

Open Source's New Weapon: KSR v. Teleflex Ruling

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Tuesday, May 29, 2007 --- One of the most contentious and groundbreaking decisions in the last 20 years, the Supreme Court's ruling on the definition of obviousness has opened the floodgates to challenging all hosts of technology patents—and its timing couldn't be better for the open source community.

In mid-May, Microsoft made, for the first time ever, specific claims of patent infringement against free-ware users, after it announced that the Linux operating system and other free software providers were infringing on 235 of the company's patents.

Though most copyright laws limit reproduction in order to collect a fee, the “copyleft” law of the open source community ensures that open source programs stay free. Companies are allowed to sell media, packaging and documentation as well as offer services to help maintain and install open source software, but are forbidden from distributing the programs themselves for a price.

The open source community has been a thorn in Microsoft's side for years, and current CEO Steve Ballmer has been especially vocal about how his company ought to “get the appropriate economic return for our shareholders from our innovation.”

Though the company did not say exactly what patents were infringed, Microsoft general counsel Brad Smith alleged that the Linux kernel violated 42 of Microsoft's patents, while its user interface and design elements infringed on another 65. Meanwhile, a free competitor to Microsoft Office, OpenOffice.org, was accused of infringing on 45 patents.

But the community may have found a new weapon against the software giant, now that the Supreme Court's late April ruling in *KSR International Co. v. Teleflex Inc.* has made it easier to question the obviousness of patents.

At the center of that case was the test used by the Federal Circuit to determine if a patent was too obvious: the “teaching-suggestion-motivation” test (TSM). The test is used to prove that a person of ordinary skill in a given industry would combine earlier findings in the same manner claimed in the patent.

In its decision, the Supreme Court rejected the “rigid approach of the Court of Appeals,” instead finding that though inventors could consider prior

inventions while creating new works, the new combination must be novel in order to be patentable.

The ruling “puts the whole standard of determination of obviousness in a flux,” said Robert G. Sterne, the founding director of IP boutique Sterne Kessler Goldstein & Fox PLLC and co-counsel for Teleflex in the Supreme Court.

“Any patent right now is more likely to be challengeable on the subject of obviousness...there's a huge discussion going on of the practical implications of the KSR v. Teleflex case and how it applies to software patents in particular,” Sterne said.

The ruling is particularly fitting for the open source community, which has long argued that many, if not all, software patents shouldn't have been patented in the first place.

“There's two different camps in the open source community,” explained Jason Schultz of the Electronic Frontier Foundation, a non-profit organization that has often challenged patents that it argues restricts free speech and innovation.

“Some people question software patents on the whole since there's a rule in patent law saying that you can't patent a mental process, math, or a rule of nature. Those people say that since software is a mathematical algorithm, we don't need those [patents].”

“Other people are saying that lots of patents are so obvious that, even under patent guidelines, they shouldn't have been awarded anyway...things like web pages or the electronic shopping cart—these are ideas that had existed before being implemented digitally...it creates roadblocks to innovation by patenting obvious stuff,” Schultz said.

Stephen J. Akerley, a partner at McDermott Will & Emery LLP who has represented numerous technology companies, said that some in the open source community were frustrated with the quality of many patents that had been issued, and that their frustration tended to color their opinions on software patents.

“Fueling the desire of the open source community for software to not have patent protection is, partially, that some patents shouldn't have been issued even with software patent protection available,” he said.

Richard T. Ruzich, a litigation attorney at Epstein Becker & Green PC, said he disagreed that software was obvious in and of itself.

“There are innovations in the software community that are very important and are very patentable, just like the light bulb or the internal combustion engine.”

Sterne also contended that software should remain patentable, considering

how much of the United States' competitiveness in the international market place resides in its software prowess.

“So much innovation today is part software and part hardware. It makes no logical sense to say that the hardware can be patentable, but the software can't be.”

But since *KSR v. Teleflex* had ushered in a completely new standard for obviousness, “You can assume that behind closed doors there will be more discussions and defenses raised on obviousness—a lot of searching of prior software technology and more scrutiny paid to prior art” for software, Sterne said.

The Supreme Court ruling puts Microsoft into a precarious position, should it decide to try litigating on its patents, since “all Microsoft's patents were obtained under the old approach [of determining obviousness]. Since we don't know what the new approach will be yet, there's going to be a lot of uncertainty and intense analysis on this subject,” Sterne said.

“The patents that Microsoft is asserting against the open source community—if they're a combination of old elements, then they could be applicable to *KSR*,” Ruzich concurred.

Thomas Goldstein, head of Akin Gump Strauss Hauer & Feld LLP's Supreme Court practice and lead counsel for Teleflex before the Supreme Court, also agreed that *KSR* would give momentum to open source's challenge of software patents, but added that “how far they'll get is still absolutely an open question.”

“[The obviousness of software patents is] certainly not the current law and *KSR v. Teleflex* doesn't go anywhere near that...you wouldn't read *KSR* and in anyway regard it as a fundamental challenge to software.”

But Ackerly contended that, like every other patent holder from here on out, “[Microsoft] will face an obviousness challenge in any patent case that it brings and *KSR* certainly makes the obviousness claim easier to assert.”

“The question will be if Microsoft fears the risk to its portfolio to be great enough that it will lessen the hard stance that it's taken. It might make Microsoft think twice about bringing this to court,” Elizabeth Morgan, a patent attorney at Epstein Becker & Green, said.

But even if Microsoft decides not to make the first move, the possibility that the open source community might take the initiative in trying to declare the software giant's patents obvious is only limited by the potential cost of litigation.

“There are a lot of junk software patents out there. I don't think anybody who's viewed what the patent office has done in recent years would disagree, except maybe the patent holders...and I think that many would

agree that a lot of those patents will be invalidated, it'll just be very expensive," Morgan said.

Should they choose to use it or not, "[the KSR v. Teleflex ruling] will be a great tool in the open-source community's arsenal," Schultz confirmed, and one that Microsoft should definitely look out for.