ARENDI S.A.R.L. v. APPLE INC., Appeal No. 2015-2073 (Fed. Cir. August 10, 2016). Before Moore, Linn and O'Malley. Appealed from Patent Trial and Appeal Board.

Background:

Apple Inc., Google Inc. and Motorola Mobility LLC ("Appellees") filed a petition requesting an inter partes review ("IPR") of claims of a patent owned by Arendi. The Patent Trial and Appeal Board ("Board") instituted an IPR proceeding, and as a result of its review, the Board concluded that claim 1 of the patent was obvious over a single reference (U.S. Patent No. 5,859,636 to Pandit). In particular, although the Board acknowledged that Pandit did not expressly disclose "performing a search," as required by claim 1 of the Arendi patent, the Board concluded that it would be "common sense" to one skilled in the art to search for a duplicate telephone number so as to meet the limitations of claim 1. Arendi appealed the Board's decision, asserting that the Board had erred in its conclusion of obviousness because "common sense" may be applied only when combining references that disclose all the required limitations of the claim.

Issue/Holding:

Did the PTAB err in applying "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? Yes, reversed.

Discussion:

The Federal Circuit held that the Board misused "common sense" to conclude that it would have been obvious to supply a missing limitation in Pandit to arrive at the invention taught by the Arendi patent. Although the Federal Circuit recognized that common sense may be considered in an obviousness inquiry, the court identified at least three caveats to the application of common sense in an obviousness analysis. First, common sense may be invoked to provide a known motivation to combine. Second, common sense may be invoked to supply a missing claim limitation, when the missing limitation is "unusually simple and the technology particularly straightforward." Third, common sense cannot be a substitution for "reasoned analysis and evidentiary support," particularly when the prior art is missing a limitation.

Here, Appellees argued that "data is data," and thus, if Pandit teaches searching a database for data, then searching the database for a duplicate telephone number, as required by the claims, is common sense. The Federal Circuit agreed that Pandit broadly teaches searching for data, but found that Appellees failed to show why it would be common sense to extrapolate from this broad teaching of merely searching for data, to the required teaching of searching for a duplicate telephone number. Thus, the Federal Circuit held that the Board's finding that it would be common sense to supply the missing limitation was a conclusory statement, which lacked evidentiary support.