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MAILED

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REEXAM UNIT

In re Callaway Golf Company
Inter Partes Reexamination Proceeding
Control No.: 95/000,121
Filed: January 17, 2006
For: U.S. Patent No. 6,503,156

: **DECISION ON PETITION**
: **TO VACATE ORDER GRANTING**
: **REEXAMINATION**

This is a decision on the April 13, 2006 patent owner petition entitled "PETITION TO VACATE REEXAMINATION ORDERS AS ULTRA VIRES" under 37 CFR 1.181. On April 27, 2006, the third party requester filed an opposition to the present petition entitled "ACUSHNET'S OPPOSITION TO PATENT OWNER'S PETITION TO VACATE REEXAMINATION ORDERS AS ULTRA VIRES."

Both the petition and the opposition are before the Office of Patent Legal Administration for consideration.

The patent owner's petition is dismissed for the reasons set forth below.

REVIEW OF SALIENT FACTS

1. U.S. Patent No. 6,503,156 (the '156 patent) issued to Michael J. Sullivan on January 17, 2003, and is currently assigned to Callaway Golf Company.

2. A request for *inter partes* reexamination of the '156 patent was filed by a third party requester, Acushnet Company (hereinafter "Acushnet"), on January 17, 2006. The request was assigned Control No. 95/000,121 (the '120 *inter partes* reexamination proceeding).

3. On February 9, 2006, the patent owner filed suit against requester Acushnet in the United States District court for the District of Delaware. *Callaway Golf Company v Acushnet Company,* C.A. No. 06-91 (SLR) (February 9, 2006).

4. On February 15, 2006, the third party requester filed a paper purporting to withdraw a paper requesting suspension of the '121 *inter partes* reexamination proceeding stated to have been filed by third party requestor on January 23, 2006.

5. On March 29, 2006, the Office recognized the February 15, 2006 paper, and accepted the withdrawal of the January 23, 2006 paper, noting that, had the January 23, 2006 paper been before the Office, the Offcie would have taken that paper as a petition for suspension of action without rendering a decision on the petition.

6. On March 21, 2006, the patent owner filed a petition, requesting that the '120 *inter partes* reexamination proceeding be suspended.

7. On March 24, 2006, the third party requester filed an opposition to the March 21, 2006 patent owner petition.

8. On March 31, 2006, the Office issued a decision discarding the March, 2006 petition and opposition papers as improper because reexamination had not yet been ordered.

9. Reexamination was ordered for the '121 *inter partes* reexamination proceeding on April 7, 2006.

10. On April 13, 2006 the patent owner filed the present petition under 37 CFR 1.181 to vacate the reexamination orders as *ultra vires*.

11. On April 27, 2006 the third party requester filed an opposition to the April 13, 2006 patent owner petition pursuant to MPEP 2646 (I).

RELEVANT STATUTORY AND REGULATORY LAW AND PROCEDURE

35 U.S.C. § 311(a) provides:

> "IN GENERAL. — **Any** third-party requester **at any time** may file a request for inter partes reexamination by the Office of a patent on the basis of any prior art cited under the provisions of section 301." [Emphasis supplied.]

35 U.S.C. § 312(a) provides in pertinent part:

> "Not later than 3 months after the filing of a request for *inter partes* reexamination under section 311, the Director **shall** determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request, with or without consideration of other patents or printed publications. ... " [Emphasis supplied.]

35 U.S.C. § 313 provides:

> "If, in a determination made under section 312(a), the Director finds that a substantial new question of patentability affecting a claim of a patent is raised, the determination **shall** include an order for *inter partes* reexamination of the patent for resolution of the question. The order may be accompanied by the initial action of the Patent and Trademark Office on the merits of the *inter partes* reexamination conducted in accordance with section 314." [Emphasis supplied.]

35 U.S.C. 314(c) provides:

c) SPECIAL DISPATCH.- Unless otherwise provided by the Director for good cause, all *inter partes* reexamination proceedings under this section ... shall be conducted with special dispatch within the Office.

35 U.S.C. § 317 provides:

"a) ORDER FOR REEXAMINATION.- Notwithstanding any provision of this chapter, once an order for *inter partes* reexamination of a patent has been issued under section 313, neither the third-party requester nor its privies may file a subsequent request for *inter partes* reexamination of the patent until an *inter partes* reexamination certificate is issued and published under section 316, unless authorized by the Director.

(b) FINAL DECISION.- Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party has not sustained its burden of proving the invalidity of any patent claim in suit ..., then neither that party nor its privies may thereafter request an *inter partes* reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in such civil action..., and an *inter partes* reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office, notwithstanding any other provision of this chapter. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings."

37 CFR 1.907 provides in pertinent part:

" (b) Once a final decision has been entered against a party in a civil action arising in whole or in part under 28 U.S.C. 1338 that the party has not sustained its burden of proving invalidity of any patent claim-in-suit, then neither that party nor its privies may thereafter request *inter partes* reexamination of any such patent claim on the basis of issues which that party, or its privies, raised or could have raised in such civil action, and an *inter partes* reexamination requested by that party, or its privies, on the basis of such issues may not thereafter be maintained by the Office."

MPEP § 2646 (I) provides in pertinent part:

"A petition under 37 CFR 1.181 may... be filed to vacate an *ultra vires* reexamination order, such as where the order for reexamination is not based on prior art patents and printed publications. In cases where no discretion to grant a request for reexamination exists, a petition to vacate the decision to grant, or a request for reconsideration, will be entertained. "Appropriate circumstances" under 37 CFR 1.181(a)(3) exist to vacate the order granting reexamination where, for example:

(A) the reexamination order is not based on prior art patents or printed publications;
(B) reexamination is prohibited under 37 CFR 1.907;
(C) all claims of the patent were held to be invalid by a final decision of a Federal Court after all appeals;
(D) reexamination was ordered for the wrong patent;
(E) reexamination was ordered based on a duplicate copy of the request; or
(F) the reexamination order was based wholly on the same question of patentability raised by the prior art previously considered in an earlier concluded examination of the patent by the Office (e.g., the application which matured into the patent, a prior reexamination, an interference proceeding)."

DECISION

Patent owner argues that the order granting reexamination is an *ultra vires* action on the part of the Office because the third party requester, Acushnet, lacked standing to file the *inter partes* request. Patent owner bases this argument on allegations that:

(1) Certain Stipulations of Dismissal resulted in a settlement agreement between patent owner's predecessor in interest, and requester Acushnet entered into a Settlement Agreement on November 10, 1990, for a term of ten years;

(2) The same parties executed a Settlement Agreement in 1996 that superseded the 1990 agreement, and the 1996 Settlement agreement provides, *inter alia*, that the exclusive forum for the third present party requester to resolve patent validity issues with the patent owner is the United States District Court for the District of Delaware; and

(3) The same (present) parties participated in the dispute resolution process pursuant to the 1996 Settlement Agreement, and while the mediation process was underway, Acushnet requester filed a request for the present *inter partes* reexamination proceeding. [1]

It is patent owner's position that filing of the present *inter partes* by requester Acushnet violates the aforementioned Settlement Agreement, and that Acushnet therefore does not have standing to file and maintain the present request for *inter partes* reexamination. [2] However, taking the facts as given by patent owner are accurate, and that there is a valid Settlement Agreement between patent owner and requester Acushnet, [3] patent owner has simply <u>not</u> established that the order granting the present *inter partes* reexamination proceeding is an *ultra vires* action on the part of the Office.

First, the reexamination statute governing *inter partes* reexamination permits the filing of a request for *inter partes* reexamination of a qualifying patent by **any party at any time**; [4] and it further <u>requires</u> the USPTO Director to (1) determine, within three months of the filing of the request, whether the request raises a substantial new question of patentability affecting any claim of the patent, [5] (2) order and conduct *inter partes* reexamination when such substantial new question is found, [6] and (3) conduct the *inter partes* reexamination proceeding with special dispatch. [7] Patent owner has not cited authority that holds that an agreement by parties in any way relieves the Office from the duty to faithfully follow the mandatory requirements of the *inter partes* reexamination statute, when a party files a request for *inter partes* reexamination. Neither has patent owner cited authority for the proposition that private parties, by agreement, may abrogate the statutory jurisdiction conferred upon the Office to decide the merits of a

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[1] See patent owner's Petition, pages 2-3.
[2] *Id.*, at pages 4-6
[3] Patent owner has not established the Office has jurisdiction to make a determination regarding the validity and applicability of the Settlement Agreement, or to make any findings regarding the facts alleged in patent owner's petition or the third party requester's opposition to patent owner's petition. No such determination has been, or will be, undertaken by the Office.
[4] 35 U.S.C. §311(a)
[5] 35 U.S.C. § 312(a)
[6] 35 U.S.C. § 313
[7] 35 U.S.C. § 314(c)

request for *inter partes* reexamination and to thereafter conduct an *inter partes* reexamination within the framework provided by the statutes and regulations.

Second, a contractual provision preventing a party from seeking reexamination would be void as being contrary to public policy [8]. In *Lear v. Adkins*, 395 U.S. 653, (1969), the United States Supreme Court determined that prohibiting licensees from challenging the validity of a patent that they had licensed runs afoul of public policy "in permitting full and free competition in the use of ideas which are in reality part of the public domain." *id.* at 670 . By analogy, preventing a third party requester (and a potential licensee of the subject patent) from requesting reexamination of a patent would be contrary to the public policy embodied in the *Lear v. Adkins* decision. It should also be noted that the settlement agreements entered into in 1990 and 1996 are prior to the enactment in 1999 of the statute authorizing *inter partes* reexamination. Thus it was not even possible for these settlement agreements to address preventing a party to the agreement from filing such a request for reexamination.

Third, MPEP § 2646 (I) sets forth examples of appropriate circumstances that would require the Office to vacate an order for *inter partes* reexamination after granting the order. These circumstances include (1) orders in which a substantial new question of patentability was found based on evidence other than prior art patents or printed publications, (2) circumstances in which estoppels established by 35 U.S.C. § 317(b) as implemented by 37 CFR 1.907 arise out of litigation between the parties **on the patent for which reexamination has been ordered** or the existence of a pending *inter partes* reexamination proceeding on a patent for which *inter partes* reexamination has again been requested by the same party or a party in privity with the requester, (3) the existence of a final, non-appealable Federal Court decision holding all claims of a patent for which *inter partes* reexamination has been ordered invalid, (4) an *inter partes* reexamination order for the wrong patent, or on duplicate copies of the same request for *inter partes* reexamination, and (5) an *inter partes* reexamination ordered based entirely upon the same question of patentability previously considered in an early concluded examination of the patent by the Office. These circumstances address either the issue of a statutory prohibition barring the grant of a request for *inter partes* reexamination, or the grant of an order for reexamination based upon a clear error of a clerical nature. Patent owner has not established that the present *inter partes* reexamination proceeding was ordered contrary to a statutory prohibition barring the order, or due to a clerical error.

Finally, while Congress did establish statutory estoppels requiring either the denial of a request for *inter partes* reexamination, [9] or the conclusion of a pending *inter partes* reexamination proceeding, [10] patent owner has not demonstrated the existence of 35 U.S.C. § 317 estoppel. If Congress had intended for any other basis for an estoppel to apply, it would have included such other basis in the statute. Congress did not provide for an "estoppel" arising out of a settlement agreement or other contractual agreement between parties.

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[8] *Bremen v. Zapata Off-Shore Co.*, 407 U.S. 1 (1972)(concluding that a forum selection clause, while generally enforceable, will not be enforced where it violates the strong public policy of the forum in which suit is brought); *Newton v. Rumery*, 480 U.S. 386,392 (1987) ("The relevant principle is well established: a promise is unenforceable if the interest in its enforcement is outweighed in the circumstances by a public policy harmed by enforcement of the agreement."); *Suter v. Munich Reinsurance*, 223 F.3d 150 (3d Cir. 2000) (citing *Bremen* for the proposition that federal forum selection clauses should not be enforced where they are contrary to public policy).

[9] 35 U.S.C. § 317(a)

[10] 35 U.S.C. § 317(b)

It is additionally noted that petitioner patent owner requests that the Office return jurisdiction to the District Court conducting the litigation. [11] It is to be observed, however, that Congress provided in 35 U.S.C. § 317(b) that a court validity challenge and *inter partes* reexamination of a patent may occur simultaneously. It is only when one proceeding finally ends, that the issues raised (or that could have been raised) with respect to the validity of a claim in that one proceeding can have estoppel effect on the same issues in the other proceeding. Such is not the case in the present instance. The Office is thus obligated to move forward in the instant *inter partes* reexamination with "special dispatch" despite the presence of the litigation. The present request to vacate/withdraw the instant *inter partes* reexamination request cannot be granted in view of the legislation and implementing rules which require that (1) once an *inter partes* reexamination request is filed, it will be decided, and (2) once the request is determined to raise a substantial new question of patentability of a claim of the patent, the request *will* result in an order for reexamination to resolve the substantial new question, which in turn *will* be followed by reexamination in accordance with 35 U.S.C. §§ 311-314. The statutory language is based on the **public interest** in resolving any reexamination proceeding that is filed.

Withdrawal of a requested and granted *inter partes* reexamination proceeding would leave both the public and the patent owner with an unresolved request for reexamination and unresolved substantial new question of patentability (found to be present via the decision ordering reexamination). The public has a right to such a resolution. Vacating, withdrawing, or otherwise abandoning or terminating the instant reexamination proceeding would abrogate this public right. Rather, the proceeding must continue according to the procedure mandated by the *inter partes* reexamination statute.

In *Heinl v. Godici*, 143 F. Supp. 2d 593, 601 (E.D. Va. 2001), the court stated, in a decision seeking termination of reexamination based on the absence of a new question of patentability:

> "Under the well established *ultra vires* doctrine, the exhaustion and final agency requirements are excused 'only if plaintiff is able to show that the PTO clearly exceeded its statutory authority', quoting from *Philip Morris, Inc. v. Block*, 755 F.2d 368, 370 (4th Cir 1985 (quoting *Mayor and City Council of Baltimore v. Mathews*, 562 F.2d 914, 920 (4th Cir. 1977), vacated on other grounds, 571 F.2d 1273 (4th Cir. 1978).

The court went on to state:

> "Put differently, when an agency acts in 'brazen defiance' of its statutory authorization, courts need not await the conclusions of underlying proceedings."

After a review of the record, and based upon the above discussion, it is found that patent owner has not established that the Office "clearly exceeded its statutory authority," nor acted "in brazen defiance of its statutory authorization," in the Office's determination that the January 17, 2006 reexamination request properly raised a substantial new question of patentability and should go forward.

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[11] Presumably *Callaway Golf Company v Acushnet Company*, C.A. No. 06-91 (SLR) (February 9, 2006), discussed briefly above.

For the forgoing reasons, the order granting reexamination remains intact and the *inter partes* reexamination proceeding will continue in accordance with the procedure mandated by the *inter partes* reexamination statute.

CONCLUSION

1. The patent owner petition filed on April 13, 2006, is dismissed.

2. A copy of this decision will be made of record in the IFW of the '121 *inter partes* reexamination proceeding.

3. Jurisdiction over the '121 *inter partes* reexamination proceeding is returned to the Central Reexamination Unit.

4. Telephone inquiries related to the present decision should be directed to Stephen Marcus, Legal Advisor, at 571-272-7743, or, in his absence, to Karen Hastings, Legal Advisor, at 571-272-7717.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

kmh
June 1, 2006

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CENTRAL REEXAMINATION UNIT

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(For Third Party Requester)

In re Callaway Golf Company
Inter Partes Reexamination Proceeding
Control No.: 95/000,121
Filed: January 17, 2006
For: U.S. Patent No. 6,503,156

: **DECISION DENYING**
: **PETITION**

This is a decision on the April 28, 2006 patent owner petition entitled "RENEWED PETITION TO SUSPEND INTER PARTES REEXAMINATION PROCEEDINGS." Also, on May 5, 2006, the third party requester filed a paper entitled "ACUSHNET'S OPPOSITION TO PATENT OWNER CALLAWAY'S RENEWED PETITION TO SUSPEND INTER PARTES REEXAMINATION PROCEEDINGS."

Inter partes reexamination control number 95/000,121, patent owner's renewed petition, and requester's opposition to patent owner's renewed petition are before the Office of Patent Legal Administration for consideration.

Patent owner's present petition is taken as a renewed petition under CFR 1.183 for waiver of 37 CFR 1.939, and as a petition under 37 CFR 1.182 for suspension of *inter partes* reexamination proceeding 95/000,121. Third party requester's opposition is also taken as a renewed petition under 37 CFR 1.183 for waiver of 37 CFR 1.939, and as a petition 37 CFR 1.182 to oppose the patent owner's renewed petition.

FEES

As the fee for the originally filed patent owner petition was not charged, a petition fee of $400.00 under 37 CFR 1.17(f) will be charged to the patent owner's Deposit Account No. 06-1050 as authorized in the April 28, 2006 patent owner renewed petition.

As the fee for the originally filed third party requester opposition to patent owner's petition was not charged, a petition fee of $400.00 under 37 CFR 1.17(f) will be charged to the third party requester's Deposit Account No. 08-3038, as authorized in the May 5, 2006 third party requester renewed opposition.

SUMMARY

The respective 37 CFR 1.183 aspect of the petition of the patent owner to permit entry and consideration of the renewed patent owner petition as a petition to suspend the present *inter partes* reexamination proceeding, and of the third party requester to permit entry and consideration of the third party requester's opposition to the renewed petition to suspend, are granted.

The patent owner renewed petition under 37 CFR 1.182 to suspend the present *inter partes* reexamination proceeding is denied.

REVIEW OF FACTS

1. U.S. Patent No. 6,503,156 ("the '156 patent") issued to Michael J. Sullivan on January 7, 2003, and is currently assigned to Callaway Golf Company.

2. A request for *inter partes* reexamination of the '156 patent was filed by a third party requester, Acushnet Company, on January 17, 2006. The request was assigned Control No. 95/000,121 ("the '121 *inter partes* reexamination proceeding").

3. On February 9, 2006, the third party requester filed a paper purporting to withdraw a paper requesting suspension of the '121 *inter partes* reexamination proceeding stated to have been filed by third party requester on January 23, 2006.

4. On February 16, 2006, the Office recognized the requester's February 9, 2006 paper, and accepted the withdrawal of the January 23, 2006 paper, noting that, had the January 23, 2006 paper been before the Office, the Office would have taken that paper as a petition for suspension of action without rendering a decision on the petition.

5. On March 21, 2006, the patent owner filed a petition, requesting that the '121 *inter partes* reexamination proceeding be suspended.

6. On March 24, 2006, the third party requester filed an opposition to the March 21, 2006 patent owner petition.

7. On April 11, 2006, an Office decision was issued, discarding both the March 21, 2006 patent owner petition and the March 24, 2006 opposition thereto as being improper premature papers.

8. On April 7, 2006, reexamination was ordered for claims 1-11, i.e. all of the claims, of the '156 patent.

9. On April 13, 2006, patent owner filed a petition requesting that the order granting the present reexamination proceeding be vacated as being an *ultra vires* action.

10. On April 27, 2006, third party requester filed an opposition to patent owner's April 13, 2006 petition.

11. On April 28, 2006, patent owner filed the present renewed petition to suspend the '121 *inter partes* reexamination proceeding.

12. On May 5, 2006, third party requester filed the present opposition to the April 28, 2006 patent owner petition.

13. On June 7, 2006, the patent owner petition to vacate the '121 *inter partes* reexamination proceeding was dismissed by the Office.

DECISION

I. Relevant Law And Procedure

35 U.S.C. § 311(a) provides:

> IN GENERAL. – **Any third-party requester** at any time may file a request for inter partes reexamination by the Office of a patent on the basis of any prior art cited under the provisions of section 301." [Emphasis supplied.]

35 U.S.C. § 312(a) provides in pertinent part:

> "Not later than 3 months after the filing of a request for *inter partes* reexamination under section 311, the Director **shall** determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request, with or without consideration of other patents or printed publications. ... " [Emphasis supplied.]

35 U.S.C. § 313 provides:

> "If, in a determination made under section 312(a), the Director finds that a substantial new question of patentability affecting a claim of a patent is raised, the determination **shall** include an order for *inter partes* reexamination of the patent for resolution of the question. The order may be accompanied by the initial action of the Patent and Trademark Office on the merits of the *inter partes* reexamination conducted in accordance with section 314." [Emphasis supplied.]

35 U.S.C. § 314 (c) provides:

> "Unless otherwise provided by the Director for good cause, all inter partes reexamination proceedings under this section, including any appeal to the Board of Patent Appeals and Interferences, shall be conducted with special dispatch within the Office."

37 CFR 1.132 provides:

> "When any claim of an application or a patent under reexamination is rejected or objected to, any evidence submitted to traverse the rejection or objection on a basis not otherwise provided for must be by way of an oath or declaration under this section."

37 CFR 1.182 provides:

> "All situations not specifically provided for in the regulations of this part will be decided in accordance with the merits of each situation by or under the authority of the Director, subject to such other requirements as may be imposed, and such decision will be communicated to the interested parties in writing. Any petition seeking a decision under this section must be accompanied by the petition fee set forth in § 1.17(f).

37 CFR 1.183 provides:

"In an extraordinary situation, when justice requires, any requirement of the regulations in this part which is not a **requirement of the statutes** may be suspended or waived by the Director or the Director's designee, *sua sponte*, or on petition of the interested party, subject to such other requirements as may be imposed. Any petition under this section must be accompanied by the petition fee set forth in § 1.17(f)."

37 CFR 1.907 provides:

"(a) Once an order to reexamine has been issued under § 1.931, neither the third party requester, nor its privies, may file a subsequent request for *inter partes* reexamination of the patent until an *inter partes* reexamination certificate is issued under § 1.997, unless authorized by the Director.

(b) Once a final decision has been entered against a party in a civil action arising in whole or in part under 28 U.S.C. 1338 that the party has not sustained its burden of proving invalidity of any patent claim-in-suit, then neither that party nor its privies may thereafter request *inter partes* reexamination of any such patent claim on the basis of issues which that party, or its privies, raised or could have raised in such civil action, and an *inter partes* reexamination requested by that party, or its privies, on the basis of such issues may not thereafter be maintained by the Office.

(c) If a final decision in an *inter partes* reexamination proceeding instituted by a third party requester is favorable to patentability of any original, proposed amended, or new claims of the patent, then neither that party nor its privies may thereafter request *inter partes* reexamination of any such patent claims on the basis of issues which that party, or its privies, raised or could have raised in such *inter partes* reexamination proceeding."

37 CFR 1.913 provides:

"Except as provided for in § 1.907, any person other than the patent owner or its privies may, at any time during the period of enforceability of a patent which issued from an original application filed in the United States on or after November 29, 1999, file a request for *inter partes* reexamination by the Office of any claim of the patent on the basis of prior art patents or printed publications cited under § 1.501."

37 CFR 1.935 provides:

"The order for *inter partes* reexamination will usually be accompanied by the initial Office action on the merits of the reexamination."

37 CFR 1.937(b) provides:

"The *inter partes* reexamination proceeding will be conducted in accordance with §§ 1.104 through 1.116, the sections governing the application examination process, and will result in the issuance of an *inter partes* reexamination certificate under § 1.997, except as otherwise provided."

37 CFR 1.939 provides:

"(a) If an unauthorized paper is filed by any party at any time during the *inter partes* reexamination proceeding **it will not be considered** and may be returned." [Emphasis supplied.]

(b) Unless otherwise authorized, **no paper** shall be filed prior to the initial Office action on the merits of the *inter partes* reexamination." [Emphasis supplied.]

37 CFR 1.987 provides:

"If a patent in the process of *inter partes* reexamination is or becomes involved in litigation, the Director shall determine whether or not to suspend the *inter partes* reexamination proceeding."

With respect to suspension of *inter partes* reexamination, MPEP § 2684.04(III) provides that:

> "... 'good cause' might be present, for example, where there is an issue that cannot be decided in the reexamination proceeding but affects the resolution of the proceeding. Another example is where there is an issue common to the litigation and the reexamination that can best be decided in court due to the availability in court of discovery and subpoena power (e.g., an issue heavily dependent on presentation of conflicting/contested evidence by the two parties)."

II. Procedural Discussion *Re:* Patent Owner's Original (March 21, 2006) Petition To Suspend

On March 21, 2006, patent owner filed a petition to suspend the '121 *inter partes* reexamination proceeding. In the present petition, patent owner takes the position [1] that the original petition to suspend filed on March 21, 2006 was not entered in the '121 proceeding, and was instead discarded, because it was filed prior to issuance of a reexamination order. This position is inaccurate.

By its terms, 37 CFR 1.939(b) precludes the filing of any paper in an *inter partes* reexamination proceeding prior to "the initial Office action on the merits" in that proceeding, unless the filing of the paper is authorized. At the time of filing of that petition, and at the time of the decision thereon, not only had there been no decision on the request for reexamination, there had also been no Office action on the merits in the *inter partes* proceeding. The patent owner petition of March 21, 2006 was held to be an improper paper under 37 CFR 1.939 because it was filed prior to the issuance of the initial Office action in the reexamination proceeding. [2] Not only had *inter partes* reexamination not yet been ordered, no "initial Office action on the merits of the *inter partes* reexamination" had been promulgated in the '121 *inter partes* reexamination proceeding, and a paper prior to that point is barred by regulation unless authorized, in accordance with 37 CFR 1.939(b). [3]

Although patent owner's March 21, 2006 petition requested relief under 37 CFR 1.183, the regulatory provision that provides for waiver of the rules, [4] there was no specific identification of which regulation that patent owner was seeking to waive. However, even if waiver of the provisions of 37 CFR 1.939 had been specifically requested, the March 21, 2006 patent owner petition could not have been granted. As explained in the decision dated April 11, 2006 (by which the March 21, 2006 patent owner petition and third party requester opposition were discarded as being improper papers), U.S.C. § 312(a) requires, *inter alia*, that after a request for *inter partes* reexamination is filed, the Director shall, within three months of the filing of a request for *inter partes* reexamination, determine whether that request raises a substantial new question of patentability affecting any claim of the patent that is the subject of the request. Further, 35 U.S.C. § 313 **requires** that - when the Director does determine that a substantial new question of patentability is raised by the request, then the determination shall include an order for *inter partes* reexamination of the patent concerned.

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[1] See patent owner's "Renewed Petition to Suspend, page 2, second full paragraph.

[2] See Decision Discarding Improper Papers", April 11, 2006, page 2, paragraph styled "The Patent Owner Petition"

[3] It appears that petitioner patent owner is confusing the terminology "initial Office action on the merits" with the terminology "reexamination order." The terminology "action on the merits" means an action on the patentability of the claims of the patent being reexamined. See, for example, 37 CFR 1.935 which provides that "The order for *inter partes* reexamination will usually be accompanied by the initial Office action on the merits of the reexamination." Clearly, a reexamination order and "the initial action on the merits of the reexamination are two different things. See also MPEP Chapter 700, wherein it is made clear that in examination proceedings, "action on the merits" is a term of art meaning an action in which a patentability determination is made.

[4] At page 2 thereof, the March 21, 2006 petition requested relief under a variety of regulations, as well as relief pursuant to 35 U.S.C. § 314(c), as does the present renewed petition.

It is clear that consideration of the substance of patent owner's March 21, 2006 petition, and granting it, would have, in effect, required a waiver of 35 U.S.C. §§ 312(a) and 313, because a suspension of the '121 *inter partes* reexamination proceeding would have precluded both a determination of the existence or absence of a substantial new question of patentability, and the promulgation of a reexamination order based on that determination within three months of the filing of the request for reexamination, as required by §§ 312(a) and 313. However, a waiver of the statutes is an action beyond the authority of the Director, and 37 CFR 1.183 expressly recognizes that a requirement of the statutes may not be waived. Therefore, a suspension of the '121 *inter partes* reexamination prior to the determination on the request for reexamination promulgation of the reexamination order, based upon any petition by the parties, was barred.

III. Procedural Discussion *Re:* The Present Patent Owner Renewed Petition To Suspend

In the present patent owner renewed petition, patent owner takes the position that because an Order granting *inter partes* reexamination has now been issued, the petition to suspend is a proper paper. Patent owner also takes the position that the present renewed petition, (as well as patent owner's March 21, 2006 petition to suspend), is proper because it is authorized by 37 CFR 1.987. [5]

A. Relief Pursuant to 37 CFR 1.939

Patent owner argues that the present patent owner petition to suspend the '121 reexamination proceeding is now timely under 37 CFR 1.939(b) as reexamination has already been ordered. This position is not persuasive because, as discussed in section II., *supra,* an order for *inter partes* reexamination is not the initial Office action on the merits of the *inter partes* reexamination proceeding. "Action on the merits" is a term of art, and as such, means an action on the patentability of claims. It is clearly so used in the reexamination regulations, for example, in 37 CFR 1.935. [6] Thus, it is clear that the filing of the present patent owner renewed petition to suspend is not authorized by 37 CFR 1.939(b), because the "initial action on the merits " of the '121 *inter partes* reexamination proceeding has not yet been issued by the Office.

B. Relief Pursuant to 37 CFR 1.987

The patent owner's argues that 37 CFR 1.987 independently authorizes the filing of the present petition to suspend. This too is not persuasive. The plain language of the regulation does not state or imply that it in any way authorizes the filing of a petition to suspend, particularly a petition that would be improper pursuant to one or more of the regulations that implement the *inter partes* reexamination statutes. 37 CFR 1.987 is merely declaratory of the Director's discretionary authority to *sua sponte* suspend an *inter partes* reexamination proceeding in certain circumstances, *i.e.,* when there is both: (a) litigation involving the patent which is the subject of the *inter partes* reexamination proceeding and (b) "good cause" to suspend. 37 CFR 1.987 in no way authorizes the filing of a petition to request such a suspension. The right of parties in this arena is the filing of a Notification of Existence of Prior or Concurrent Proceedings and Decisions pursuant to MPEP § 2686 to provide the Office with information which may, or may not, justify a suspension of action.

Patent owner has not cited a regulation that authorizes the filing of a petition to suspend an *inter partes* reexamination proceeding. In fact, no regulation implementing the *inter partes* reexamination statutes authorizes such a petition.

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[5] *Id.,* at footnote 1.

[6] See the discussion in footnote 3.

C. Relief Pursuant to Patent Owner's Petition Under 37 CFR 1.182 and 1.183

Note is taken that the present patent owner renewed petition requests relief under both 37 CFR 1.182 and 1.183. Notwithstanding that patent owner has again failed to specifically identify the regulations(s) for which a waiver under 37 CFR 1.183 is requested, the present renewed petition will be taken as a petition under 37 CFR 1.183 to waive the provisions of 37 CFR 1.939 in order to permit the filing of a paper prior to the issuance of the initial Office action on the merits in the '121 *inter partes* reexamination proceeding. Further, the present renewed petition will also be taken as a petition under 37 CFR 1.182 for a situation "not specifically provided for in the regulations" to permit the filing of a petition to suspend the '121 *inter partes* reexamination proceeding.

1. 37 CFR 1.183 Waiver of 37 CFR 1.939

As discussed in sections I. and II (A), *supra*, 37 CFR 1.939(b) precludes the filing of any paper prior to the initial Office action on the merits of the '121 *inter partes* reexamination proceeding. As no initial Office action on the merits has yet been issued, no patent owner paper may be filed in the '121 *inter partes* reexamination proceeding at this point in the proceeding. However, *inter partes* reexamination has now been ordered. [7] Therefore, suspension of the '121 *inter partes* reexamination proceeding would not require the waiver of any provision of the *inter partes* reexamination statutes; only a waiver of 37 CFR 1.939(b) would be needed to provide for an entry right of the petition paper requesting suspension.

In this instance, it is determined to be in the interests of justice with respect to both parties to the '121 *inter partes* reexamination proceeding that a decision regarding suspension of the '121 *inter partes* proceeding be made as soon as possible, given that (1) a suspension of the proceedings would not impair compliance with the reexamination statutes, and (2) extraordinary circumstances are found to exist, including the fact that this proceeding is but one of four *inter partes* proceedings in which the present parties are involved, and that the present parties are actively involved in litigation with respect to the patents that are the subject of those four *inter partes* reexamination proceedings. Rather than requiring patent owner and third party requester to re-file the petition and opposition thereto after a first action on the merits, it is appropriate to consider the question of suspension now. Further, if suspension were in fact warranted, it would be in the interests of justice that such suspension takes place prior to an action on the patentability of the claims. Finally, there is a public interest, and an interest to be considered by the court in the ongoing litigation, to ascertain, as soon as practical, whether the '121 *inter partes* reexamination proceeding will continue to conclusion, or will presently be suspended pending the outcome of the parallel litigation involving the '156 patent, as well as such future circumstance that would demand that a suspension be lifted, if imposed.

Accordingly, based upon the facts of record and the current circumstances set forth, *supra*, the provisions of 37 CFR 1.939 are waived to the extent necessary to permit filing of the present patent owner renewed petition and the requester's opposition to the renewed petition, and consideration of the substance of both the petition and the opposition.

2. 37 CFR 1.182 Petition to Suspend the '121 *Inter Partes* Reexamination Proceeding

As discussed Section III(B), *supra*, neither 37 CFR 1.987 nor any regulation implementing the *inter partes* reexamination statutes authorizes the filing of a petition to suspend an *inter partes* reexamination proceeding. However, the present patent owner renewed petition does request

[7] See the "Order Granting *Inter Partes* Reexamination" dated April 7, 2006.

consideration pursuant to 37 CFR 1.182, and a proposed suspension of an *inter partes* reexamination proceeding is a situation not specifically provided for in the regulations. For the reasons set forth in the second paragraph of section III(C)(1), *supra*, and based upon the facts of record and the current circumstances, consideration will be given to the substance of the present patent owner renewed petition to suspend the '121 *inter partes* reexamination proceeding, as a situation not specifically provided for in the regulations.

IV. Procedural Discussion Of The Third Party Requester Renewed Opposition

The third party requester renewed opposition filed on May 5, 2006, lacks an entry right under 37 CFR 1.939(b) for the same reasons discussed with respect to the renewed patent owner petition. Further, the regulations implementing the *inter partes* reexamination statutes do not expressly provide for the filing of an opposition paper to a patent owner request to suspend an *inter partes* reexamination proceeding.

However, third party requester has submitted the instant opposition pursuant to 37 CFR 1.182 and 1.183. For reasons analogous to those discussed above with respect to the patent owner's renewed petition, the provisions of 37 CFR 1.939 are waived to the extent necessary to permit the filing of the instant opposition to the present patent owner's renewed petition prior to the initial Office action on the merits in the '121 *inter partes* reexamination proceeding. Although the regulations do not specifically provide for a third party requester opposition to a patent owner petition to suspend an *inter partes* reexamination proceeding, for reasons analogous to those discussed above with respect to the patent owner's renewed petition, consideration will be given, pursuant to 37 CFR 1.182, to the requester's opposition to the patent owner's renewed petition.

V. Findings And Analysis On The Merits Of Patent Owner's Renewed Petition to Suspend

A. Patent Owner's Substantive Position In Support Of Suspension of the '121 *Inter Partes* Reexamination Proceeding

Patent owner states that pursuant to 35 U.S.C. § 314 (c), and the procedure discussed in MPEP § 2686.04(III), there is good cause to suspend the '121 *inter partes* reexamination proceeding. Patent owner asserts the existence of matters to be raised in the concurrent litigation that are argued to affect the resolution of the '121 *inter partes* reexamination proceeding or potentially bar the proceeding. Patent owner also raises issues in which the District Court's discovery and subpoena powers are asserted to be important in deciding matters heavily dependent upon the evidentiary showings of the parties.

1. Matters Involving Privity And Assignor Estoppel [8]

Patent owner states that the sole inventor of the '156 patent is Michael J. Sullivan, who is now a Vice President of third party requester business entity. Patent owner urges that 37 CFR 1.913 [9] is facially broad enough to cover both current and former patent owners and current and former privies, to bar *inter partes* reexamination. Patent owner argues that Mr. Sullivan is a

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[8] See *Shamrock Technologies, Inc. v. Medical Sterilization, Inc. and Robert S. Luniewski*, 903 F.2d 789; USPQ2d 1728 (Fed. Cir. 1990), and compare *Acushnet Company v. Dunlop Maxfli Sports Corporation*, 2000 U.S. Dist. LEXIS 10123, Civ. A. No. 98-717-SLR, (D. Del June 29, 2000).

[9] Pursuant to 37 CFR 1.913, a request for *inter partes* reexamination can be filed by any person other than patent owner or its privies.

privy of a former patent owner [10] to whom the '156 patent was originally assigned, and that 37 CFR 1.913 should have precluded the filing of the '121 *inter partes* reexamination proceeding.

Patent owner further alleges that, as a Vice President of third party requester, Mr. Sullivan may well be a privy of third party requester. Patent owner argues that the third party requester would therefore be barred from challenging the validity of the '156 patent via the '121 *inter partes* reexamination proceeding by the doctrine of assignor estoppel.

Patent owner's position is that a suspension of the '121 *inter partes* reexamination proceeding is necessary, because these issues can only be resolved by evidence that can uniquely be obtained through the use of the District Court's discovery and subpoena power.

2. Additional Matters Requiring The District Court's Discovery And Subpoena Power

Patent owner also urges that the use of the District Court's discovery and subpoena power is required to permit full and fair evaluation of testing undertaken by third party requester that is relied upon by third party requester to support its allegations of patent invalidity. Patent owner points out that third party requester relies upon an invalidity argument under 35 U.S.C. § 103, that objective evidence of commercial success of both the patent owner and an alleged infringer (the third party requester) is relevant to § 103 nonobviousness. Patent owner argues that access to evidence that would establish commercial success of the third party requester's accused products could be obtained utilizing the District Court's discovery and subpoena powers.

B. Established Standards Demonstrating The Existence of "Good Cause" For Suspension Of *Inter Partes* Reexamination Proceedings

35 U.S.C. § 305 requires that all *ex parte* reexamination proceedings be conducted with special dispatch within the Office. It has been held that, based on the unequivocal statutory requirement for special dispatch, the Office may not suspend a pending *ex parte* reexamination proceeding merely because of the existence of concurrent litigation on the patent that is the subject of reexamination. [11] *Ethicon* discusses certain fundamental concepts regarding concurrent *ex parte* reexamination proceedings in the Office and litigation of the patent that is the subject of reexamination. For example the *Ethicon* court quoted extensively from the decision of the court in *In re Etter*, 756 F.2d 852, 857, 225 USPQ 1, 4, (Fed Cir. 1985) (in banc) to point out:

> "That:one challenging validity in court bears the burden assigned by [35 U.S.C.] § 282, that the same party may request reexamination upon submission of art not previously cited, and that, if that art raises a substantial new question of patentability, the PTO may during reexamination consider the same and new and amended claims in light of that art free of any presumption, *are concepts not in conflict.* On the contrary, those concepts are but further indication that *litigation and reexamination are distinct proceedings, with distinct parties, purposes, procedures, and outcomes.*" [Emphasis is the Court's.]

The *Ethicon* court also cited *Etter* in order to point out that when reexamination and litigation for the same patent are conducted concurrently:

> "...precise duplication of effort does not occur because the PTO and the courts employ different standards of proof when considering validity, and the courts, unlike the PTO during a reexamination of patent claims, are not limited to review of prior art patents or printed publications."

[10] The present patent owner acquired rights to the '156 patent from the original owner, Top-Flite.
[11] *Ethicon, Inc., v. Quigg*, 849 F.2d 1422, 7 USPQ2d 1152 (Fed. Cir. 1988)

Id., at 856, at 4.

In contrast to the 35 U.S.C. § 305 which applies only to *ex parte* reexamination, 35 U.S.C. § 314(c) expressly allows for the suspension of an *inter partes* reexamination proceeding within the Office "for good cause," notwithstanding that *inter partes* reexamination proceedings are to be conducted with "special dispatch." Therefore, the question of whether a petition to suspend an *inter partes* reexamination proceeding that is being conducted concurrently with litigation of the patent establishes "good cause" for the suspension of an *inter partes* reexamination proceeding presents a question that differs from the question of suspension of an *ex parte* reexamination proceeding. Pursuant to 35 U.S.C. § 314(c) and 37 CFR 1.987 that implements the statutory provision, the USPTO Director has authority to determine circumstances amounting to "good cause" for suspension of an *inter partes* reexamination proceeding, and to do so on a case-by-case basis.

In *inter partes* reexamination proceedings control numbers 95/000,093 and 95/000,094 (collectively referred to hereinafter as "the Immersion-Sony *inter partes* reexamination proceedings"), the Office granted a patent owner petition to stay the *inter partes* reexamination proceedings due to the existence of concurrent litigation of the patents that were the subject of the reexamination proceedings. [12] The decision suspension granting acknowledged that MPEP § 2684.04 set forth certain criteria as indicia of "good cause" for suspension of an *inter partes* reexamination proceeding, but pointed out that these criteria were merely exemplary. [13] The criteria relied upon by the Office in the Immersion-Sony *inter partes* reexamination proceedings to support a finding of "good cause" to suspend was upheld by the U.S. District Court, Eastern District of Virginia, *Sony Computer Entertainment America Inc., et al. v. Jon W. Dudas,* Civil Action No. 1:05CV1447 (E.D.Va. May 22, 2006), Slip Copy, 2006 WL 1472462. This criteria establishes a benchmark and standard which the Office can make use of to test the facts and circumstances of record in a given *inter partes* reexamination proceeding in order to determine whether there is "good cause" to suspend that *inter partes* reexamination proceeding, due to the existence of concurrent litigation of the patent being reexamined.

In the *Sony* scenario:

The patent claims for which *inter partes* reexamination was requested were not identical to the claims being litigated; there was one non-litigated patent claim (claim 1 in each instance) for which reexamination had been requested in each proceeding. The Office denied patent owner Immersion's first petition to suspend the *inter partes* reexamination proceedings, noting that even if the proceedings were suspended in the Office and judgment was rendered adverse to requester Sony in the concurrent litigation, that would not dispose of all claims in the existing *inter partes* reexamination proceedings, leading to a piecemeal reexamination, and a delay in reexamination of the non-litigated claims. [14] The patent owner then disclaimed claim 1 of each patent, whereby <u>identical patent claims</u> were the subject of both the *inter partes* reexamination proceedings and the concurrent litigation. The Office then granted patent owner Immersion's second petition to suspend the *inter partes* reexamination proceedings.

At the point in time that the Immersion-Sony *inter partes* reexamination proceedings were suspended, <u>the proceedings were at an early stage</u>; the Office's work had been limited only to a finding that the requests for reexamination had raised a substantial new question of

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[12] See the '093 and '094 proceedings, Decision Granting Petitions To Suspend, November 17, 2005

[13] *Id.*, Decision Granting Petitions To Suspend", November 17, 2005, footnote 6.

[14] *Id.*, "Decision Denying Petitions", August 23, 2005, at page 6.

patentability. The concurrent litigation, on the other hand, was at an advanced stage: (a) a District Court had issued a decision adverse to requester Sony, holding the litigated patent claims to be valid, (b) an appeal of the District Court had been filed in the Court of Appeals for the Federal Circuit ("the Federal Circuit"), and (c) the matter had already been briefed. Thus, there was a substantial likelihood that suspension of the reexamination proceedings would serve to conserve Office of resources, since a final holding of claim validity would statutorily require termination of the Immersion-Sony *inter partes* prosecutions with respect to all of the claims subject to the litigation, which was also all the claims subject to reexamination in those proceedings. It was not in the Office's and parties' interests to engage resources in administrative proceedings that ultimately could be mooted by the concurrent litigation which was soon to be finally resolved. The substantial likelihood that the reexamination prosecutions would terminate and the proceedings be concluded, taken together with the identity of claims in the litigation and the *inter partes* reexamination proceedings, led the Office to conclude that on balance, there was "good cause" to suspend the Immersion-Sony *inter partes* reexamination proceedings, to await the decision by the Federal Circuit. The decision granting suspension noted that should circumstances change, *e.g.*, if the matter were remanded to the District Court by the Federal Circuit without a holding on claim validity, the third party would be free to petition for a resumption of the *inter partes* reexamination proceeding based upon the change in circumstances. The decision also noted that further *inter partes* proceedings on the claims not before the Office and the courts could subsequently be obtained by members of the public.

In the present instance:

The facts and circumstances in the '121 *inter partes* reexamination proceeding differ significantly from those present in the Immersion-Sony *inter partes* reexamination proceeding. In contrast to the Immersion-Sony *inter partes* reexamination proceedings, the litigation involving the '156 patent is at an early stage. For example, there is a pending order dated June 2, 2006, referring the matter to a Magistrate Judge for the purposes of exploring joinder of parties, setting September 29, 2006 as a due date for amended papers, and setting a discovery conference for October 18, 2006. The issue of claim construction is still pending, and there are apparently a number of preliminary motions pending. Thus, unlike the Immersion-Sony *inter partes* proceedings in which the litigation had resulted in an appealable holding of claim validity, with the appeal having been filed and briefed to the appellate court, in this instance, it is not even foreseeable when the District Court's holding on the issue of validity might be would be rendered, and what it might be. It certainly cannot be envisioned when the litigation involving the '156 patent will reach a final holding on the validity of the claims of the '156 patent, including any appeal to the Federal Circuit, let alone what that holding is likely to be.

Further, in the '121 *inter partes* reexamination proceeding, patent owner has not established that there that the litigation of the '156 patent will result in a decision on the validity of all of the claims being currently being reexamined, *i.e.*, claims 1-11 of the '156 patent. Thus, it is not even clear that a final holding of claim validity in the litigation would necessarily require conclusion of the '121 *inter partes* reexamination proceeding as to all the claims subject to reexamination.

As a final point, as to the difference:

In the Immersion-Sony *inter partes* proceedings Sony chose to permit the District Court litigation to proceed for three years before filing its requests for reexamination only after judgment was entered in Immersion's favor in the litigation. Had Sony filed its requests for reexamination earlier, the reexamination proceedings could have been much farther along in the process, and may likely have been completed at the Office before the district court issued its decision. Also,

the district court might have stayed the litigation to await the Office's decisions in the reexamination proceedings. In the present instance, the requester has filed the '121 *inter partes* reexamination well before the District Court litigation has advanced to conclusion, and the Office proceedings should be available for the District Court.

In conclusion as to this issue:

Congress specifically provided estoppel provisions when a "final decision" upholding the validity of patent claims has been reached in a civil action or in a prior *inter partes* reexamination. *See* 35 U.S.C. § 317(b); 35 U.S.C. § 315(c). Thus, if a party's challenge to the validity of certain patent claims has been finally resolved, either through civil litigation or the *inter partes* reexamination process, then that party is barred from making a subsequent request for *inter partes* reexamination (or filing a new civil action) challenging the validity of those same claims. *Id.* Accordingly, while Congress desired that the creation of an *inter partes* reexamination option would lead to a reduction in expensive patent litigation, it nonetheless also contemplated in the statute that a court validity challenge and *inter partes* reexamination of a patent may occur simultaneously; but once one proceeding finally ends, then the issues raised (or that could have been raised) with respect to the validity of a claim in that proceeding would have estoppel effect on the same issues in the other. Until that time, however, the Office is obligated to move forward in the *inter partes* reexamination with "special dispatch." Only "good cause" will permit the Office from deviating from that statutory mandate. In this instance, the litigation is at a preliminary stage so that it can not be determined when the litigation will reach a final holding on the issue of claim validity and what that decision is likely to be. Even if there should be a final holding on the issue of claim validity, the patent owner has not established that there is an identity of claims in the '121 *inter partes* reexamination proceeding and those subject to the litigation to thereby statutorily bar proceeding further with the entirety of the reexamination proceeding. Accordingly, the patent owner has not provided the USPTO Director with sufficient basis upon which to conclude that there is "good cause" to suspend the *inter partes* reexamination proceeding to await a final decision on claim validity in the litigation.

C. Other Patent Owner's Allegations That Good Cause For Suspension Exists

The factors alleged by patent owner to present "good cause" for suspension of the '121 *inter partes* reexamination proceeding have been thoroughly considered. However, for the reasons that follow, these factors do not establish "good cause" for suspension.

1. Privity and Assignor Estoppel

Patent owner argues that because Michael J. Sullivan, the sole inventor of the '156 patent, assigned the '156 patent to patent owner's predecessor in interest, the '121 *inter partes* reexamination proceeding was filed by a "former privy" of patent owner and is therefore barred under 37 CFR 1.913. The purpose of 37 CFR 1.913 is simply declaratory of the statutory mandate of 35 U.S.C. § 311(a) that provides that any third-party requester may, at any time, file a request for *inter partes* reexamination. [15] Patent owner has not established that 37 CFR 1.913,

[15] In the Notice of Proposed Rulemaking entitled "Rules To Implement Optional Inter Partes Reexamination Proceedings", 65 Fed. Reg.18154, 18167 (April 6, 2000) it is stated that proposed rule includes the language "an person other than the patent owner or its privies may ... file a request for *inter partes* reexamination." The commentary stated that the proposed rule "provides for any third-party requester ... to file a request for ... an *inter partes* reexamination ...." That is, the proposed rule was thought to simply echo the statutory language. However, the words "other than patent owner or its privies" were deleted from the final rule because a comment to directed proposed rule 1.913 had suggested that the Office had exceeded its authority in excluding patent owner or its privies

nor the statute upon which it is grounded, precludes the filing of a request for *inter partes* reexamination by a party who is a so-called "former privy" of patent owner, especially a party who assigned a patent to an entity other than the present patent owner. Absent citation of controlling authority to the contrary by patent owner, it would appear that the statutory language "any third-party requester" is broadly drawn and would permit a party not in direct privity with a patent owner, i.e., a "former privy" of patent owner, to file a request for *inter partes* reexamination.

Patent owner also argues that the doctrine of assignor estoppel should have precluded the filing of the '121 *inter partes* reexamination proceeding, because sole inventor Sullivan assigned the patent to patent owner's predecessor in interest, but is now a Vice President of the third party requester business entity. However, reexamination is not litigation to determine the validity of patent claims conducted before a court wherein the equitable doctrine of assignor estoppel is applicable. Rather, reexamination is an administrative proceeding to determine the patentability of patent claims, a determination that is not conducted under the equitable considerations attaching to a litigation in which claim validity is determined. As discussed above, *In re Etter*, 756 F.2d 852, 857, 225 USPQ 1, 4, (Fed Cir. 1985) (*en banc*) makes it clear that litigation and reexamination are distinct proceedings with distinct parties, purposes, procedures and outcomes. Stated differently, although the application of the assignor estoppel doctrine in litigation is a fact intensive issue requiring the finding of facts and the balancing of the equities by the court, [16] a reexamination proceeding is not a determination of patent validity and infringement of patent claims. [17] It is also to be noted that a patent owner is statutorily authorized to file a reexamination request to obtain an advisory opinion as to the applicability of a prior patent or printed publication; such an advisory opinion would be prohibited in litigation as lacking a "case or controversy." If a patent owner can request reexamination of a patent, a party who assigned to the patent owner should likewise be permitted to do so. Therefore, absent citation of authority holding that assignor estoppel applies to reexamination so as to bar a statutorily approved request for *inter partes* reexamination filed by "[A]ny third-party requester at any time," assignor estoppel would not appear to apply generally to reexamination, and specifically to the present *inter partes* reexamination proceeding. Patent owner has argued that a suspension of the '121 *inter partes* reexamination proceeding is necessary because the issue of whether the present requester was barred from filing the '121 *inter partes* reexamination proceeding based on assignor estoppel can only be resolved through

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because the language of 35 U.S.C. § 311(c) appeared to permit a patent owner to file a request for an *inter partes* reexamination proceeding. See Final Rule entitled "Rules To Implement Optional Inter Partes Reexamination Proceedings", 65 Fed. Reg. 76756, 76764 (December 7, 2000). However, Public Law 107-273, section 12101, 116 Stat. 1901 amended 35 U.S.C. § 311(c) clarify that only the third party requester, and not a patent owner, may file a request for *inter partes* reexamination. Thereafter, the language "other than patent owner or its privies" was added to 37 CFR 1.913. See Final Rule entitled "Changes to Implement the 2002 *Inter Partes* Reexamination and Other Technical amendments to the Patent Statute", 68 Fed. Reg. 70996, 70999 (December 22, 2003).

[16] Compare *Shamrock Technologies, Inc. v. Medical Sterilization, Inc. and Robert S. Luniewski,* 903 F.2d 789, 14 USPQ2d 1728 (Fed. Cir. 1990) holding that because inventor Luniewski who had assigned his patent to Shamrock was now a Vice President of MSI was in privity with MSI, that MSI was barred from asserting patent invalidity and unenforceability as defenses to patent infringement with *Acushnet Company v. Dunlop Maxfli Sports Corporation, Civ. A. No. 98-717-SLR, 2000 U.S. Dist., LEXIS 10123* (D. Del June 29, 2000) distinguishing *Shamrock* holding that where an inventor had assigned a patent to plaintiff and then became a Vice President of defendant accused infringer the facts and equities did not establish that the inventor was in privity with the defendant and that the defense of patent invalidity was, therefore, available to defendant.

[17] See also *Joy Technologies, Inv. v. Harry F. Manbeck, Jr.* 959 F.2d 226, 229 (Fed. Cir. 1992) "Trying to equate its appeal of the reexamination decision to an action analogous to a 'suit at common law,' Joy argues that the reexamination proceeding should be construed as most like a declaratory judgment action where the PTO is seeking a determination that Joy's patent is invalid. It admits, however, that the PTO could not bring such a suit. Thus, there is no basis to recharacterize the statutory procedure established by Congress in the reexamination statute."

evidence obtained through the use of the District Court's discovery and subpoena power to ascertain whether an assignor filed the present request. However, since patent owner has not established that the doctrine of assignor estoppel applies in the administrative reexamination of a patent, patent owner's argument has not been shown to establish "good cause" for suspension of the '121 *inter partes* reexamination proceeding.

2. Additional Matters Requiring The District Court's Discovery and Subpoena Power

Patent owner argues that, in addition to the issues of assignor estoppel and privity, the District Court's discovery and subpoena power is necessary for patent owner to secure objective evidence of commercial success of third party requester's infringing products. Patent owner also argues that patent owner will be able to question tests conducted by third party requester in support of third party requester's arguments of patent invalidity, and that patent owner will be able to obtain the information necessary to question these tests only through the District Court's discovery and subpoena powers. Thus, patent owner reasons that "good cause" exists warranting suspension of the '121 *inter partes* reexamination proceedings.

These arguments are unpersuasive for a number of reasons. First, the provisions of 37 CFR 1.132 apply to the '121 *inter partes* reexamination proceeding, as it does to all *inter partes* reexamination proceedings. Patent owner will in fact have an opportunity in the '121 *inter partes* reexamination proceedings to submit objective test evidence in support of nonobviousness to the same extent that third party requester may submit objective test evidence tending to show nonobviousness. Also, the parties can submit evidence rebutting each other's 37 CFR 1.132 showings. Further, patent owner has submitted no showing that sales of the accused infringer's products are secret data not available publicly, thereby enabling patent owner to secure this data by commissioning research of the matter, without the necessity of the District Court's subpoena and discovery. Speculative allegations that patent owner might require the District Court's subpoena and discovery power in aid of a position taken in litigation does not establish "good cause" for suspension of the '121 *inter partes* reexamination proceeding.

Of greater import, however, is that patent owner's position, if taken to its logical conclusion, would undercut the ability of a third party requester (and, for that matter, a patent owner) to obtain any final result in an *inter partes* reexamination proceeding. Thus, the purpose of the *inter partes* reexamination statutes would be frustrated. For if a party engaged in patent infringement/validity litigation could demonstrate "good cause" for a suspension of an *inter partes* reexamination proceeding merely by invoking the existence of a district court's subpoena and discovery power and coupling that invocation with allegations that the party might need to employ that power in the course of litigation, then any *inter partes* reexamination proceeding for a patent involved in litigation could be readily stayed. It is presumed that if Congress had desired this, Congress would have expressly so stated in the reexamination statutes. However, Congress instead enacted 35 U.S.C. § 314 (c) and the "good cause" standard, a far more flexible and fact specific test allowing the USPTO Director to determine on a case-by-case basis whether to stay a pending *inter partes* reexamination proceeding.

CONCLUSION

1. The patent owner renewed petition filed April 28, 2006, is granted with respect to the relief requested pursuant to 37 CFR 1.183, to the extent that the substance of patent owner's petition to suspend the '121 *inter partes* reexamination proceeding has been considered under 37 CFR 1.182.

2. The substance of the third party requester opposition filed on May 5, 2006, has been considered pursuant to 37 CFR 1.183.

3. The patent owner's petition under 37 CFR 1.182 to suspend the '121 *inter partes* reexamination is denied.

4. This decision is a final agency action within the meaning of 5 U.S.C. § 704.

5. Telephone inquiries related to the present decision should be directed to the Stephen Marcus, Legal Advisor, at 571-272-7743, or, in his absence, to the undersigned at 571-272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

sm
July 3, 2006

7-7-06
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,121	01/17/2006	6503156	00634.0004 RXUS04	6323

7590 09/07/2006

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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 09/07/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

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(THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS)

Alan M. Grimaldi
Howrey LLP
1299 Pennsylvania Avenue NW
Washington, DC 20004

Transmittal of Communication to Third Party Requester *Inter Partes* Reexamination

REEXAMINATION CONTROL NUMBER *95/000,121*.

PATENT NUMBER *6,503,156*.

TECHNOLOGY CENTER *3999*.

ART UNIT *3993*.

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above-identified reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the *inter partes* reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an *ex parte* reexamination has been merged with the *inter partes* reexamination, no responsive submission by any *ex parte* third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the **Central Reexamination Unit** at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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(For Patent Owner)

MAILED

SEP 07 2006

CENTRAL REEXAMINATION UNIT

Alan M. Grimaldi
Howrey LLP
1299 Pennsylvania Avenue NW
Washington, DC 20004

(For Third Party Requester)

In re Callaway Golf Company
Inter Partes Reexamination Proceeding
Control No.: 95/000,121
Filed: January 17, 2006
For: U.S. Patent No. 6,503,156

: **DECISION DENYING**
: **PETITION FOR**
: **RECONSIDERATION**
: **AND RETURNING**
: **IMPROPER PAPER**

This is a decision on the June 16, 2006 patent owner petition entitled "PETITION TO THE DIRECTOR FOR RECONSIDERATION" under 37 CFR 1.181(a)(3). On June 28, 2006, the third party requester filed an opposition to the present petition entitled "ACUSHNET'S OPPOSITION TO CALLOWAY'S PETITION TO DIRECTOR FOR RECONSIDERATION."

The patent owner petition, the third party requester opposition and the present record are before the Office of Patent Legal Administration for consideration.

For the reasons set forth below, the patent owner petition under 37 CFR 1.181 is (a) granted to the extent that the prior decision has been fully reconsidered, and (b) denied as to the underlying request to vacate the order for reexamination (i.e., the underlying relief requested).

This decision also addresses the patent owner paper filed on July 21, 2006 styled "REPLY IN SUPPORT OF PETITION FOR RECONSIDERATION OF DECISION ON PETITION TO VACATE ORDER GRANTING REEXAMINATION" as an improper paper.

FEES

A petition to vacate reexamination on the grounds that the order granting reexamination constitutes an *ultra vires* action on the part of the Office is considered pursuant to 37 CFR 1.181. Accordingly, no fee is due for the patent owner petition for reconsideration or for the third party requester opposition to the petition for reconsideration.

REVIEW OF SALIENT FACTS

1. U.S. Patent No. 6,503,156 (the '156 patent) issued to Michael J. Sullivan on January 17, 2003, and is currently assigned to Callaway Golf Company.

2. A request for *inter partes* reexamination of the '156 patent was filed by a third party requester, Acushnet Company (hereinafter "Acushnet"), on January 17, 2006. The request was assigned Control No. 95/000,121 (the '121 *inter partes* reexamination proceeding).

3. On February 9, 2006, the patent owner filed suit against requester Acushnet in the United States District court for the District of Delaware. *Callaway Golf Company v Acushnet Company*, C.A. No. 06-91 (SLR) (February 9, 2006).

4. On February 15, 2006, the third party requester filed a paper purporting to withdraw a paper requesting suspension of the '121 *inter partes* reexamination proceeding stated to have been filed by third party requestor on January 23, 2006.

5. On March 29, 2006, the Office recognized the February 15, 2006 paper, and accepted the withdrawal of the January 23, 2006 paper, noting that, had the January 23, 2006 paper been before the Office, the Office would have taken that paper as a petition for suspension of action without rendering a decision on the petition.

6. On March 21, 2006, the patent owner then filed a petition, requesting that the '121 *inter partes* reexamination proceeding be suspended.

7. On March 24, 2006, the third party requester filed an opposition to the March 21, 2006 patent owner petition to suspend reexamination.

8. On March 31, 2006, the Office issued a decision holding that the March 21, 2006 petition and the March 24, 2006 opposition papers would be discarded as being improper papers because they had been filed prior to reexamination being ordered.

9. Reexamination was ordered for the '121 *inter partes* reexamination proceeding on April 7, 2006.

10. On April 13, 2006 the patent owner filed a petition under 37 CFR 1.181 <u>to vacate</u> the reexamination order as *ultra vires* (which would in-effect vacate the proceeding).

11. On April 27, 2006 the third party requester filed, pursuant to MPEP 2646 (I), an opposition to the April 13, 2006 patent owner petition to vacate.

12. On April 28, 2006, patent owner filed a renewed petition <u>to suspend</u> the '121 *inter partes* reexamination proceeding.

13. On May 5, 2006 third party requester filed an opposition to the April 28, 2006 renewed patent owner petition to suspend reexamination.

14. On June 7, 2006, the Office dismissed patent owner's April 13, 2006 petition <u>to vacate</u> the '121 *inter partes* order for reexamination.

15. On July 19, 2006, the Office denied patent owner's April 28, 2006 renewed petition to suspend the '121 *inter partes* reexamination proceeding.

16. On June 16, 2006, patent owner filed a petition for reconsideration of the June 7, 2006 decision dismissing the patent owner petition to vacate the '121 *inter partes* order for reexamination.

17. On June 28, 2006, third party requester filed an opposition to the June 16, 2006 patent owner petition for reconsideration.

18. On July 21, 2006, patent owner filed a reply to the June 28, 2006 third party requester opposition.

RELEVANT STATUTES, REGULATIONS AND PROCEDURE

35 U.S.C. § 311(a) provides:

> "IN GENERAL. — **Any** third-party requester **at any time** may file a request for inter partes reexamination by the Office of a patent on the basis of any prior art cited under the provisions of section 301." [Emphasis supplied.]

35 U.S.C. § 312(a) provides in pertinent part:

> "Not later than 3 months after the filing of a request for *inter partes* reexamination under section 311, the Director **shall** determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request, with or without consideration of other patents or printed publications. ... " [Emphasis supplied.]

35 U.S.C. § 313 provides:

> "If, in a determination made under section 312(a), the Director finds that a substantial new question of patentability affecting a claim of a patent is raised, the determination **shall** include an order for *inter partes* reexamination of the patent for resolution of the question. The order may be accompanied by the initial action of the Patent and Trademark Office on the merits of the *inter partes* reexamination conducted in accordance with section 314." [Emphasis supplied.]

35 U.S.C. 314(c) provides:

> c) SPECIAL DISPATCH.- Unless otherwise provided by the Director for good cause, all *inter partes* reexamination proceedings under this section ... shall be conducted with special dispatch within the Office.

35 U.S.C. §315(b) provides:

> "CIVIL ACTION.— A third-party requester whose request for an inter partes reexamination results in an order under section 313 is estopped from asserting at a later time, in any civil action arising in whole or in part under section 1338 of title 28, the invalidity of any claim finally determined to be valid and patentable on any ground which the third-party requester raised or could have raised during the inter partes reexamination proceedings. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings."

35 U.S.C. § 317 provides:

"a) ORDER FOR REEXAMINATION.- Notwithstanding any provision of this chapter, once an order for *inter partes* reexamination of a patent has been issued under section 313, neither the third-party requester nor its privies may file a subsequent request for *inter partes* reexamination of the patent until an *inter partes* reexamination certificate is issued and published under section 316, unless authorized by the Director.

(b) FINAL DECISION.- Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party has not sustained its burden of proving the invalidity of any patent claim in suit ..., then neither that party nor its privies may thereafter request an *inter partes* reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in such civil action..., and an *inter partes* reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office, notwithstanding any other provision of this chapter. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings."

37 CFR 1.907 provides in pertinent part:

" (b) Once a final decision has been entered against a party in a civil action arising in whole or in part under 28 U.S.C. 1338 that the party has not sustained its burden of proving invalidity of any patent claim-in-suit, then neither that party nor its privies may thereafter request *inter partes* reexamination of any such patent claim on the basis of issues which that party, or its privies, raised or could have raised in such civil action, and an *inter partes* reexamination requested by that party, or its privies, on the basis of such issues may not thereafter be maintained by the Office.

(c) If a final decision in an inter partes reexamination proceeding instituted by a third party requester is favorable to patentability of any original, proposed amended, or new claims of the patent, then neither that party nor its privies may thereafter request inter partes reexamination of any such patent claims on the basis of issues which that party, or its privies, raised or could have raised in such inter partes reexamination proceeding. "

MPEP § 2646 (I) provides in pertinent part:

"A petition under 37 CFR 1.181 may... be filed to vacate an *ultra vires* reexamination order, such as where the order for reexamination is not based on prior art patents and printed publications. In cases where no discretion to grant a request for reexamination exists, a petition to vacate the decision to grant, or a request for reconsideration, will be entertained. "Appropriate circumstances" under 37 CFR 1.181(a)(3) exist to vacate the order granting reexamination where, for example:

(A) the reexamination order is not based on prior art patents or printed publications;
(B) reexamination is prohibited under 37 CFR 1.907;
(C) all claims of the patent were held to be invalid by a final decision of a Federal Court after all appeals;
(D) reexamination was ordered for the wrong patent;
(E) reexamination was ordered based on a duplicate copy of the request; or
(F) the reexamination order was based wholly on the same question of patentability raised by the prior art previously considered in an earlier concluded examination of the patent by the Office (e.g., the application which matured into the patent, a prior reexamination, an interference proceeding)

....

The filing of a 37 CFR 1.181 petition to vacate an *ultra vires* reexamination order is limited to a single submission, even if an opposition thereto is filed by a third party requester." [Emphasis supplied.]

DECISION

I. Disposition Of The Patent Owner Opposition To Third Party Requester's Opposition To Patent Owner's Petition For Reconsideration

Neither the *inter partes* reexamination statutes nor the regulations implementing those statutes provide for the filing of a patent owner petition for vacatur of an order granting a request for *inter partes* reexamination. A patent owner petition for vacatur of an order granting a request for *inter partes* reexamination on the grounds that the grant of the order constituted an *ultra vires* action on the part of the Office is entertained pursuant to 37 CFR 1.181 in accordance with the practice set forth in MPEP § 2646(I). MPEP § 2646(I) concludes by stating that "[t]he filing of a 37 CFR 1.181 petition to vacate an *ultra vires* reexamination order is limited to a single submission, even if an opposition thereto is filed by a third party requester."

Consequently, the "REPLY IN SUPPORT OF PETITION FOR RECONSIDERATION OF DECISION ON PETITION TO VACATE ORDER GRANTING REEXAMINATION," filed by patent owner on July 21, 2006, is an improper paper that lacks an entry right in the present *inter partes* reexamination proceeding. Therefore the paper (apparently filed by facsimile transmission as a single paper directed to four *inter partes* reexamination proceeding) is being returned to patent owner as an attachment to the decision in the '120 *inter partes* reexamination proceeding. If any additional copies directed to concurrent *inter partes* reexaminations, that is, the instant proceeding 95/000,121, or of 95/000,122 and 95/000,123, have been filed and are subsequently matched with the proceedings, such additional copies will be discarded rather than returned to patent owner.

II. Patent Owner's Position In Support of Vacatur

In the April 13, 2006 petition to vacate the reexamination order as being *ultra vires*, patent owner argued that the order granting reexamination is an *ultra vires* action on the part of the Office because the third party requester, Acushnet, lacked standing to file the *inter partes* request. Patent owner based this argument on allegations that:

(1) Patent owner's predecessor in interest and the present third party requester Acushnet entered into a Settlement Agreement on November 10, 1990, for a term of ten years;

(2) The same parties executed a Settlement Agreement in 1996 that superseded the 1990 agreement, and the 1996 Settlement agreement provides, *inter alia*, that the exclusive forum for the third present party requester to resolve patent validity issues with the patent owner is the United States District Court for the District of Delaware; and

(3) The same (present) parties participated in the dispute resolution process pursuant to the 1996 Settlement Agreement, but while the mediation process was underway, Acushnet requester filed a request for the present *inter partes* reexamination proceeding. [1]

It was apparently patent owner's position that by filing the present request for *inter partes* reexamination, requester Acushnet violated the aforementioned Settlement Agreement, and

[1] See patent owner's Petition, pages 2-3.

that Acushnet therefore does not have standing to have filed and to now maintain the present request for *inter partes* reexamination. [2]

In the present petition for reconsideration, patent owner argues that:

(1) The Office has the authority and duty to apply the 1996 Settlement Agreement to this case, and that enforcing the 1996 Settlement Agreement would not violate public policy;

(2) The exemplary language in the MPEP § 2646 does not limit the circumstances where the Office can vacate reexamination orders;

(3) Vacating the reexamination would not leave an unresolved substantial new question of patentability; and

(4) The Office's reliance on the decision in *Heinl v. Godici,* 143 F. Supp 2d 593 (District Court, E. D. VA), is inapposite to this case, because *Heinl* dealt with an entirely unrelated issue, and did not involve a settlement agreement.

III. Analysis and Findings

A. The Settlement Agreement Between Patent Owner and The Present Requester Does Not Preclude the Present *Inter Partes* Reexamination Proceeding:

Patent owner argues that a trademark cancellation proceeding is analogous to a reexamination proceeding, and seek to apply the decisions in *Selva & Sons v. Nina Footwear, Inc.,* 705 F.2d 1316 (Fed. Cir. 1983) and *Danskin, Inc. v. Dan River, Inc.,* 498 F.2d 1386 (CCPA 1974) to assert that the Office erred in refusing to consider the settlement agreement between the present patent owner and requester in determining whether to proceed with the present reexamination proceeding. With respect to the *Selva & Sons* decision, patent owner opines that because the statute [3] governing trademark cancellation proceedings (that are *inter partes* in nature) states that "any person" is able to file a petition to cancel a registration, *Selva & Sons* is indistinguishable from the facts in the present reexamination proceeding. Patent owner also argues that in *Flex-Foot, Inc v. CRP, Inc.,* 238 F.3d 1362 (Fed. Cir. 2001) the Federal Circuit upheld a clause in a settlement agreement prohibiting a party from challenging the validity of a patent when that party had agreed to a dismissal, with prejudice, of a prior action, after entering into a settlement that included a promise to not challenge the validity of that patent.

However, the decisions in the *Selva & Sons* and *Danskin, Inc.* cases do not appear to be on point as to the question of whether a party to a settlement agreement is barred from requesting reexamination of a United States patent under 35 U.S.C. § 302 *et. seq..* *Selvo & Sons* was an appeal from a decision of the Trademark Trial and Appeal Board in an *inter partes* trademark opposition proceeding. In *Selvo & Sons* , the court's decision was not grounded on the "any

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[2] *Id.*, at pages 4-6

[3] 15 U.S.C. § 1064, which states in pertinent part:
"A petition to cancel a registration of a mark, stating the grounds relied upon, may, upon payment of the prescribed fee, be filed as follows by **any person** who believes that he is or will be damaged, including as a result of dilution under section 1125 (c) of this title, by the registration of a mark on the principal register established by this chapter, or under the Act of March 3, 1881, or the Act of February 20, 1905:..." [Emphasis added]

party" language of 15 U.S.C. § 1064. Rather, the court noted the existence of 15 U.S.C. § 1069, which states:

> "In all *inter partes* proceedings equitable principles of laches, estoppel and acquiescence, where applicable, may be considered and applied." *Id.* at 1323, 1324

There is no analogue in the reexamination statutes to 15 U.S.C. § 1069, a statute that broadly applies the equitable principles of laches, estoppel and acquiescence to *inter partes* trademark proceedings in the Office. Rather, the *inter partes* reexamination statute includes limited estoppel provisions that raise specific estoppels based upon the existence of a final (*i.e..* nonappealable) court holding of patent claim validity [4] or the existence of an order granting reexamination. [5] If Congress had intended to make the broad equitable principles set forth in 15 U.S.C. § 1069 applicable to *inter partes* reexamination proceedings, then Congress would have so stated. [6] With respect to the *Danskin, Inc.* case (an appeal from a decision of the Trademark Trial and Appeal Board in an *inter partes* trademark opposition proceeding), it is noted that the language of 15 U.S.C. § 1069 would also apply, so that application of the broad equitable principles listed in the statute would have been mandated.

In the *Flex-Foot* decision, the court did *not address the issue of whether the Office would be barred from conducting a reexamination proceeding filed by that party.* The court's decision merely upheld that a clause in the settlement agreement would prohibit a party to the settlement agreement from challenging the validity of a patent (and accordingly, the opposing party would have remedies against the party that violated the agreement). The opinion in *Flex-Foot* does not discuss the affect of a reexamination filing by a party in violation of such a settlement agreement, as to whether the reexamination should continue. *Flex-Foot* does not require or suggest that an order granting a reexamination proceeding, based on such a filing, would be *ultra vires* due to the existence of a settlement agreement between a patent owner and third party requester. And, based on the discussion below, there is no reason to believe that an order granting a reexamination proceeding based on such a filing would be *ultra vires* action on the part of the Office.

B. Reexamination Case Law Does Not Support Vacatur Of The Present Reexamination Proceeding

The settlement agreement asserted by patent owner in the '121 reexamination proceeding does not explicitly address reexamination of a patent. Even if it did, relevant court precedent clearly demonstrates that - because the Office was not, and is not, a party to the settlement agreement, the Office was not, and is not, bound by the settlement agreement.

Joy Manufacturing Co. v National Mine Service Co, 810 F.2d 1127 (Fed. Cir. 1987) addressed the question of the effect, if any, that the existence of a settlement agreement between parties to an infringement/validity patent litigation had with respect to a request for *ex parte* reexamination subsequently filed by a party to that settlement agreement. Accused infringer National had entered into an agreement in settlement of an action brought against it for infringing a patent.

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[4] See 35 U.S.C. § 317(b).

[5] See 35 U.S.C. § 317(a).

[6] In light of the cases cited below in support of the Office's position vis-à-vis the effect of the settlement agreement in the present reexamination proceeding, it is also to be noted that with respect to *ex parte* reexamination, Congress has not mandated any estoppel with respect to the ability of "any person" to file a request for reexamination at "any time."

