Keywords: obviousness rejection requirements; 35 U.S.C. § 103; broadest-reasonable-interpretation of claims

General: An obviousness rejection requires identification of each claim element *and* motivation to combine.

Personal Web Technologies, LLC, v. Apple, Inc.,
U.S. Court of Appeals for the Federal Circuit
No. 2016-1174
Decided: February 14, 2017

I. Facts

Apple Inc. ("Apple") petitioned for *inter partes* review of claims 24, 32, 70, 81, 82, and 86 of PersonalWeb Technologies, LLC's ("PersonalWeb") U.S. patent No. 7,802,310 ("'310 patent") for unpatentability under 35 U.S.C. § 103 for obviousness based on a combination of U.S. Patent No. 5,649,196 (the "Woodhill reference") and U.S. Patent No. 7,359,881 (the "Stefik reference").

PersonalWeb's '310 patent generally describes sending a request, including a "content-dependent name" of a data item, from one computer to another. The "content-dependent name" is compared to a list (e.g., "a plurality of values") to determine whether the "content-dependent name" is on the list. Access is then granted or denied to the data item based on whether the "content-dependent name" is on the list. Generally, the Woodhill reference focuses on a system for backing up or restoring data and Stefik focuses on a system for managing rights to access data.

On March 25, 2015, after conducting the inter partes review of the '310 patent, the Patent Trial and Appeal Board ("the Board") issued its Final Written Decision, holding the claims in question unpatentable as obvious based on a combination of the Woodhill and Stefik references. Particularly, in the Board's decision, the Board's most substantial discussion simply agrees with Apple's contention that a person of ordinary skill in the art, having read the references, would have understood that the combination of Woodhill and Stefik would have allowed for features of Stefik to be combined with features of Woodhill. It should also be noted, that in the Board's review of the '310 patent, the Board applied the broadest-reasonable-interpretation ("BRI") standard in construing the claims. On April 24, 2015, thirteen days after the '310 patent expired, PersonalWeb sought rehearing, which the Board later denied. PersonalWeb then appeals the Final Written Decision for most of the claims in question.

In the appeal, PersonalWeb challenged the adequacy of the Board's findings and its explanation in concluding that claims of the '310 patent would have been obvious in view of a combination of Woodhill and Stefik. PersonalWeb also challenged the Board's construction of the claim term "content-dependent name" (and other similar claim terms). For example, the Board construed the claim term to mean "an identifier…based…on a given function of at least some of the bits…of the particular data item." *Apple v. Personal Web, 2015 WL 1777147.* Particularly, PersonalWeb argued that, because the '310 patent expired after the Final Written Decision was issued and while the rehearing request was pending, the Board should not have relied on the BRI standard. PersonalWeb also argued that the claim term "content-dependent name" relies on "'all of the data

in the data item'", as oppose to "at least some" of the data, citing a district court's claim construction in separate litigation.

II. Issues

1) Did the Board *adequately* conclude that the claims in question would have been obvious based on a combination of Woodhill and Stefik?

2) Did the Board err in its claim construction, and more particularly, in applying the BRI standard?

III. Discussion

1) No. In finding the '310 patent obvious in view of the references, the Board first, had to find *all* of the elements of the '310 patent's claims in question, and second, had to find and explain that a person of ordinary skill would have been motivated to combine the references as claimed by the '310 patent with a reasonable expectation of success. Further, the Court cited *Lee*, 277 F.3d at 1342, stating, "[for] judicial review to be meaningfully achieved within these strictures, the agency tribunal must present a full and reasoned explanation of its decision."

Overall, the Court found the Board's decision lacking in both evidence and explanation. For example, claim 24 of the '310 patent requires the content-dependent name to be compared to a "plurality of values." The Board found this element satisfied, stating "the process of matching the identifier…would involve comparing it with a plurality of values…" However, in the Board's discussion of the element, the Board only mentioned Stefik and not Woodhill, yet Apple solely relied on Woodhill for the element (e.g., the plurality of values).

The Court also determined that the Board's reasoning is deficient in its finding that a person of ordinary skill in the art would have been motived to combine the references, as claimed by the '310 patent, with a reasonable expectation of success. For example, the Court held that the Board's reasoning, mentioned above, "seems to say no more than that a skilled artisan, once presented with the two references, would have understood that they *could* be combined. And that is not enough: it does not imply a motivation to pick out those two references and combine them to arrive at the claimed invention." Particularly, the Board did not explain, or cite evidence showing, *how* the combination of the references is supposed to work. The court also mentioned that the level of explanation should positively correlate with the complexity of the technology and the prior art.

2) No. Regarding application of the BRI standard, 37 C.F.R. § 42.1010(b) states simply that, in the IPR setting, the BRI standard is applied to "[a] claim in an unexpired patent." More specifically, the Court recently held the BRI standard *inapplicable*, outside the IPR setting, where the patent at expires in a reexamination *before* the Board reviewed the examiner's decision. *In re CSB-Sys. Int'l, Inc.*, 832 F.3d 1335, 1340-41 (Fed. Cir. 2016). Further, although not applicable to this case, a recent revision to 37 C.F.R. § 42.1010(b) specifies that an IPR party may "request a district court-type claim construction approach to be applied" if the patent will expire within 18 months of the IPR petition's filing.

Regarding the claim construction of the claim term, "content-dependent name," the court held that the language is plain from the face of the claims, particularly, that the "content-dependent name" need not be based on "all" of the information in the associated data item. Moreover, the

'310 patent later adds the limitation of the "content-dependent name" requiring use of "all" of the data in dependent claim 32, thereby further affirming the Board's claim construction.

IV. Conclusions

The court remands in part, "not for an explanation or clarification of what the Board meant in the decision…[but to] reconsider the merits of the obviousness challenge, within proper procedural constraints."

-When reviewing obviousness rejections in Office Actions, make sure that the Examiner has explicitly identified every element in the claim, has adequately explained that a person skilled in the art would have been motivated to combine references with a reasonable expectation of success, and has explained *how* the references would be combined.

V. Index

Relevant claims of PersonalWeb Technologies, LLC's U.S. Patent No. 7,802,310:

24. A computer-implemented method implemented at least in part by hardware comprising one or more processors, the method comprising:
(a) using a processor, receiving at a first computer from a second computer, a request regarding a particular data item, said request including at least a *content-dependent name* for the particular data item, the *content-dependent name* being based, at least in part, on at least a function of the data in the particular data item, wherein the data used by the function to determine the *content-dependent name* comprises at least some of the contents of the particular data item, wherein the function that was used comprises a message digest function or a hash function, and wherein two identical data items will have the same *content-dependent name*; and
(b) in response to said request:
(i) causing the *content-dependent name* of the particular data item to be compared to *a plurality of values*;
(ii) hardware in combination with software determining whether or not access to the particular data item is unauthorized based on whether the *content-dependent name* of the particular data item corresponds to at least one of said plurality of values, and
(iii) based on said determining in step (ii), not allowing the particular data item to be provided to or accessed by the second computer if it is determined that access to the particular data item is not authorized.

32. The method of claim 24 wherein the data used by the function to determine the *content-dependent name* of the particular data item comprises of all of the contents of the particular data item.