

IN RE STEED, Appeal No. 2014-1458 (Fed. Cir. October 1, 2015). Before Newman, Clevenger, and Dyk. Appealed from P.T.A.B.

Background:

Thomas Steed and his colleagues (collectively "Steed") applied for a U.S. patent application directed to a web-integrated debt collection system. During prosecution of this application, the Examiner rejected all claims as being obvious over a U.S. publication to Evans ("Evans"). Steed submitted a Declaration under 37 C.F.R. §1.131 and supporting exhibits in the attempt to antedate the Evans reference and thereby remove it as prior art. The Examiner found the Declaration and supporting exhibits to be insufficient, and he thus refused to withdraw the obviousness rejections. Steed then appealed to the Patent Trial and Appeal Board ("Board").

Steed included in his Appeal Brief additional evidence purporting to support his attempt to antedate the Evans reference, and he made new arguments during the oral hearing before the Board. The Board noted that it could not consider any evidence not already of record before the Examiner, and it similarly stated that it could not consider, absent a showing of good cause, any argument not previously included in the Appeal Brief or Reply Brief. The Board then upheld the Examiner's obviousness rejections based on Evans. Steed subsequently appealed.

Issue/Holding:

Did the Board err in holding that Steed had failed to antedate the Evans reference in accordance with the requirements of 37 C.F.R. §1.131? No, affirmed.

Discussion:

The Federal Circuit first discussed Steed's burden associated with antedating a reference under §131. It stated that Steed must demonstrate, with sufficient documentation, (i) actual reduction to practice of the claimed invention prior to the effective date of the Evans reference or (ii) conception of the claimed invention prior to the effective date of the Evans reference and diligence to actual or constructive reduction to practice. The Federal Circuit further noted that it reviews the Board's factual findings under the substantial evidence standard.

In applying §131, the Federal Circuit first dismissed the additional evidence provided by Steed at the oral hearing, quoting from the Patent Office's brief that "[t]he Board cannot be faulted for not reviewing evidence that was not presented to it or the Examiner." Then turning to the Declaration and accompanying exhibits that were in fact presented to the Examiner, the Federal Circuit agreed with the Board that these documents tie no specific dates or acts to the several elements recited in the claims, that the exhibits themselves are not self-explanatory, and that Steed has provided no context in which to consider these exhibits. The Federal Circuit thus concluded that substantial evidence supports the Board's findings against actual reduction to practice.

The Federal Circuit also held that substantial evidence supports the Board's findings against prior conception and diligence to constructive or actual reduction to practice. It particularly noted that Steed did not adequately explain his exhibits or how they showed conception of the claimed invention. And the Federal Circuit repeated the Examiner's comments that 57 months of time remain unaccounted for in Steed's attempt to show diligence.