National agreed that it would not file any suit in any court challenging the validity of the patent. Thereafter, National filed a request for reexamination of the patent, and the patent owner requested an injunction preventing the third party requester from going forward in the reexamination proceeding. The District Court ruled against the patent owner, noting that the settlement agreement by its literal terms did not proscribe the conduct of which the patent owner complained. The Federal Circuit agreed, holding that:

> " ... the district court correctly refused to equate "a request for administrative reexamination . . . with filing a suit in a United States Court." Its reliance on *Etter* as support for this legal conclusion was entirely appropriate. The *Etter* decision turned on the precise issue here, namely, that reexamination and civil litigation were distinctly different proceedings. As stated therein:
>
> > The intent that reexamination proceedings and court actions involving challenges to validity be distinct and independent is reflected in the legislative history of § 303. . . . *756 F.2d at 857, 225 USPQ at* 4. The result in *Etter* is inseparable from the above-quoted premise. [Footnote omitted.]
>
> "In this connection, we also note that the principal relief which Joy seeks -- namely, stopping the reexamination of its patent -- is not available in these proceedings. *Accord* Manual of Patent Examining Procedure § 2210 (5th ed. 1983); *Houston Atlas, Inc. v. Del Mar Scientific, Inc.*, 217 U.S.P.Q. (BNA) 1032, 1034 (N.D. Tex. 1982), aff'd, 703 F.2d 555 (5th Cir. 1983). The decision by the Commissioner to institute reexamination is not subject to review, *Etter*, 756 F.2d at 857, 225 USPQ at 4; and the injunction sought against National would have no effect on reexamination since National, as the requestor, has no future role to play in that *ex parte* proceeding. "

In the present reexamination proceeding, patent owner has not established that Acushnet's request for reexamination violates the literal terms of the 1996 settlement agreement involved here. The settlement agreement does not facially preclude "administrative proceedings" of any sort, including reexamination within the Office. Further, as was noted in the previous decision dismissing the petition, the settlement agreement was entered into in 1996; prior to the enactment in 1999 of the statute authorizing *inter partes* reexamination. Thus, it is unlikely that the settlement agreement reflects an agreement between the parties thereto to forego administrative relief in the form of a request for *inter partes* reexamination (such *inter partes* proceeding made available after the settlement agreement), and at best, could only be asserted to inferentially contemplate that the parties to the settlement agreement would not seek *ex parte* reexamination (where there is no right to comment on patent owner responses and appeal). *Joy Manufacturing*, and the other cases relied on by the Office, *infra*, all involve *ex parte* examination proceedings. Moreover, even presuming that the settlement agreement between the patent owner and third party requester could be construed to be an agreement precluding the filing of a request for *ex parte* reexamination, the courts have uniformly held that such agreement is without binding effect on the Office and would not bar the Office from granting and conducting an *ex parte* reexamination proceeding, as will now be discussed.

In *Houston Atlas, Inc. et al v. Del Mar Scientific, Inc. et al.*, 217 USPQ 1032, 1037 (N.D. Tex. 1982), the district court considered the situation in which two parties had executed and had entered a consent judgment stating that a particular patent was valid. The consent judgment was entered prior to the enactment of the *ex parte* reexamination statutes. The court expressly addressed the subsequent effect the consent judgment would have on reexamination in the Office, if any. The court stated that private parties cannot bind the Office, or the public it represents, with respect to the validity of a patent, by merely executing the consent judgment and having it entered. The court noted that:

> "... the Patent Office was not a party to the original proceeding and, as discussed in section IV above, the consent judgment is not binding on the Patent Office or the public which it represents. Simply stated, **two private parties cannot bind the Patent Office with respect to the validity of a patent by merely executing, and having entered, a consent judgment stating that the patent is valid. The consent**

> **judgment is not *res judicata* on the Patent Office as there is no evidence that the Patent Office is privity with Defendants.** See *Vulcan, Inc. v. Fordees Corp., 658 F.2d 1106, 1109-10, 211 USPQ 852, 854-855 (6th Cir. 1981)* (party not in privity to executory of consent judgment is not bound by the judgment). Given that the consent judgment is not enforceable against the Patent Office as *res judicata*, the Court must determine whether the Patent Office, by its conduct of the reexamination proceedings and issuance of the order of reexamination is "in a position to frustrate the implementation of [the consent judgment] or the proper administration of justice." The clear answer to this question is in the negative. Section 303 of the Act expressly authorizes the Patent Office to conduct reexamination proceedings on their own initiative without a formal request for reexamination. If the reexamination proceedings in question had been instituted by the Commissioner as a consequence of a citation of prior art from a person other than Canterbury, or if a person other than Canterbury had requested reexamination of patent *3,464,799*, this Court would be without power to enjoin the proceedings for the simple reason that the consent judgment is binding only as to Plaintiffs and Defendants. **In short, Plaintiffs' compliant lies not with the institution of the reexamination process, but instead with who requested it.** For this reason, the Court is constrained to conclude that it has no jurisdiction under the All Writs Act to grant the Plaintiffs any relief against the Patent Office. " [Emphasis added]

Thus, even though the district court found one of the defendants in *Houston Atlas* to be in contempt of the consent judgment because that defendant had filed a request for reexamination, the district court noted that the Office was expressly authorized by statute to conduct reexamination. The court concluded that a consent judgment to which the Office was not a party could not bind the Office so as to preclude reexamination, even where such reexamination was requested by a party bound by the consent judgment. If such is true with respect to a consent judgment, it follows that a settlement agreement between two private parties to which the Office is not a party also does not bind the Office so as to preclude the Office from carrying out its statutory mandate to reexamine a qualifying patent once a substantial new question of patentability for that patent has been determined to exist for that patent. Therefore, even if one assumes that third party requester in the '121 reexamination proceeding is in violation of the settlement agreement with patent owner such that third party requester might be subject to sanctions by a court of competent jurisdiction for having filed the present request for *inter partes* reexamination, <u>the settlement agreement would still not be binding on the Office so as to preclude the Office from conducting *inter partes* reexamination as requested, because the Office is not a party to that agreement</u>.

Indeed, the courts have held that a final judgment against a party found to have infringed a patent does not prohibit that party from seeking *ex parte* reexamination of the involved patent. In *Kucala Enterprises, Ltd. V. Auto Wax Co., Inc. 2004 U.S. Dist. LEXIS 5723 (N.D. Ill., 2004)*, the accused infringer (Kucala) contended that there was no basis in law or fact, by which the judgment could preclude Kucala from filing a request for *ex parte* reexamination, relying on the language of 35 U.S.C. § 302 that permits "any person at any time" to request reexamination of a patent. The court pointed out that it could not bar third party Kucala from seeking reexamination, even under the circumstances of that case, where the third party was found guilty of misconduct such that the court found the patents asserted against the third party to be not invalid. The *Kucala Enterprises, Ltd.* opinion states:

> "...the issue here, whether a court can sanction a party by enjoining it from seeking reexamination. At the same time, the cases on which Auto Wax relies fail to address a sanction prohibiting reexamination. [Citations omitted].
>
> "The court is persuaded, in light of the parties' arguments and the court's purposes in the October decision, that the judgment should not bar Kucala from seeking reexamination. The sanction of dismissal conveys to Kucala, "Because of your misconduct, you lose on the claims you filed in this court." In other words, the court finds the patents in suit not invalid. **Under the lessons of *Ethicon*, this means only that the presumption of validity survives, not that the patents are valid. Although principles of claim preclusion would bar an adjudged infringer [*16] from filing or defending a future lawsuit relating to**

> **these patents, it would not bar the infringer from seeking reexamination.** Therefore, the court will not enjoin Kucala from seeking reexamination of Auto Wax's patents." *Id.* at page 13 of the Court's decision."
> [Emphasis added]

In *McNeil-PPC, Inc. v. The Procter & Gamble Co., 19 USPQ2d 1663 (U.S. District Court District of Colorado 1991*), Procter & Gamble sought leave from the court to file a request for reexamination in the Office of a patent in dispute. The court held that Procter & Gamble did not need permission from the court to file a request for reexamination, and that there does not appear to be any limit on a party's right to request reexamination, but for complying with the requirements of 35 U.S.C. § 302, directed to *ex parte* reexamination. Furthermore, the court observed:

> "First, unfair or not, McNeil-PPC points to no authority that would authorize me to prevent or limit P & G's request to the PTO for reexamination of Bradstreet '901 and its participation in that proceeding to the extent allowed by title 35. McNeil-PPC's only argument is that because P & G asked for leave to file the request, it concedes that it is required to do so. I disagree. It may be that P & G was under the erroneous assumption that I had some statutory or common law prerogative to intervene in the PTO reexamination request. **McNeil-PPC does not offer, however, any rationale why any such misinterpretation bestows unto me power over the PTO where the power is otherwise absent.** Furthermore, at oral argument, P & G took the position that the motion was filed as a courtesy notice and does not constitute any waiver.
>
> "Second, Congress authorizes challengers to take "two bites of the apple." **A nonpatent holder is permitted to both challenge a patent in the PTO and in the district court.** *See In re Etter, 756 F.2d 852, 857, 225 U.S.P.Q. (BNA) 1* (Fed. Cir.), *cert. denied, 474 U.S. 828, 88 L. Ed. 2d 72, 106 S. Ct. 88 (1985).* In *Ethicon, Inc. v. Quigg, 849 F.2d 1422, 7 U.S.P.Q.2D (BNA) 1152 (Fed. Cir. 1988),* a nonpatent holder was sued for patent infringement. While the action progressed, the nonpatent holder requested reexamination of the subject patent in the PTO. The Federal Circuit, in concluding that the PTO was without the power to stay the reexamination pending outcome of the action and allowing the reexamination and court action to proceed simultaneously, stated:
>
> > The awkwardness presumed to result if the PTO and court reached different conclusions is more apparent than real. The two forums take different approaches in determining invalidity and on the same evidence could quite correctly come to different conclusions. Furthermore, we see nothing untoward about the PTO upholding the validity of a reexamined patent which the district court later finds invalid. This is essentially what occurs when a court finds a patent invalid after the PTO has granted it. Once again, it is important that the district court and the PTO can consider different evidence. Accordingly, different results between the two forums may be entirely reasonable. And, if the district court determines a patent is not invalid, the PTO should continue its reexamination because, the two forums have different standards of proof for determining invalidity. *Ethicon, 849 F.2d at 1428-29.*
>
> "This structure does not automatically lead to inefficient use of judicial resources. Rather than impede jurisdictional efficiency, this dual process has greater potential to promote efficiency, because, as stated in *In re Etter:*
>
> > The innate function of the reexamination process is to increase the reliability of the PTO's action in issuing a patent by reexamination of the patents thought "doubtful." [Citation omitted]. When the patent is currently involved in litigation, an auxiliary function is to free the court from any need to consider prior art without the benefit of the PTO's initial consideration."
>
> [Emphasis added]

Thus, the court recognized that duality of the Congressionally enacted structure in which reexamination and litigation co-exist as non-mutually exclusive avenues in which a party may challenge a patent. It appears that insofar as the litigation approach may result in a settlement agreement, that the existence of a settlement agreement does not "sidetrack" a party thereto from pursuing reexamination.

It should also be noted that a contractual provision preventing a party from seeking reexamination would be void as being contrary to public policy. [7] In *Lear v. Adkins*, 395 U.S. 653, (1969), the United States Supreme Court determined that prohibiting licensees from challenging the validity of a patent that they had licensed runs afoul of public policy "in permitting full and free competition in the use of ideas which are in reality part of the public domain." *id.* at 670 . By analogy, preventing a third party requester (and a potential licensee of the subject patent) from requesting reexamination of a patent would be contrary to the public policy embodied in the *Lear v. Adkins* decision. As the settlement agreement entered into in 1996 is prior to the enactment in 1999 of the statute authorizing *inter partes* reexamination, it was not even possible for these settlement agreements to address preventing a party to the agreement from filing such a request for reexamination.

Finally, it is recognized that the decisions cited and discussed, *supra*, are not specifically directed to *inter partes* reexamination. However, it is clear that the precedents would apply to *inter partes* reexamination proceedings just as they do in *ex parte* reexamination proceedings. For *ex parte* reexamination, 35 U.S.C. § 302, provides that "[A]ny person at any time may file a request for reexamination by the Office of any claim of a patent ..." For *inter partes* reexamination, 35 U.S.C. § 311(a) provides that "IN GENERAL -Any third-party requester at any time may file a request for inter partes reexamination by the Office of a patent ..." [8]

Congress chose to not place any limitation on the ability of a third party requester to request an *ex parte* reexamination proceeding. Thereafter, Congress chose to provide only very limited estoppel provisions with respect to the ability of a third party requester to request an *inter partes* reexamination proceeding, only those estoppel provisions set forth in the statue. [9] Congress could have elected to enact provisions similar to 15 U.S.C. § 1069 so as to place broad estoppel limitations on the ability of a third party requester to seek reexamination in the Office. However, Congress chose not to do so! Moreover, to the extent that the estoppel provisions of 35 U.S.C. § 317(b) might be relevant to the '121 reexamination proceeding, patent owner has not alleged that there has ever been a relevant final (*i.e.* nonappealable) court decision holding that the '156 patent claims are valid. Indeed, patent owner's own statement of the facts indicates that the parties executed Federal Rule of Civil Procedure 41 Stipulations of Dismissal of the prior litigation that were filed in, and accepted by, the Delaware District Court, and that "[t]he Court specifically retained jurisdiction over the parties in relation to disputes arising under the 1996 Settlement Agreement." This clearly does not provide a final court decision regarding the validity of any of the patents covered in the settlement agreement.

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[7] *Bremen v. Zapata Off-Shore Co.*, 407 U.S. 1 (1972)(concluding that a forum selection clause, while generally enforceable, will not be enforced where it violates the strong public policy of the forum in which suit is brought); *Newton v. Rumery*, 480 U.S. 386,392 (1987) ("The relevant principle is well established: a promise is unenforceable if the interest in its enforcement is outweighed in the circumstances by a public policy harmed by enforcement of the agreement."); *Suter v. Munich Reinsurance*, 223 F.3d 150 (3d Cir. 2000) (citing *Bremen* for the proposition that federal forum selection clauses should not be enforced where they are contrary to public policy).

[8] The caveat ("IN GENERAL") in the statute refers to the estoppel provisions of 35 U.S.C. § 317(b) that would preclude a third party requester from filing a request for reexamination where it has not sustained its burden of proof of claim invalidity in litigation that has become final, or where such litigation has resulted in a final holding of claim validity, as well as the 35 U.S.C. § 317(b) limitation on the filing of co-pending *inter partes* reexaminations.

[9] The *inter partes* reexamination statute includes limited estoppel provisions that raise specific estoppels based upon the existence of a final (i.e.. nonappealable) court holding of patent claim validity or the existence of an order granting reexamination. See 35 U.S.C. § 317(a) and (b).

C. Vacatur Of The Present Reexamination Proceeding Is Not Supported By The Provisions Of MPEP § 2246(I):

Patent owner argues that the exemplary language in the MPEP § 2646 does not limit the circumstances in which the Office can vacate reexamination orders. To the extent that this is true, it is not relevant here, because the statutes, the case law and the facts in the present reexamination proceeding all indicate that vacatur of the present reexamination proceeding would run contrary to the reexamination statute. Patent owner's arguments to the contrary are not persuasive.

MPEP § 2646(I) addresses vacatur that would be required when a request for *inter partes* reexamination was improperly ordered due either to the existence of a statutory prohibition barring the grant of a request for *inter partes* reexamination, or the existence of a clear error of a clerical nature. Patent owner has not established that the present *inter partes* reexamination proceeding was ordered contrary to any statutory prohibition barring the order, or due to a clerical error. Rather, the *inter partes* reexamination statute clearly provides that when the Office is presented with a request for *inter partes* reexamination that (1) has been filed by a third party requester not subject to the estoppel provisions of 35 U.S.C. § 317, and (2) raises a substantial new question of patentability, the Office must order *inter partes* reexamination and thereafter reexamine the patent. [10] As set forth in Section III (B) of this decision, *supra,* the case law does not support the proposition that the Office has the duty to, or may at its option, disregard the statutory mandate to reexamine the patent due to the existence of a settlement agreement between a patent owner and a third party requester to which the Office is not a party. Indeed, the case law does not support that proposition even where the settlement agreement was reduced to a consent judgment and the third party requester has been held by the court to be in contempt of the consent judgment.

D. Vacating The Present Reexamination Proceeding May In Fact Leave An Unresolved Substantial New Question of Patentability

Patent owner argues that vacatur of the present reexamination proceeding would not leave a substantial new question of patentability unresolved, because such questions (and other questions of patentability beyond the scope of *inter partes* reexamination) will be resolved by the method, and in the forum, established by the parties in the settlement agreement.

This argument ignores two important points. *First*, there is in fact a public interest served by resolution of patentability issues via reexamination proceedings in the Office, and advantages attendant thereto. *Ethicon v. Quigg*, 878 F.2d 1422, 1428 (Fed. Cir. 1989); *In re Etter*, 756 F.2d 852, 856 (Fed. Cir. 1985). There is no assurance that resolution of the dispute between patent owner and third party requester in accordance with the settlement agreement would resolve the substantial new questions of patentability that have been found to exist in the present *inter partes* reexamination proceeding, or in any way result in a benefit to the public in the manner that a reexamination proceeding would. Any resolution in court, or such other forum chosen, may simply resolve the dispute between patent owner and third party requester without resolving the issues of patentability raised by the substantial new question of patentability (e.g., by settlement, or consent judgment, or dismissal without prejudice or based on a conduct issue). Vacatur of a requested and granted *inter partes* reexamination proceeding may well leave both the public and

[10] See 35 U.S.C. §§ 311, 312(a), 313(a) and 314(c).

the patent owner with an unresolved request for reexamination and unresolved substantial new question of patentability (found to be present via the decision ordering reexamination). The public has a right to such a resolution. Vacating, withdrawing, or otherwise abandoning or terminating the instant reexamination proceeding would abrogate this public right, to the detriment of the public interest. As discussed in Section III (B) above, ordering and conducting an *inter partes* reexamination proceeding is not optional for the Office. Rather, the *inter partes* reexamination proceeding must continue according to the procedure mandated by the *inter partes* reexamination statute, to carry out the purpose of the statute and resolve the substantial new question of patentability for the public.[11] The proceeding began with the filing of a request for *inter partes* reexamination that satisfied the requirements of 35 U.S.C. § 311. As **required** by 35 U.S.C. § 312, the request for reexamination has been considered. As a result of that consideration, it has been determined that the request raises a substantial new question of patentability for one or more patent claims. Thus, in accordance with 35 U.S.C. § 313, the present proceeding **shall** result in a determination of the patentability of the claims of the '156 patent in light of prior patents and printed publications, to the benefit of the public as well as to the benefit of patent owner and third party requester.

Second, while there is no assurance that the resolution of the dispute in accordance with the settlement agreement will be timely, the present reexamination proceeding **will** be conducted with special dispatch pursuant to 35 U.S.C. § 314(c). The public interest in resolving the issues raised in the present reexamination proceeding includes an interest in having those issues resolved in a timely fashion.

E. The Decision in *Heinl v. Godici* Is Clearly Apposite To This Reexamination Proceeding

Patent owner argues that the Office's reliance on *Heinl v. Godici*, 143 F. Supp. 2d 593, 601 (E.D. Va. 2001) is misplaced. This argument is not persuasive.

Heinl was a case in which patent owner sought a decision terminating a reexamination proceeding based on the absence of a new question of patentability. The *Heinl* court stated:

> "Under the well established *ultra vires* doctrine, the exhaustion and final agency requirements are excused 'only if plaintiff is able to show that the PTO clearly exceeded its statutory authority', quoting from *Philip Morris, Inc. v. Block*, 755 F.2d 368, 370 (4th Cir 1985 (quoting *Mayor and City Council of Baltimore v. Mathews*, 562 F.2d 914, 920 (4th Cir. 1977), vacated on other grounds, 571 F.2d 1273 (4th Cir. 1978)."

The *Heinl* court then stated:

> "Put differently, when an agency acts in 'brazen defiance' of its statutory authorization, courts need not await the conclusion of underlying proceedings."

It is abundantly clear that the *Heinl* decision was not cited and discussed because it involved a previous settlement agreement between parties to a reexamination proceeding, and no reading of the Decision on Petition June 7, 2006 can lead to the belief that it was. Rather, *Heinl* was cited because it is clearly applicable to the doctrine of "*ultra vires*" reexamination proceedings in the sense that it provides a benchmark for looking into whether the Office has committed an *ultra*

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[11] The innate function of the reexamination process is to increase the reliability of the Office's action in issuing a patent by reexamination of patents thought "doubtful." House Report No. 66-1307, 96th Cong., 2d Sess. (1980), 3, reprinted in 1980 U.S. Code Cong. & Ad. News 6460, 6462. (This was emphasized in *In re Etter*, 756 F.2d 852, 225 USPQ 1 (Fed. Cir.) (en banc), cert. denied, 474 U.S. 828, 88 L. Ed. 2d 72, 106 S. Ct. 88 (1985)).

vires act. That benchmark is a simple one. Where the Office orders reexamination, the decision of the Office to order reexamination cannot be attacked as being *ultra vires*, unless it is clearly established that the Office has exceeded its statutory authority to order reexamination.

In this instance:

(1) The reexamination statute fails to provide that the equitable doctrines of laches, estoppel and acquiescence can be raised to preclude the Office from ordering *inter partes* reexamination, other than the 35 U.S.C. § 317 exception, which is inapplicable on the facts in the present reexamination proceeding;

(2) The authorities cited and discussed above in Section III (A) clearly indicate that the existence of a settlement agreement (and even the existence of a consent judgment incorporating a settlement agreement) between a patent owner and a third party reexamination requester do not operate to preclude the Office from granting that third party's request for reexamination if the request otherwise satisfies the requirements of the reexamination statutes; and

(3) A public interest in resolving the substantial new question of patentability exists in the present reexamination proceeding, which may not necessarily be timely resolved, or resolved at all, by reason of the dispute resolution provisions of the settlement agreement, and will not be resolved using the standards applicable in reexamination as well as the expertise of the Office.

Thus, the guidance provided by the decision in *Heinl* supports the conclusion that petitioner has not advanced sufficient basis for holding the grant of reexamination in the present *inter partes* reexamination proceeding to be an *ultra vires* action by the Office. The Office has not "clearly exceeded its statutory authority" in the Office's determination that the January 17, 2006 reexamination request properly raised a substantial new question of patentability and should go forward.

For all the forgoing reasons, as well as those set forth in the June 7, 2006 decision, the order granting the present *inter partes* reexamination remains intact and the *inter partes* reexamination proceeding will continue in accordance with the procedure mandated by the *inter partes* reexamination statute and implementing regulations.

ADDITIONAL DISCUSSION

The undersigned notes that the patent owner and third party requester are adverse parties with respect to the present *inter* partes reexamination proceeding, and are currently engaged in litigation involving the underlying patent. While counsel should represent the respective parties zealously, and are entitled to benefit of all of the regulations implementing the *inter partes* reexamination statutes and the examining practice promulgated with respect to those regulations, counsel are reminded of their ongoing obligations to the Office as set forth in Part 10 of Title 37 of the Code of Federal Regulations. In particular, the provisions of 37 CFR 10.18(b)(2) and (c) should be noted. Adherence to the provisions of Part 10 will greatly assist the Office **in conducting this *inter partes* reexamination proceeding with special dispatch** as required by 35 U.S.C. § 314(c).

CONCLUSION

1. The patent owner's June 16, 2006 petition under 37 CFR 1.181 is (a) granted to the extent that the prior decision has been fully reconsidered, and (b) denied as to the underlying request to vacate the order for reexamination.

2. This decision is a final agency action within the meaning of 5 U.S.C. § 704.

3. The patent owner's July 21, 2006 opposition to the third party requester opposition to the patent owner petition for reconsideration lacks an entry right in the present reexamination proceeding and has not been considered.

4. Jurisdiction over the '121 *inter partes* reexamination proceeding is returned to the Central Reexamination Unit.

5. Telephone inquiries related to the present decision should be directed to Stephen Marcus, Legal Advisor, at 571-272-7743, or, in his absence, to Karen Hastings, Legal Advisor, at 571-272-7717.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

kmh/sm

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MAILED

APR 27 2007

CENTRAL REEXAMINATION UNIT

In re Callaway Golf Company
Inter Partes Reexamination Proceeding
Control No.: 95/000,120
Filed: January 17, 2006
For: U.S. Patent No. 6,210,293

In re Callaway Golf Company
Inter Partes Reexamination Proceeding
Control No.: 95/000,121
Filed: January 17, 2006
For: U.S. Patent No. 6,503,156

In re Callaway Golf Company
Inter Partes Reexamination Proceeding
Control No.: 95/000,122
Filed: January 17, 2006
For: U.S. Patent No. 6,506,130

In re Callaway Golf Company
Inter Partes Reexamination Proceeding
Control No.: 95/000,123
Filed: January 17, 2006
For: U.S. Patent No. 6,595,873

DECISION DISMISSING PETITION

This is a decision on the March 22, 2007 petition entitled "JOINT PETITION TO SUSPEND CERTAIN OF THE PROCEDURES SET FORTH IN MPEP § 724.04 GOVERNING THE HANDLING OF CONFIDENTIAL INFORMATION." The patent owner and third party requester jointly filed the petition,.

The petition is before the Office of Patent Legal Administration for consideration. The petition is being taken as a petition under 37 CFR 1.183 to waive the provisions of 37 CFR 1.59 as well as portions of the corresponding practice (MPEP § 724 *et seq*) promulgated under the rule. A petition fee of $ 400.00 under 37 CFR 1.17(f) will be charged to the patent owner's deposit account as authorized in the joint petition for each of the four *inter partes* reexamination proceedings. Accordingly, $ 1,600.00 ($ 400 x 4 = $ 1,600) is being charged to patent owner's Deposit Account No. 06-1050.

REVIEW OF SALIENT FACTS

1. On January 17, 2006, third party requester (Acushnet) filed four *inter partes* reexamination requests, each request being directed to one of four U.S. Patents owned by Callaway Golf.

2. The reexamination request for U.S. Patent No. 6,210,293 (the '293 patent) was assigned control no. 95/000,120 (the '120 *inter partes* reexamination request).

3. The reexamination request for U.S. Patent No. 6,503,156 (the '156 patent) was assigned control no. 95/000,121 (the '121 *inter partes* reexamination request).

4. The reexamination request for U.S. Patent No. 6,506,130 (the '130 patent) was assigned control no. 95/000,122 (the '122 *inter partes* reexamination request).

5. The reexamination request for U.S. Patent No. 6,595,873 (the '873 patent) was assigned control no. 95/000,123 (the '123 *inter partes* reexamination request).

6. On February 9, 2006, patent owner Callaway Golf filed suit against third party requester Acushnet in the United States District Court for the District of Delaware. Each of the '293, '156, '130 and '873 patents is involved in the suit.

7. Reexamination was ordered for each of the '122 and '123 *inter partes* reexamination proceedings on April 6, 2006.

8. Reexamination was ordered for each of the '120 and '121 *inter partes* reexamination proceedings on April 7, 2006.

9. A non-final Office action was mailed in each of the '122 and '123 *inter partes* reexamination proceedings on January 30, 2007.

10. A non-final Office action was mailed in each of the '120 and '121 *inter partes* reexamination proceedings on February 27, 2007.

11. In the District Court litigation, the patent owner and third party requester are subject to a protective order that anticipates the use of confidential information in the litigation, that anticipates that some of the confidential information may be relevant to the '120, '121, '122 and '123 *inter partes* reexamination proceedings, and permits submission of such material in these *inter partes* reexamination proceedings subject to certain procedures designed to protect the confidential nature of the information.

12. Patent owner and third party requester filed the present joint petition on March 22, 2007 seeking to waive certain aspects of Office practice governing the submission of confidential information that are deemed to conflict with certain provisions of the protective order.

DECISION

I. Relevant Statutes, Regulations and Practice

35 U.S.C. § 151 provides, in part:

"If it appears that applicant is entitled to a patent under the law, a written notice of allowance of the application shall be given or mailed to the applicant. The notice shall specify a sum, constituting the issue fee or a portion thereof, which shall be paid within three months thereafter. Upon payment of this sum the patent shall issue, but if payment is not timely made, the application shall be regarded as abandoned."

35 U.S.C. § 181 provides, in part:

"Whenever publication or disclosure by the publication of an application or by the grant of a patent on an invention in which the Government has a property interest might, in the opinion of the head of the interested Government agency, be detrimental to the national security, the Commissioner of Patents upon being so notified shall order that the invention be kept secret and shall withhold the publication of an application or the grant of a patent therefor under the conditions set forth hereinafter."

35 U.S.C. § 316(a) provides:

"IN GENERAL.– In an inter partes reexamination proceeding under this chapter, when the time for appeal has expired or any appeal proceeding has terminated, the Director shall issue and publish a certificate canceling any claim of the patent finally determined to be unpatentable, confirming any claim of the patent determined to be patentable, and incorporating in the patent any proposed amended or new claim determined to be patentable."

37 CFR 1.11(a), (c) and (d) provide:

"(a) The specification, drawings, and all papers relating to the file of: A published application; a patent; or a statutory invention registration are open to inspection by the public, and copies may be obtained upon the payment of the fee set forth in § 1.19(b)(2). If an application was published in redacted form pursuant to § 1.217, the complete file wrapper and contents of the patent application will not be available if: The requirements of paragraphs (d)(1), (d)(2), and (d)(3) of § 1.217 have been met in the application; and the application is still pending. See § 2.27 of this title for trademark files.

(c) All requests for reexamination for which all the requirements of § 1.510 or § 1.915 have been satisfied will be announced in the Official Gazette. Any reexaminations at the initiative of the Director pursuant to § 1.520 will also be announced in the Official Gazette. The announcement shall include at least the date of the request, if any, the reexamination request control number or the Director initiated order control number, patent number, title, class and subclass, name of the inventor, name of the patent owner of record, and the examining group to which the reexamination is assigned.

(d) All papers or copies thereof relating to a reexamination proceeding which have been entered of record in the patent or reexamination file are open to inspection by the general public, and copies may be furnished upon paying the fee therefor."

37 CFR 1.59(a) and (b) provide:

"(a)(1) Information in an application will not be expunged, except as provided in paragraph (b) of this section or § 41.7(a) of this title.

(2) Information forming part of the original disclosure (i.e., written specification including the claims, drawings, and any preliminary amendment specifically incorporated into an executed oath or declaration
under §§ 1.63 and 1.175) will not be expunged from the application file.

(b) An applicant may request that the Office expunge information, other than what is excluded by paragraph (a)(2) of this section, by filing a petition under this paragraph. Any petition to expunge information
from an application must include the fee set forth in § 1.17(g) and establish to the satisfaction of the Director that the expungement of the information is appropriate in which case a notice granting the petition for expungement will be provided.

37 CFR 1.555 provides:

(a) A patent by its very nature is affected with a public interest. The public interest is best served, and the most effective reexamination occurs when, at the time a reexamination proceeding is being conducted, the Office is aware of and evaluates the teachings of all information material to patentability in a reexamination proceeding. Each individual associated with the patent owner in a reexamination proceeding has a duty of candor and good faith in dealing with the Office, which includes a duty to disclose to the Office all information known to that individual to be material to patentability in a reexamination proceeding. The individuals who have a duty to disclose to the Office all information known to them to be material to patentability in a reexamination proceeding are the patent owner, each attorney or agent who represents the patent owner, and every other individual who is substantively involved on behalf of the patent owner in a reexamination proceeding. The duty to disclose the information exists with respect to each claim pending in the reexamination proceeding until the claim is cancelled. Information material to the patentability of a cancelled claim need not be submitted if the information is not material to patentability of any claim remaining under consideration in the reexamination proceeding. The duty to disclose all information known to be material to patentability in a reexamination proceeding is deemed to be satisfied if all information known to be material to patentability of any claim in the patent after issuance of the reexamination certificate was cited by the Office or submitted to the Office in an information disclosure statement. However, the duties of candor, good faith, and disclosure have not been complied with if any fraud on the Office was practiced or attempted or the duty of disclosure was violated through bad faith or intentional misconduct by, or on behalf of, the patent owner in the reexamination proceeding. Any information disclosure statement must be filed with the items listed in § 1.98(a) as applied to individuals associated with the patent owner in a reexamination proceeding, and should be filed within two months of the date of the order for reexamination, or as soon thereafter as possible.

(b) Under this section, information is material to patentability in a reexamination proceeding when it is not cumulative to information of record or being made of record in the reexamination proceeding, and

(1) It is a patent or printed publication that establishes, by itself or in combination with other patents or printed publications, a prima facie case of unpatentability of a claim; or

(2) It refutes, or is inconsistent with, a position the patent owner takes in:

(i) Opposing an argument of unpatentability relied on by the Office, or

(ii) Asserting an argument of patentability.

A *prima facie* case of unpatentability of a claim pending in a reexamination proceeding is established when the information compels a conclusion that a claim is unpatentable under the

preponderance of evidence, burden-of-proof standard, giving each term in the claim its broadest reasonable construction consistent with the specification, and before any consideration is given to evidence which may be submitted in an attempt to establish a contrary conclusion of patentability.

(c) The responsibility for compliance with this section rests upon the individuals designated in paragraph (a) of this section and no evaluation will be made by the Office in the reexamination proceeding as to compliance with this section. If questions of compliance with this section are raised by the patent owner or the third party requester during a reexamination proceeding, they will be noted as unresolved questions in accordance with § 1.552(c)."

37 CFR 1.933 provides:

(a) Each individual associated with the patent owner in an *inter partes* reexamination proceeding has a duty of candor and good faith in dealing with the Office, which includes a duty to disclose to the Office all information known to that individual to be material to patentability in a reexamination proceeding as set forth in § 1.555(a) and (b). The duty to disclose all information known to be material to patentability in an inter partes reexamination proceeding is deemed to be satisfied by filing a paper in compliance with the requirements set forth in § 1.555(a) and (b).

(b) The responsibility for compliance with this section rests upon the individuals designated in paragraph (a) of this section, and no evaluation will be made by the Office in the reexamination proceeding as to compliance with this section. If questions of compliance with this section are raised by the patent owner or the third party requester during a reexamination proceeding, they will be noted as unresolved questions in accordance with § 1.906(c).

MPEP § 724.01 provides:

"It is the intent of the Office that the patent file wrapper be as complete as possible insofar as "material" information is concerned. The Office attempts to minimize the potential conflict between full disclosure of "material" information as required by 37 CFR 1.56 and protection of trade secret, proprietary, and protective order material to the extent possible.

The procedures set forth in the following sections are designed to enable the Office to ensure as complete a patent file wrapper as possible while preventing unnecessary public disclosure of trade secrets, proprietary material, and protective order material."

MPEP § 724.02 provides, in part:

"Information which is considered by the party submitting the same to be either trade secret material or proprietary material, and any material subject to a protective order, must be clearly labeled as such and be filed in a sealed, clearly labeled, envelope or container. Each document or item must be clearly labeled as a "Trade Secret" document or item, a "Proprietary" document or item, or as an item or document "Subject To Protective Order." ...

Examples of appropriate labels for such an envelope or container addressed to an application are as follows: (Appropriate changes would be made for papers filed in a reexamination file.)

...

C. "MATERIAL SUBJECT TO PROTECTIVE ORDER – NOT OPEN TO PUBLIC. TO BE OPENED ONLY BY EXAMINER OR OTHER AUTHORIZED U.S. PATENT AND TRADEMARK
OFFICE EMPLOYEE.
DO NOT SCAN
Tribunal Issuing Protective Order:
Civil Action or Other Identification No.:
Date of Order:

Current Status of Proceeding: (Pending, Stayed, etc.)
In re application of:
Application No.
Filed:
For: (Title of Invention)
TC Art Unit:
Examiner:

The envelope or container must be accompanied by a transmittal letter which also contains the same identifying information as the envelope or container. The transmittal letter must also state that the materials in the envelope or container are considered trade secrets or proprietary, or are subject to a protective order, and are being submitted for consideration under MPEP § 724. A petition under 37 CFR 1.59 and fee therefor (37 CFR 1.17g) to expunge the information, if found not to be important to a reasonable examiner in deciding whether to allow the application to issue as a patent, should accompany the envelope or container. ..."

MPEP § 724.04(c) provides, in part:

"Any materials submitted under MPEP § 724.02 in a reexamination file open to the public under 37 CFR 1.11(d) will be treated in the following manner:

(A) Materials submitted under MPEP § 724.02 will only be released to the public with any other papers in the reexamination file if no petition to expunge (37 CFR 1.59) was filed prior to the mailing of a Notice of Intent to Issue Reexamination Certificate (NIRC), or if a petition to expunge was filed and the petition was denied. The submitted information will be maintained separate from the reexamination file and will not be publicly available until a determination has been made as to whether or not the information is important to a reasonable examiner in deciding whether or not a claim is patentable.

(B) Prior to the mailing of a NIRC, the examiner will review the reexamination file and determine if a petition to expunge is in the reexamination file but not acted upon. The examiner, or other appropriate Office official who is responsible for considering the information, will make a determination as to whether or not any portion or all of the information submitted is important to a reasonable examiner in deciding whether or not a claim is patentable.

(C) If any portion or all of the submitted information is found important to a reasonable examiner in deciding whether or not a claim is patentable the petition to expunge will be denied and the information will thereafter become a permanent part of the reexamination file and open to the public.

(D) If any portion or all of the submitted information is found not to be important to a reasonable examiner in deciding whether or not a claim is patentable, the petition to expunge will be granted and the information expunged.
..."

II. Discussion re Expunging Information - General

A request for *inter partes* reexamination was filed by third party requester (Acushnet) on January 17, 2006 for each of the '293, '156, '130 and '873 patents owned by Callaway Golf. On February 9, 2006, patent owner filed an action in the United States District Court for the District of Delaware (the District Court) alleging, *inter alia*, that third party requester infringes certain claims of each of those patents. Reexamination for each of the patents was ordered in early April; 2006.

Joint petitioners (patent owner and third party requester) allege that a protective order has been issued by the District Court. Apparently, the protective order includes a provision permitting

submission of confidential information to the Office "provided that the USPTO enters an appropriate protective order or other order to preserve the confidentiality of the Designated Materials to the same degree as they are protected hereunder." Joint petitioners further allege that the examining practice pursuant to MPEP § 724.04 will, if complied with by the parties, effectively preclude both parties from submitting confidential information that may be relevant to the four *inter partes* reexamination proceedings, because the examining practice does not guarantee confidentiality of such submitted information once it is submitted to the Office. Accordingly, joint petitioners have requested a suspension of certain of the procedures set forth in MPEP § 724.04, such that all confidential material that is properly submitted to the Office will remain confidential during the *inter partes* reexamination proceedings, and will thereafter be expunged at the conclusion of the *inter partes* reexamination proceedings - regardless of the Office's findings as to the relevance of the material. The Office construes the requested suspension of examining procedures as a request to suspend 37 CFR 1.59 pursuant to the provisions of 37 CFR 1.183, along with the applicable examining practice under the rule that would be relevant in these *inter partes* reexamination proceedings.

Joint petitioners are correct with respect to the examining practice under MPEP § 724.04(c). The Office will <u>not</u> expunge confidential information that is submitted to the Office in a reexamination proceeding <u>unless</u> it is found by the examiner that the confidential information is not "important to a reasonable examiner in deciding whether or not a claim is patentable."

The basis for refusing to expunge information submitted to the Office when such information has been found to be important to a reasonable examiner in deciding whether or not a claim is patentable is that 35 U.S.C. §§ 151 and 181 require that the file of an issued patent be open and available to the public. And, 35 U.S.C. § 316(a) provides that the content of any reexamination certificate resulting from an *inter partes* reexamination proceeding is *incorporated into* the original patent.

35 U.S.C. § 151 requires that when it is determined that an applicant for patent is entitled to a patent, the patent shall issue, and the record of the patent shall be made open to the public, upon payment of the issue fee. This provision is qualified only by 35 U.S.C. § 181 which precludes "publication or disclosure" by "the grant of a patent" under certain circumstances, (*i.e.* for national security reasons), which are not relevant here. These provisions, when read together, make it clear that the grant of a patent is a publication of the information "disclosed" in the patent record, which includes the reexamination file for a reexamination proceeding. The availability of such information is thus a right that is statutorily provided to the public, and thus, a public interest. The public has a right to be aware of all information found to be important to a reasonable examiner in deciding whether or not claims are patentable.

In order to implement the statutory requirements regarding publication of patents and incorporation a reexamination proceeding, 37 CFR 1.11(a) provides, *inter alia*, that "[T]he specification, drawings, and all papers relating to the file of a patent" are "are open to inspection by the public" and that copies thereof may be obtained. 37 CFR 1.11(c) & (d) specifically provide that the public will be given notice of all requests for reexamination that have been given a filing date, and that all papers of record in the reexamination file are open to inspection by the general public. It is clear from these regulatory provisions that the record of a patent that has been reexamined and for which a reexamination certificate has been published will include the information of record in the reexamination file, and will be open to the public for inspection.

37 CFR 1.59 provides authority for the Office to expunge certain information from the record of a patent application, so that such information will not form part of the public record of any patent that issues from that application. MPEP § 724 *et. seq.* provides a mechanism to provisionally seal such information until the issue of expungment is addressed by the Office. This practice has been construed to apply to the record of a reexamination proceeding, so that information that would otherwise might be considered part of the patent, as "amended" by the reexamination certificate, could be submitted, and expunged from the file prior to the issue of the reexamination certificate when appropriate. MPEP § 724.02(c) provides the criteria for the filing of a petition under 37 CFR 1.59 to expunge information from the file of a reexamination proceeding. The Office may expunge information provided that such information has been determined to not be important to a reasonable examiner in deciding whether or not a claim is patentable. On the other hand, information that has been determined to be "important to a reasonable examiner..." will not be expunged. Rather, it will form part of the record of the issued patent, as amended by the resulting reexamination certificate, and this record will be a public record. Thus, the public will have the ability to review and understand the basis upon which patent claims were found patentable, as well as the basis upon which claims proposed during examination and/or reexamination were refused, and so will be better able to evaluate (for example), the scope of such claims and their strengths and weaknesses (e.g., what aspects of the claims were, and were not, taught by the art) .

III. Discussion re Expunging Identified Information Submitted By Patent Owner

37 CFR 1.933, which incorporates 37 CFR 1.555, provides that each individual associated with patent owner has a duty of "good faith and candor" in dealing with the Office throughout the course of the four pending *inter partes* reexamination proceedings. Patent owner, in any *inter partes* reexamination proceeding, must disclose to the Office "all" information known to each such individual to be material to patentability in that reexamination proceeding. 37 CFR 1.555 defines the meaning of information "material to patentability" as being a patent or printed publication that is non-cumulative and which (1) establishes, alone or in combination, a *prima facie* case of unpatentability of a claim pending in the reexamination proceeding, or (2) refutes a position taken by patent owner that opposes an argument of unpatentability relied upon by the Office, or (3) is inconsistent with a patent owner argument asserting patentability.

When patent owner brings to the attention of the examiner information in accordance with the definitions provided in 37 CFR 1.555, the examiner must consider this information, decide whether or not any of it is important to a determination of patentability of any pending claim, and as appropriate, either apply the information in the rejection of one or more claims, [1] or ultimately set forth in a reasons for patentability/confirmation statement, why one or more claims are patentable notwithstanding this information. [2]

As noted above in Section II of this decision, the patent statutes establish that the file of an issued patent and the file of a reexamination proceeding for a patent are public documents. The reexamination file is open to the public during the reexamination proceeding, and is considered to be part of the public file of the patent that has been reexamined following publication of the reexamination certificate. [3] The public is entitled to know, with respect to information that has been determined by the examiner to be non-cumulative and important to the question of

[1] See MPEP §§ 2660, 2672.02 and 2673 as to the requirements for complete actions that apply prior art to reject claims in an *inter partes* reexamination proceeding.
[2] See MPEP § 2688, Subsection IV for the requirement that the examiner explain reasons for patentability in an *inter partes* reexamination proceeding.
[3] See MPEP § 2632.

patentability of any pending claim, why that claim was considered to be either patentable or unpatentable in light of such information. Absent the ability to ascertain the "why" behind an examiner's holding of patentability or unpatentability of a given claim, the public may be unable to ascertain the true scope of the patent claims following issuance of the reexamination certificate. For example, important matters such as the existence, and extent, of file wrapper or prosecution estoppel, may be unclear to public. The availability of such information also permits evaluation of what aspects of the claims were, and were not, taught by the art, in the event there is knowledge of additional information to fill the gap in what was available to the skilled artisan at the time the invention was made. [4]

The existence of a protective order issued in connection with the present proceedings does not relieve the patent owner from compliance with its duty to disclose information material to patentability, even though the information in question is subject to the protective order. See *Mallinckrodt Inc. et. al. v. Masimo Corp. et. al*. [5] As stated by the *Mallinckrodt* District Court:

> "[Patentee] Masimo's attempt to demonstrate good faith was unconvincing. Masimo argued that the protective order governing the [prior] 642 litigation prohibited it from disclosing the litigation to the PTO. ... However, Masimo's counsel testified that he understood that he could have gone to the Masimo I Court and had material de-designated so that it would no longer be covered in the protective order. ... Masimo's counsel approached neither the Court nor Nellcor about withdrawing any material from the protective order in the 642 litigation for the purposes of disclosing it during the prosecution of the 830 patent. ... . Because Masimo made no attempt to overcome the barrier to disclosure presented by the protective order, this Court cannot find that it was more than a convenient excuse not to disclose. Had Masimo sought and been denied permission to disclose relevant information, the protective order would likely constitute evidence of good faith. But Masimo neither sought to withdraw material from the protective order, nor did it alert the PTO to the existence of material that could not be disclosed or even the fact that the litigation existed. The mere existence of the protective order is insufficient to demonstrate Masimo's good faith."

In the present *inter partes* reexamination proceedings, patent owner has a duty of "good faith and candor" in dealing with the Office. This duty requires patent owner to disclose all information known by each individual associated with patent owner that is material to patentability of the claims in these *inter partes* reexamination proceedings. 37 CFR 1.59 provides a mechanism, the procedure of which is explained in detail in MPEP § 724 *et seq*, for the submission of such information when the information is subject to a protective order. If patent owner follows the procedure, information submitted pursuant to that procedure will be maintained by the Office in a way that precludes public access to the information until such time as the information has been reviewed by the examiner. Where the examiner's review determines that such information <u>not</u> to be important to a patentability determination, the material will be expunged. If the material is determined by the examiner to be both non-cumulative to information of record and important to a patentability determination, the material must then become part of the publicly available record. Waiver of 37 CFR 1.59, and the practice thereunder, would undercut the statutory right of the public provided by 35 U.S.C §§ 151 and 316(a), by depriving the public of a complete record regarding patentability of the claims in the patents that are the subject of the present *inter partes* reexamination proceedings.

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[4] On the other hand, information that is determined by the examiner to not be important to the patentability of a pending claim in a reexamination proceeding is of no interest to the public, because the examiner has not made a detailed analysis thereof beyond the threshold determination that the information does not bear on the patentability of any of the claims proposed, or ultimately granted.

[5] *Mallinckrodt Inc. et. al. v. Masimo Corp. et. al.*, No. 00-6506 MRP (AJWx), 2004 U.S. Dist. LEXIS 28518, *86 (C.D. Cal., Cal., July 12, 2004) , aff'd-in-part,. Mallinckrodt Inc. *et. al.* v. Masimo Corp. *et. al.*, No. 04-1495, 04-1540, 147 Fed. Appx. 158, 181, 2005 U.S. App. LEXIS 19427 (Fed. Cir., September 7, 2005)(unpublished)

Accordingly, the Office will not waive 37 CFR 1.59 or any part of the examining practice associated therewith, notwithstanding the existence of the protective order.

To the extent that the patent owner deems that there is information subject to the protective order that patent owner must disclose to the Office pursuant to 37 CFR 1.933, and patent owner is concerned that this information will not be expunged based upon the above discussion, patent owner may seek modification of the protective order by the District Court to comply with the right of publication of information provided by the patent statute, by permitting the filing of such information in these *inter partes* reexamination proceedings notwithstanding that the information may become part of the public record.

IV. Discussion re Expunging Information Submitted By Third Party Requester

By its terms, 37 CFR 1.933 does not apply to a third party requester in an *inter partes* reexamination proceeding. Therefore, it appears that requester does not require relief in the form of waiving 37 CFR 1.59 and the associated examining practice under MPEP § 724 *et seq*, because third party requester may simply elect not to file information that third party requester knows to be subject to the protective order.

To the extent that third party requester could arguably be deemed to have a duty to disclose information in these proceedings, (*e.g.* information favorable to patentability or information that corrects or clarifies a previous submission by third party requester), the considerations stated in Sections II and III of this decision would apply with equal force to the requester. The public is entitled to access to all information that is submitted during the course of these *inter partes* reexamination proceedings that would be important to a reasonable examiner in determining patentability. Accordingly, the Office will not waive 37 CFR 1.59 or any part of the examining practice associated therewith, with respect to the requester, notwithstanding the existence of the asserted protective order.

If the third party requester deems it to be necessary to file information for consideration by the examiner that is subject to the protective order, then third party requester may seek modification of the protective order by the District Court to permit the filing of such information in these *inter partes* reexamination proceedings notwithstanding that the information may become part of the public record.

CONCLUSION

1. The joint patent owner and requester petition filed March 27, 2007, is dismissed.

2. Any request for reconsideration of this decision must be submitted within two months of the date of this decision, in accordance with 37 CFR 1.181(f).

3. Jurisdiction over each of the '120, '121, '122 and '123 *inter partes* reexamination proceedings is returned to the Central Reexamination Unit.

4. Telephone inquiries related to the present decision should be directed to the Stephen Marcus, Legal Advisor, at 571-272-7743, or, in his absence, to the undersigned at 571-272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

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UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
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www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,122	01/17/2006	6506130	00364.0004RXUS02	6325

7590 02/16/2006

The Top-Flite Golf Company,
A Wholly Owned Subsidiary of
Callaway Golf Company
2180 Rutherford Road Legal Dept.
Carlsbad, CA 92008-7328

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 02/16/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

UNITED STATES PATENT AND TRADEMARK OFFICE

Commissioner for Patents
United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450
www.uspto.gov

MAILED
FEB 16 2006
REEXAM UNIT

The Top-Flite Golf Company, (Patent Owner)
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Callaway Golf Company
2180 Rutherford Road, Legal Dept.
Carlsbad, CA 92008-7328

Alan M. Grimaldi (Requester)
Howrey LLP
1299 Pennsylvania Avenue NW
Washington, DC 20004

In re Sullivan	:	
Inter Partes Reexamination Proceeding	:	DECISION ACCEPTING
Control No. 95/000,122	:	WITHDRAWAL OF
Filed: January 17, 2006	:	PETITION
For: U.S. Patent No. 6,506,130	:	

On January 23, 2006, the third party requester filed a paper titled REQUEST FOR THE SUSPENSION OF ACTION UNDER 37 C.F.R.§ 1.103(a), which is taken as a petition for suspension of action under 37 CFR 1.182. On February 9, 2006, the third party requester filed a paper titled WITHDRAWAL OF REQUEST FOR THE SUSPENSION OF ACTION UNDER 37 C.F.R.§ 1.103(a), in which requester withdraws the January 23, 2006 petition for suspension of action.

Based upon the February 9, 2006 paper:

1. The January 23, 2006 petition for suspension of action is withdrawn; no decision will be rendered on the petition.

2. A copy of this decision will be placed in the present *inter partes* reexamination file.

3. Jurisdiction over this proceeding is being returned to the Central Reexamination Unit.

4. Telephone inquiries with regard to this decision should be directed to the undersigned at 571-272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

2-15-06
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(For Third Party Requester)

MAILED

JUN 07 2006

REEXAM UNIT

In re Callaway Golf Company
Inter Partes Reexamination Proceeding
Control No.: 95/000,122
Filed: January 17, 2006
For: U.S. Patent No. 6,506,130

DECISION ON PETITION TO VACATE ORDER GRANTING REEXAMINATION

This is a decision on the April 13, 2006 patent owner petition entitled "PETITION TO VACATE REEXAMINATION ORDERS AS ULTRA VIRES" under 37 CFR 1.181. On April 27, 2006, the third party requester filed an opposition to the present petition entitled "ACUSHNET'S OPPOSITION TO PATENT OWNER'S PETITION TO VACATE REEXAMINATION ORDERS AS ULTRA VIRES."

Both the petition and the opposition are before the Office of Patent Legal Administration for consideration.

The patent owner's petition is dismissed for the reasons set forth below.

REVIEW OF SALIENT FACTS

1. U.S. Patent No. 6,506,130 (the '130 patent) issued to Michael J. Sullivan on January 14, 2003, and is currently assigned to Callaway Golf Company.

2. A request for *inter partes* reexamination of the '130 patent was filed by a third party requester, Acushnet Company (hereinafter "Acushnet"), on January 17, 2006. The request was assigned Control No. 95/000,122 (the '122 *inter partes* reexamination proceeding).

3. On January 23, 2006, the third party requester filed a paper that was taken as a petition under 37 CFR 1.182 to suspend the '122 *inter partes* reexamination proceeding.

4. On February 9, 2006, the patent owner filed suit against requester Acushnet in the United States District court for the District of Delaware. *Callaway Golf Company v Acushnet Company*, C.A. No. 06-91 (SLR) (February 9, 2006).

5. On February 9, 2006, the third party requester filed a paper withdrawing the January 23, 2006 petition.

6. On February 16, 2006, the Office recognized the February 9, 2006 paper, and accepted the withdrawal of the January 23, 2006 petition without rendering a decision on the petition.

7. On March 21, 2006, the patent owner filed a petition, requesting that the '122 *inter partes* reexamination proceeding be suspended.

8. On March 24, 2006, the third party requester filed an opposition to the March 21, 2006 patent owner petition.

9. On March 31, 2006, the Office issued a decision discarding the March, 2006 petition and opposition papers as improper because reexamination had not yet been ordered.

10. Reexamination was ordered for the '122 *inter partes* reexamination proceeding on April 6, 2006.

11. On April 13, 2006 the patent owner filed the present petition under 37 CFR 1.181 to vacate the reexamination orders as *ultra vires*.

12. On April 27, 2006 the third party requester filed an opposition to the April 13, 2006 patent owner petition pursuant to MPEP 2646 (I).

RELEVANT STATUTORY AND REGULATORY LAW AND PROCEDURE

35 U.S.C. § 311(a) provides:

> "IN GENERAL. — **Any** third-party requester **at any time** may file a request for inter partes reexamination by the Office of a patent on the basis of any prior art cited under the provisions of section 301." [Emphasis supplied.]

35 U.S.C. § 312(a) provides in pertinent part:

> "Not later than 3 months after the filing of a request for *inter partes* reexamination under section 311, the Director **shall** determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request, with or without consideration of other patents or printed publications. ... " [Emphasis supplied.]

35 U.S.C. § 313 provides:

> "If, in a determination made under section 312(a), the Director finds that a substantial new question of patentability affecting a claim of a patent is raised, the determination **shall** include an order for *inter partes* reexamination of the patent for resolution of the question. The order may be accompanied by the initial action of the Patent and Trademark Office on the merits of the *inter partes* reexamination conducted in accordance with section 314." [Emphasis supplied.]

35 U.S.C. 314(c) provides:

c) SPECIAL DISPATCH.- Unless otherwise provided by the Director for good cause, all *inter partes* reexamination proceedings under this section ... shall be conducted with special dispatch within the Office.

35 U.S.C. § 317 provides:

"a) ORDER FOR REEXAMINATION.- Notwithstanding any provision of this chapter, once an order for *inter partes* reexamination of a patent has been issued under section 313, neither the third-party requester nor its privies may file a subsequent request for *inter partes* reexamination of the patent until an *inter partes* reexamination certificate is issued and published under section 316, unless authorized by the Director.

(b) FINAL DECISION.- Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party has not sustained its burden of proving the invalidity of any patent claim in suit ..., then neither that party nor its privies may thereafter request an *inter partes* reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in such civil action..., and an *inter partes* reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office, notwithstanding any other provision of this chapter. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings."

37 CFR 1.907 provides in pertinent part:

" (b) Once a final decision has been entered against a party in a civil action arising in whole or in part under 28 U.S.C. 1338 that the party has not sustained its burden of proving invalidity of any patent claim-in-suit, then neither that party nor its privies may thereafter request *inter partes* reexamination of any such patent claim on the basis of issues which that party, or its privies, raised or could have raised in such civil action, and an *inter partes* reexamination requested by that party, or its privies, on the basis of such issues may not thereafter be maintained by the Office."

MPEP § 2646 (I) provides in pertinent part:

"A petition under 37 CFR 1.181 may... be filed to vacate an *ultra vires* reexamination order, such as where the order for reexamination is not based on prior art patents and printed publications. In cases where no discretion to grant a request for reexamination exists, a petition to vacate the decision to grant, or a request for reconsideration, will be entertained. "Appropriate circumstances" under 37 CFR 1.181(a)(3) exist to vacate the order granting reexamination where, for example:

(A) the reexamination order is not based on prior art patents or printed publications;
(B) reexamination is prohibited under 37 CFR 1.907;
(C) all claims of the patent were held to be invalid by a final decision of a Federal Court after all appeals;
(D) reexamination was ordered for the wrong patent;
(E) reexamination was ordered based on a duplicate copy of the request; or
(F) the reexamination order was based wholly on the same question of patentability raised by the prior art previously considered in an earlier concluded examination of the patent by the Office (e.g., the application which matured into the patent, a prior reexamination, an interference proceeding)."

DECISION

Patent owner argues that the order granting reexamination is an *ultra vires* action on the part of the Office because the third party requester, Acushnet, lacked standing to file the *inter partes* request. Patent owner bases this argument on allegations that:

(1) Certain Stipulations of Dismissal resulted in a settlement agreement between patent owner's predecessor in interest, and requester Acushnet entered into a Settlement Agreement on November 10, 1990, for a term of ten years;

(2) The same parties executed a Settlement Agreement in 1996 that superseded the 1990 agreement, and the 1996 Settlement agreement provides, *inter alia*, that the exclusive forum for the third present party requester to resolve patent validity issues with the patent owner is the United States District Court for the District of Delaware; and

(3) The same (present) parties participated in the dispute resolution process pursuant to the 1996 Settlement Agreement, and while the mediation process was underway, Acushnet requester filed a request for the present *inter partes* reexamination proceeding. [1]

It is patent owner's position that filing of the present *inter partes* by requester Acushnet violates the aforementioned Settlement Agreement, and that Acushnet therefore does not have standing to file and maintain the present request for *inter partes* reexamination. [2] However, taking the facts as given by patent owner are accurate, and that there is a valid Settlement Agreement between patent owner and requester Acushnet, [3] patent owner has simply <u>not</u> established that the order granting the present *inter partes* reexamination proceeding is an *ultra vires* action on the part of the Office.

First, the reexamination statute governing *inter partes* reexamination permits the filing of a request for *inter partes* reexamination of a qualifying patent by **any party at any time**; [4] and it further <u>requires</u> the USPTO Director to (1) determine, within three months of the filing of the request, whether the request raises a substantial new question of patentability affecting any claim of the patent, [5] (2) order and conduct *inter partes* reexamination when such substantial new question is found, [6] and (3) conduct the *inter partes* reexamination proceeding with special dispatch. [7] Patent owner has not cited authority that holds that an agreement by parties in any way relieves the Office from the duty to faithfully follow the mandatory requirements of the *inter partes* reexamination statute, when a party files a request for *inter partes* reexamination. Neither has patent owner cited authority for the proposition that private parties, by agreement, may abrogate the statutory jurisdiction conferred upon the Office to decide the merits of a

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[1] See patent owner's Petition, pages 2-3.
[2] *Id.*, at pages 4-6
[3] Patent owner has not established the Office has jurisdiction to make a determination regarding the validity and applicability of the Settlement Agreement, or to make any findings regarding the facts alleged in patent owner's petition or the third party requester's opposition to patent owner's petition. No such determination has been, or will be, undertaken by the Office.
[4] 35 U.S.C. §311(a)
[5] 35 U.S.C. § 312(a)
[6] 35 U.S.C. § 313
[7] 35 U.S.C. § 314(c)

request for *inter partes* reexamination and to thereafter conduct an *inter partes* reexamination within the framework provided by the statutes and regulations.

Second, a contractual provision preventing a party from seeking reexamination would be void as being contrary to public policy [8]. In *Lear v. Adkins*, 395 U.S. 653, (1969), the United States Supreme Court determined that prohibiting licensees from challenging the validity of a patent that they had licensed runs afoul of public policy "in permitting full and free competition in the use of ideas which are in reality part of the public domain." *id.* at 670 . By analogy, preventing a third party requester (and a potential licensee of the subject patent) from requesting reexamination of a patent would be contrary to the public policy embodied in the *Lear v. Adkins* decision. It should also be noted that the settlement agreements entered into in 1990 and 1996 are prior to the enactment in 1999 of the statute authorizing *inter partes* reexamination. Thus it was not even possible for these settlement agreements to address preventing a party to the agreement from filing such a request for reexamination.

Third, MPEP § 2646 (I) sets forth examples of appropriate circumstances that would require the Office to vacate an order for *inter partes* reexamination after granting the order. These circumstances include (1) orders in which a substantial new question of patentability was found based on evidence other than prior art patents or printed publications, (2) circumstances in which estoppels established by 35 U.S.C. § 317(b) as implemented by 37 CFR 1.907 arise out of litigation between the parties **on the patent for which reexamination has been ordered** or the existence of a pending *inter partes* reexamination proceeding on a patent for which *inter partes* reexamination has again been requested by the same party or a party in privity with the requester, (3) the existence of a final, non-appealable Federal Court decision holding all claims of a patent for which *inter partes* reexamination has been ordered invalid, (4) an *inter partes* reexamination order for the wrong patent, or on duplicate copies of the same request for *inter partes* reexamination, and (5) an *inter partes* reexamination ordered based entirely upon the same question of patentability previously considered in an early concluded examination of the patent by the Office. These circumstances address either the issue of a statutory prohibition barring the grant of a request for *inter partes* reexamination, or the grant of an order for reexamination based upon a clear error of a clerical nature. Patent owner has not established that the present *inter partes* reexamination proceeding was ordered contrary to a statutory prohibition barring the order, or due to a clerical error.

Finally, while Congress did establish statutory estoppels requiring either the denial of a request for *inter partes* reexamination, [9] or the conclusion of a pending *inter partes* reexamination proceeding, [10] patent owner has not demonstrated the existence of 35 U.S.C. § 317 estoppel. If Congress had intended for any other basis for an estoppel to apply, it would have included such other basis in the statute. Congress did not provide for an "estoppel" arising out of a settlement agreement or other contractual agreement between parties.

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[8] *Bremen v. Zapata Off-Shore Co.*, 407 U.S. 1 (1972)(concluding that a forum selection clause, while generally enforceable, will not be enforced where it violates the strong public policy of the forum in which suit is brought); *Newton v. Rumery*, 480 U.S. 386,392 (1987) ("The relevant principle is well established: a promise is unenforceable if the interest in its enforcement is outweighed in the circumstances by a public policy harmed by enforcement of the agreement."); *Suter v. Munich Reinsurance*, 223 F.3d 150 (3d Cir. 2000) (citing *Bremen* for the proposition that federal forum selection clauses should not be enforced where they are contrary to public policy).

[9] 35 U.S.C. § 317(a)

[10] 35 U.S.C. § 317(b)

It is additionally noted that petitioner patent owner requests that the Office return jurisdiction to the District Court conducting the litigation. [11] It is to be observed, however, that Congress provided in 35 U.S.C. § 317(b) that a court validity challenge and *inter partes* reexamination of a patent may occur simultaneously. It is only when one proceeding finally ends, that the issues raised (or that could have been raised) with respect to the validity of a claim in that one proceeding can have estoppel effect on the same issues in the other proceeding. Such is not the case in the present instance. The Office is thus obligated to move forward in the instant *inter partes* reexamination with "special dispatch" despite the presence of the litigation. The present request to vacate/withdraw the instant *inter partes* reexamination request cannot be granted in view of the legislation and implementing rules which require that (1) once an *inter partes* reexamination request is filed, it will be decided, and (2) once the request is determined to raise a substantial new question of patentability of a claim of the patent, the request *will* result in an order for reexamination to resolve the substantial new question, which in turn *will* be followed by reexamination in accordance with 35 U.S.C. §§ 311-314. The statutory language is based on the **public interest** in resolving any reexamination proceeding that is filed.

Withdrawal of a requested and granted *inter partes* reexamination proceeding would leave both the public and the patent owner with an unresolved request for reexamination and unresolved substantial new question of patentability (found to be present via the decision ordering reexamination). The public has a right to such a resolution. Vacating, withdrawing, or otherwise abandoning or terminating the instant reexamination proceeding would abrogate this public right. Rather, the proceeding must continue according to the procedure mandated by the *inter partes* reexamination statute.

In *Heinl v. Godici*, 143 F. Supp. 2d 593, 601 (E.D. Va. 2001), the court stated, in a decision seeking termination of reexamination based on the absence of a new question of patentability:

> "Under the well established *ultra vires* doctrine, the exhaustion and final agency requirements are excused 'only if plaintiff is able to show that the PTO clearly exceeded its statutory authority', quoting from *Philip Morris, Inc. v. Block*, 755 F.2d 368, 370 (4th Cir 1985 (quoting *Mayor and City Council of Baltimore v. Mathews*, 562 F.2d 914, 920 (4th Cir. 1977), vacated on other grounds, 571 F.2d 1273 (4th Cir. 1978).

The court went on to state:

> "Put differently, when an agency acts in 'brazen defiance' of its statutory authorization, courts need not await the conclusions of underlying proceedings."

After a review of the record, and based upon the above discussion, it is found that patent owner has not established that the Office "clearly exceeded its statutory authority," nor acted "in brazen defiance of its statutory authorization," in the Office's determination that the January 17, 2006 reexamination request properly raised a substantial new question of patentability and should go forward.

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[11] Presumably *Callaway Golf Company v Acushnet Company*, C.A. No. 06-91 (SLR) (February 9, 2006), discussed briefly above.

For the forgoing reasons, the order granting reexamination remains intact and the *inter partes* reexamination proceeding will continue in accordance with the procedure mandated by the *inter partes* reexamination statute.

CONCLUSION

1. The patent owner petition filed on April 13, 2006, is dismissed.

2. A copy of this decision will be made of record in the IFW of the '122 *inter partes* reexamination proceeding.

3. Jurisdiction over the '122 *inter partes* reexamination proceeding is returned to the Central Reexamination Unit.

4. Telephone inquiries related to the present decision should be directed to Stephen Marcus, Legal Advisor, at 571-272-7743, or, in his absence, to Karen Hastings, Legal Advisor, at 571-272-7717.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

kmh
June 1, 2006

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(For Third Party Requester)

In re Callaway Golf Company
Inter Partes Reexamination Proceeding
Control No.: 95/000,122
Filed: January 17, 2006
For: U.S. Patent No. 6,506,130

: **DECISION DENYING**
: **PETITION**

This is a decision on the April 28, 2006 patent owner petition entitled "RENEWED PETITION TO SUSPEND INTER PARTES REEXAMINATION PROCEEDINGS." Also, on May 5, 2006, the third party requester filed a paper entitled "ACUSHNET'S OPPOSITION TO PATENT OWNER CALLAWAY'S RENEWED PETITION TO SUSPEND INTER PARTES REEXAMINATION PROCEEDINGS."

Inter partes reexamination control number 95/000,122, patent owner's renewed petition, and requester's opposition to patent owner's renewed petition are before the Office of Patent Legal Administration for consideration.

Patent owner's present petition is taken as a renewed petition under CFR 1.183 for waiver of 37 CFR 1.939, and as a petition under 37 CFR 1.182 for suspension of *inter partes* reexamination proceeding 95/000,122. Third party requester's opposition is also taken as a renewed petition under 37 CFR 1.183 for waiver of 37 CFR 1.939, and as a petition 37 CFR 1.182 to oppose the patent owner's renewed petition.

FEES

As the fee for the originally filed patent owner petition was not charged, a petition fee of $400.00 under 37 CFR 1.17(f) will be charged to the patent owner's Deposit Account No. 06-1050 as authorized in the April 28, 2006 patent owner renewed petition.

As the fee for the originally filed third party requester opposition to patent owner's petition was not charged, a petition fee of $400.00 under 37 CFR 1.17(f) will be charged to the third party requester's Deposit Account No. 08-3038, as authorized in the May 5, 2006 third party requester renewed opposition.

SUMMARY

The respective 37 CFR 1.183 aspect of the petition of the patent owner to permit entry and consideration of the renewed patent owner petition as a petition to suspend the present *inter partes* reexamination proceeding, and of the third party requester to permit entry and consideration of the third party requester's opposition to the renewed petition to suspend, are granted.

The patent owner renewed petition under 37 CFR 1.182 to suspend the present *inter partes* reexamination proceeding is denied.

REVIEW OF FACTS

1. U.S. Patent No. 6,506,130 ("the '130 patent") issued to Michael J. Sullivan on January 14, 2003, and is currently assigned to Callaway Golf Company.

2. A request for *inter partes* reexamination of the '130 patent was filed by a third party requester, Acushnet Company, on January 17, 2006. The request was assigned Control No. 95/000,122 ("the '122 *inter partes* reexamination proceeding").

3. On February 9, 2006, the third party requester filed a paper purporting to withdraw a paper requesting suspension of the '122 *inter partes* reexamination proceeding stated to have been filed by third party requester on January 23, 2006.

4. On February 16, 2006, the Office recognized the requester's February 15, 2006 paper, and accepted the withdrawal of the January 23, 2006 paper, noting that, had the January 23, 2006 paper been before the Office, the Office would have taken that paper as a petition for suspension of action without rendering a decision on the petition.

5. On March 21, 2006, the patent owner filed a petition, requesting that the '122 *inter partes* reexamination proceeding be suspended.

6. On March 24, 2006, the third party requester filed an opposition to the March 21, 2006 patent owner petition.

7. On April 11, 2006, an Office decision was issued, discarding both the March 21, 2006 patent owner petition and the March 24, 2006 opposition thereto as being improper premature papers.

8. On April 6, 2006, reexamination was ordered for claims 1-6, i.e. all of the claims, of the '130 patent.

9. On April 13, 2006, patent owner filed a petition requesting that the order granting the present reexamination proceeding be vacated as being an *ultra vires* action.

10. On April 27, 2006, third party requester filed an opposition to patent owner's April 13, 2006 petition.

11. On April 28, 2006, patent owner filed the present renewed petition to suspend the '122 *inter partes* reexamination proceeding.

12. On May 5, 2006, third party requester filed the present opposition to the April 28, 2006 patent owner petition.

13. On June 7, 2006, the patent owner petition to vacate the '122 *inter partes* reexamination proceeding was dismissed by the Office.

DECISION

I. Relevant Law And Procedure

35 U.S.C. § 311(a) provides:

> IN GENERAL. – **Any third-party requester** at any time may file a request for inter partes reexamination by the Office of a patent on the basis of any prior art cited under the provisions of section 301." [Emphasis supplied.]

35 U.S.C. § 312(a) provides in pertinent part:

> "Not later than 3 months after the filing of a request for *inter partes* reexamination under section 311, the Director **shall** determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request, with or without consideration of other patents or printed publications. ... " [Emphasis supplied.]

35 U.S.C. § 313 provides:

> "If, in a determination made under section 312(a), the Director finds that a substantial new question of patentability affecting a claim of a patent is raised, the determination **shall** include an order for *inter partes* reexamination of the patent for resolution of the question. The order may be accompanied by the initial action of the Patent and Trademark Office on the merits of the *inter partes* reexamination conducted in accordance with section 314." [Emphasis supplied.]

35 U.S.C. § 314 (c) provides:

> "Unless otherwise provided by the Director for good cause, all inter partes reexamination proceedings under this section, including any appeal to the Board of Patent Appeals and Interferences, shall be conducted with special dispatch within the Office."

37 CFR 1.132 provides:

> "When any claim of an application or a patent under reexamination is rejected or objected to, any evidence submitted to traverse the rejection or objection on a basis not otherwise provided for must be by way of an oath or declaration under this section."

37 CFR 1.182 provides:

> "All situations not specifically provided for in the regulations of this part will be decided in accordance with the merits of each situation by or under the authority of the Director, subject to such other requirements as may be imposed, and such decision will be communicated to the interested parties in writing. Any petition seeking a decision under this section must be accompanied by the petition fee set forth in § 1.17(f).

37 CFR 1.183 provides:

"In an extraordinary situation, when justice requires, any requirement of the regulations in this part which is not a **requirement of the statutes** may be suspended or waived by the Director or the Director's designee, *sua sponte*, or on petition of the interested party, subject to such other requirements as may be imposed. Any petition under this section must be accompanied by the petition fee set forth in § 1.17(f)."

37 CFR 1.907 provides:

"(a) Once an order to reexamine has been issued under § 1.931, neither the third party requester, nor its privies, may file a subsequent request for *inter partes* reexamination of the patent until an *inter partes* reexamination certificate is issued under § 1.997, unless authorized by the Director.

(b) Once a final decision has been entered against a party in a civil action arising in whole or in part under 28 U.S.C. 1338 that the party has not sustained its burden of proving invalidity of any patent claim-in-suit, then neither that party nor its privies may thereafter request *inter partes* reexamination of any such patent claim on the basis of issues which that party, or its privies, raised or could have raised in such civil action, and an *inter partes* reexamination requested by that party, or its privies, on the basis of such issues may not thereafter be maintained by the Office.

(c) If a final decision in an *inter partes* reexamination proceeding instituted by a third party requester is favorable to patentability of any original, proposed amended, or new claims of the patent, then neither that party nor its privies may thereafter request *inter partes* reexamination of any such patent claims on the basis of issues which that party, or its privies, raised or could have raised in such *inter partes* reexamination proceeding."

37 CFR 1.913 provides:

"Except as provided for in § 1.907, any person other than the patent owner or its privies may, at any time during the period of enforceability of a patent which issued from an original application filed in the United States on or after November 29, 1999, file a request for *inter partes* reexamination by the Office of any claim of the patent on the basis of prior art patents or printed publications cited under § 1.501."

37 CFR 1.935 provides:

"The order for *inter partes* reexamination will usually be accompanied by the initial Office action on the merits of the reexamination."

37 CFR 1.937(b) provides:

"The *inter partes* reexamination proceeding will be conducted in accordance with §§ 1.104 through 1.116, the sections governing the application examination process, and will result in the issuance of an *inter partes* reexamination certificate under § 1.997, except as otherwise provided."

37 CFR 1.939 provides:

"(a) If an unauthorized paper is filed by any party at any time during the *inter partes* reexamination proceeding **it will not be considered** and may be returned." [Emphasis supplied.]

(b) Unless otherwise authorized, **no paper** shall be filed prior to the initial Office action on the merits of the *inter partes* reexamination." [Emphasis supplied.]

37 CFR 1.987 provides:

"If a patent in the process of *inter partes* reexamination is or becomes involved in litigation, the Director shall determine whether or not to suspend the *inter partes* reexamination proceeding."

With respect to suspension of *inter partes* reexamination, MPEP § 2684.04(III) provides that:

> "... 'good cause' might be present, for example, where there is an issue that cannot be decided in the reexamination proceeding but affects the resolution of the proceeding. Another example is where there is an issue common to the litigation and the reexamination that can best be decided in court due to the availability in court of discovery and subpoena power (e.g., an issue heavily dependent on presentation of conflicting/contested evidence by the two parties)."

II. Procedural Discussion *Re:* Patent Owner's Original (March 21, 2006) Petition To Suspend

On March 21, 2006, patent owner filed a petition to suspend the '122 *inter partes* reexamination proceeding. In the present petition, patent owner takes the position [1] that the original petition to suspend filed on March 21, 2006 was not entered in the '122 proceeding, and was instead discarded, because it was filed prior to issuance of a reexamination order. This position is inaccurate.

By its terms, 37 CFR 1.939(b) precludes the filing of any paper in an *inter partes* reexamination proceeding prior to "the initial Office action on the merits" in that proceeding, unless the filing of the paper is authorized. At the time of filing of that petition, and at the time of the decision thereon, not only had there been no decision on the request for reexamination, there had also been no Office action on the merits in the *inter partes* proceeding. The patent owner petition of March 21, 2006 was held to be an improper paper under 37 CFR 1.939 because it was filed prior to the issuance of the initial Office action in the reexamination proceeding. [2] Not only had *inter partes* reexamination not yet been ordered, no "initial Office action on the merits of the *inter partes* reexamination" had been promulgated in the '122 *inter partes* reexamination proceeding, and a paper prior to that point is barred by regulation unless authorized, in accordance with 37 CFR 1.939(b). [3]

Although patent owner's March 21, 2006 petition requested relief under 37 CFR 1.183, the regulatory provision that provides for waiver of the rules, [4] there was no specific identification of which regulation that patent owner was seeking to waive. However, even if waiver of the provisions of 37 CFR 1.939 had been specifically requested, the March 21, 2006 patent owner petition could not have been granted. As explained in the decision dated April 11, 2006 (by which the March 21, 2006 patent owner petition and third party requester opposition were discarded as being improper papers), U.S.C. § 312(a) requires, *inter alia,* that after a request for *inter partes* reexamination is filed, the Director shall, within three months of the filing of a request for *inter partes* reexamination, determine whether that request raises a substantial new question of patentability affecting any claim of the patent that is the subject of the request. Further, 35 U.S.C. § 313 **requires** that - when the Director does determine that a substantial new question of patentability is raised by the request, then the determination shall include an order for *inter partes* reexamination of the patent concerned.

