

Federal Circuit Patent Bulletin: *Arendi S.A.R.L. v. Apple Inc.*

August 10, 2016

"[For purposes of an obviousness analysis, the] 'use of common sense does not require a 'specific hint or suggestion in a particular reference,' only a reasoned explanation that avoids conclusory generalizations."

On August 10, 2016, in *Arendi S.A.R.L. v. Apple Inc.*, the U.S. Court of Appeals for the Federal Circuit (Moore, Linn, O'Malley*) reversed the Patent Trial and Appeal Board inter partes review decision that U.S. Patent No. 7,917,843, which related to a beneficial coordination allowing a user to access and conduct a search using the second computer program while remaining in the first computer program displaying the document, was invalid as obvious under 35 U.S.C. § 103. The Federal Circuit stated:

A patent is obvious "if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains." In reaching this conclusion, the court must avoid "hindsight bias and must be cautious of arguments reliant upon ex post reasoning." Though less common, in appropriate circumstances, a patent can be obvious in light of a single prior art reference if it would have been obvious to modify that reference to arrive at the patented invention.

The single question at issue here is whether the Board misused "common sense" to conclude that it would have been obvious to supply a missing limitation in the Pandit prior art reference to arrive at the claimed invention. It is true that common sense and common knowledge have their proper place in the obviousness inquiry. "Common sense has long been recognized to inform the analysis of obviousness if explained with sufficient reasoning." "In KSR, the Supreme Court criticized a rigid approach to determining obviousness based on the disclosures of individual prior-art references, with little recourse to the knowledge, creativity, and common sense that an ordinarily skilled artisan would have brought to bear when considering combinations or modifications." Hence, we do consider common sense, common wisdom, and common knowledge in analyzing obviousness.

But there are at least three caveats to note in applying "common sense" in an obviousness analysis. First, common sense is typically invoked to provide a known motivation to combine, not to supply a missing claim limitation. "An implicit motivation to combine exists not only when a suggestion may be gleaned from the prior art as a whole, but when the 'improvement' is technology-independent and the combination of references

results in a product or process that is more desirable.” [O]ur cases repeatedly warn that references to “common sense”—whether to supply a motivation to combine or a missing limitation—cannot be used as a wholesale substitute for reasoned analysis and evidentiary support, especially when dealing with a limitation missing from the prior art references specified. Indeed, we stated that although there is no problem with using common sense “without any specific hint or suggestion in a particular reference,” the Board’s “utter failure to explain the ‘common knowledge and common sense’ on which it relied” is problematic. . . .

Arendi argues there was no evidence, much less substantial evidence, to support the Board’s presumption that, as a matter of common sense, the subroutine in Pandit for “Add to address book” would start by searching for duplicate telephone numbers before adding the number to an entry for a contact in the book. Arendi is correct that Pandit itself is not about a search and does not mention or imply that a search of any kind is involved with the “Add to address book” function that is the subject of the parties’ dispute. Rather, Pandit is about text-dependent word recognition. Moreover, as the Board stated and Appellees do not directly attempt to rebut on appeal, “Petitioner submits that Pandit discloses each limitation of illustrative claim 1 except for performing a search as specified in step (i) of the claim.” Thus, we are facing a scenario in which the prior art reference is missing a particular limitation.

[B]oth parties describe the patented technology as directed to searching for information related to text in a document and performing an action using the information found by the search. [T]his is not a case about “peripheral” limitations or about the Board substituting documentary evidence of a motivation to combine with its expertise about common motivations in that field of technology. Instead, it is about whether the Board accepted “a conclusory assertion from a third party about general knowledge in the art without evidence on the record, particularly where it is an important [] limitation that is not evidently and indisputably within the common knowledge of those skilled in the art.” Thus, we must approach the question of “common sense” in this case with the fact that the search is an important limitation in mind.

[U]nlike a search for the contact name, a search for only a phone number would not reveal that a contact name to which the phone number needs to be added already exists in the database, but lacks the number. In other words, a search for a phone number would not reveal that entering the number and the name would create a duplicate name entry where the number is brand new, but the contact name already exists in the database. For example, if John Smith had two phone numbers and “John Smith” was already in the database with one phone number, searching the database for the second, new number to be added to “John Smith” would not reveal that “John Smith” is already in the database. Searching for a phone number would, in fact, generate duplicate entries.

Only a search for “John Smith” could be relied upon to determine whether “John Smith” is in the database. Yet the Board overlooked this common sense distinction, stating instead, with no elaboration, that “[s]earching a database for a telephone number in Pandit’s system, and displaying results, would be no different in substance from searching a database for a name, and displaying results, in the disclosed example in the ‘843 patent.” This kind of conclusory statement is insufficient to justify a conclusion about “common sense.”

The “use of common sense does not require a ‘specific hint or suggestion in a particular reference,’ only a reasoned explanation that avoids conclusory generalizations.” But conclusory statements and unspecific expert testimony regarding searches in general are precisely what the Board relied upon in drawing its conclusion that it would have been “common sense” to search a database for a telephone number to be added. In so doing, the Board ignored Arendi’s arguments regarding the differences between searching for duplicate entries with a telephone number versus with a name or address. And these errors were particularly problematic considering the fact that a key limitation of the ‘843 patent was missing from the prior art reference in dispute.

We find, moreover, that this is not a case where a more reasoned explanation than that provided by the Board can be gleaned from the record. We conclude, in fact, that the application of common sense to the evidence of record would lead to a conclusion that the petitioner failed to meet its burden of establishing unpatentability of the ‘843 patent on obviousness grounds.