November 21, 2005

The Honorable Paul D. Clement
Solicitor General
Office of the Solicitor General
United States Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530-0001

Re: *KSR International Co. v. Teleflex Inc.*, 04-1350

Dear Solicitor General Clement:

I write on behalf of the Computer & Communications Industry Association (CCIA) and the Open Source & Industry Alliance (OSAIA) to urge you to recommend a grant of certiorari in the above-captioned case. CCIA and OSAIA represent high technology industries that depend upon the proper functioning of the patent system to protect the incentives to innovate without stifling other innovators. As the petitioner's reply brief observes, CCIA called for certiorari to be granted in this case in testimony offered to the Subcommittee on Courts, Internet, and Intellectual Property of the House Judiciary Committee. It is only because the petition so capably demonstrates the pressing need for intervention by the Supreme Court that CCIA declined to file an independent amicus brief in support of certiorari.

The *KSR International* petition represents an effective vehicle for the Court to remedy the Federal Circuit's major departure from the Patent Act and Supreme Court precedent. Nonobviousness – the root issue of this petition – is a first principle of patent law that perpetuates great uncertainty when construed improperly. Intervention by the Court will reduce uncertainty and stem the tide of patents being improperly granted under the current, permissive standard. This focused petition provides an ideal mechanism for the Court to redress problems in Federal Circuit jurisprudence regarding the definition of "obvious" in 35 U.S.C. § 103(a) with respect to 'combination' patents – patents which entail the combining of previously disclosed prior art into a new and patentable form.

The Supreme Court's *Graham* trilogy[1] applied the language of Section 103(a) to determine whether a patent is obvious, and requires no additional findings to make this judgment. The Federal Circuit, on the other hand, has augmented Section 103 by forbidding a finding of obviousness unless the prior art included specific "teaching, suggestion, or motivation" to combine the old elements. *See, e.g.*, *C.R. Bard, Inc. v. M3*

[1] *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1, 15 (1966); *Calmar, Inc. v. Cook Chemical Co.*, 383 U.S. 1 (1966); *United States v. Adams*, 383 U.S. 39 (1966).

Sys., Inc., 157 F.3d 1340, 1351-52 (Fed. Cir. 1998). On this subject, the Federal Circuit has explicitly forbidden the PTO from using its common sense. *In re Lee*, 277 F.3d 1338, 1345 (Fed. Cir. 2002).

By requiring that patents be granted for new combinations of known art unless a suggestion or motivation to combine can be documented, the Federal Circuit's suggestion test has lowered the standard of inventiveness for patents in information technology. Since most advances in information technology are new combinations of known elements, the effect is to open the floodgates to trivial combinations that nobody has bothered to document. In essence, the Federal Circuit has attempted to reduce the subjectivity inherent in the "person having ordinary skill in the art," but in doing so lowered the threshold of invention to a mere variant of the novelty standard.

This low standard of inventiveness results in clutter, obfuscation, and uncertainty. By trivializing patents, the low standard makes it impractical to read patents as a source of knowledge and insight. It has even made it impractical to conduct clearance searches, the risks and costs of inadvertent infringement notwithstanding. These impracticalities not only vitiate the public disclosure function of the patent system, they contribute to an atmosphere of pervasive uncertainty that inevitably discourages investment in the information technology sector.

Despite the fact that the IT sector is poorly served by low standards of patentability, a combination of professional, institutional, and industry interests favoring a greater volume of patents now obstructs reform of these standards. Over the long term, the inflationary effect that low standards produce is counterproductive. It dilutes the value of patents, adds greatly to costs and risks, and undermines the case for a unitary patent system.

The suggestion test raises further questions about the necessary specificity of "suggestion" or "motivation." Is the first person to propose implementing known processes such as reverse auctions or academic testing on the Internet (a known, nonproprietary platform) entitled to a patent? Is a columnist's comment that entrepreneurs should try to be the first to implement common business processes on the Internet sufficient to defeat patents on all such combinations? Or must the comment refer more specifically to auction models? In many cases, these combinations may be so obvious that no one would bother to document them or care to read about them, yet under the Federal Circuit's view of nonobviousness, their very pedestrian nature will render them inventive.

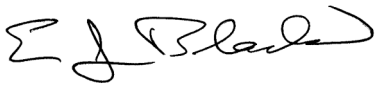
Given the broad relevance of this problem, review of this issue is inevitable. The price of delaying such review is too high. The fundamental role of obviousness in the question of patentability ensures that costs of the Federal Circuit's reformulated nonbviousness test will worsen with time. Thus, if the Court fails to intervene at this point, more questionable patents will issue and more uncertainty-driven litigation will occur. The Patent Office issues over 180,000 patents each year, thousands of which could be improperly reviewed or issued if the Federal Circuit's standard ultimately

proves inconsistent with the Court's jurisprudence.

The patent system is an crucial engine of innovation when functioning correctly. High technology companies such as those represented by CCIA and OSAIA depend on its proper function to ensure a return upon their investments in research and development. When it is distorted or obfuscated by uncertainty or inconsistency in federal case law, however, the patent system can be as much of a disincentive to innovation as a promoter of it. It is therefore crucial that the Court hear the *KSR International* petition to resolve current uncertainties.

Thank you for considering our views on this matter.

Sincerely,



Edward J. Black
President & CEO
Computer & Communications Industry Association
Open Source & Industry Alliance

CCIA is an international, nonprofit association of computer and communications industry firms, representing a broad cross section of the industry. CCIA is dedicated to preserving full, free and open competition throughout its industry. CCIA members employ more than 600,000 workers and generate annual revenues in excess of $200 billion.

OSAIA, a project of the Computer & Communications Industry Association, represents the interests of open-source developers and users around the world. Members include many of the world's most prominent open-source companies and organizations, all of which support the right to use, develop, modify and share open source software.