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[1] See patent owner's "Renewed Petition to Suspend, page 2, second full paragraph.

[2] See Decision Discarding Improper Papers", April 11, 2006, page 2, paragraph styled "The Patent Owner Petition"

[3] It appears that petitioner patent owner is confusing the terminology "initial Office action on the merits" with the terminology "reexamination order." The terminology "action on the merits" means an action on the patentability of the claims of the patent being reexamined. See, for example, 37 CFR 1.935 which provides that "The order for *inter partes* reexamination will usually be accompanied by the initial Office action on the merits of the reexamination." Clearly, a reexamination order and "the initial action on the merits of the reexamination are two different things. See also MPEP Chapter 700, wherein it is made clear that in examination proceedings, "action on the merits" is a term of art meaning an action in which a patentability determination is made.

[4] At page 2 thereof, the March 21, 2006 petition requested relief under a variety of regulations, as well as relief pursuant to 35 U.S.C. § 314(c), as does the present renewed petition.

It is clear that consideration of the substance of patent owner's March 21, 2006 petition, and granting it, would have, in effect, required a waiver of 35 U.S.C. §§ 312(a) and 313, because a suspension of the '122 *inter partes* reexamination proceeding would have precluded both a determination of the existence or absence of a substantial new question of patentability, and the promulgation of a reexamination order based on that determination within three months of the filing of the request for reexamination, as required by §§ 312(a) and 313. However, a waiver of the statutes is an action beyond the authority of the Director, and 37 CFR 1.183 expressly recognizes that a requirement of the statutes may not be waived. Therefore, a suspension of the '122 *inter partes* reexamination prior to the determination on the request for reexamination promulgation of the reexamination order, based upon any petition by the parties, was barred.

III. Procedural Discussion *Re:* The Present Patent Owner Renewed Petition To Suspend

In the present patent owner renewed petition, patent owner takes the position that because an Order granting *inter partes* reexamination has now been issued, the petition to suspend is a proper paper. Patent owner also takes the position that the present renewed petition, (as well as patent owner's March 21, 2006 petition to suspend), is proper because it is authorized by 37 CFR 1.987. [5]

A. Relief Pursuant to 37 CFR 1.939

Patent owner argues that the present patent owner petition to suspend the '122 reexamination proceeding is now timely under 37 CFR 1.939(b) as reexamination has already been ordered. This position is not persuasive because, as discussed in section II., *supra*, an order for *inter partes* reexamination is not the initial Office action on the merits of the *inter partes* reexamination proceeding. "Action on the merits" is a term of art, and as such, means an action on the patentability of claims. It is clearly so used in the reexamination regulations, for example, in 37 CFR 1.935. [6] Thus, it is clear that the filing of the present patent owner renewed petition to suspend is not authorized by 37 CFR 1.939(b), because the "initial action on the merits " of the '122 *inter partes* reexamination proceeding has not yet been issued by the Office.

B. Relief Pursuant to 37 CFR 1.987

The patent owner's argues that 37 CFR 1.987 independently authorizes the filing of the present petition to suspend. This too is not persuasive. The plain language of the regulation does not state or imply that it in any way authorizes the filing of a petition to suspend, particularly a petition that would be improper pursuant to one or more of the regulations that implement the *inter partes* reexamination statutes. 37 CFR 1.987 is merely declaratory of the Director's discretionary authority to *sua sponte* suspend an *inter partes* reexamination proceeding in certain circumstances, *i.e.*, when there is both: (a) litigation involving the patent which is the subject of the *inter partes* reexamination proceeding and (b) "good cause" to suspend. 37 CFR 1.987 in no way authorizes the filing of a petition to request such a suspension. The right of parties in this arena is the filing of a Notification of Existence of Prior or Concurrent Proceedings and Decisions pursuant to MPEP § 2686 to provide the Office with information which may, or may not, justify a suspension of action.

Patent owner has not cited a regulation that authorizes the filing of a petition to suspend an *inter partes* reexamination proceeding. In fact, no regulation implementing the *inter partes* reexamination statutes authorizes such a petition.

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[5] *Id.*, at footnote 1.

[6] See the discussion in footnote 3.

C. Relief Pursuant to Patent Owner's Petition Under 37 CFR 1.182 and 1.183

Note is taken that the present patent owner renewed petition requests relief under both 37 CFR 1.182 and 1.183. Notwithstanding that patent owner has again failed to specifically identify the regulations(s) for which a waiver under 37 CFR 1.183 is requested, the present renewed petition will be taken as a petition under 37 CFR 1.183 to waive the provisions of 37 CFR 1.939 in order to permit the filing of a paper prior to the issuance of the initial Office action on the merits in the '122 *inter partes* reexamination proceeding. Further, the present renewed petition will also be taken as a petition under 37 CFR 1.182 for a situation "not specifically provided for in the regulations" to permit the filing of a petition to suspend the '122 *inter partes* reexamination proceeding.

1. 37 CFR 1.183 Waiver of 37 CFR 1.939

As discussed in sections I. and II (A), *supra*, 37 CFR 1.939(b) precludes the filing of any paper prior to the initial Office action on the merits of the '122 *inter partes* reexamination proceeding. As no initial Office action on the merits has yet been issued, no patent owner paper may be filed in the '122 *inter partes* reexamination proceeding at this point in the proceeding. However, *inter partes* reexamination has now been ordered. [7] Therefore, suspension of the '122 *inter partes* reexamination proceeding would not require the waiver of any provision of the *inter partes* reexamination statutes; only a waiver of 37 CFR 1.939(b) would be needed to provide for an entry right of the petition paper requesting suspension.

In this instance, it is determined to be in the interests of justice with respect to both parties to the '122 *inter partes* reexamination proceeding that a decision regarding suspension of the '122 *inter partes* proceeding be made as soon as possible, given that (1) a suspension of the proceedings would not impair compliance with the reexamination statutes, and (2) extraordinary circumstances are found to exist, including the fact that this proceeding is but one of four *inter partes* proceedings in which the present parties are involved, and that the present parties are actively involved in litigation with respect to the patents that are the subject of those four *inter partes* reexamination proceedings. Rather than requiring patent owner and third party requester to re-file the petition and opposition thereto after a first action on the merits, it is appropriate to consider the question of suspension now. Further, if suspension were in fact warranted, it would be in the interests of justice that such suspension takes place prior to an action on the patentability of the claims. Finally, there is a public interest, and an interest to be considered by the court in the ongoing litigation, to ascertain, as soon as practical, whether the '122 *inter partes* reexamination proceeding will continue to conclusion, or will presently be suspended pending the outcome of the parallel litigation involving the '130 patent, as well as such future circumstance that would demand that a suspension be lifted, if imposed.

Accordingly, based upon the facts of record and the current circumstances set forth, *supra*, the provisions of 37 CFR 1.939 are waived to the extent necessary to permit filing of the present patent owner renewed petition and the requester's opposition to the renewed petition, and consideration of the substance of both the petition and the opposition.

2. 37 CFR 1.182 Petition to Suspend the '122 *Inter Partes* Reexamination Proceeding

As discussed Section III(B), *supra*, neither 37 CFR 1.987 nor any regulation implementing the *inter partes* reexamination statutes authorizes the filing of a petition to suspend an *inter partes* reexamination proceeding. However, the present patent owner renewed petition does request

[7] See the "Order Granting *Inter Partes* Reexamination" dated April 6, 2006.

consideration pursuant to 37 CFR 1.182, and a proposed suspension of an *inter partes* reexamination proceeding is a situation not specifically provided for in the regulations. For the reasons set forth in the second paragraph of section III(C)(1), *supra*, and based upon the facts of record and the current circumstances, consideration will be given to the substance of the present patent owner renewed petition to suspend the '122 *inter partes* reexamination proceeding, as a situation not specifically provided for in the regulations.

IV. Procedural Discussion Of The Third Party Requester Renewed Opposition

The third party requester renewed opposition filed on May 5, 2006, lacks an entry right under 37 CFR 1.939(b) for the same reasons discussed with respect to the renewed patent owner petition. Further, the regulations implementing the *inter partes* reexamination statutes do not expressly provide for the filing of an opposition paper to a patent owner request to suspend an *inter partes* reexamination proceeding.

However, third party requester has submitted the instant opposition pursuant to 37 CFR 1.182 and 1.183. For reasons analogous to those discussed above with respect to the patent owner's renewed petition, the provisions of 37 CFR 1.939 are waived to the extent necessary to permit the filing of the instant opposition to the present patent owner's renewed petition prior to the initial Office action on the merits in the '122 *inter partes* reexamination proceeding. Although the regulations do not specifically provide for a third party requester opposition to a patent owner petition to suspend an *inter partes* reexamination proceeding, for reasons analogous to those discussed above with respect to the patent owner's renewed petition, consideration will be given, pursuant to 37 CFR 1.182, to the requester's opposition to the patent owner's renewed petition.

V. Findings And Analysis On The Merits Of Patent Owner's Renewed Petition to Suspend

A. Patent Owner's Substantive Position In Support Of Suspension of the '122 *Inter Partes* Reexamination Proceeding

Patent owner states that pursuant to 35 U.S.C. § 314 (c), and the procedure discussed in MPEP § 2686.04(III), there is good cause to suspend the '122 *inter partes* reexamination proceeding. Patent owner asserts the existence of matters to be raised in the concurrent litigation that are argued to affect the resolution of the '122 *inter partes* reexamination proceeding or potentially bar the proceeding. Patent owner also raises issues in which the District Court's discovery and subpoena powers are asserted to be important in deciding matters heavily dependent upon the evidentiary showings of the parties.

1. Matters Involving Privity And Assignor Estoppel [8]

Patent owner states that the sole inventor of the '130 patent is Michael J. Sullivan, who is now a Vice President of third party requester business entity. Patent owner urges that 37 CFR 1.913 [9] is facially broad enough to cover both current and former patent owners and current and former privies, to bar *inter partes* reexamination. Patent owner argues that Mr. Sullivan is a

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[8] See *Shamrock Technologies, Inc. v. Medical Sterilization, Inc. and Robert S. Luniewski*, 903 F.2d 789; USPQ2d 1728 (Fed. Cir. 1990), and compare *Acushnet Company v. Dunlop Maxfli Sports Corporation*, 2000 U.S. Dist. LEXIS 10123, Civ. A. No. 98-717-SLR, (D. Del June 29, 2000).

[9] Pursuant to 37 CFR 1.913, a request for *inter partes* reexamination can be filed by any person other than patent owner or its privies.

privy of a former patent owner [10] to whom the '130 patent was originally assigned, and that 37 CFR 1.913 should have precluded the filing of the '122 *inter partes* reexamination proceeding.

Patent owner further alleges that, as a Vice President of third party requester, Mr. Sullivan may well be a privy of third party requester. Patent owner argues that the third party requester would therefore be barred from challenging the validity of the '130 patent via the '122 *inter partes* reexamination proceeding by the doctrine of assignor estoppel.

Patent owner's position is that a suspension of the '122 *inter partes* reexamination proceeding is necessary, because these issues can only be resolved by evidence that can uniquely be obtained through the use of the District Court's discovery and subpoena power.

2. Additional Matters Requiring The District Court's Discovery And Subpoena Power

Patent owner also urges that the use of the District Court's discovery and subpoena power is required to permit full and fair evaluation of testing undertaken by third party requester that is relied upon by third party requester to support its allegations of patent invalidity. Patent owner points out that third party requester relies upon an invalidity argument under 35 U.S.C. § 103, that objective evidence of commercial success of both the patent owner and an alleged infringer (the third party requester) is relevant to § 103 nonobviousness. Patent owner argues that access to evidence that would establish commercial success of the third party requester's accused products could be obtained utilizing the District Court's discovery and subpoena powers.

B. Established Standards Demonstrating The Existence of "Good Cause" For Suspension Of *Inter Partes* Reexamination Proceedings

35 U.S.C. § 305 requires that all *ex parte* reexamination proceedings be conducted with special dispatch within the Office. It has been held that, based on the unequivocal statutory requirement for special dispatch, the Office may not suspend a pending *ex parte* reexamination proceeding merely because of the existence of concurrent litigation on the patent that is the subject of reexamination. [11] *Ethicon* discusses certain fundamental concepts regarding concurrent *ex parte* reexamination proceedings in the Office and litigation of the patent that is the subject of reexamination. For example the *Ethicon* court quoted extensively from the decision of the court in *In re Etter*, 756 F.2d 852, 857, 225 USPQ 1, 4, (Fed Cir. 1985) (in banc) to point out:

> "That:one challenging validity in court bears the burden assigned by [35 U.S.C.] § 282, that the same party may request reexamination upon submission of art not previously cited, and that, if that art raises a substantial new question of patentability, the PTO may during reexamination consider the same and new and amended claims in light of that art free of any presumption, ***are concepts not in conflict.*** On the contrary, those concepts are but further indication that ***litigation and reexamination are distinct proceedings, with distinct parties, purposes, procedures, and outcomes.***" [Emphasis is the Court's.]

The *Ethicon* court also cited *Etter* in order to point out that when reexamination and litigation for the same patent are conducted concurrently:

> "...precise duplication of effort does not occur because the PTO and the courts employ different standards of proof when considering validity, and the courts, unlike the PTO during a reexamination of patent claims, are not limited to review of prior art patents or printed publications."

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[10] The present patent owner acquired rights to the '130 patent from the original owner, Top-Flite.

[11] *Ethicon, Inc., v. Quigg*, 849 F.2d 1422, 7 USPQ2d 1152 (Fed. Cir. 1988)

Id., at 856, at 4.

In contrast to the 35 U.S.C. § 305 which applies only to *ex parte* reexamination, 35 U.S.C. § 314(c) expressly allows for the suspension of an *inter partes* reexamination proceeding within the Office "for good cause," notwithstanding that *inter partes* reexamination proceedings are to be conducted with "special dispatch." Therefore, the question of whether a petition to suspend an *inter partes* reexamination proceeding that is being conducted concurrently with litigation of the patent establishes "good cause" for the suspension of an *inter partes* reexamination proceeding presents a question that differs from the question of suspension of an *ex parte* reexamination proceeding. Pursuant to 35 U.S.C. § 314(c) and 37 CFR 1.987 that implements the statutory provision, the USPTO Director has authority to determine circumstances amounting to "good cause" for suspension of an *inter partes* reexamination proceeding, and to do so on a case-by-case basis.

In *inter partes* reexamination proceedings control numbers 95/000,093 and 95/000,094 (collectively referred to hereinafter as "the Immersion-Sony *inter partes* reexamination proceedings"), the Office granted a patent owner petition to stay the *inter partes* reexamination proceedings due to the existence of concurrent litigation of the patents that were the subject of the reexamination proceedings. [12] The decision suspension granting acknowledged that MPEP § 2684.04 set forth certain criteria as indicia of "good cause" for suspension of an *inter partes* reexamination proceeding, but pointed out that these criteria were merely exemplary. [13] The criteria relied upon by the Office in the Immersion-Sony *inter partes* reexamination proceedings to support a finding of "good cause" to suspend was upheld by the U.S. District Court, Eastern District of Virginia, *Sony Computer Entertainment America Inc., et al. v. Jon W. Dudas*, Civil Action No. 1:05CV1447 (E.D.Va. May 22, 2006), Slip Copy, 2006 WL 1472462. This criteria establishes a benchmark and standard which the Office can make use of to test the facts and circumstances of record in a given *inter partes* reexamination proceeding in order to determine whether there is "good cause" to suspend that *inter partes* reexamination proceeding, due to the existence of concurrent litigation of the patent being reexamined.

In the *Sony* scenario:

The patent claims for which *inter partes* reexamination was requested were not identical to the claims being litigated; there was one non-litigated patent claim (claim 1 in each instance) for which reexamination had been requested in each proceeding. The Office denied patent owner Immersion's first petition to suspend the *inter partes* reexamination proceedings, noting that even if the proceedings were suspended in the Office and judgment was rendered adverse to requester Sony in the concurrent litigation, that would not dispose of all claims in the existing *inter partes* reexamination proceedings, leading to a piecemeal reexamination, and a delay in reexamination of the non-litigated claims. [14] The patent owner then disclaimed claim 1 of each patent, whereby <u>identical patent claims</u> were the subject of both the *inter partes* reexamination proceedings and the concurrent litigation. The Office then granted patent owner Immersion's second petition to suspend the *inter partes* reexamination proceedings.

At the point in time that the Immersion-Sony *inter partes* reexamination proceedings were suspended, <u>the proceedings were at an early stage</u>; the Office's work had been limited only to a finding that the requests for reexamination had raised a substantial new question of

[12] See the '093 and '094 proceedings, Decision Granting Petitions To Suspend, November 17, 2005
[13] *Id.*, Decision Granting Petitions To Suspend", November 17, 2005, footnote 6.
[14] *Id.*, "Decision Denying Petitions", August 23, 2005, at page 6.

patentability. The concurrent litigation, on the other hand, was at an advanced stage: (a) a District Court had issued a decision adverse to requester Sony, holding the litigated patent claims to be valid, (b) an appeal of the District Court had been filed in the Court of Appeals for the Federal Circuit ("the Federal Circuit"), and (c) the matter had already been briefed. Thus, there was a substantial likelihood that suspension of the reexamination proceedings would serve to conserve Office of resources, since a final holding of claim validity would statutorily require termination of the Immersion-Sony *inter partes* prosecutions with respect to all of the claims subject to the litigation, which was also all the claims subject to reexamination in those proceedings. It was not in the Office's and parties' interests to engage resources in administrative proceedings that ultimately could be mooted by the concurrent litigation which was soon to be finally resolved. The substantial likelihood that the reexamination prosecutions would terminate and the proceedings be concluded, taken together with the identity of claims in the litigation and the *inter partes* reexamination proceedings, led the Office to conclude that on balance, there was "good cause" to suspend the Immersion-Sony *inter partes* reexamination proceedings, to await the decision by the Federal Circuit. The decision granting suspension noted that should circumstances change, *e.g.*, if the matter were remanded to the District Court by the Federal Circuit without a holding on claim validity, the third party would be free to petition for a resumption of the *inter partes* reexamination proceeding based upon the change in circumstances. The decision also noted that further *inter partes* proceedings on the claims not before the Office and the courts could subsequently be obtained by members of the public.

In the present instance:

The facts and circumstances in the '122 *inter partes* reexamination proceeding differ significantly from those present in the Immersion-Sony *inter partes* reexamination proceeding. In contrast to the Immersion-Sony *inter partes* reexamination proceedings, the litigation involving the '130 patent is at an early stage. For example, there is a pending order dated June 2, 2006, referring the matter to a Magistrate Judge for the purposes of exploring joinder of parties, setting September 29, 2006 as a due date for amended papers, and setting a discovery conference for October 18, 2006. The issue of claim construction is still pending, and there are apparently a number of preliminary motions pending. Thus, unlike the Immersion-Sony *inter partes* proceedings in which the litigation had resulted in an appealable holding of claim validity, with the appeal having been filed and briefed to the appellate court, in this instance, it is not even foreseeable when the District Court's holding on the issue of validity might be would be rendered, and what it might be. It certainly cannot be envisioned when the litigation involving the '130 patent will reach a final holding on the validity of the claims of the '130 patent, including any appeal to the Federal Circuit, let alone what that holding is likely to be.

Further, in the '122 *inter partes* reexamination proceeding, patent owner has not established that there that the litigation of the '130 patent will result in a decision on the validity of all of the claims being currently being reexamined, *i.e.*, claims 1-6 of the '130 patent. Thus, it is not even clear that a final holding of claim validity in the litigation would necessarily require conclusion of the '122 *inter partes* reexamination proceeding as to all the claims subject to reexamination.

As a final point, as to the difference:

In the Immersion-Sony *inter partes* proceedings Sony chose to permit the District Court litigation to proceed for three years before filing its requests for reexamination only after judgment was entered in Immersion's favor in the litigation. Had Sony filed its requests for reexamination earlier, the reexamination proceedings could have been much farther along in the process, and may likely have been completed at the Office before the district court issued its decision. Also,

the district court might have stayed the litigation to await the Office's decisions in the reexamination proceedings. In the present instance, the requester has filed the '122 *inter partes* reexamination well before the District Court litigation has advanced to conclusion, and the Office proceedings should be available for the District Court.

In conclusion as to this issue:

Congress specifically provided estoppel provisions when a "final decision" upholding the validity of patent claims has been reached in a civil action or in a prior *inter partes* reexamination. *See* 35 U.S.C. § 317(b); 35 U.S.C. § 315(c). Thus, if a party's challenge to the validity of certain patent claims has been finally resolved, either through civil litigation or the *inter partes* reexamination process, then that party is barred from making a subsequent request for *inter partes* reexamination (or filing a new civil action) challenging the validity of those same claims. *Id.* Accordingly, while Congress desired that the creation of an *inter partes* reexamination option would lead to a reduction in expensive patent litigation, it nonetheless also contemplated in the statute that a court validity challenge and *inter partes* reexamination of a patent may occur simultaneously; but once one proceeding finally ends, then the issues raised (or that could have been raised) with respect to the validity of a claim in that proceeding would have estoppel effect on the same issues in the other. Until that time, however, the Office is obligated to move forward in the *inter partes* reexamination with "special dispatch." Only "good cause" will permit the Office from deviating from that statutory mandate. In this instance, the litigation is at a preliminary stage so that it can not be determined when the litigation will reach a final holding on the issue of claim validity and what that decision is likely to be. Even if there should be a final holding on the issue of claim validity, the patent owner has not established that there is an identity of claims in the '122 *inter partes* reexamination proceeding and those subject to the litigation to thereby statutorily bar proceeding further with the entirety of the reexamination proceeding. Accordingly, the patent owner has not provided the USPTO Director with sufficient basis upon which to conclude that there is "good cause" to suspend the *inter partes* reexamination proceeding to await a final decision on claim validity in the litigation.

C. Other Patent Owner's Allegations That Good Cause For Suspension Exists

The factors alleged by patent owner to present "good cause" for suspension of the '122 *inter partes* reexamination proceeding have been thoroughly considered. However, for the reasons that follow, these factors do not establish "good cause" for suspension.

1. Privity and Assignor Estoppel

Patent owner argues that because Michael J. Sullivan, the sole inventor of the '130 patent, assigned the '130 patent to patent owner's predecessor in interest, the '122 *inter partes* reexamination proceeding was filed by a "former privy" of patent owner and is therefore barred under 37 CFR 1.913. The purpose of 37 CFR 1.913 is simply declaratory of the statutory mandate of 35 U.S.C. § 311(a) that provides that any third-party requester may, at any time, file a request for *inter partes* reexamination. [15] Patent owner has not established that 37 CFR 1.913,

[15] In the Notice of Proposed Rulemaking entitled "Rules To Implement Optional Inter Partes Reexamination Proceedings", 65 Fed. Reg.18154, 18167 (April 6, 2000) it is stated that proposed rule includes the language "an person other than the patent owner or its privies may ... file a request for *inter partes* reexamination." The commentary stated that the proposed rule "provides for any third-party requester ... to file a request for ... an *inter partes* reexamination ...." That is, the proposed rule was thought to simply echo the statutory language. However, the words "other than patent owner or its privies" were deleted from the final rule because a comment to directed proposed rule 1.913 had suggested that the Office had exceeded its authority in excluding patent owner or its privies

nor the statute upon which it is grounded, precludes the filing of a request for *inter partes* reexamination by a party who is a so-called "former privy" of patent owner, especially a party who assigned a patent to an entity other than the present patent owner. Absent citation of controlling authority to the contrary by patent owner, it would appear that the statutory language "any third-party requester" is broadly drawn and would permit a party not in direct privity with a patent owner, i.e., a "former privy" of patent owner, to file a request for *inter partes* reexamination.

Patent owner also argues that the doctrine of assignor estoppel should have precluded the filing of the '122 *inter partes* reexamination proceeding, because sole inventor Sullivan assigned the patent to patent owner's predecessor in interest, but is now a Vice President of the third party requester business entity. However, reexamination is not litigation to determine the validity of patent claims conducted before a court wherein the equitable doctrine of assignor estoppel is applicable. Rather, reexamination is an administrative proceeding to determine the patentability of patent claims, a determination that is not conducted under the equitable considerations attaching to a litigation in which claim validity is determined. As discussed above, *In re Etter*, 756 F.2d 852, 857, 225 USPQ 1, 4, (Fed Cir. 1985) (*en banc*) makes it clear that litigation and reexamination are distinct proceedings with distinct parties, purposes, procedures and outcomes. Stated differently, although the application of the assignor estoppel doctrine in litigation is a fact intensive issue requiring the finding of facts and the balancing of the equities by the court, [16] a reexamination proceeding is not a determination of patent validity and infringement of patent claims. [17] It is also to be noted that a patent owner is statutorily authorized to file a reexamination request to obtain an advisory opinion as to the applicability of a prior patent or printed publication; such an advisory opinion would be prohibited in litigation as lacking a "case or controversy." If a patent owner can request reexamination of a patent, a party who assigned to the patent owner should likewise be permitted to do so. Therefore, absent citation of authority holding that assignor estoppel applies to reexamination so as to bar a statutorily approved request for *inter partes* reexamination filed by "[A]ny third-party requester at any time," assignor estoppel would not appear to apply generally to reexamination, and specifically to the present *inter partes* reexamination proceeding. Patent owner has argued that a suspension of the '122 *inter partes* reexamination proceeding is necessary because the issue of whether the present requester was barred from filing the '122 *inter partes* reexamination proceeding based on assignor estoppel can only be resolved through

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because the language of 35 U.S.C. § 311(c) appeared to permit a patent owner to file a request for an *inter partes* reexamination proceeding. See Final Rule entitled "Rules To Implement Optional Inter Partes Reexamination Proceedings", 65 Fed. Reg. 76756, 76764 (December 7, 2000). However, Public Law 107-273, section 12101, 116 Stat. 1901 amended 35 U.S.C. § 311(c) clarify that only the third party requester, and not a patent owner, may file a request for *inter partes* reexamination. Thereafter, the language "other than patent owner or its privies" was added to 37 CFR 1.913. See Final Rule entitled "Changes to Implement the 2002 *Inter Partes* Reexamination and Other Technical amendments to the Patent Statute", 68 Fed. Reg. 70996, 70999 (December 22, 2003).

[16] Compare *Shamrock Technologies, Inc. v. Medical Sterilization, Inc. and Robert S. Luniewski,* 903 F.2d 789, 14 USPQ2d 1728 (Fed. Cir. 1990) holding that because inventor Luniewski who had assigned his patent to Shamrock was now a Vice President of MSI was in privity with MSI, that MSI was barred from asserting patent invalidity and unenforceability as defenses to patent infringement with *Acushnet Company v. Dunlop Maxfli Sports Corporation, Civ. A. No. 98-717-SLR, 2000 U.S. Dist., LEXIS 10123* (D. Del June 29, 2000) distinguishing *Shamrock* holding that where an inventor had assigned a patent to plaintiff and then became a Vice President of defendant accused infringer the facts and equities did not establish that the inventor was in privity with the defendant and that the defense of patent invalidity was, therefore, available to defendant.

[17] See also *Joy Technologies, Inv. v. Harry F. Manbeck, Jr.* 959 F.2d 226, 229 (Fed. Cir. 1992) "Trying to equate its appeal of the reexamination decision to an action analogous to a 'suit at common law,' Joy argues that the reexamination proceeding should be construed as most like a declaratory judgment action where the PTO is seeking a determination that Joy's patent is invalid. It admits, however, that the PTO could not bring such a suit. Thus, there is no basis to recharacterize the statutory procedure established by Congress in the reexamination statute."

evidence obtained through the use of the District Court's discovery and subpoena power to ascertain whether an assignor filed the present request. However, since patent owner has not established that the doctrine of assignor estoppel applies in the administrative reexamination of a patent, patent owner's argument has not been shown to establish "good cause" for suspension of the '122 *inter partes* reexamination proceeding.

2. Additional Matters Requiring The District Court's Discovery and Subpoena Power

Patent owner argues that, in addition to the issues of assignor estoppel and privity, the District Court's discovery and subpoena power is necessary for patent owner to secure objective evidence of commercial success of third party requester's infringing products. Patent owner also argues that patent owner will be able to question tests conducted by third party requester in support of third party requester's arguments of patent invalidity, and that patent owner will be able to obtain the information necessary to question these tests only through the District Court's discovery and subpoena powers. Thus, patent owner reasons that "good cause" exists warranting suspension of the '122 *inter partes* reexamination proceedings.

These arguments are unpersuasive for a number of reasons. First, the provisions of 37 CFR 1.132 apply to the '122 *inter partes* reexamination proceeding, as it does to all *inter partes* reexamination proceedings. Patent owner will in fact have an opportunity in the '122 *inter partes* reexamination proceedings to submit objective test evidence in support of nonobviousness to the same extent that third party requester may submit objective test evidence tending to show nonobviousness. Also, the parties can submit evidence rebutting each other's 37 CFR 1.132 showings. Further, patent owner has submitted no showing that sales of the accused infringer's products are secret data not available publicly, thereby enabling patent owner to secure this data by commissioning research of the matter, without the necessity of the District Court's subpoena and discovery. Speculative allegations that patent owner might require the District Court's subpoena and discovery power in aid of a position taken in litigation does not establish "good cause" for suspension of the '122 *inter partes* reexamination proceeding.

Of greater import, however, is that patent owner's position, if taken to its logical conclusion, would undercut the ability of a third party requester (and, for that matter, a patent owner) to obtain any final result in an *inter partes* reexamination proceeding. Thus, the purpose of the *inter partes* reexamination statutes would be frustrated. For if a party engaged in patent infringement/validity litigation could demonstrate "good cause" for a suspension of an *inter partes* reexamination proceeding merely by invoking the existence of a district court's subpoena and discovery power and coupling that invocation with allegations that the party might need to employ that power in the course of litigation, then any *inter partes* reexamination proceeding for a patent involved in litigation could be readily stayed. It is presumed that if Congress had desired this, Congress would have expressly so stated in the reexamination statutes. However, Congress instead enacted 35 U.S.C. § 314 (c) and the "good cause" standard, a far more flexible and fact specific test allowing the USPTO Director to determine on a case-by-case basis whether to stay a pending *inter partes* reexamination proceeding.

CONCLUSION

1. The patent owner renewed petition filed April 28, 2006, is granted with respect to the relief requested pursuant to 37 CFR 1.183, to the extent that the substance of patent owner's petition to suspend the '122 *inter partes* reexamination proceeding has been considered under 37 CFR 1.182.

2. The substance of the third party requester opposition filed on May 5, 2006, has been considered pursuant to 37 CFR 1.183.

3. The patent owner's petition under 37 CFR 1.182 to suspend the '122 *inter partes* reexamination is denied.

4. This decision is a final agency action within the meaning of 5 U.S.C. § 704.

5. Telephone inquiries related to the present decision should be directed to the Stephen Marcus, Legal Advisor, at 571-272-7743, or, in his absence, to the undersigned at 571-272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

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July 17, 2006

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,122	01/17/2006	6506130	00364.0004RXUS02	6325

7590 09/02/2006

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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 09/02/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

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(THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS)

Alan M. Grimaldi
Howrey LLP
1299 Pennsylvania Avenue NW
Washington, DC 20004

Transmittal of Communication to Third Party Requester *Inter Partes* Reexamination

REEXAMINATION CONTROL NUMBER *95/000,122*.

PATENT NUMBER *6,506,130*.

TECHNOLOGY CENTER *3999*.

ART UNIT *3993*.

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above-identified reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the *inter partes* reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an *ex parte* reexamination has been merged with the *inter partes* reexamination, no responsive submission by any *ex parte* third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the **Central Reexamination Unit** at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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(For Patent Owner)

MAILED

SEP 07 2006

CENTRAL REEXAMINATION UNIT

Alan M. Grimaldi
Howrey LLP
1299 Pennsylvania Avenue NW
Washington, DC 20004

(For Third Party Requester)

In re Callaway Golf Company
Inter Partes Reexamination Proceeding
Control No.: 95/000,122
Filed: January 17, 2006
For: U.S. Patent No. 6,506,130

: **DECISION DENYING**
: **PETITION FOR**
: **RECONSIDERATION**
: **AND RETURNING**
: **IMPROPER PAPER**

This is a decision on the June 16, 2006 patent owner petition entitled "PETITION TO THE DIRECTOR FOR RECONSIDERATION" under 37 CFR 1.181(a)(3). On June 28, 2006, the third party requester filed an opposition to the present petition entitled "ACUSHNET'S OPPOSITION TO CALLOWAY'S PETITION TO DIRECTOR FOR RECONSIDERATION."

The patent owner petition, the third party requester opposition and the present record are before the Office of Patent Legal Administration for consideration.

For the reasons set forth below, the patent owner petition under 37 CFR 1.181 is (a) granted to the extent that the prior decision has been fully reconsidered, and (b) denied as to the underlying request to vacate the order for reexamination (i.e., the underlying relief requested).

This decision also addresses the patent owner paper filed on July 21, 2006 styled "REPLY IN SUPPORT OF PETITION FOR RECONSIDERATION OF DECISION ON PETITION TO VACATE ORDER GRANTING REEXAMINATION" as an improper paper.

FEES

A petition to vacate reexamination on the grounds that the order granting reexamination constitutes an *ultra vires* action on the part of the Office is considered pursuant to 37 CFR 1.181. Accordingly, no fee is due for the patent owner petition for reconsideration or for the third party requester opposition to the petition for reconsideration.

REVIEW OF SALIENT FACTS

1. U.S. Patent No. 6,503,130 (the '130 patent) issued to Michael J. Sullivan on January 14, 2003, and is currently assigned to Callaway Golf Company.

2. A request for *inter partes* reexamination of the '130 patent was filed by a third party requester, Acushnet Company (hereinafter "Acushnet"), on January 17, 2006. The request was assigned Control No. 95/000,122 (the '122 *inter partes* reexamination proceeding).

3. On February 9, 2006, the patent owner filed suit against requester Acushnet in the United States District court for the District of Delaware. *Callaway Golf Company v Acushnet Company*, C.A. No. 06-91 (SLR) (February 9, 2006).

4. On February 09, 2006, the third party requester filed a paper purporting to withdraw a paper requesting suspension of the '122 *inter partes* reexamination proceeding stated to have been filed by third party requestor on January 23, 2006.

5. On February 16, 2006, the Office recognized the February 09, 2006 paper, and accepted the withdrawal of the January 23, 2006 paper, noting that, had the January 23, 2006 paper been before the Office, the Office would have taken that paper as a petition for suspension of action without rendering a decision on the petition.

6. On March 21, 2006, the patent owner then filed a petition, requesting that the '122 *inter partes* reexamination proceeding be suspended.

7. On March 24, 2006, the third party requester filed an opposition to the March 21, 2006 patent owner petition to suspend reexamination.

8. On March 31, 2006, the Office issued a decision holding that the March 21, 2006 petition and the March 24, 2006 opposition papers would be discarded as being improper papers because they had been filed prior to reexamination being ordered.

9. Reexamination was ordered for the '122 *inter partes* reexamination proceeding on April 6, 2006.

10. On April 13, 2006 the patent owner filed a petition under 37 CFR 1.181 <u>to vacate</u> the reexamination order as *ultra vires* (which would in-effect vacate the proceeding).

11. On April 27, 2006 the third party requester filed, pursuant to MPEP 2646 (I), an opposition to the April 13, 2006 patent owner petition to vacate.

12. On April 28, 2006, patent owner filed a renewed petition <u>to suspend</u> the '122 *inter partes* reexamination proceeding.

13. On May 5, 2006 third party requester filed an opposition to the April 28, 2006 renewed patent owner petition to suspend reexamination.

14. On June 7, 2006, the Office dismissed patent owner's April 13, 2006 petition <u>to vacate</u> the '122 *inter partes* order for reexamination.

15. On July 19, 2006, the Office denied patent owner's April 28, 2006 renewed petition to suspend the '122 *inter partes* reexamination proceeding.

16. On June 16, 2006, patent owner filed a petition for reconsideration of the June 7, 2006 decision dismissing the patent owner petition to vacate the '122 *inter partes* order for reexamination.

17. On June 28, 2006, third party requester filed an opposition to the June 16, 2006 patent owner petition for reconsideration.

18. On July 21, 2006, patent owner filed a reply to the June 28, 2006 third party requester opposition.

RELEVANT STATUTES, REGULATIONS AND PROCEDURE

35 U.S.C. § 311(a) provides:

> "IN GENERAL. — **Any** third-party requester **at any time** may file a request for inter partes reexamination by the Office of a patent on the basis of any prior art cited under the provisions of section 301." [Emphasis supplied.]

35 U.S.C. § 312(a) provides in pertinent part:

> "Not later than 3 months after the filing of a request for *inter partes* reexamination under section 311, the Director **shall** determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request, with or without consideration of other patents or printed publications. ... " [Emphasis supplied.]

35 U.S.C. § 313 provides:

> "If, in a determination made under section 312(a), the Director finds that a substantial new question of patentability affecting a claim of a patent is raised, the determination **shall** include an order for *inter partes* reexamination of the patent for resolution of the question. The order may be accompanied by the initial action of the Patent and Trademark Office on the merits of the *inter partes* reexamination conducted in accordance with section 314." [Emphasis supplied.]

35 U.S.C. 314(c) provides:

> c) SPECIAL DISPATCH.- Unless otherwise provided by the Director for good cause, all *inter partes* reexamination proceedings under this section ... shall be conducted with special dispatch within the Office.

35 U.S.C. §315(b) provides:

> "CIVIL ACTION.— A third-party requester whose request for an inter partes reexamination results in an order under section 313 is estopped from asserting at a later time, in any civil action arising in whole or in part under section 1338 of title 28, the invalidity of any claim finally determined to be valid and patentable on any ground which the third-party requester raised or could have raised during the inter partes reexamination proceedings. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings."

35 U.S.C. § 317 provides:

"a) ORDER FOR REEXAMINATION.- Notwithstanding any provision of this chapter, once an order for *inter partes* reexamination of a patent has been issued under section 313, neither the third-party requester nor its privies may file a subsequent request for *inter partes* reexamination of the patent until an *inter partes* reexamination certificate is issued and published under section 316, unless authorized by the Director.

(b) FINAL DECISION.- Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party has not sustained its burden of proving the invalidity of any patent claim in suit ..., then neither that party nor its privies may thereafter request an *inter partes* reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in such civil action..., and an *inter partes* reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office, notwithstanding any other provision of this chapter. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings."

37 CFR 1.907 provides in pertinent part:

" (b) Once a final decision has been entered against a party in a civil action arising in whole or in part under 28 U.S.C. 1338 that the party has not sustained its burden of proving invalidity of any patent claim-in-suit, then neither that party nor its privies may thereafter request *inter partes* reexamination of any such patent claim on the basis of issues which that party, or its privies, raised or could have raised in such civil action, and an *inter partes* reexamination requested by that party, or its privies, on the basis of such issues may not thereafter be maintained by the Office.

(c) If a final decision in an inter partes reexamination proceeding instituted by a third party requester is favorable to patentability of any original, proposed amended, or new claims of the patent, then neither that party nor its privies may thereafter request inter partes reexamination of any such patent claims on the basis of issues which that party, or its privies, raised or could have raised in such inter partes reexamination proceeding. "

MPEP § 2646 (I) provides in pertinent part:

"A petition under 37 CFR 1.181 may... be filed to vacate an *ultra vires* reexamination order, such as where the order for reexamination is not based on prior art patents and printed publications. In cases where no discretion to grant a request for reexamination exists, a petition to vacate the decision to grant, or a request for reconsideration, will be entertained. "Appropriate circumstances" under 37 CFR 1.181(a)(3) exist to vacate the order granting reexamination where, for example:

(A) the reexamination order is not based on prior art patents or printed publications;
(B) reexamination is prohibited under 37 CFR 1.907;
(C) all claims of the patent were held to be invalid by a final decision of a Federal Court after all appeals;
(D) reexamination was ordered for the wrong patent;
(E) reexamination was ordered based on a duplicate copy of the request; or
(F) the reexamination order was based wholly on the same question of patentability raised by the prior art previously considered in an earlier concluded examination of the patent by the Office (e.g., the application which matured into the patent, a prior reexamination, an interference proceeding)

....

The filing of a 37 CFR 1.181 petition to vacate an *ultra vires* reexamination order is limited to a single submission, even if an opposition thereto is filed by a third party requester." [Emphasis supplied.]

DECISION

I. Disposition Of The Patent Owner Opposition To Third Party Requester's Opposition To Patent Owner's Petition For Reconsideration

Neither the *inter partes* reexamination statutes nor the regulations implementing those statutes provide for the filing of a patent owner petition for vacatur of an order granting a request for *inter partes* reexamination. A patent owner petition for vacatur of an order granting a request for *inter partes* reexamination on the grounds that the grant of the order constituted an *ultra vires* action on the part of the Office is entertained pursuant to 37 CFR 1.181 in accordance with the practice set forth in MPEP § 2646(I). MPEP § 2646(I) concludes by stating that "[t]he filing of a 37 CFR 1.181 petition to vacate an *ultra vires* reexamination order is limited to a single submission, even if an opposition thereto is filed by a third party requester."

Consequently, the "REPLY IN SUPPORT OF PETITION FOR RECONSIDERATION OF DECISION ON PETITION TO VACATE ORDER GRANTING REEXAMINATION," filed by patent owner on July 21, 2006, is an improper paper that lacks an entry right in the present *inter partes* reexamination proceeding. Therefore the paper (apparently filed by facsimile transmission as a single paper directed to four *inter partes* reexamination proceeding) is being returned to patent owner as an attachment to the decision in the '120 *inter partes* reexamination proceeding. If any additional copies directed to concurrent *inter partes* reexaminations, that is, the instant proceeding 95/000,122, or of 95/000,121 and 95/000,123, have been filed and are subsequently matched with the proceedings, such additional copies will be discarded rather than returned to patent owner.

II. Patent Owner's Position In Support of Vacatur

In the April 13, 2006 petition to vacate the reexamination order as being *ultra vires*, patent owner argued that the order granting reexamination is an *ultra vires* action on the part of the Office because the third party requester, Acushnet, lacked standing to file the *inter partes* request. Patent owner based this argument on allegations that:

(1) Patent owner's predecessor in interest and the present third party requester Acushnet entered into a Settlement Agreement on November 10, 1990, for a term of ten years;

(2) The same parties executed a Settlement Agreement in 1996 that superseded the 1990 agreement, and the 1996 Settlement agreement provides, *inter alia*, that the exclusive forum for the third present party requester to resolve patent validity issues with the patent owner is the United States District Court for the District of Delaware; and

(3) The same (present) parties participated in the dispute resolution process pursuant to the 1996 Settlement Agreement, but while the mediation process was underway, Acushnet requester filed a request for the present *inter partes* reexamination proceeding. [1]

It was apparently patent owner's position that by filing the present request for *inter partes* reexamination, requester Acushnet violated the aforementioned Settlement Agreement, and

[1] See patent owner's Petition, pages 2-3.

that Acushnet therefore does not have standing to have filed and to now maintain the present request for *inter partes* reexamination. [2]

In the present petition for reconsideration, patent owner argues that:

(1) The Office has the authority and duty to apply the 1996 Settlement Agreement to this case, and that enforcing the 1996 Settlement Agreement would not violate public policy;

(2) The exemplary language in the MPEP § 2646 does not limit the circumstances where the Office can vacate reexamination orders;

(3) Vacating the reexamination would not leave an unresolved substantial new question of patentability; and

(4) The Office's reliance on the decision in *Heinl v. Godici,* 143 F. Supp 2d 593 (District Court, E. D. VA), is inapposite to this case, because *Heinl* dealt with an entirely unrelated issue, and did not involve a settlement agreement.

III. Analysis and Findings

A. The Settlement Agreement Between Patent Owner and The Present Requester Does Not Preclude the Present *Inter Partes* Reexamination Proceeding:

Patent owner argues that a trademark cancellation proceeding is analogous to a reexamination proceeding, and seek to apply the decisions in *Selva & Sons v. Nina Footwear, Inc.,* 705 F.2d 1316 (Fed. Cir. 1983) and *Danskin, Inc. v. Dan River, Inc.,* 498 F.2d 1386 (CCPA 1974) to assert that the Office erred in refusing to consider the settlement agreement between the present patent owner and requester in determining whether to proceed with the present reexamination proceeding. With respect to the *Selva & Sons* decision, patent owner opines that because the statute [3] governing trademark cancellation proceedings (that are *inter partes* in nature) states that "any person" is able to file a petition to cancel a registration, *Selva & Sons* is indistinguishable from the facts in the present reexamination proceeding. Patent owner also argues that in *Flex-Foot, Inc v. CRP, Inc.,* 238 F.3d 1362 (Fed. Cir. 2001) the Federal Circuit upheld a clause in a settlement agreement prohibiting a party from challenging the validity of a patent when that party had agreed to a dismissal, with prejudice, of a prior action, after entering into a settlement that included a promise to not challenge the validity of that patent.

However, the decisions in the *Selva & Sons* and *Danskin, Inc.* cases do not appear to be on point as to the question of whether a party to a settlement agreement is barred from requesting reexamination of a United States patent under 35 U.S.C. § 302 *et. seq..* *Selvo & Sons* was an appeal from a decision of the Trademark Trial and Appeal Board in an *inter partes* trademark opposition proceeding. In *Selvo & Sons* , the court's decision was not grounded on the "any

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[2] *Id.*, at pages 4-6

[3] 15 U.S.C. § 1064, which states in pertinent part:
"A petition to cancel a registration of a mark, stating the grounds relied upon, may, upon payment of the prescribed fee, be filed as follows by **any person** who believes that he is or will be damaged, including as a result of dilution under section 1125 (c) of this title, by the registration of a mark on the principal register established by this chapter, or under the Act of March 3, 1881, or the Act of February 20, 1905:..." [Emphasis added]

party" language of 15 U.S.C. § 1064. Rather, the court noted the existence of 15 U.S.C. § 1069, which states:

> "In all *inter partes* proceedings equitable principles of laches, estoppel and acquiescence, where applicable, may be considered and applied." *Id.* at 1323, 1324

There is no analogue in the reexamination statutes to 15 U.S.C. § 1069, a statute that broadly applies the equitable principles of laches, estoppel and acquiescence to *inter partes* trademark proceedings in the Office. Rather, the *inter partes* reexamination statute includes limited estoppel provisions that raise specific estoppels based upon the existence of a final (*i.e.*. nonappealable) court holding of patent claim validity [4] or the existence of an order granting reexamination. [5] If Congress had intended to make the broad equitable principles set forth in 15 U.S.C. § 1069 applicable to *inter partes* reexamination proceedings, then Congress would have so stated. [6] With respect to the *Danskin, Inc.* case (an appeal from a decision of the Trademark Trial and Appeal Board in an *inter partes* trademark opposition proceeding), it is noted that the language of 15 U.S.C. § 1069 would also apply, so that application of the broad equitable principles listed in the statute would have been mandated.

In the *Flex-Foot* decision, the court did *not address the issue of whether the Office would be barred from conducting a reexamination proceeding filed by that party.* The court's decision merely upheld that a clause in the settlement agreement would prohibit a party to the settlement agreement from challenging the validity of a patent (and accordingly, the opposing party would have remedies against the party that violated the agreement). The opinion in *Flex-Foot* does not discuss the affect of a reexamination filing by a party in violation of such a settlement agreement, as to whether the reexamination should continue. *Flex-Foot* does not require or suggest that an order granting a reexamination proceeding, based on such a filing, would be *ultra vires* due to the existence of a settlement agreement between a patent owner and third party requester. And, based on the discussion below, there is no reason to believe that an order granting a reexamination proceeding based on such a filing would be *ultra vires* action on the part of the Office.

B. Reexamination Case Law Does Not Support Vacatur Of The Present Reexamination Proceeding

The settlement agreement asserted by patent owner in the '122 reexamination proceeding does not explicitly address reexamination of a patent. Even if it did, relevant court precedent clearly demonstrates that - because the Office was not, and is not, a party to the settlement agreement, the Office was not, and is not, bound by the settlement agreement.

Joy Manufacturing Co. v National Mine Service Co, 810 F.2d 1127 (Fed. Cir. 1987) addressed the question of the effect, if any, that the existence of a settlement agreement between parties to an infringement/validity patent litigation had with respect to a request for *ex parte* reexamination subsequently filed by a party to that settlement agreement. Accused infringer National had entered into an agreement in settlement of an action brought against it for infringing a patent.

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[4] See 35 U.S.C. § 317(b).

[5] See 35 U.S.C. § 317(a).

[6] In light of the cases cited below in support of the Office's position vis-à-vis the effect of the settlement agreement in the present reexamination proceeding, it is also to be noted that with respect to *ex parte* reexamination, Congress has not mandated any estoppel with respect to the ability of "any person" to file a request for reexamination at "any time."

National agreed that it would not file any suit in any court challenging the validity of the patent. Thereafter, National filed a request for reexamination of the patent, and the patent owner requested an injunction preventing the third party requester from going forward in the reexamination proceeding. The District Court ruled against the patent owner, noting that the settlement agreement by its literal terms did not proscribe the conduct of which the patent owner complained. The Federal Circuit agreed, holding that:

> " ... the district court correctly refused to equate "a request for administrative reexamination . . . with filing a suit in a United States Court." Its reliance on *Etter* as support for this legal conclusion was entirely appropriate. The *Etter* decision turned on the precise issue here, namely, that reexamination and civil litigation were distinctly different proceedings. As stated therein:
>
> > The intent that reexamination proceedings and court actions involving challenges to validity be distinct and independent is reflected in the legislative history of § 303. . . . *756 F.2d at 857, 225 USPQ at* 4. The result in *Etter* is inseparable from the above-quoted premise. [Footnote omitted.]
>
> "In this connection, we also note that the principal relief which Joy seeks -- namely, stopping the reexamination of its patent -- is not available in these proceedings. *Accord* Manual of Patent Examining Procedure § 2210 (5th ed. 1983); *Houston Atlas, Inc. v. Del Mar Scientific, Inc.*, 217 U.S.P.Q. (BNA) 1032, 1034 (N.D. Tex. 1982), aff'd, 703 F.2d 555 (5th Cir. 1983). The decision by the Commissioner to institute reexamination is not subject to review, *Etter*, 756 F.2d at 857, 225 USPQ at 4; and the injunction sought against National would have no effect on reexamination since National, as the requestor, has no future role to play in that *ex parte* proceeding. "

In the present reexamination proceeding, patent owner has not established that Acushnet's request for reexamination violates the literal terms of the 1996 settlement agreement involved here. The settlement agreement does not facially preclude "administrative proceedings" of any sort, including reexamination within the Office. Further, as was noted in the previous decision dismissing the petition, the settlement agreement was entered into in 1996; prior to the enactment in 1999 of the statute authorizing *inter partes* reexamination. Thus, it is unlikely that the settlement agreement reflects an agreement between the parties thereto to forego administrative relief in the form of a request for *inter partes* reexamination (such *inter partes* proceeding made available after the settlement agreement), and at best, could only be asserted to inferentially contemplate that the parties to the settlement agreement would not seek *ex parte* reexamination (where there is no right to comment on patent owner responses and appeal). *Joy Manufacturing*, and the other cases relied on by the Office, *infra*, all involve *ex parte* examination proceedings. Moreover, even presuming that the settlement agreement between the patent owner and third party requester could be construed to be an agreement precluding the filing of a request for *ex parte* reexamination, the courts have uniformly held that such agreement is without binding effect on the Office and would not bar the Office from granting and conducting an *ex parte* reexamination proceeding, as will now be discussed.

In *Houston Atlas, Inc. et al v. Del Mar Scientific, Inc. et al.*, 217 USPQ 1032, 1037 (N.D. Tex. 1982), the district court considered the situation in which two parties had executed and had entered a consent judgment stating that a particular patent was valid. The consent judgment was entered prior to the enactment of the *ex parte* reexamination statutes. The court expressly addressed the subsequent effect the consent judgment would have on reexamination in the Office, if any. The court stated that private parties cannot bind the Office, or the public it represents, with respect to the validity of a patent, by merely executing the consent judgment and having it entered. The court noted that:

> "... the Patent Office was not a party to the original proceeding and, as discussed in section IV above, the consent judgment is not binding on the Patent Office or the public which it represents. Simply stated, **two private parties cannot bind the Patent Office with respect to the validity of a patent by merely executing, and having entered, a consent judgment stating that the patent is valid. The consent**

> **judgment is not *res judicata* on the Patent Office as there is no evidence that the Patent Office is privity with Defendants.** See *Vulcan, Inc. v. Fordees Corp., 658 F.2d 1106, 1109-10, 211 USPQ 852, 854-855 (6th Cir. 1981)* (party not in privity to executory of consent judgment is not bound by the judgment). Given that the consent judgment is not enforceable against the Patent Office as *res judicata*, the Court must determine whether the Patent Office, by its conduct of the reexamination proceedings and issuance of the order of reexamination is "in a position to frustrate the implementation of [the consent judgment] or the proper administration of justice." The clear answer to this question is in the negative. Section 303 of the Act expressly authorizes the Patent Office to conduct reexamination proceedings on their own initiative without a formal request for reexamination. If the reexamination proceedings in question had been instituted by the Commissioner as a consequence of a citation of prior art from a person other than Canterbury, or if a person other than Canterbury had requested reexamination of patent *3,464,799*, this Court would be without power to enjoin the proceedings for the simple reason that the consent judgment is binding only as to Plaintiffs and Defendants. **In short, Plaintiffs' compliant lies not with the institution of the reexamination process, but instead with who requested it.** For this reason, the Court is constrained to conclude that it has no jurisdiction under the All Writs Act to grant the Plaintiffs any relief against the Patent Office. " [Emphasis added]

Thus, even though the district court found one of the defendants in *Houston Atlas* to be in contempt of the consent judgment because that defendant had filed a request for reexamination, the district court noted that the Office was expressly authorized by statute to conduct reexamination. The court concluded that a consent judgment to which the Office was not a party could not bind the Office so as to preclude reexamination, even where such reexamination was requested by a party bound by the consent judgment. If such is true with respect to a consent judgment, it follows that a settlement agreement between two private parties to which the Office is not a party also does not bind the Office so as to preclude the Office from carrying out its statutory mandate to reexamine a qualifying patent once a substantial new question of patentability for that patent has been determined to exist for that patent. Therefore, even if one assumes that third party requester in the '122 reexamination proceeding is in violation of the settlement agreement with patent owner such that third party requester might be subject to sanctions by a court of competent jurisdiction for having filed the present request for *inter partes* reexamination, <u>the settlement agreement would still not be binding on the Office so as to preclude the Office from conducting *inter partes* reexamination as requested, because the Office is not a party to that agreement</u>.

Indeed, the courts have held that a final judgment against a party found to have infringed a patent does not prohibit that party from seeking *ex parte* reexamination of the involved patent. In *Kucala Enterprises, Ltd. V. Auto Wax Co., Inc. 2004 U.S. Dist. LEXIS 5723 (N.D. Ill., 2004)*, the accused infringer (Kucala) contended that there was no basis in law or fact, by which the judgment could preclude Kucala from filing a request for *ex parte* reexamination, relying on the language of 35 U.S.C. § 302 that permits "any person at any time" to request reexamination of a patent. The court pointed out that it could not bar third party Kucala from seeking reexamination, even under the circumstances of that case, where the third party was found guilty of misconduct such that the court found the patents asserted against the third party to be not invalid. The *Kucala Enterprises, Ltd.* opinion states:

> "...the issue here, whether a court can sanction a party by enjoining it from seeking reexamination. At the same time, the cases on which Auto Wax relies fail to address a sanction prohibiting reexamination. [Citations omitted].
>
> "The court is persuaded, in light of the parties' arguments and the court's purposes in the October decision, that the judgment should not bar Kucala from seeking reexamination. The sanction of dismissal conveys to Kucala, "Because of your misconduct, you lose on the claims you filed in this court." In other words, the court finds the patents in suit not invalid. **Under the lessons of *Ethicon*, this means only that the presumption of validity survives, not that the patents are valid. Although principles of claim preclusion would bar an adjudged infringer [*16] from filing or defending a future lawsuit relating to**

> **these patents, it would not bar the infringer from seeking reexamination.** Therefore, the court will not enjoin Kucala from seeking reexamination of Auto Wax's patents." *Id.* at page 13 of the Court's decision." [Emphasis added]

In *McNeil-PPC, Inc. v. The Procter & Gamble Co., 19 USPQ2d 1663 (U.S. District Court District of Colorado 1991*), Procter & Gamble sought leave from the court to file a request for reexamination in the Office of a patent in dispute. The court held that Procter & Gamble did not need permission from the court to file a request for reexamination, and that there does not appear to be any limit on a party's right to request reexamination, but for complying with the requirements of 35 U.S.C. § 302, directed to *ex parte* reexamination. Furthermore, the court observed:

> "First, unfair or not, McNeil-PPC points to no authority that would authorize me to prevent or limit P & G's request to the PTO for reexamination of Bradstreet '901 and its participation in that proceeding to the extent allowed by title 35. McNeil-PPC's only argument is that because P & G asked for leave to file the request, it concedes that it is required to do so. I disagree. It may be that P & G was under the erroneous assumption that I had some statutory or common law prerogative to intervene in the PTO reexamination request. **McNeil-PPC does not offer, however, any rationale why any such misinterpretation bestows unto me power over the PTO where the power is otherwise absent.** Furthermore, at oral argument, P & G took the position that the motion was filed as a courtesy notice and does not constitute any waiver.
>
> "Second, Congress authorizes challengers to take "two bites of the apple." **A nonpatent holder is permitted to both challenge a patent in the PTO and in the district court.** *See In re Etter, 756 F.2d 852, 857, 225 U.S.P.Q. (BNA) 1* (Fed. Cir.), *cert. denied, 474 U.S. 828, 88 L. Ed. 2d 72, 106 S. Ct. 88 (1985).* In *Ethicon, Inc. v. Quigg, 849 F.2d 1422, 7 U.S.P.Q.2D (BNA) 1152 (Fed. Cir. 1988),* a nonpatent holder was sued for patent infringement. While the action progressed, the nonpatent holder requested reexamination of the subject patent in the PTO. The Federal Circuit, in concluding that the PTO was without the power to stay the reexamination pending outcome of the action and allowing the reexamination and court action to proceed simultaneously, stated:
>
> > The awkwardness presumed to result if the PTO and court reached different conclusions is more apparent than real. The two forums take different approaches in determining invalidity and on the same evidence could quite correctly come to different conclusions. Furthermore, we see nothing untoward about the PTO upholding the validity of a reexamined patent which the district court later finds invalid. This is essentially what occurs when a court finds a patent invalid after the PTO has granted it. Once again, it is important that the district court and the PTO can consider different evidence. Accordingly, different results between the two forums may be entirely reasonable. And, if the district court determines a patent is not invalid, the PTO should continue its reexamination because, the two forums have different standards of proof for determining invalidity. *Ethicon, 849 F.2d at 1428-29.*
>
> "This structure does not automatically lead to inefficient use of judicial resources. Rather than impede jurisdictional efficiency, this dual process has greater potential to promote efficiency, because, as stated in *In re Etter:*
>
> > The innate function of the reexamination process is to increase the reliability of the PTO's action in issuing a patent by reexamination of the patents thought "doubtful." [Citation omitted]. When the patent is currently involved in litigation, an auxiliary function is to free the court from any need to consider prior art without the benefit of the PTO's initial consideration."
>
> [Emphasis added]

Thus, the court recognized that duality of the Congressionally enacted structure in which reexamination and litigation co-exist as non-mutually exclusive avenues in which a party may challenge a patent. It appears that insofar as the litigation approach may result in a settlement agreement, that the existence of a settlement agreement does not "sidetrack" a party thereto from pursuing reexamination.

It should also be noted that a contractual provision preventing a party from seeking reexamination would be void as being contrary to public policy. [7] In *Lear v. Adkins*, 395 U.S. 653, (1969), the United States Supreme Court determined that prohibiting licensees from challenging the validity of a patent that they had licensed runs afoul of public policy "in permitting full and free competition in the use of ideas which are in reality part of the public domain." *id.* at 670 . By analogy, preventing a third party requester (and a potential licensee of the subject patent) from requesting reexamination of a patent would be contrary to the public policy embodied in the *Lear v. Adkins* decision. As the settlement agreement entered into in 1996 is prior to the enactment in 1999 of the statute authorizing *inter partes* reexamination, it was not even possible for these settlement agreements to address preventing a party to the agreement from filing such a request for reexamination.

Finally, it is recognized that the decisions cited and discussed, *supra*, are not specifically directed to *inter partes* reexamination. However, it is clear that the precedents would apply to *inter partes* reexamination proceedings just as they do in *ex parte* reexamination proceedings. For *ex parte* reexamination, 35 U.S.C. § 302, provides that "[A]ny person at any time may file a request for reexamination by the Office of any claim of a patent ..." For *inter partes* reexamination, 35 U.S.C. § 311(a) provides that "IN GENERAL -Any third-party requester at any time may file a request for inter partes reexamination by the Office of a patent ..." [8]

Congress chose to not place any limitation on the ability of a third party requester to request an *ex parte* reexamination proceeding. Thereafter, Congress chose to provide only very limited estoppel provisions with respect to the ability of a third party requester to request an *inter partes* reexamination proceeding, only those estoppel provisions set forth in the statue. [9] Congress could have elected to enact provisions similar to 15 U.S.C. § 1069 so as to place broad estoppel limitations on the ability of a third party requester to seek reexamination in the Office. However, Congress chose not to do so! Moreover, to the extent that the estoppel provisions of 35 U.S.C. § 317(b) might be relevant to the '122 reexamination proceeding, patent owner has not alleged that there has ever been a relevant final (*i.e.* nonappealable) court decision holding that the '130 patent claims are valid. Indeed, patent owner's own statement of the facts indicates that the parties executed Federal Rule of Civil Procedure 41 Stipulations of Dismissal of the prior litigation that were filed in, and accepted by, the Delaware District Court, and that "[t]he Court specifically retained jurisdiction over the parties in relation to disputes arising under the 1996 Settlement Agreement." This clearly does not provide a final court decision regarding the validity of any of the patents covered in the settlement agreement.

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[7] *Bremen v. Zapata Off-Shore Co.*, 407 U.S. 1 (1972)(concluding that a forum selection clause, while generally enforceable, will not be enforced where it violates the strong public policy of the forum in which suit is brought); *Newton v. Rumery*, 480 U.S. 386,392 (1987) ("The relevant principle is well established: a promise is unenforceable if the interest in its enforcement is outweighed in the circumstances by a public policy harmed by enforcement of the agreement."); *Suter v. Munich Reinsurance*, 223 F.3d 150 (3d Cir. 2000) (citing *Bremen* for the proposition that federal forum selection clauses should not be enforced where they are contrary to public policy).

[8] The caveat ("IN GENERAL") in the statute refers to the estoppel provisions of 35 U.S.C. § 317(b) that would preclude a third party requester from filing a request for reexamination where it has not sustained its burden of proof of claim invalidity in litigation that has become final, or where such litigation has resulted in a final holding of claim validity, as well as the 35 U.S.C. § 317(b) limitation on the filing of co-pending *inter partes* reexaminations.

[9] The *inter partes* reexamination statute includes limited estoppel provisions that raise specific estoppels based upon the existence of a final (i.e.. nonappealable) court holding of patent claim validity or the existence of an order granting reexamination. See 35 U.S.C. § 317(a) and (b).

C. Vacatur Of The Present Reexamination Proceeding Is Not Supported By The Provisions Of MPEP § 2246(I):

Patent owner argues that the exemplary language in the MPEP § 2646 does not limit the circumstances in which the Office can vacate reexamination orders. To the extent that this is true, it is not relevant here, because the statutes, the case law and the facts in the present reexamination proceeding all indicate that vacatur of the present reexamination proceeding would run contrary to the reexamination statute. Patent owner's arguments to the contrary are not persuasive.

MPEP § 2646(I) addresses vacatur that would be required when a request for *inter partes* reexamination was improperly ordered due either to the existence of a statutory prohibition barring the grant of a request for *inter partes* reexamination, or the existence of a clear error of a clerical nature. Patent owner has not established that the present *inter partes* reexamination proceeding was ordered contrary to any statutory prohibition barring the order, or due to a clerical error. Rather, the *inter partes* reexamination statute clearly provides that when the Office is presented with a request for *inter partes* reexamination that (1) has been filed by a third party requester not subject to the estoppel provisions of 35 U.S.C. § 317, and (2) raises a substantial new question of patentability, the Office must order *inter partes* reexamination and thereafter reexamine the patent. [10] As set forth in Section III (B) of this decision, *supra*, the case law does not support the proposition that the Office has the duty to, or may at its option, disregard the statutory mandate to reexamine the patent due to the existence of a settlement agreement between a patent owner and a third party requester to which the Office is not a party. Indeed, the case law does not support that proposition even where the settlement agreement was reduced to a consent judgment and the third party requester has been held by the court to be in contempt of the consent judgment.

D. Vacating The Present Reexamination Proceeding May In Fact Leave An Unresolved Substantial New Question of Patentability

Patent owner argues that vacatur of the present reexamination proceeding would not leave a substantial new question of patentability unresolved, because such questions (and other questions of patentability beyond the scope of *inter partes* reexamination) will be resolved by the method, and in the forum, established by the parties in the settlement agreement.

This argument ignores two important points. *First*, there is in fact a public interest served by resolution of patentability issues via reexamination proceedings in the Office, and advantages attendant thereto. *Ethicon v. Quigg*, 878 F.2d 1422, 1428 (Fed. Cir. 1989); *In re Etter*, 756 F.2d 852, 856 (Fed. Cir. 1985). There is no assurance that resolution of the dispute between patent owner and third party requester in accordance with the settlement agreement would resolve the substantial new questions of patentability that have been found to exist in the present *inter partes* reexamination proceeding, or in any way result in a benefit to the public in the manner that a reexamination proceeding would. Any resolution in court, or such other forum chosen, may simply resolve the dispute between patent owner and third party requester without resolving the issues of patentability raised by the substantial new question of patentability (e.g., by settlement, or consent judgment, or dismissal without prejudice or based on a conduct issue). Vacatur of a requested and granted *inter partes* reexamination proceeding may well leave both the public and

[10] See 35 U.S.C. §§ 311, 312(a), 313(a) and 314(c).

the patent owner with an unresolved request for reexamination and unresolved substantial new question of patentability (found to be present via the decision ordering reexamination). The public has a right to such a resolution. Vacating, withdrawing, or otherwise abandoning or terminating the instant reexamination proceeding would abrogate this public right, to the detriment of the public interest. As discussed in Section III (B) above, ordering and conducting an *inter partes* reexamination proceeding is not optional for the Office. Rather, the *inter partes* reexamination proceeding must continue according to the procedure mandated by the *inter partes* reexamination statute, to carry out the purpose of the statute and resolve the substantial new question of patentability for the public.[11] The proceeding began with the filing of a request for *inter partes* reexamination that satisfied the requirements of 35 U.S.C. § 311. As **required** by 35 U.S.C. § 312, the request for reexamination has been considered. As a result of that consideration, it has been determined that the request raises a substantial new question of patentability for one or more patent claims. Thus, in accordance with 35 U.S.C. § 313, the present proceeding **shall** result in a determination of the patentability of the claims of the '130 patent in light of prior patents and printed publications, to the benefit of the public as well as to the benefit of patent owner and third party requester.

Second, while there is no assurance that the resolution of the dispute in accordance with the settlement agreement will be timely, the present reexamination proceeding **will** be conducted with special dispatch pursuant to 35 U.S.C. § 314(c). The public interest in resolving the issues raised in the present reexamination proceeding includes an interest in having those issues resolved in a timely fashion.

E. The Decision in *Heinl v. Godici* Is Clearly Apposite To This Reexamination Proceeding

Patent owner argues that the Office's reliance on *Heinl v. Godici*, 143 F. Supp. 2d 593, 601 (E.D. Va. 2001) is misplaced. This argument is not persuasive.

Heinl was a case in which patent owner sought a decision terminating a reexamination proceeding based on the absence of a new question of patentability. The *Heinl* court stated:

> "Under the well established *ultra vires* doctrine, the exhaustion and final agency requirements are excused 'only if plaintiff is able to show that the PTO clearly exceeded its statutory authority', quoting from *Philip Morris, Inc. v. Block*, 755 F.2d 368, 370 (4th Cir 1985 (quoting *Mayor and City Council of Baltimore v. Mathews*, 562 F.2d 914, 920 (4th Cir. 1977), vacated on other grounds, 571 F.2d 1273 (4th Cir. 1978)."

The *Heinl* court then stated:

> "Put differently, when an agency acts in 'brazen defiance' of its statutory authorization, courts need not await the conclusion of underlying proceedings."

It is abundantly clear that the *Heinl* decision was not cited and discussed because it involved a previous settlement agreement between parties to a reexamination proceeding, and no reading of the Decision on Petition June 7, 2006 can lead to the belief that it was. Rather, *Heinl* was cited because it is clearly applicable to the doctrine of "*ultra vires*" reexamination proceedings in the sense that it provides a benchmark for looking into whether the Office has committed an *ultra*

[11] The innate function of the reexamination process is to increase the reliability of the Office's action in issuing a patent by reexamination of patents thought "doubtful." House Report No. 66-1307, 96th Cong., 2d Sess. (1980), 3, reprinted in 1980 U.S. Code Cong. & Ad. News 6460, 6462. (This was emphasized in *In re Etter*, 756 F.2d 852, 225 USPQ 1 (Fed. Cir.) (en banc), cert. denied, 474 U.S. 828, 88 L. Ed. 2d 72, 106 S. Ct. 88 (1985)).

vires act. That benchmark is a simple one. Where the Office orders reexamination, the decision of the Office to order reexamination cannot be attacked as being *ultra vires*, unless it is clearly established that the Office has exceeded its statutory authority to order reexamination.

In this instance:

(1) The reexamination statute fails to provide that the equitable doctrines of laches, estoppel and acquiescence can be raised to preclude the Office from ordering *inter partes* reexamination, other than the 35 U.S.C. § 317 exception, which is inapplicable on the facts in the present reexamination proceeding;

(2) The authorities cited and discussed above in Section III (A) clearly indicate that the existence of a settlement agreement (and even the existence of a consent judgment incorporating a settlement agreement) between a patent owner and a third party reexamination requester do not operate to preclude the Office from granting that third party's request for reexamination if the request otherwise satisfies the requirements of the reexamination statutes; and

(3) A public interest in resolving the substantial new question of patentability exists in the present reexamination proceeding, which may not necessarily be timely resolved, or resolved at all, by reason of the dispute resolution provisions of the settlement agreement, and will not be resolved using the standards applicable in reexamination as well as the expertise of the Office.

Thus, the guidance provided by the decision in *Heinl* supports the conclusion that petitioner has not advanced sufficient basis for holding the grant of reexamination in the present *inter partes* reexamination proceeding to be an *ultra vires* action by the Office. The Office has not "clearly exceeded its statutory authority" in the Office's determination that the January 17, 2006 reexamination request properly raised a substantial new question of patentability and should go forward.

For all the forgoing reasons, as well as those set forth in the June 7, 2006 decision, the order granting the present *inter partes* reexamination remains intact and the *inter partes* reexamination proceeding will continue in accordance with the procedure mandated by the *inter partes* reexamination statute and implementing regulations.

ADDITIONAL DISCUSSION

The undersigned notes that the patent owner and third party requester are adverse parties with respect to the present *inter* partes reexamination proceeding, and are currently engaged in litigation involving the underlying patent. While counsel should represent the respective parties zealously, and are entitled to benefit of all of the regulations implementing the *inter partes* reexamination statutes and the examining practice promulgated with respect to those regulations, counsel are reminded of their ongoing obligations to the Office as set forth in Part 10 of Title 37 of the Code of Federal Regulations. In particular, the provisions of 37 CFR 10.18(b)(2) and (c) should be noted. Adherence to the provisions of Part 10 will greatly assist the Office **in conducting this *inter partes* reexamination proceeding with special dispatch** as required by 35 U.S.C. § 314(c).

CONCLUSION

1. The patent owner's June 16, 2006 petition under 37 CFR 1.181 is (a) granted to the extent that the prior decision has been fully reconsidered, and (b) denied as to the underlying request to vacate the order for reexamination.

2. This decision is a final agency action within the meaning of 5 U.S.C. § 704.

3. The patent owner's July 21, 2006 opposition to the third party requester opposition to the patent owner petition for reconsideration lacks an entry right in the present reexamination proceeding, and has not been considered.

4. Jurisdiction over the '122 *inter partes* reexamination proceeding is returned to the Central Reexamination Unit.

5. Telephone inquiries related to the present decision should be directed to Stephen Marcus, Legal Advisor, at 571-272-7743, or, in his absence, to Karen Hastings, Legal Advisor, at 571-272-7717.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

kmh/sm

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MAILED

APR 27 2007

CENTRAL REEXAMINATION UNIT

In re Callaway Golf Company
Inter Partes Reexamination Proceeding
Control No.: 95/000,120
Filed: January 17, 2006
For: U.S. Patent No. 6,210,293

In re Callaway Golf Company
Inter Partes Reexamination Proceeding
Control No.: 95/000,121
Filed: January 17, 2006
For: U.S. Patent No. 6,503,156

In re Callaway Golf Company
Inter Partes Reexamination Proceeding
Control No.: 95/000,122
Filed: January 17, 2006
For: U.S. Patent No. 6,506,130

In re Callaway Golf Company
Inter Partes Reexamination Proceeding
Control No.: 95/000,123
Filed: January 17, 2006
For: U.S. Patent No. 6,595,873

DECISION DISMISSING PETITION

This is a decision on the March 22, 2007 petition entitled "JOINT PETITION TO SUSPEND CERTAIN OF THE PROCEDURES SET FORTH IN MPEP § 724.04 GOVERNING THE HANDLING OF CONFIDENTIAL INFORMATION." The patent owner and third party requester jointly filed the petition,.

The petition is before the Office of Patent Legal Administration for consideration. The petition is being taken as a petition under 37 CFR 1.183 to waive the provisions of 37 CFR 1.59 as well as portions of the corresponding practice (MPEP § 724 *et seq*) promulgated under the rule. A petition fee of $ 400.00 under 37 CFR 1.17(f) will be charged to the patent owner's deposit account as authorized in the joint petition for each of the four *inter partes* reexamination proceedings. Accordingly, $ 1,600.00 ($ 400 x 4 = $ 1,600) is being charged to patent owner's Deposit Account No. 06-1050.

REVIEW OF SALIENT FACTS

1. On January 17, 2006, third party requester (Acushnet) filed four *inter partes* reexamination requests, each request being directed to one of four U.S. Patents owned by Callaway Golf.

2. The reexamination request for U.S. Patent No. 6,210,293 (the '293 patent) was assigned control no. 95/000,120 (the '120 *inter partes* reexamination request).

3. The reexamination request for U.S. Patent No. 6,503,156 (the '156 patent) was assigned control no. 95/000,121 (the '121 *inter partes* reexamination request).

4. The reexamination request for U.S. Patent No. 6,506,130 (the '130 patent) was assigned control no. 95/000,122 (the '122 *inter partes* reexamination request).

