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## Federal Circuit Court of Appeals Limits Common Sense in Obviousness Determinations in Patent Claims

On August 10, 2016, the Federal Circuit Court of Appeals tightened the usage of common sense and in doing so clarified the criteria for applying it in an obviousness determination. *Arendi S.A.R.L., Appellant v. Apple Inc., Google Inc., Motorola Mobility LLC, Appellees*, 2016 WL 4205964, at \*4 (Fed. Cir. Aug. 10, 2016). The narrowing of the application of common sense could be taken as a response by the Federal Circuit to limit the number of claims invalidated by the Patent Trial and Appeal Board (PTAB) during post grant reviews.

Initially, Appellant sued the Appellees for infringement of U.S. Patent No. 7,917,843 ('843 Patent). The Appellees responded by filing a petition requesting an Inter Parties Review (IPR) of the '843 claims, at which point, the PTAB agreed and instituted an IPR. In the proceeding, the Appellees alleged that a single reference contained all but one limitation of the representative claim, which was, as a matter of common sense, known and reasonable at the time of the reference. The PTAB agreed and invalidated the claims, finding that it would be "reasonable to presume, as a matter of common sense: that the reference would necessarily contain the missing limitation." *Id.* at 3.

The Federal Circuit, under the substantial evidence standard, overturned the PTAB decision. *Id.* at 8-9. Initially, the court took the opportunity to clarify and highlight three guideposts to follow applying common sense in an obvious determination. First, common sense is most often invoked to provide a motivation to combine prior art. *Id.* at 4. Second, where common sense is used to supply the missing limitation, the limitation must be simple and straightforward. *Id.* at 5. Third, regardless of the manner, common sense "cannot be used as a wholesale substitute for reasoned analysis and evidentiary support. . . ." Moreover, "a conclusory assertion from a third party about general knowledge in the art without evidence on the record, particularly where it is an important structural limitation that is not evidently and indisputably within the common knowledge of those skilled in the art is not sufficient substantial evidence to support the PTAB's finding." *Id.* (internal cites omitted).

Applying the guideposts, the court generally agreed that the broader notions were put forward in the reference and the Appellees' expert testimony. However, there was no substantial evidence (and only attorney argument) to show why it would be common sense to extrapolate from this general knowledge, and add explicitly the "key" missing limitation. *Id.* at 7.

The court concluded by stating, "Because the Board's presumption that adding a search for phone numbers to Pandit would be 'common sense' was conclusory and unsupported by substantial evidence, the missing limitation is not a 'peripheral' one, and there is nothing in the record to support the Board's conclusion that supplying the missing limitation would be obvious to one of skill in the art, we reverse the Board's finding of unpatentability." *Id.* at 9.

The *Arendi* decision provides a measure of guidance for patent holder and petitioner alike. From the patent holder's perspective, common sense cannot supplement reasoned analytics and substantial

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evidence. Even though 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” will be permitted. *Id.* at 8. From a petitioner’s perspective, the court has cemented the use of common sense to supply a missing element, and provided a detailed roadmap for its usage. While it is highly likely that the petitioners will see continued success in post grant reviews, *Arendi* serves as a reminder that the petitioner must ensure that the record is complete with sufficient evidence, testimony and, most importantly, reasoned analysis. This analysis needs to offer details of the general knowledge in the art, and why the addition of the missing element would be common sense.

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