

Fed. Circ. In September: The Scope Of Analogous Prior Art

By **Jeremiah Helm** (September 29, 2023)

The U.S. Court of Appeals for the Federal Circuit's recent *Netflix Inc. v. DivX LLC* decision addresses an appeal from an inter partes review that turned on the often-overlooked requirement that any prior art must be analogous art.

The Sept. 11 decision discusses the patent challenger's burden to proffer evidence and arguments that any cited art is from the same field of endeavor or reasonably pertinent to the invention's problem being solved.

As practitioners are likely aware, a skilled artisan is given knowledge of all prior art. As the court explained in *Netflix*, however, that imputed knowledge does not extend to all art. Instead, the art available to a person of ordinary skill in the art is limited to only the artisan's field of endeavor at the time the invention was made.

Thus, a reference is within the skilled artisan's purview, and only qualifies as prior art for an obviousness analysis, if it is analogous to the claimed invention. A finding that a reference is not analogous art removes it from the obviousness determination.

There are two separate tests that define the scope of analogous prior art.^[1] First, the art may be analogous if it is from the same field of endeavor, regardless of the problem addressed.

Second, even if the reference is not within the field of the inventor's endeavor, the reference may still be used in the obviousness analysis if it is reasonably pertinent to the particular problem with which the inventor is involved.

The analogous art determination is fact-specific, and the field of endeavor analysis relies on, among other things, explanations of the invention's subject matter in the patent. The scope of the inquiry thus varies depending on the patent's disclosure.

Since *Netflix* involves the question of whether a piece of art was analogous to the invention, the court reviewed the challenged patent, U.S. Patent No. 8,472,792. The court explained the '792 patent is generally directed to encoding, transmission and decoding of multimedia files.

One of the file formats discussed in the patent is Microsoft's Resource Interchange File Format, which is used for storing multimedia information. A special version of the RIFF format is the Audio Video Interleave file, which includes storage structures called "chunks." The '792 patent implements a multimedia file based on the AVI structure with an additional chunk.

During the inter partes review *DivX*, the patent owner, argued that one of the cited references was nonanalogous art. *DivX* relied on testimony from its expert asserting that the field of endeavor for the challenged patent was "facilitating trick play functionality in multimedia content that is streamed or downloaded over the internet."

DivX's expert opined that *Kaku* does not indicate that it "has anything to do with enabling



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trick play functionality." DivX also argued that Kaku was not reasonably pertinent to the problem the inventor sought to address.

Netflix's reply argued that because Kaku disclosed the AVI file format, it could be considered for its AVI teachings even though Kaku was admittedly primarily directed to a camera.

Netflix asserted that because the '792 patent broadly discussed encoding and decoding of multimedia files, and Kaku teaches encoding and decoding AVI files, it was reasonably pertinent to the invention. DivX's sur-reply argued that Netflix did not meet its burden to establish Kaku was analogous art because Netflix did not expressly identify the field of endeavor or the reasonably pertinent problems addressed by either the '792 patent or Kaku.

The Patent Trial and Appeal Board agreed with DivX and held the claims not unpatentable. The board rejected Netflix's obviousness argument because it found that Netflix did not meet its burden to demonstrate that Kaku is analogous art under either the "field of endeavor" or "reasonable pertinence" tests. The board reasoned that Netflix could not meet the field of endeavor test without identifying the field of endeavor for either the patent or Kaku.

And the board found that Netflix did not meet its burden to demonstrate Kaku was reasonably pertinent based on DivX's expert's testimony that the problem the '792 patent sought to solve was facilitating trick play functionality in streaming media, a problem to which Kaku was not reasonably pertinent.

The appeal presented two issues. First, Netflix asserted the board erred by requiring it to specifically use the words "field of endeavor" in its arguments. The court agreed that the board abused its discretion by requiring an express statement of a particular field of endeavor. The court explained, "our precedent does not require the use of magic words" in the analogous art analysis. Instead, the board should have looked to the substance of Netflix's arguments regarding the overlap of Kaku's disclosure and the patent's disclosure.

The court also indicated that the board should take a flexible approach when determining whether an issue was raised in the briefing. The court criticized the board's "unduly rigid requirement" for an express statement of the issue and explained that sometimes "general language is sufficient to allow the board to consider alternative arguments on the merits." Thus, even if the briefing does not expressly define a field of endeavor, the briefing when read as a whole may raise and address the analogous art argument.

Thus, the court disagreed that Netflix's reply brief was so deficient as to not present any argument as to the field of endeavor at all. In that circumstance, the court concluded it was an abuse of discretion for the board to refuse to engage in the field of endeavor analysis. The court remanded with an instruction that the board fully consider whether the '792 patent and Kaku share a field of endeavor.

Second, Netflix also challenged the board's finding that Kaku was not reasonably pertinent to the problem addressed by the '792 patent. Unlike the field of endeavor analysis, the court found the board engaged in a substantive analysis supported by substantial evidence. The court affirmed this part of the board's decision, and specified the remand did not include reconsideration of the reasonably pertinent analysis.

The decision illustrates the importance of analogous art arguments in establishing or rebutting obviousness. Because the analogous art argument can remove a reference

entirely from consideration, it has the potential to materially undermine an inter partes review petition. A patent challenger should be prepared to squarely address analogous art arguments on reply, and also select art that does not range too far afield when filing the petition in the first place.

More generally, Netflix underscores the flexibility that the court expects from the board when determining whether issues were presented in the papers. Netflix suggests the court expects a full analysis from the board on case dispositive issues, even if "magic words" are not used in the parties' filings. In this instance because the factual underpinnings for the field of endeavor analysis were presented in the papers, the court concluded the board abused its discretion by short-circuiting the analysis.

This aspect of the court's decision has implications for both petitioners and patent owners, who should expect a fulsome analysis from the board on issues raised in the papers, even if no magic words identifying the issue were used.

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[1] Airbus S.A.S. v. Firepass Corp., 941 F.3d 1374, 1379 (Fed. Cir. 2019).