5. The reexamination request for U.S. Patent No. 6,595,873 (the '873 patent) was assigned control no. 95/000,123 (the '123 *inter partes* reexamination request).

6. On February 9, 2006, patent owner Callaway Golf filed suit against third party requester Acushnet in the United States District Court for the District of Delaware. Each of the '293, '156, '130 and '873 patents is involved in the suit.

7. Reexamination was ordered for each of the '122 and '123 *inter partes* reexamination proceedings on April 6, 2006.

8. Reexamination was ordered for each of the '120 and '121 *inter partes* reexamination proceedings on April 7, 2006.

9. A non-final Office action was mailed in each of the '122 and '123 *inter partes* reexamination proceedings on January 30, 2007.

10. A non-final Office action was mailed in each of the '120 and '121 *inter partes* reexamination proceedings on February 27, 2007.

11. In the District Court litigation, the patent owner and third party requester are subject to a protective order that anticipates the use of confidential information in the litigation, that anticipates that some of the confidential information may be relevant to the '120, '121, '122 and '123 *inter partes* reexamination proceedings, and permits submission of such material in these *inter partes* reexamination proceedings subject to certain procedures designed to protect the confidential nature of the information.

12. Patent owner and third party requester filed the present joint petition on March 22, 2007 seeking to waive certain aspects of Office practice governing the submission of confidential information that are deemed to conflict with certain provisions of the protective order.

DECISION

I. Relevant Statutes, Regulations and Practice

35 U.S.C. § 151 provides, in part:

"If it appears that applicant is entitled to a patent under the law, a written notice of allowance of the application shall be given or mailed to the applicant. The notice shall specify a sum, constituting the issue fee or a portion thereof, which shall be paid within three months thereafter.

Upon payment of this sum the patent shall issue, but if payment is not timely made, the application shall be regarded as abandoned."

35 U.S.C. § 181 provides, in part:

"Whenever publication or disclosure by the publication of an application or by the grant of a patent on an invention in which the Government has a property interest might, in the opinion of the head of the interested Government agency, be detrimental to the national security, the Commissioner of Patents upon being so notified shall order that the invention be kept secret and shall withhold the publication of an application or the grant of a patent therefor under the conditions set forth hereinafter."

35 U.S.C. § 316(a) provides:

"IN GENERAL.– In an inter partes reexamination proceeding under this chapter, when the time for appeal has expired or any appeal proceeding has terminated, the Director shall issue and publish a certificate canceling any claim of the patent finally determined to be unpatentable, confirming any claim of the patent determined to be patentable, and incorporating in the patent any proposed amended or new claim determined to be patentable."

37 CFR 1.11(a), (c) and (d) provide:

"(a) The specification, drawings, and all papers relating to the file of: A published application; a patent; or a statutory invention registration are open to inspection by the public, and copies may be obtained upon the payment of the fee set forth in § 1.19(b)(2). If an application was published in redacted form pursuant to § 1.217, the complete file wrapper and contents
of the patent application will not be available if: The requirements of paragraphs (d)(1), (d)(2), and (d)(3) of § 1.217 have been met in the application; and the application is still pending. See § 2.27 of this title for trademark files.

(c) All requests for reexamination for which all the requirements of § 1.510 or § 1.915 have been satisfied
will be announced in the Official Gazette. Any reexaminations at the initiative of the Director pursuant to § 1.520 will also be announced in the Official Gazette. The announcement shall include at least the date of the request, if any, the reexamination request control number or the Director initiated order control number, patent number, title, class and subclass, name of the inventor, name of the patent owner of record, and the examining group to which the reexamination is assigned.

(d) All papers or copies thereof relating to a reexamination proceeding which have been entered of record in the patent or reexamination file are open to inspection by the general public, and copies may be furnished upon paying the fee therefor."

37 CFR 1.59(a) and (b) provide:

"(a)(1) Information in an application will not be expunged, except as provided in paragraph (b) of this section or § 41.7(a) of this title.

(2) Information forming part of the original disclosure (i.e., written specification including the claims, drawings, and any preliminary amendment specifically incorporated into an executed oath or declaration
under §§ 1.63 and 1.175) will not be expunged from the application file.

(b) An applicant may request that the Office expunge information, other than what is excluded by paragraph (a)(2) of this section, by filing a petition under this paragraph. Any petition to expunge information
from an application must include the fee set forth in § 1.17(g) and establish to the satisfaction of the Director that the expungement of the information is appropriate in which case a notice granting the petition for expungement will be provided.

37 CFR 1.555 provides:

(a) A patent by its very nature is affected with a public interest. The public interest is best served, and the most effective reexamination occurs when, at the time a reexamination proceeding is being conducted, the Office is aware of and evaluates the teachings of all information material to patentability in a reexamination proceeding. Each individual associated with the patent owner in a reexamination proceeding has a duty of candor and good faith in dealing with the Office, which includes a duty to disclose to the Office all information known to that individual to be material to patentability in a reexamination proceeding. The individuals who have a duty to disclose to the Office all information known to them to be material to patentability in a reexamination proceeding are the patent owner, each attorney or agent who represents the patent owner, and every other individual who is substantively involved on behalf of the patent owner in a reexamination proceeding. The duty to disclose the information exists with respect to each claim pending in the reexamination proceeding until the claim is cancelled. Information material to the patentability of a cancelled claim need not be submitted if the information is not material to patentability of any claim remaining under consideration in the reexamination proceeding. The duty to disclose all information known to be material to patentability in a reexamination proceeding is deemed to be satisfied if all information known to be material to patentability of any claim in the patent after issuance of the reexamination certificate was cited by the Office or submitted to the Office in an information disclosure statement. However, the duties of candor, good faith, and disclosure have not been complied with if any fraud on the Office was practiced or attempted or the duty of disclosure was violated through bad faith or intentional misconduct by, or on behalf of, the patent owner in the reexamination proceeding. Any information disclosure statement must be filed with the items listed in § 1.98(a) as applied to individuals associated with the patent owner in a reexamination proceeding, and should be filed within two months of the date of the order for reexamination, or as soon thereafter as possible.

(b) Under this section, information is material to patentability in a reexamination proceeding when it is not cumulative to information of record or being made of record in the reexamination proceeding, and

(1) It is a patent or printed publication that establishes, by itself or in combination with other patents or printed publications, a prima facie case of unpatentability of a claim; or

(2) It refutes, or is inconsistent with, a position the patent owner takes in:

(i) Opposing an argument of unpatentability relied on by the Office, or

(ii) Asserting an argument of patentability.

A *prima facie* case of unpatentability of a claim pending in a reexamination proceeding is established when the information compels a conclusion that a claim is unpatentable under the

preponderance of evidence, burden-of-proof standard, giving each term in the claim its broadest reasonable construction consistent with the specification, and before any consideration is given to evidence which may be submitted in an attempt to establish a contrary conclusion of patentability.

(c) The responsibility for compliance with this section rests upon the individuals designated in paragraph (a) of this section and no evaluation will be made by the Office in the reexamination proceeding as to compliance with this section. If questions of compliance with this section are raised by the patent owner or the third party requester during a reexamination proceeding, they will be noted as unresolved questions in accordance with § 1.552(c)."

37 CFR 1.933 provides:

(a) Each individual associated with the patent owner in an *inter partes* reexamination proceeding has a duty of candor and good faith in dealing with the Office, which includes a duty to disclose to the Office all information known to that individual to be material to patentability in a reexamination proceeding as set forth in § 1.555(a) and (b). The duty to disclose all information known to be material to patentability in an inter partes reexamination proceeding is deemed to be satisfied by filing a paper in compliance with the requirements set forth in § 1.555(a) and (b).

(b) The responsibility for compliance with this section rests upon the individuals designated in paragraph (a) of this section, and no evaluation will be made by the Office in the reexamination proceeding as to compliance with this section. If questions of compliance with this section are raised by the patent owner or the third party requester during a reexamination proceeding, they will be noted as unresolved questions in accordance with § 1.906(c).

MPEP § 724.01 provides:

"It is the intent of the Office that the patent file wrapper be as complete as possible insofar as "material" information is concerned. The Office attempts to minimize the potential conflict between full disclosure of "material" information as required by 37 CFR 1.56 and protection of trade secret, proprietary, and protective order material to the extent possible.

The procedures set forth in the following sections are designed to enable the Office to ensure as complete a patent file wrapper as possible while preventing unnecessary public disclosure of trade secrets, proprietary material, and protective order material."

MPEP § 724.02 provides, in part:

"Information which is considered by the party submitting the same to be either trade secret material or proprietary material, and any material subject to a protective order, must be clearly labeled as such and be filed in a sealed, clearly labeled, envelope or container. Each document or item must be clearly labeled as a "Trade Secret" document or item, a "Proprietary" document or item, or as an item or document "Subject To Protective Order." ...

Examples of appropriate labels for such an envelope or container addressed to an application are as follows: (Appropriate changes would be made for papers filed in a reexamination file.)

...

C. "MATERIAL SUBJECT TO PROTECTIVE ORDER – NOT OPEN TO PUBLIC. TO BE OPENED ONLY BY EXAMINER OR OTHER AUTHORIZED U.S. PATENT AND TRADEMARK
OFFICE EMPLOYEE.
DO NOT SCAN
Tribunal Issuing Protective Order:
Civil Action or Other Identification No.:
Date of Order:

Current Status of Proceeding: (Pending, Stayed, etc.)
In re application of:
Application No.
Filed:
For: (Title of Invention)
TC Art Unit:
Examiner:

The envelope or container must be accompanied by a transmittal letter which also contains the same identifying information as the envelope or container. The transmittal letter must also state that the materials in the envelope or container are considered trade secrets or proprietary, or are subject to a protective order, and are being submitted for consideration under MPEP § 724. A petition under 37 CFR 1.59 and fee therefor (37 CFR 1.17g) to expunge the information, if found not to be important to a reasonable examiner in deciding whether to allow the application to issue as a patent, should accompany the envelope or container. ..."

MPEP § 724.04(c) provides, in part:

"Any materials submitted under MPEP § 724.02 in a reexamination file open to the public under 37 CFR 1.11(d) will be treated in the following manner:

(A) Materials submitted under MPEP § 724.02 will only be released to the public with any other papers in the reexamination file if no petition to expunge (37 CFR 1.59) was filed prior to the mailing of a Notice of Intent to Issue Reexamination Certificate (NIRC), or if a petition to expunge was filed and the petition was denied. The submitted information will be maintained separate from the reexamination file and will not be publicly available until a determination has been made as to whether or not the information is important to a reasonable examiner in deciding whether or not a claim is patentable.

(B) Prior to the mailing of a NIRC, the examiner will review the reexamination file and determine if a petition to expunge is in the reexamination file but not acted upon. The examiner, or other appropriate Office official who is responsible for considering the information, will make a determination as to whether or not any portion or all of the information submitted is important to a reasonable examiner in deciding whether or not a claim is patentable.

(C) If any portion or all of the submitted information is found important to a reasonable examiner in deciding whether or not a claim is patentable the petition to expunge will be denied and the information will thereafter become a permanent part of the reexamination file and open to the public.

(D) If any portion or all of the submitted information is found not to be important to a reasonable examiner in deciding whether or not a claim is patentable, the petition to expunge will be granted and the information expunged.
..."

II. Discussion re Expunging Information - General

A request for *inter partes* reexamination was filed by third party requester (Acushnet) on January 17, 2006 for each of the '293, '156, '130 and '873 patents owned by Callaway Golf. On February 9, 2006, patent owner filed an action in the United States District Court for the District of Delaware (the District Court) alleging, *inter alia*, that third party requester infringes certain claims of each of those patents. Reexamination for each of the patents was ordered in early April, 2006.

Joint petitioners (patent owner and third party requester) allege that a protective order has been issued by the District Court. Apparently, the protective order includes a provision permitting

submission of confidential information to the Office "provided that the USPTO enters an appropriate protective order or other order to preserve the confidentiality of the Designated Materials to the same degree as they are protected hereunder." Joint petitioners further allege that the examining practice pursuant to MPEP § 724.04 will, if complied with by the parties, effectively preclude both parties from submitting confidential information that may be relevant to the four *inter partes* reexamination proceedings, because the examining practice does not guarantee confidentiality of such submitted information once it is submitted to the Office. Accordingly, joint petitioners have requested a suspension of certain of the procedures set forth in MPEP § 724.04, such that all confidential material that is properly submitted to the Office will remain confidential during the *inter partes* reexamination proceedings, and will thereafter be expunged at the conclusion of the *inter partes* reexamination proceedings - regardless of the Office's findings as to the relevance of the material. The Office construes the requested suspension of examining procedures as a request to suspend 37 CFR 1.59 pursuant to the provisions of 37 CFR 1.183, along with the applicable examining practice under the rule that would be relevant in these *inter partes* reexamination proceedings.

Joint petitioners are correct with respect to the examining practice under MPEP § 724.04(c). The Office will <u>not</u> expunge confidential information that is submitted to the Office in a reexamination proceeding <u>unless</u> it is found by the examiner that the confidential information is not "important to a reasonable examiner in deciding whether or not a claim is patentable."

The basis for refusing to expunge information submitted to the Office when such information has been found to be important to a reasonable examiner in deciding whether or not a claim is patentable is that 35 U.S.C. §§ 151 and 181 require that the file of an issued patent be open and available to the public. And, 35 U.S.C. § 316(a) provides that the content of any reexamination certificate resulting from an *inter partes* reexamination proceeding is *incorporated into* the original patent.

35 U.S.C. § 151 requires that when it is determined that an applicant for patent is entitled to a patent, the patent shall issue, and the record of the patent shall be made open to the public, upon payment of the issue fee. This provision is qualified only by 35 U.S.C. § 181 which precludes "publication or disclosure" by "the grant of a patent" under certain circumstances, (*i.e.* for national security reasons), which are not relevant here. These provisions, when read together, make it clear that the grant of a patent is a publication of the information "disclosed" in the patent record, which includes the reexamination file for a reexamination proceeding. The availability of such information is thus a right that is statutorily provided to the public, and thus, a public interest. The public has a right to be aware of all information found to be important to a reasonable examiner in deciding whether or not claims are patentable.

In order to implement the statutory requirements regarding publication of patents and incorporation a reexamination proceeding, 37 CFR 1.11(a) provides, *inter alia*, that "[T]he specification, drawings, and all papers relating to the file of a patent" are "are open to inspection by the public" and that copies thereof may be obtained. 37 CFR 1.11(c) & (d) specifically provide that the public will be given notice of all requests for reexamination that have been given a filing date, and that all papers of record in the reexamination file are open to inspection by the general public. It is clear from these regulatory provisions that the record of a patent that has been reexamined and for which a reexamination certificate has been published will include the information of record in the reexamination file, and will be open to the public for inspection.

37 CFR 1.59 provides authority for the Office to expunge certain information from the record of a patent application, so that such information will not form part of the public record of any patent that issues from that application. MPEP § 724 *et. seq.* provides a mechanism to provisionally seal such information until the issue of expungment is addressed by the Office. This practice has been construed to apply to the record of a reexamination proceeding, so that information that would otherwise might be considered part of the patent, as "amended" by the reexamination certificate, could be submitted, and expunged from the file prior to the issue of the reexamination certificate when appropriate. MPEP § 724.02(c) provides the criteria for the filing of a petition under 37 CFR 1.59 to expunge information from the file of a reexamination proceeding. The Office may expunge information provided that such information has been determined to not be important to a reasonable examiner in deciding whether or not a claim is patentable. On the other hand, information that has been determined to be "important to a reasonable examiner..." will not be expunged. Rather, it will form part of the record of the issued patent, as amended by the resulting reexamination certificate, and this record will be a public record. Thus, the public will have the ability to review and understand the basis upon which patent claims were found patentable, as well as the basis upon which claims proposed during examination and/or reexamination were refused, and so will be better able to evaluate (for example), the scope of such claims and their strengths and weaknesses (e.g., what aspects of the claims were, and were not, taught by the art) .

III. Discussion re Expunging Identified Information Submitted By Patent Owner

37 CFR 1.933, which incorporates 37 CFR 1.555, provides that each individual associated with patent owner has a duty of "good faith and candor" in dealing with the Office throughout the course of the four pending *inter partes* reexamination proceedings. Patent owner, in any *inter partes* reexamination proceeding, must disclose to the Office "all" information known to each such individual to be material to patentability in that reexamination proceeding. 37 CFR 1.555 defines the meaning of information "material to patentability" as being a patent or printed publication that is non-cumulative and which (1) establishes, alone or in combination, a *prima facie* case of unpatentability of a claim pending in the reexamination proceeding, or (2) refutes a position taken by patent owner that opposes an argument of unpatentability relied upon by the Office, or (3) is inconsistent with a patent owner argument asserting patentability.

When patent owner brings to the attention of the examiner information in accordance with the definitions provided in 37 CFR 1.555, the examiner must consider this information, decide whether or not any of it is important to a determination of patentability of any pending claim, and as appropriate, either apply the information in the rejection of one or more claims, [1] or ultimately set forth in a reasons for patentability/confirmation statement, why one or more claims are patentable notwithstanding this information. [2]

As noted above in Section II of this decision, the patent statutes establish that the file of an issued patent and the file of a reexamination proceeding for a patent are public documents. The reexamination file is open to the public during the reexamination proceeding, and is considered to be part of the public file of the patent that has been reexamined following publication of the reexamination certificate. [3] The public is entitled to know, with respect to information that has been determined by the examiner to be non-cumulative and important to the question of

[1] See MPEP §§ 2660, 2672.02 and 2673 as to the requirements for complete actions that apply prior art to reject claims in an *inter partes* reexamination proceeding.
[2] See MPEP § 2688, Subsection IV for the requirement that the examiner explain reasons for patentability in an *inter partes* reexamination proceeding.
[3] See MPEP § 2632.

patentability of any pending claim, why that claim was considered to be either patentable or unpatentable in light of such information. Absent the ability to ascertain the "why" behind an examiner's holding of patentability or unpatentability of a given claim, the public may be unable to ascertain the true scope of the patent claims following issuance of the reexamination certificate. For example, important matters such as the existence, and extent, of file wrapper or prosecution estoppel, may be unclear to public. The availability of such information also permits evaluation of what aspects of the claims were, and were not, taught by the art, in the event there is knowledge of additional information to fill the gap in what was available to the skilled artisan at the time the invention was made. [4]

The existence of a protective order issued in connection with the present proceedings does not relieve the patent owner from compliance with its duty to disclose information material to patentability, even though the information in question is subject to the protective order. See *Mallinckrodt Inc. et. al. v. Masimo Corp. et. al*. [5] As stated by the *Mallinckrodt* District Court:

> "[Patentee] Masimo's attempt to demonstrate good faith was unconvincing. Masimo argued that the protective order governing the [prior] 642 litigation prohibited it from disclosing the litigation to the PTO. ... However, Masimo's counsel testified that he understood that he could have gone to the Masimo I Court and had material de-designated so that it would no longer be covered in the protective order. ... Masimo's counsel approached neither the Court nor Nellcor about withdrawing any material from the protective order in the 642 litigation for the purposes of disclosing it during the prosecution of the 830 patent. ... . Because Masimo made no attempt to overcome the barrier to disclosure presented by the protective order, this Court cannot find that it was more than a convenient excuse not to disclose. Had Masimo sought and been denied permission to disclose relevant information, the protective order would likely constitute evidence of good faith. But Masimo neither sought to withdraw material from the protective order, nor did it alert the PTO to the existence of material that could not be disclosed or even the fact that the litigation existed. The mere existence of the protective order is insufficient to demonstrate Masimo's good faith."

In the present *inter partes* reexamination proceedings, patent owner has a duty of "good faith and candor" in dealing with the Office. This duty requires patent owner to disclose all information known by each individual associated with patent owner that is material to patentability of the claims in these *inter partes* reexamination proceedings. 37 CFR 1.59 provides a mechanism, the procedure of which is explained in detail in MPEP § 724 *et seq*, for the submission of such information when the information is subject to a protective order. If patent owner follows the procedure, information submitted pursuant to that procedure will be maintained by the Office in a way that precludes public access to the information until such time as the information has been reviewed by the examiner. Where the examiner's review determines that such information <u>not</u> to be important to a patentability determination, the material will be expunged. If the material is determined by the examiner to be both non-cumulative to information of record and important to a patentability determination, the material must then become part of the publicly available record. Waiver of 37 CFR 1.59, and the practice thereunder, would undercut the statutory right of the public provided by 35 U.S.C §§ 151 and 316(a), by depriving the public of a complete record regarding patentability of the claims in the patents that are the subject of the present *inter partes* reexamination proceedings.

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[4] On the other hand, information that is determined by the examiner to not be important to the patentability of a pending claim in a reexamination proceeding is of no interest to the public, because the examiner has not made a detailed analysis thereof beyond the threshold determination that the information does not bear on the patentability of any of the claims proposed, or ultimately granted.

[5] *Mallinckrodt Inc. et. al. v. Masimo Corp. et. al.*, No. 00-6506 MRP (AJWx), 2004 U.S. Dist. LEXIS 28518, *86 (C.D. Cal., Cal., July 12, 2004) , aff'd-in-part,. Mallinckrodt Inc. *et. al.* v. Masimo Corp. *et. al.*, No. 04-1495, 04-1540, 147 Fed. Appx. 158, 181, 2005 U.S. App. LEXIS 19427 (Fed. Cir., September 7, 2005)(unpublished)

Accordingly, the Office will not waive 37 CFR 1.59 or any part of the examining practice associated therewith, notwithstanding the existence of the protective order.

To the extent that the patent owner deems that there is information subject to the protective order that patent owner must disclose to the Office pursuant to 37 CFR 1.933, and patent owner is concerned that this information will not be expunged based upon the above discussion, patent owner may seek modification of the protective order by the District Court to comply with the right of publication of information provided by the patent statute, by permitting the filing of such information in these *inter partes* reexamination proceedings notwithstanding that the information may become part of the public record.

IV. Discussion re Expunging Information Submitted By Third Party Requester

By its terms, 37 CFR 1.933 does not apply to a third party requester in an *inter partes* reexamination proceeding. Therefore, it appears that requester does not require relief in the form of waiving 37 CFR 1.59 and the associated examining practice under MPEP § 724 *et seq*, because third party requester may simply elect not to file information that third party requester knows to be subject to the protective order.

To the extent that third party requester could arguably be deemed to have a duty to disclose information in these proceedings, (*e.g.* information favorable to patentability or information that corrects or clarifies a previous submission by third party requester), the considerations stated in Sections II and III of this decision would apply with equal force to the requester. The public is entitled to access to all information that is submitted during the course of these *inter partes* reexamination proceedings that would be important to a reasonable examiner in determining patentability. Accordingly, the Office will not waive 37 CFR 1.59 or any part of the examining practice associated therewith, with respect to the requester, notwithstanding the existence of the asserted protective order.

If the third party requester deems it to be necessary to file information for consideration by the examiner that is subject to the protective order, then third party requester may seek modification of the protective order by the District Court to permit the filing of such information in these *inter partes* reexamination proceedings notwithstanding that the information may become part of the public record.

CONCLUSION

1. The joint patent owner and requester petition filed March 27, 2007, is dismissed.

2. Any request for reconsideration of this decision must be submitted within two months of the date of this decision, in accordance with 37 CFR 1.181(f).

3. Jurisdiction over each of the '120, '121, '122 and '123 *inter partes* reexamination proceedings is returned to the Central Reexamination Unit.

4. Telephone inquiries related to the present decision should be directed to the Stephen Marcus, Legal Advisor, at 571-272-7743, or, in his absence, to the undersigned at 571-272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,123	01/17/2006	6595873	00634.0004.RXUS03	6324

7590 02/16/2006

The Top-Flite Golf Company,
A Wholly Owned Subsidiary of
Callaway Golf Company
2180 Rutherford Road Legal Dept.
Carlsbad, CA 92008-7328

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 02/16/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

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A Wholly Owned Subsidiary of
Callaway Golf Company
2180 Rutherford Road, Legal Dept.
Carlsbad, CA 92008-7328

MAILED

FEB 1 6 2006

Alan M. Grimaldi (Requester) REEXAM UNIT
Howrey LLP
1299 Pennsylvania Avenue NW
Washington, DC 20004

In re Sullivan	:	
Inter Partes Reexamination Proceeding	:	DECISION ACCEPTING
Control No. 95/000,123	:	WITHDRAWAL OF
Filed: January 17, 2006	:	PETITION
For: U.S. Patent No. 6,595,873	:	

On January 23, 2006, the third party requester filed a paper titled REQUEST FOR THE SUSPENSION OF ACTION UNDER 37 C.F.R.§ 1.103(a), which is taken as a petition for suspension of action under 37 CFR 1.182. On February 9, 2006, the third party requester filed a paper titled WITHDRAWAL OF REQUEST FOR THE SUSPENSION OF ACTION UNDER 37 C.F.R.§ 1.103(a), in which requester withdraws the January 23, 2006 petition for suspension of action.

Based upon the February 9, 2006 paper:

1. The January 23, 2006 petition for suspension of action is withdrawn; no decision will be rendered on the petition.

2. A copy of this decision will be placed in the present *inter partes* reexamination file.

3. Jurisdiction over this proceeding is being returned to the Central Reexamination Unit.

4. Telephone inquiries with regard to this decision should be directed to the undersigned at 571-272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

2-15-06
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(For Third Party Requester)

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JUN 07 2006

REEXAM UNIT

In re Callaway Golf Company
Inter Partes Reexamination Proceeding
Control No.: 95/000,123
Filed: January 17, 2006
For: U.S. Patent No. 6,595,873

DECISION ON PETITION TO VACATE ORDER GRANTING REEXAMINATION

This is a decision on the April 13, 2006 patent owner petition entitled "PETITION TO VACATE REEXAMINATION ORDERS AS ULTRA VIRES" under 37 CFR 1.181. On April 27, 2006, the third party requester filed an opposition to the present petition entitled "ACUSHNET'S OPPOSITION TO PATENT OWNER'S PETITION TO VACATE REEXAMINATION ORDERS AS ULTRA VIRES."

Both the petition and the opposition are before the Office of Patent Legal Administration for consideration.

The patent owner's petition is dismissed for the reasons set forth below.

REVIEW OF SALIENT FACTS

1. U.S. Patent No. 6,595,873 (the '873 patent) issued to Michael J. Sullivan on July 22, 2003, and is currently assigned to Callaway Golf Company.

2. A request for *inter partes* reexamination of the '873 patent was filed by a third party requester, Acushnet Company (hereinafter "Acushnet"), on January 17, 2006. The request was assigned Control No. 95/000,123 (the '123 *inter partes* reexamination proceeding).

3. On January 23, 2006, the third party requester filed a paper that was taken as a petition under 37 CFR 1.182 to suspend the '123 *inter partes* reexamination proceeding.

4. On February 9, 2006, the patent owner filed suit against requester Acushnet in the United States District court for the District of Delaware. *Callaway Golf Company v Acushnet Company*, C.A. No. 06-91 (SLR) (February 9, 2006).

5. On February 9, 2006, the third party requester filed a paper withdrawing the January 23, 2006 petition.

6. On February 16, 2006, the Office recognized the February 9, 2006 paper, and accepted the withdrawal of the January 23, 2006 petition without rendering a decision on the petition.

7. On March 21, 2006, the patent owner filed a petition, requesting that the '123 *inter partes* reexamination proceeding be suspended.

8. On March 24, 2006, the third party requester filed an opposition to the March 21, 2006 patent owner petition.

9. On March 31, 2006, the Office issued a decision discarding the March, 2006 petition and opposition papers as improper because reexamination had not yet been ordered.

10. Reexamination was ordered for the '123 *inter partes* reexamination proceeding on April 6, 2006.

11. On April 13, 2006 the patent owner filed the present petition under 37 CFR 1.181 to vacate the reexamination orders as *ultra vires*.

12. On April 27, 2006 the third party requester filed an opposition to the April 13, 2006 patent owner petition pursuant to MPEP 2646 (I).

RELEVANT STATUTORY AND REGULATORY LAW AND PROCEDURE

35 U.S.C. § 311(a) provides:

> "IN GENERAL. — **Any** third-party requester **at any time** may file a request for inter partes reexamination by the Office of a patent on the basis of any prior art cited under the provisions of section 301." [Emphasis supplied.]

35 U.S.C. § 312(a) provides in pertinent part:

> "Not later than 3 months after the filing of a request for *inter partes* reexamination under section 311, the Director **shall** determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request, with or without consideration of other patents or printed publications. ... " [Emphasis supplied.]

35 U.S.C. § 313 provides:

> "If, in a determination made under section 312(a), the Director finds that a substantial new question of patentability affecting a claim of a patent is raised, the determination **shall** include an order for *inter partes* reexamination of the patent for resolution of the question. The order may be accompanied by the initial action of the Patent and Trademark Office on the merits of the *inter partes* reexamination conducted in accordance with section 314." [Emphasis supplied.]

35 U.S.C. 314(c) provides:

c) SPECIAL DISPATCH.- Unless otherwise provided by the Director for good cause, all *inter partes* reexamination proceedings under this section ... shall be conducted with special dispatch within the Office.

35 U.S.C. § 317 provides:

"a) ORDER FOR REEXAMINATION.- Notwithstanding any provision of this chapter, once an order for *inter partes* reexamination of a patent has been issued under section 313, neither the third-party requester nor its privies may file a subsequent request for *inter partes* reexamination of the patent until an *inter partes* reexamination certificate is issued and published under section 316, unless authorized by the Director.

(b) FINAL DECISION.- Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party has not sustained its burden of proving the invalidity of any patent claim in suit ..., then neither that party nor its privies may thereafter request an *inter partes* reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in such civil action..., and an *inter partes* reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office, notwithstanding any other provision of this chapter. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings."

37 CFR 1.907 provides in pertinent part:

" (b) Once a final decision has been entered against a party in a civil action arising in whole or in part under 28 U.S.C. 1338 that the party has not sustained its burden of proving invalidity of any patent claim-in-suit, then neither that party nor its privies may thereafter request *inter partes* reexamination of any such patent claim on the basis of issues which that party, or its privies, raised or could have raised in such civil action, and an *inter partes* reexamination requested by that party, or its privies, on the basis of such issues may not thereafter be maintained by the Office."

MPEP § 2646 (I) provides in pertinent part:

"A petition under 37 CFR 1.181 may... be filed to vacate an *ultra vires* reexamination order, such as where the order for reexamination is not based on prior art patents and printed publications. In cases where no discretion to grant a request for reexamination exists, a petition to vacate the decision to grant, or a request for reconsideration, will be entertained. "Appropriate circumstances" under 37 CFR 1.181(a)(3) exist to vacate the order granting reexamination where, for example:

(A) the reexamination order is not based on prior art patents or printed publications;
(B) reexamination is prohibited under 37 CFR 1.907;
(C) all claims of the patent were held to be invalid by a final decision of a Federal Court after all appeals;
(D) reexamination was ordered for the wrong patent;
(E) reexamination was ordered based on a duplicate copy of the request; or
(F) the reexamination order was based wholly on the same question of patentability raised by the prior art previously considered in an earlier concluded examination of the patent by the Office (e.g., the application which matured into the patent, a prior reexamination, an interference proceeding)."

DECISION

Patent owner argues that the order granting reexamination is an *ultra vires* action on the part of the Office because the third party requester, Acushnet, lacked standing to file the *inter partes* request. Patent owner bases this argument on allegations that:

(1) Certain Stipulations of Dismissal resulted in a settlement agreement between patent owner's predecessor in interest, and requester Acushnet entered into a Settlement Agreement on November 10, 1990, for a term of ten years;

(2) The same parties executed a Settlement Agreement in 1996 that superseded the 1990 agreement, and the 1996 Settlement agreement provides, *inter alia*, that the exclusive forum for the third present party requester to resolve patent validity issues with the patent owner is the United States District Court for the District of Delaware; and

(3) The same (present) parties participated in the dispute resolution process pursuant to the 1996 Settlement Agreement, and while the mediation process was underway, Acushnet requester filed a request for the present *inter partes* reexamination proceeding. [1]

It is patent owner's position that filing of the present *inter partes* by requester Acushnet violates the aforementioned Settlement Agreement, and that Acushnet therefore does not have standing to file and maintain the present request for *inter partes* reexamination. [2] However, taking the facts as given by patent owner are accurate, and that there is a valid Settlement Agreement between patent owner and requester Acushnet, [3] patent owner has simply <u>not</u> established that the order granting the present *inter partes* reexamination proceeding is an *ultra vires* action on the part of the Office.

First, the reexamination statute governing *inter partes* reexamination permits the filing of a request for *inter partes* reexamination of a qualifying patent by **any party at any time**; [4] and it further <u>requires</u> the USPTO Director to (1) determine, within three months of the filing of the request, whether the request raises a substantial new question of patentability affecting any claim of the patent, [5] (2) order and conduct *inter partes* reexamination when such substantial new question is found, [6] and (3) conduct the *inter partes* reexamination proceeding with special dispatch. [7] Patent owner has not cited authority that holds that an agreement by parties in any way relieves the Office from the duty to faithfully follow the mandatory requirements of the *inter partes* reexamination statute, when a party files a request for *inter partes* reexamination. Neither has patent owner cited authority for the proposition that private parties, by agreement, may abrogate the statutory jurisdiction conferred upon the Office to decide the merits of a

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[1] See patent owner's Petition, pages 2-3.
[2] *Id.*, at pages 4-6
[3] Patent owner has not established the Office has jurisdiction to make a determination regarding the validity and applicability of the Settlement Agreement, or to make any findings regarding the facts alleged in patent owner's petition or the third party requester's opposition to patent owner's petition. No such determination has been, or will be, undertaken by the Office.
[4] 35 U.S.C. §311(a)
[5] 35 U.S.C. § 312(a)
[6] 35 U.S.C. § 313
[7] 35 U.S.C. § 314(c)

request for *inter partes* reexamination and to thereafter conduct an *inter partes* reexamination within the framework provided by the statutes and regulations.

Second, a contractual provision preventing a party from seeking reexamination would be void as being contrary to public policy [8]. In *Lear v. Adkins*, 395 U.S. 653, (1969), the United States Supreme Court determined that prohibiting licensees from challenging the validity of a patent that they had licensed runs afoul of public policy "in permitting full and free competition in the use of ideas which are in reality part of the public domain." *id.* at 670 . By analogy, preventing a third party requester (and a potential licensee of the subject patent) from requesting reexamination of a patent would be contrary to the public policy embodied in the *Lear v. Adkins* decision. It should also be noted that the settlement agreements entered into in 1990 and 1996 are prior to the enactment in 1999 of the statute authorizing *inter partes* reexamination. Thus it was not even possible for these settlement agreements to address preventing a party to the agreement from filing such a request for reexamination.

Third, MPEP § 2646 (I) sets forth examples of appropriate circumstances that would require the Office to vacate an order for *inter partes* reexamination after granting the order. These circumstances include (1) orders in which a substantial new question of patentability was found based on evidence other than prior art patents or printed publications, (2) circumstances in which estoppels established by 35 U.S.C. § 317(b) as implemented by 37 CFR 1.907 arise out of litigation between the parties **on the patent for which reexamination has been ordered** or the existence of a pending *inter partes* reexamination proceeding on a patent for which *inter partes* reexamination has again been requested by the same party or a party in privity with the requester, (3) the existence of a final, non-appealable Federal Court decision holding all claims of a patent for which *inter partes* reexamination has been ordered invalid, (4) an *inter partes* reexamination order for the wrong patent, or on duplicate copies of the same request for *inter partes* reexamination, and (5) an *inter partes* reexamination ordered based entirely upon the same question of patentability previously considered in an early concluded examination of the patent by the Office. These circumstances address either the issue of a statutory prohibition barring the grant of a request for *inter partes* reexamination, or the grant of an order for reexamination based upon a clear error of a clerical nature. Patent owner has not established that the present *inter partes* reexamination proceeding was ordered contrary to a statutory prohibition barring the order, or due to a clerical error.

Finally, while Congress did establish statutory estoppels requiring either the denial of a request for *inter partes* reexamination, [9] or the conclusion of a pending *inter partes* reexamination proceeding, [10] patent owner has not demonstrated the existence of 35 U.S.C. § 317 estoppel. If Congress had intended for any other basis for an estoppel to apply, it would have included such other basis in the statute. Congress did not provide for an "estoppel" arising out of a settlement agreement or other contractual agreement between parties.

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[8] *Bremen v. Zapata Off-Shore Co.*, 407 U.S. 1 (1972)(concluding that a forum selection clause, while generally enforceable, will not be enforced where it violates the strong public policy of the forum in which suit is brought); *Newton v. Rumery*, 480 U.S. 386,392 (1987) ("The relevant principle is well established: a promise is unenforceable if the interest in its enforcement is outweighed in the circumstances by a public policy harmed by enforcement of the agreement."); *Suter v. Munich Reinsurance*, 223 F.3d 150 (3d Cir. 2000) (citing *Bremen* for the proposition that federal forum selection clauses should not be enforced where they are contrary to public policy).

[9] 35 U.S.C. § 317(a)

[10] 35 U.S.C. § 317(b)

It is additionally noted that petitioner patent owner requests that the Office return jurisdiction to the District Court conducting the litigation. [11] It is to be observed, however, that Congress provided in 35 U.S.C. § 317(b) that a court validity challenge and *inter partes* reexamination of a patent may occur simultaneously. It is only when one proceeding finally ends, that the issues raised (or that could have been raised) with respect to the validity of a claim in that one proceeding can have estoppel effect on the same issues in the other proceeding. Such is not the case in the present instance. The Office is thus obligated to move forward in the instant *inter partes* reexamination with "special dispatch" despite the presence of the litigation. The present request to vacate/withdraw the instant *inter partes* reexamination request cannot be granted in view of the legislation and implementing rules which require that (1) once an *inter partes* reexamination request is filed, it will be decided, and (2) once the request is determined to raise a substantial new question of patentability of a claim of the patent, the request *will* result in an order for reexamination to resolve the substantial new question, which in turn *will* be followed by reexamination in accordance with 35 U.S.C. §§ 311-314. The statutory language is based on the **public interest** in resolving any reexamination proceeding that is filed.

Withdrawal of a requested and granted *inter partes* reexamination proceeding would leave both the public and the patent owner with an unresolved request for reexamination and unresolved substantial new question of patentability (found to be present via the decision ordering reexamination). The public has a right to such a resolution. Vacating, withdrawing, or otherwise abandoning or terminating the instant reexamination proceeding would abrogate this public right. Rather, the proceeding must continue according to the procedure mandated by the *inter partes* reexamination statute.

In *Heinl v. Godici*, 143 F. Supp. 2d 593, 601 (E.D. Va. 2001), the court stated, in a decision seeking termination of reexamination based on the absence of a new question of patentability:

> "Under the well established *ultra vires* doctrine, the exhaustion and final agency requirements are excused 'only if plaintiff is able to show that the PTO clearly exceeded its statutory authority', quoting from *Philip Morris, Inc. v. Block*, 755 F.2d 368, 370 (4th Cir 1985 (quoting *Mayor and City Council of Baltimore v. Mathews*, 562 F.2d 914, 920 (4th Cir. 1977), vacated on other grounds, 571 F.2d 1273 (4th Cir. 1978).

The court went on to state:

> "Put differently, when an agency acts in 'brazen defiance' of its statutory authorization, courts need not await the conclusions of underlying proceedings."

After a review of the record, and based upon the above discussion, it is found that patent owner has not established that the Office "clearly exceeded its statutory authority," nor acted "in brazen defiance of its statutory authorization," in the Office's determination that the January 17, 2006 reexamination request properly raised a substantial new question of patentability and should go forward.

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[11] Presumably *Callaway Golf Company v Acushnet Company*, C.A. No. 06-91 (SLR) (February 9, 2006), discussed briefly above.

For the forgoing reasons, the order granting reexamination remains intact and the *inter partes* reexamination proceeding will continue in accordance with the procedure mandated by the *inter partes* reexamination statute.

CONCLUSION

1. The patent owner petition filed on April 13, 2006, is dismissed.

2. A copy of this decision will be made of record in the IFW of the '123 *inter partes* reexamination proceeding.

3. Jurisdiction over the '123 *inter partes* reexamination proceeding is returned to the Central Reexamination Unit.

4. Telephone inquiries related to the present decision should be directed to Stephen Marcus, Legal Advisor, at 571-272-7743, or, in his absence, to Karen Hastings, Legal Advisor, at 571-272-7717.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

kmh
June 1, 2006

6-6-06
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(For Patent Owner)

MAILED

JUL 19 2006

CENTRAL REEXAMINATION UNIT

Alan M. Grimaldi
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(For Third Party Requester)

In re Callaway Golf Company
Inter Partes Reexamination Proceeding
Control No.: 95/000,123
Filed: January 17, 2006
For: U.S. Patent No. 6,595,873

: **DECISION DENYING**
: **PETITION**

This is a decision on the April 28, 2006 patent owner petition entitled "RENEWED PETITION TO SUSPEND INTER PARTES REEXAMINATION PROCEEDINGS." Also, on May 5, 2006, the third party requester filed a paper entitled "ACUSHNET'S OPPOSITION TO PATENT OWNER CALLAWAY'S RENEWED PETITION TO SUSPEND INTER PARTES REEXAMINATION PROCEEDINGS."

Inter partes reexamination control number 95/000,123, patent owner's renewed petition, and requester's opposition to patent owner's renewed petition are before the Office of Patent Legal Administration for consideration.

Patent owner's present petition is taken as a renewed petition under CFR 1.183 for waiver of 37 CFR 1.939, and as a petition under 37 CFR 1.182 for suspension of *inter partes* reexamination proceeding 95/000,123. Third party requester's opposition is also taken as a renewed petition under 37 CFR 1.183 for waiver of 37 CFR 1.939, and as a petition 37 CFR 1.182 to oppose the patent owner's renewed petition.

FEES

As the fee for the originally filed patent owner petition was not charged, a petition fee of $400.00 under 37 CFR 1.17(f) will be charged to the patent owner's Deposit Account No. 06-1050 as authorized in the April 28, 2006 patent owner renewed petition.

As the fee for the originally filed third party requester opposition to patent owner's petition was not charged, a petition fee of $400.00 under 37 CFR 1.17(f) will be charged to the third party requester's Deposit Account No. 08-3038, as authorized in the May 5, 2006 third party requester renewed opposition.

SUMMARY

The respective 37 CFR 1.183 aspect of the petition of the patent owner to permit entry and consideration of the renewed patent owner petition as a petition to suspend the present *inter partes* reexamination proceeding, and of the third party requester to permit entry and consideration of the third party requester's opposition to the renewed petition to suspend, are granted.

The patent owner renewed petition under 37 CFR 1.182 to suspend the present *inter partes* reexamination proceeding is denied.

REVIEW OF FACTS

1. U.S. Patent No. 6,595,873 ("the '873 patent") issued to Michael J. Sullivan on July 22, 2003, and is currently assigned to Callaway Golf Company.

2. A request for *inter partes* reexamination of the '873 patent was filed by a third party requester, Acushnet Company, on January 17, 2006. The request was assigned Control No. 95/000,123 ("the '123 *inter partes* reexamination proceeding").

3. On February 9, 2006, the third party requester filed a paper purporting to withdraw a paper requesting suspension of the '123 *inter partes* reexamination proceeding stated to have been filed by third party requester on January 23, 2006.

4. On February 15, 2006, the Office recognized the requester's February 15, 2006 paper, and accepted the withdrawal of the January 23, 2006 paper, noting that, had the January 23, 2006 paper been before the Office, the Office would have taken that paper as a petition for suspension of action without rendering a decision on the petition.

5. On March 21, 2006, the patent owner filed a petition, requesting that the '123 *inter partes* reexamination proceeding be suspended.

6. On March 24, 2006, the third party requester filed an opposition to the March 21, 2006 patent owner petition.

7. On April 11, 2006, an Office decision was issued, discarding both the March 21, 2006 patent owner petition and the March 24, 2006 opposition thereto as being improper premature papers.

8. On April 6, 2006, reexamination was ordered for claims 1-6, i.e. all of the claims, of the '873 patent.

9. On April 13, 2006, patent owner filed a petition requesting that the order granting the present reexamination proceeding be vacated as being an *ultra vires* action.

10. On April 27, 2006, third party requester filed an opposition to patent owner's April 13, 2006 petition.

11. On April 28, 2006, patent owner filed the present renewed petition to suspend the '123 *inter partes* reexamination proceeding.

12. On May 5, 2006, third party requester filed the present opposition to the April 28, 2006 patent owner petition.

13. On June 7, 2006, the patent owner petition to vacate the '123 *inter partes* reexamination proceeding was dismissed by the Office.

DECISION

I. Relevant Law And Procedure

35 U.S.C. § 311(a) provides:

> IN GENERAL. – **Any third-party requester** at any time may file a request for inter partes reexamination by the Office of a patent on the basis of any prior art cited under the provisions of section 301." [Emphasis supplied.]

35 U.S.C. § 312(a) provides in pertinent part:

> "Not later than 3 months after the filing of a request for *inter partes* reexamination under section 311, the Director **shall** determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request, with or without consideration of other patents or printed publications. ... " [Emphasis supplied.]

35 U.S.C. § 313 provides:

> "If, in a determination made under section 312(a), the Director finds that a substantial new question of patentability affecting a claim of a patent is raised, the determination **shall** include an order for *inter partes* reexamination of the patent for resolution of the question. The order may be accompanied by the initial action of the Patent and Trademark Office on the merits of the *inter partes* reexamination conducted in accordance with section 314." [Emphasis supplied.]

35 U.S.C. § 314 (c) provides:

> "Unless otherwise provided by the Director for good cause, all inter partes reexamination proceedings under this section, including any appeal to the Board of Patent Appeals and Interferences, shall be conducted with special dispatch within the Office."

37 CFR 1.132 provides:

> "When any claim of an application or a patent under reexamination is rejected or objected to, any evidence submitted to traverse the rejection or objection on a basis not otherwise provided for must be by way of an oath or declaration under this section."

37 CFR 1.182 provides:

> "All situations not specifically provided for in the regulations of this part will be decided in accordance with the merits of each situation by or under the authority of the Director, subject to such other requirements as may be imposed, and such decision will be communicated to the interested parties in writing. Any petition seeking a decision under this section must be accompanied by the petition fee set forth in § 1.17(f).

37 CFR 1.183 provides:

"In an extraordinary situation, when justice requires, any requirement of the regulations in this part which is not a **requirement of the statutes** may be suspended or waived by the Director or the Director's designee, *sua sponte*, or on petition of the interested party, subject to such other requirements as may be imposed. Any petition under this section must be accompanied by the petition fee set forth in § 1.17(f)."

37 CFR 1.907 provides:

"(a) Once an order to reexamine has been issued under § 1.931, neither the third party requester, nor its privies, may file a subsequent request for *inter partes* reexamination of the patent until an *inter partes* reexamination certificate is issued under § 1.997, unless authorized by the Director.

(b) Once a final decision has been entered against a party in a civil action arising in whole or in part under 28 U.S.C. 1338 that the party has not sustained its burden of proving invalidity of any patent claim-in-suit, then neither that party nor its privies may thereafter request *inter partes* reexamination of any such patent claim on the basis of issues which that party, or its privies, raised or could have raised in such civil action, and an *inter partes* reexamination requested by that party, or its privies, on the basis of such issues may not thereafter be maintained by the Office.

(c) If a final decision in an *inter partes* reexamination proceeding instituted by a third party requester is favorable to patentability of any original, proposed amended, or new claims of the patent, then neither that party nor its privies may thereafter request *inter partes* reexamination of any such patent claims on the basis of issues which that party, or its privies, raised or could have raised in such *inter partes* reexamination proceeding."

37 CFR 1.913 provides:

"Except as provided for in § 1.907, any person other than the patent owner or its privies may, at any time during the period of enforceability of a patent which issued from an original application filed in the United States on or after November 29, 1999, file a request for *inter partes* reexamination by the Office of any claim of the patent on the basis of prior art patents or printed publications cited under § 1.501."

37 CFR 1.935 provides:

"The order for *inter partes* reexamination will usually be accompanied by the initial Office action on the merits of the reexamination."

37 CFR 1.937(b) provides:

"The *inter partes* reexamination proceeding will be conducted in accordance with §§ 1.104 through 1.116, the sections governing the application examination process, and will result in the issuance of an *inter partes* reexamination certificate under § 1.997, except as otherwise provided."

37 CFR 1.939 provides:

"(a) If an unauthorized paper is filed by any party at any time during the *inter partes* reexamination proceeding **it will not be considered** and may be returned." [Emphasis supplied.]

(b) Unless otherwise authorized, **no paper** shall be filed prior to the initial Office action on the merits of the *inter partes* reexamination." [Emphasis supplied.]

37 CFR 1.987 provides:

"If a patent in the process of *inter partes* reexamination is or becomes involved in litigation, the Director shall determine whether or not to suspend the *inter partes* reexamination proceeding."

With respect to suspension of *inter partes* reexamination, MPEP § 2684.04(III) provides that:

> "... 'good cause' might be present, for example, where there is an issue that cannot be decided in the reexamination proceeding but affects the resolution of the proceeding. Another example is where there is an issue common to the litigation and the reexamination that can best be decided in court due to the availability in court of discovery and subpoena power (e.g., an issue heavily dependent on presentation of conflicting/contested evidence by the two parties)."

II. Procedural Discussion *Re:* Patent Owner's Original (March 21, 2006) Petition To Suspend

On March 21, 2006, patent owner filed a petition to suspend the '123 *inter partes* reexamination proceeding. In the present petition, patent owner takes the position [1] that the original petition to suspend filed on March 21, 2006 was not entered in the '123 proceeding, and was instead discarded, because it was filed prior to issuance of a reexamination order. This position is inaccurate.

By its terms, 37 CFR 1.939(b) precludes the filing of any paper in an *inter partes* reexamination proceeding prior to "the initial Office action on the merits" in that proceeding, unless the filing of the paper is authorized. At the time of filing of that petition, and at the time of the decision thereon, not only had there been no decision on the request for reexamination, there had also been no Office action on the merits in the *inter partes* proceeding. The patent owner petition of March 21, 2006 was held to be an improper paper under 37 CFR 1.939 because it was filed prior to the issuance of the initial Office action in the reexamination proceeding. [2] Not only had *inter partes* reexamination not yet been ordered, no "initial Office action on the merits of the *inter partes* reexamination" had been promulgated in the '123 *inter partes* reexamination proceeding, and a paper prior to that point is barred by regulation unless authorized, in accordance with 37 CFR 1.939(b). [3]

Although patent owner's March 21, 2006 petition requested relief under 37 CFR 1.183, the regulatory provision that provides for waiver of the rules, [4] there was no specific identification of which regulation that patent owner was seeking to waive. However, even if waiver of the provisions of 37 CFR 1.939 had been specifically requested, the March 21, 2006 patent owner petition could not have been granted. As explained in the decision dated April 11, 2006 (by which the March 21, 2006 patent owner petition and third party requester opposition were discarded as being improper papers), U.S.C. § 312(a) requires, *inter alia,* that after a request for *inter partes* reexamination is filed, the Director shall, within three months of the filing of a request for *inter partes* reexamination, determine whether that request raises a substantial new question of patentability affecting any claim of the patent that is the subject of the request. Further, 35 U.S.C. § 313 **requires** that - when the Director does determine that a substantial new question of patentability is raised by the request, then the determination shall include an order for *inter partes* reexamination of the patent concerned.

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[1] See patent owner's "Renewed Petition to Suspend, page 2, second full paragraph.

[2] See Decision Discarding Improper Papers", April 11, 2006, page 2, paragraph styled "The Patent Owner Petition"

[3] It appears that petitioner patent owner is confusing the terminology "initial Office action on the merits" with the terminology "reexamination order." The terminology "action on the merits" means an action on the patentability of the claims of the patent being reexamined. See, for example, 37 CFR 1.935 which provides that "The order for *inter partes* reexamination will usually be accompanied by the initial Office action on the merits of the reexamination." Clearly, a reexamination order and "the initial action on the merits of the reexamination are two different things. See also MPEP Chapter 700, wherein it is made clear that in examination proceedings, "action on the merits" is a term of art meaning an action in which a patentability determination is made.

[4] At page 2 thereof, the March 21, 2006 petition requested relief under a variety of regulations, as well as relief pursuant to 35 U.S.C. § 314(c), as does the present renewed petition.

It is clear that consideration of the substance of patent owner's March 21, 2006 petition, and granting it, would have, in effect, required a waiver of 35 U.S.C. §§ 312(a) and 313, because a suspension of the '123 *inter partes* reexamination proceeding would have precluded both a determination of the existence or absence of a substantial new question of patentability, and the promulgation of a reexamination order based on that determination within three months of the filing of the request for reexamination, as required by §§ 312(a) and 313. However, a waiver of the statutes is an action beyond the authority of the Director, and 37 CFR 1.183 expressly recognizes that a requirement of the statutes may not be waived. Therefore, a suspension of the '123 *inter partes* reexamination prior to the determination on the request for reexamination promulgation of the reexamination order, based upon any petition by the parties, was barred.

III. Procedural Discussion *Re:* The Present Patent Owner Renewed Petition To Suspend

In the present patent owner renewed petition, patent owner takes the position that because an Order granting *inter partes* reexamination has now been issued, the petition to suspend is a proper paper. Patent owner also takes the position that the present renewed petition, (as well as patent owner's March 21, 2006 petition to suspend), is proper because it is authorized by 37 CFR 1.987. [5]

A. Relief Pursuant to 37 CFR 1.939

Patent owner argues that the present patent owner petition to suspend the '123 reexamination proceeding is now timely under 37 CFR 1.939(b) as reexamination has already been ordered. This position is not persuasive because, as discussed in section II., *supra,* an order for *inter partes* reexamination is not the initial Office action on the merits of the *inter partes* reexamination proceeding. "Action on the merits" is a term of art, and as such, means an action on the patentability of claims. It is clearly so used in the reexamination regulations, for example, in 37 CFR 1.935. [6] Thus, it is clear that the filing of the present patent owner renewed petition to suspend is not authorized by 37 CFR 1.939(b), because the "initial action on the merits " of the '123 *inter partes* reexamination proceeding has not yet been issued by the Office.

B. Relief Pursuant to 37 CFR 1.987

The patent owner's argues that 37 CFR 1.987 independently authorizes the filing of the present petition to suspend. This too is not persuasive. The plain language of the regulation does not state or imply that it in any way authorizes the filing of a petition to suspend, particularly a petition that would be improper pursuant to one or more of the regulations that implement the *inter partes* reexamination statutes. 37 CFR 1.987 is merely declaratory of the Director's discretionary authority to *sua sponte* suspend an *inter partes* reexamination proceeding in certain circumstances, *i.e.,* when there is both: (a) litigation involving the patent which is the subject of the *inter partes* reexamination proceeding and (b) "good cause" to suspend. 37 CFR 1.987 in no way authorizes the filing of a petition to request such a suspension. The right of parties in this arena is the filing of a Notification of Existence of Prior or Concurrent Proceedings and Decisions pursuant to MPEP § 2686 to provide the Office with information which may, or may not, justify a suspension of action.

Patent owner has not cited a regulation that authorizes the filing of a petition to suspend an *inter partes* reexamination proceeding. In fact, no regulation implementing the *inter partes* reexamination statutes authorizes such a petition.

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[5] *Id.,* at footnote 1.

[6] See the discussion in footnote 3.

C. Relief Pursuant to Patent Owner's Petition Under 37 CFR 1.182 and 1.183

Note is taken that the present patent owner renewed petition requests relief under both 37 CFR 1.182 and 1.183. Notwithstanding that patent owner has again failed to specifically identify the regulations(s) for which a waiver under 37 CFR 1.183 is requested, the present renewed petition will be taken as a petition under 37 CFR 1.183 to waive the provisions of 37 CFR 1.939 in order to permit the filing of a paper prior to the issuance of the initial Office action on the merits in the '123 *inter partes* reexamination proceeding. Further, the present renewed petition will also be taken as a petition under 37 CFR 1.182 for a situation "not specifically provided for in the regulations" to permit the filing of a petition to suspend the '123 *inter partes* reexamination proceeding.

1. 37 CFR 1.183 Waiver of 37 CFR 1.939

As discussed in sections I. and II (A), *supra*, 37 CFR 1.939(b) precludes the filing of any paper prior to the initial Office action on the merits of the '123 *inter partes* reexamination proceeding. As no initial Office action on the merits has yet been issued, no patent owner paper may be filed in the '123 *inter partes* reexamination proceeding at this point in the proceeding. However, *inter partes* reexamination has now been ordered. [7] Therefore, suspension of the '123 *inter partes* reexamination proceeding would not require the waiver of any provision of the *inter partes* reexamination statutes; only a waiver of 37 CFR 1.939(b) would be needed to provide for an entry right of the petition paper requesting suspension.

In this instance, it is determined to be in the interests of justice with respect to both parties to the '123 *inter partes* reexamination proceeding that a decision regarding suspension of the '123 *inter partes* proceeding be made as soon as possible, given that (1) a suspension of the proceedings would not impair compliance with the reexamination statutes, and (2) extraordinary circumstances are found to exist, including the fact that this proceeding is but one of four *inter partes* proceedings in which the present parties are involved, and that the present parties are actively involved in litigation with respect to the patents that are the subject of those four *inter partes* reexamination proceedings. Rather than requiring patent owner and third party requester to re-file the petition and opposition thereto after a first action on the merits, it is appropriate to consider the question of suspension now. Further, if suspension were in fact warranted, it would be in the interests of justice that such suspension takes place prior to an action on the patentability of the claims. Finally, there is a public interest, and an interest to be considered by the court in the ongoing litigation, to ascertain, as soon as practical, whether the '123 *inter partes* reexamination proceeding will continue to conclusion, or will presently be suspended pending the outcome of the parallel litigation involving the '873 patent, as well as such future circumstance that would demand that a suspension be lifted, if imposed.

Accordingly, based upon the facts of record and the current circumstances set forth, *supra*, the provisions of 37 CFR 1.939 are waived to the extent necessary to permit filing of the present patent owner renewed petition and the requester's opposition to the renewed petition, and consideration of the substance of both the petition and the opposition.

2. 37 CFR 1.182 Petition to Suspend the '123 *Inter Partes* Reexamination Proceeding

As discussed Section III(B), *supra*, neither 37 CFR 1.987 nor any regulation implementing the *inter partes* reexamination statutes authorizes the filing of a petition to suspend an *inter partes* reexamination proceeding. However, the present patent owner renewed petition does request

[7] See the "Order Granting *Inter Partes* Reexamination" dated April 6, 2006.

consideration pursuant to 37 CFR 1.182, and a proposed suspension of an *inter partes* reexamination proceeding is a situation not specifically provided for in the regulations. For the reasons set forth in the second paragraph of section III(C)(1), *supra*, and based upon the facts of record and the current circumstances, consideration will be given to the substance of the present patent owner renewed petition to suspend the '123 *inter partes* reexamination proceeding, as a situation not specifically provided for in the regulations.

IV. Procedural Discussion Of The Third Party Requester Renewed Opposition

The third party requester renewed opposition filed on May 5, 2006, lacks an entry right under 37 CFR 1.939(b) for the same reasons discussed with respect to the renewed patent owner petition. Further, the regulations implementing the *inter partes* reexamination statutes do not expressly provide for the filing of an opposition paper to a patent owner request to suspend an *inter partes* reexamination proceeding.

However, third party requester has submitted the instant opposition pursuant to 37 CFR 1.182 and 1.183. For reasons analogous to those discussed above with respect to the patent owner's renewed petition, the provisions of 37 CFR 1.939 are waived to the extent necessary to permit the filing of the instant opposition to the present patent owner's renewed petition prior to the initial Office action on the merits in the '123 *inter partes* reexamination proceeding. Although the regulations do not specifically provide for a third party requester opposition to a patent owner petition to suspend an *inter partes* reexamination proceeding, for reasons analogous to those discussed above with respect to the patent owner's renewed petition, consideration will be given, pursuant to 37 CFR 1.182, to the requester's opposition to the patent owner's renewed petition.

V. Findings And Analysis On The Merits Of Patent Owner's Renewed Petition to Suspend

A. Patent Owner's Substantive Position In Support Of Suspension of the '123 *Inter Partes* Reexamination Proceeding

Patent owner states that pursuant to 35 U.S.C. § 314 (c), and the procedure discussed in MPEP § 2686.04(III), there is good cause to suspend the '123 *inter partes* reexamination proceeding. Patent owner asserts the existence of matters to be raised in the concurrent litigation that are argued to affect the resolution of the '123 *inter partes* reexamination proceeding or potentially bar the proceeding. Patent owner also raises issues in which the District Court's discovery and subpoena powers are asserted to be important in deciding matters heavily dependent upon the evidentiary showings of the parties.

1. Matters Involving Privity And Assignor Estoppel [8]

Patent owner states that the sole inventor of the '873 patent is Michael J. Sullivan, who is now a Vice President of third party requester business entity. Patent owner urges that 37 CFR 1.913 [9] is facially broad enough to cover both current and former patent owners and current and former privies, to bar *inter partes* reexamination. Patent owner argues that Mr. Sullivan is a

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[8] See *Shamrock Technologies, Inc. v. Medical Sterilization, Inc. and Robert S. Luniewski*, 903 F.2d 789; USPQ2d 1728 (Fed. Cir. 1990), and compare *Acushnet Company v. Dunlop Maxfli Sports Corporation*, 2000 U.S. Dist. LEXIS 10123, Civ. A. No. 98-717-SLR, (D. Del June 29, 2000).

[9] Pursuant to 37 CFR 1.913, a request for *inter partes* reexamination can be filed by any person other than patent owner or its privies.

privy of a former patent owner [10] to whom the '873 patent was originally assigned, and that 37 CFR 1.913 should have precluded the filing of the '123 *inter partes* reexamination proceeding.

Patent owner further alleges that, as a Vice President of third party requester, Mr. Sullivan may well be a privy of third party requester. Patent owner argues that the third party requester would therefore be barred from challenging the validity of the '873 patent via the '123 *inter partes* reexamination proceeding by the doctrine of assignor estoppel.

Patent owner's position is that a suspension of the '123 *inter partes* reexamination proceeding is necessary, because these issues can only be resolved by evidence that can uniquely be obtained through the use of the District Court's discovery and subpoena power.

2. Additional Matters Requiring The District Court's Discovery And Subpoena Power

Patent owner also urges that the use of the District Court's discovery and subpoena power is required to permit full and fair evaluation of testing undertaken by third party requester that is relied upon by third party requester to support its allegations of patent invalidity. Patent owner points out that third party requester relies upon an invalidity argument under 35 U.S.C. § 103, that objective evidence of commercial success of both the patent owner and an alleged infringer (the third party requester) is relevant to § 103 nonobviousness. Patent owner argues that access to evidence that would establish commercial success of the third party requester's accused products could be obtained utilizing the District Court's discovery and subpoena powers.

B. Established Standards Demonstrating The Existence of "Good Cause" For Suspension Of *Inter Partes* Reexamination Proceedings

35 U.S.C. § 305 requires that all *ex parte* reexamination proceedings be conducted with special dispatch within the Office. It has been held that, based on the unequivocal statutory requirement for special dispatch, the Office may not suspend a pending *ex parte* reexamination proceeding merely because of the existence of concurrent litigation on the patent that is the subject of reexamination. [11] *Ethicon* discusses certain fundamental concepts regarding concurrent *ex parte* reexamination proceedings in the Office and litigation of the patent that is the subject of reexamination. For example the *Ethicon* court quoted extensively from the decision of the court in *In re Etter*, 756 F.2d 852, 857, 225 USPQ 1, 4, (Fed Cir. 1985) (in banc) to point out:

> "That:one challenging validity in court bears the burden assigned by [35 U.S.C.] § 282, that the same party may request reexamination upon submission of art not previously cited, and that, if that art raises a substantial new question of patentability, the PTO may during reexamination consider the same and new and amended claims in light of that art free of any presumption, *are concepts not in conflict*. On the contrary, those concepts are but further indication that *litigation and reexamination are distinct proceedings, with distinct parties, purposes, procedures, and outcomes*." [Emphasis is the Court's.]

The *Ethicon* court also cited *Etter* in order to point out that when reexamination and litigation for the same patent are conducted concurrently:

> "...precise duplication of effort does not occur because the PTO and the courts employ different standards of proof when considering validity, and the courts, unlike the PTO during a reexamination of patent claims, are not limited to review of prior art patents or printed publications."

[10] The present patent owner acquired rights to the '873 patent from the original owner, Top-Flite.
[11] *Ethicon, Inc., v. Quigg*, 849 F.2d 1422, 7 USPQ2d 1152 (Fed. Cir. 1988)

Id., at 856, at 4.

In contrast to the 35 U.S.C. § 305 which applies only to *ex parte* reexamination, 35 U.S.C. § 314(c) expressly allows for the suspension of an *inter partes* reexamination proceeding within the Office "for good cause," notwithstanding that *inter partes* reexamination proceedings are to be conducted with "special dispatch." Therefore, the question of whether a petition to suspend an *inter partes* reexamination proceeding that is being conducted concurrently with litigation of the patent establishes "good cause" for the suspension of an *inter partes* reexamination proceeding presents a question that differs from the question of suspension of an *ex parte* reexamination proceeding. Pursuant to 35 U.S.C. § 314(c) and 37 CFR 1.987 that implements the statutory provision, the USPTO Director has authority to determine circumstances amounting to "good cause" for suspension of an *inter partes* reexamination proceeding, and to do so on a case-by-case basis.

In *inter partes* reexamination proceedings control numbers 95/000,093 and 95/000,094 (collectively referred to hereinafter as "the Immersion-Sony *inter partes* reexamination proceedings"), the Office granted a patent owner petition to stay the *inter partes* reexamination proceedings due to the existence of concurrent litigation of the patents that were the subject of the reexamination proceedings. [12] The decision suspension granting acknowledged that MPEP § 2684.04 set forth certain criteria as indicia of "good cause" for suspension of an *inter partes* reexamination proceeding, but pointed out that these criteria were merely exemplary. [13] The criteria relied upon by the Office in the Immersion-Sony *inter partes* reexamination proceedings to support a finding of "good cause" to suspend was upheld by the U.S. District Court, Eastern District of Virginia, *Sony Computer Entertainment America Inc., et al. v. Jon W. Dudas*, Civil Action No. 1:05CV1447 (E.D.Va. May 22, 2006), Slip Copy, 2006 WL 1472462. This criteria establishes a benchmark and standard which the Office can make use of to test the facts and circumstances of record in a given *inter partes* reexamination proceeding in order to determine whether there is "good cause" to suspend that *inter partes* reexamination proceeding, due to the existence of concurrent litigation of the patent being reexamined.

In the *Sony* scenario:

The patent claims for which *inter partes* reexamination was requested were not identical to the claims being litigated; there was one non-litigated patent claim (claim 1 in each instance) for which reexamination had been requested in each proceeding. The Office denied patent owner Immersion's first petition to suspend the *inter partes* reexamination proceedings, noting that even if the proceedings were suspended in the Office and judgment was rendered adverse to requester Sony in the concurrent litigation, that would not dispose of all claims in the existing *inter partes* reexamination proceedings, leading to a piecemeal reexamination, and a delay in reexamination of the non-litigated claims. [14] The patent owner then disclaimed claim 1 of each patent, whereby <u>identical patent claims</u> were the subject of both the *inter partes* reexamination proceedings and the concurrent litigation. The Office then granted patent owner Immersion's second petition to suspend the *inter partes* reexamination proceedings.

At the point in time that the Immersion-Sony *inter partes* reexamination proceedings were suspended, <u>the proceedings were at an early stage</u>; the Office's work had been limited only to a finding that the requests for reexamination had raised a substantial new question of

[12] See the '093 and '094 proceedings, Decision Granting Petitions To Suspend, November 17, 2005
[13] *Id.*, Decision Granting Petitions To Suspend", November 17, 2005, footnote 6.
[14] *Id.*, "Decision Denying Petitions", August 23, 2005, at page 6.

patentability. The concurrent litigation, on the other hand, was at an advanced stage: (a) a District Court had issued a decision adverse to requester Sony, holding the litigated patent claims to be valid, (b) an appeal of the District Court had been filed in the Court of Appeals for the Federal Circuit ("the Federal Circuit"), and (c) the matter had already been briefed. Thus, there was a substantial likelihood that suspension of the reexamination proceedings would serve to conserve Office of resources, since a final holding of claim validity would statutorily require termination of the Immersion-Sony *inter partes* prosecutions with respect to all of the claims subject to the litigation, which was also all the claims subject to reexamination in those proceedings. It was not in the Office's and parties' interests to engage resources in administrative proceedings that ultimately could be mooted by the concurrent litigation which was soon to be finally resolved. The substantial likelihood that the reexamination prosecutions would terminate and the proceedings be concluded, taken together with the identity of claims in the litigation and the *inter partes* reexamination proceedings, led the Office to conclude that on balance, there was "good cause" to suspend the Immersion-Sony *inter partes* reexamination proceedings, to await the decision by the Federal Circuit. The decision granting suspension noted that should circumstances change, *e.g.*, if the matter were remanded to the District Court by the Federal Circuit without a holding on claim validity, the third party would be free to petition for a resumption of the *inter partes* reexamination proceeding based upon the change in circumstances. The decision also noted that further *inter partes* proceedings on the claims not before the Office and the courts could subsequently be obtained by members of the public.

In the present instance:

The facts and circumstances in the '123 *inter partes* reexamination proceeding differ significantly from those present in the Immersion-Sony *inter partes* reexamination proceeding. In contrast to the Immersion-Sony *inter partes* reexamination proceedings, the litigation involving the '873 patent is at an early stage. For example, there is a pending order dated June 2, 2006, referring the matter to a Magistrate Judge for the purposes of exploring joinder of parties, setting September 29, 2006 as a due date for amended papers, and setting a discovery conference for October 18, 2006. The issue of claim construction is still pending, and there are apparently a number of preliminary motions pending. Thus, unlike the Immersion-Sony *inter partes* proceedings in which the litigation had resulted in an appealable holding of claim validity, with the appeal having been filed and briefed to the appellate court, in this instance, it is not even foreseeable when the District Court's holding on the issue of validity might be would be rendered, and what it might be. It certainly cannot be envisioned when the litigation involving the '873 patent will reach a final holding on the validity of the claims of the '873 patent, including any appeal to the Federal Circuit, let alone what that holding is likely to be.

Further, in the '123 *inter partes* reexamination proceeding, patent owner has not established that there that the litigation of the '873 patent will result in a decision on the validity of all of the claims being currently being reexamined, *i.e.*, claims 1-6 of the '873 patent. Thus, it is not even clear that a final holding of claim validity in the litigation would necessarily require conclusion of the '123 *inter partes* reexamination proceeding as to all the claims subject to reexamination.

As a final point, as to the difference:

In the Immersion-Sony *inter partes* proceedings Sony chose to permit the District Court litigation to proceed for three years before filing its requests for reexamination only after judgment was entered in Immersion's favor in the litigation. Had Sony filed its requests for reexamination earlier, the reexamination proceedings could have been much farther along in the process, and may likely have been completed at the Office before the district court issued its decision. Also,

the district court might have stayed the litigation to await the Office's decisions in the reexamination proceedings. In the present instance, the requester has filed the '123 *inter partes* reexamination well before the District Court litigation has advanced to conclusion, and the Office proceedings should be available for the District Court.

In conclusion as to this issue:

Congress specifically provided estoppel provisions when a "final decision" upholding the validity of patent claims has been reached in a civil action or in a prior *inter partes* reexamination. *See* 35 U.S.C. § 317(b); 35 U.S.C. § 315(c). Thus, if a party's challenge to the validity of certain patent claims has been finally resolved, either through civil litigation or the *inter partes* reexamination process, then that party is barred from making a subsequent request for *inter partes* reexamination (or filing a new civil action) challenging the validity of those same claims. *Id.* Accordingly, while Congress desired that the creation of an *inter partes* reexamination option would lead to a reduction in expensive patent litigation, it nonetheless also contemplated in the statute that a court validity challenge and *inter partes* reexamination of a patent may occur simultaneously; but once one proceeding finally ends, then the issues raised (or that could have been raised) with respect to the validity of a claim in that proceeding would have estoppel effect on the same issues in the other. Until that time, however, the Office is obligated to move forward in the *inter partes* reexamination with "special dispatch." Only "good cause" will permit the Office from deviating from that statutory mandate. In this instance, the litigation is at a preliminary stage so that it can not be determined when the litigation will reach a final holding on the issue of claim validity and what that decision is likely to be. Even if there should be a final holding on the issue of claim validity, the patent owner has not established that there is an identity of claims in the '123 *inter partes* reexamination proceeding and those subject to the litigation to thereby statutorily bar proceeding further with the entirety of the reexamination proceeding. Accordingly, the patent owner has not provided the USPTO Director with sufficient basis upon which to conclude that there is "good cause" to suspend the *inter partes* reexamination proceeding to await a final decision on claim validity in the litigation.

C. Other Patent Owner's Allegations That Good Cause For Suspension Exists

The factors alleged by patent owner to present "good cause" for suspension of the '123 *inter partes* reexamination proceeding have been thoroughly considered. However, for the reasons that follow, these factors do not establish "good cause" for suspension.

1. Privity and Assignor Estoppel

Patent owner argues that because Michael J. Sullivan, the sole inventor of the '873 patent, assigned the '873 patent to patent owner's predecessor in interest, the '123 *inter partes* reexamination proceeding was filed by a "former privy" of patent owner and is therefore barred under 37 CFR 1.913. The purpose of 37 CFR 1.913 is simply declaratory of the statutory mandate of 35 U.S.C. § 311(a) that provides that any third-party requester may, at any time, file a request for *inter partes* reexamination. [15] Patent owner has not established that 37 CFR 1.913,

[15] In the Notice of Proposed Rulemaking entitled "Rules To Implement Optional Inter Partes Reexamination Proceedings", 65 Fed. Reg.18154, 18167 (April 6, 2000) it is stated that proposed rule includes the language "an person other than the patent owner or its privies may ... file a request for *inter partes* reexamination." The commentary stated that the proposed rule "provides for any third-party requester ... to file a request for ... an *inter partes* reexamination ...." That is, the proposed rule was thought to simply echo the statutory language. However, the words "other than patent owner or its privies" were deleted from the final rule because a comment to directed proposed rule 1.913 had suggested that the Office had exceeded its authority in excluding patent owner or its privies

nor the statute upon which it is grounded, precludes the filing of a request for *inter partes* reexamination by a party who is a so-called "former privy" of patent owner, especially a party who assigned a patent to an entity other than the present patent owner. Absent citation of controlling authority to the contrary by patent owner, it would appear that the statutory language "any third-party requester" is broadly drawn and would permit a party not in direct privity with a patent owner, i.e., a "former privy" of patent owner, to file a request for *inter partes* reexamination.

