

Q.I. PRESS CONTROLS, B.V. v. LEE, Appeal Nos. 2012-1630, -1631 (Fed. Cir. June 9, 2014). Before Lourie, Bryson, and Hughes. Appealed from Board of Patent Appeals and Interferences (Judge Sui).

Background:

Quad/Tech, Inc. ("Quad/Tech") owns a patent relating to visual inspection systems that comprise an image recording device. In 2010, Q.I. Press Controls, B.V. ("Q.I. Press") initiated an *inter partes* reexamination of the patent alleging that the claims would have been obvious over various prior art references. The Examiner rejected the claims of the patent as obvious over various combinations of applied references. The Board of Patent Appeals and Interferences ("the Board") reversed the Examiner's obviousness rejection of a first group of claims of the patent, but affirmed the Examiner's obviousness rejection of a second group of claims, which were nearly identical to the first group of claims, but were rejected over a different combination of references. The only meaningful difference between the first and second groups of claims was that the image recording device of the first group of claims records "images printed on the substrate," whereas the image recording device of the second group of claims acquires an image "from a substrate on a printing press." Q.I. Press appealed from the decision of the Board reversing the Examiner's obviousness rejection. Quad/Tech cross-appealed from the decision of the Board affirming the Examiner's obviousness rejection.

Issues/Holdings:

Did the Board err in reversing the Examiner's obviousness rejection of the first group of claims? Yes, vacated and remanded. Did the Board err in affirming the Examiner's obviousness rejection of the second group of claims? No, affirmed.

Discussion:

The Federal Circuit determined that the Board did not err in concluding that the second group of claims of the patent would have been obvious over the applied combination of references because the claimed combination of features amounted to no more than a combination of familiar elements and yielded no more than predictable results.

As to the first group of claims, the Federal Circuit indicated that the Board should not always apply partially-applied references to every claim on appeal. However, in this instance, where nearly identical claims were found both valid and invalid due to similar combinations of prior art—resulting in a Board opinion that was seemingly inconsistent—the Federal Circuit held the Board erred by not considering the combination of references used to reject the second group of claims as a new ground for rejecting the first group of claims. The Federal Circuit found that the Board should have observed the similarities between the claims, noted those similarities between the claims and the references before the Board on appeal, analyzed whether the combination of references used to reject the second group of claims would have rendered the first group of claims obvious, and if so, issued a new ground of rejection. The Federal Circuit also indicated that when all these references were before the Board (and the Federal Circuit), an obligation is owed to the public not to permit inconsistent results when a proper challenge to that inconsistency is made on appeal. Accordingly, the Federal Circuit vacated the Board's decision to the extent that it held that the first group of claims would not have been obvious and remanded that portion of the case for further proceedings.