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Obviousness

Fed. Cir. Limits 'Common Sense' Application To Patent Obviousness; Apple, Google Losers

■ *PTAB patent invalidity ruling reversed for overdoing ''common sense''-based invalidity*

■ *Patent on linking between info in document and phone book search can be asserted against Apple, Google, others*

The Federal Circuit Aug. 10 overturned a decision favoring Apple Inc. and Google Inc. as it clarified limits on invalidating patents based on ''common sense'' improvements over prior inventions (*Arendi S.A.R.L. v. Apple Inc.*, 2016 BL 258032, Fed. Cir., No. 2015-2073, 8/10/16).

The ruling, which reversed the Patent Trial and Appeal Board, allows Luxembourg-based Arendi S.A.R.L. to return to federal court with a valid patent against nine companies, primarily for uses in mobile phone applications. The court said a patent can be found invalid for obviousness based on a common-sense combination of what is already known, and the PTAB can fill in gaps using its own expertise, but it must give a ''reasoned explanation'' that backs up its opinion.

The court did not remand to give the board the opportunity to explain its reasoning, though. Instead, it reversed because it saw nothing in the record that could be an adequate, common-sense justification for the PTAB's ruling.

High Tech Giants Sued. Arendi S.A.R.L. asserted U.S. Patent No. 7,917,843 and two other patents in the U.S. District Court for the District of Delaware in 10 different complaints. The patent covers extracting contact information—phone numbers, names, addresses, etc.—from a document and, upon user request, adding the information to a personal phone book or taking some other action based on a phone book lookup.

Currently open cases are against Apple, Google, Google's Motorola Mobility LLC subsidiary, Blackberry Corp., Nokia Corp., HTC Corp., Samsung Electronics Co., LG Electronics Mobilecomm USA Inc. and Yahoo! Inc. Allegedly infringing products include smartphones, tablets, computers and computer applications, like Google Mail and Yahoo Mail.

Apple and Google challenged the patent in a petition filed in December 2013, and the district court cases were stayed pending the result.

The board instituted trial on 18 out of the 44 patent claims challenged and issued a final decision generally tracking the trial institution decision.

When Common Sense Makes Sense. Key to the case here was the search element of the claims. The PTAB had invalidated the '843 patent claims because a prior art patent extracted contact information and performed actions based on the information. One of those actions was to add the contact to the phone book. The missing piece was whether it would first check to see if the contact already existed.

The Federal Circuit considered that a ''missing limitation [that] goes to the heart of an invention.'' And it said that the board—and presumably any federal court as well—has to be particularly convinced that common sense or common knowledge could fill in a gap of that level of importance.

It therefore distinguished:

■ the ''peripheral'' missing limitation at issue in *K/S HIMPP v. Hear-Wear Technologies, LLC*, 751 F.3d 1362, 110 U.S.P.Q.2d 2027 (Fed. Cir. 2014) (102 PTD, 5/28/14);

■ cases where the limitation is ''unusually simple and the technology particularly straightforward,'' as in *Perfect Web Techs., Inc. v. InfoUSA, Inc.*, 587 F.3d 1324, 92 U.S.P.Q.2d 1849 (Fed. Cir. 2009) (232 PTD, 12/7/09); and

■ the more typical use of common sense—to show why it would be obvious to combine elements in different prior art references—in *DyStar Textilfarben GmbH & Co. Deutschland KG v. C.H. Patrick Co.*, 464 F.3d 1356, 80 U.S.P.Q.2d 1641 (Fed. Cir. 2006) (197 PTD, 10/12/06).

Despite a ''heart of the invention'' missing element, the court said, the board relied on ''unspecific expert testimony''—on broader aspects of database search rather than the specific lookup here—and conclusory statements such as that a person of skill in the art would obviously not want to have duplicate phone book records.

What Happens Next? This case applied only to the '843 patent. Arendi is also asserting related U.S. Patent Nos. 7,496,854 and 8,306,993 against the defendants.

The board canceled all the claims of the '854 patent in June 2015, which Arendi appealed separately. The Federal Circuit affirmed invalidity of that patent, without opinion, on July 11.

However, Google and Samsung failed in attempts to challenge the '993 patent. They could not appeal deni-

als of their petitions, so the Delaware court cases will go forward with that patent intact as well.

Judge Kathleen M. O'Malley wrote the court's opinion, which was joined by Judges Kimberly A. Moore and Richard Linn.

Sunstein Kann Murphy & Timbers LLP, Boston, represented Arendi. Morrison & Foerster LLP, Washington, represented Apple. Turner Boyd LLP, Redwood City, Calif., represented Google and Motorola Mobility.

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