Patent owner also argues that the doctrine of assignor estoppel should have precluded the filing of the '123 *inter partes* reexamination proceeding, because sole inventor Sullivan assigned the patent to patent owner's predecessor in interest, but is now a Vice President of the third party requester business entity. However, reexamination is not litigation to determine the validity of patent claims conducted before a court wherein the equitable doctrine of assignor estoppel is applicable. Rather, reexamination is an administrative proceeding to determine the patentability of patent claims, a determination that is not conducted under the equitable considerations attaching to a litigation in which claim validity is determined. As discussed above, *In re Etter*, 756 F.2d 852, 857, 225 USPQ 1, 4, (Fed Cir. 1985) (*en banc*) makes it clear that litigation and reexamination are distinct proceedings with distinct parties, purposes, procedures and outcomes. Stated differently, although the application of the assignor estoppel doctrine in litigation is a fact intensive issue requiring the finding of facts and the balancing of the equities by the court, [16] a reexamination proceeding is not a determination of patent validity and infringement of patent claims. [17] It is also to be noted that a patent owner is statutorily authorized to file a reexamination request to obtain an advisory opinion as to the applicability of a prior patent or printed publication; such an advisory opinion would be prohibited in litigation as lacking a "case or controversy." If a patent owner can request reexamination of a patent, a party who assigned to the patent owner should likewise be permitted to do so. Therefore, absent citation of authority holding that assignor estoppel applies to reexamination so as to bar a statutorily approved request for *inter partes* reexamination filed by "[A]ny third-party requester at any time," assignor estoppel would not appear to apply generally to reexamination, and specifically to the present *inter partes* reexamination proceeding. Patent owner has argued that a suspension of the '123 *inter partes* reexamination proceeding is necessary because the issue of whether the present requester was barred from filing the '123 *inter partes* reexamination proceeding based on assignor estoppel can only be resolved through

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because the language of 35 U.S.C. § 311(c) appeared to permit a patent owner to file a request for an *inter partes* reexamination proceeding. See Final Rule entitled "Rules To Implement Optional Inter Partes Reexamination Proceedings", 65 Fed. Reg. 76756, 76764 (December 7, 2000). However, Public Law 107-273, section 12101, 116 Stat. 1901 amended 35 U.S.C. § 311(c) clarify that only the third party requester, and not a patent owner, may file a request for *inter partes* reexamination. Thereafter, the language "other than patent owner or its privies" was added to 37 CFR 1.913. See Final Rule entitled "Changes to Implement the 2002 *Inter Partes* Reexamination and Other Technical amendments to the Patent Statute", 68 Fed. Reg. 70996, 70999 (December 22, 2003).

[16] Compare *Shamrock Technologies, Inc. v. Medical Sterilization, Inc. and Robert S. Luniewski,* 903 F.2d 789, 14 USPQ2d 1728 (Fed. Cir. 1990) holding that because inventor Luniewski who had assigned his patent to Shamrock was now a Vice President of MSI was in privity with MSI, that MSI was barred from asserting patent invalidity and unenforceability as defenses to patent infringement with *Acushnet Company v. Dunlop Maxfli Sports Corporation, Civ. A. No. 98-717-SLR, 2000 U.S. Dist., LEXIS 10123* (D. Del June 29, 2000) distinguishing *Shamrock* holding that where an inventor had assigned a patent to plaintiff and then became a Vice President of defendant accused infringer the facts and equities did not establish that the inventor was in privity with the defendant and that the defense of patent invalidity was, therefore, available to defendant.

[17] See also *Joy Technologies, Inv. v. Harry F. Manbeck, Jr.* 959 F.2d 226, 229 (Fed. Cir. 1992) "Trying to equate its appeal of the reexamination decision to an action analogous to a 'suit at common law,' Joy argues that the reexamination proceeding should be construed as most like a declaratory judgment action where the PTO is seeking a determination that Joy's patent is invalid. It admits, however, that the PTO could not bring such a suit. Thus, there is no basis to recharacterize the statutory procedure established by Congress in the reexamination statute."

evidence obtained through the use of the District Court's discovery and subpoena power to ascertain whether an assignor filed the present request. However, since patent owner has not established that the doctrine of assignor estoppel applies in the administrative reexamination of a patent, patent owner's argument has not been shown to establish "good cause" for suspension of the '123 *inter partes* reexamination proceeding.

2. Additional Matters Requiring The District Court's Discovery and Subpoena Power

Patent owner argues that, in addition to the issues of assignor estoppel and privity, the District Court's discovery and subpoena power is necessary for patent owner to secure objective evidence of commercial success of third party requester's infringing products. Patent owner also argues that patent owner will be able to question tests conducted by third party requester in support of third party requester's arguments of patent invalidity, and that patent owner will be able to obtain the information necessary to question these tests only through the District Court's discovery and subpoena powers. Thus, patent owner reasons that "good cause" exists warranting suspension of the '123 *inter partes* reexamination proceedings.

These arguments are unpersuasive for a number of reasons. First, the provisions of 37 CFR 1.132 apply to the '123 *inter partes* reexamination proceeding, as it does to all *inter partes* reexamination proceedings. Patent owner will in fact have an opportunity in the '123 *inter partes* reexamination proceedings to submit objective test evidence in support of nonobviousness to the same extent that third party requester may submit objective test evidence tending to show nonobviousness. Also, the parties can submit evidence rebutting each other's 37 CFR 1.132 showings. Further, patent owner has submitted no showing that sales of the accused infringer's products are secret data not available publicly, thereby enabling patent owner to secure this data by commissioning research of the matter, without the necessity of the District Court's subpoena and discovery. Speculative allegations that patent owner might require the District Court's subpoena and discovery power in aid of a position taken in litigation does not establish "good cause" for suspension of the '123 *inter partes* reexamination proceeding.

Of greater import, however, is that patent owner's position, if taken to its logical conclusion, would undercut the ability of a third party requester (and, for that matter, a patent owner) to obtain any final result in an *inter partes* reexamination proceeding. Thus, the purpose of the *inter partes* reexamination statutes would be frustrated. For if a party engaged in patent infringement/validity litigation could demonstrate "good cause" for a suspension of an *inter partes* reexamination proceeding merely by invoking the existence of a district court's subpoena and discovery power and coupling that invocation with allegations that the party might need to employ that power in the course of litigation, then any *inter partes* reexamination proceeding for a patent involved in litigation could be readily stayed. It is presumed that if Congress had desired this, Congress would have expressly so stated in the reexamination statutes. However, Congress instead enacted 35 U.S.C. § 314 (c) and the "good cause" standard, a far more flexible and fact specific test allowing the USPTO Director to determine on a case-by-case basis whether to stay a pending *inter partes* reexamination proceeding.

CONCLUSION

1. The patent owner renewed petition filed April 28, 2006, is granted with respect to the relief requested pursuant to 37 CFR 1.183, to the extent that the substance of patent owner's petition to suspend the '123 *inter partes* reexamination proceeding has been considered under 37 CFR 1.182.

2. The substance of the third party requester opposition filed on May 5, 2006, has been considered pursuant to 37 CFR 1.183.

3. The patent owner's petition under 37 CFR 1.182 to suspend the '123 *inter partes* reexamination is denied.

4. This decision is a final agency action within the meaning of 5 U.S.C. § 704.

5. Telephone inquiries related to the present decision should be directed to the Stephen Marcus, Legal Advisor, at 571-272-7743, or, in his absence, to the undersigned at 571-272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

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July 17, 2006

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,123	01/17/2006	6595873	00634.0004.RXUS03	6324

7590 09/07/2006

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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 09/07/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

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(THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS)

Alan M. Grimaldi
Howrey LLP
1299 Pennsylvania Avenue NW
Washington, DC 20004

Transmittal of Communication to Third Party Requester *Inter Partes* Reexamination

REEXAMINATION CONTROL NUMBER *95/000,123*.

PATENT NUMBER *6,595,873*.

TECHNOLOGY CENTER *3999*.

ART UNIT *3993*.

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above-identified reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the *inter partes* reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an *ex parte* reexamination has been merged with the *inter partes* reexamination, no responsive submission by any *ex parte* third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the **Central Reexamination Unit** at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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CENTRAL REEXAMINATION UNIT

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(For Patent Owner)

Alan M. Grimaldi
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(For Third Party Requester)

In re Callaway Golf Company	: **DECISION DENYING**
Inter Partes Reexamination Proceeding	: **PETITION FOR**
Control No.: 95/000,123	: **RECONSIDERATION**
Filed: January 17, 2006	: **AND RETURNING**
For: U.S. Patent No. 6,595,873	: **IMPROPER PAPER**

This is a decision on the June 16, 2006 patent owner petition entitled "PETITION TO THE DIRECTOR FOR RECONSIDERATION" under 37 CFR 1.181(a)(3). On June 28, 2006, the third party requester filed an opposition to the present petition entitled "ACUSHNET'S OPPOSITION TO CALLOWAY'S PETITION TO DIRECTOR FOR RECONSIDERATION."

The patent owner petition, the third party requester opposition and the present record are before the Office of Patent Legal Administration for consideration.

For the reasons set forth below, the patent owner petition under 37 CFR 1.181 is (a) granted to the extent that the prior decision has been fully reconsidered, and (b) denied as to the underlying request to vacate the order for reexamination (i.e., the underlying relief requested).

This decision also addresses the patent owner paper filed on July 21, 2006 styled "REPLY IN SUPPORT OF PETITION FOR RECONSIDERATION OF DECISION ON PETITION TO VACATE ORDER GRANTING REEXAMINATION" as an improper paper.

FEES

A petition to vacate reexamination on the grounds that the order granting reexamination constitutes an *ultra vires* action on the part of the Office is considered pursuant to 37 CFR 1.181. Accordingly, no fee is due for the patent owner petition for reconsideration or for the third party requester opposition to the petition for reconsideration.

REVIEW OF SALIENT FACTS

1. U.S. Patent No. 6,595,873 (the '873 patent) issued to Michael J. Sullivan on July 22, 2003, and is currently assigned to Callaway Golf Company.

2. A request for *inter partes* reexamination of the '873 patent was filed by a third party requester, Acushnet Company (hereinafter "Acushnet"), on January 17, 2006. The request was assigned Control No. 95/000,123 (the '123 *inter partes* reexamination proceeding).

3. On February 9, 2006, the patent owner filed suit against requester Acushnet in the United States District court for the District of Delaware. *Callaway Golf Company v Acushnet Company*, C.A. No. 06-91 (SLR) (February 9, 2006).

4. On February 09, 2006, the third party requester filed a paper purporting to withdraw a paper requesting suspension of the '123 *inter partes* reexamination proceeding stated to have been filed by third party requestor on January 23, 2006.

5. On February 16, 2006, the Office recognized the February 09, 2006 paper, and accepted the withdrawal of the January 23, 2006 paper, noting that, had the January 23, 2006 paper been before the Office, the Office would have taken that paper as a petition for suspension of action without rendering a decision on the petition.

6. On March 21, 2006, the patent owner then filed a petition, requesting that the '123 *inter partes* reexamination proceeding be suspended.

7. On March 24, 2006, the third party requester filed an opposition to the March 21, 2006 patent owner petition to suspend reexamination.

8. On March 31, 2006, the Office issued a decision holding that the March 21, 2006 petition and the March 24, 2006 opposition papers would be discarded as being improper papers because they had been filed prior to reexamination being ordered.

9. Reexamination was ordered for the '123 *inter partes* reexamination proceeding on April 6, 2006.

10. On April 13, 2006 the patent owner filed a petition under 37 CFR 1.181 <u>to vacate</u> the reexamination order as *ultra vires* (which would in-effect vacate the proceeding).

11. On April 27, 2006 the third party requester filed, pursuant to MPEP 2646 (I), an opposition to the April 13, 2006 patent owner petition to vacate.

12. On April 28, 2006, patent owner filed a renewed petition <u>to suspend</u> the '123 *inter partes* reexamination proceeding.

13. On May 5, 2006 third party requester filed an opposition to the April 28, 2006 renewed patent owner petition to suspend reexamination.

14. On June 7, 2006, the Office dismissed patent owner's April 13, 2006 petition <u>to vacate</u> the '123 *inter partes* order for reexamination.

15. On July 19, 2006, the Office denied patent owner's April 28, 2006 renewed petition to suspend the '123 *inter partes* reexamination proceeding.

16. On June 16, 2006, patent owner filed a petition for reconsideration of the June 7, 2006 decision dismissing the patent owner petition to vacate the '123 *inter partes* order for reexamination.

17. On June 28, 2006, third party requester filed an opposition to the June 16, 2006 patent owner petition for reconsideration.

18. On July 21, 2006, patent owner filed a reply to the June 28, 2006 third party requester opposition.

RELEVANT STATUTES, REGULATIONS AND PROCEDURE

35 U.S.C. § 311(a) provides:

> "IN GENERAL. – **Any** third-party requester **at any time** may file a request for inter partes reexamination by the Office of a patent on the basis of any prior art cited under the provisions of section 301." [Emphasis supplied.]

35 U.S.C. § 312(a) provides in pertinent part:

> "Not later than 3 months after the filing of a request for *inter partes* reexamination under section 311, the Director **shall** determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request, with or without consideration of other patents or printed publications. ... " [Emphasis supplied.]

35 U.S.C. § 313 provides:

> "If, in a determination made under section 312(a), the Director finds that a substantial new question of patentability affecting a claim of a patent is raised, the determination **shall** include an order for *inter partes* reexamination of the patent for resolution of the question. The order may be accompanied by the initial action of the Patent and Trademark Office on the merits of the *inter partes* reexamination conducted in accordance with section 314." [Emphasis supplied.]

35 U.S.C. 314(c) provides:

> c) SPECIAL DISPATCH.- Unless otherwise provided by the Director for good cause, all *inter partes* reexamination proceedings under this section ... shall be conducted with special dispatch within the Office.

35 U.S.C. §315(b) provides:

> "CIVIL ACTION.– A third-party requester whose request for an inter partes reexamination results in an order under section 313 is estopped from asserting at a later time, in any civil action arising in whole or in part under section 1338 of title 28, the invalidity of any claim finally determined to be valid and patentable on any ground which the third-party requester raised or could have raised during the inter partes reexamination proceedings. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings."

35 U.S.C. § 317 provides:

"a) ORDER FOR REEXAMINATION.- Notwithstanding any provision of this chapter, once an order for *inter partes* reexamination of a patent has been issued under section 313, neither the third-party requester nor its privies may file a subsequent request for *inter partes* reexamination of the patent until an *inter partes* reexamination certificate is issued and published under section 316, unless authorized by the Director.

(b) FINAL DECISION.- Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party has not sustained its burden of proving the invalidity of any patent claim in suit ..., then neither that party nor its privies may thereafter request an *inter partes* reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in such civil action..., and an *inter partes* reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office, notwithstanding any other provision of this chapter. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings."

37 CFR 1.907 provides in pertinent part:

" (b) Once a final decision has been entered against a party in a civil action arising in whole or in part under 28 U.S.C. 1338 that the party has not sustained its burden of proving invalidity of any patent claim-in-suit, then neither that party nor its privies may thereafter request *inter partes* reexamination of any such patent claim on the basis of issues which that party, or its privies, raised or could have raised in such civil action, and an *inter partes* reexamination requested by that party, or its privies, on the basis of such issues may not thereafter be maintained by the Office.

(c) If a final decision in an inter partes reexamination proceeding instituted by a third party requester is favorable to patentability of any original, proposed amended, or new claims of the patent, then neither that party nor its privies may thereafter request inter partes reexamination of any such patent claims on the basis of issues which that party, or its privies, raised or could have raised in such inter partes reexamination proceeding. "

MPEP § 2646 (I) provides in pertinent part:

"A petition under 37 CFR 1.181 may... be filed to vacate an *ultra vires* reexamination order, such as where the order for reexamination is not based on prior art patents and printed publications. In cases where no discretion to grant a request for reexamination exists, a petition to vacate the decision to grant, or a request for reconsideration, will be entertained. "Appropriate circumstances" under 37 CFR 1.181(a)(3) exist to vacate the order granting reexamination where, for example:

(A) the reexamination order is not based on prior art patents or printed publications;
(B) reexamination is prohibited under 37 CFR 1.907;
(C) all claims of the patent were held to be invalid by a final decision of a Federal Court after all appeals;
(D) reexamination was ordered for the wrong patent;
(E) reexamination was ordered based on a duplicate copy of the request; or
(F) the reexamination order was based wholly on the same question of patentability raised by the prior art previously considered in an earlier concluded examination of the patent by the Office (e.g., the application which matured into the patent, a prior reexamination, an interference proceeding)

....

The filing of a 37 CFR 1.181 petition to vacate an *ultra vires* reexamination order is limited to a single submission, even if an opposition thereto is filed by a third party requester." [Emphasis supplied.]

DECISION

I. Disposition Of The Patent Owner Opposition To Third Party Requester's Opposition To Patent Owner's Petition For Reconsideration

Neither the *inter partes* reexamination statutes nor the regulations implementing those statutes provide for the filing of a patent owner petition for vacatur of an order granting a request for *inter partes* reexamination. A patent owner petition for vacatur of an order granting a request for *inter partes* reexamination on the grounds that the grant of the order constituted an *ultra vires* action on the part of the Office is entertained pursuant to 37 CFR 1.181 in accordance with the practice set forth in MPEP § 2646(I). MPEP § 2646(I) concludes by stating that "[t]he filing of a 37 CFR 1.181 petition to vacate an *ultra vires* reexamination order is limited to a single submission, even if an opposition thereto is filed by a third party requester."

Consequently, the "REPLY IN SUPPORT OF PETITION FOR RECONSIDERATION OF DECISION ON PETITION TO VACATE ORDER GRANTING REEXAMINATION," filed by patent owner on July 21, 2006, is an improper paper that lacks an entry right in the present *inter partes* reexamination proceeding. Therefore the paper (apparently filed by facsimile transmission as a single paper directed to four *inter partes* reexamination proceeding) is being returned to patent owner as an attachment to the decision in the '120 *inter partes* reexamination proceeding. If any additional copies directed to concurrent *inter partes* reexaminations, that is, the instant proceeding 95/000,123, or of 95/000,121 and 95/000,122, have been filed and are subsequently matched with the proceedings, such additional copies will be discarded rather than returned to patent owner.

II. Patent Owner's Position In Support of Vacatur

In the April 13, 2006 petition to vacate the reexamination order as being *ultra vires*, patent owner argued that the order granting reexamination is an *ultra vires* action on the part of the Office because the third party requester, Acushnet, lacked standing to file the *inter partes* request. Patent owner based this argument on allegations that:

(1) Patent owner's predecessor in interest and the present third party requester Acushnet entered into a Settlement Agreement on November 10, 1990, for a term of ten years;

(2) The same parties executed a Settlement Agreement in 1996 that superseded the 1990 agreement, and the 1996 Settlement agreement provides, *inter alia*, that the exclusive forum for the third present party requester to resolve patent validity issues with the patent owner is the United States District Court for the District of Delaware; and

(3) The same (present) parties participated in the dispute resolution process pursuant to the 1996 Settlement Agreement, but while the mediation process was underway, Acushnet requester filed a request for the present *inter partes* reexamination proceeding. [1]

It was apparently patent owner's position that by filing the present request for *inter partes* reexamination, requester Acushnet violated the aforementioned Settlement Agreement, and

[1] See patent owner's Petition, pages 2-3.

that Acushnet therefore does not have standing to have filed and to now maintain the present request for *inter partes* reexamination. [2]

In the present petition for reconsideration, patent owner argues that:

(1) The Office has the authority and duty to apply the 1996 Settlement Agreement to this case, and that enforcing the 1996 Settlement Agreement would not violate public policy;

(2) The exemplary language in the MPEP § 2646 does not limit the circumstances where the Office can vacate reexamination orders;

(3) Vacating the reexamination would not leave an unresolved substantial new question of patentability; and

(4) The Office's reliance on the decision in *Heinl v. Godici,* 143 F. Supp 2d 593 (District Court, E. D. VA), is inapposite to this case, because *Heinl* dealt with an entirely unrelated issue, and did not involve a settlement agreement.

III. Analysis and Findings

A. The Settlement Agreement Between Patent Owner and The Present Requester Does Not Preclude the Present *Inter Partes* Reexamination Proceeding:

Patent owner argues that a trademark cancellation proceeding is analogous to a reexamination proceeding, and seek to apply the decisions in *Selva & Sons v. Nina Footwear, Inc.*, 705 F.2d 1316 (Fed. Cir. 1983) and *Danskin, Inc. v. Dan River, Inc.*, 498 F.2d 1386 (CCPA 1974) to assert that the Office erred in refusing to consider the settlement agreement between the present patent owner and requester in determining whether to proceed with the present reexamination proceeding. With respect to the *Selva & Sons* decision, patent owner opines that because the statute [3] governing trademark cancellation proceedings (that are *inter partes* in nature) states that "any person" is able to file a petition to cancel a registration, *Selva & Sons* is indistinguishable from the facts in the present reexamination proceeding. Patent owner also argues that in *Flex-Foot, Inc v. CRP, Inc.*, 238 F.3d 1362 (Fed. Cir. 2001) the Federal Circuit upheld a clause in a settlement agreement prohibiting a party from challenging the validity of a patent when that party had agreed to a dismissal, with prejudice, of a prior action, after entering into a settlement that included a promise to not challenge the validity of that patent.

However, the decisions in the *Selva & Sons* and *Danskin, Inc.* cases do not appear to be on point as to the question of whether a party to a settlement agreement is barred from requesting reexamination of a United States patent under 35 U.S.C. § 302 *et. seq.*. *Selvo & Sons* was an appeal from a decision of the Trademark Trial and Appeal Board in an *inter partes* trademark opposition proceeding. In *Selvo & Sons* , the court's decision was not grounded on the "any

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[2] *Id.*, at pages 4-6

[3] 15 U.S.C. § 1064, which states in pertinent part:
"A petition to cancel a registration of a mark, stating the grounds relied upon, may, upon payment of the prescribed fee, be filed as follows by **any person** who believes that he is or will be damaged, including as a result of dilution under section 1125 (c) of this title, by the registration of a mark on the principal register established by this chapter, or under the Act of March 3, 1881, or the Act of February 20, 1905:..." [Emphasis added]

party" language of 15 U.S.C. § 1064. Rather, the court noted the existence of 15 U.S.C. § 1069, which states:

> "In all *inter partes* proceedings equitable principles of laches, estoppel and acquiescence, where applicable, may be considered and applied." *Id.* at 1323, 1324

There is no analogue in the reexamination statutes to 15 U.S.C. § 1069, a statute that broadly applies the equitable principles of laches, estoppel and acquiescence to *inter partes* trademark proceedings in the Office. Rather, the *inter partes* reexamination statute includes limited estoppel provisions that raise specific estoppels based upon the existence of a final (*i.e..* nonappealable) court holding of patent claim validity [4] or the existence of an order granting reexamination. [5] If Congress had intended to make the broad equitable principles set forth in 15 U.S.C. § 1069 applicable to *inter partes* reexamination proceedings, then Congress would have so stated. [6] With respect to the *Danskin, Inc.* case (an appeal from a decision of the Trademark Trial and Appeal Board in an *inter partes* trademark opposition proceeding), it is noted that the language of 15 U.S.C. § 1069 would also apply, so that application of the broad equitable principles listed in the statute would have been mandated.

In the *Flex-Foot* decision, the court did *not address the issue of whether the Office would be barred from conducting a reexamination proceeding filed by that party.* The court's decision merely upheld that a clause in the settlement agreement would prohibit a party to the settlement agreement from challenging the validity of a patent (and accordingly, the opposing party would have remedies against the party that violated the agreement). The opinion in *Flex-Foot* does not discuss the affect of a reexamination filing by a party in violation of such a settlement agreement, as to whether the reexamination should continue. *Flex-Foot* does not require or suggest that an order granting a reexamination proceeding, based on such a filing, would be *ultra vires* due to the existence of a settlement agreement between a patent owner and third party requester. And, based on the discussion below, there is no reason to believe that an order granting a reexamination proceeding based on such a filing would be *ultra vires* action on the part of the Office.

B. Reexamination Case Law Does Not Support Vacatur Of The Present Reexamination Proceeding

The settlement agreement asserted by patent owner in the '123 reexamination proceeding does not explicitly address reexamination of a patent. Even if it did, relevant court precedent clearly demonstrates that - because the Office was not, and is not, a party to the settlement agreement, the Office was not, and is not, bound by the settlement agreement.

Joy Manufacturing Co. v National Mine Service Co, 810 F.2d 1127 (Fed. Cir. 1987) addressed the question of the effect, if any, that the existence of a settlement agreement between parties to an infringement/validity patent litigation had with respect to a request for *ex parte* reexamination subsequently filed by a party to that settlement agreement. Accused infringer National had entered into an agreement in settlement of an action brought against it for infringing a patent.

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[4] See 35 U.S.C. § 317(b).

[5] See 35 U.S.C. § 317(a).

[6] In light of the cases cited below in support of the Office's position vis-à-vis the effect of the settlement agreement in the present reexamination proceeding, it is also to be noted that with respect to *ex parte* reexamination, Congress has not mandated any estoppel with respect to the ability of "any person" to file a request for reexamination at "any time."

National agreed that it would not file any suit in any court challenging the validity of the patent. Thereafter, National filed a request for reexamination of the patent, and the patent owner requested an injunction preventing the third party requester from going forward in the reexamination proceeding. The District Court ruled against the patent owner, noting that the settlement agreement by its literal terms did not proscribe the conduct of which the patent owner complained. The Federal Circuit agreed, holding that:

> " ... the district court correctly refused to equate "a request for administrative reexamination . . . with filing a suit in a United States Court." Its reliance on *Etter* as support for this legal conclusion was entirely appropriate. The *Etter* decision turned on the precise issue here, namely, that reexamination and civil litigation were distinctly different proceedings. As stated therein:
>
> > The intent that reexamination proceedings and court actions involving challenges to validity be distinct and independent is reflected in the legislative history of § 303. . . . *756 F.2d at 857, 225 USPQ at 4*. The result in *Etter* is inseparable from the above-quoted premise. [Footnote omitted.]
>
> "In this connection, we also note that the principal relief which Joy seeks -- namely, stopping the reexamination of its patent -- is not available in these proceedings. *Accord* Manual of Patent Examining Procedure § 2210 (5th ed. 1983); *Houston Atlas, Inc. v. Del Mar Scientific, Inc.*, 217 U.S.P.Q. (BNA) 1032, 1034 (N.D. Tex. 1982), aff'd, 703 F.2d 555 (5th Cir. 1983). The decision by the Commissioner to institute reexamination is not subject to review, *Etter*, 756 F.2d at 857, 225 USPQ at 4; and the injunction sought against National would have no effect on reexamination since National, as the requestor, has no future role to play in that *ex parte* proceeding. "

In the present reexamination proceeding, patent owner has not established that Acushnet's request for reexamination violates the literal terms of the 1996 settlement agreement involved here. The settlement agreement does not facially preclude "administrative proceedings" of any sort, including reexamination within the Office. Further, as was noted in the previous decision dismissing the petition, the settlement agreement was entered into in 1996; prior to the enactment in 1999 of the statute authorizing *inter partes* reexamination. Thus, it is unlikely that the settlement agreement reflects an agreement between the parties thereto to forego administrative relief in the form of a request for *inter partes* reexamination (such *inter partes* proceeding made available after the settlement agreement), and at best, could only be asserted to inferentially contemplate that the parties to the settlement agreement would not seek *ex parte* reexamination (where there is no right to comment on patent owner responses and appeal). *Joy Manufacturing*, and the other cases relied on by the Office, *infra*, all involve *ex parte* examination proceedings. Moreover, even presuming that the settlement agreement between the patent owner and third party requester could be construed to be an agreement precluding the filing of a request for *ex parte* reexamination, the courts have uniformly held that such agreement is without binding effect on the Office and would not bar the Office from granting and conducting an *ex parte* reexamination proceeding, as will now be discussed.

In *Houston Atlas, Inc. et al v. Del Mar Scientific, Inc. et al.*, 217 USPQ 1032, 1037 (N.D. Tex. 1982), the district court considered the situation in which two parties had executed and had entered a consent judgment stating that a particular patent was valid. The consent judgment was entered prior to the enactment of the *ex parte* reexamination statutes. The court expressly addressed the subsequent effect the consent judgment would have on reexamination in the Office, if any. The court stated that private parties cannot bind the Office, or the public it represents, with respect to the validity of a patent, by merely executing the consent judgment and having it entered. The court noted that:

> "... the Patent Office was not a party to the original proceeding and, as discussed in section IV above, the consent judgment is not binding on the Patent Office or the public which it represents. Simply stated, **two private parties cannot bind the Patent Office with respect to the validity of a patent by merely executing, and having entered, a consent judgment stating that the patent is valid. The consent**

> **judgment is not *res judicata* on the Patent Office as there is no evidence that the Patent Office is privity with Defendants.** See *Vulcan, Inc. v. Fordees Corp., 658 F.2d 1106, 1109-10, 211 USPQ 852, 854-855 (6th Cir. 1981)* (party not in privity to executory of consent judgment is not bound by the judgment). Given that the consent judgment is not enforceable against the Patent Office as *res judicata*, the Court must determine whether the Patent Office, by its conduct of the reexamination proceedings and issuance of the order of reexamination is "in a position to frustrate the implementation of [the consent judgment] or the proper administration of justice." The clear answer to this question is in the negative. Section 303 of the Act expressly authorizes the Patent Office to conduct reexamination proceedings on their own initiative without a formal request for reexamination. If the reexamination proceedings in question had been instituted by the Commissioner as a consequence of a citation of prior art from a person other than Canterbury, or if a person other than Canterbury had requested reexamination of patent *3,464,799*, this Court would be without power to enjoin the proceedings for the simple reason that the consent judgment is binding only as to Plaintiffs and Defendants. **In short, Plaintiffs' compliant lies not with the institution of the reexamination process, but instead with who requested it.** For this reason, the Court is constrained to conclude that it has no jurisdiction under the All Writs Act to grant the Plaintiffs any relief against the Patent Office." [Emphasis added]

Thus, even though the district court found one of the defendants in *Houston Atlas* to be in contempt of the consent judgment because that defendant had filed a request for reexamination, the district court noted that the Office was expressly authorized by statute to conduct reexamination. The court concluded that a consent judgment to which the Office was not a party could not bind the Office so as to preclude reexamination, even where such reexamination was requested by a party bound by the consent judgment. If such is true with respect to a consent judgment, it follows that a settlement agreement between two private parties to which the Office is not a party also does not bind the Office so as to preclude the Office from carrying out its statutory mandate to reexamine a qualifying patent once a substantial new question of patentability for that patent has been determined to exist for that patent. Therefore, even if one assumes that third party requester in the '123 reexamination proceeding is in violation of the settlement agreement with patent owner such that third party requester might be subject to sanctions by a court of competent jurisdiction for having filed the present request for *inter partes* reexamination, <u>the settlement agreement would still not be binding on the Office so as to preclude the Office from conducting *inter partes* reexamination as requested, because the Office is not a party to that agreement</u>.

Indeed, the courts have held that a final judgment against a party found to have infringed a patent does not prohibit that party from seeking *ex parte* reexamination of the involved patent. In *Kucala Enterprises, Ltd. V. Auto Wax Co., Inc. 2004 U.S. Dist. LEXIS 5723 (N.D. Ill., 2004)*, the accused infringer (Kucala) contended that there was no basis in law or fact, by which the judgment could preclude Kucala from filing a request for *ex parte* reexamination, relying on the language of 35 U.S.C. § 302 that permits "any person at any time" to request reexamination of a patent. The court pointed out that it could not bar third party Kucala from seeking reexamination, even under the circumstances of that case, where the third party was found guilty of misconduct such that the court found the patents asserted against the third party to be not invalid. The *Kucala Enterprises, Ltd.* opinion states:

> "...the issue here, whether a court can sanction a party by enjoining it from seeking reexamination. At the same time, the cases on which Auto Wax relies fail to address a sanction prohibiting reexamination. [Citations omitted].
>
> "The court is persuaded, in light of the parties' arguments and the court's purposes in the October decision, that the judgment should not bar Kucala from seeking reexamination. The sanction of dismissal conveys to Kucala, "Because of your misconduct, you lose on the claims you filed in this court." In other words, the court finds the patents in suit not invalid. **Under the lessons of *Ethicon*, this means only that the presumption of validity survives, not that the patents are valid. Although principles of claim preclusion would bar an adjudged infringer [*16] from filing or defending a future lawsuit relating to**

> **these patents, it would not bar the infringer from seeking reexamination.** Therefore, the court will not enjoin Kucala from seeking reexamination of Auto Wax's patents." *Id.* at page 13 of the Court's decision." [Emphasis added]

In *McNeil-PPC, Inc. v. The Procter & Gamble Co., 19 USPQ2d 1663 (U.S. District Court District of Colorado 1991*), Procter & Gamble sought leave from the court to file a request for reexamination in the Office of a patent in dispute. The court held that Procter & Gamble did not need permission from the court to file a request for reexamination, and that there does not appear to be any limit on a party's right to request reexamination, but for complying with the requirements of 35 U.S.C. § 302, directed to *ex parte* reexamination. Furthermore, the court observed:

> "First, unfair or not, McNeil-PPC points to no authority that would authorize me to prevent or limit P & G's request to the PTO for reexamination of Bradstreet '901 and its participation in that proceeding to the extent allowed by title 35. McNeil-PPC's only argument is that because P & G asked for leave to file the request, it concedes that it is required to do so. I disagree. It may be that P & G was under the erroneous assumption that I had some statutory or common law prerogative to intervene in the PTO reexamination request. **McNeil-PPC does not offer, however, any rationale why any such misinterpretation bestows unto me power over the PTO where the power is otherwise absent.** Furthermore, at oral argument, P & G took the position that the motion was filed as a courtesy notice and does not constitute any waiver.
>
> "Second, Congress authorizes challengers to take "two bites of the apple." **A nonpatent holder is permitted to both challenge a patent in the PTO and in the district court.** *See In re Etter, 756 F.2d 852, 857, 225 U.S.P.Q. (BNA) 1* (Fed. Cir.), *cert. denied, 474 U.S. 828, 88 L. Ed. 2d 72, 106 S. Ct. 88 (1985).* In *Ethicon, Inc. v. Quigg, 849 F.2d 1422, 7 U.S.P.Q.2D (BNA) 1152 (Fed. Cir. 1988),* a nonpatent holder was sued for patent infringement. While the action progressed, the nonpatent holder requested reexamination of the subject patent in the PTO. The Federal Circuit, in concluding that the PTO was without the power to stay the reexamination pending outcome of the action and allowing the reexamination and court action to proceed simultaneously, stated:
>
> > The awkwardness presumed to result if the PTO and court reached different conclusions is more apparent than real. The two forums take different approaches in determining invalidity and on the same evidence could quite correctly come to different conclusions. Furthermore, we see nothing untoward about the PTO upholding the validity of a reexamined patent which the district court later finds invalid. This is essentially what occurs when a court finds a patent invalid after the PTO has granted it. Once again, it is important that the district court and the PTO can consider different evidence. Accordingly, different results between the two forums may be entirely reasonable. And, if the district court determines a patent is not invalid, the PTO should continue its reexamination because, the two forums have different standards of proof for determining invalidity. *Ethicon, 849 F.2d at 1428-29.*
>
> "This structure does not automatically lead to inefficient use of judicial resources. Rather than impede jurisdictional efficiency, this dual process has greater potential to promote efficiency, because, as stated in *In re Etter:*
>
> > The innate function of the reexamination process is to increase the reliability of the PTO's action in issuing a patent by reexamination of the patents thought "doubtful." [Citation omitted]. When the patent is currently involved in litigation, an auxiliary function is to free the court from any need to consider prior art without the benefit of the PTO's initial consideration."
>
> [Emphasis added]

Thus, the court recognized that duality of the Congressionally enacted structure in which reexamination and litigation co-exist as non-mutually exclusive avenues in which a party may challenge a patent. It appears that insofar as the litigation approach may result in a settlement agreement, that the existence of a settlement agreement does not "sidetrack" a party thereto from pursuing reexamination.

It should also be noted that a contractual provision preventing a party from seeking reexamination would be void as being contrary to public policy. [7] In *Lear v. Adkins*, 395 U.S. 653, (1969), the United States Supreme Court determined that prohibiting licensees from challenging the validity of a patent that they had licensed runs afoul of public policy "in permitting full and free competition in the use of ideas which are in reality part of the public domain." *id.* at 670 . By analogy, preventing a third party requester (and a potential licensee of the subject patent) from requesting reexamination of a patent would be contrary to the public policy embodied in the *Lear v. Adkins* decision. As the settlement agreement entered into in 1996 is prior to the enactment in 1999 of the statute authorizing *inter partes* reexamination, it was not even possible for these settlement agreements to address preventing a party to the agreement from filing such a request for reexamination.

Finally, it is recognized that the decisions cited and discussed, *supra*, are not specifically directed to *inter partes* reexamination. However, it is clear that the precedents would apply to *inter partes* reexamination proceedings just as they do in *ex parte* reexamination proceedings. For *ex parte* reexamination, 35 U.S.C. § 302, provides that "[A]ny person at any time may file a request for reexamination by the Office of any claim of a patent ..." For *inter partes* reexamination, 35 U.S.C. § 311(a) provides that "IN GENERAL -Any third-party requester at any time may file a request for inter partes reexamination by the Office of a patent ..." [8]

Congress chose to not place any limitation on the ability of a third party requester to request an *ex parte* reexamination proceeding. Thereafter, Congress chose to provide only very limited estoppel provisions with respect to the ability of a third party requester to request an *inter partes* reexamination proceeding, only those estoppel provisions set forth in the statue. [9] Congress could have elected to enact provisions similar to 15 U.S.C. § 1069 so as to place broad estoppel limitations on the ability of a third party requester to seek reexamination in the Office. However, Congress chose not to do so! Moreover, to the extent that the estoppel provisions of 35 U.S.C. § 317(b) might be relevant to the '123 reexamination proceeding, patent owner has not alleged that there has ever been a relevant final (*i.e.* nonappealable) court decision holding that the '873 patent claims are valid. Indeed, patent owner's own statement of the facts indicates that the parties executed Federal Rule of Civil Procedure 41 Stipulations of Dismissal of the prior litigation that were filed in, and accepted by, the Delaware District Court, and that "[t]he Court specifically retained jurisdiction over the parties in relation to disputes arising under the 1996 Settlement Agreement." This clearly does not provide a final court decision regarding the validity of any of the patents covered in the settlement agreement.

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[7] *Bremen v. Zapata Off-Shore Co.*, 407 U.S. 1 (1972)(concluding that a forum selection clause, while generally enforceable, will not be enforced where it violates the strong public policy of the forum in which suit is brought); *Newton v. Rumery*, 480 U.S. 386,392 (1987) ("The relevant principle is well established: a promise is unenforceable if the interest in its enforcement is outweighed in the circumstances by a public policy harmed by enforcement of the agreement."); *Suter v. Munich Reinsurance*, 223 F.3d 150 (3d Cir. 2000) (citing *Bremen* for the proposition that federal forum selection clauses should not be enforced where they are contrary to public policy).

[8] The caveat ("IN GENERAL") in the statute refers to the estoppel provisions of 35 U.S.C. § 317(b) that would preclude a third party requester from filing a request for reexamination where it has not sustained its burden of proof of claim invalidity in litigation that has become final, or where such litigation has resulted in a final holding of claim validity, as well as the 35 U.S.C. § 317(b) limitation on the filing of co-pending *inter partes* reexaminations.

[9] The *inter partes* reexamination statute includes limited estoppel provisions that raise specific estoppels based upon the existence of a final (i.e.. nonappealable) court holding of patent claim validity or the existence of an order granting reexamination. See 35 U.S.C. § 317(a) and (b).

C. Vacatur Of The Present Reexamination Proceeding Is Not Supported By The Provisions Of MPEP § 2246(I):

Patent owner argues that the exemplary language in the MPEP § 2646 does not limit the circumstances in which the Office can vacate reexamination orders. To the extent that this is true, it is not relevant here, because the statutes, the case law and the facts in the present reexamination proceeding all indicate that vacatur of the present reexamination proceeding would run contrary to the reexamination statute. Patent owner's arguments to the contrary are not persuasive.

MPEP § 2646(I) addresses vacatur that would be required when a request for *inter partes* reexamination was improperly ordered due either to the existence of a statutory prohibition barring the grant of a request for *inter partes* reexamination, or the existence of a clear error of a clerical nature. Patent owner has not established that the present *inter partes* reexamination proceeding was ordered contrary to any statutory prohibition barring the order, or due to a clerical error. Rather, the *inter partes* reexamination statute clearly provides that when the Office is presented with a request for *inter partes* reexamination that (1) has been filed by a third party requester not subject to the estoppel provisions of 35 U.S.C. § 317, and (2) raises a substantial new question of patentability, the Office must order *inter partes* reexamination and thereafter reexamine the patent. [10] As set forth in Section III (B) of this decision, *supra*, the case law does not support the proposition that the Office has the duty to, or may at its option, disregard the statutory mandate to reexamine the patent due to the existence of a settlement agreement between a patent owner and a third party requester to which the Office is not a party. Indeed, the case law does not support that proposition even where the settlement agreement was reduced to a consent judgment and the third party requester has been held by the court to be in contempt of the consent judgment.

D. Vacating The Present Reexamination Proceeding May In Fact Leave An Unresolved Substantial New Question of Patentability

Patent owner argues that vacatur of the present reexamination proceeding would not leave a substantial new question of patentability unresolved, because such questions (and other questions of patentability beyond the scope of *inter partes* reexamination) will be resolved by the method, and in the forum, established by the parties in the settlement agreement.

This argument ignores two important points. *First*, there is in fact a public interest served by resolution of patentability issues via reexamination proceedings in the Office, and advantages attendant thereto. *Ethicon v. Quigg*, 878 F.2d 1422, 1428 (Fed. Cir. 1989); *In re Etter*, 756 F.2d 852, 856 (Fed. Cir. 1985). There is no assurance that resolution of the dispute between patent owner and third party requester in accordance with the settlement agreement would resolve the substantial new questions of patentability that have been found to exist in the present *inter partes* reexamination proceeding, or in any way result in a benefit to the public in the manner that a reexamination proceeding would. Any resolution in court, or such other forum chosen, may simply resolve the dispute between patent owner and third party requester without resolving the issues of patentability raised by the substantial new question of patentability (e.g., by settlement, or consent judgment, or dismissal without prejudice or based on a conduct issue). Vacatur of a requested and granted *inter partes* reexamination proceeding may well leave both the public and

[10] See 35 U.S.C. §§ 311, 312(a), 313(a) and 314(c).

the patent owner with an unresolved request for reexamination and unresolved substantial new question of patentability (found to be present via the decision ordering reexamination). The public has a right to such a resolution. Vacating, withdrawing, or otherwise abandoning or terminating the instant reexamination proceeding would abrogate this public right, to the detriment of the public interest. As discussed in Section III (B) above, ordering and conducting an *inter partes* reexamination proceeding is not optional for the Office. Rather, the *inter partes* reexamination proceeding must continue according to the procedure mandated by the *inter partes* reexamination statute, to carry out the purpose of the statute and resolve the substantial new question of patentability for the public.[11] The proceeding began with the filing of a request for *inter partes* reexamination that satisfied the requirements of 35 U.S.C. § 311. As **required** by 35 U.S.C. § 312, the request for reexamination has been considered. As a result of that consideration, it has been determined that the request raises a substantial new question of patentability for one or more patent claims. Thus, in accordance with 35 U.S.C. § 313, the present proceeding **shall** result in a determination of the patentability of the claims of the '873 patent in light of prior patents and printed publications, to the benefit of the public as well as to the benefit of patent owner and third party requester.

Second, while there is no assurance that the resolution of the dispute in accordance with the settlement agreement will be timely, the present reexamination proceeding **will** be conducted with special dispatch pursuant to 35 U.S.C. § 314(c). The public interest in resolving the issues raised in the present reexamination proceeding includes an interest in having those issues resolved in a timely fashion.

E. The Decision in *Heinl v. Godici* Is Clearly Apposite To This Reexamination Proceeding

Patent owner argues that the Office's reliance on *Heinl v. Godici*, 143 F. Supp. 2d 593, 601 (E.D. Va. 2001) is misplaced. This argument is not persuasive.

Heinl was a case in which patent owner sought a decision terminating a reexamination proceeding based on the absence of a new question of patentability. The *Heinl* court stated:

> "Under the well established *ultra vires* doctrine, the exhaustion and final agency requirements are excused 'only if plaintiff is able to show that the PTO clearly exceeded its statutory authority', quoting from *Philip Morris, Inc. v. Block*, 755 F.2d 368, 370 (4th Cir 1985 (quoting *Mayor and City Council of Baltimore v. Mathews*, 562 F.2d 914, 920 (4th Cir. 1977), vacated on other grounds, 571 F.2d 1273 (4th Cir. 1978)."

The *Heinl* court then stated:

> "Put differently, when an agency acts in 'brazen defiance' of its statutory authorization, courts need not await the conclusion of underlying proceedings."

It is abundantly clear that the *Heinl* decision was not cited and discussed because it involved a previous settlement agreement between parties to a reexamination proceeding, and no reading of the Decision on Petition June 7, 2006 can lead to the belief that it was. Rather, *Heinl* was cited because it is clearly applicable to the doctrine of "*ultra vires*" reexamination proceedings in the sense that it provides a benchmark for looking into whether the Office has committed an *ultra*

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[11] The innate function of the reexamination process is to increase the reliability of the Office's action in issuing a patent by reexamination of patents thought "doubtful." House Report No. 66-1307, 96th Cong., 2d Sess. (1980), 3, reprinted in 1980 U.S. Code Cong. & Ad. News 6460, 6462. (This was emphasized in *In re Etter*, 756 F.2d 852, 225 USPQ 1 (Fed. Cir.) (en banc), cert. denied, 474 U.S. 828, 88 L. Ed. 2d 72, 106 S. Ct. 88 (1985)).

vires act. That benchmark is a simple one. Where the Office orders reexamination, the decision of the Office to order reexamination cannot be attacked as being *ultra vires*, unless it is clearly established that the Office has exceeded its statutory authority to order reexamination.

In this instance:

(1) The reexamination statute fails to provide that the equitable doctrines of laches, estoppel and acquiescence can be raised to preclude the Office from ordering *inter partes* reexamination, other than the 35 U.S.C. § 317 exception, which is inapplicable on the facts in the present reexamination proceeding;

(2) The authorities cited and discussed above in Section III (A) clearly indicate that the existence of a settlement agreement (and even the existence of a consent judgment incorporating a settlement agreement) between a patent owner and a third party reexamination requester do not operate to preclude the Office from granting that third party's request for reexamination if the request otherwise satisfies the requirements of the reexamination statutes; and

(3) A public interest in resolving the substantial new question of patentability exists in the present reexamination proceeding, which may not necessarily be timely resolved, or resolved at all, by reason of the dispute resolution provisions of the settlement agreement, and will not be resolved using the standards applicable in reexamination as well as the expertise of the Office.

Thus, the guidance provided by the decision in *Heinl* supports the conclusion that petitioner has not advanced sufficient basis for holding the grant of reexamination in the present *inter partes* reexamination proceeding to be an *ultra vires* action by the Office. The Office has not "clearly exceeded its statutory authority" in the Office's determination that the January 17, 2006 reexamination request properly raised a substantial new question of patentability and should go forward.

For all the forgoing reasons, as well as those set forth in the June 7, 2006 decision, the order granting the present *inter partes* reexamination remains intact and the *inter partes* reexamination proceeding will continue in accordance with the procedure mandated by the *inter partes* reexamination statute and implementing regulations.

ADDITIONAL DISCUSSION

The undersigned notes that the patent owner and third party requester are adverse parties with respect to the present *inter* partes reexamination proceeding, and are currently engaged in litigation involving the underlying patent. While counsel should represent the respective parties zealously, and are entitled to benefit of all of the regulations implementing the *inter partes* reexamination statutes and the examining practice promulgated with respect to those regulations, counsel are reminded of their ongoing obligations to the Office as set forth in Part 10 of Title 37 of the Code of Federal Regulations. In particular, the provisions of 37 CFR 10.18(b)(2) and (c) should be noted. Adherence to the provisions of Part 10 will greatly assist the Office **in conducting this *inter partes* reexamination proceeding with special dispatch** as required by 35 U.S.C. § 314(c).

CONCLUSION

1. The patent owner's June 16, 2006 petition under 37 CFR 1.181 is (a) granted to the extent that the prior decision has been fully reconsidered, and (b) denied as to the underlying request to vacate the order for reexamination.

2. This decision is a final agency action within the meaning of 5 U.S.C. § 704.

3. The patent owner's July 21, 2006 opposition to the third party requester opposition to the patent owner petition for reconsideration lacks an entry right in the present reexamination proceeding, and has not been considered.

4. Jurisdiction over the '123 *inter partes* reexamination proceeding is returned to the Central Reexamination Unit.

5. Telephone inquiries related to the present decision should be directed to Stephen Marcus, Legal Advisor, at 571-272-7743, or, in his absence, to Karen Hastings, Legal Advisor, at 571-272-7717.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

kmh/sm

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MAILED

APR 27 2007

CENTRAL REEXAMINATION UNIT

In re Callaway Golf Company
Inter Partes Reexamination Proceeding
Control No.: 95/000,120
Filed: January 17, 2006
For: U.S. Patent No. 6,210,293

In re Callaway Golf Company
Inter Partes Reexamination Proceeding
Control No.: 95/000,121
Filed: January 17, 2006
For: U.S. Patent No. 6,503,156

In re Callaway Golf Company
Inter Partes Reexamination Proceeding
Control No.: 95/000,122
Filed: January 17, 2006
For: U.S. Patent No. 6,506,130

In re Callaway Golf Company
Inter Partes Reexamination Proceeding
Control No.: 95/000,123
Filed: January 17, 2006
For: U.S. Patent No. 6,595,873

DECISION DISMISSING PETITION

This is a decision on the March 22, 2007 petition entitled "JOINT PETITION TO SUSPEND CERTAIN OF THE PROCEDURES SET FORTH IN MPEP § 724.04 GOVERNING THE HANDLING OF CONFIDENTIAL INFORMATION." The patent owner and third party requester jointly filed the petition,.

The petition is before the Office of Patent Legal Administration for consideration. The petition is being taken as a petition under 37 CFR 1.183 to waive the provisions of 37 CFR 1.59 as well as portions of the corresponding practice (MPEP § 724 *et seq*) promulgated under the rule. A petition fee of $ 400.00 under 37 CFR 1.17(f) will be charged to the patent owner's deposit account as authorized in the joint petition for each of the four *inter partes* reexamination proceedings. Accordingly, $ 1,600.00 ($ 400 x 4 = $ 1,600) is being charged to patent owner's Deposit Account No. 06-1050.

REVIEW OF SALIENT FACTS

1. On January 17, 2006, third party requester (Acushnet) filed four *inter partes* reexamination requests, each request being directed to one of four U.S. Patents owned by Callaway Golf.

2. The reexamination request for U.S. Patent No. 6,210,293 (the '293 patent) was assigned control no. 95/000,120 (the '120 *inter partes* reexamination request).

3. The reexamination request for U.S. Patent No. 6,503,156 (the '156 patent) was assigned control no. 95/000,121 (the '121 *inter partes* reexamination request).

4. The reexamination request for U.S. Patent No. 6,506,130 (the '130 patent) was assigned control no. 95/000,122 (the '122 *inter partes* reexamination request).

5. The reexamination request for U.S. Patent No. 6,595,873 (the '873 patent) was assigned control no. 95/000,123 (the '123 *inter partes* reexamination request).

6. On February 9, 2006, patent owner Callaway Golf filed suit against third party requester Acushnet in the United States District Court for the District of Delaware. Each of the '293, '156, '130 and '873 patents is involved in the suit.

7. Reexamination was ordered for each of the '122 and '123 *inter partes* reexamination proceedings on April 6, 2006.

8. Reexamination was ordered for each of the '120 and '121 *inter partes* reexamination proceedings on April 7, 2006.

9. A non-final Office action was mailed in each of the '122 and '123 *inter partes* reexamination proceedings on January 30, 2007.

10. A non-final Office action was mailed in each of the '120 and '121 *inter partes* reexamination proceedings on February 27, 2007.

11. In the District Court litigation, the patent owner and third party requester are subject to a protective order that anticipates the use of confidential information in the litigation, that anticipates that some of the confidential information may be relevant to the '120, '121, '122 and '123 *inter partes* reexamination proceedings, and permits submission of such material in these *inter partes* reexamination proceedings subject to certain procedures designed to protect the confidential nature of the information.

12. Patent owner and third party requester filed the present joint petition on March 22, 2007 seeking to waive certain aspects of Office practice governing the submission of confidential information that are deemed to conflict with certain provisions of the protective order.

DECISION

I. Relevant Statutes, Regulations and Practice

35 U.S.C. § 151 provides, in part:

"If it appears that applicant is entitled to a patent under the law, a written notice of allowance of the application shall be given or mailed to the applicant. The notice shall specify a sum, constituting the issue fee or a portion thereof, which shall be paid within three months thereafter.

Upon payment of this sum the patent shall issue, but if payment is not timely made, the application shall be regarded as abandoned."

35 U.S.C. § 181 provides, in part:

"Whenever publication or disclosure by the publication of an application or by the grant of a patent on an invention in which the Government has a property interest might, in the opinion of the head of the interested Government agency, be detrimental to the national security, the Commissioner of Patents upon being so notified shall order that the invention be kept secret and shall withhold the publication of an application or the grant of a patent therefor under the conditions set forth hereinafter."

35 U.S.C. § 316(a) provides:

"IN GENERAL.– In an inter partes reexamination proceeding under this chapter, when the time for appeal has expired or any appeal proceeding has terminated, the Director shall issue and publish a certificate canceling any claim of the patent finally determined to be unpatentable, confirming any claim of the patent determined to be patentable, and incorporating in the patent any proposed amended or new claim determined to be patentable."

37 CFR 1.11(a), (c) and (d) provide:

"(a) The specification, drawings, and all papers relating to the file of: A published application; a patent; or a statutory invention registration are open to inspection by the public, and copies may be obtained upon the payment of the fee set forth in § 1.19(b)(2). If an application was published in redacted form pursuant to § 1.217, the complete file wrapper and contents
of the patent application will not be available if: The requirements of paragraphs (d)(1), (d)(2), and (d)(3) of § 1.217 have been met in the application; and the application is still pending. See § 2.27 of this title for trademark files.

(c) All requests for reexamination for which all the requirements of § 1.510 or § 1.915 have been satisfied
will be announced in the Official Gazette. Any reexaminations at the initiative of the Director pursuant to § 1.520 will also be announced in the Official Gazette. The announcement shall include at least the date of the request, if any, the reexamination request control number or the Director initiated order control number, patent number, title, class and subclass, name of the inventor, name of the patent owner of record, and the examining group to which the reexamination is assigned.

(d) All papers or copies thereof relating to a reexamination proceeding which have been entered of record in the patent or reexamination file are open to inspection by the general public, and copies may be furnished upon paying the fee therefor."

37 CFR 1.59(a) and (b) provide:

"(a)(1) Information in an application will not be expunged, except as provided in paragraph (b) of this section or § 41.7(a) of this title.

(2) Information forming part of the original disclosure (i.e., written specification including the claims, drawings, and any preliminary amendment specifically incorporated into an executed oath or declaration
under §§ 1.63 and 1.175) will not be expunged from the application file.

(b) An applicant may request that the Office expunge information, other than what is excluded by paragraph (a)(2) of this section, by filing a petition under this paragraph. Any petition to expunge information
from an application must include the fee set forth in § 1.17(g) and establish to the satisfaction of the Director that the expungement of the information is appropriate in which case a notice granting the petition for expungement will be provided.

37 CFR 1.555 provides:

(a) A patent by its very nature is affected with a public interest. The public interest is best served, and the most effective reexamination occurs when, at the time a reexamination proceeding is being conducted, the Office is aware of and evaluates the teachings of all information material to patentability in a reexamination proceeding. Each individual associated with the patent owner in a reexamination proceeding has a duty of candor and good faith in dealing with the Office, which includes a duty to disclose to the Office all information known to that individual to be material to patentability in a reexamination proceeding. The individuals who have a duty to disclose to the Office all information known to them to be material to patentability in a reexamination proceeding are the patent owner, each attorney or agent who represents the patent owner, and every other individual who is substantively involved on behalf of the patent owner in a reexamination proceeding. The duty to disclose the information exists with respect to each claim pending in the reexamination proceeding until the claim is cancelled. Information material to the patentability of a cancelled claim need not be submitted if the information is not material to patentability of any claim remaining under consideration in the reexamination proceeding. The duty to disclose all information known to be material to patentability in a reexamination proceeding is deemed to be satisfied if all information known to be material to patentability of any claim in the patent after issuance of the reexamination certificate was cited by the Office or submitted to the Office in an information disclosure statement. However, the duties of candor, good faith, and disclosure have not been complied with if any fraud on the Office was practiced or attempted or the duty of disclosure was violated through bad faith or intentional misconduct by, or on behalf of, the patent owner in the reexamination proceeding. Any information disclosure statement must be filed with the items listed in § 1.98(a) as applied to individuals associated with the patent owner in a reexamination proceeding, and should be filed within two months of the date of the order for reexamination, or as soon thereafter as possible.

(b) Under this section, information is material to patentability in a reexamination proceeding when it is not cumulative to information of record or being made of record in the reexamination proceeding, and

(1) It is a patent or printed publication that establishes, by itself or in combination with other patents or printed publications, a prima facie case of unpatentability of a claim; or

(2) It refutes, or is inconsistent with, a position the patent owner takes in:

(i) Opposing an argument of unpatentability relied on by the Office, or

(ii) Asserting an argument of patentability.

A *prima facie* case of unpatentability of a claim pending in a reexamination proceeding is established when the information compels a conclusion that a claim is unpatentable under the

preponderance of evidence, burden-of-proof standard, giving each term in the claim its broadest reasonable construction consistent with the specification, and before any consideration is given to evidence which may be submitted in an attempt to establish a contrary conclusion of patentability.

(c) The responsibility for compliance with this section rests upon the individuals designated in paragraph (a) of this section and no evaluation will be made by the Office in the reexamination proceeding as to compliance with this section. If questions of compliance with this section are raised by the patent owner or the third party requester during a reexamination proceeding, they will be noted as unresolved questions in accordance with § 1.552(c)."

37 CFR 1.933 provides:

(a) Each individual associated with the patent owner in an *inter partes* reexamination proceeding has a duty of candor and good faith in dealing with the Office, which includes a duty to disclose to the Office all information known to that individual to be material to patentability in a reexamination proceeding as set forth in § 1.555(a) and (b). The duty to disclose all information known to be material to patentability in an inter partes reexamination proceeding is deemed to be satisfied by filing a paper in compliance with the requirements set forth in § 1.555(a) and (b).

(b) The responsibility for compliance with this section rests upon the individuals designated in paragraph (a) of this section, and no evaluation will be made by the Office in the reexamination proceeding as to compliance with this section. If questions of compliance with this section are raised by the patent owner or the third party requester during a reexamination proceeding, they will be noted as unresolved questions in accordance with § 1.906(c).

MPEP § 724.01 provides:

"It is the intent of the Office that the patent file wrapper be as complete as possible insofar as "material" information is concerned. The Office attempts to minimize the potential conflict between full disclosure of "material" information as required by 37 CFR 1.56 and protection of trade secret, proprietary, and protective order material to the extent possible.

The procedures set forth in the following sections are designed to enable the Office to ensure as complete a patent file wrapper as possible while preventing unnecessary public disclosure of trade secrets, proprietary material, and protective order material."

MPEP § 724.02 provides, in part:

"Information which is considered by the party submitting the same to be either trade secret material or proprietary material, and any material subject to a protective order, must be clearly labeled as such and be filed in a sealed, clearly labeled, envelope or container. Each document or item must be clearly labeled as a "Trade Secret" document or item, a "Proprietary" document or item, or as an item or document "Subject To Protective Order." ...

Examples of appropriate labels for such an envelope or container addressed to an application are as follows: (Appropriate changes would be made for papers filed in a reexamination file.)

...

C. "MATERIAL SUBJECT TO PROTECTIVE ORDER – NOT OPEN TO PUBLIC. TO BE OPENED ONLY BY EXAMINER OR OTHER AUTHORIZED U.S. PATENT AND TRADEMARK
OFFICE EMPLOYEE.
DO NOT SCAN
Tribunal Issuing Protective Order:
Civil Action or Other Identification No.:
Date of Order:

Current Status of Proceeding: (Pending, Stayed, etc.)
In re application of:
Application No.
Filed:
For: (Title of Invention)
TC Art Unit:
Examiner:

The envelope or container must be accompanied by a transmittal letter which also contains the same identifying information as the envelope or container. The transmittal letter must also state that the materials in the envelope or container are considered trade secrets or proprietary, or are subject to a protective order, and are being submitted for consideration under MPEP § 724. A petition under 37 CFR 1.59 and fee therefor (37 CFR 1.17g) to expunge the information, if found not to be important to a reasonable examiner in deciding whether to allow the application to issue as a patent, should accompany the envelope or container. ..."

MPEP § 724.04(c) provides, in part:

"Any materials submitted under MPEP § 724.02 in a reexamination file open to the public under 37 CFR 1.11(d) will be treated in the following manner:

(A) Materials submitted under MPEP § 724.02 will only be released to the public with any other papers in the reexamination file if no petition to expunge (37 CFR 1.59) was filed prior to the mailing of a Notice of Intent to Issue Reexamination Certificate (NIRC), or if a petition to expunge was filed and the petition was denied. The submitted information will be maintained separate from the reexamination file and will not be publicly available until a determination has been made as to whether or not the information is important to a reasonable examiner in deciding whether or not a claim is patentable.

(B) Prior to the mailing of a NIRC, the examiner will review the reexamination file and determine if a petition to expunge is in the reexamination file but not acted upon. The examiner, or other appropriate Office official who is responsible for considering the information, will make a determination as to whether or not any portion or all of the information submitted is important to a reasonable examiner in deciding whether or not a claim is patentable.

(C) If any portion or all of the submitted information is found important to a reasonable examiner in deciding whether or not a claim is patentable the petition to expunge will be denied and the information will thereafter become a permanent part of the reexamination file and open to the public.

(D) If any portion or all of the submitted information is found not to be important to a reasonable examiner in deciding whether or not a claim is patentable, the petition to expunge will be granted and the information expunged.
..."

II. Discussion re Expunging Information - General

A request for *inter partes* reexamination was filed by third party requester (Acushnet) on January 17, 2006 for each of the '293, '156, '130 and '873 patents owned by Callaway Golf. On February 9, 2006, patent owner filed an action in the United States District Court for the District of Delaware (the District Court) alleging, *inter alia*, that third party requester infringes certain claims of each of those patents. Reexamination for each of the patents was ordered in early April, 2006.

Joint petitioners (patent owner and third party requester) allege that a protective order has been issued by the District Court. Apparently, the protective order includes a provision permitting

submission of confidential information to the Office "provided that the USPTO enters an appropriate protective order or other order to preserve the confidentiality of the Designated Materials to the same degree as they are protected hereunder." Joint petitioners further allege that the examining practice pursuant to MPEP § 724.04 will, if complied with by the parties, effectively preclude both parties from submitting confidential information that may be relevant to the four *inter partes* reexamination proceedings, because the examining practice does not guarantee confidentiality of such submitted information once it is submitted to the Office. Accordingly, joint petitioners have requested a suspension of certain of the procedures set forth in MPEP § 724.04, such that all confidential material that is properly submitted to the Office will remain confidential during the *inter partes* reexamination proceedings, and will thereafter be expunged at the conclusion of the *inter partes* reexamination proceedings - regardless of the Office's findings as to the relevance of the material. The Office construes the requested suspension of examining procedures as a request to suspend 37 CFR 1.59 pursuant to the provisions of 37 CFR 1.183, along with the applicable examining practice under the rule that would be relevant in these *inter partes* reexamination proceedings.

Joint petitioners are correct with respect to the examining practice under MPEP § 724.04(c). The Office will <u>not</u> expunge confidential information that is submitted to the Office in a reexamination proceeding <u>unless</u> it is found by the examiner that the confidential information is not "important to a reasonable examiner in deciding whether or not a claim is patentable."

The basis for refusing to expunge information submitted to the Office when such information has been found to be important to a reasonable examiner in deciding whether or not a claim is patentable is that 35 U.S.C. §§ 151 and 181 require that the file of an issued patent be open and available to the public. And, 35 U.S.C. § 316(a) provides that the content of any reexamination certificate resulting from an *inter partes* reexamination proceeding is *incorporated into* the original patent.

35 U.S.C. § 151 requires that when it is determined that an applicant for patent is entitled to a patent, the patent shall issue, and the record of the patent shall be made open to the public, upon payment of the issue fee. This provision is qualified only by 35 U.S.C. § 181 which precludes "publication or disclosure" by "the grant of a patent" under certain circumstances, (*i.e.* for national security reasons), which are not relevant here. These provisions, when read together, make it clear that the grant of a patent is a publication of the information "disclosed" in the patent record, which includes the reexamination file for a reexamination proceeding. The availability of such information is thus a right that is statutorily provided to the public, and thus, a public interest. The public has a right to be aware of all information found to be important to a reasonable examiner in deciding whether or not claims are patentable.

In order to implement the statutory requirements regarding publication of patents and incorporation a reexamination proceeding, 37 CFR 1.11(a) provides, *inter alia*, that "[T]he specification, drawings, and all papers relating to the file of a patent" are "are open to inspection by the public" and that copies thereof may be obtained. 37 CFR 1.11(c) & (d) specifically provide that the public will be given notice of all requests for reexamination that have been given a filing date, and that all papers of record in the reexamination file are open to inspection by the general public. It is clear from these regulatory provisions that the record of a patent that has been reexamined and for which a reexamination certificate has been published will include the information of record in the reexamination file, and will be open to the public for inspection.

37 CFR 1.59 provides authority for the Office to expunge certain information from the record of a patent application, so that such information will not form part of the public record of any patent that issues from that application. MPEP § 724 *et. seq.* provides a mechanism to provisionally seal such information until the issue of expungment is addressed by the Office. This practice has been construed to apply to the record of a reexamination proceeding, so that information that would otherwise might be considered part of the patent, as "amended" by the reexamination certificate, could be submitted, and expunged from the file prior to the issue of the reexamination certificate when appropriate. MPEP § 724.02(c) provides the criteria for the filing of a petition under 37 CFR 1.59 to expunge information from the file of a reexamination proceeding. The Office may expunge information provided that such information has been determined to not be important to a reasonable examiner in deciding whether or not a claim is patentable. On the other hand, information that has been determined to be "important to a reasonable examiner..." will not be expunged. Rather, it will form part of the record of the issued patent, as amended by the resulting reexamination certificate, and this record will be a public record. Thus, the public will have the ability to review and understand the basis upon which patent claims were found patentable, as well as the basis upon which claims proposed during examination and/or reexamination were refused, and so will be better able to evaluate (for example), the scope of such claims and their strengths and weaknesses (e.g., what aspects of the claims were, and were not, taught by the art) .

III. Discussion re Expunging Identified Information Submitted By Patent Owner

37 CFR 1.933, which incorporates 37 CFR 1.555, provides that each individual associated with patent owner has a duty of "good faith and candor" in dealing with the Office throughout the course of the four pending *inter partes* reexamination proceedings. Patent owner, in any *inter partes* reexamination proceeding, must disclose to the Office "all" information known to each such individual to be material to patentability in that reexamination proceeding. 37 CFR 1.555 defines the meaning of information "material to patentability" as being a patent or printed publication that is non-cumulative and which (1) establishes, alone or in combination, a *prima facie* case of unpatentability of a claim pending in the reexamination proceeding, or (2) refutes a position taken by patent owner that opposes an argument of unpatentability relied upon by the Office, or (3) is inconsistent with a patent owner argument asserting patentability.

When patent owner brings to the attention of the examiner information in accordance with the definitions provided in 37 CFR 1.555, the examiner must consider this information, decide whether or not any of it is important to a determination of patentability of any pending claim, and as appropriate, either apply the information in the rejection of one or more claims, [1] or ultimately set forth in a reasons for patentability/confirmation statement, why one or more claims are patentable notwithstanding this information. [2]

As noted above in Section II of this decision, the patent statutes establish that the file of an issued patent and the file of a reexamination proceeding for a patent are public documents. The reexamination file is open to the public during the reexamination proceeding, and is considered to be part of the public file of the patent that has been reexamined following publication of the reexamination certificate. [3] The public is entitled to know, with respect to information that has been determined by the examiner to be non-cumulative and important to the question of

[1] See MPEP §§ 2660, 2672.02 and 2673 as to the requirements for complete actions that apply prior art to reject claims in an *inter partes* reexamination proceeding.
[2] See MPEP § 2688, Subsection IV for the requirement that the examiner explain reasons for patentability in an *inter partes* reexamination proceeding.
[3] See MPEP § 2632.

patentability of any pending claim, why that claim was considered to be either patentable or unpatentable in light of such information. Absent the ability to ascertain the "why" behind an examiner's holding of patentability or unpatentability of a given claim, the public may be unable to ascertain the true scope of the patent claims following issuance of the reexamination certificate. For example, important matters such as the existence, and extent, of file wrapper or prosecution estoppel, may be unclear to public. The availability of such information also permits evaluation of what aspects of the claims were, and were not, taught by the art, in the event there is knowledge of additional information to fill the gap in what was available to the skilled artisan at the time the invention was made. [4]

The existence of a protective order issued in connection with the present proceedings does not relieve the patent owner from compliance with its duty to disclose information material to patentability, even though the information in question is subject to the protective order. See *Mallinckrodt Inc. et. al. v. Masimo Corp. et. al*. [5] As stated by the *Mallinckrodt* District Court:

> "[Patentee] Masimo's attempt to demonstrate good faith was unconvincing. Masimo argued that the protective order governing the [prior] 642 litigation prohibited it from disclosing the litigation to the PTO. ... However, Masimo's counsel testified that he understood that he could have gone to the Masimo I Court and had material de-designated so that it would no longer be covered in the protective order. ... Masimo's counsel approached neither the Court nor Nellcor about withdrawing any material from the protective order in the 642 litigation for the purposes of disclosing it during the prosecution of the 830 patent. ... . Because Masimo made no attempt to overcome the barrier to disclosure presented by the protective order, this Court cannot find that it was more than a convenient excuse not to disclose. Had Masimo sought and been denied permission to disclose relevant information, the protective order would likely constitute evidence of good faith. But Masimo neither sought to withdraw material from the protective order, nor did it alert the PTO to the existence of material that could not be disclosed or even the fact that the litigation existed. The mere existence of the protective order is insufficient to demonstrate Masimo's good faith."

In the present *inter partes* reexamination proceedings, patent owner has a duty of "good faith and candor" in dealing with the Office. This duty requires patent owner to disclose all information known by each individual associated with patent owner that is material to patentability of the claims in these *inter partes* reexamination proceedings. 37 CFR 1.59 provides a mechanism, the procedure of which is explained in detail in MPEP § 724 *et seq*, for the submission of such information when the information is subject to a protective order. If patent owner follows the procedure, information submitted pursuant to that procedure will be maintained by the Office in a way that precludes public access to the information until such time as the information has been reviewed by the examiner. Where the examiner's review determines that such information <u>not</u> to be important to a patentability determination, the material will be expunged. If the material is determined by the examiner to be both non-cumulative to information of record and important to a patentability determination, the material must then become part of the publicly available record. Waiver of 37 CFR 1.59, and the practice thereunder, would undercut the statutory right of the public provided by 35 U.S.C §§ 151 and 316(a), by depriving the public of a complete record regarding patentability of the claims in the patents that are the subject of the present *inter partes* reexamination proceedings.

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[4] On the other hand, information that is determined by the examiner to not be important to the patentability of a pending claim in a reexamination proceeding is of no interest to the public, because the examiner has not made a detailed analysis thereof beyond the threshold determination that the information does not bear on the patentability of any of the claims proposed, or ultimately granted.

[5] *Mallinckrodt Inc. et. al. v. Masimo Corp. et. al.*, No. 00-6506 MRP (AJWx), 2004 U.S. Dist. LEXIS 28518, *86 (C.D. Cal., Cal., July 12, 2004) , aff'd-in-part,. Mallinckrodt Inc. *et. al.* v. Masimo Corp. *et. al.*, No. 04-1495, 04-1540, 147 Fed. Appx. 158, 181, 2005 U.S. App. LEXIS 19427 (Fed. Cir., September 7, 2005)(unpublished)

Accordingly, the Office will not waive 37 CFR 1.59 or any part of the examining practice associated therewith, notwithstanding the existence of the protective order.

To the extent that the patent owner deems that there is information subject to the protective order that patent owner must disclose to the Office pursuant to 37 CFR 1.933, and patent owner is concerned that this information will not be expunged based upon the above discussion, patent owner may seek modification of the protective order by the District Court to comply with the right of publication of information provided by the patent statute, by permitting the filing of such information in these *inter partes* reexamination proceedings notwithstanding that the information may become part of the public record.

IV. Discussion re Expunging Information Submitted By Third Party Requester

By its terms, 37 CFR 1.933 does not apply to a third party requester in an *inter partes* reexamination proceeding. Therefore, it appears that requester does not require relief in the form of waiving 37 CFR 1.59 and the associated examining practice under MPEP § 724 *et seq*, because third party requester may simply elect not to file information that third party requester knows to be subject to the protective order.

To the extent that third party requester could arguably be deemed to have a duty to disclose information in these proceedings, (*e.g.* information favorable to patentability or information that corrects or clarifies a previous submission by third party requester), the considerations stated in Sections II and III of this decision would apply with equal force to the requester. The public is entitled to access to all information that is submitted during the course of these *inter partes* reexamination proceedings that would be important to a reasonable examiner in determining patentability. Accordingly, the Office will not waive 37 CFR 1.59 or any part of the examining practice associated therewith, with respect to the requester, notwithstanding the existence of the asserted protective order.

If the third party requester deems it to be necessary to file information for consideration by the examiner that is subject to the protective order, then third party requester may seek modification of the protective order by the District Court to permit the filing of such information in these *inter partes* reexamination proceedings notwithstanding that the information may become part of the public record.

CONCLUSION

1. The joint patent owner and requester petition filed March 27, 2007, is dismissed.

2. Any request for reconsideration of this decision must be submitted within two months of the date of this decision, in accordance with 37 CFR 1.181(f).

3. Jurisdiction over each of the '120, '121, '122 and '123 *inter partes* reexamination proceedings is returned to the Central Reexamination Unit.

4. Telephone inquiries related to the present decision should be directed to the Stephen Marcus, Legal Advisor, at 571-272-7743, or, in his absence, to the undersigned at 571-272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

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JUL 27 2007

CENTRAL REEXAMINATION UNIT

Kilpatrick Stockton LLP Suite 2800, 1100 Peachtree St. Atlanta Georgia 30309-4530	)	**FOR PATENT OWNER**
IP Department of DLA Piper US LLP One Liberty Place, Suite 4900 1650 Market Street Philadelphia, PA 19103	)	**FOR THIRD PARTY REQUESTER**
In re Levy Reexamination Proceeding Control No. 95/000,127 Filed May 11, 2001 Patent No. 6,662,956	)	**DECISION ON PATENT OWNER'S PETITION UNDER 37 CFR 1.181 and REQUESTER'S PETITIONS UNDER 37 1.181(A)(3) or 37 CFR 1.182**

This is a decision addressing the July 5, 2006 patent owner petition under 37 CFR 1.181, and the July 26, 2006 requester petition under 37 CFR 1.181 and 37 CFR 1.182.

The patent owner and requester petitions are before the Office of Patent Legal Administration for decision.

SUMMARY

The petition by patent owner under 37 CFR 1.181 is dismissed as failing to state a cause of relief under 37 CFR 1.181.

Requester's petition is being dismissed as moot.

BACKGROUND

1. Patent No. 6,662,956 (the '956 patent) issued on Dec. 16, 2003.

2. A request for reexamination, assigned Control No. 95/000,127 (the '127 proceeding), was filed by a third party requester on January 30, 2006.

3. Reexamination was ordered in the '127 reexamination proceeding on March 24, 2006.

4. An Office action on the merits was mailed on March 24, 2006

5. On May 25, 2006, patent owner filed a reply to the Office action by the examiner.

6. On June 21, 2006, requester filed comments paper in response to patent owner's response and submitted a declaration by Dr. Joseph M. Ragosta in support of the rejection of the claims over the WO 96/37288 (the Sekine patent).

7. On July 5, 2006, patent owner submitted a petition under 37 CFR 1.181 requesting that the Office deny entry of the declaration on both procedural and substantive grounds

8. On July 26, 2006, in response to patent owner's petition, requester files a counter petition under 37 CFR 1.181, or alternatively under 37 CFR 1.182, requesting that the Office deny entry of the July 5, 2006 patent owner petition.

