court, some supported it. Nevertheless, this case was responsible for a sudden spike in lawsuits filed seeking patent invalidity. Many of the ensuing arguments cited the *KSR v. Teleflex* case as a precedent. In fact, in the present day, the United States Patent and Trademark Office Board of Patent Appeals and Interferences (USPTO BPAI) cites the *KSR v. Teleflex* case in 60% of its decisions related to the obviousness of patents.

Teleflex sues KSR International for patent infringement

In 2005, Teleflex, an American company that manufactures adjustable pedals for the automotive industry, claimed that KSR International, a designer of driver interface systems and car pedals, infringed their patent US 6,237,565. KSR’s design involved connecting vehicle control pedals to electronic throttles in their products, a technology patented by Teleflex under

the title “Adjustable Pedal Assembly with Electronic Throttle Control” and called the ‘Asano’ pedal. KSR used to supply its adjustable cable-actuated throttle systems to General Motors Corporation (GMC). And to make their system compatible with GMC’s vehicles, a modular sensor was added to it. This, according to Teleflex, was a breach of their patent that outlined the exact combination of these two technologies.

KSR wins the case in district court, and Teleflex’s patent is invalidated

KSR’s main argument was that the combination in question was ‘obvious’ which made it non-patentable. They claimed Teleflex’s patent was invalid and hence KSR was not violating any laws.

The district court ruled in favor of KSR, agreeing that the combination of the two systems was, indeed, obvious and that an average person with an undergraduate degree in mechanical engineering or a background in the automotive industry would have found it the obvious way of using KSR’s product to suit GMC’s trucks. Teleflex’s patent was thus declared

invalid in court making this a pivotal case in the industry.

Teleflex appeals to the Federal Circuit

Teleflex went to the United States Court of Appeals for the Federal Circuit with the appeal to re-evaluate the case. According to Teleflex lawyers, the district court had applied an incomplete TSM or Teaching-Suggestion-Motivation test. For the uninitiated, the TSM investigates the prior art, the nature of the problem in consideration, and the knowledge of a skilled ordinary person to determine the obviousness of a patent. Keeping this in view, the Federal Circuit decided to reverse the district court's judgment. The court agreed with Teleflex that the district court had not applied the correct teaching-suggestion-motivation test by not exploring specific suggestions or motivations to apply prior art which, in this case, was the Asano patent held by Teleflex. The court thereby proceeded to vacate the lower court's decision allowing Teleflex to further sue KSR for infringement and damages stating that an ordinary person could not have figured out methods of attaching the throttle via a sensor to the pedal creating an Asano pedal. It is

noteworthy that the Federal Circuit specializes in patent-related lawsuits.

Supreme Court rules in favor of KSR, reverse Federal Circuit's decision

Taking the obvious next step, KSR appealed to the Supreme Court of the United States. The Supreme Court evaluated the decisions of the district court and the federal circuit. While both the courts applied TSM, the Federal Circuit took a stringent, narrow-minded approach to prove that the Teleflex patent is not obvious or invalid.

While the Supreme court did not demean TSM tests, it maintained that they are not the definitive way of proving obviousness. In doing so, the Supreme Court instead emphasized the Graham factors established in *Graham v. John Deere Co. of Kansas City*, 383 U. S. 1 (1966) that were a far more expansive and clear way of testing the obviousness of a patent. Upon looking at the Graham factors, including the marketplace scenarios surrounding the technology or product in question, the court found that combining the pedals and the throttle was a natural step for KSR to be able to market their adjustable pedals to GMC.

Citing these arguments, the Supreme Court reversed the Federal Circuit's decision, denying charges of patent infringement by KSR International.

Impact and the central issue addressed

The central theme of this case was addressing the issue of proving a patent invalid based on its obviousness. It answered several questions, the most important one being whether a TSM test is sufficient to prove a patent is not obvious or invalid. The clear answer is in the negative; a TSM is not sufficient on its own to prove a patent invalid. This was a unanimous decision by the court, penned by Justice Kennedy who went on to explain the application of Graham factors and its effectiveness in such situations.

The *KSR v. Teleflex* became a landmark case for all patent holders in the industry. It was cited frequently as a precedent for many cases. In fact, in

the famous *Microsoft v. i4i* case of 2011, Microsoft tried to argue against the i4i lawsuit based on the Supreme Court's decision in favor of KSR. Microsoft sought to invalidate i4i's patent in a manner very similar to what KSR adopted in this case. While it did not work for Microsoft, it did give rise to many arguments involving the abuse of the country's patent laws and how it stifles innovation and true development.

While many believed that the ruling of this case was the beginning of a revolution, a positive change in the patent scenario of the United States, others felt that this undermined the authority of the USPTO by invalidating a patent issued by them. However, the scenario was stabilized when the court did not start invalidating patents right and left but upheld the views of the USPTO in front of parties as influential as Microsoft, Google, and other industry giants.

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