

ARCTIC CAT INC. v. GEP POWER PRODUCTS, INC., Appeal Nos. 2018-1520 and 2018-1521 (Fed. Cir. March 26, 2019). Before Prost, Reyna and Taranto. Appealed from PTAB.

Background:

GEP petitioned the Board for inter partes reviews of all claims in two patents invented by Mr. Janisch and owned by Arctic Cat. The Board instituted the reviews on several grounds of anticipation and obviousness over various combinations of prior art references, each of which included U.S. Patent No. 6,850,421 (Boyd). During the proceedings, Arctic Cat argued that Boyd was not applicable as prior art because Mr. Janisch invented the subject matter of the claims at issue before the April 1, 2002 priority date of Boyd.

However, the Board found that Mr. Janisch did not fully establish diligence throughout the critical period between April 1, 2002 and October 29, 2002, from which Arctic Cat's patents claim priority. This is because Mr. Janisch's declaration of his personal activity in reducing the invention to practice included gaps between April 1 and April 29, and also between August 16 and October 18, in which the invention was being tested by Tyco, who was hired by Arctic Cat for that purpose. Based on these gaps in Mr. Janisch's personal activity, the Board found a lack of reasonable diligence by Mr. Janisch, and consequently ruled that Boyd was applicable as prior art. Among other issues, Arctic Cat appealed the Board's finding of Boyd as prior art.

Issue/Holding:

Did the Board err in finding that Boyd was applicable as prior art? Yes, reversed and remanded.

Discussion:

The Federal Circuit found that the Board's analysis of Mr. Janisch's evidence of diligence during the critical period rested on too rigid of a standard. Instead, the Federal Circuit expressed that "diligence need not be perfectly continuous—only *reasonably* continuous."

In the context of the invention being placed in the hands of Tyco for testing, the Federal Circuit found that the gaps in Mr. Janisch's personal activity do not suggest lack of reasonable diligence. Instead, the Federal Circuit held that lack of diligence cannot be inferred from using an independent service for needed testing and awaiting test results for a short period commensurate with the testing need. The Federal Circuit especially pointed out that "this course of action, as a way of reducing an invention to practice, does not give rise to an inference of unreasonable delay or abandonment of the invention."

Accordingly, the Federal Circuit held that Mr. Janisch was reasonably diligent in reducing his invention to practice during the critical period, and thus Mr. Janisch's invention antedated Boyd. The Federal Circuit consequently ruled that Boyd is not available as prior art against Arctic Cat's patents.