DECISION ON PATENT OWNER PETITION

Petitioner filed a petition under 37 CFR 1.181(a)(1) or alternatively under 37 CFR 1.181(a)(3) requesting that the Commissioner deny entry of the declaration of Dr. Joseph M. Ragosta on procedural and substantive grounds.37 CFR 1.181 provides, in relevant part:

> (a) Petition may be taken to the Director:
> (1) From any action or requirement of any examiner in the ex parte prosecution of an application, or in ex parte or inter partes prosecution of a reexamination proceeding which is not subject to appeal to the Board of Patent Appeals and Interferences or to the court;
> *****
> (3) To invoke the supervisory authority of the Director in appropriate circumstances. For petitions involving action of the Board of Patent Appeals and Interferences, see § 41.3 of this title.
> *****

Patent Owner petition is dismissed as failing to state a cause of action under 37 CFR 1.181(a)(1) or (3). In the present instance, there has been no decision by the examiner to enter and consider,

or not to enter and consider, the Ragosta declaration. A 37 CFR 1.181(a)(1) petition must be from "any action or requirement of any examiner." There has not yet been an action or requirement by the examiner as to the Ragosta declaration. The decision of a 37 CFR 1.181(a)(1) petition has been delegated to the Technology Center and Central Reexamination Unit (CRU) Directors, as the appropriate deciding officials. Should a decision on the 37 CFR 1.181(a)(1) petition be adverse to a party, 37 CFR 1.181(a)(3) provides that party with the authority to obtain supervisory review of the deciding official's decision on the 37 CFR 1.181(a)(1) petition. In this instance, there has been no decision rendered on a 37 CFR 1.181(a)(1) petition yet, for the reasons stated above. Thus, the present petition for relief under 37 CFR 1.181 is premature, and is dismissed.

In addition, the patent owner's arguments address the merits of requester's declaration in detail beginning at page 7 of the petition, and thus, provides a supplemental response on the merits. A supplemental response on the merits does not have an unfettered right to entry. Pursuant to 37 CFR 1.937(b):

> "The *inter partes* reexamination proceeding will be conducted in accordance with §§ 1.104 through 1.116, the sections governing the application examination process...."

Accordingly, the provisions of 37 CFR 1.111 apply to the response by a patent owner in an *inter partes* reexamination proceeding.

Pursuant to 37 CFR 1.111(a)(1)(2):

> "Supplemental replies. (i) A reply that is supplemental to a reply that in compliance with Sec. 1.111(b) will not be entered as a matter of right except as provided in paragraph (a)(2)(ii) of this section. The Office may enter a supplemental reply if the supplemental reply is clearly limited to:
> (A) Cancellation of a claim(s);
> (B) Adoption of the examiner suggestion(s);
> (C) Placement of the application in condition for allowance;
> (D) Reply to an Office requirement made after the first reply was filed;
> (E) Correction of informalities (e.g., typographical errors); or
> (F) Simplification of issues for appeal.
> (ii) A supplemental reply will be entered if the supplemental reply is filed within the period during which action by the Office is suspended under Sec. 1.103(a) or (c)."

In the present instance, the patent owner has not shown how 37 CFR 1.111(a)(1) (2)(i)(A)-(F) are satisfied, nor is such apparent from the record. Accordingly, the supplemental response portion of the July 5, 2006 patent owner petition would not have been entered and considered on the merits, even if it had been submitted as a paper separate from the present premature petition. [1]

---

[1] It is to be noted that 37 CFR 1.945 has now been amended to state:
" (b) Any supplemental response to the Office action will be entered only where the supplemental response is accompanied by a showing of sufficient cause why the supplemental response should be entered. The showing of

DECISION ON REQUESTER PETITION

Requester's petition that requests a denial of entry of the patent owner's petition under 37 CFR 1.181 and 1.182 is dismissed as moot, in light of the decision that patent owner's petition is premature.

CONCLUSION

1. The July 5, 2006 patent owner petition under 37 CFR 1.181 is dismissed as failing to state a cause of relief under 37 CFR 1.181.

2. The July 26, 2006 requester petition under 37 CFR 1.181 and 37 CFR 1.182 is dismissed as moot.

3. The present *inter partes* reexamination proceeding is now ready for consideration of party papers by the examiner. Accordingly, jurisdiction of the proceeding is being returned to the Central Reexamination Unit for prompt action not inconsistent with this communication.

3. Any questions relating to these petition decisions shall be directed to Kery A. Fries, Senior Legal Advisor at 571-272-7757.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

July 26, 2007
C:\kiva\kimpropa\IP\ 95_0127-181 to strike declaration not yet accepted).wpd

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sufficient cause must include:
(1) An explanation of how the requirements of § 1.111(a)(2)(i) are satisfied;
(2) An explanation of why the supplemental response was not presented together with the original response to the Office action; and
(3) A compelling reason to enter the supplemental response."
Any future supplemental response to the Office action must comply with this provision.

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CENTRAL REEXAMINATION UNIT

Kilpatrick Stockton LLP Suite 2800, 1100 Peachtree St. Atlanta Georgia 30309-4530	)	**FOR PATENT OWNER**
IP Department of DLA Piper US LLP One Liberty Place, Suite 4900 1650 Market Street Philadelphia, PA 19103	)	**FOR THIRD PARTY REQUESTER**
In re Levy Reexamination Proceeding Control No. 95/000,127 Filed May 11, 2001 Patent No. 6,662,956	)	**DECISION ON PATENT OWNER'S PETITION UNDER 37 CFR 1.181 and REQUESTER'S PETITIONS UNDER 37 1.181(A)(3) or 37 CFR 1.182**

This is a decision addressing the July 5, 2006 patent owner petition under 37 CFR 1.181, and the July 26, 2006 requester petition under 37 CFR 1.181 and 37 CFR 1.182.

The patent owner and requester petitions are before the Office of Patent Legal Administration for decision.

SUMMARY

The petition by patent owner under 37 CFR 1.181 is dismissed as failing to state a cause of relief under 37 CFR 1.181.

Requester's petition is being dismissed as moot.

BACKGROUND

1. Patent No. 6,662,956 (the '956 patent) issued on Dec. 16, 2003.

2. A request for reexamination, assigned Control No. 95/000,127 (the '127 proceeding), was filed by a third party requester on January 30, 2006.

3. Reexamination was ordered in the '127 reexamination proceeding on March 24, 2006.

4. An Office action on the merits was mailed on March 24, 2006

5. On May 25, 2006, patent owner filed a reply to the Office action by the examiner.

6. On June 21, 2006, requester filed comments paper in response to patent owner's response and submitted a declaration by Dr. Joseph M. Ragosta in support of the rejection of the claims over the WO 96/37288 (the Sekine patent).

7. On July 5, 2006, patent owner submitted a petition under 37 CFR 1.181 requesting that the Office deny entry of the declaration on both procedural and substantive grounds

8. On July 26, 2006, in response to patent owner's petition, requester files a counter petition under 37 CFR 1.181, or alternatively under 37 CFR 1.182, requesting that the Office deny entry of the July 5, 2006 patent owner petition.

DECISION ON PATENT OWNER PETITION

Petitioner filed a petition under 37 CFR 1.181(a)(1) or alternatively under 37 CFR 1.181(a)(3) requesting that the Commissioner deny entry of the declaration of Dr. Joseph M. Ragosta on procedural and substantive grounds.37 CFR 1.181 provides, in relevant part:

> (a) Petition may be taken to the Director:
> (1) From any action or requirement of any examiner in the ex parte prosecution of an application, or in ex parte or inter partes prosecution of a reexamination proceeding which is not subject to appeal to the Board of Patent Appeals and Interferences or to the court;
> *****
> (3) To invoke the supervisory authority of the Director in appropriate circumstances. For petitions involving action of the Board of Patent Appeals and Interferences, see § 41.3 of this title.
> *****

Patent Owner petition is dismissed as failing to state a cause of action under 37 CFR 1.181(a)(1) or (3). In the present instance, there has been no decision by the examiner to enter and consider,

or not to enter and consider, the Ragosta declaration. A 37 CFR 1.181(a)(1) petition must be from "any action or requirement of any examiner." There has not yet been an action or requirement by the examiner as to the Ragosta declaration. The decision of a 37 CFR 1.181(a)(1) petition has been delegated to the Technology Center and Central Reexamination Unit (CRU) Directors, as the appropriate deciding officials. Should a decision on the 37 CFR 1.181(a)(1) petition be adverse to a party, 37 CFR 1.181(a)(3) provides that party with the authority to obtain supervisory review of the deciding official's decision on the 37 CFR 1.181(a)(1) petition. In this instance, there has been no decision rendered on a 37 CFR 1.181(a)(1) petition yet, for the reasons stated above. Thus, the present petition for relief under 37 CFR 1.181 is premature, and is dismissed.

In addition, the patent owner's arguments address the merits of requester's declaration in detail beginning at page 7 of the petition, and thus, provides a supplemental response on the merits. A supplemental response on the merits does not have an unfettered right to entry. Pursuant to 37 CFR 1.937(b):

> "The *inter partes* reexamination proceeding will be conducted in accordance with §§ 1.104 through 1.116, the sections governing the application examination process...."

Accordingly, the provisions of 37 CFR 1.111 apply to the response by a patent owner in an *inter partes* reexamination proceeding.

Pursuant to 37 CFR 1.111(a)(1)(2):

> "Supplemental replies. (i) A reply that is supplemental to a reply that in compliance with Sec. 1.111(b) will not be entered as a matter of right except as provided in paragraph (a)(2)(ii) of this section. The Office may enter a supplemental reply if the supplemental reply is clearly limited to:
> (A) Cancellation of a claim(s);
> (B) Adoption of the examiner suggestion(s);
> (C) Placement of the application in condition for allowance;
> (D) Reply to an Office requirement made after the first reply was filed;
> (E) Correction of informalities (e.g., typographical errors); or
> (F) Simplification of issues for appeal.
> (ii) A supplemental reply will be entered if the supplemental reply is filed within the period during which action by the Office is suspended under Sec. 1.103(a) or (c)."

In the present instance, the patent owner has not shown how 37 CFR 1.111(a)(1) (2)(i)(A)-(F) are satisfied, nor is such apparent from the record. Accordingly, the supplemental response portion of the July 5, 2006 patent owner petition would not have been entered and considered on the merits, even if it had been submitted as a paper separate from the present premature petition. [1]

---

[1] It is to be noted that 37 CFR 1.945 has now been amended to state:
" (b) Any supplemental response to the Office action will be entered only where the supplemental response is accompanied by a showing of sufficient cause why the supplemental response should be entered. The showing of

DECISION ON REQUESTER PETITION

Requester's petition that requests a denial of entry of the patent owner's petition under 37 CFR 1.181 and 1.182 is dismissed as moot, in light of the decision that patent owner's petition is premature.

CONCLUSION

1. The July 5, 2006 patent owner petition under 37 CFR 1.181 is dismissed as failing to state a cause of relief under 37 CFR 1.181.

2. The July 26, 2006 requester petition under 37 CFR 1.181 and 37 CFR 1.182 is dismissed as moot.

3. The present *inter partes* reexamination proceeding is now ready for consideration of party papers by the examiner. Accordingly, jurisdiction of the proceeding is being returned to the Central Reexamination Unit for prompt action not inconsistent with this communication.

3. Any questions relating to these petition decisions shall be directed to Kery A. Fries, Senior Legal Advisor at 571-272-7757.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

July 26, 2007
C:\kiva\kimpropa\IP\ 95_0127-181 to strike declaration not yet accepted).wpd

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sufficient cause must include:
(1) An explanation of how the requirements of § 1.111(a)(2)(i) are satisfied;
(2) An explanation of why the supplemental response was not presented together with the original response to the Office action; and
(3) A compelling reason to enter the supplemental response."
Any future supplemental response to the Office action must comply with this provision.

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,127	01/30/2006	6662956	GTI-06-1004	9697

21839 7590 10/01/2009

BUCHANAN, INGERSOLL & ROONEY PC
POST OFFICE BOX 1404
ALEXANDRIA, VA 22313-1404

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 10/01/2009

Please find below and/or attached an Office communication concerning this application or proceeding.

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CONTROL NO.	FILING DATE	PATENT IN REEXAMINATION	ATTORNEY DOCKET NO.
95/000,127	01/30/06	6662956	GTI-06-1004

EXAMINER
JOHNSON, JERRY

ART UNIT	PAPER
3991	

PATENT GROUP
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DATE MAILED:

10/01/09

INTER PARTES REEXAMINATION COMMUNICATION

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All correspondence relating to this *inter partes* reexamination proceeding should be directed to the **Central Reexamination Unit** at the mail, FAX, or hand-carry addresses given at the end of this communication.

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CONTROL NO.	FILING DATE	PATENT IN REEXAMINATION	ATTORNEY DOCKET NO.
95/000,127	01/30/06	6662956	GTI-06-1004

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EXAMINER
JOHNSON, JERRY

ART UNIT	PAPER
3991	

DATE MAILED:

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Kilpatrick Stockton LLP Suite 2800, 1100 Peachtree St. Atlanta Georgia 30309-4530	: FOR PATENT OWNER
IP Department of DLA Piper US LLP One Liberty Place, Suite 4900 1650 Market Street Philadelphia, PA 19103	: FOR THIRD PARTY : REQUESTER

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OCT 01 2009

CENTRAL REEXAMINATION UNIT

In re Levy Reexamination Proceeding Control No. : 95/000,127 Filed : May 11, 2001 Patent No. 6,662,956	: DECISION ON PATENT : OWNER'S PETITIONS UNDER : 37 CFR 1.181 and : REQUESTER'S PETITIONS : UNDER 37 CFR 1.181

This is a decision addressing Patent Owner's petitions, filed March 14, 2008 under 37 CFR 1.181, and third party Requester's petitions, filed April 11, 2008 under 37 CFR 1.181.

The petitions are before the Director of the Central Reexamination Unit for decision.

SUMMARY

Patent Owner's petitions are DENIED.

Requester's petitions are DISMISSED as moot.

BACKGROUND

1. Patent No. 6,662,956 (the '956 patent) issued on Dec. 16, 2003.

2. A request for reexamination, assigned Control No. 95/000,127 (the '127 proceeding), was filed by a third party Requester on January 30, 2006.

3. Reexamination was ordered in the '127 reexamination proceeding on March 24, 2006.

4. An Office action on the merits was mailed on March 24, 2006.

5. On May 25, 2006, Patent Owner filed a reply to the Office action by the examiner.

6. On June 21, 2006, Requester filed comments in response to Patent Owner's response and submitted a declaration by Dr. Joseph M. Ragosta in support of the rejection of the claims over WO 96/37288 ("Sekine").

7. On July 5, 2006, Patent Owner submitted a petition under 37 CFR 1.181 requesting that the Office deny entry of the declaration on both procedural and substantive grounds.

8. On July 26, 2006, in response to Patent Owner's petition, Requester filed two counter petitions under 37 CFR 1.181, or alternatively under 37 CFR 1.182, requesting that the Office deny entry of the July 5, 2006 patent owner petition and enter Requester's comments.

9. On July 27, 2007, the Office mailed a petition decision dismissing both parties' petitions.

10. On February 15, 2008, the Office mailed an action closing prosecution.

11. On March 14, 2008, Patent Owner filed two petitions under 37 CFR 1.181. The first petition again requests that the Office deny entry of the Ragosta declaration. The second petition asserts that the action closing prosecution was improper and requests that prosecution be reopened.

12. On April 11, 2008, Requester filed two petitions under 37 CFR 1.181 requesting that the Office deny Patent Owner's petitions.

DECISION ON PATENT OWNER PETITIONS

A. PETITION TO EXCLUDE THE RAGOSTA DECLARATION

1. Patent Owner asserts that there is no procedural basis for a requester to file a declaration in comments on the patent owner's response.

Patent Owner's position is not supported by statute, regulation or the guidance of the MPEP. MPEP 2617(II) states:

> Affidavits or declarations or other written evidence which explain the contents or pertinent dates of prior art patents or printed publications in more detail may be considered in any reexamination.

As pointed out in the decision of *In re Chambers*, 20 USPQ2d 1470 (Comr. Pats. 1991), the reexamination statute provides for evidentiary affidavits and declarations to help define the scope and content of the prior art.

> "After reexamination has been ordered, the examination on the merits is dictated by §305. Section 305 specifically provides that 'reexamination will be conducted according to the procedures established for initial examination under the provisions of sections 132 and 133 of this title.' *See also In re Etter*, 756 F.2d 852, 856, 225 USPQ 1,4 (Fed. Cir.) (en banc), *cert. denied*, 474 U.S. 828 (1985).
>
> 'Section 132 provides:
>
> > Whenever, on examination, any claim for a patent is rejected, or any objection or requirement made, the Commissioner shall notify the applicant thereof, stating the reasons for such rejection, or objection or requirement, together *with such information* and references as may be useful in judging of the propriety of continuing the prosecution of his application .... (emphasis added).'
>
> A rejection of a claim in a reexamination proceeding must be based upon patents and/or printed publications. It would be contrary to §§ 305 and 132 to preclude consideration of other 'information' (e.g., affidavits, declarations and transcripts) to help define the scope and content of the prior art, or to establish that a claimed invention is not anticipated under 35 U.S.C. § 102 or unpatentable under 35 U.S.C. § 103 based on obviousness."

The Federal Circuit's decision of *In re Baxter Travenol Labs*, 952 F.2d 388, 21 USPQ2d 1281(Fed. Cir. 1992) applied the *Chambers* principle that affidavits and declarations are proper to help define the scope and content of the prior art, as follows :

> "Baxter argues that these depositions, declarations, and admissions are extrinsic evidence, which may not be considered when determining the anticipatory teaching of a reference. This is incorrect. Baxter acknowledges, as it must, that extrinsic evidence may be considered when it is used to *explain, but not expand*, the meaning of a reference." [21 USPQ2d at 1284] [Emphasis added]

The Ragosta declaration falls within the scope of what is permissible as set forth in the decisions cited above. Requester originally asserted that certain claims were unpatentable under § 102 or § 103 over Sekine, and the examiner adopted this rejection in the Office action of March 24, 2006. Additional rejections were adopted based on Sekine in combination with other references. Patent Owner's response of May 25, 2006 includes attorney arguments regarding what Sekine does or does not disclose. The Ragosta declaration was submitted as part of Requester's comments filed June 21, 2006, and attempts to explain what the Sekine disclosure would have meant to one skilled in the art. Specifically, sections 1-7 of the declaration establish the declarant's credentials as one

skilled in the art. Sections 9 and 12 are the declarant's assessment of the level of ordinary skill in the art and the meaning of the word "purification" to the skilled artisan, respectively. Sections 8, 10, 11 and 13-18 are declarant's opinion of what one skilled in the art would understand the Sekine reference to disclose, i.e. that the skilled artisan would view the Sekine disclosure to encompass three dimensional filter blocks known in the art for years prior to the filing date of the '956 patent. Patent Owner's arguments fail to demonstrate how Requester has "expanded" the meaning of the Sekine reference.

Patent Owner argues that the regulations do not provide a procedure for a requester to submit declarations under 37 CFR 1.132 after the request has been filed. This argument is not persuasive because the case law cited above indicates that there is a place for requester-provided declarations in reexamination proceedings. While the legal precedent considered *ex parte* reexamination, it also applies to *inter parte* reexaminations. Moreover, there is no provision in the regulations that prohibits a requester from filing a declaration as part of its comments on patent owner's response to an Office action.

Patent Owner argues that Requester could (or should) have submitted the Ragosta declaration as part of the request for reexamination. Although the declaration could have been submitted as part of the request, this argument is illogical because the Ragosta declaration was submitted as part of Requester's rebuttal to Patent Owner's characterization of the Sekine reference. Requester could not have known in advance what statements Patent Owner would make. Requester is entitled to present a declaration as part of its comments, so long as the declaration does not go beyond explaining the prior art reference in question or rebutting Patent Owner's response.

Patent Owner argues that there was little opportunity to prepare a response to the Ragosta declaration. This argument is not persuasive for several reasons. First, Patent Owner did respond at length to the Ragosta declaration in the comments submitted March 14, 2008. Second, Requester was able to obtain the Ragosta declaration and produce a response to Patent Owner's submission within one month, the same time period allotted for Patent Owner response after the action closing prosecution, which demonstrates that Patent Owner could have submitted its own declaration under 37 CFR 1.132 had it chosen to do so. And as Requester notes, Patent Owner was in possession of the Ragosta declaration for over 20 months before its response to the action closing prosecution was due. It is true that a patent owner may not amend the claims as a matter of right after an action closing prosecution. But since the examiner did not change his position in any of the rejections relying on Sekine, any amendment Patent Owner might proffer at this point would not be necessitated by the Ragosta declaration.

2. Patent Owner asserts that Declarant's opinions are unrelated to interpreting the Sekine disclosure.

This line of argument is not convincing. Patent Owner admits that Declarant's opinions are limited to factual inquiries, not legal conclusions (petition, p. 10). Patent Owner complains that Declarant merely provides opinion on "what one of ordinary skill in the art would understand." Because one of ordinary skill in the art is a hypothetical person,

one can not "prove" what such a person knew or recognized. Therefore any declarant could only offer an opinion as to how the skilled artisan would interpret the Sekine reference.

3. Patent Owner asserts that the Ragosta declaration is unreliable.

Patent Owner argues that the Ragosta declaration is "unreliable" for a number of reasons, including the fact that Ragosta was once employed by Requester. In response, the patent laws provide for the use of evidentiary affidavits and declarations, which may be submitted by various parties including an assignee/owner of the patent or an inventor. As pointed out above, the use of evidentiary affidavits and declarations in a reexamination proceeding is provided for by statute, for the purposes stated above. Since evidentiary affidavits and declarations are explicitly permitted, the possibility that an interested party might have a bias toward the issue cannot prevent the use of such evidence in patent procedure. Rather, the potential for bias is a factor that is taken into account in evaluating the evidence and challenging the proffered evidence as may be appropriate. In the present instance, the patent owner is free to challenge the evidence presented by the third party requester and the totality of the evidence will be evaluated. Essentially all of Patent Owner's arguments have, in fact, been repeated in Patent Owner's response of March 14, 2008 and will be considered by the examiner before the next Office action is issued.

B. PETITION TO REOPEN PROSECUTION

1. Patent Owner argues that the examiner substantially modified his positions in the action closing prosecution.

Patent Owner asserts that the new ground of rejection under 35 U.S.C. § 112, second paragraph, requires that prosecution be reopened. 37 CFR 1.949 states, in part:

> An Office action will not usually close prosecution if it includes a new ground of rejection which was not previously addressed by the patent owner, *unless the new ground was necessitated by an amendment.* [emphasis added]

The indefiniteness rejection was made over the terms "porous water filter block" and "porous block for water" (Office action of February 15, 2008, pp. 4-5). These terms were not present in the claims until Patent Owner inserted them with the amendment of May 25, 2006. Thus the rejection was clearly necessitated by an amendment and closure of prosecution was proper.

Patent Owner argues that the examiner has modified his position in the § 103 rejection over Hirade and Sekine by relying on the Ragosta declaration. This argument is not persuasive absent any explanation of how the examiner's position was modified. There is no new ground of rejection where the basic thrust of the examiner's rejection remains the same. See MPEP 1207.03 (III). In the first Office action, the examiner stated that the product of Sekine can take various forms. In the action closing prosecution the thrust of the rejection remain the same, but the examiner relies on the Ragosta declaration in stating that the Sekine product could be a block. This is addressing the new claim

limitations added by Patent Owner's amendment. Therefore even if this were deemed a new ground of rejection, it was necessitated by amendment and so closing prosecution is permitted.

2. Patent Owner argues that the equities in this case support reopening.
Patent Owner asserts that the examiner did not give adequate consideration to its arguments regarding the § 103 rejection over Sugimoto in combination with Sekine. Review of the record reveals that the examiner was correct in concluding that Patent Owner's arguments regarding "sintering" are not pertinent. Patent Owner was arguing against a position never taken by the examiner. Patent Owner argued that it would not be possible to make the product of Sekine by the method of Sugimoto, but the examiner never used the references in this way. In fact the examiner explicitly stated, "While activated carbon, as argued above, is a known component of filters, there is no motivation to substitute activated carbon as taught by Hirade et al. or Sekine et al. for the carbon sintering assistant taught by Sugimoto." (See Office action of March 24, 2006, paragraph bridging pp. 12-13.) The examiner is not required to address such "straw man" arguments.

DECISION ON REQUESTER'S PETITIONS

Requester's petitions are moot in view of the decisions on Patent Owner's petitions.

CONCLUSION

1. Patent Owner's petitions filed March 14, 2008 are **DENIED** for the reasons discussed above.

2. Requester's petitions filed April 11, 2008 are **DISMISSED** as moot.

3. The present *inter partes* reexamination proceeding is being returned to the examiner for consideration of both parties' replies to the action closing prosecution.

4. Telephone inquiries related to this decision should be directed to Deborah Jones, Supervisory Patent Examiner, at (571) 272-1535, or in her absence to the undersigned at (571) 272-3838.

for Deborah Jones

Gregory A. Morse
Director
Central Reexamination Unit

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COMMISSIONER FOR PATENTS
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CONTROL NO.	FILING DATE	PATENT IN REEXAMINATION	ATTORNEY DOCKET NO.
95/000,128	02/01/06	6,840,088	

EXAMINER
BOMBERG, K.

ART UNIT	PAPER
3993	

MARILYN M. HUSTON
WONG, CABELLO, LUTSCH, RUTHERFORD ET AL
20333 SH 249
SUITE 600
HOUSTON, TX 77070

DATE MAILED:

01/19/07

INTER PARTES REEXAMINATION COMMUNICATION

BELOW/ATTACHED YOU WILL FIND A COMMUNICATION FROM THE UNITED STATES PATENT AND TRADEMARK OFFICE OFFICIAL(S) IN CHARGE OF THE PRESENT REEXAMINATION PROCEEDING.

All correspondence relating to this *inter partes* reexamination proceeding should be directed to the **Central Reexamination Unit** at the mail, FAX, or hand-carry addresses given at the end of this communication.

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(THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS)

RICHARD T. REDANO
DUANE MORRIS, LLP
3200 SOUTHWEST FRWY, #3150
HOUSTON, TX 77027

Transmittal of Communication to Third Party Requester *Inter Partes* Reexamination

REEXAMINATION CONTROL NUMBER *95/000,128*.

PATENT NUMBER *6,840,088*.

TECHNOLOGY CENTER *3999*.

ART UNIT *3993*.

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above-identified reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the *inter partes* reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an *ex parte* reexamination has been merged with the *inter partes* reexamination, no responsive submission by any *ex parte* third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the **Central Reexamination Unit** at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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HOUSTON, TX 77070

Richard T. Redano (For Third Party Requester)
DUANE MORRIS, LLP
3200 Southwest Frwy, #3150
HOUSTON, TX 77027

In re Patent under reexamination 6840088
Reexam Control No.: 95/000,128
Filed: February 01, 2006
For: Subsea Vehicle Assisted Pumping Skid Packages

RESPONSE TO PETITION UNDER 37 CFR 1.59

This is a response to the petition under 37 CFR 1.59(b), filed June 14, 2006, and the corrected petition under 37 CFR 1.59(b), filed July 7, 2006, to expunge information from the above identified reexamination proceeding.

The decision on the petition will be held in abeyance until the mailing of the Notice of Intent to Issue Reexamination Certificate (NIRC), at which time the petition will be decided.

Petitioner requests that the following documents, filed June 14, 2006, be expunged from the record:

1. Macaroni Deepwater Development Manual
2. Email from JOHN EVERARD to Mike Dupre regarding the Brazil Project dated January 8, 2002
3. Deposition transcript of Mr. GEORGE ERIC ENGELMANN
4. Deposition transcript of MIKE DUPRE dated September 3, 2004, Volume 2.
5. Deposition transcript of MIKE DUPRE dated August 30, 2004, Volume 1.
6. Deposition transcript of JOHN EVERARD dated September 29, 2004.
7. Power Point rebuttal by CHARLES YEMINGTON, technical expert for Valkyrie.
8. Settlement Agreement

Petitioner states either: (A) that the information contains trade secret material, proprietary material and/or material that is subject to a protective order which has not been made public; or (B) that the information submitted was unintentionally submitted and the failure to obtain its return would cause irreparable harm to the party who submitted the information or to the party in interest on whose behalf the information was submitted, and the information has not otherwise been made public. The petition fee set forth in 37 CFR 1.17(g) has been paid.

The decision on the petition is held in abeyance because prosecution on the merits is not closed. Accordingly, it is not appropriate to make a final determination of whether or not the material requested to be expunged is "material," with "materiality" being defined as any information which the examiner considers as being important to a determination of patentability of the claims. Thus, the decision on the petition to expunge must be held in abeyance at this time.

During prosecution on the merits, the examiner will determine whether or not the identified document is considered to be "material." If the information is not considered by the examiner to be material, the information will be removed from the official file.

Telephonic questions regarding this correspondence may be directed to Jeanne Clark at (571) 272-7714, or in her absence, to the undersigned.

Lissi Mojica Marquis
Director
Central Reexamination Unit
(571) 272-1596

UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,129	02/10/2006	6377179	002721-0062-601	6860

23992 7590 12/12/2008

LAW OFFICES OF MARK E WIEMELT, PC
10 SOUTH LASALLE STREET, STE. 3300
CHICAGO, IL 60603

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 12/12/2008

Please find below and/or attached an Office communication concerning this application or proceeding.

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www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,129	02/10/2006	6377179	002721-0062-601	6860

23992 7590 12/12/2008

EXAMINER

J. Steven Baughman
Fish & Neave IP Group
Ropes & Gray LLP
One International Place
Boston, MA 02110-2624

ART UNIT	PAPER NUMBER

DATE MAILED: 12/12/2008

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United States Patent and Trademark Office
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Alexandria, VA 22313-1450
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LAW OFFICES OF MARK E WIEMELT, PC 10 SOUTH LASALLE STREET STE. 3300 CHICAGO IL 60603	:	(For Patent owner)
J. Steven Baughman ROPES & GRAY LLP PATENT DOCKETING 39/41 ONE INTERNATIONAL PLACE BOSTON, MA 02110-2624	:	(For Third Party Requester)
	:	DECISION DISMISSING PETITION FOR EXTENSION OF TIME [37 CFR § 1.956]
In re: Fulton *Inter Partes* Reexamination Proceeding Control No. 95/000,129 Deposited on: 10 February 2006 For: US Patent No. 6,377,179	:	

MAILED

DEC 12 2008

CENTRAL REEXAMINATION UNIT

This is a decision on the 20 October 2008, patent owner "Request for Reconsideration of Petition for an Extension of Time Pursuant to 37 CFR § 1.956," requesting that the time for responding to the Office action mailed 13 April 2006 to be extended by one-month be reconsidered..

The petition is before the Director of the Central Reexamination Unit for consideration.

The petition is Dismissed for the reasons set forth below.

Statement of Relevant Facts

1. On 10 February 2006 a request was deposited for *inter partes* reexamination with the Office.

2. On 13 February 2006 a Notice of *Inter Partes* Request Filing Date was mailed.

3. On 13 April 2006 an Order Granting Request for Inter Partes Reexamination was mailed with a first Office action on the merits.

4. On 12 June 2006 a timely filed petition for extension of time was received.

5 On 17 July 2006 a response to the Office action was received from the patent owner.

6. On 9 October 2008 a petition decision dismissing the request for extension of time was mailed.

7. On 20 October 2008 a Request for Reconsideration of Petition for an Extension of Time was received.

Discussion

The Patent Owner requested a one (1) month extension of time on 12 June 2006 in which to file a response to the non-final Office action was mailed 13 April 2006. The non-final Office action provided a two (2) month period for response. The petition filed 12 June 2006 was dismissed. The present petition for extension of time was filed on 20 October 2008. The petition request authorizes payment for the $200 petition fee under 37 CFR §1.17 (g). This is a request for reconsideration for the extension of time.

> *37 CFR § 1.956. Patent owner extensions of time in inter partes reexamination. The time for taking any action by a patent owner in an inter partes reexamination proceeding will be extended only for sufficient cause and for a reasonable time specified. Any request for such extension must be filed on or before the day on which action by the patent owner is due, but in no case will the mere filing of a request effect any extension. Any request for such extension must be accompanied by the petition set forth in § 1.17(g). See § 1.304(a) for extensions of time for filing a notice of appeal to the U.S. Court of Appeals for the Federal Circuit.*

Addressing the requirement of 37 CFR § 1.956 to make a showing of "sufficient cause" to grant an extension request, MPEP § 2665 states, in pertinent part:

> As noted above, a request for extension of time under 37 CFR § 1.956 will be granted only for sufficient cause, ...
>
> Evaluation of whether "sufficient cause" has been shown for an extension must be made by **balancing** the desire to provide the patent owner with a fair opportunity to respond, **against** the requirement of the statute, 35 U.S.C. § 314(c), that the proceedings be conducted with special dispatch. ...

Any petition request must include the required petition fee as set forth according to 37 CFR § 1.17 (g) and 37 CFR § 1.956.

Decision

The request for reconsideration is noted. The patent owner is reminded that 37 CFR 1.956 states in-part "Any request for such extension must be filed on or before the day on which action by the patent owner is due..." As a consequence the request for reconsideration is dismissed as not being timely filed. Since there was no extension of time granted to the original period for response, the response by the patent owner is not timely and will not be considered.

The patent owner is reminded pursuant to MPEP § 2668 that in an inter partes reexamination proceeding if the patent owner fails to file a timely and appropriate response to any Office action and since claims 1, 2, 4-9, 11-19 are not allowable, then pursuant to 37 CFR 1.957(b), the prosecution of the reexamination proceeding is terminated, and a certificate under 37 CFR 1.997 will be issued canceling the non-allowed claims of the patent.

Should the patent owner wish to petition for revival, 37 CFR § 1.137 is the authority for such revivals and MPEP2668 may be consulted.

The petition for extension of time is hereby dismissed.

Conclusion

1. The Patent Owner's petition for reconsideration of the extension of time filed on 20 October 2008 is **dismissed** as untimely.

2. The period for response is not extended beyond the shortened statutory period for response of two (2) months as recited in the outstanding Office action mailed 13 April 2006.

3. The proceeding is hereby returned to the examiner in charge of the proceeding for final disposition.

4 All correspondence involving this proceeding may be addressed to the following:

By Mail to: Mail Stop *Ex Parte* Reexam
Central Reexamination Unit
Commissioner for Patents
United States Patent & Trademark Office
P. O. Box 1450
Alexandria, VA 22313-1450

By Fax to: (571) 273-9900
Central Reexamination Unit

By Hand: Customer Service Window
Randolph Building
401 Dulany Street
Alexandria, VA 22314

By EFS: Registered users of EFS-Web may alternatively submit such correspondence via the electronic filing system EFS-Web, at https://sportal.uspto.gov/authenticate/authenticateuserlocalepf.html. EFS-Web offers the benefit of quick submission to the particular area of the Office that needs to act on the correspondence. Also, EFS-Web submissions are "soft scanned" (i.e., electronically uploaded) directly into the official file for the reexamination proceeding, which offers parties the opportunity to review the content of their submissions after the "soft scanning" process is complete.

4. Telephone inquiries with regard to this decision should be directed to Mark Reinhart, at (571) 272-1611, Supervisory Patent Examiner, in the absence of Mark Reinhart calls may be directed to Eric Keasel, at (571) 272-4929, or Jessica Harrison, at (571) 272-4449, Supervisory Patent Examiners in the Central Reexamination Unit, Art Unit 3992.

/Mark Reinhart/
for

Gregory Morse,
Director,
Central Reexamination Unit

UNITED STATES PATENT AND TRADEMARK OFFICE

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,129	02/10/2006	6377179	002721-0062-601	6860

23992 7590 03/09/2009

LAW OFFICES OF MARK E WIEMELT, PC
10 SOUTH LASALLE STREET, STE. 3300
CHICAGO, IL 60603

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 03/09/2009

Please find below and/or attached an Office communication concerning this application or proceeding.

UNITED STATES PATENT AND TRADEMARK OFFICE

Commissioner for Patents
United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450
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Law Offices of Mark E. Wiemelt, PC (For Patent Owner)
10 South LaSalle Street
Suite 3300
Chicago, IL 60603

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MAR 0 9 2009
CENTRAL REEXAMINATION UNIT

Ropes & Gray LLP (For Requester)
One International Place
Boston, MA 02110-2624

In re John G. Fulton :
Inter Partes Reexamination Proceeding : **DECISION**
Control No. 95/000,129 : **GRANTING**
Filed: February 10, 2006 : **PETITION UNDER**
For: U.S. Patent No. 6,377,179 : **37 CFR 1.137(b)**

This is a decision on the December 22, 2008 patent owner petition under 37 CFR 1.137(b) to revive an unintentionally terminated reexamination proceeding ("the December 22, 2008 patent owner petition to revive").

The December 22, 2008 patent owner petition to revive is before the Office of Patent Legal Administration (OPLA) for consideration.

The petition fee of $810.00 (small entity) set forth in 37 CFR 1.17(m) for the present petition under 37 CFR 1.137(b) has been paid.

SUMMARY

The December 22, 2008 patent owner petition to revive is **granted**.

The February 23, 2009 Notice of Intent to Issue a Reexamination Certificate (NIRC) based on the termination of prosecution for failure to timely respond is **withdrawn**.

STATUTES, REGULATIONS, AND PATENT EXAMINING PROCEDURES

35 U.S.C. 41(a)(7) provides, in pertinent part:

> REVIVAL FEES. — On filing each petition ... for an unintentionally delayed response by the patent owner in any reexamination proceeding ...

35 U.S.C. 133 provides:

Upon failure of the applicant to prosecute the application within six months after any action therein, of which notice has been given or mailed to the applicant, or within such shorter time, not less than thirty days, as fixed by the Director in such action, the application shall be regarded as abandoned by the parties thereto, unless it be shown to the satisfaction of the Director that such delay was unavoidable.

35 U.S.C. 314(a) provides, in pertinent part:

IN GENERAL. — Except as otherwise provided in this section, reexamination shall be conducted according to the procedures established for initial examination under the provisions of sections 132 and 133 of this title.

37 CFR 1.137 provides, in pertinent part:

(b) *Unintentional.* If the delay in reply by ... patent owner was unintentional, a petition may be filed pursuant to this paragraph to revive ... a reexamination prosecution terminated under §§ 1.550(d) or 1.957(b) or limited under § 1.957(c) .... A grantable petition pursuant to this paragraph must be accompanied by:

(1) The reply required to the outstanding Office action or notice, unless previously filed;
(2) The petition fee as set forth in § 1.17(m);
(3) A statement that the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to this paragraph was unintentional. The Director may require additional information where there is a question whether the delay was unintentional ....

*
*

(d) *Terminal disclaimer.*

*
*

(3) The provisions of paragraph (d)(1) of this section do not apply to ... reexamination proceedings.

37 CFR 1.945(a) provides, in pertinent part:

The patent owner will be given at least thirty days to file a response to any Office action on the merits of the *inter partes* reexamination.

37 CFR 1.957(c) provides, in pertinent part:

If claims are found patentable and the patent owner fails to file a timely and appropriate response to any Office action in an *inter partes* reexamination proceeding, further prosecution will be limited to the claims found patentable at the time of the failure to

respond, and to any claims added thereafter which do not expand the scope of the claims which were found patentable at that time.

37 CFR 1.958(b) provides, in pertinent part:

Any response by the patent owner not timely filed in the Office may be accepted if the delay was unintentional. A grantable petition to accept an unintentionally delayed response must be filed in compliance with § 1.137(b).

MPEP 2668 provides, in pertinent part:

II. PETITION BASED ON UNINTENTIONAL DELAY

The unintentional delay fee provisions of 35 U.S.C. 41(a)(7) are imported into, and are applicable to, any reexamination proceeding by Sec. 4605(a) of the American Inventors Protection Act of 1999. Accordingly, the Office will consider, in appropriate circumstances, a petition showing unintentional delay under 37 CFR 1.137(b) where untimely papers are filed by the patent owner subsequent to the order for reexamination. Any such petition must provide a verified statement that the delay was unintentional, a proposed response to continue prosecution (unless it has been previously filed), and the petition fee required by 37 CFR 1.17(m).
*
*

IV. FURTHER DISCUSSION OF THE PETITION REQUIREMENTS

See also MPEP § 711.03(c), subsection III, for a detailed discussion of the requirements of petitions filed under 37 CFR 1.137(a) and (b).

DECISION

The Petition Under 37 CFR 1.137(b) is Granted

A grantable petition under 37 CFR 1.137(b) must be accompanied by: (1) a response to the outstanding Office action; (2) the petition fee set forth in 37 CFR 1.17(m); and (3) a proper statement under 37 CFR 1.137(b)(3) that the entire delay in filing the required response from the due date of the response to the filing of a grantable petition was unintentional. A petition fee and a proper statement under 37 CFR 1.137(b)(3) have been submitted with the December 22, 2008 patent owner petition to revive, which satisfy items (2) and (3), respectively.

Regarding item (1), this reexamination proceeding prosecution was terminated due to the failure to timely submit a response to the April 13, 2006 Office action pursuant to 37 CFR 1.945(a). 37 CFR 1.945(a) provides that the patent owner will be given at least thirty days to file a response to any Office action on the merits of the *inter partes*

reexamination. The April 13, 2006 Office action set a two-month period for response. A response to the April 13, 2006 Office action was not filed until July 17, 2006, which was untimely. However, for the purpose of evaluating whether the December 22, 2008 patent owner petition to revive is a grantable petition, the submission of the July 17, 2006 response satisfies item (1).

Accordingly, the December 22, 2008 patent owner petition to revive is **granted**.

The February 23, 2009 Notice of Intent to Issue a Reexamination Certificate (NIRC) based on the termination of prosecution for failure to timely respond is **withdrawn**.

CONCLUSION

1. The December 22, 2008 patent owner petition under 37 CFR 1.137(b) to revive is **granted**.

2. The February 23, 2009 Notice of Intent to Issue a Reexamination Certificate (NIRC) based on the termination of prosecution for failure to timely respond is **withdrawn**.

3. Patent owner's response to the April 13, 2006 Office action is hereby entered in the record, thus triggering a comment right for third party requester under 37 CFR 1.947. Accordingly, third party requester may file comments to patent owner's response as per 37 CFR 1.947 within 30 days of the mailing date of this decision.

4. Jurisdiction over this reexamination proceeding is being returned to the Central Reexamination Unit, Art Unit 3992, to await requester's comments under 37 CFR 1.947, or the expiration of the time to file such comments, after which the examiner will issue a new Office action to replace the withdrawn February 23, 2009 NIRC.

5. Any inquiry concerning the examination of the reexamination proceeding should be directed to the primary examiner, Majid Banankhah, of CRU Art Unit 3992, at (571) 272-3770.

6. Any inquiry concerning this decision should be directed to Raul Tamayo, Legal Advisor, at (571) 272-7728.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

mcd

UNITED STATES PATENT AND TRADEMARK OFFICE

Commissioner for Patents
United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450
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Ephraim Starr, Division General Counsel Honeywell International Inc./Patent Services 101 Columbia Road Morristown, NJ 07962	:	For Patent Owner
Kenyon and Kenyon One Broadway New York, NY US 10004	:	For Requester

MAILED
JUN 02 2006
REEXAM UNIT

In re: Arnold *Inter Partes* Reexamination Proceeding Control No. 95/000,130 Filed: February 7, 2006 For: US Patent No. 6,672,059	:	DECISION DISMISSING PETITION FOR EXTENSION OF TIME [37 CFR 1.956)]

This is a decision on the May 30, 2006, patent owner "Request for Extension of Time." requesting that the time for responding to the Office action dated April 4, 2006, be extended by one month.

The petition is before the Director of the Central Reexamination Unit for consideration.

The petition is dismissed as incomplete for the reasons set forth below.

Decision

The Patent Owner requests an extension of time in which to file a response to the Office action dated April 4, 2006, which set a two month date for filing a response thereto. The Office action is a non-final Office action, and the request for extension is the first request for an extension of time with respect to the outstanding Office action. The present petition for extension of time was timely filed on May 30, 2006, together with authorization to debit a deposit account for the $200.00 petition fee as set forth in 37 CFR 1.956

37 CFR 1.956. Patent owner extensions of time in inter partes reexamination.

> *The time for taking any action by a patent owner in an inter partes reexamination proceeding will be extended only for sufficient cause and for a reasonable time specified. Any request for such extension must be filed on or before the day on which action by the patent owner is due, but in no case will the mere filing of a request effect any extension. Any request for such extension must be accompanied by the petition set forth in § 1.17(g). See § 1.304(a) for extensions of time for filing a notice of appeal to the U.S. Court of Appeals for the Federal Circuit.*

Addressing the requirement of 37 CFR 1.956 to make a showing of "sufficient cause" to grant an extension request, MPEP § 2665 states, in pertinent part:

> As noted above, a request for extension of time under 37 CFR 1.956 will be granted only for sufficient cause, ...
>
> Evaluation of whether "sufficient cause" has been shown for an extension must be made by **balancing** the desire to provide the patent owner with a fair opportunity to respond, **against** the requirement of the statute, 35 U.S.C. 314(c), that the proceedings be conducted with special dispatch. ...

Any request for an extension of time in a reexamination proceeding must fully state the reasons therefore. The reasons should include a statement of what action the patent owner has taken, and why in spite of the action taken thus far, the additional time is needed.

The patent owner has noted that the client is involved in various patent related actions out of state. On balance it has not been demonstrated that there is "sufficient cause" to grant the extension of time. Further there is no showing as to what action the petitioner has taken thus far and in spite of the action taken, an extension of time is required.

In order to complete the present petition for extension, the patent owner must renew the petition and provide the above-identified requisite information to enable the Director of the Central Reexamination Unit to determine whether there is "sufficient cause" to grant the patent owner's request for an extension.

Conclusion

1. The patent owner's petition for extension of time filed on May 30, 2006 is dismissed as incomplete.

2. The patent owner is invited to file a renewed petition for extension of time, without additional fee, addressing the matters raised above. The renewed petition would be directed to the following:

By Mail to: Mail Stop *Ex Parte* Reexam
Central Reexamination Unit
Commissioner for Patents
United States Patent & Trademark Office
P. O. Box 1450
Alexandria, VA 22313-1450

By Fax to: (571) 273-9900
Central Reexamination Unit

By Hand: Customer Service Window
Randolph Building
401 Dulany Street
Alexandria, VA 22314

3. Telephone inquiries with regard to this decision should be directed to Mark Reinhart, Special Program Examiner in the Central Reexamination Unit, Art Unit 3992, at (571) 272-1611.

MReinhart
SPRE - CRU 3992
for

Lissi Mojica Marquis,
Director,
Central Reexamination Unit

UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,133	03/09/2006	6685585	042463-2	4912

51414 7590 10/08/2008

GOODWIN PROCTER LLP
PATENT ADMINISTRATOR
53 STATE STREET
EXCHANGE PLACE
BOSTON, MA 02109-2881

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 10/08/2008

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United States Patents and Trademark Office
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Alexandria, VA 22313-1450
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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
Donald R. studebaker
Nixon Peabody lLP
401 9th St. N.W. Suite 900
Washington, DC 20004

Date: MAILED

OCT 0 8 2008

CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester
Inter Partes Reexamination

REEXAMINATION CONTROL NO. : 95000133
PATENT NO. : 6685585
TECHNOLOGY CENTER : 3999
ART UNIT : 3900

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified Reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the inter partes reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an ex parte reexamination has been merged with the inter partes reexamination, no responsive submission by any ex parte third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the Central Reexamination Unit at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

UNITED STATES PATENT AND TRADEMARK OFFICE

COMMISSIONER FOR PATENTS
UNITED STATES PATENT AND TRADEMARK OFFICE
P.O. BOX 1450
ALEXANDRIA, VA 22313-1450
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OCT 0 8 2008

CENTRAL REEXAMINATION UNIT

ANDREW L. JAGENOW
GOODWIN PROCTER LLP
EXCHANGE PLACE
BOSTON, MASSACHUSETTS 02109

(For Patent Owner)

DONALD R. STUDEBAKER
STUDEBAKER & BRACKETT PC
1890 PRESTON WHITE DRIVE
SUITE 105
RESTON, VIRGINIA 20191

(For Third Party Requester)

In re Shishido *et al.*
Inter Partes Reexamination Proceeding
Control No.: 95/000,133
Filed: March 9, 2006
For: U.S. Patent No. 6,685,585

DECISION DISMISSING PETITION

This is a decision on patent owner's June 27, 2008 "PETITION TO SUSPEND THE RULES UNDER 37 CFR 1.183," requesting suspension of 37 CFR 1.953(c) to reopen prosecution in the instant reexamination proceeding for entry of an "AMENDMENT & RESPONSE IN *INTER PARTES* REEXAMINATION," which was filed with the petition.

The patent owner's petition under 37 CFR 1.183 is before the Office of Patent Legal Administration for consideration.

The petition fee of $400.00 pursuant to 37 CFR 1.17(f) for the petition under 37 CFR 1.183 was charged to patent owner's Deposit Account No. 07-1700, as authorized on page one of the petition.

REVIEW OF FACTS

1. U.S. Patent No. 6,685,585 (hereinafter, "the '585 patent") issued on February 3, 2004.

2. On March 9, 2006, a third party requester filed a request for *inter partes* reexamination, which proceeding was assigned Control No. 95/000,133 (hereinafter "the '133 proceeding").

3. On May 12, 2006, the Office mailed an Order granting the request for *inter partes* re-examination, in addition to a non-final Office action. Patent owner filed a response on July 12, 2006, and third party requester filed comments after the patent owner's response on August 11, 2006.

4. On February 15, 2007, the Office mailed a second non-final Office action. Patent owner filed a response on April 13, 2007, and third party requester filed comments on the patent owner's response on May 14, 2007.

5. On August 9, 2007, the Office mailed an Action Closing Prosecution. Patent owner filed a response on September 10, 2007, and third party requester filed comments after the patent owner's response on October 10, 2007.

6. On May 27, 2008, the Office mailed a Right of Appeal Notice (RAN).

7. On June 27, 2008, patent owner filed a notice of appeal.

8. Concurrently on June 27, 2008, patent owner filed the instant "PETITION TO SUSPEND THE RULES UNDER 37 CFR 1.183" ("the petition"), accompanied by an "AMENDMENT & RESPONSE IN *INTER PARTES* REEXAMINATION" ("the amendment").

9. On July 11, 2008, third party requester filed the paper entitled "THIRD PARTY REQUESTER'S COMMENTS ON PATENT OWNER'S PETITION TO SUSPEND THE RULES UNDER 37 CFR § 1.183 and AMENDMENT & RESPONSE IN *INTER PARTES* REEXAMINATION." [1]

DECISION

I. RELEVANT STATUTES, REGULATIONS, AND EXAMINING PROCEDURE

37 CFR 1.4(c) provides:

> Since different matters may be considered by different branches or sections of the United States Patent and Trademark Office, each distinct subject, inquiry or order must be contained in a separate paper to avoid confusion and delay in answering papers dealing with different subjects.

37 CFR 1.183 provides:

> In an extraordinary situation, when justice requires, any requirement of the regulations in this part which is not a requirement of the statutes may be suspended or waived by the Director or the Director's designee, sua sponte, or on petition of the interested party, subject to such other requirements as may be imposed. Any petition under this section must be accompanied by the petition fee set forth in § 1.17(f).

37 CFR 1.953(c) provides:

[1] This paper is being addressed by a separate decision.

> The Right of Appeal Notice shall be a final action, which comprises a final rejection setting forth each ground of rejection and/or final decision favorable to patentability including each determination not to make a proposed rejection, an identification of the status of each claim, and the reasons for decisions favorable to patentability and/or the grounds of rejection for each claim. No amendment can be made in response to the Right of Appeal Notice. The Right of Appeal Notice shall set a one-month time period for either party to appeal. If no notice of appeal is filed, prosecution in the inter partes reexamination proceeding will be terminated, and the Director will proceed to issue and publish a certificate under § 1.997 in accordance with the Right of Appeal Notice.

37 CFR 41.66(a) provides:

> An appellant's brief must be filed no later than two months from the latest filing date of the last-filed notice of appeal or cross appeal or, if any party to the proceeding is entitled to file an appeal or cross appeal but fails to timely do so, no later than two months from the expiration of the time for filing (by the last party entitled to do so) such notice of appeal or cross appeal. The time for filing an appellant's brief or an amended appellant's brief may not be extended.

II. DISCUSSION

Petitioner patent owner requests that the Office suspend 37 CFR 1.953(c) and reopen prosecution in the '133 proceeding to provide consideration of the amendment that was filed on June 27, 2008, after the mailing of the RAN. Patent owner's June 27, 2008 petition will be treated as a petition under 37 CFR 1.183 to suspend 37 CFR 1.953(c) and as a petition under 37 CFR 1.182 to continue prosecution. [2]

A. Suspension of the Rules under 37 CFR 1.183

As noted in section 2673.02 of the *Manual of Patent Examining Procedure* (MPEP), "[a]n amendment filed *after* the RAN will not be entered at all, in the absence of a grantable petition under 37 CFR 1.183, because 37 CFR 1.953(c) prohibits an amendment after the RAN in an *inter partes* reexamination." The provisions of 37 CFR 1.953(c) may be waived under 37 CFR 1.183 where a petitioner demonstrates an extraordinary situation in which justice requires suspension of the rule. In support of waiver of the rule, petitioner patent owner submitted an affidavit of employees of co-patent owner, Molten Corporation ("Molten").

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[2] Because the petition fee set forth in 37 CFR 1.17(f) is the same for both the filing of a petition under 37 CFR 1.182 and the filing of a petition under 37 CFR 1.183, only one petition fee was charged to the patent owner's deposit account.

In the affidavit, Motlen's employees assert that, after conducting searches for NIKE products that seemed to be produced by the third party requester, Mortex, on an OEM basis, they "finally found an infringing product with [a] NIKE logo in Mexico" sometime between April 15 and April 19, 2008.[3] Motlen's employees state that because it took so long to identify the infringing product, they "were unable to sufficiently consider any amendment which covers the infringing product [during prosecution] in the Inter Partes Reexamination procedure," and that the claims have been amended such that the structure of the identified infringing product "exactly falls within the scope of the amended claims proposed in the attached amendment."[4] Molten's employees further assert that "[i]t is [of] utmost importan[ce] that the ['585] patent is granted so as to exclude the infringing product."[5]

Patent owner's arguments, as set forth in the affidavit, do not demonstrate an extraordinary situation in which justice requires suspension of the rule prohibiting the filing of an amendment after RAN in an *inter partes* reexamination. The entry of an amendment after RAN for the purpose of presenting amended claims so as to exclude late-discovered allegedly infringing products is not for a purpose related to reexamination and is not for purposes of advancing the prosecution toward appeal (e.g., by reducing the issues on appeal). Moreover, as a general rule, waiver of a rule in the interest of justice is not available when there is recourse within the rules of practice. In this instance, petitioner has not shown why recourse to achieve petitioner's purpose could not be pursued within the rules of practice, as the provisions of 35 U.S.C. § 251 permit the filing of a reissue application to correct an error in the patent made without any deceptive intention.[6] If this is a permissible correction of the patent claims, reissue is the route to do so. Additionally, patent owner notes on page one of the petition that patent owners "wish to inform the Director that corresponding Japan Application No. 2000-550565 has been allowed by the Japan Patent Office." This, too, is not a fact that demonstrates an extraordinary situation in which justice requires suspension of the rule to permit entry of the amendment after RAN. It is noted that the patent owner did not indicate how the allowance of the corresponding Japanese application pertains to the '133 proceeding or to the proposed amendment.

For the reasons set forth above, petitioner patent owner has not presented facts that demonstrate an extraordinary situation in which justice requires suspension of 37 CFR 1.953(c) for entry of the June 27, 2008 amendment filed after the RAN.

B. Continuation of Prosecution under 37 CFR 1.182

In March of 2005, the Office issued a Notice titled "Notice of Changes in Requirement for a Substantial New Question of Patentability for a Second or Subsequent Request for Reexamination While an Earlier Filed Reexamination is Pending."[7] Notice was provided therein that a second (or subsequent) reexamination would no longer be ordered on the

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[3] *See* fourth paragraph on page 1 of the affidavit.
[4] *See* fifth paragraph on page 1 to first full paragraph on page 2 of the affidavit.
[5] *See* first full paragraph on page 2 of the affidavit.
[6] *See Manual of Patent Examining Procedure* § 1402 (8th ed. 2001) (Rev. 7, July 2008) (providing that 37 CFR 1.171 through 1.178 are rules directed to reissue).
[7] 1292 *Off. Gaz. Pat. Office* 20, March 1, 2005.

basis of a "substantial new question of patentability" (SNQ) that is the same as a SNQ raised in an earlier pending reexamination. Notice was also provided therein that a patent owner could file a petition under 37 CFR 1.182 requesting continued prosecution on the merits in the reexamination proceeding to seek entry of an amendment and/or evidence that was denied entry after a final rejection in an *ex parte* reexamination proceeding, or after an action closing prosecution in an *inter partes* reexamination proceeding. By filing such a petition, the patent owner could obtain continued prosecution on the merits in the reexamination proceeding, including entry of the amendment and/or evidence that was denied entry after a final rejection in an *ex parte* reexamination proceeding, or after an action closing prosecution in an *inter partes* reexamination proceeding. Accordingly, relief in the form of a continuation of the reexamination prosecution (after a final Office action) was made available by the Office via a petition under 37 CFR 1.182, in appropriate circumstances.

The petition under 37 CFR 1.182 for continued prosecution must further the prosecution of the reexamination proceeding, rather than delay it, and must provide a submission toward that end. This is critical in the reexamination setting, where 35 U.S.C. 305 (for *ex parte* reexamination) and 35 U.S.C. 314 (for *inter partes* reexamination) mandate that reexamination proceedings must be conducted "with special dispatch within the Office." Accordingly, the patent owner must make a *bona fide* effort, in the submission accompanying the petition under 1.182 for continued prosecution, to define the issues for appeal, or the issuance of a reexamination certificate, since this is a key factor in reducing pendency of a reexamination proceeding. Stated another way, the filing of the petition under 37 CFR 1.182 for continued prosecution must be accompanied by a submission that provides a *bona fide* effort to advance the prosecution toward appeal, or toward the issuance of a reexamination certificate.

As noted above, in support of the instant petition, patent owner submitted the affidavit of Motlen's employees. Molten's employees' arguments, as set forth in the affidavit, are not found to provide a *bona fide* effort to advance the prosecution toward appeal, or toward the issuance of a reexamination certificate and, as such, the granting of the petition would not be consistent with the requirement of 35 U.S.C. § 305 to conduct reexamination proceedings "with special dispatch within the Office."

Reopening prosecution for the purpose of amending the claims to exclude a late-discovered allegedly infringing product does not provide persuasive justification for granting continuing prosecution in a reexamination proceeding. The presentation of amended claims for the purpose of excluding an allegedly infringing product does not advance the prosecution toward appeal, or toward the issuance of a reexamination certificate, and is not consistent with the continuation-of-the-reexamination-prosecution practice to further the statutorily mandated requirement for special dispatch. Continuing prosecution in reexamination proceedings is for the purpose of permitting prosecution to move toward a resolution, for example, by reducing issues on appeal - not to enable a patent owner to amend the claims of a patent such that they exclude a late-discovered allegedly infringing product.

Additionally, patent owner notes on page one of the petition that patent owners "wish to inform the Director that corresponding Japan Application No. 2000-550565 has been allowed by the Japan Patent Office." This, too, is not a persuasive justification for granting continuing

prosecution in a reexamination proceeding, as patent owner did not indicate how the allowance of the corresponding Japanese application pertains to the '133 proceeding.

Based on the facts and circumstances in this instance, it is found that the amendment after-final rejection does not provide the requisite *bona fide* effort by the patent owner to advance the prosecution. In view of the above and the fact situation presented by the record, the petition is **dismissed**, and the prosecution in the '133 proceeding remains closed. The amendment, filed on June 27, 2008, will not be entered in the '133 proceeding.

III. ADDITIONAL DISCUSSION

In the concluding paragraph on page two of the petition, patent owner requests waiver of 37 CFR 41.66(a) for an extension of time to file an appeal brief until after a decision on the petition. Patent owner's additional request for waiver of 37 CFR 41.66(a) has not been considered as each distinct inquiry must be contained in a separate paper pursuant to 37 CFR 1.4(c).

Even if patent owner's request for waiver of 37 CFR 41.66(a) for an extension of time to file an appeal brief had been properly submitted in a separate paper, the request would not have been granted as patent owner did not set forth any facts to establish that an extraordinary situation exists in which justice requires suspension of 37 CFR 41.66(a) under 37 CFR 1.183.

Moreover, a petitioner has no right to expect that a request for an extension of time will be granted to waive the rules on the basis that an extraordinary situation has been shown, and the mere filing of a petition will not stay any period for response that may be running in the proceeding. [8] In this instance, patent owner timely filed and served a notice of appeal on June 27, 2008. Third party requester's time for filing a notice of appeal expired on June 27, 2008, and third party requester's time for filing a notice of cross appeal expired on July 11, 2008 (i.e., fourteen days from service of the patent owner's timely filed notice of appeal). Thus, in accordance with 37 CFR 41.66(a), patent owner's appellant's brief must have been filed no later than September 11, 2008 (i.e., two months from the expiration of the time for filing the notice of cross appeal by the third party requester). Because the time for filing an appellant's brief may not be extended, it appears that reexamination prosecution will be terminated in the '133 proceeding, and the Director will proceed to issue and publish a certificate under 37 CFR 1.997 in accordance with the RAN mailed on May 27, 2008. [9]

CONCLUSION

1. The patent owner's "PETITION TO SUSPEND THE RULES UNDER 37 CFR 1.183," filed June 27, 2008, is dismissed.

2. Prosecution is not being reopened in the '133 proceeding by this decision.

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[8] *See* 37 CFR 1.181(f).

[9] *See* 37 CFR 1.957. *But see* 37 CFR 1.958, providing for a patent owner petition to revive *inter partes* reexamination prosecution terminated for lack of patent owner response.

3. The patent owner's "AMENDMENT & RESPONSE IN *INTER PARTES* REEXAMINATION," which accompanied the petition filed on June 27, 2008, will not be entered in the '133 proceeding.

4. Jurisdiction of the '133 proceeding is being returned to the Central Reexamination Unit for further handling consistent with this decision, including consideration of whether the proceeding is to be concluded based on termination of the prosecution.

5. Telephone inquiries related to this decision should be directed to Nicole Dretar, Legal Advisor, at (571) 272-7717.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

10-7-08
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JUL 3 1 2006

CENTRAL REEXAMINATION UNIT

In re Horian
Inter Partes Reexamination Proceeding
Control No. 95/000,134
Filed: March 10, 2006
For: U.S. Patent No. 6,769,436

: DECISION DISMISSING
: PETITION AND
: PROVISIONALLY
: SEALING PAPERS

This is a decision on the patent owner CONDITIONAL PETITION TO EXPUNGE filed July 18, 2006.

The petition is before the Office of Patent Legal Administration for consideration of the above petition.

FEE

Petitioner has paid a petition fee under 37 CFR 1.17(h) of $130.00. However, effective November 22, 2004, the petition fee required for a petition to expunge under 37 CFR 1.59, as set forth in 37 CFR 1.17(g), is $200.00. Petitioner paid the $130.00 by check, and has not provided authorization to charge any fee deficiency to a Deposit Account.

DECISION ON PETITION

The required petition fee of $200.00 has not been paid directly, or through authorization. Accordingly, the petition is dismissed. [1]

[1] See 37 CFR 1.59(b)

DECISION PROVISIONALLY SEALING PAPERS

While it is recognized that 37 CFR 1.59(b) mandates dismissal of the CONDITIONAL PETITION TO EXPUNGE for lack of the proper petition fee, a cursory review of the petition papers reveals a request to substitute a redacted version of a 37 CFR 1.132 declaration for previously filed versions [2] of the declaration. Accordingly, after the cursory review of the petition papers, the Horian declarations were provisionally "sealed" in the IFW on an interim basis by being designated as "closed" and non-public. Patent owner is given ONE MONTH from the date of the present decision in which to appropriately place the request advanced in the present petition papers before the Office, by filing a petition under 37 CFR 1.182 to seal the IFW record versions of the Horian 37 CFR 1.132 declaration and to substitute the redacted version of the Horian declaration. A $400.00 petition fee must be included. Patent owner is advised that such petition will not be granted unless the points identified in the next paragraph are adequately addressed. If a petition under 37 CFR 1.182 to seal is not received within ONE MONTH from the date of the present decision, then the provisionally "sealed" papers will be unsealed.

The petition papers point out that the third party requester alleges that the Horian 37 CFR 1.132 declaration currently of record in the IFW contains certain information that is proprietary. [3] The petition does not identify the party representing the requester who regards the information as being proprietary, what that proprietary material is, and why the material is considered to be proprietary. That the third party requester alleges certain information to be proprietary does not necessarily indicate that the material in question is in fact proprietary, nor the basis for the assertion that the material in question is regarded as being proprietary. Also, the nature of the proprietary information cannot be identified by comparing the record version of the Horian declaration with the redacted version of the declaration that patent owner proposes to substitute for the Horian declarations currently in the record. Such comparison only shows blocks of text that are deleted, and does not identify the nature of the proprietary information.

Expunging the entirety of the Horian 37 CFR 1.132 declaration would be inappropriate because, pursuant to MPEP § 724.04(c), the Office will not expunge information regarded as being important to a reasonable examiner in deciding the patentability of a claim. The IFW record shows that the Horian declaration was filed as part of a patent owner response to the nonfinal Office action dated May 2, 2006. That Office action included a number of claim rejections based upon 35 U.S.C. § 103 obviousness. The remarks in patent owner's response are to the effect that the Horian declaration is being offered as evidence in rebuttal of the obviousness rejections. It appears, therefore, that at least a portion of the information set forth in the Horian declaration is necessarily important to a reasonable examiner in deciding whether or not at least one claim in this reexamination proceeding is patentable. See 37 CFR 1.933(a) and 37 CFR 1.555 incorporated therein; see also MPEP § 724.04(c). Any proprietary information that is needed as part of patent owner's rebuttal evidence must remain in the record.

---

[2] The Image File Wrapper (IFW) of the 95/000,134 reexamination proceeding contains three copies of what appears to be a single 37 CFR 1.132 declaration executed by Richard C. Horian on May 25, 2006. The three copies of the Horian declaration appear to have been filed on May 25, 2006, June 7, 2006 and June 8, 2006. As the declarations appear to be identical, they will be referred to collectively as "the Horian declaration."

[3] Petition, page 1, first paragraph.

CONCLUSION

1. Patent's owner's petition is dismissed inasmuch as the proper fee for the petition has not been paid.

2. The Horian declarations filed on May 25, 2006, June 7, 2006 and June 8, 2006 are provisionally sealed on an interim basis for a period of ONE MONTH from the mailing date of the present decision.

3. **If a petition under 37 CFR 1.182 to seal is not received within ONE MONTH from the date of the present decision, then the provisionally "sealed" papers will be unsealed.**

4. Jurisdiction over the present reexamination proceeding is being retained in the Office of Patent Legal Administration. After the issue of proprietary materials is resolved, jurisdiction will be returned to the examiner, via the Central Reexamination Unit 3600 Special Program Examiner, for appropriate action on the response filed on June 7, 2006.

4. Telephone inquires related to this decision should be directed to Stephen Marcus, Legal Advisor, at (571) 272-7743.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

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July 26, 2006

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July 26, 2006

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(For Requester)

In re Horian
Inter Partes Reexamination Proceeding
Control No. 95/000,134
Filed: March 10, 2006
For: U.S. Patent No. 6769,436

: **DECISION**
: **GRANTING**
: **PETITION**

This is a decision on the patent owner CONDITIONAL PETITION TO EXPUNGE filed July 18, 2006. The petition is taken as a petition under 37 CFR 1.182 to seal an originally filed paper, and to substitute a redacted version of that paper.

The petition is before the Office of Patent Legal Administration for consideration of the above petition.

For the reasons set forth below, the patent owner petition is granted.

FEES

The patent owner has paid the $400.00 petition fee under 37 CFR 1.17(f) as required by 37 CFR 1.182.

REVIEW OF SALIENT FACTS

1. U.S. Patent No. 6,769,436 (the '436 patent) issued on August 3, 2004 from an application filed on June 28, 2002.

2. A request *for inter partes* reexamination of the '436 patent was filed on March 10, 2006 and assigned control number 95/000,134 (the '134 *inter partes* reexamination proceeding).

3. Reexamination was ordered in the '134 *inter partes* reexamination proceeding on May 2, 2006.

4. An initial Office action on the merits was also mailed on May 2, 2006.

5. On May 31, 2006, patent owner filed a timely response to the May 2, 2006 Office action, including a paper styled as "Declaration of Richard C. Horian."

6. On June 5, 2006, "a Notice re Defective Paper in *Inter Partes* Reexamination" was mailed setting forth certain informalities with respect to the formatting of claim amendments proposed in the May 31, 2006 patent owner response.

7. On June 7, 2006, patent owner filed a corrected amendment paper, including another copy of the Horian declaration originally filed on June 7, 2006. [1]

8. On July 18, 2006, patent owner filed a petition requesting that the Horian declaration be expunged from the record, and replaced by a redacted version of that declaration filed concurrently with the petition to expunge.

9. On July 31, 2006, the July 18, 2006 patent owner petition to expunge was dismissed for failure to pay the proper fee under 37 CFR 1.59, the regulation governing expunging of papers.

10. The July 31, 2006 decision included an invitation to file a petition under 37 CFR 1.182 to seal (rather than expunge) the May 31, 2006 Horian declaration in favor of the redacted version of the Horian declaration. By virtue of the decision, the May 31, 2006 Horian declaration was provisionally sealed for one month pending the filing of a petition to seal.

11. Patent owner filed the present petition under 37 CFR 1.182 on August 18, 2006, requesting that the original version of the Horian declaration, filed on May 31, 2006, be sealed in favor of the July 18, 2006 redacted version of the Horian declaration.

APPLICABLE REGULATIONS AND PRACTICE

37 CFR 1.59 provides, in part:

> "(a)(1) Information in an application will not be expunged, except as provided in paragraph (b) of this section or § 41.7(a) of this title.
>
> (2) Information forming part of the original disclosure (i.e., written specification including the claims, drawings, and any preliminary amendment specifically incorporated into an executed oath or declaration under §§ 1.63 and 1.175) will not be expunged from the application file.
>
> (b) An applicant may request that the Office expunge information, other than what is excluded by paragraph (a)(2) of this section, by filing a petition under this paragraph. Any petition to expunge information from an application must include the fee set forth in § 1.17(g) and establish to the satisfaction of the Director that the expungement of the information is appropriate in which case a notice granting the petition for expungement will be provided."

[1] An additional copy of the Horian declaration filed was received in the Office on June 8, 2006.

37 CFR 1.182 provides:

> "All situations not specifically provided for in the regulations of this part will be decided in accordance with the merits of each situation by or under the authority of the Director, subject to such other requirements as may be imposed, and such decision will be communicated to the interested parties in writing. Any petition seeking a decision under this section must be accompanied by the petition fee set forth in § 1.17(f)."

MPEP 724.04(c) provides in part:

> "Any materials submitted under MPEP § 724.02 in a reexamination file open to the public under 37 CFR 1.11(d) will be treated in the following manner:
>
> ...
>
> (C) If any portion or all of the submitted information is found important to a reasonable examiner in deciding whether or not a claim is patentable, the petition to expunge will be denied and the information will thereafter become a permanent part of the reexamination file and open to the public."

DECISION

As discussed in the decision dismissing the July 18, 2006 patent owner petition to expunge, [2] the practice discussed in MPEP § 724.04(c) regarding expungement of materials in a reexamination proceeding would preclude expungement of the May 31, 2006 Horian declaration in its entirety because that declaration contained material that was necessarily important to a reasonable examiner in deciding whether or not at least one claim in the '134 *inter partes* reexamination proceeding is patentable. This conclusion was based on the fact that the Horian declaration was submitted by patent owner in rebuttal of the examiner's position on patentability as expressed in the May 2, 2006 initial Office action on the merits. It was also noted in the July 18, 2006 petition decision that the present reexamination proceeding was contained in an Image File Wrapper (IFW) and the relief to be requested would be the substitution of a redacted version of a document for the original document, rather than expungement of an entire document. The regulations did not expressly provide for such relief; therefore, a petition under 37 CFR 1.182 would be required to obtain such relief by first sealing the original document within the IFW, and then substituting a redacted version of that document. The originally filed Horian declaration was provisionally sealed for a limited period of time to permit the patent owner to file the requisite 37 CFR 1.182 petition. [3]

Upon review of the present petition to seal the original Horian declaration and enter into the record a redacted version of that declaration, the matter was referred to the primary examiner in the '134 *inter partes* reexamination proceeding to determine whether any of the information redacted from the Horian declaration would be regarded as being important to a reasonable examiner in deciding whether or not a claim is patentable during the course of the '134 *inter partes* reexamination proceeding. The primary examiner has answered in the negative. Therefore, the information redacted from the Horian declaration filed on July 18, 2006 is not considered to be information "important" to the patentability of any claim in the

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[2] Decision Dismissing Petition and Provisionally Sealing Papers, July 31, 2006, page 2, 3rd paragraph.
[3] *Id.*, page 2, 1st paragraph.

'134 *inter partes* reexamination proceeding. Accordingly, the relief requested in the present petition will be granted.

CONCLUSION

1. The petition to seal the Horian declaration filed on May 31, 2006 and to substitute the redacted version of that declaration as filed on July 18, 2006 is granted.

2. The Horian declaration filed on May 31, 2006 (and the copies thereof filed on June 7, 2006 and June 8, 2006) will be permanently sealed by closing these documents in the Image File Wrapper (IFW) and marking them "nonpublic."

3. The permanently sealed Horian declaration will not form part of the record in the '134 *inter partes* reexamination proceeding.

4. The redacted version of the Horian declaration, as filed on July 18, 2006, will replace the permanently sealed Horian declaration as part of the record in the '134 *inter partes* reexamination proceeding.

3. Jurisdiction over the present *inter partes* reexamination proceeding is being returned to the Central Reexamination Unit for appropriate action on the patent owner response filed on June 6, 2006, as completed by the submission filed on July 18, 2006, and the written comments filed on August 1, 2006 by the third party requester.

4. Telephone inquires related to this decision should be directed to Stephen Marcus, Legal Advisor, at (571) 272-7743.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

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November 1, 2006

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Transmittal of Communication to Third Party Requester *Inter Partes* Reexamination

REEXAMINATION CONTROL NUMBER *95/000,134*.

PATENT NUMBER *6,769,436*.

TECHNOLOGY CENTER *3999*.

ART UNIT ____.

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above-identified reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the *inter partes* reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an *ex parte* reexamination has been merged with the *inter partes* reexamination, no responsive submission by any *ex parte* third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the **Central Reexamination Unit** at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,134	03/10/2006	6769436	20210-012RX1	1644

1609 7590 11/27/2007

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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 11/27/2007

Please find below and/or attached an Office communication concerning this application or proceeding.

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CENTRAL REEXAMINATION UNIT

In re Horian	:	
Reexamination Proceeding	:	DECISION ON PETITION
Control No.: 95/000,134	:	UNDER 37 CFR 1.181
Filed: March 10, 2006	:	TO INVOKE THE SUPERVISORY
For: U.S. Patent No.: 6,769,436	:	AUTHORITY OF THE DIRECTOR

This is a decision on a petition filed by the patent owner on May 17, 2007. The petition is entitled PETITION TO RE-OPEN PROSECUTION, and is a request to the Director to exercise his/her discretion pursuant to 37 CFR 1.181 and reopen prosecution by withdrawing the Action Closing Prosecution issued on April 19, 2007.

