DUNCAN PARKING TECHNOLOGIES, INC. v. IPS GROUP, INC., Appeals Nos. 2018-1205 and 2018-1360 (Fed. Cir. January 31, 2019). Before Lourie, Dyk, and Taranto. Appealed from the PTAB and from S.D. Cal. (Judge Bencivengo).

Background:

IPS Group ("IPS") held two different patents drawn to similar parking meters, the '054 Patent and the '310 Patent. In an IPR proceeding before the PTAB, Duncan Parking Technologies ("DPT") alleged that some of the claims of the '310 Patent were anticipated by the '054 Patent under pre-AIA 35 U.S.C. §102(e).

The '054 Patent named as inventors David King and Andrew Schwarz. And the '310 Patent named as inventors David King as well as several engineers from an outside company. In response, IPS argued that the '054 Patent was not prior art under pre-AIA §102(e) because the '054 Patent was not a "patent by another," as required by pre-AIA §102(e). Although the two patents did not share identical inventors, IPS argued that the anticipatory portions of the '054 Patent were solely the work of David King and thus not "by another." The PTAB ruled in favor of IPS, finding that the '054 Patent was not a "patent by another" and thus did not anticipate the claims of the '310 Patent under pre-AIA §102(e). DPT appealed to the Federal Circuit.

Issues/Holdings:

Did the PTAB err in holding that the '054 Patent was not "by another" under pre-AIA §102(e)? Yes, reversed.

Discussion:

The Federal Circuit heard DPT's appeal from the PTAB. Because IPS did not dispute that the '054 Patent, if prior art, would anticipate the claims of the '310 Patent, the court limited its analysis to whether the '054 Patent was "by another" under pre-AIA §102(e). In evaluating this issue, the Federal Circuit examined the contributions of Schwarz, the only other named inventor on the '054 Patent. The court stated that "if Schwarz [was] a joint inventor of the anticipating disclosure, then it [was] by another." In deciding the issue, the court laid out the test: "the Board must (1) determine what portions of the '054 Patent were relied on as prior art to anticipate the claim limitations at issue, (2) evaluate the degree to which those portions were conceived 'by another,' and (3) decide whether that other person's contribution [was] significant enough, when measured against the full anticipating disclosure, to render him a joint inventor of the applied portions."

The court found that certain features of the '310 Patent claims clearly required electronic connections and components disclosed by Fig. 8 of the '054 Patent, which was largely the work of Schwarz. The court ruled that clearly "Schwarz's contribution to the invention defined by the '310 Patent claims, as disclosed in the '054 Patent, was significant in light of the invention as a whole." Thus, the Federal Circuit reversed the PTAB's decision.

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