The petition is before the Director of the Central Reexamination Unit.

The petition under 37 CFR 1.181 to invoke the supervisory authority of the Director dated May 17, 2007 is denied with respect to reopening the prosecution of the *Inter Partes* reexamination proceeding 95/000,134.

REVIEW OF RELEVANT FACTS

1. U.S. Patent No. 6,769,436 (hereinafter, the '436 patent) issued on August 3, 2004.

2. A request for *inter partes* reexamination, assigned control No. 95/000,134, was filed by a third party requester, U.S. Smokeless Tobacco Manufacturing Limited Partnership, on March 10, 2006.

3. *Inter partes* reexamination was ordered for the '134 reexamination proceeding on May 2, 2006.

4. Also on May 2, 2006, a non-final Office action was mailed in the '134 reexamination proceeding.

5. The patent owner filed a response to the non-final Office action on May 31, 2006. The response failed to comply with USPTO rules and procedures and a notice to such effect was mailed on June 5, 2006. On June 7, 2006, the patent owner filed a compliant amendment. The response proposed to amended independent patent claims 1 and 10, cancelled patent claim 3, and added new claims 13-15.

6. The third party filed comments on July 12, 2006 to the patent owner's response, and introduced additional prior art. The comments failed to comply with USPTO rules and procedures and a decision to such effect was mailed on July 28, 2006. On August 1, 2006, the third party requested filed comments compliant with USPTO rules and procedures.

7. On April 19, 2007, the Office issued an Action Closing Prosecution (ACP), which addressed the patent owner's response and the third party comments. The ACP no longer adopted the rejections set forth in the first Office action. The ACP modified the rejections set forth in the first Office action by including the new references cited by the third party requester. The examiner stated the rejections were modified in response to the patent owner's amendment of June 7, 2006.

8. On May 17, 2007, the patent owner filed the above-mentioned petition under 37 CFR 1.181 to invoke the supervisory authority of the Director and requesting that prosecution be reopened and a response to the Action Closing Prosecution.

9. On June 13, 2007, the third party filed comments on patent owner's response to the Action Closing Prosecution, which included a request that prosecution not be reopened.

10. On June 25, 2007, the patent owner filed comments to the third party requester's comments. As explained below, this paper is improper and will be closed in due course.

DECISION

The patent owner (petitioner) states that the ACP dated April 19, 2007 "prematurely" cuts off prosecution, and requests that the concurrently filed amendment be entered so the owner has a fair opportunity to address the new prior art. Patent owner states that the examiner should not prematurely cut off the prosecution with a patent owner who is seeking to define the invention in the claims that will offer the patent protection to which the patent owner is entitled. An owner's opportunity to amend and respond to new references after prosecution has closed are substantially reduced. In the present case, the patent owner states that they responded to the First Action and successfully amended the claims in a manner that avoided all of the prior art rejections adopted by the examiner. Patent owner further points out that there are limited opportunities to continue prosecution in an *inter partes* reexamination proceeding. The patent owner further states that requester's citation of new references were interjected into the record with the unsupported assertion that "the amendments necessitated" the citations. The patent owner points out that there was, however, no analysis by either the requester or the examiner of specifically how they were not pertinent to the original patent claims but were now applicable to the amended claims. The patent owner states that they deem it is manifestly unfair to cite four new prior art references that were pertinent for the original claims but which now raise new factual/legal issues of obviousness and then preclude the owner from engaging in prosecution so as to obtain the protection to which he is entitled. The patent owner also advances that it is also a matter of bad policy to allow a requester to interject such new references without a showing that they could have been presented in the initial request. The patent owner states that some reasonable balance must be established on the requester's right to introduce new references without presenting undue prejudice to the owner as a result. The patent owner also alleges that the result of an "unfettered" ability to cite new art would represent a new form of surprise prosecution for the owner in reexamination or a prosecution that is unnecessarily extended from a never-ending string of newly discovered references that is presented by the requester. Because of these grounds, petitioner requests that prosecution be reopened.

The third party requester, in comments submitted on June 13, 2007, stated that the patent owner's contention is incorrect because the ACP was proper, timely, and in accordance with MPEP § 2671.02 ("it is intended that the second Office action in the reexamination proceeding will ordinarily be an ACP"). The third party requester states that the patent owner should not have been surprised by the citation to new prior art by a requester. 37 C.F.R. § 1.949 states that "[a]n Office action will not usually close prosecution if it includes a new ground of rejection which was not previously addressed by the patent owner, unless the new ground was necessitated by an amendment." (emphasis added). 37 C.F.R. § 1.948 expressly describes the circumstances in which additional prior art references can be cited by the requester. The third party requester states that it followed these rules (§ 1.948(a)(2)-(3)) and cited new prior art references only in response to the patent owner's insertion of new claim limitations. In other words, the third party requester advances that the patent owner opened the door to the citation of additional references in the ACP by adding new limitations to all of the claims and arguing that the claims were allowable. The third party requester states that the patent owner now seeks to avoid the consequences of its actions by filing the instant petition. The third party request argues that the petition must be denied because the ACP was in accordance with MPEP § 2671.02.

In response to patent owner's arguments for reopening prosecution in this reexamination proceeding, the director finds there are not good and sufficient reasons to do so for the reasons set forth below, and for the reasons set forth by the third party requester in their comments dated June 13, 2007. First, 35 U.S.C. 314(c) requires that all *inter partes* reexamination proceedings to be acted upon with "special dispatch." The rules and procedures of the Office were established through notice and comment in order to achieve special dispatch in a reasonable manner. As pointed out by the patent owner, the Office rules and procedures encourage examiners to look at the facts involved in a particular proceeding and to weigh the equities before issuing a right of appeal notice and/or an action closing prosecution. Accordingly, the Office's rules and procedures are not one sided as alleged by patent owner.

Turning to the facts in this proceeding, patent owner submitted substantive amendments to both independent claims in the patent and added three new dependent claims while canceling one dependent claim. Specifically, the patent owner amended claim 1 to now claim that the element comprises a tobacco, and that the "volatile nicotine-containing agent" (formerly "a volatile nicotine") is added to the element in an amount sufficient to at least moisten the tobacco. The four "new" prior art references introduced in the ACP were applied for teaching these new limitations in amended claim 1. Claim 10 was amended to incorporate the limitations of claim 1 so claim 10 also included the new limitations of claim 1. Likewise, all the dependent claims also included these new limitations. The patent owner asserted that the amended claims were allowable. The third party requester responded with comments and additional prior art to address the proposed claim amendments and comments made by the patent owner

in accordance with 37 CFR 1.948(a)(2). The third party requester also complied with the requirements to submit the additional prior art under 37 CFR 1.948(a)(3) by their statement that they were first aware of the additional prior art June 4-12, 2007. In agreement with the third party requester's comments dated June 13, 2007, there is no requirement in 37 CFR 1.948(a)(2) or (3) for the requester or the examiner to provide an analysis of specifically how the additional prior art citations were not pertinent to the original patent claims but were now applicable to the amended claims. The examiner specifically set forth in the ACP that the additional prior art applied in the rejections was in response to the amendments made by the patent owner, and applied the additional prior art to meet the newly added claimed limitations. Accordingly, the examiner appropriately applied the additional prior art in the rejection in the ACP, and closed prosecution in the interest of "special dispatch" in accordance with Office rules and procedures.

Furthermore, it is noted that many of the patent owner's arguments pertain to the alleged unfairness resulted in the closing of prosecution. These arguments may be more persuasive in a petition under 37 CFR 1.182 requesting continuing reexamination as mentioned below. For the reasons set forth above, it is deemed that the examiner followed Office rules and procedures and did not abuse his discretion in deciding to issue an ACP.

Accordingly, good and sufficient reasons to reopen prosecution in the reexamination proceeding have not been provided and the patent owner's petition, as it relates to reopening prosecution of the instant reexamination proceeding, is denied.

OTHER MATTER

The patent owner's response filed June 25, 2007 is an inappropriate paper as there is no provision to allow the patent owner to file a response to the third party requester's comments to the patent owner's petition. Because reexamination proceedings are conducted with special dispatch, 35 U.S.C. 314(c), any such rebuttal petition is not permitted. Accordingly, the paper dated June 25, 2007 was not considered.

While MPEP § 2267 indicates that such papers are to be returned to the sender, this may not be possible in an Image File Wrapper (IFW) proceeding where a paper is inappropriately entered into the record. The paper filed June 25, 2007 have been scanned into an Image File Wrapper (IFW), and cannot be returned to sender. However, for the reasons set forth above, the paper will be designated "closed" and "not public" in due course, will form no part of the record, and will not be available to the public. This decision will be made of record in the reexamination file.

CONCLUSION

1. The petition under 37 CFR 1.181 for reconsideration of the Action Closing Prosecution dated April 19, 2007 and reopening of prosecution of the '134 reexamination proceeding is denied.

2. Patent owner is advised that a petition under 37 CFR 1.182 requesting continuing reexamination may be filed. The petition should explain how the granting of continuing reexamination would further prosecution of the reexamination rather than delay it, such as a request for entry of a submission that provides a *bona fide* effort to advance the prosecution toward appeal, or toward the issuance of a reexamination certificate. The petition should also explain why the patent owner did not become aware of the need for the new amendment or evidence earlier in the prosecution.

3. Telephone inquiries related to this decision should be directed to Deborah Jones, Superrvisory Patent Examiner, at (571) 272-1535 or Jeanne Clark at (571) 272-7714, or in their absence to the undersigned at (571) 272-1596.

for Lissi Mojica Marquis, Director
Central Reexamination Unit

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,134	03/10/2006	6769436	20210-012RX1	1644

1609 7590 02/11/2008

ROYLANCE, ABRAMS, BERDO & GOODMAN, L.L.P.
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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 02/11/2008

Please find below and/or attached an Office communication concerning this application or proceeding.

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(THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS)

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Transmittal of Communication to Third Party Requester
Inter Partes Reexamination

REEXAMINATION CONTROL NUMBER *95/000,134*.

PATENT NUMBER *6,769,436*.

TECHNOLOGY CENTER *3999*.

ART UNIT ____.

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above-identified reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the *inter partes* reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an *ex parte* reexamination has been merged with the *inter partes* reexamination, no responsive submission by any *ex parte* third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the **Central Reexamination Unit** at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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(For Patent Owner)

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FEB 11 2008

CENTRAL REEXAMINATION UNIT

Ronald C. Lundquist, Ph.D.
Fish & Richardson PC
3300 Dain Rauscher Plaza
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Minneapolis, MN 55402

(For Requester)

In re Horian	:	**DECISION ON PETITION**
Inter partes Reexamination Proceeding	:	**TO CONTINUE**
Control No.: 95/000,134	:	***INTER PARTES***
Filed: March 10, 2006	:	**REEXAMINATION**
For: U.S. Patent No.: 6,769,436	:	**PROCEEDINGS**

This is a decision on the December 28, 2007, patent owner Petition Under 37 CFR 1.182 requesting continued reexamination.

The petition is before the Office of Patent Legal Administration.

The petition fee of $400 set forth in 37 CFR 1.17(f) for the present petition under 37 CFR 1.182 has been received with the Petition Fee Transmittal.

For the reasons set forth below, the petition under 37 CFR 1.182 is granted.

REVIEW OF FACTS

1) U.S. Patent No. 6,769,436 (the '436 patent) issued on August 3, 2004.

2) A request for *inter partes* reexamination was filed by a third party requester, U.S. Smokeless Tobacco Manufacturing Limited Partnership, on March 10, 2006, and assigned control no. 95/000,134 (the '134 proceeding).

3) *Inter partes* reexamination was ordered for the '134 reexamination proceeding on May 2, 2006.

4) Also on May 2, 2006, a non-final first Office action was mailed in the '134 reexamination proceeding.

5) The '134 reexamination proceeding has progressed to the point where, on April 19, 2007,

the Office issued an Action Closing Prosecution (ACP). The ACP no longer adopted the rejections set forth in the first Office action. The ACP modified the rejections set forth in the first Office action by including the new references that were cited by the third party requester. The examiner stated that the rejections were modified in response to the patent owner's amendment of June 7, 2006.

6) On May 17, 2007, the patent owner filed a petition under 37 CFR 1.181 to invoke the supervisory authority of the Director and request that prosecution be reopened, because the April 19, 2007 action was stated (by patent owner) to have prematurely closed prosecution in the '134 proceeding.

7) On May 21, 2007, the patent owner filed comments and an amendment under 37 CFR 1.951(a), after the action closing prosecution.

8) On June 13, 2007, the third party requester filed an opposition to patent owner's petition to re-open prosecution.

9) On June 20, 2007, the requester filed comments under 37 CFR 1.951(b), after the patent owner's proposed May 21, 2007 amendment.

10) On June 25, 2007, the patent owner filed comments to the third party requester's June 20th comments.

11) The patent owner's petition to reopen prosecution was denied on Nov. 27, 2007, because good and sufficient reasons to reopen prosecution were not found. The Nov. 27, 2007 decision also identified the patent owner's June 25th paper as improper and that paper has been closed in the Image File Wrapper.

12) The present petition for continuing reexamination was filed Dec. 28, 2007.

DECISION ON PETITION UNDER 37 CFR 1.182

In the present petition, it is requested that the Office continue the prosecution of the instant reexamination proceeding to provide consideration of the May 21, 2007 response.[1]

In March of 2005, the Office issued a Notice titled "Notice of Changes in Requirement for a Substantial New Question of Patentability for a Second or Subsequent Request for Reexamination While an Earlier Filed Reexamination is Pending."[2] Notice was provided therein that a second (or subsequent) reexamination would no longer be ordered on the basis of a "substantial new question of patentability" (SNQ) that is the same as a SNQ raised in an earlier

[1] Although the petition requests entry of the amendment and comments filed May 17, 2007, a petition was filed May 17, while the amendment was filed May 21. Accordingly, this decision assumes that the May 21, 2007 response is the subject of patent owner's request.

[2] 1292 *Off. Gaz. Pat. Office* 20, March 1, 2005.

pending reexamination. Notice was also provided therein that a patent owner could file a petition under 37 CFR 1.182 requesting continued prosecution on the merits in the reexamination proceeding to seek entry of an amendment and/or evidence that was denied entry after a final rejection in an *ex parte* reexamination proceeding, or after an action closing prosecution in an *inter partes* reexamination proceeding.

By filing such a petition, the patent owner could obtain continued prosecution on the merits in the reexamination proceeding, including entry of the amendment and/or evidence that was denied entry after a final rejection in an *ex parte* reexamination proceeding, or after an action closing prosecution in an *inter partes* reexamination proceeding. Accordingly, relief in the form of a continuation of the reexamination prosecution (after a final Office action or action closing prosecution) was made available by the Office via a 37 CFR 1.182 petition, in appropriate circumstances. This petition will be referred to herein as "the § 1.182 petition."

The § 1.182 petition must further the prosecution of the reexamination proceeding, rather than delay it, and must be based on a submission made toward that end. This is critical in the reexamination setting, where 35 U.S.C. 305 (for *ex parte* reexamination) and 35 U.S.C. 314 (for *inter partes* reexamination) mandate that reexamination proceedings must be conducted "with special dispatch within the Office." Accordingly, the patent owner must make a *bona fide* effort, in the submission accompanying the § 1.182 petition, or already of record, to define the issues for appeal, or the issuance of a reexamination certificate, since this is a key factor in reducing pendency of a reexamination proceeding. Stated another way, the § 1.182 petition practice includes a requirement that the § 1.182 petition be filed for a submission that provides a *bona fide* effort to advance the prosecution toward appeal, or toward the issuance of a reexamination certificate.

In this instance, the patent owner submitted a response to the first office action that overcame all known grounds for rejection. As new references were cited after patent owner's response and new grounds of rejection were entered, patent owner's May 21, 2007 response could not have been presented earlier, and it represents a good faith effort to advance prosecution. Based on the facts and circumstances of the present situation, it is found that petitioner patent owner's presentation of an amendment paper addressing the new references and grounds of rejection is deemed provide the requisite *bona fide* effort to advance the prosecution. As such, the granting of the present petition is consistent with the requirement of 35 U.S.C. 305 to conduct reexamination proceedings "with special dispatch within the Office."

In view of the above and the fact situation presented by the present record, the petition is granted, and the prosecution in the above-noted reexamination proceeding is hereby continued. Prosecution is reopened for consideration of the patent owner's Amendment and related papers after ACP, as well a requester's comments. These papers will be entered in the reexamination proceeding, and the proceeding will be forwarded to the examiner for action consistent with this decision. The examiner will consider the May 21, 2007 patent owner comments and an amendment under 37 CFR 1.951(a) and the June 20, 2007 requester comments under 37 CFR 1.951(b), and then issue an Office action <u>treating this paper as a patent owner response received **after** a first Office action</u>.

CONCLUSION

1) The petition under 37 CFR 1.182 is granted.

2) The prosecution of the present '134 *inter partes* reexamination proceeding is continued. No further continuation of the present reexamination proceeding will be granted absent a showing of extraordinary circumstances.

3) The closing of prosecution rendered via the April 19, 2007 Office action is withdrawn, and prosecution of the proceeding is reopened.

4) The May 21, 2007 Amendment will be entered [3] by the Central Reexamination Unit. The May 21, 2007 patent owner comments and amendment under 37 CFR 1.951(a) and the June 20, 2007 requester comments under 37 CFR 1.951(b) will then be considered by the examiner. These papers will be treated as a response by patent owner received **after** a first Office action.

5) Jurisdiction over the reexamination proceeding is being forwarded to the Central Reexamination Unit for further handling and examination not inconsistent with this decision.

6) Telephone inquiries related to this decision should be directed to Caroline D. Dennison, Legal Advisor, at (571) 272-7729.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

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[3] This decision takes no position on the formal propriety of the amendment, or whether it introduces new matter or impermissibly broadens. Any issues raised by the amendment will be addressed by the examiner in the next Office action.

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CENTRAL REEXAMINATION UNIT

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(For Third Party Requester '382)

Inter partes Reexamination Proceeding
Control No..95/000,136
Filed: March 14, 2006
For: U.S. Patent No. 6,299,793

Inter partes Reexamination Proceeding
Control No. 95/000,382
Filed: June 26, 2008
For: U.S. Patent No. 6,299,793

DECISION NOT TO MERGE
INTER PARTES REEXAMINATION
CONTROL NOS. 95/000,132 AND
95/000,382

Inter partes reexamination control Nos. 95/000,136 and 95/000,382 are before the Office of Patent Legal Administration for consideration of patent owner's petition against merging the two proceedings into a single merged proceeding.

REVIEW OF THE FACTS

1. On October 9, 2001, U.S. Patent 6,299,793 (the '793 patent) issued to Hartley *et al.*

2. On March 14, 2006, a request for *inter partes* reexamination of the '793 patent was filed by a third party requesters, Ice Ban America, Inc. and Earth Friendly Chemicals, Inc. The

resulting reexamination proceeding was assigned control number 95/000,136 ("the '136 reexamination proceeding").

3. On May 5, 2006, an order granting the '136 *inter partes* reexamination request was mailed. The examiner also mailed an Office action rejecting all 8 claims of the patent.

4. On July 5, 2006, the patent owner timely filed a response to the first Office action in the '136 reexamination proceeding.

5. On February 12, 2007 the examiner mailed an Action Closing Prosecution (ACP) in the '136 proceeding.

6. On April 9, 2007, patent owner filed a response to the ACP in the '136 reexamination proceeding.

7. On May 10, 2008, the examiner issued Right of Appeal Notice (RAN) to the parties in the '136 proceeding. In the RAN, the claims 1-3, and 7 remained rejected and claims 4-6 and 8 were confirmed.

8. On May 30, 2008, Patent Owner filed a notice of appeal in the '136 proceeding.

9. On June 26, 2008, a new third party requester filed a request for *inter partes* reexamination of claims 4-6,8 of the '793 patent. The request was filed by Glacial Technologies LLC and Archer Daniels Midland. The resulting reexamination proceeding was assigned control number 95/000,382.

10. On June 30, 2008, patent owner perfected the appeal by filing an appeal brief in the '136 reexamination proceeding. The patent owner appealed the rejection of claims 1-3, and 7. The third party requester '136 did not file either an appellant's brief or a respondent's brief.

11. On October 28, 2008, the patent owner filed a petition pursuant to 37 CFR 1.181 in both reexamination proceedings to request that the Office not merge the two control proceedings.

12. In the October 28, 2008 petition pursuant to 37 CFR 1.181, the patent owner argued that the proceedings should not be merged for numerous reasons including the following: a) length of pendency of the '136 IP reexamination proceeding; (b) the early stage of the '382 proceeding; (c) litigation in the '793 patent has been stayed pending outcome of the '136 reexamination proceeding; (4) merger of the '136 reexamination proceeding and the '382 reexamination proceeding will unduly delay completion of the '136 reexamination proceeding.

RELEVANT AUTHORITY

35 U.S.C. § 314(c) provides, in part:

All reexamination proceedings under this section, including any appeal to the Board of Patent Appeals and Interferences, will be conducted with special dispatch within the Office.

37 CFR 1.103(e) provides:

Notice of suspension on initiative of the Office. The Office will notify applicant if the Office suspends action by the Office on an application on its own initiative.

37 CFR 1.181 provides:

Petition to the Director. (3) To invoke the supervisory authority of the Director in appropriate circumstances.

37 CFR 1.989 provides, in part:

If any reexamination is ordered while a prior *inter partes* reexamination proceeding is pending for the same patent and prosecution in the prior *inter partes* reexamination proceeding has not been terminated, a decision may be made to merge the proceedings.

MPEP § 2686.01 provides, in part:

II. WHEN PROCEEDING IS SUSPENDED

It may also be desirable in certain situations to suspend one of the proceedings for a short and specified period of time. For example, a suspension of a first reexamination proceeding may be issued to allow time for the decision on the second request. Further, after the second proceeding has been ordered, it may be desirable to suspend the second proceeding prior to merging, where the first proceeding is presently on appeal before a Federal court to await the court's decision prior to merging. A suspension will only be granted in exceptional (extraordinary) instances because of the statutory requirements that examination proceed with "special dispatch", and the express written approval by the OPLA must be obtained. Suspension will not be granted when there is an outstanding
Office action.

IV. PROCEEDINGS NOT MERGED

Pursuant to 35 U.S.C. 314(c), "[u]nless otherwise provided by the Director for good cause, all inter partes reexamination proceedings under this section...shall be conducted with special dispatch within the Office." This statutory provision is grounded on the need for certainty and finality as to the question of patentability raised by the request for reexamination. Thus, if a second request for reexamination **>will unduly delay< the first reexamination proceeding, the two proceedings generally will not be merged. If the Office were to merge the two proceedings, the first reexamination proceeding would need to be withdrawn from its **>place in the process,< thus delaying, instead of advancing, prosecution. This would run contrary to the statutory "special dispatch" requirement of 35 U.S.C. 314 and its intent. On the other hand, if the Office does not merge, the first reexamination proceeding can be concluded, and any substantial new question of patentability raised by the second reexamination request can be resolved in the second proceeding, with no delay resulting. The second request is then considered based on the

claims in the patent as indicated in the issued reexamination certificate, rather than the original claims of the patent. However, the Office always retains the authority to merge because in some instances, it may be more efficient to merge the two proceedings, which would foster "special dispatch." The instances where the Office may, or may not, merge an ongoing reexamination proceeding with a subsequent reexamination proceeding, are addressed on a case-by-case basis.

DECISION

The present '136 reexamination proceeding and the present '382 reexamination proceeding are both currently pending for the '793 patent. A decision under 37 CFR 1.985(a) regarding merger of those proceedings, or suspension of one of them, is now required for the '136 reissue application and the '382 reexamination proceeding. As noted in MPEP § 2686.01, the Office policy is that if the second request for reexamination would unduly delay the first reexamination proceeding, the two proceedings generally will not be merged. Moreover, if the Office were to merge the proceedings, the earlier filed reexamination proceeding would need to be withdrawn for its place in the process thus delaying, instead of advancing prosecution. However, as noted *supra* the Office always retains the authority to merge the proceedings.

It appears from a consideration of the record in each of the '136 reexamination application and the '382 reexamination proceeding that merger of the two proceedings is not an appropriate option. In addition, the Office after careful consideration will NOT suspend prosecution in the '382 reexamination proceeding.

This determination is based on the following considerations:

(1) With respect to the option of merging the '136 reexamination proceeding and the '382 reexamination proceeding, when a reexamination proceeding is on appeal to the Board of Patent Appeals and Interferences ("the BPAI"), that circumstance would itself weigh against merger of the reexamination proceeding with a later filed *inter partes* . For the present reexamination proceedings, a merger of the '136 reexamination proceeding and the '382 reexamination proceeding would impede treatment of the '136 reexamination proceeding with special dispatch. A merger would pull the '136 reexamination proceeding back from its briefed-on-appeal stage, and return the prosecution to a point in which no examination of the claims of record in the merged proceeding has taken place. It simply does not appear that prosecution on the '382 reexamination application, which has only received an order granting reexamination, will be concluded so quickly as to provide special dispatch for the '136 reexamination proceeding if the two proceedings are merged. There is a public interest in the outcome of the '136 reexamination proceeding, and the public has a right to have that proceeding conducted with special dispatch, particularly when it has reached a late stage of prosecution, rather than have prosecution delayed indefinitely in favor of prosecution in a reexamination proceeding that has not yet had an Office action.

In addition, the patent owner raised an additional valid argument in its assertion that the litigation involving the '793 patent has been suspended by the US District Court Northern

District of New York (Case No. 5:03-CV-1120 DEP) pending conclusion of the '136 reexamination proceeding. After five years of litigation , the trial court granted the stay pending resolution of the reexamination control proceeding. The motion for stay advised the court that the BPAI would expect to be finished within 6-12 months. To merge the proceedings, would not be beneficial to the court in seeking resolution by the USPTO prior to addressing the litigation suit.

(2) As to the option of suspending the '382 reexamination proceeding and continuing prosecution of the '136 reexamination application, it is again noted that the '136 reexamination proceeding is on appeal to the BPAI, while prosecution in the '382 reexamination proceeding has yet to proceed beyond the ordering of the reexamination request. To suspend the '382 reexamination proceeding so that prosecution could be conducted completed in the '136 reexamination would be contrary to the requirement of 35 U.S.C § 305 that reexamination proceedings in the Office (including appeals to the BPAI) be conducted with special dispatch under the specific facts of the two proceedings.

Persuasive consideration has also been given to the possibility of conducting the prosecution in the '136 reexamination proceeding and the '382 reexamination proceeding separately and concurrently. Under the facts of the two proceedings, it is deemed appropriate to do so. It is noted that the '793 application issued with 8 claims. In the '136 application, the Office has noted that claims 1-3,7 are rejected and have confirmed the patentability of claims 4-6 and 8. On appeal, the third party requester in the '136 reexamination proceeding did not appeal the confirmation of claims 4-6 and 8. In the '382 reexamination proceeding, the requester has only sought reexamination of claims 4-6 and 8 that were confirmed in the '136 proceeding. In light of this specific claims involved in each reexamination proceeding and in further light of the statutory requirement of special dispatch, the Office will allow the two proceedings to continue proceeding separately and concurrently.

CONCLUSION

1. Jurisdiction of the '136 *inter partes* reexamination proceeding is being returned to the Board of Patent Appeals and Interferences for action on the appeal in that proceeding.

2. Jurisdiction of the reexamination proceeding '382 is being returned to the Central Reexamination Unit to continue prosecution of the proceeding.

3. Telephone inquiries related to this decision should be directed to Sr. Legal Advisor Kery A. Fries at (571) 272-7757, or, in his absence, to Senior Legal Advisor Kenneth M. Schor at (571) 272-7710.

Kenneth Schor
Sr. Legal Advisor
Office of Patent Legal Administration
Office of Deputy Commissioner
for Patent Examination Policy

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,138	03/23/2006	6645742	0259-0432L	4952

7590 08/03/2009

EXAMINER

Robert Silver
Caesar Rivise Bernstein Cohen &
Pokotilow, Ltd.
12th Flr, Seven Penn Ctr., 1635 Market St.
Philadelphia, PA 19103-2212

ART UNIT	PAPER NUMBER

DATE MAILED: 08/03/2009

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BIRCH STEWART KOLASCH & BIRCH
PO BOX 747
FALLS CHURCH, VA 22040-0747

Date:

MAILED

AUG 03 2009

CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester
Inter Partes Reexamination

REEXAMINATION CONTROL NO. : 95000138
PATENT NO. : 6645742
TECHNOLOGY CENTER : 3999
ART UNIT : 3900

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified Reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the inter partes reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an ex parte reexamination has been merged with the inter partes reexamination, no responsive submission by any ex parte third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the Central Reexamination Unit at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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For Patent Owner

MAILED

AUG 03 2009

CENTRAL REEXAMINATION UNIT

Birch Stewart Kolasch & Birch LLP
8110 Gatehouse Road, suite 100E
Falls Church, VA 22042

For Requester

Ex Parte Reexamination Proceeding
Control No. 95/000,138
Filed: March 23, 2006
For: US Patent No. 6,645,742

DECISION ON
PETITION UNDER
37 CFR 1.181

This is a decision on the petition filed July 28, 2008 to request Reopening of Prosecution Before the Examiner.

The petition is before the Director of the Central Reexamination Unit for consideration.

The petition is **dismissed** for the reasons set forth below.

Statement of Facts

1. Right of Appeal Notice was mailed on November 11, 2007.

2. A Notice of Appeal was submitted by patent owner on December 27, 2007

3. An Appeal Brief was submitted by patent owner on February 29, 2008

4. A Respondent Brief was submitted by requester on March 27, 2008.

5. An Examiner's Answer was mailed on June 3, 2008.

6. A Rebuttal Brief was submitted on July 7, 2008.

7. This petition entitled **PETITION UNDER 37 CFR 1.181 REQUESTING REOPENING OF PROSECUTION BEFORE THE EXAMINER N THIS INTER PARTES REEXAMINATION.**

Analysis

MPEP 2677 Examiner's Answer [R-7].
The examiner's answer may incorporate from any of the briefs the most accurate and most comprehensive information. It should contain a response to the allegations or arguments made in all of the briefs and should call attention to any errors in an appellant's copy of the claims.

37 CFR 41.69 (b). An examiner's answer may not include a new ground of rejection.

1. The petitioner maintains that the Examiner has, in effect, made a new ground of rejection by changing her rationale, i.e., viewing the DeFerra I reference in a new light, to which Appellant has no opportunity to fully respond.

It is to be noted that the DeFerra I reference was cited in the prosecution of the application which became the patent presently under reexamination. The present *inter partes* proceeding was granted based on new substantial questions of patentability based in part on viewing the DeFerra I reference in a new light. The reference to this in the Examiner's Answer is not made with regard to the ACP or RAN in this proceeding. It is a reference to the fact that it is being viewed in a new light with regards to the SNQ for which this proceeding has been granted.

2. Appellant further contends that the examiner has made new technical assumptions without evidence.

Patent owner contends the Examiner's statement that "....process would **necessarily** lead to the successful removal...." contrasts with the statement in the ACP and RAN that "....would be **expected** to lead to the successful removal...." Appellant asserts that the change to "necessarily" in the Answer amounts to official notice by the Examiner.

A review of the ACP and RAN reveals the Examiner is discussing the state of the art with regards to, for example, the Abidi reference. In the Examiner's answer, the Examiner is referring to an effective extraction method which includes the

successful removal of impurities. These statements are not contradictory. The examiner has in no way put forth a new position.

3.. Appellant finally asserts the examiner has amplified her rationale and/or reasoning with respect to the obviousness rejections over DeFera I in view of Radin, Abidi. and Umeda.

The Examiner is required to address Patent Owner's comments in the Appeal Brief. The fact the Examiner has set forth a more extensive explanation of her position is merely in response to the position taken by Patent Owner for the first time in the Appeal Brief. The allegation that the Examiner has amplified her rationale to the point that prosecution should be reopened is simply without merit.

In conclusion, no new grounds of rejection are seen in the Examiner's Answer and no good cause to reopen prosecution has been presented.

Conclusion

The Appellant's petition for reopening prosecution is **dismissed**. The proceeding will be forwarded to the Board of Appeals and Interferences for a decision on the Appeal.

Telephone inquiries with regard to this decision should be directed to Deborah Jones, Supervisory Patent Examiner in the Central Reexamination Unit, Art Unit 3991, at (571) 272-1535.

Gregory Morse,
Director,
Central Reexamination Unit

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,138	03/23/2006	6645742	0259-0432L	4952

7590 12/16/2009

EXAMINER

Robert Silver
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ART UNIT	PAPER NUMBER

DATE MAILED: 12/16/2009

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CONTROL NO.	FILING DATE	PATENT IN REEXAMINATION	ATTORNEY DOCKET NO.
95/000,138	03/23/06	6645742	0259-0432L

EXAMINER
HUANG, EVELYN

ART UNIT	PAPER
3991	

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FALLS CHURCH, VA 22042-1248

DATE MAILED:

12/16/09

INTER PARTES REEXAMINATION COMMUNICATION

BELOW/ATTACHED YOU WILL FIND A COMMUNICATION FROM THE UNITED STATES PATENT AND TRADEMARK OFFICE OFFICIAL(S) IN CHARGE OF THE PRESENT REEXAMINATION PROCEEDING.

All correspondence relating to this *inter partes* reexamination proceeding should be directed to the **Central Reexamination Unit** at the mail, FAX, or hand-carry addresses given at the end of this communication.

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CONTROL NO.	FILING DATE	PATENT IN REEXAMINATION	ATTORNEY DOCKET NO.
95/000,138	03/23/06	6645742	0259-0432L

EXAMINER
HUANG, EVELYN

ART UNIT	PAPER
3991	

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FALLS CHURCH, VA 22042-1248

DATE MAILED:

INTER PARTES REEXAMINATION COMMUNICATION

BELOW/ATTACHED YOU WILL FIND A COMMUNICATION FROM THE UNITED STATES PATENT AND TRADEMARK OFFICE OFFICIAL(S) IN CHARGE OF THE PRESENT REEXAMINATION PROCEEDING.

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Caesar Rivise Bernstein Cohen & Pokotilow
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(For Patent Owner)

MAILED

DEC 16 2009

CENTRAL REEXAMINATION UNIT

Raymond C. Stewart
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(For Requester)

In re De Ferra et al.
Inter Partes Reexamination Proceeding
Control No. 95/000,138
Filed: March 23, 2006
For: U.S. Patent No. 6,645,742

DECISION
DISMISSING PETITION
UNDER § 1.182

This is a decision on the December 9, 2009 patent owner petition entitled "PETITION UNDER 37 CFR § 1.182 REQUEST FOR CONTINUED REEXAMINATION IN THIS INTER PARTES REEXAMINATION."

The patent owner petition is before the Office of Patent Legal Administration.

The petition is **dismissed**.

BACKGROUND

- On March 23, 2006, a request for *inter partes* reexamination was filed by the third party requester for all claims in the '742 patent, claims 1-32, and the resulting reexamination proceeding was assigned control number 95/000,138 ("the '138 proceeding").

- Prosecution progressed until, on February 29, 2008, patent owner filed a timely appeal brief responsive to a right of appeal Notice that was issued by the Office on November 29, 2007.

- On March 27, 2008, third party requester filed a timely respondent brief.

- On June 3, 2008, an examiner's answer was mailed by the Office.

- On July 2, 2008, patent owner filed a "Rebuttal Brief."

- On July 28, 2008, patent owner filed a petition under 37 CFR 1.181 requesting reopening of prosecution.

- On August 1, 2008, third party requester filed an oral hearing request. An oral hearing request was filed by patent owner on August 4, 2008.

- On August 14, 2008, third party requester filed a response to patent owner's July 28, 2008 petition.

- On August 3, 2009, the Office issued a decision dismissing the July 28, 2008 patent owner petition. On the same date, the Office issued a decision returning third party requester's August 14, 2008 paper as being an improper paper having no right of entry.

- On August 13, 2009, the Office mailed a paper acknowledging the entry and consideration of patent owner's July 2, 2008 reply brief.

- On December 9, 2009, patent owner filed the instant "PETITION UNDER 37 CFR § 1.182 REQUEST FOR CONTINUED REEXAMINATION IN THIS INTER PARTES REEXAMINATION," requesting that an March 29, 2007 amendment, filed after an action closing prosecution and refused entry in the right of appeal Notice of November 29, 2007, be entered and considered.

STATUTES, REGULATIONS, AND PATENT EXAMINING PROCEDURES

37 CFR 1.182 provides:

> All situations not specifically provided for in the regulations of this part will be decided in accordance with the merits of each situation by or under the authority of the Director, subject to such other requirements as may be imposed, and such decision will be communicated to the interested parties in writing. Any petition seeking a decision under this section must be accompanied by the petition fee set forth in § 1.17(f).

DECISION

The December 9, 2009 patent owner petition is filed under 37 CFR 1.182 requesting continued prosecution for entry and consideration of an amendment filed on March 29, 2007. In March of 2005, the Office issued a Notice titled "Notice of Changes in Requirement for a Substantial New Question of Patentability for a Second or Subsequent Request for Reexamination While an Earlier Filed Reexamination is Pending." [1] Notice was provided therein that <u>a patent owner could file a petition under 37 CFR 1.182 requesting continued prosecution on the merits in the</u>

[1] 1292 *Off. Gaz. Pat. Office* 20, March 1, 2005.

reexamination proceeding **to seek entry of an amendment and/or evidence that was denied entry** after an action closing prosecution in an *inter partes* reexamination proceeding.

The filing of such a § 1.182 petition is strictly controlled by the Office to further the statutory mandate of 35 U.S.C. § 305 that "[a]ll reexamination proceedings under this section . . . will be conducted with **special dispatch** within the Office" [emphasis added]. The present proceeding has reached a point where the appeal has been fully briefed and answered, and granting continued reexamination at this stage would require drawing the case back from an advanced state of the appeal process to a relatively early stage prior to the right of appeal Notice. In view of the advanced stage of the proceedings, the instant petition does not facilitate handling of the proceeding with special dispatch, and is dismissed.

It is further noted that the instant petition was filed on December 9, 2009, more than two years after the right of appeal Notice was issued by the Office on November 29, 2007. 37 CFR 1.181(f) states that "[a]ny petition under this part not filed within two months of the mailing date of the action or notice from which relief is requested may be dismissed as untimely" [emphasis added]. The phrase "under this part" refers to the part of the rules entitled "PETITIONS AND ACTION BY THE DIRECTOR," and includes §§ 1.181, 1.182, and 1.183. Therefore, any petition filed under § 1.182 not filed within two months of the action or notice from which relief is requested may be dismissed as untimely. In the instant petition, patent owner petitioner seeks to enter an amendment that was denied entry in the right of appeal Notice issued by the Office on November 29, 2007. The instant petition is well outside of the two month period set in § 1.181(f), and may, for that reason alone, be dismissed as untimely. In the present instance, this is especially egregious, given the statutory mandate for special dispatch.

It is to be noted that the 'Notice of Changes in Requirement for a Substantial New Question of Patentability for a Second or Subsequent Request for Reexamination While an Earlier Filed Reexamination is Pending" stated that "patent owners are advised to use either: (1) the petition procedure under 37 CFR 1.181 to seek review of a denial of entry of an amendment submitted after final rejection in an *ex parte* reexamination proceeding or after an action closing prosecution in an *inter partes* reexamination proceeding; or (2) the petition procedure under 37 CFR 1.182 to seek relief that is not currently provided by an existing rule" [emphasis added]. The § 1.182 petition was created to address a need for an amendment or evidence submission that patent, the need for which was not apparent until the issuance of the final rejection or action closing prosecution, because of an issue raised for the first time at final rejection or action closing prosecution. It was not created for the purpose of permitting the patent owner to file an appeal brief, after which the examiner has already begun considering the issues of the existing situation, and would be doing unjustified re-work to consider the newly proffered amendment or evidence submission. This clearly runs contrary to special dispatch. If such a § 1.182 petition is to be filed, it is to be filed as the Notice states - after an action closing prosecution in an *inter partes* reexamination proceeding - such that delay is minimized. The filing of a Notice of appeal may be used in rare instances to keep a proceeding pending; however, once the appeal brief has been filed, the window for such a § 1.182 petition has closed.

It is also to be noted that even if the present petition had been filed prior to filing the appeal brief, it would not have been grantable. A petition under 37 CFR 1.182 for continued

reexamination must show how granting the petition would further the prosecution of the reexamination proceeding. Prosecution may be furthered by reducing issues, by better defining the issues for appeal, or by placing the claims in condition for the issuance of a reexamination certificate. The petition is to set forth reasons why it was not apparent until the issuance of the action closing prosecution (based on an issue raised for the first time at action closing prosecution) that the specifics of the submission would do so. In the instant petition, patent owner presents two arguments; first, that the entry of the March 29, 2007 amendment would simplify issues surrounding an issue of claim construction, and second, that the prosecution was improperly closed and a new reference relied upon in the right of appeal Notice of November 29, 2007.

With respect to the first argument, the examiner stated, in the right of appeal Notice of November 29, 2007, that entry of the March 29, 2007 amendment would not place the claims in better form for, or remove issues for, appeal. The examiner stated further that "the amendment does not provide a distinction over the prior art of record since the references can still be applied in the same manner as set forth in the previous office actions." Continuation of prosecution under § 1.182 for the purpose of consideration of an amendment, where the examiner has stated that the amendment would not advance the prosecution, would not, in actuality, appear to advance the prosecution. To the contrary, entry of the amendment would merely replicate the discussion already set forth in the advisory Office action and thereby retard the proceeding. In this instance, it was not raised in the petition, nor is there any indication on the record, that the examiner raised an issue requiring amendment with respect to claim construction. Therefore, continuation of the reexamination, in this instance, would not further the statutory mandate for special dispatch in *inter partes* reexamination proceedings.

With respect to the second argument, deficiencies in an Office action are proper for a petition under 37 CFR 1.181, in which supervisory review of an Office action is requested. However, such an argument is improper for a petition under 37 CFR 1.182. The renewed petition presents this allegation to support a contention that entry of an earlier submitted amendment would advance the prosecution of the proceeding. Such advancement can clearly be seen, for instance, where claims are cancelled, or claims are amended in accordance with an examiner's suggestion to resolve issues of clarity or indefiniteness. Advancement may be found in presenting evidence or an amendment directed towards overcoming a prior art rejection. However, patent owner's previous petition under 37 CFR 1.181, filed on July 28, 2008, was dismissed in a decision mailed on August 3, 2009, in which the Director of the Central Reexamination Unit held that no new grounds of rejection were made by the examiner following the action closing prosecution. Further supervisory review of the decision on the propriety of the examiner's actions was available under 37 CFR 1.181; however, as noted above, a request for such review should have been made within two months of the August 3, 2009 decision. Therefore this argument is not persuasive.

In view of the above, the petition is **dismissed**.

CONCLUSION

- The petition is **dismissed**.
- A copy of this decision will be made of record in the reexamination file.
- The reexamination proceeding shall proceed in accordance with the appeal that has been filed, fully briefed, and ready for docketing at the Board of Patent Appeals and Interferences.
- Any inquiry concerning this decision should be directed to Michael Cygan, Legal Advisor, at (571) 272-7700..

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

December 15, 2009
C:\Kiva\Kenpet7\RCR\

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,144	04/14/2006	7001951	060099-5002US	7001

9629 7590 12/31/2009

MORGAN LEWIS & BOCKIUS LLP
1111 PENNSYLVANIA AVENUE NW
WASHINGTON, DC 20004

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 12/31/2009

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Date: **MAILED**

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CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester
Inter Partes Reexamination

REEXAMINATION CONTROL NO. : 95000144
PATENT NO. : 7001951
TECHNOLOGY CENTER : 3999
ART UNIT : 3900

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified Reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the inter partes reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an ex parte reexamination has been merged with the inter partes reexamination, no responsive submission by any ex parte third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the Central Reexamination Unit at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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U.S. Patent and Trademark Office
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APPLICATION NO./ CONTROL NO.	FILING DATE	FIRST NAMED INVENTOR / PATENT IN REEXAMINATION	ATTORNEY DOCKET NO.
95000144	4/14/06	7001951	

EXAMINER

Charles E. Van Horn
FINNEGAN, HENDERSON, FARABOW,
GARRET & DUNNER, LLP
901 New York Avenue N.W.
Washington, DC 20001-4413

ART UNIT	PAPER
3999	20091231

MAILED

DATE MAILED: DEC 3 1 2009

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Morgan Lewis & Bockius LLP 1111 Pennsylvania Avenue NW Washington, DC 20004	FOR PATENT OWNER
3 M Innovative Properties Company 3M Center P.O. Box 33427 St. Paul, MN 55133-3427	FOR THIRD PARTY
Charles E. Van Horn Finnegan, Henderson, Farabow, Garrett & Dunner, LLP 901 New York Avenue N.W. Washington, DC 20001-4413	FOR THIRD PARTY REQUESTER
In re Chapman, Jr. et al. Reexamination Proceeding Control No. : 95/000,144 Filed : April 14, 2006 Patent No. 7,001,951	DECISION ON PATENT OWNER'S PETITION UNDER 37 CFR 1.181

MAILED

DEC 31 2009

CENTRAL REEXAMINATION UNIT

This is a decision addressing Patent Owner's submission, filed September 22, 2008 and entitled "Petition Under 37 C.F.R. § 1.116 to Admit Rule 132 Declaration of Mr. Steven R. Oriani Dated May 10, 2007," which is being treated as a petition under 37 CFR 1.181.

The petition is before the Director of the Central Reexamination Unit for decision.

SUMMARY

Patent Owner's petition is DENIED.

BACKGROUND

1. Patent No. 7,001,951 (the '951 patent) issued on February 21, 2006.

2. A request for reexamination, assigned Control No. 95/000,144 (the '144 proceeding), was filed by a third party Requester on April 14, 2006.

3. Reexamination was ordered in the '144 reexamination proceeding on June 16, 2006.

4. An Office action on the merits was mailed on June 16, 2006.

5. On August 8, 2006, Patent Owner filed a reply to the Office action by the examiner.

6. On September 7, 2006, Requester filed comments in response to Patent Owner's response.

7. On April 11, 2007, the Office mailed an action closing prosecution (ACP).

8. On May 11, 2007, Patent Owner filed a response to the ACP. The response included a declaration under 37 CFR 1.132 by Steven R. Oriani and seven supporting references.

9. On June 8, 2007, Requester filed comments in reply to Patent Owner's response.

10. On June 23, 2008, the Office mailed a right of appeal notice (RAN). In this Office action the examiner refused to consider the Oriani declaration.

11. On July 22, 2008, Patent Owner filed a Notice of Appeal.

12. On September 22, 2008, Patent Owner filed an Appeal Brief accompanied by the instant petition.

DECISION

Admission of evidence after an ACP is governed by 37 CFR 1.116(e), which reads as follows:

> An affidavit or other evidence submitted after a final rejection or other final action (§ 1.113) in an application or in an ex parte reexamination filed under § 1.510, or an action closing prosecution (§ 1.949) in an inter partes reexamination filed under § 1.913 but before or on the same date of filing an appeal (§ 41.31 or § 41.61 of this title), may be admitted upon a showing of good and sufficient reasons why the affidavit or other evidence is necessary and was not earlier presented.

Patent Owner argues that the only other time the Oriani declaration and supporting references could have been submitted was in the response to the non-final Office action mailed June 16, 2006. This is not persuasive because Patent Owner does not provide good and sufficient reasons why the declaration was not, in fact, submitted at that time.

Patent Owner argues that it is not entitled to continue the '144 proceeding or request another inter partes reexamination. This argument is not persuasive. MPEP 2660 (III) states, in part:

> In view of the requirement for "special dispatch" in inter partes reexamination proceedings (35 U.S.C. 314(c)), it is intended that the examiner will issue an ACP at the earliest possible time. Accordingly, the first action should include a statement cautioning the patent owner that a complete response should be made to the action, since the next action is expected to be an ACP. The first action should further caution the patent owner that the requirements of 37 CFR 1.116(b) will be strictly enforced after an ACP and that any amendment after the ACP must include "a showing of good and sufficient reasons why they are necessary and were not earlier presented" in order to be considered.

MPEP 2672 (II) further advises:

> Accordingly, the examiner and other parties should identify and develop all issues prior to the ACP, including the presentation of evidence under 37 CFR 1.131 and 1.132.

The examiner met his burden of developing all issues prior to ACP, and the non-final action of June 16, 2006 included the cautionary paragraph required by the MPEP. Patent Owner has not identified any new ground of rejection in the ACP that necessitated filing the Oriani declaration. Patent Owner could have submitted the Oriani declaration with its response of August 8, 2006, but instead waited until after the ACP.

Patent Owner argues that the examiner invited the Oriani declaration. This is incorrect. The examiner's observation in the ACP that attorney's arguments were not supported by any evidence was an explanation for why the rejection in question was being maintained, not an invitation to submit such evidence after prosecution was closed.

Patent Owner argues that, as an inventor, Oriani should be allowed to file at least one declaration during the reexamination process. Inventors <u>are</u> allowed to provide declarations under 37 CFR 1.132 and such a declaration could have been filed with the response of August 8, 2006. Patent Owners are <u>not</u> entitled to have evidence submitted after ACP considered as a matter of right; any submission after ACP must be accompanied by a showing as required by 37 CFR 1.116(e). Patent Owner has not provided any reason why the Oriani declaration could not have been presented earlier in this proceeding.

Finally, Patent Owner argues that Mr. Oriani is best suited to offer evidence supporting Patent Owner's position. While it is clear why Patent Owner considers the Oriani declaration necessary, there is still no good and sufficient reason why this evidence was not presented before the ACP. Thus Patent Owner's argument is not persuasive.

<u>CONCLUSION</u>

1. Patent Owner's petition filed September 22, 2008 is **DENIED** for the reasons discussed above.

2. The present *inter partes* reexamination proceeding is being returned to the examiner for consideration of both parties' appeal briefs.

3. Telephone inquiries related to this decision should be directed to Deborah Jones, Supervisory Patent Examiner, at (571) 272-1535, or in her absence to the undersigned at (571) 272-3838.

for Deborah Jones

Gregory A. Morse
Director
Central Reexamination Unit

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(For Third Party Requester)

MAILED

OCT 26 2006

CENTRAL REEXAMINATION UNIT

In re Nuance Communications, Inc.
Inter Partes Reexamination Proceeding
Control No. 95/000,145
Filed: April 24, 2006
For: U.S. Patent No. 6,501,966

: **DECISION**
: **DISMISSING**
: **PETITION**

This is a decision on the August 23, 2006 patent owner petition entitled "PETITION TO SUSPEND *INTER PARTES* REEXAMINATION." On October 10, 2006, the third party requester filed an opposition paper styled "RESPONSE TO PATENT OWNER'S PETITION TO SUSPEND *INTER PARTES* REEXAMINATION." The opposition paper incorporates a petition under 37 CFR 1.182 and 1.183 requesting consideration of the opposition paper.

The petition and the opposition paper are before the Office of Patent Legal Administration for decision.

For the reasons set forth below, the patent owner petition is dismissed.

FEES

The patent owner petition has been filed under 37 CFR 1.181, 1.182, 1.183, 1.987 and 35 U.S.C. § 314(c). Inasmuch as there is no provision in the regulations for the filing of a petition to suspend an *inter partes* reexamination proceeding, [1] the patent owner petition

[1] 35 U.S.C. §314(c) provides that the an *inter partes* reexamination will be conducted for good cause unless the USPTO Director provides otherwise, for good cause. 37 CFR 1.987 states that the USPTO Director will consider the question of suspension when the patent that is the subject of an *inter partes* reexamination is, or becomes, involved in litigation. However, the regulations do not specifically provide for the filing of a patent owner petition requesting suspension of an *inter partes* reexamination proceeding.

must be considered pursuant to 37 CFR 1.182. 37 CFR 1.182 requires the payment of the petition fee set forth in 37 CFR 1.17(f). [2] However, the record does not show that the required petition fee has been directly paid, or that there is any authorization in the record to charge counsel's deposit account for the petition fee. [3]

A petition under 37 CFR 1.183 to suspend 37 CFR 1.947 [4] is required in order to entitle the third party requester to consideration of the opposition to the patent owner petition. Third party requester has authorized the Office to charge Deposit Account No. 06-1448, reference VSY-001.01 in the amount of $400.00, as required by 37 CFR 1.183 and 37 CFR 1.17(f). The required fee will be charged as requested.

DECISION

As noted above, patent owner has not submitted the requisite petition fee. Due to the nature of an *inter partes* reexamination proceeding, it would not be appropriate to telephone the patent owner to authorize charging of the petition, since that would be an *ex parte* communication with the patent owner in the present *inter partes* proceeding. Therefore, the present patent owner petition is dismissed for failure to pay the required $400.00 petition fee. The patent owner may file a renewed petition to suspend the present *inter partes* reexamination proceeding by remitting the required $400.00 petition fee within 30 DAYS from the mailing date of this decision. In the event that patent owner timely files the required $400.00 petition fee, the requester need not take further action as to the already submitted opposition, since the opposition petition is being charged via this decision, and the opposition remains of record for consideration (should the petition to suspend be renewed.

CONCLUSION

1. The petition to suspend the present *inter partes* reexamination proceeding is dismissed.

2. Patent owner may file a renewed petition to suspend the present *inter partes* reexamination proceeding by remitting the required $400.00 petition fee within **30 DAYS from the mailing date of this decision.**

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[2] Effective October 16, 2006, the fee pursuant to 37 CFR 1.17(f) is $400.00.

[3] The fee authorization at page 5 of the Remarks that is part of the response to the June 21, 2006 Office action appears to be directed to the question of timeliness of the response. The fee authorization authorizes "any additional fees required for the timely consideration of this application" in the event "that applicants have inadvertently overlooked the need for an extension of time." This authorization is, at best ambiguous, with respect to charging fees other than any necessary extension of time fee, and cannot be accepted as an authorization to charge the fee under 37 CFR 1.17(f). See MPEP § 509(I) "DEPOSIT ACCOUNT AUTHORIZATIONS."

[4] 37 CFR 1.947 limits the type of papers that a third party requester may file subsequent to the filing of the request for reexamination through the issuance of a right of appeal by the examiner. Third party requester may only file written comments on a patent owner's response to an Office action on the merits during that phase of time.

3. Jurisdiction over the present *inter partes* reexamination proceeding is being returned to the Central Reexamination Unit for appropriate action on the patent owner response filed on August 23, 2006 and the written comments filed on September 18, 2006 by the third party requester.

4. Telephone inquires related to this decision should be directed to Stephen Marcus, Legal Advisor, at (571) 272-7743.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

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United States Patent and Trademark Office
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,148	11/22/2006	6783054	18796/101795-00	5255

23329 7590 12/11/2007

KEAN, MILLER, HAWTHORNE, D'ARMOND,
MCCOWAN & JARMAN, L.L.P.
ONE AMERICAN PLACE, 22ND FLOOR
P.O. BOX 3513
BATON ROUGE, LA 70821

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 12/11/2007

Please find below and/or attached an Office communication concerning this application or proceeding.

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www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/008,050	06/01/2006	6783054	16102-17	7407

23329 7590 12/11/2007

KEAN, MILLER, HAWTHORNE, D'ARMOND,
MCCOWAN & JARMAN, L.L.P.
ONE AMERICAN PLACE, 22ND FLOOR
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United States Patent and Trademark Office
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Alexandria, VA 22313-1450
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Kean, Miller, Hawthorne
D'Armond, McCowan & Jarman, LLP
One American Place, 22nd Floor
Baton Rouge, LA 70809

(For Patent Owner)

MAILED

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CENTRAL REEXAMINATION UNIT

Jones Walker Waechter
Poitevant Carrere LLP
5th Floor Four United Plaza
8555 United Plz. Blvd.
Baton Rouge, LA 70809

(For *Inter Partes* Requester)

In re Pregeant, Jr. et al.
Ex parte Reexamination
Proceeding
Control No. 90/008,050
Filed: June 1, 2006
For: U.S. Patent No. 6,783,054

In re Weber et al.
Inter partes Reexamination
Proceeding
Control No. 95/000,148
Filed: November 22, 2006
For: U.S. Patent No. 6,784,054

DECISION TO MERGE
REEXAMINATION PROCEEDINGS

The above-captioned reexamination proceedings are before the Office Of Patent Legal Administration for *sua sponte* consideration of whether the proceedings should be merged under 37 CFR 1.989 at the time.

REVIEW OF THE FACTS

1. United States Patent Number 6,783,054 B1 issued August 31,2004.

2. A request for *ex parte* reexamination, assigned Reexamination Control No. 90/008,050 was filed June 1, 2006, by the patent owner.

3. A request for *inter partes* reexamination, assigned Reexamination Control Number 95/000,148 was filed November 22, 2006 by Safezone Safety Systems LLC, the real party in interest.

4. An order for reexamination of *ex partes* reexamination Control Number 90/008,050 was mailed on August 8, 2006.

5. On On August 27, 2006, patent owner filed, in the '050 proceeding, filed a patent owner statement in response to the Office order.

6. On November 26, 2006 patent owner filed, in the '050 proceeding, a notice pursuant to 37 CFR 1.565(a) of the filing of the *inter partes* reexamination.

7. On July 10, 1006 and August 17, 2006 submitted requests for *inter partes* that were not granted because the requirements of 37 CFR 1.915 were not met. Requester filed a grantable *inter partes* reexamination on November 22, 2006.

7. On February, 16, 2007, the Office, in the '148 proceeding, mailed a order for *inter partes* reexamination.

8. On August 30, 2007 requester filed a status inquiry with the Office.

DECISION

I. **MERGER OF PROCEEDINGS**

Under 37 CFR 1.989(a):

> "If any reexamination is ordered while a prior *inter partes* reexamination proceeding is pending for the same patent and prosecution in the prior *inter partes* reexamination proceeding has not been terminated, a decision may be made to merge the two proceedings or to suspend one of the two proceedings. Where merger is ordered, the merged examination will normally result in the issuance of a single reexamination certificate under § 1.997."

The general policy of the Office is that an ex parte reexamination proceeding and an inter partes reexamination proceeding will not be conducted separately, at the same time, as to a particular patent. Pursuant to MPEP 2686.01:

> "If a second request for reexamination is filed where a certificate will issue for a first reexamination later than 3 months from the filing of the second request, the proceedings normally will be merged once reexamination has been ordered in both proceedings."

The reason for this policy is to prevent inconsistent, and possibly conflicting, amendments from being introduced into the two proceedings on behalf of the patent owner. Normally, the proceedings will be merged when it is desirable to do so in the interest of expediting the prosecution of both proceedings. In making a decision on whether or not to merge the two proceedings, consideration will be given to the status of each proceeding. In the present instances, both reexamination proceedings are in the early stages, and a complete examination can be given to both proceedings incorporating all of the issues raised in both proceedings. In the *ex parte* reexamination (control No. 90/008,050),a request for reexamination was filed by patent owner on June 1, 2006 and an order for reexamination was mailed on August 8, 2006. On November 26, 2006, the

patent owner filed a statement in the *ex parte* reexamination pursuant to 37 CFR 1.565(a). An *inter partes* reexamination (Control No. 95/000,148) request was filed on November 22, 2006 and the order granting the reexamination was mailed on February 16, 2006. On January 25, 2006, the patent owner filed a notice pursuant to 37 CFR 1.985(a) apprising the Office of the *inter partes* reexamination (Control No. 95/000,148) filed on August 17, 2006.[1] Accordingly, the two proceedings are ripe for a consolidated examination thereof.

In order to provide efficient and prompt handling of the two reexamination proceedings and to prevent inconsistent, and possibly conflicting, amendments from being introduced on behalf of the patent owner, it is appropriate that the two reexamination proceedings be merged and a joint examination be conducted. Accordingly, pursuant to 37 CFR 1.989(a),the 95/000,148 and 90/008,050 reexamination proceedings **are merged**. The merged proceeding will be conducted in accordance with the guidelines and requirements which follow.

II. THE SAME CLAIMS MUST BE MAINTAINED IN BOTH PROCEEDINGS

Patent owner is required to maintain the same claims (and specification) in both files *throughout the merged proceeding*. If the claims in both files are not the same, a "housekeeping amendment" will be needed. If the claims are the same, a "housekeeping" amendment will not be needed. In the two proceedings, the claims are not the same and accordingly, a "housekeeping" amendment is necessary. On August 27, 2006 patent owner filed an amendment in reexamination proceeding control number 90/008,050. The patent owner has not amended the claims in reexamination proceeding control number 95/000,148. Accordingly, the claims are not the same in the two proceedings that are being merged.

III. CONDUCT OF MERGED PROCEEDING

A. Governing regulations for the merged proceeding:

The present decision merges an *ex parte* reexamination proceeding with an *inter partes* reexamination. Pursuant to 37 CFR 1.989 (b), the merged proceeding is governed by 37 CFR 1.902 through 1.997. While the rights of any third party requester of the *ex parte* reexamination are governed by 37 CFR 1.510 through 1.560, in this instance, there is no third party requester of the *ex parte* reexamination, since the patent owner requested the *ex parte* reexamination.

B. Papers mailed/filed:

All papers mailed by the Office throughout the merged proceeding will take the form of a single action which applies to both proceedings. All papers issued by the Office, or filed by the patent owner and the third party requester, will contain the identifying data for both files and will be physically entered in each reexamination file. All papers filed by the patent owner and the third party requester must

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[1]It is noted that the notice of concurrent proceedings was filed with the August 17, 2006 request for *inter partes* reexamination that did not meet the requirements of 37 CFR 1.915.

consist of a single paper, **filed in duplicate**, each bearing a signature and identifying data for both files, for entry into each file.

All papers filed by the patent owner and the third party requester should be directed:

By Mail to: **Mail Stop *Inter Partes* Reexam**
Attn: Central Reexamination Unit
Commissioner for Patents
United States Patent & Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

By FAX to: **(571) 273-9900**
Central Reexamination Unit

By hand: **Customer Service Window**
Randolph Building
401 Dulaney St.
Alexandria, VA 22314

Any inquiry concerning this communication or earlier communications from the examiner, or as to the status of this proceeding, should be directed to the Central Reexamination Unit at telephone number (571) 272-7705.

Patent owner and requester are reminded that every paper filed in the merged proceeding subsequent to this Decision must be served on the other parties, including papers filed *via* facsimile transmission.

C. Amendments:

The filing of any amendments to the drawings, specification or claims must comply with the provisions of 37 CFR 1.530 and the guidelines of MPEP § 2250. 37 CFR 1.121 does not apply to amendments in reexamination. Accordingly, clean copies of the amended claims are not required and are not to be submitted; rather amendments are to be presented via markings pursuant to paragraph 37 CFR 1.530(f), except that a claim should be canceled by a statement canceling the claim, without presentation of the text of the claim.

Pursuant to 37 CFR 1.530(i), all amendments must be made relative to the patent specification, including the claims, and drawings, which are in effect as of the date of filing the request for reexamination. Amendments are not to be made relative to previous amendments. Thus,

for all amendments, all words not appearing in the patent are always underlined, and only words being deleted from the patent appear in brackets.

D. Fees:

Where a paper is filed which requires payment of a fee (e.g., petition fee, appeal fee, brief fee, oral hearing fee), only a single fee need be paid. For example, only one fee need be paid for patent owner's appellant brief (or that of the *inter partes* requester), even though the brief relates to merged multiple proceedings and copies must be filed (as pointed out above) for each file in the merged proceeding.

E. Citation of Patents and Printed Publications:

Upon return of the present merged proceeding to the examiner, the examiner (a) will review the files to insure that each file contains identical citations of prior patents and printed publications, and (b) will cite such documents as are necessary as part of the next Office action in order to place the files in that condition.

CONCLUSION

1. *Inter partes* Reexamination Control No. 95/000,148 and *ex parte* Reexamination Control No. 90/008,050 are *sua sponte* merged into a single proceeding, to be conducted in accordance with the procedure set forth above.

2. Pursuant to Part II of this decision, a housekeeping amendment is required within one month of this decision, placing the same amendments in both cases of the present merged proceeding.

3. The examiner should not issue an office action for the present merged proceeding until after the earlier of :(a) the submission of the required housekeeping amendment to place the same amendments in both cases, or (b) the expiration of the ONE MONTH period from the mailing of this decision for filing the amendment.

4. Any questions concerning this communication should be directed to Kery A. Fries, Senior Legal Advisor, at (571)272-7757.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,148	11/22/2006	6783054	18796/101795-00	5255

23329 7590 12/02/2008

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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 12/02/2008

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(THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS)

JONES WALKER WAECHTER POITEVANT CARRERE LLP
5TH FLOOR FOUR UNITED PLAZA
8555 UNITED PLAZA BLVD.
BATON ROUGE, LA 70809

MAILED

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CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester *Inter Partes* Reexamination

REEXAMINATION CONTROL NUMBER 95/000,148. & 90/008,050

PATENT NUMBER 6,783,054.

TECHNOLOGY CENTER 3999.

ART UNIT 3993.

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above-identified reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the *inter partes* reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an *ex parte* reexamination has been merged with the *inter partes* reexamination, no responsive submission by any *ex parte* third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the **Central Reexamination Unit** at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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(For Patent Owner)

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Baton Rouge, LA 70809

(For Third Party Requester)

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DEC 02 2008

CENTRAL REEXAMINATION UNIT

In re *Ex Parte* Reexamination Proceeding
Control No. 90/008,050
Filed: June 1, 2006
For: U.S. Patent No. 6,783,054

In re *Inter Partes* Reexamination Proceeding
Control No. 95/000,148
Filed: November 22, 2006
For: U.S. Patent No. 6,784,054

DECISION
DISMISSING
PETITION

This is a decision addressing the October 10, 2008 third party requester paper entitled "Request to Reconsider" and the October 27, 2008 third party requester petition entitled "Petition to the Director." This decision also considers the November 24, 2008 patent owner opposition paper pursuant to 37 CFR 1.183.

The above described requester and patent owner papers, *ex parte* reexamination control number 90/008,050 and *inter partes* reexamination control number 95/000,148 are before the Office of Patent Legal Administration for decision on the requester petition.

Summary: The third party papers have been carefully considered. The relief requested in the third party requester petition is granted to the extent that the October 10, 2008 and October 27, 2008 papers have been considered Office decision, but the underlying relief requested in the October 10, 2008 "Request" and the October 27, 2008 "Petition" is dismissed.

FEES

Petitioner third party requester has filed the October 27, 2008 petition pursuant to 37 CFR 37 CFR 1.181 and 1.182. The $400.00 fee for a petition under 37 CFR 1.182 that is

established by 37 CFR 1.17(f) has been charged to Deposit Account No. 50-1896 as authorized as authorized by third party requester, and will also serve to support consideration of the requester petition under 37 CFR 1.183. Patent owner has authorized a charge against Deposit Account No. 11-2045 of the $400.00 fee for its opposition paper, which paper will also be considered under 37 CFR 1.182 and 1.183.

REVIEW OF FACTS

1. United States Patent Number 6,783,054 ("the '054 patent) issued on August 31, 2004.

2. A request for *ex parte* reexamination of the '054 patent, was filed on June 1, 2006 by the patent owner, and assigned reexamination control No. 90/008,050 ("the '050 *ex parte* reexamination proceeding").

3. A request for *inter partes* reexamination of the '054 patent was deposited on July 10, 2006 by a third party requester, naming Safezone Safety Systems LLC as the real party in interest, and was assigned Reexamination Control Number 95/000,148 (the '148 *inter partes* reexamination proceeding). Papers filed by the *inter partes* reexamination requester on behalf of the real party in interest will hereinafter be referred to as having been filed by "requester."

4. On August 8, 2006, an order for reexamination was mailed in the '050 *ex parte* reexamination proceeding.

5. On August 10, 2006, a Notice was mailed in the '148 *inter partes* reexamination proceeding notifying requester that the July 10, 2006 request papers were not entitled to a filing date.

6. On August 17, 2006, requester filed corrected request papers for the '148 *inter partes* reexamination proceeding, and the correct papers were accorded a filing date of August 17, 2006.

7. On August 27, 2006, patent owner filed, in the '050 *ex parte* reexamination proceeding, a patent owner statement in response to the Office order.

8. On October 17, 2006, the Office mailed a Notice vacating the August 17, 2006 filing date of the '148 *inter partes* reexamination proceeding based upon a discovery of defects in the corrected request papers filed on August 17, 2006.

9. On November 22, 2006, second corrective request papers were deposited in the '148 *inter partes* reexamination proceeding, and proceeding was accorded a filing date of November 22, 2006.

10. On November 26, 2006, patent owner filed, in the '050 *ex parte* reexamination proceeding, a notice pursuant to 37 CFR 1.565(a) of the filing of the *inter partes* reexamination.

11. On February, 16, 2007, the Office mailed, in the '148 *inter partes* proceeding, an order for *inter partes* reexamination.

12. On December 11, 2007, the Office mailed a Decision ("the merger decision") that, *sua sponte*, merged the '050 *ex parte* reexamination proceeding and '148 *inter partes* reexamination proceedings into a single combined proceeding to be conducted in accordance with the rules governing the prosecution of an *inter partes* reexamination proceeding. The merger decision required a housekeeping amendment, to place the same amendments in both of the merged proceedings.

13. On January 10, 2008 patent owner filed a housekeeping amendment as required by the merger decision. In that amendment, patent owner canceled patent claims 2, 3, 6, 8 and 13-17, and amended patent claims 1, 5, 7 and 18.

14. On April 9, 2008, the Office mailed a non-final Office action in the merged proceeding. In the Office action, claims 1 and 4-5 were found patentable, while claims 7, 9-12 and 18 were rejected as being unpatentable. Patent Owner was provided with a period of two months in which to file a response to the April 9, 2008 Office action. Patent Owner did not file any response to the non-final Office action

15. On June 24, 2008, requester filed a paper entitled "Request," asking for relief in the form of withdrawal of the April 9, 2008 Office action in the merged proceeding, and that a period of time be set to allow requester to submit a response to the Patent Owner's statement in the *ex parte* reexamination proceeding pursuant to 37 CFR 1.530.

16. On August 27, 2008, the Office issued a decision refusing the relief requested by the third party requester, and also expunging the June 24, 2008 "Request" from the record as being an unauthorized and improper paper.

17. On September 3, 2008, the Office mailed an Action Closing Prosecution ("ACP") in the merged reexamination proceeding.

18. On October 10, 2008, requester filed the present paper entitled "Request to Reconsider" seeking review and reversal of the August 27, 2008 decision.

19. On October 27, 2008, requester filed the present petition.

20. On November 24, 2008, patent owner filed the present opposition paper.

RELEVANT AUTHORITY

35 U.S.C. 314(b)(2) provides:

Each time that the patent owner files a response to an action on the merits from the Patent and Trademark Office, the third-party requester shall have one opportunity to file written comments

addressing issues raised by the action of the Office or the patent owner's response thereto, if those written comments are received by the Office within 30 days after the date of service of the patent owner's response.

35 U.S.C. § 315(b) and (c) provide:

THIRD-PARTY REQUESTER.— A third-party requester—

(1) may appeal under the provisions of section 134, and may appeal under the provisions of sections 141 through 144, with respect to any final decision favorable to the patentability of any original or proposed amended or new claim of the patent; and

(2) may, subject to subsection (c), be a party to any appeal taken by the patent owner under the provisions of section 134 or sections 141 through 144.

(c) CIVIL ACTION.— A third-party requester whose request for an inter partes reexamination results in an order under section 313 is estopped from asserting at a later time, in any civil action arising in whole or in part under section 1338 of title 28, the invalidity of any claim finally determined to be valid and patentable on any ground which the third-party requester raised or could have raised during the inter partes reexamination proceedings. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

37 CFR 1.510(e) provides:

A request filed by the patent owner may include a proposed amendment in accordance with § 1.530.

37 CFR 1.530 provides, in part:

(a) Except as provided in § 1.510(e), no statement or other response by the patent owner in an *ex parte* reexamination proceeding shall be filed prior to the determinations made in accordance with § 1.515 or § 1.520. If a premature statement or other response is filed by the patent owner, it will not be acknowledged or considered in making the determination, and it will be returned or discarded (at the Office's option).

...

(d) Making amendments in a reexamination proceeding. A proposed amendment in an *ex parte* or an *inter partes* reexamination proceeding is made by filing a paper directing that proposed specified changes be made to the patent specification, including the claims, or to the drawings. An amendment paper directing that proposed specified changes be made in a reexamination proceeding may be submitted as an accompaniment to a request filed by the patent owner in accordance with § 1.510(e), as part of a patent owner statement in accordance with paragraph (b) of this section, or, where permitted, during the prosecution of the reexamination proceeding pursuant to § 1.550(a) or § 1.937.

...

37 CFR 1.182 provides:

All situations not specifically provided for in the regulations of this part will be decided in accordance with the merits of each situation by or under the authority of the Director, subject to such other requirements as may be imposed, and such decision will be communicated to the interested parties in writing. Any petition seeking a decision under this section must be accompanied by the petition fee set forth in § 1.17(f).

37 CFR 1.183 provides:

In an extraordinary situation, when justice requires, any requirement of the regulations in this part which is not a requirement of the statutes may be suspended or waived by the Director or the Director's designee, sua sponte, or on petition of the interested party, subject to such other requirements as may be imposed. Any petition under this section must be accompanied by the petition fee set forth in § 1.17(f).

37 CFR 1.947 provides:

Each time the patent owner files a response to an Office action on the merits pursuant to § 1.945, a third party requester may once file written comments within a period of 30 days from the date of service of the patent owner's response. These comments shall be limited to issues raised by the Office action or the patent owner's response. The time for submitting comments by the third party requester may not be extended. For the purpose of filing the written comments by the third party requester, the comments will be considered as having been received in the Office as of the date of deposit specified in the certificate under § 1.8.

37 CFR 1.951 provides:

(a) After an Office action closing prosecution in an *inter partes* reexamination, the patent owner may once file comments limited to the issues raised in the Office action closing prosecution. The comments can include a proposed amendment to the claims, which amendment will be subject to the criteria of § 1.116 as to whether or not it shall be admitted. The comments must be filed within the time set for response in the Office action closing prosecution.

(b) When the patent owner does file comments, a third party requester may once file comments responsive to the patent owner's comments within 30 days from the date of service of patent owner's comments on the third party requester.

37 CFR 1.953 provides:

(a) Upon considering the comments of the patent owner and the third party requester subsequent to the Office action closing prosecution in an *inter partes* reexamination, or upon expiration of the time for submitting such comments, the examiner shall issue a Right of Appeal Notice, unless the examiner reopens prosecution and issues another Office action on the merits.

(b) Expedited Right of Appeal Notice: At any time after the patent owner's response to the initial Office action on the merits in an *inter partes* reexamination, the patent owner and all third party requesters may stipulate that the issues are appropriate for a final action, which would include a final rejection and/or a final determination favorable to patentability, and may request the issuance of a Right of Appeal Notice. The request must have the concurrence of the patent owner and all third party requesters present in the proceeding and must identify all of the appealable issues and the positions of the patent owner and all third party requesters on those issues. If the examiner determines that no other issues are present or should be raised, a Right of Appeal Notice limited to the identified issues shall be issued.

(c) The Right of Appeal Notice shall be a final action, which comprises a final rejection setting forth each ground of rejection and/or final decision favorable to patentability including each determination not to make a proposed rejection, an identification of the status of each claim, and the reasons for decisions favorable to patentability and/or the grounds of rejection for each claim. No amendment can be made in response to the Right of Appeal Notice. The Right of Appeal Notice shall set a one-month time period for either party to appeal. If no notice of appeal is filed, prosecution in the *inter partes* reexamination proceeding will be terminated, and the Director will proceed to issue and publish a certificate under § 1.997 in accordance with the Right of Appeal Notice.

37 CFR 1.957(c) provides:

If claims are found patentable and the patent owner fails to file a timely and appropriate response to any Office action in an *inter partes* reexamination proceeding, further prosecution will be limited to the claims found patentable at the time of the failure to respond, and to any claims added thereafter which do not expand the scope of the claims which were found patentable at that time.

37 CFR 1.989(b) provides:

An *inter partes* reexamination proceeding filed under § 1.913 which is merged with an *ex parte* reexamination proceeding filed under § 1.510 will result in the merged proceeding being governed by §§ 1.902 through 1.997, except that the rights of any third party requester of the *ex parte* reexamination shall be governed by §§ 1.510 through 1.560.

37 CFR 1.995 provides:

When a third party requester is involved in one or more proceedings, including an *inter partes* reexamination proceeding, the merger of such proceedings will be accomplished so as to preserve the third party requester's right to participate to the extent specifically provided for in these regulations. In merged proceedings involving different requesters, any paper filed by one party in the merged proceeding shall be served on all other parties of the merged proceeding.

37 CFR 41.61(a)(2) provides:

Upon the issuance of a Right of Appeal Notice under § 1.953 of this title, the requester may appeal to the Board with respect to any final decision favorable to the patentability, **including** any final determination not to make a proposed rejection, of any original, proposed amended, or new claim of the patent by filing a notice of appeal within the time provided in the Right of Appeal Notice and paying the fee set forth in § 41.20(b)(1).

37 CFR 41.67(c)(1)(vi) provides:

(vi) Issues to be reviewed on appeal. A concise statement of each issue presented for review. No new ground of rejection can be proposed by a third party requester appellant, unless such ground was withdrawn by the examiner during the prosecution of the proceeding, and the third party requester has not yet had an opportunity to propose it as a third party requester proposed ground of rejection. [Emphasis added.]

DECISION

I. Synopsis of Prosecution of the Reexamination Proceedings

Patent owner filed a request for *ex parte* reexamination of the '054 patent on June 1, 2006. An order granting reexamination of claims 1-18 of the '054 patent, (*i.e.*, all of the patent claims), was mailed on August 8, 2006. As permitted by 37 CFR 1.530(a), patent owner filed a patent owner's statement pursuant to on August 27, 2008. As permitted by 37 CFR 1.530(d), patent owner also filed an amendment on August 27, 2008 in which patent claims 1, 5, 7 and 18 were amended and patent claims 2, 3, 6, 8 and 13-17 were cancelled.

Requester filed a request for *inter partes* reexamination of the '054 patent on July 10, 2006. On August 10, 2006, a Notice holding the July 10, 2006 request to be defective so that a filing date could not be granted was mailed by the Office. Requester filed a response to that Notice on August 17, 2006 in the form of a replacement attachment to the reexamination request. The corrected request papers were accorded a filing date of August 17, 2006. However, on October 26, 2006, the August 17, 2006 filing date was vacated by the Office because it was determined that the corrected request papers failed to comply with the filing date requirements. On November 22, 2008, requester filed a second replacement attachment, and the twice corrected request papers were then accorded a filing date of November 22, 2006. *Inter partes* reexamination was ordered for claims 1-18 of the '054 patent on February 16, 2007. A first Office action on patentability of the claims did not accompany the *Order Granting Request for* Inter Partes *Reexamination.*

After both the '050 *ex parte* reexamination proceeding and the '148 *inter partes* reexamination proceeding were ordered, the Office mailed a merger decision on

December 11, 2007 that *sua sponte* merged the proceedings into a single combined proceeding. In accordance with 37 CFR 1.989(b), the merger decision provided that the merged proceeding would be conducted under the rules governing *inter partes* reexamination. The merger decision also required that patent owner file a housekeeping amendment, placing the same amendments in both the '050 *ex parte* reexamination proceeding had and the '148 *inter partes* reexamination proceeding. After the housekeeping amendment was filed on January 10, 2008, the Office mailed a non-final Office action in the merged proceeding on April 9, 2008. That action addressed the patent claims as amended in light of the rejections proposed by requester in the '148 *inter partes* reexamination proceeding, as well as in light of the prior patents and printed publications that accompanied the filing of both the '050 *ex parte* reexamination proceeding and the '148 *inter partes* reexamination proceeding. Claims 1, 4 and 5 were determined to be patentable, while claim 7 as amended and claims 9-12 and 18 were rejected.

Patent owner did not file a response to the April 9, 2008 non-final Office action. In accordance with 37 CFR 1.957, this is a course of prosecution permitted to the patent owner. Absent a response by patent owner to the April 9, 2008 non-final Office action, the Office issued an ACP. The ACP informed the parties that, under the provisions 37 CFR 1.957(c), prosecution would thereafter be limited only to claims 1, 4 and 5 which had been found patentable. Patent claims 7, 9-12 and 18 were withdrawn from the prosecution until the prosecution in the merged proceeding is terminated, at which point those claims would be canceled. (Patent claims 3, 6, 9 and 13-17 had previously been canceled by patent owner.)

II. Basis for the Relief Requested by Requester

Requester asserts in the present petition that an extraordinary situation exists in that requester has not been given an opportunity to offer any argument concerning the patentability of claims 1, 4 and 5, or to respond to the declaration evidence that was filed by patent owner in support of patentability. Requester seeks relief that would permit requester to respond to the examiner's finding that those claims are patentable. Requester believes that the extraordinary situation is such that in the interest of justice, it should be permitted to petition for relief, and be granted relief in the form of either permitting requester a period of time in which to respond to the patent owner's statement or requiring patent owner to amend the claims in the '148 *inter* partes reexamination proceeding back to their original form and then requiring patent owner to file its housekeeping amendments in the *ex parte* reexamination proceeding.

Requester alleges it is entitled to the requested relief, because it has been denied due process since it was precluded from commenting on claims 1, 4 and 5, and the evidence relied on to find those claims to be patentable. Requester basis that conclusion on the following arguments:

a. *Inter partes* reexamination is intended to provided increased requester participation as compared to *ex parte* reexamination, yet in this instance, requester's participation rights are more limited, because in an *ex parte* reexamination proceeding, a requester is permitted by 37 CFR 1.535 to file a reply to a patent owner's statement under 37 CFR 1.530, including any amendment that accompanies that statement, requester has not been permitted to respond to that amendment in the merged proceeding.

b. Requester's rights as third party requester were not preserved in the merged proceeding because requester lacks the right to address the patentability of claims 1, 4 and 5 in the merged proceeding.

c. Patent owner's housekeeping amendment, in which the amended claims then of record in the '050 *ex parte* reexamination proceeding were filed in the '148 *inter partes* reexamination proceeding, violated the provisions of 37 CFR 1.939 and MPEP § 2667(I)(A)(1).

d. Requester has lost the "rights" given to it under 35 U.S.C. § 314 and 37 CFR 1.995 to participate in the *inter partes* reexamination proceeding at the examiner level.

e. The provisions of 37 CFR 41.67(c)(1(vi) may preclude requester from proposing a new ground of rejection during the appeal stage of the merged proceeding.

III. Patent Owner's Opposition to Granting Relief to Requester

Patent owner opposes granting the relief requested by requester. The bases for patent owner's opposition are that:

a. Requester's petition was not timely filed.

b. Requester has no interest protected by the Due Process Clause and so cannot complain that it has been deprived of due process in the present merged proceeding.

c. Requester seeks relief not provided for by the rules.

d. Requester has not requested suspension of the rules.

e. Granting the relief sought by requester would prejudice patent owner.

IV. Analysis

Requester's arguments will be considered herein; *i.e.*, the October 10, 2008 "Request" and October 27, 2008 petition will be fully considered. Those arguments are addressed as follows:

a. The Reexamination Statute Precludes Requester Responses to an Office Action Absent a Patent Owner Response to that Office Action.

The reexamination statute clearly provides, at 35 U.S.C. § 314(b)(2), that requester shall have one opportunity to file written comments addressing issues raised by the action of the Office or the patent owner's response to such action, each time that the patent owner first files a response to an action on the merits from the Office. Accordingly, 37 CFR 1.947, (the regulation that implements the provisions of 35 U.S.C. § 314(b)(2) with respect to Office actions that are not an action closing prosecution (ACP)), provides that the requester may file written comments limited to issues raised by the Office action or the patent owner's response to the Office action, each time the patent owner files a response to the Office action. Similarly 37 CFR 1.951, (the regulation that implements the provisions of 35 U.S.C. § 314(b)(2) with respect to Office actions that are an ACP), provides that a requester may file comments directed to a patent owner's response to the ACP, when the patent owner first files comments to the ACP. The reexamination statute does not provide for a requester to file a response to an Office action unless patent owner has first filed a response to that Office action. Patent owner has not filed a response in the merged proceeding. Accordingly, 35 U.S.C. § 314 precludes patent owner from filing a response in the merged proceeding to either the April 4, 2008 non-final Office action or the September 3, 2008 ACP. The Office lacks authority to waive a provision of the reexamination statute.

Further, it is not uncommon in *inter partes* reexamination that a requester finds itself in the position of having to comment on claim patentability for the first time at the appeal stage. If, for example, an examiner determines in the first Office action on patentability in an *inter partes* reexamination proceeding that all patent claims that are subject to reexamination are patentable, the Office will then promulgate an ACP. If patent owner elects to not file comments on directed to the ACP, the requester will not be able to comment on the allowance by the Office. Ultimately, the first comments directed to the examiner's holding of claim patentability, and or the examiner's refusal to adopt any of requester's proposed rejection, will not be made by the requester until the appeal stage, following the filing of a Right of Appeal Notice (RAN) and a notice of appeal by requester. This is a result required by the statute, and the statute cannot be waived.

b. Requester is Not Entitled to the Rights of a Third Party Requester in an *Ex Parte* Reexamination

Requester's arguments regarding the right of a third party requester to respond under 37 CFR 1.535 to an amendment filed by a patent owner with a 37 CFR 1.530 owner's statement in an *ex parte* reexamination proceeding is not relevant here, because requester in the '148 *inter partes* reexamination proceeding was not a requester in the '050 *ex parte* reexamination proceeding.

Instead, requester's rights in the present merged proceeding are those of a requester in an *inter partes* reexamination proceeding. As discussed in Section III.a., *supra*, the

reexamination statute conditions any right to file comments directed to an examiner's action on claim patentability and/or patent owner's amendments filed in response to an Office action of a third party requester in an *inter partes* reexamination proceeding on the prior filing by patent owner of a response to that Office action. In the present merged proceeding, patent owner has not filed any response to the April 9, 2008 Office action on claim patentability, or to the September 9, 2008 ACP, which are the only Office actions on claim patentability promulgated in the merged proceeding.

c. Patent Owner's Housekeeping Amendment did Not Violate the Rules or *Inter Partes* Reexamination Practice

Patent owner's housekeeping amendment, by which the claims that had been amended in the '050 *ex parte* reexamination proceeding were placed in the '148 *inter partes* reexamination proceeding, was required to by made in the December 11, 2007 merger decision. That decision was promulgated pursuant to the provisions of 37 CFR 1.995. Placement of the amended claims in both proceedings was a requirement of that merger decision, in order to avoid having claims in the merged proceeding that were not identical. To the extent that requester argues that patent owner violated the provisions of 37 CFR 1.939 and MPEP § 2667(I)(A)(1) by filing amendments in the '148 *inter partes* reexamination proceeding prior to the initial Office action on the merits, the record fails to support requester's position. The amendments in question were filed by patent owner in the *ex parte* reexamination proceeding in accordance with the provisions of 37 CFR 1.530. A housekeeping amendment was subsequently filed in the '148 *inter partes* reexamination proceeding as required by the December 11, 2007 merger decision. To the extent necessary, the December 11, 2007 merger decision is regarded as constituting a waiver pursuant to 37 CFR 1.183 of the provisions of 37 CFR 1.939.

It should further be noted that providing a decision to merge multiple reexamination proceedings with a requirement for the filing of housekeeping amendments placing the latest amendments in each of the files that are being placed into the merged proceeding is necessary in order to permit reexamination to proceed with special dispatch. The alternative, to first require that the claims in the two proceedings not include any amendment, then issue an Office action addressing the non-amended claims that sets a period of time for filing a response that may include amended claims in each of the files of the merged reexamination proceedings, would delay the proceedings and not be in aid of special dispatch. It should also be noted that merger of reexamination proceedings may take place where Office actions have brought about multiple claim amendments in at least one of the reexamination proceedings. It is clear that first requiring a "clean" housekeeping amendment containing no amendments in each proceeding, followed by an Office action addressing the non-amended version of the claims notwithstanding that prosecution has already taken place and has resulted in amendments, and then requiring housekeeping amendments, would be unduly burdensome on the Office and the parties, and also would impeded treatment of the proceedings with special dispatch.

d. Requester's Participation Rights Have Been Increased in the Merged Reexamination Proceeding Relative to a Requester's Rights in an *Ex Parte* Reexamination Proceeding

In the present merged reexamination proceeding, requester enjoys a right of appeal in which requester may appeal from the examiner's indication of claim patentability. No such right exists in an *ex parte* reexamination proceeding. The right to appeal from the refusal to reject the pending amended patent claims, which will be based on a Right of Appeal Notice that tracks the September 3, 2008 ACP, (an Office action that included a detailed consideration of the rejections proposed by requester in the '148 *inter partes* reexamination proceeding), is a substantial right going far beyond the right afforded a third party requester in an *ex parte* reexamination proceeding. In addition, the requester may address, at the appellant brief stage, any new findings of patentability made during the proceeding, that requester did not have a right (an opportunity) to address prior to appeal.

With respect to the specific circumstances that exist in this merged proceeding, it must again be noted that as discussed in Section IV.a., it is not uncommon that during the prosecution of an *inter partes* reexamination proceeding, a patent owner fails to respond to an Office action on claim patentability. Again, it is to be noted that 35 U.S.C. § 314(b)(2) expressly precludes any third party comments on an Office action in which there has been no patent owner response to that Office action. The Office cannot create a practice that would, in effect, waive the requirements of the statute.

e. Requester May Appeal the Refusal to Adopt any of the Rejections That Were Proposed by Requester in the '148 *Inter Partes* Reexamination Proceeding

Requester has cited 37 CFR 41.67(c)(1)(vi) for the proposition that requester "may" be precluded from proposing any new ground of rejection for patent owner's amended claims on appeal. Nevertheless, the requester in that circumstance will have an appeal right. In the present merged proceeding, requester has the right to file an appellant brief, and a rebuttal brief in response to any examiner's answer mailed by the Office.

35 U.S.C. § 315(b) expressly provides that requester may appeal to the Board of Patent Appeals and Interferences ("Board") "with respect to <u>any</u> final decision favorable to the patentability of any original or proposed amended or new claim of the patent." [Emphasis added.] In the present merged proceeding, the examiner considered not only the rejections proposed by requester in the '148 *inter partes* reexamination request, but also all of the prior patents and printed publications of record in the merged reexamination proceeding (*i.e.*, the prior patents and publications that had been cited in both the '148 *inter partes* reexamination proceeding, and the '050 *ex parte* reexamination proceeding). Thus, requester may certainly appeal the examiner's refusal to reject patent claims 1, 4 and 5. Also, requester may contest, in the appeal, the examiner's treatment of the Gaudin verified statement, which was accepted by the examiner in the

September 3, 2008 ACP as evidence supporting the patentability of claims 1, 4 and 5. Thus, requester's appeal rights are not insubstantial.

35 U.S.C. § 315(b)(2) would not normally preclude the proposal of a new ground of rejection of the amended patent claims, where requester did not have the opportunity to address the amended patent claims prior to the appeal stage. In this case, however, as set forth in MPEP § 2642, requester could have filed in its second corrected request for *inter partes* reexamination, (which was directed to a request for a second reexamination of the '054 patent) "information raising a substantial new question of patentability with respect to any new or amended claim which [had] been proposed under 37 CFR 1.530(d)" in the earlier filed '050 *ex parte* reexamination proceeding. See MPEP § 2642. Therefore, requester in fact did have an opportunity to address the amended patent claims that had been entered in the '050 *ex parte* reexamination proceeding on August 27, 2007, because the second corrected request was filed subsequent to August 27, 2007.

V. Patent Owner's Opposition

Patent owner argues that the requester petition is untimely. The record shows, however, that requester could not have known that patent owner would not file a response to the April 9, 2008 non-final Office action in the merged proceeding, until after the expiration of two months from the date of the action. Therefore, the time for filing a petition for relief began to run from June 9, 2008. Requester's first filed paper directed to obtaining relief was filed on June 24, 2008, and accordingly, was clearly timely filed. That the Office returned the paper as being nonenterable without considering it on the merits does not disturb the fact that requester asserted its rights in a timely fashion. Requester is clearly permitted to pursue such rights by the present requester petition.

Patent owner argues that requester lacks an interest that is protected by the Due Process Clause, and so cannot have been deprived of due process in this proceeding. The short answer to this argument is that, as pointed out in section IV, *supra*, it appears that requester has not been deprived of any due process rights that may exist. Further, patent owner has not supported its allegation that requester lacks a protected property interest in the present reexamination proceeding with any citation/authority, and accordingly, it is presently unnecessary to discuss this issue further.

Patent owner argues that the relief sought by requester is not in accordance with the rules. However, it is actually the statute that precludes relief to requester, as also discussed in Section IV, *supra*. Thus, it is unnecessary to discuss patent owner's contention regarding the rules further.

Patent owner argues that requester has not sought suspension of the rules. It is noted that the present requester petition is being considered pursuant to both 37 CFR 1.182 and 37 CFR 1.183. However, as the relief sought by requester is precluded by the reexamination statute, which precludes the filing of a requester response to an Office action if the patent owner fails to first file a response to that action, and also requires

treatment of reexamination proceedings with special dispatch, waiver of the rules to accord relief to requester is not an option.

Patent owner argues that it would be prejudiced if relief is granted to requester. The issue of prejudice to owner would not be a basis for denying relief to requester, if requester were in fact entitled to relief.

VI. Findings

For the reasons discussed in Section IV., *supra*, third party requester has not established that it is entitled to the relief requested. Specifically, third party requester has not been denied due process in the merged reexamination proceeding. Rather, the December 11, 2007 merger decision followed existing regulations and examining procedure, to treat the '148 *inter partes* reexamination proceeding and the '050 *ex parte* reexamination that are both directed to '054 patent as a single merged proceeding that would be examined with special dispatch. As a result of the merger decision, requester enjoys substantial appeal rights that would not exist in an *ex parte* reexamination proceeding. Requester also has the ability to file an additional request for reexamination if requester is not successful on appeal and a new substantial question of patentability can be raised.

It has also been noted that pursuant to MPEP § 2642, requester could have filed in second corrected request for *inter partes* reexamination, (which was the second request for reexamination of the '054 patent) "information raising a substantial new question of patentability with respect to any new or amended claim which [had] been proposed under 37 CFR 1.530(d)" in the earlier filed '050 *ex parte* reexamination proceeding. Although the later filed '148 request for reexamination would have been decided based only on the original claims of the '050 patent, requester could have provided information amounting to comments on the amended claims filed on August 27, 2006 in the second corrected request for *inter partes* reexamination, filed by requester on November 22, 2006. See MPEP § 2642, at page 2600-49, last paragraph.

CONCLUSION

1. The requester paper filed on October 10, 2008 to reconsider the August 27, 2008 Decision expunging the June 24, 2008 requester paper seeking to withdraw the August 9, 2008 has been considered, but is dismissed with respect to the requested relief.

2. The October 27 2008 petition has been granted to the extent that it has been considered, but is dismissed as to the relief requested therein.

3. The November 24, 2008 patent owner opposition paper has been considered, but is dismissed in light of the refusal to grant the relief sought by requester on other grounds.

4. The merged reexamination proceeding is being returned to the jurisdiction of the Central Reexamination Unit for further treatment not inconsistent with this decision.

5. Telephone inquiries related to this decision should be directed to the Stephen Marcus, Senior Legal Advisor, at (571) 272-7743, or in his absence, to the undersigned, at (571) 272-7710.

Kenneth M. Schor

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

Nov. 26, 2008
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,149	08/21/2006	6503773	ASC-030 REX	6192

51414 7590 10/08/2008

GOODWIN PROCTER LLP
PATENT ADMINISTRATOR
53 STATE STREET
EXCHANGE PLACE
BOSTON, MA 02109-2881

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 10/08/2008

Please find below and/or attached an Office communication concerning this application or proceeding.

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(For Patent Owner)

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CENTRAL REEXAMINATION UNIT

BLAKELY SOKOLOFF TAYLOR & ZAFMAN LLP
1279 OAKMEAD PARKWAY
SUNNYVALE, CA 94085-4040

(For Requester)

In re Fitzgerald
Reexamination Proceeding
Control No. 95/000,149
Corrected Request Deposited: August 21, 2006
For: U.S. Patent No. 6,503,773

: DECISION DISMISSING
: PETITION PURSUANT
: TO 37 CFR 1.181

This is a decision on the September 29, 2008, "PETITION UNDER 37 C.F.R. §1.181 – REQUEST TO ENTER AMENDMENTS AFTER CLOSING PROSECUTION" requesting "to enter the Amendment and Response to Action Closing Prosecution submitted on April 17, 2008...and to re-open prosecution..., or, alternatively, to enter the 4/17/08 amendments for purposes of appeal."

The petition is before the Director of the Central Reexamination Unit for consideration.

The petition is **dismissed** for the reasons set forth below.

REVIEW OF RELEVANT FACTS

1. United States Patent Number 6,503,773 (the '773 patent) issued to Fitzgerald on January 7, 2003.

2. A corrected request for *inter partes* reexamination, assigned Reexamination Control No. 95/000,149 (the '149 proceeding), was deposited by a third party requester on August 21, 2006 (after an initial request deposited July 11, 2006 was held to be non-compliant).

3. An order granting reexamination of the '773 patent was mailed October 27, 2006. A non-final office action was attached to the order.

4. An Action Closing Prosecution (ACP) was mailed April 4, 2008.

5. Patent Owner filed an "AMENDMENT AND RESPONSE TO ACTION CLOSING PROSECUTION" on April 17, 2008.

6. A Right of Appeal Notice (RAN) was mailed on August 29, 2008 indicating that the proposed amendment filed April 17, 2008 would not be entered with the reasons for non-entry set forth on pages 3-6.

7. The present petition was filed on September 29, 2008.

DECISION

In the non-final rejection mailed October 27, 2006, all claims were rejected. In the conclusion section of the non-final rejection, the following was clearly stated:

> "In order to ensure full consideration of any amendments, affidavits or declarations, or other documents as evidence of patentability, such documents must be submitted in response to this Office action. Submissions after the next Office action, which is intended to be an Action Closing Prosecution (ACP), will be governed by 37 CFR 1.116, which will be strictly enforced."

After non-final office action, Patent Owner chose to amend the two independent claims by adding limitations regarding a "rapid thermal chemical vapor deposition chamber" and "wherein after deposition of the first and second layers and annealing, the reactor is substantially uncoated and the substrate, first layer, and second layer are substantially particle-free." The new grounds of rejection set forth in the ACP were necessitated by Patent Owner's amendment. Therefore, closing prosecution was proper. In the conclusion section of the ACP, the following was clearly stated:

> "Pursuant to 37 CFR 1.951(a), the patent owner may once file written comments limited to the issues raised in the reexamination proceeding and/or present a proposed amendment to the claims which amendment will be subject to the criteria of 37 CFR 1.116 as to whether it shall be entered and considered."

On April 17, 2008, Patent Owner exercised their right to once file comments limited to issues raised in the ACP and filed a proposed amendment with limitations added to each independent claim (as well as some changes to dependent claims). Patent Owner made no attempt at a showing of good and sufficient reasons why the amendment is necessary and was not present earlier.

In the present petition, Patent Owner appears to concede that no good and sufficient reason was presented in their response after ACP. Patent Owner now presents for the first time why they feel that there was good and sufficient reasons why the amendment is necessary and was not presented earlier. Such a showing (if deemed sufficient) would be untimely. However, even if the arguments presented in the present petition were filed with the response to the ACP, they would be unpersuasive.

Patent Owner agrees that the new grounds of rejection were based on the amendatory material; however, Patent Owner argues that "[i]t would have been impossible for the patent owner to predict these new grounds of rejection before issuance of the ACP, and so could not have entered a responsive amendment before a response became necessary." Patent Owner appears to be arguing that any amendment to their claims that results in any new grounds of rejection would be impossible to predict and therefore further amendments must be permitted. Such incremental prosecution as proposed by Patent Owner would result in the proceeding being prolonged interminably.

Patent Owner also argues that MPEP 2673 encourages entry of amendments after ACP. However, Patent Owner quotes part of MPEP 2673 out of context. MPEP states, in relevant part:

> "the examiner should consider the feasibility of entering a proposed amendment paper, where the entirety of the amendment would result *only* in an additional claim (or claims) being indicated as patentable. The examiner is encouraged to enter such an amendment unless the entry would cause an "undue burden" on the examiner."

Patent Owner's argument omits the section "where the entirety of the amendment would result *only* in an additional claim (or claims) being indicated as patentable". This is clearly not the case with the proposed amendment of April 17, 2008.

The non-entry of the proposed amendment after ACP is deemed proper. Prosecution will not be re-opened via the present petition under 37 CFR 1.181.

CONCLUSION

1. The request "to enter the Amendment and Response to Action Closing Prosecution submitted on April 17, 2008...and to re-open prosecution..., or, alternatively, to enter the 4/17/08 amendments for purposes of appeal" is **dismissed.**

2. **All** correspondence relating to this *inter partes* reexamination proceeding should be directed:

By EFS: Registered users may submit via the electronic filing system EFS-Web, at **https://sportal.uspto.gov/authenticate/authenticateuserlocalepf.html**.

By Mail to: Mail Stop *Inter Partes* Reexam
Attn: Central Reexamination Unit
Commissioner for Patents
United States Patent & Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

By FAX to: (571) 273-9900
Central Reexamination Unit

By hand: Customer Service Window
Randolph Building
401 Dulany Street
Alexandria, VA 22314

For EFS-Web transmissions, 37 CFR 1.8(a)(1)(i) (C) and (ii) states that correspondence (except for a request for reexamination and a corrected or replacement request for reexamination) will be considered timely filed if (a) it is transmitted via the Office's electronic filing system in accordance with 37 CFR 1.6(a)(4), and (b) includes a certificate of transmission for each piece of correspondence stating the date of transmission, which is prior to the expiration of the set period of time in the Office action.

Any inquiry concerning this communication or earlier communications from the examiner, or as to the status of this proceeding, should be directed to the Central Reexamination Unit at telephone number (571) 272-7705.

3. Telephone inquiries related to this decision should be directed to Eric Keasel, at (571) 272-4929, or Mark Reinhart, at (571) 272-1611.

Eric Keasel for

Gregory Morse
Director, Central Reexamination Unit

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,149	08/21/2006	6503773	ASC-030 REX	6192

51414 7590 10/14/2008
GOODWIN PROCTER LLP
PATENT ADMINISTRATOR
53 STATE STREET
EXCHANGE PLACE
BOSTON, MA 02109-2881

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 10/14/2008

Please find below and/or attached an Office communication concerning this application or proceeding.

UNITED STATES PATENT AND TRADEMARK OFFICE

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United States Patent and Trademark Office
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Goodwin Procter LLP
Patent Administrator
53 State Street
Exchange Place
Boston, MA 02109-2881

(For Patent Owner)

MAILED

OCT 1 4 2008

CENTRAL REEXAMINATION UNIT

Blakely Sokoloff Taylor & Zafman LLP
F. Chau & Associates LLP
1900 Hempstead TPK, Suite 501
East Meadow, NY 11554

(For Third Party Requester)

In re Fitzgerald
Inter Partes Reexamination Proceeding
Control No.: 95/000,149
Filed: August 21, 2006
For: U.S. Patent No.: 6,503,773

: DECISION ON PETITION
: TO CONTINUE
: *INTER PARTES*
: REEXAMINATION
: PROCEEDINGS

This is a decision on the September 29, 2008 patent owner petition, denominated "PETITION UNDER 37 CFR 1.182 – REQUEST FOR CONTINUED REEXAMINATION" and the September 29, 2008 patent owner petition, denominated "PETITION UNDER 37 CFR 1.183 – REQUEST FOR A WAIVER OF THE PROHIBITION OF AN EXTENSION OF TIME FOR FILING AN APPEAL BRIEF AND A REQUEST FOR AN EXTENSION OF TIME FOR FILING AN APPEAL BRIEF."

The petition under 37 CFR 1.182, the petition under 37 CFR 1.183, and the 95/000,149 reexamination proceeding are before the Office of Patent Legal Administration.

The petition fee of $400 set forth in 37 CFR 1.17(f) for the petition under 37 CFR 1.182 and the petition fee of $400 set forth in 37 CFR 1.17(f) for the petition under 37 CFR 1.183 were each charged to Deposit account No. 07-1700 on September 29, 2008.

For the reasons set forth below: The petition under 37 CFR 1.182 is granted, and the petition to waive 37 CFR 41.66 and grant an extension of time to file the brief on appeal is dismissed as moot.

REVIEW OF SALIENT FACTS

1. U.S. Patent No. 6,503,773 (the '773 patent) issued to Eugene A. Fitzgerald on January 7, 2003.

2. A corrected request for *inter partes* reexamination, assigned Reexamination Control No.

95/000,149 (the '149 proceeding), was deposited by a third party requester on August 21, 2006 (after an initial request deposited July 11, 2006 was held to be non-compliant).

3. On October 27, 2006 the Office issued an Order granting reexamination in the '147 reexamination proceeding. The order was accompanied by a first Office action on the merits of the reexamination proceeding. The Office action set a two-month shortened statutory period for filing a response thereto.

4. Prosecution in the proceeding progressed to the point that, on April 4, 2008, the Office issued an Action Closing Prosecution (ACP) rejecting all claims remaining in the '149 proceeding.

5. On April 17, 2008, patent owner filed a response and amendment after ACP under 37 CFR 1.951(a). The amendment proposed amending independent claims 1 and 13, amending dependent claims 2 and 14, cancelling claims 3, 4, 15, and 16 and adding new claim 27.

6. On August 29, 2008, the Office issued a Right of Appeal Notice (RAN). The RAN stated that the amendments after ACP filed April 17, 2008 were denied entry because, *inter alia*, the conditions of 37 CFR 1.116 were not met and the amended claims raised issues of new matter.

7. On September 29, 2008 patent owner filed a notice of appeal.

8. Concurrently on September 29, 2008, patent owner filed (i) a petition under 37 CFR 1.181 requesting entry of an amendment after action closing prosecution in the '149 reexamination proceeding, (ii) a petition under 37 CFR 1.182, requesting continued reexamination of the proceeding, and (iii) a petition under 37 CFR 1.183 to waive 37 CFR 41.66 for an extension of the time for filing an appeal brief until after decisions are rendered on the aforementioned petitions under 37 CFR 1.181 and 1.182.

9. A decision dismissing the petition under 37 CFR 1.181 was mailed on October 8, 2008

10. The petitions under 37 CFR 1.182 and 1.183 are the subject of this decision.

DECISION ON PETITION UNDER 37 CFR 1.182

In the present petition, it is requested that the Office continue the prosecution of the instant reexamination proceeding to provide consideration of the Amendment After ACP received in the Office on April 17, 2008.[1]

In March of 2005, the Office issued a Notice titled "Notice of Changes in Requirement for a Substantial New Question of Patentability for a Second or Subsequent Request for Reexamination While an Earlier Filed Reexamination is Pending."[2] Notice was provided therein that a second (or subsequent) reexamination would no longer be ordered on the basis of a "substantial new question of patentability" (SNQ) that is the same as a SNQ raised in an earlier pending reexamination. Notice was also provided therein that a patent owner could file a petition

[1] Item number 5 in the Review of Salient Facts.
[2] 1292 *Off. Gaz. Pat. Office* 20, March 1, 2005.

under 37 CFR 1.182 requesting continued prosecution on the merits in the reexamination proceeding to seek entry of an amendment and/or evidence that was denied entry after a final rejection in an *ex parte* reexamination proceeding, or after an action closing prosecution in an *inter partes* reexamination proceeding. By filing such a petition, the patent owner could obtain continued prosecution on the merits in the reexamination proceeding, including entry of the amendment and/or evidence that was denied entry after a final rejection in an *ex parte* reexamination proceeding, or after an action closing prosecution in an *inter partes* reexamination proceeding. Accordingly, relief in the form of a continuation of the reexamination prosecution (after a final Office action) was made available by the Office via a 37 CFR 1.182 petition, in appropriate circumstances. This petition will be referred to herein as "the § 1.182 petition."

The § 1.182 petition must further the prosecution of the reexamination proceeding, rather than delay it, and must provide a submission toward that end. This is critical in the reexamination setting, where 35 U.S.C. 305 (for *ex parte* reexamination) and 35 U.S.C. 314 (for *inter partes* reexamination) mandate that reexamination proceedings must be conducted "with special dispatch within the Office." Accordingly, the patent owner must make a *bona fide* effort, in the submission accompanying the § 1.182 petition, to define the issues for appeal, or the issuance of a reexamination certificate, since this is a key factor in reducing pendency of a reexamination proceeding. Stated another way, the § 1.182 petition practice includes a requirement that the filing of the § 1.182 petition be accompanied by a submission that provides a *bona fide* effort to advance the prosecution toward appeal, or toward the issuance of a reexamination certificate.

Although the § 1.182 petition provides no explanation as to how the amendment after ACP will further the prosecution of the reexamination proceeding, in this instance, the Office will consider the arguments presented in the concurrently filed petition under § 1.181 in addressing the § 1.182 petition.

At pages 5-7 of the April 4, 2008 ACP, the examiner indicated that claims 1 and 13 as amended omit a critical feature and proceeded to reject claims all pending claims under reexamination under the first paragraph of 35 U.S.C. section 112 (a) for lack of enablement by the disclosure and (b) because the examiner found the claims not be commensurate in scope with the specification. The examiner also imposed prior art rejections upon all the claims under reexamination, including rejections adopted with modification in order to address the amendatory language in the claims.

The post ACP amendment submitted by patent owner for entry cancels claims 3, 4, 15, and 16, adds claim 27, and attempts to reduce issues for appeal by further amending claims 1 and 13 to recite the "deposition temperature sufficiently low to avoid gas-phase nucleation of Ge" in the deposition of the first layer. This further amending of claims 1 and 13 was submitted presumably for the purpose of obviating the rejection based upon the omission of a critical feature. The August 29, 2008 RAN denied entry of the after ACP amendment stating *inter alia* that entry of patent owner's proposed amendment would require rejections for new matter.[3] Patent owner's submission in support of the petition under 37 CFR 1.181 argues that the proposed amendment contains no new matter. [4]

Accordingly, based upon the facts and circumstances of the present case, the post ACP amendment presented by Petitioner/patent owner is deemed a *bona fide* attempt to advance the

[3] RAN at page 5

[4] Petition under 37 CFR 1.181 filed September 29, 2008 at page 8.

prosecution by reducing issues to be addressed. As such, the granting of the present petition is consistent with the requirements of 35 USC 305 to conduct reexamination proceedings "with special dispatch within the Office."

In view of the above and the fact situation presented by the record, the petition is granted, and the prosecution in the above-noted reexamination proceeding is hereby continued. Prosecution is reopened for consideration of the Amendment After ACP received April 17, 2008. The amendment paper will be entered in the reexamination proceeding, and the proceeding will be forwarded to the CRU to await submission of any third party comments under 37 CFR 1.947 after the April 17, 2008 patent owner Amendment. Following the submission of third party requester comments, or the lapse of the time period for third party comment, the proceeding will be forwarded to the examiner for action consistent with this decision. The examiner will consider the April 17, 2008 Amendment and any third party comments that comply with 37 CFR 1.947. The examiner will then issue an Office action treating the patent owner papers as a response and comments received **after** a first Office action.

DECISION ON PETITION UNDER 37 CFR 1.183

In light of the granting of the petition under 37 CFR 1.182 reopening prosecution in the '149 proceeding, the two month time period for patent owner to file a brief on appeal is no longer applicable. Accordingly, there is no need for a waiver of the rules.

The petition to waive the rules and grant an extension of time for filing an appeal brief is accordingly dismissed as moot.

CONCLUSION

1. The petition under 37 CFR 1.182 to continue the '149 *inter partes* reexamination proceeding is **granted**.

2. The petition under 37 CFR 1.183 to extend the time to file an appeal brief is **dismissed**.

3. The prosecution of the present '149 *inter-partes* reexamination proceeding is continued. No further continuation of the present reexamination proceeding will be granted absent a showing of **extraordinary** circumstances.

4. The closing of prosecution rendered via the Office action mailed April 4, 2008 is withdrawn, and prosecution of the proceeding is reopened. The amendment will be treated as a response by patent owner received **after** a first Office action.

5. **Third party requester has thirty (30) days from the date of mailing of this decision to submit comments pursuant to 37 CFR 1.947.**

6. The Amendment After ACP received April 17, 2008 will be entered [5] by the Central Examination Unit (CRU). The CRU will await submission of third party comments, or the expiration of the time for same and then jurisdiction of the proceeding will be transferred to the examiner for consideration of both the amendment and any third party comments.

7. The reexamination proceeding is being forwarded to the Central Reexamination Unit for further handling and examination consistent with this decision.

8. Telephone inquiries related to this decision should be directed to Pinchus M. Laufer, Legal Advisor, at (571) 272-7726.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

October 10, 2008
C:\Kiva\Kenpet7\95_0149_RCR_grant+3pr-opportunity-to-file-comments+Dismiss 183 EOT.doc

[5] This decision takes no position on the propriety of the amendment or whether it introduces new matter. Any issues raised by the amendment will be addressed by the Examiner in the next Office action.

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BRENDA HERSCHBACK JARRELL, PH.D.
CHOATE, HALL & STEWART LLP
TWO INTERNATIONAL PLACE
BOSTON MA 02110

MAILED

JUN 3 0 2008

CENTRAL REEXAMINATION UNIT

In re Application of	:	
ALBERT EDGE	:	
Control No. 95/000,152 (U.S. Patent 6,673,604 B1)	:	DECISION ON PETITION
Filed: May 10, 2006	:	TO WITHDRAW
Attorney Docket No. 031090.00044	:	FROM RECORD
	:	

This is a decision on the Request to Withdraw as attorney or agent of record under 37 C.F.R. § 1.36(b), filed June 03, 2008.7.

The request is **NOT APPROVED**.

A grantable request to withdraw as attorney/agent of record must be signed by every attorney/agent seeking to withdraw or contain a clear indication that one attorney is signing on behalf of another/others. A request to withdraw will not be approved unless at least 30 (thirty) days would remain between the date of approval and the later of the expiration date of a time to file a response or the expiration date of the maximum time period which can be extended under 37 C.F.R. § 1.136(a).

The request to withdraw less than all attorneys appointed by customer number 24282 cannot be approved. The addition and/or deletion of a practitioner from the list of practitioners associated with a Customer Number should be made by submitting a "Request for Customer Number Data Change" (PTO/SB/124) which will result in the addition or deletion of such practitioner from the list of persons authorized to represent any applicant or assignee of the entire interest who appointed all of the practitioners associated with such Customer Number. See MPEP 403 Section I. Customer Number Practice.

All future communications from the Office will continue to be directed to the above-listed address until otherwise notified by applicant.

Telephone inquiries concerning this decision should be directed to Patricia Volpe at 571-272-6825.

Patricia Volpe for

Deborah Jones
Supervisory Patent Examiner
CRU 3991

cc: BIOHEART INC. (Third Party Requester)
13794 NW 4TH STREET
SUITE 212
SUNRISE, FL 33325

Enclosure:

Copy of request for withdrawal as attorney or agent and change of correspondence address filed on June 03, 2008. There is no indication it was served on the 3rd Party Requester.

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Andrew D. Miekle
Birch, Stewart, Kolasch & Birch, LLP
8110 Gatehouse Road, Suite 100 East
P.O.Box 747
Falls Church, VA 22040-0747

For Patent Owner

MAILED

SEP 28 2007

CENTRAL REEXAMINATION UNIT

Martin B. Pavane
Cohen, Pontani, Lieberman & Pavane
551 Fifth Avenue, Suite 1210
New York, NY 10176

For Requester

Ex Parte Reexamination Proceeding
Control No. 95/000,153
Filed: July 17, 2006
For: US Patent No. 6,753,031

DECISION ON
PETITION FOR
EXTENSION OF TIME
37 CFR 1.956

This is a decision on the petition filed September 19, 2007 to request a two-month extension of time pursuant to 37 CFR 1.956 for responding to the Office action dated September 5, 2007.

The petition is before the Director of the Central Reexamination Unit for consideration.

The petition is granted for two months for the reasons set forth below.

Decision

The Patent Owner requests an extension of time in which to file a response to the Office action dated September 5, 2007, which set a one-month date for filing a response thereto. The Office action is an Action Closing Prosecution. The request is timely filed and includes authorization to debit a deposit account for the $200.00 petition fee as required by 37 CFR 1.515(c).

37 CFR 1.956 states:

> (c) The time for taking any action by a patent owner in an *inter partes* reexamination proceeding will be extended only for sufficient cause and for a reasonable time specified. Any request for such extension must be filed on or before the day on which action by the patent owner is due, but in no case will the mere filing of a request effect any extension. Any request for such extension must be accompanied by the petition fee set forth in § 1.17(g). See § 1.304(a) for extensions of time for filing a notice of appeal to the U.S. Court of Appeals for the Federal Circuit.

Addressing the requirement of 37 CFR 1.956 to make a showing of "sufficient cause" to grant an extension of time request, MPEP 2665 states, in pertinent part:

> Evaluation of whether sufficient cause has been shown for an extension must be made by **balancing** the desire to provide the patent owner with a fair opportunity to respond, **against** the requirement of the statute, 35 U.S.C. 314 (c), that the proceedings be conducted with special dispatch.
>
> Any request for an extension of time in a reexamination proceeding must fully state the reasons therefor. ...

Patent Owner's Showing of Sufficient Cause to Grant an Extension of Time

The petition for extension of time states that the various legal and technical personnel associated with Patent Owner and Licensee and conducted the first of several teleconferences discussing the issues raised in the ACP. In view of the complexity of these issues, an in-person meeting has been scheduled to maximize access to technical expertise and information. Patent Owner and Licensee are considering the necessity of conducting additional testing in response to the position taken by the examiner that would likely take at least two months. An extension of time of two months is requested to fully analyze the complex issues and develop responsive positions on behalf of the Patent Owner.

Analysis and Findings

On balance, it is considered that the petition explains the "sufficient cause" for an extension of time. It is clear that the Office action is substantial and that Patent Owner requires consultation with technical personnel and Patent Owner to prepare a complete response. Patent Owner has set forth a factual accounting that is deemed to establish reasonably diligent behavior by all those responsible for preparing a response within the statutory period. When balanced against the requirement of 35 USC 314(c) that this proceeding be handled with special dispatch, Owner's showing is adequate to justify the grant of a two-month extension of time in which to file a response to the outstanding Office action. Accordingly, the period of time for filing a reply to the Office action dated September 5, 2007 is extended to run three months from the date of the Office action and is due on December 5, 2007. Patent Owner should expect that future requests for extensions will not be granted absent strong and compelling reasons that establish the existence of an extraordinary situation necessitating the additional time

Conclusion

1. The patent owner's petition for extension of time of two months in which to file a response to the Office action dated September 5, 2007 is **granted**.

2. The Patent Owner's response is due December 5, 2007.

3. Response may be submitted as follows:

By Mail to: Mail Stop *Ex Parte* Reexam
Central Reexamination Unit
Commissioner for Patents
United States Patent & Trademark Office
P. O. Box 1450
Alexandria, VA 22313-1450

By Fax to: (571) 273-9900
Central Reexamination Unit

By Hand: Customer Service Window
Randolph Building
401 Dulany Street
Alexandria, VA 22314

4. Telephone inquiries with regard to this decision should be directed to Deborah Jones, Special Program Examiner in the Central Reexamination Unit, Art Unit 3992, at (571) 272-1535.

for Lissi M. Marquis,
Director, Central Reexamination Unit

UNITED STATES PATENT AND TRADEMARK OFFICE

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,153	07/17/2006	6753013	3893-0251L	2949

2292 7590 06/20/2008

BIRCH STEWART KOLASCH & BIRCH
PO BOX 747
FALLS CHURCH, VA 22040-0747

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 06/20/2008

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UNITED STATES PATENT AND TRADEMARK OFFICE.

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Birch, Stewart, Kolasch & Birch, LLP
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For Patent Owner

Martin B. Pavane
Cohen, Pontani, Lieberman & Pavane
551 Fifth Avenue, Suite 1210
New York, NY 10176

For Requester

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CENTRAL REEXAMINATION UNIT

In re Didriksen et al.
Inter Partes Reexamination Proceeding
Control No. 95/000,153
Filed: July 17, 2006
For: US Patent No. 6,753,013

DECISION ON PETITION

This is a decision on the petition filed December 5, 2007 by the Patent Owner under 37 CFR 1.181or, for withdrawal of premature action closing prosecution.

The petition is before the Central Reexamination Unit for consideration.

Summary

The petition under 37 CFR 1.181 filed December 5, 2007 requesting the withdrawal of the action closing prosecution is dismissed.

Review of Facts

1. U.S. Patent 6,753,013 (the '013 patent), issued to E. Didriksen on July 22, 2004..

2. A request for *inter partes* reexamination of the '013 patent was deposited by a third party requester on July 117, 2006.

3. On September 13, 2006, *Inter Partes* reexamination of the '013 patent was ordered and a first office action was issued.

4. On November 13, 2006, Patent Owner filed a response including claim amendments and declaration evidence under 37 CFR 1.132.

5. On December 15, Third Party Requestor filed a response.

6. On September 5, 2007, an Action Closing Prosecution issued

7. On September 19, 2007, Patent Owner filed a petition for an extension of time for two (2) months.

8. On September 28, 2007, the petition for an extension of time for two months was granted.

9. On December 5, 2007, Patent Owner filed a response to the Action Closing Prosecution (ACP), including nine declarations, several exhibits, and amendments to the claims concurrently with this petition.

10. On January 9, 2008, Third Party Requestor filed a response including a commentary on Patent Owner's petition.

37 CFR 1.951 reads in part:

(a) After an Office action closing prosecution in an *inter partes* reexamination, the Patent Owner may once file comments limited to the issues raised in the Office action closing prosecution. The comments can include a proposed amendment to the claims, which amendment will be subject to the criteria of para 1.116 as to whether or not is shall be admitted. The comments must be filed within the time set for response in the Office action closing prosecution.

MPEP 2671.02 states in pertinent part:

The grounds of rejection and determination of patentability must (in the ACP) be clearly developed to such an extent that the patent owner and the third party requester may readily judge the advisability of filing comments after an ACP pursuant to 37 CFR 1.951 (a) and (b) respectively.

In any event, the ACP must also include a rebuttal of any arguments raised in the patent owner's response and must reflect consideration of any comments made by the third party requester.

Patent Owner alleges that the ACP is premature because three significant positions are indicated for the first time and they are not clearly developed and are refutable. Patent Owner states that the ACP indicates three positions for the first time:

1. The interpretation of the claim term "storage stable" to encompass "any degree of stability under any storage condition",

2. The "assumption" that the presence of solvent "C" in the claimed composition would exhibit a stabilizing effect on components "A" and "B" despite the presence of the deleterious component propylene glycol, and

3. The criticism and dismissal of the experimental design, results and/or conclusions contained in the declarations.

Patent Owner requests the withdrawal of the ACP as being improperly "premature" with the re-opening of prosecution and the issuance of a new Office Action that allows full consideration and entry into the record of all claim amendments and evidence submitted concurrently with this petition.

Decision

The Action Closing Prosecution mailed September 5, 2007 is fully compliant with Office requirements. A discussion of stability was made in the first Office action (see page at least page 10, last paragraph). The issue regarding component "C" is fully developed and the statements made in the ACP are directly in response to Patent Owner's amendments and arguments. There are no new positions offered and all comments and remarks are directed to the amendments, declarations, and remarks made by Patent Owner and remarks made by Third Party Requester.

The amendments and declarations presented with this petition on December 5, 2007 are entered and will be considered as will Third Party comments filed January 9, 2008. Patent Owner should expect a Right of Appeal Notice (RAN) in due course.

Conclusion

The petition under 37 CFR 1.181 for withdrawal of premature action closing prosecution is **dismissed.**

Telephone inquiries regarding this decision should be directed to Deborah Jones, Supervisory Patent Examiner, Central Reexamination Unit at (571) 272-1535.

Deborah Jones

for Lissi M. Marquis,
Director,
Central Reexamination Unit

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,153	07/17/2006	6753013	3893-0251L	2949

2292 7590 08/20/2008

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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 08/20/2008

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UNITED STATES PATENT AND TRADEMARK OFFICE

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MAILED
AUG 20 2008
CENTRAL REEXAMINATION UNIT

Martin B. Pavane (For Requester)
Cohen, Pontani, Lieberman & Pavane
551 Fifth Avenue, Suite 1210
New York, NY 10176

In re Didriksen et al.	:	
Inter Partes Reexamination Proceeding	:	
Control No. 95/000,153	:	DECISION DISMISSING PETITION
Filed: July 17, 2006	:	
For: U.S. Patent No. 6,753,013	:	

This is a decision on the August 11, 2008, patent owner petition entitled "PETITION UNDER 37 C.F.R. § 1.183 FOR SUSPENSION OF RULES."

The petition and the 95/000,153 *inter partes* reexamination proceeding are before the Office of Patent Legal Administration for consideration of the above petition.

Summary: The petition is dismissed for the reasons set forth below.

PETITION FEE

A petition fee of $400.00 under 37 CFR 1.17(f), as required by 37 CFR 1.183, is being charged to petitioner patent owner's Deposit Account No. 02-2448 as authorized at page 9 of the present petition.

REVIEW OF SALIENT FACTS

1. U.S Patent number 6,753,013 ("the '013 patent") issued to E. Didriksen *et al* on June 22, 2004.

2. On July 17, 2006, a request for *inter partes* reexamination of the '013 patent was filed by a third party requester, and assigned control number 95/000,153 ("the '153 reexamination proceeding").

3. On September 13, 2006, an Order Granting *Inter Partes* Reexamination for the '153 reexamination proceeding was mailed. The order was accompanied by a non-final rejection.

4. Subsequent to responses by patent owner and third party requester, an Action Closing

Prosecution ("ACP") was mailed September 5, 2007.

5. On September 19, 2007, patent owner petitioned for a two month extension of time to respond to the ACP.

6. On September 28, 2007, the petition for two months extension of time for patent owner to respond to the ACP was granted.

7. On December 5, 2007, patent owner filed a response to the ACP and also petitioned for withdrawal of the ACP.

8. On January 9, 2008, third party requester filed written comments directed to the ACP.

9. On June 20, 2008, the petition for withdrawal of the ACP was dismissed.

10. On July 17, 2008, a Right of Appeal Notice ("RAN") was mailed. The RAN stated that patent owner and/or third party requester may file a notice of appeal within one month. This is stated both on the form itself and on page 82 of the accompanying action. [1]

11. On August 11, 2008, patent owner filed the present petition requesting: (a) waiver under 37 C.F.R. 1.183 of the provisions of 37 C.F.R. 41.61(a) and (e) that set a nonextendable period of time for filing a notice of appeal as being the time set in the RAN; and (b) supervisory intervention by the Director under 37 C.F.R. 1.181 to reopen prosecution of the '153 reexamination proceeding.

RELEVANT AUTHORITY

35 U.S.C. 314 provides in relevant part:

> ...
> (c) SPECIAL DISPATCH. – Unless otherwise provided by the Director for good cause, all inter partes reexamination proceedings under this section, including any appeal to the Board of Patent Appeals and Interferences, shall be conducted with special dispatch within the Office.

37 C.F.R. 1.183 provides:

> In an extraordinary situation, when justice requires, any requirement of the regulations in this part which is not a requirement of the statutes may be suspended or waived by the Director or the Director's designee, *sua sponte*, or on petition of the interested party, subject to such other requirements as may be imposed. Any petition under this section must be accompanied by the petition fee set forth in § 1.17(f).

[1] Patent owner describes the RAN as setting a two-month due date in "Background Facts", #12, page 3 of the present petition, but this is not supported in the record of the '153 proceeding. On page 6 of the present petition, the time for response is correctly identified as one month.

37 C.F.R. 41.61 provides, in relevant part:

(a)

...

(2) Upon the issuance of a Right of Appeal Notice under § 1.953 of this title, the requester may appeal to the Board with respect to any final decision favorable to the patentability, including any final determination not to make a proposed rejection, of any original, proposed amended, or new claim of the patent by filing a notice of appeal within the time provided in the Right of Appeal Notice and paying the fee set forth in § 41.20(b)(1).

...

(e) The time periods for filing a notice of appeal or cross appeal may not be extended.

DECISION

This is a petition by patent owner to extend the time for filing a Notice of Appeal. Patent owner requests an extension of time until the concurrently filed petition under 37 C.F.R. 1.181 to withdraw the RAN is decided, or, for four months to allow for additional experimental comparative tests to be completed, or until a decision on a future petition under 37 C.F.R. 1.182 is made.

The Office is aware of the concurrently filed petition for supervisory review under 37 C.F.R. 1.181. However, requiring patent owner to file a Notice of Appeal within the time set on the RAN, (*i.e.*, one month from the mailing date of the RAN), does not appear to substantially prejudice patent owner. A Notice of Appeal, not including cover sheets and certificates of service, is typically a one page document that requires no discussion of the facts or law involved in actually appealing a rejection to the Board of Patent Appeals and Interferences. Patent owner has not established that an extraordinary situation exists whereby waiver of the provisions of 37 CFR 41.61(a) and (e) is necessary in the interests of justice.

With regard to the future filing of petition under 37 C.F.R. 1.182, [2] special dispatch under 35 U.S.C. § 314 is not compatible with an indefinite extension of time to await consideration of a petition that has not yet been filed. The Office has no way of knowing when, or if, this petition will be submitted.

With regard to the four-month extension for additional testing, patent owner apparently intends to conduct future experiments in order to refute positions stated in the ACP and the RAN. Four months would be a truly extraordinary extension of time in an *inter partes* reexamination, and patent owner has given no specifics of testing actually in progress. [3] Absent a substantially more comprehensive factual background detailing the efforts underway to gather the data, the relation of those efforts to the content of the RAN, and the time required to gather the data, the time period for filing a Notice of Appeal will not be extended in this situation.

---

[2] At page 4 of the present petition, patent owner states that patent owner presently has an intention to file a petition under 37 CFR 1.182 to obtain relief analogous to the relief that would be provided by a "request for continued reexamination" practice that is to be the subject of a future revision of the rules, as discussed in the Notice published at 1292 *OG* 20 (March 1, 2005).

[3] At page 6 of the present petition, it is stated that "[P]atent owner intends to respond to certain concerns of the patent Examiner regarding the asserted deficiencies of certain Declarations filed with the Patent Owner Response to ACP ... [C]onsequently, the Patent Owner has decided to conduct additional comparative tests ..."

CONCLUSION

1. Patent owner's petition to waive the provisions of 37 CFR 41.61(e) so as to permit an extension of the one-month period in which to file a Notice of Appeal is dismissed.

2. Jurisdiction of the '153 inter partes reexamination proceeding is being forwarded to the Central Reexamination Unit for appropriate action with respect to the petition under 37 CFR 1.181.

3. Telephone inquiries with regard to this decision should be directed to the undersigned at 571-272-7710, or, in his absence, to Stephen Marcus, Legal Advisor, at (571) 272-7743.

Kenneth M. Schor

Kenneth M. Schor,
Senior Legal Advisor
Office of Patent Legal Administration

gm
August 18, 2008

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,153	07/17/2006	6753013	3893-0251L	2949

2292 7590 10/23/2008

BIRCH STEWART KOLASCH & BIRCH
PO BOX 747
FALLS CHURCH, VA 22040-0747

EXAMINER

ART UNIT	PAPER NUMBER

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551 FIFTH AVE. STE 1210
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Date:

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OCT 23 2008

CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester
Inter Partes Reexamination

REEXAMINATION CONTROL NO. : 95000153
PATENT NO. : 6753013
TECHNOLOGY CENTER : 3999
ART UNIT : 3900

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified Reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the inter partes reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an ex parte reexamination has been merged with the inter partes reexamination, no responsive submission by any ex parte third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the Central Reexamination Unit at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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OCT 23 2008

CENTRAL REEXAMINATION UNIT

Birch, Stewart, Kolasch & Birch
7 Commerce Drive
Danbury, CT 06810

(For Patent Owner)

Martin B. Pavane
Cohen, Pontani, Lieberman & Pavane LLP
551 Fifth Avenue
Suite 1210
New York, NY 10176

(For Requester)

In re Didriksen et al
Inter Partes Reexamination Proceeding
Control No. 95/000,153
Filed: July 17, 2006
For: U.S. Patent No. 6,753,013

DECISION GRANTING PETITION IN PART

This is a decision on the September 5, 2008 patent owner petition under 37 CFR 1.183, entitled "Petition Under 37 C.F.R. § 1.183 for Suspension of Rules to Waive Due Date for Filing Appellant's Brief under 37 C.F.R. § 41.66(a)" ("the September 5, 2008 patent owner petition under 37 CFR 1.183").

The September 5, 2008 patent owner petition under 37 CFR 1.183, and the record as a whole, are before the Office of Patent Legal Administration for consideration.

The September 5, 2008 patent owner petition under 37 CFR 1.183 is accompanied by the appropriate petition fee of $400 under 37 CFR 1.17(f).

SUMMARY

The September 5, 2008 patent owner petition under 37 CFR 1.183 is **granted to the extent that** the time period for filing any appellant brief by the patent owner is extended to run three months from the filing date of requester's notice of cross appeal. **Accordingly, any appellant brief by the patent owner is due on or before December 4, 2008.**

The provisions of 37 CFR 41.66(a) are ***sua sponte* waived** under 37 CFR 1.183 to the extent that the time period for filing any appellant brief by the third party requester is extended to run three months from the filing date of requester's notice of cross appeal. **Accordingly, any appellant brief by the requester is due on or before December 4, 2008.**

BACKGROUND

- On June 22, 2004, U.S. Patent 6,753,013 ("the '013 patent) issued to Didriksen et al.
- On July 17, 2006, a request for *inter partes* reexamination was filed by the third party requester[1], and the resulting reexamination proceeding was assigned control number 95/000,153 ("the '0153 proceeding").
- On September 13, 2006, an order granting *inter partes* reexamination was mailed.
- Also on September 13, 2006, a first Office action on the merits was mailed.
- Prosecution progressed until July 17, 2008, on which date a right of appeal notice (RAN) was mailed.
- On August 11, 2008, the patent owner filed a petition under 37 CFR 1.183 entitled "Petition under 37 C.F.R. § 1.183 for Suspension of Rules," requesting waiver of the prohibition under 37 CFR 41.61(e) of an extension of time for filing a notice of appeal ("the August 11, 2008 patent owner petition under 37 CFR 1.183").
- Also on August 11, 2008, the patent owner filed a petition under 37 CFR 1.181 requesting that prosecution be reopened ("the August 11, 2008 patent owner petition under 37 CFR 1.181 to reopen prosecution").
- On August 18, 2008, the patent owner filed a notice of appeal.
- On August 20, 2008, a decision dismissing the August 11, 2008 patent owner petition under 37 CFR 1.183 was mailed.
- On September 4, 2008, the third party requester filed a notice of cross appeal (certificate of mailing, September 2, 2008).
- On September 5, 2008, the patent owner filed a petition entitled "Petition Under 37 C.F.R. § 1.182 for Request for Continued Reexamination" ("the September 5, 2008 patent owner petition under 37 CFR 1.182 for request for continued reexamination").
- Also On September 5, 2008, the patent owner filed the present petition under 37 CFR 1.183, entitled "Petition Under 37 C.F.R. § 1.183 for Suspension of Rules to Waive Due Date for Filing Appellant's Brief under 37 C.F.R. § 41.66(a)" ("the September 5, 2008 patent owner petition under 37 CFR 1.183").

---

[1] The request for inter partes reexamination was filed by Galderma R&D, the real party in interest.

- On September 12, 2008, the third party requester filed a paper entitled "Third Party Requester Responsive Comments on Patent Owner's Petition under 37 CFR 1.181 to Director."

STATUTES, REGULATIONS, AND PATENT EXAMINING PROCEDURES

37 CFR 1.183 provides, in pertinent part:

> In an extraordinary situation, when justice requires, any requirement of the regulations in this part which is not a requirement of the statutes may be suspended or waived by the Director or the Director's designee, sua sponte, or on petition of the interested party, subject to such other requirements as may be imposed.

37 CFR 41.66 provides, in pertinent part:

> (a) An appellant's brief must be filed no later than two months from the latest filing date of the last-filed notice of appeal or cross appeal or, if any party to the proceeding is entitled to file an appeal or cross appeal but fails to timely do so, no later than two months from the expiration of the time for filing (by the last party entitled to do so) such notice of appeal or cross appeal. The time for filing an appellant's brief or an amended appellant's brief may not be extended.
>
> (b) Once an appellant's brief has been properly filed, any brief must be filed by respondent within one month from the date of service of the appellant's brief. The time for filing a respondent's brief or an amended respondent's brief may not be extended.

DECISION

Pursuant to 37 CFR 41.66(a), any appellant brief in the '0153 proceeding must be filed within two months from the September 4, 2008 filing date of requester's cross appeal, i.e., on or before November 4, 2008.

The patent owner requests waiver of the provisions of 37 CFR 41.66(a), which prohibit an extension of time for filing an appellant brief. The patent owner requests an extension of time of "at least one month, and preferably two months after the Office issues the last of the decisions with respect to the following petitions"[2]: (1) the August 11, 2008 patent owner petition under 37 CFR 1.181 to reopen prosecution, and (2) the September 5, 2008 patent owner petition under 37 CFR 1.182 for request for continued reexamination. No decision on either of these two petitions has yet been made. The patent owner correctly points out that a grant of either petition (1) or (2) would render the provisions of 37 CFR 41.66(a) moot.

Since a decision on either petition (1) or (2) directly affects the appeal, and upon consideration of the specific facts and circumstances of the present proceeding, the present petition under 37 CFR 1.183 to waive the provisions of 37 CFR 41.66(a) is **granted to the extent that** the time period for filing any appellant brief by patent owner is extended to run three months from the September 4, 2008 filing date of requester's notice of cross appeal. **Accordingly, any appellant brief by the patent owner is due on or before December 4, 2008.**

Furthermore, since a decision on either petition (1) or (2) directly affects the appeal by requester, **the Office is *sua sponte* waiving the provisions of 37 CFR 41.66(a) to the extent that the**

[2] See page 8 of the September 5, 2008 patent owner petition under 37 CFR 1.183.

time period for filing any appellant brief by the requester is extended to run three months from the September 4, 2008 filing date of requester's notice of cross appeal. Accordingly, any appellant brief by the third party requester is due on or before December 4, 2008.

CONCLUSION

- The September 5, 2008 patent owner petition under 37 CFR 1.183 to waive the provisions of 37 CFR 41.66(a) is **granted to the extent that** the time period for filing any appellant brief by patent owner is extended to run three months from the September 4, 2008 filing date of requester's notice of cross appeal. **Accordingly, any appellant brief by the patent owner is due on or before December 4, 2008.** Any appellant brief filed by the patent owner must be served on the third party requester pursuant to 37 CFR 1.903 and 37 CFR 1.248.

- The third party requester's due date for filing any appellant brief pursuant to 37 CFR 41.66(a) is ***sua sponte* waived to the extent that** the time period for filing any appellant brief by requester is extended to run three months from the September 4, 2008 filing date of requester's notice of cross appeal. **Accordingly, any appellant brief by the requester is due on or before December 4, 2008.** Any appellant brief filed by the requester must be served on the patent owner pursuant to 37 CFR 1.903 and 37 CFR 1.248.

- Any respondent brief by either party must be filed within one month from the date of service of the other party's appellant brief, pursuant to 37 CFR 41.66(b), and must be served on the other party pursuant to 37 CFR 1.903 and 37 CFR 1.248.

- Jurisdiction over the proceeding is being returned to the Central Reexamination Unit to await a decision on the August 11, 2008 petition under 37 CFR 1.181 to reopen prosecution.

Any inquiry concerning this communication should be directed to Cynthia L. Nessler, Senior Legal Advisor, at (571) 272-7724, or in her absence, to the undersigned at (571) 272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

cn

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,153	07/17/2006	6753013	3893-0251L	2949

2292 7590 12/10/2008

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EXAMINER

ART UNIT	PAPER NUMBER

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Date:

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CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester
Inter Partes Reexamination

REEXAMINATION CONTROL NO. : 95000153
PATENT NO. : 6753013
TECHNOLOGY CENTER : 3999
ART UNIT : 3900

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified Reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the inter partes reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an ex parte reexamination has been merged with the inter partes reexamination, no responsive submission by any ex parte third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the Central Reexamination Unit at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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CENTRAL REEXAMINATION UNIT

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For Patent Owner

Martin B. Pavane
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For Requester

In re Didriksen et al.	:
Inter Partes Reexamination Proceeding	: DECISION ON
Control No. 95/000,153	: PETITION UNDER
Filed: July 17, 2006	: 37 C.F.R. 1.181
For: US Patent No. 6,751,013	:

This is a decision on the petition filed August 11, 2008 by the Patent Owner under 37 CFR 1.181 to reopen prosecution because of withdrawal of premature action closing prosecution. The petition is before the Director of the Central Reexamination Unit for consideration.

Summary

The Petition is **GRANTED**.

Review of the Relevant Facts

1. U.S. Patent 6,753,013 (the '013 patent), issued to E. Didriksen on July 22, 2004..

2. A request for *inter partes* reexamination of the '013 patent was deposited by a third party requester on July 117, 2006.

3. On September 13, 2006, *Inter Partes* reexamination of the '013 patent was ordered and a first office action was issued.

4. On November 13, 2006, Patent Owner filed a response including claim amendments and declaration evidence under 37 CFR 1.132.

5. On December 15, 2006, the Third Party Requestor filed a response.

6. On September 5, 2007, an Action Closing Prosecution issued.

7. On September 19, 2007, Patent Owner filed a petition for an extension of time for two (2) months.

8. On September 28, 2007, the petition for an extension of time for two months was granted.

9. On December 5, 2007, Patent Owner filed a response to the Action Closing Prosecution (ACP), including nine declarations, several exhibits, and amendments to the claims concurrently with this petition.

10. On January 9, 2008, Third Party Requestor filed a response including a commentary on Patent Owner's petition.

11. On July 17, 2008, a Right of Appeal Notice (RAN) issued.

12. On August 11, 2008, the above-mentioned petition was submitted requesting prosecution be reopened in this proceeding.

Decision

37 CFR 1.951 reads in part:

> (a) After an Office action closing prosecution in an *inter partes* reexamination, the Patent Owner may once file comments limited to the issues raised in the Office action closing prosecution. The comments can include a proposed amendment to the claims, which amendment will be subject to the criteria of section 1.116 as to whether or not is shall be admitted. The comments must be filed within the time set for response in the Office action closing prosecution.

MPEP 2671.02 states in pertinent part:

> The grounds of rejection and determination of patentability must (in the ACP) be clearly developed to such an extent that the patent owner and the third party requester may readily judge the advisability of filing comments after an ACP pursuant to 37 CFR 1.951 (a) and (b) respectively.

MPEP 2673.01 states in part:

> I. MANDATORY REOPENING
>
> Where a submission after Action Closing Prosecution (ACP) has been filed pursuant 37 CFR 1.951(a) (and 37 CFR 1.951(b)) and the examiner decides to modify his/her position, the examiner should ordinarily reopen prosecution, in accordance with the following guidelines.
>
> The patent owner must be given an opportunity to adequately address any change in position adverse to the patent owner's position. A Right of Appeal Notice (RAN) cannot be issued until the patent owner has had the opportunity to address each and every rejection prior to the appeal stage. Thus, the examiner should reopen prosecution where any new ground of rejection is made or any additional claim is rejected.
>
> Prosecution is ordinarily reopened in this situation by issuing a non-ACP action, i.e., an Office action prior to the ACP stage. If prosecution were reopened at the ACP stage, the patent owner loses rights as to amending the claims in response to the change in the examiner's position, because the patent owner's amendment rights are limited after ACP, - see MPEP § 2673.

Patent Owner alleges the ACP, mailed September 5, 2007, included the adoption of an obviousness rejection of claims 9, 31, 33-34, 55, 63, 71-72, 79-80, and 86-87 based on Serup (WO '453) in view of Turi (USPN '974). Claims 52-54 and 56-59 were not included in this rejection. Patent Owner states there is no art rejection against claim 56 at all in the ACP; however, in the RAN, mailed July 17, 2008, the Examiner has included claims 52-54, 56, and 58-59 as allegedly obvious over Serup in view of Turi and stated that her position is unchanged from the ACP. The examiner states, in part:

> *New claims 52-56 and 58-59 are otherwise respectively identical to at least some of claims 1-2, 4-8, 14, 16-19, 23, except that claims 52-56 and 58-59 limit component A to only calcipotriol or a hydrate thereof, and component B to only betamethasone or an ester thereof. However, both calcipotriol and betamethasone are disclosed in Serup. Therefore, new claims 52-56 and 58-59 are also obvious over Serup and Turi under U.S.C. 103(a) for the same reasons discussed above in ground #7 in connection with claims 1-2, 4-8, 14, 16-19, 23.*

Patent Owner asserts the inclusion of claim 56, as well and claims 52-54 and 58-59, constitutes a new rejection. Therefore, prosecution should be reopened to provide Patent Owner with an opportunity to respond before the appeal stage.

Third Party Requester, in their comments dated September 12, 2008, points out that the examiner has consistently found claims containing similar limitations to claims 52-54, 58, and 59 taught by Serup and Turi. See pages 4-6 of requester's comments. The Third Party Request also stated that "[i]t is apparent that the Examiner inadvertently omitted claim 56 from ..." the listing of the claims in the rejection under 35 U.S.C. 103(a) based on Serup and Turi. See page 6 of requester's comments. The Third Party Request further argues that any changes in the examiner's position was caused by the Patent Owner's amendments filed after the issuance of the ACP, and that the Patent Owner has had ample opportunity to address the obviousness rejections of the claims. See pages 7-9 of requester's comments.

According to Office policies and procedures, when an examiner adds a new rejection in response to an amendment entered after the issuance of ACP, prosecution is typically reopened. See MPEP 2673.01. This policy was set to ensure that all issues are fully developed for appeal purposes. Furthermore, it is recognized that the Patent Owner has no right to amend claims or file any further response (other than to file an appeal), and does not have a right to continue the proceeding by refiling under 37 CFR 1.53(b) or 1.53(d) or by filing a Request for Continued Examination under 37 CFR 1.114. See MPEP 2673.02

Upon careful review of the record of the reexamination proceedings, it is determined that the Right of Appeal Notice, dated July 17, 2008, included a new grounds of rejection because it included claim 56 in the rejection under 35 U.S.C. 103(b) based on Serup and Turi. The record is clear that claim 56 was not included in the rejection under 35 U.S.C. 103(b) based on Serup and Turi in the Action Closing Prosecution (ACP), dated September 5, 2007. Even Third Party Requester acknowledges that claim 56 was missing from the listing of the claims to which the rejection applied in the ACP. Whether this was an inadvertent or obvious error is not the standard in evaluating whether a new rejection is made. As stated above, the record is clear that claim 56 was not included in the rejection under 35 U.S.C. 103(b) based on Serup and Turi in the Action Closing Prosecution (ACP), dated September 5, 2007. Likewise, the other arguments advanced by the Third Party Requester are not persuasive because such arguments do not change the fact that a new grounds of rejection was made in the RAN. Accordingly, prosecution should be reopened so that the Patent Owner can adequately address the new grounds of rejection and develop the issues for appeal purposes.

For the reasons set forth above, it is deemed that the examiner made a new ground of rejection in the Right of Appeal Notice, and therefore, prosecution was prematurely closed.

Accordingly, good and sufficient reasons to reopen prosecution in the reexamination proceeding have been provided and the patent owner's petition is <u>GRANTED</u>.

CONCLUSION

1. The petition under 37 CFR 1.181 for reconsideration of the Right of Appeal Notice dated June 20, 2008, and reopening of prosecution of the '259 reexamination proceeding is GRANTED. Accordingly, prosecution is reopened and the examiner will send out an Office communication in due course.

2. The response and evidence filed on September 5, 2008 will be entered and considered by the examiner in the next Office communication.

3. The Third Party Requester is given 1 month, or thirty day, whichever is longer, to file comments pertaining to the September 5, 2008 submission by the Patent Owner.

4. Telephone inquiries related to this decision should be directed to Deborah Jones, Supervisory Patent Examiner, at (571) 272-1535 or Jeanne Clark at (571) 272-7714, or in their absence to the undersigned at (571) 272-3838.

for Deborah Jones

Gregory A. Morse
Director
Central Reexamination Unit

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,153	07/17/2006	6753013	3893-0251L	2949

2292 7590 12/31/2008

BIRCH STEWART KOLASCH & BIRCH
PO BOX 747
FALLS CHURCH, VA 22040-0747

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 12/31/2008

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Date:
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DEC 31 2008
CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester
Inter Partes Reexamination

REEXAMINATION CONTROL NO. : 95000153
PATENT NO. : 6753013
TECHNOLOGY CENTER : 3999
ART UNIT : 3900

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If an ex parte reexamination has been merged with the inter partes reexamination, no responsive submission by any ex parte third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the Central Reexamination Unit at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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For Patent Owner

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CENTRAL REEXAMINATION UNIT

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Cohen, Pontani, Lieberman & Pavane
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For Requester

In re Didriksen et al.
Inter Partes Reexamination Proceeding
Control No. 95/000,153
Filed: July 17, 2006

For: US Patent No. 6,751,013

: DECISION ON
: PETITION UNDER
: 37 C.F.R. 1.182

This is a decision on the petition filed December 19, 2008 by the Patent Owner under 37 CFR 1.82 to request consideration of their RENEWED PETITION UNDER 37 CFR 1.182 FOR REQUEST FOR CONTINUED REEXAMINATION. The petition is before the Office of Patent Legal Administration for consideration.

Summary

The Petition is **DISMISSED AS MOOT**.

Review of the Relevant Facts

1. U.S. Patent 6,753,013 (the '013 patent), issued to E. Didriksen on July 22, 2004..

2. A request for *inter partes* reexamination of the '013 patent was deposited by a third party requester on July 17, 2006.

3. On September 13, 2006, *Inter Partes* reexamination of the '013 patent was ordered and a first office action was issued.

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10. On January 9, 2008, Third Party Requestor filed a response including a commentary on Patent Owner's petition.

11. On July 17, 2008, a Right of Appeal Notice (RAN) issued.

12. On August 11, 2008, a 37 CFR 1.181 petition was submitted requesting prosecution be reopened in this proceeding.

13. On September 5, 2008, Patent Owner submitted a petition under 37 CFR 1.182 for request for continued reexamination

14. On December 10, 2008, the Office granted the patent owner's 1.181 petition filed August 11, 2008 to reopen prosecution after a withdrawal of premature action closing prosecution.

15. On December 19, 2008, patent owner filed the letter requesting consideration of renewed petition under 37 CFR 1.182 for the request for continued reexamination.

Decision

The Office's December 10, 2008 decision granting the 1.181 petition to reopen prosecution in this reexamination proceeding renders moot patent owner's renewed petition (December 19, 2008) under 37 CFR 1.182 for request for continued reexamination.

CONCLUSION

1. The petition under 37 CFR 1.182 requesting consideration of renewed petition under 37 CFR 1.182 for a request for continued reexamination is **DISMISED AS MOOT**.

2. The response and evidence filed on September 5, 2008 will be entered and considered by the examiner in the next Office communication.

3. The Third Party Requester continues to have 1 month, or thirty day, whichever is longer, from the mail date of the December 10, 2008 decision to withdraw the action closing prosecution to file any comments pertaining to the September 5, 2008 submission by the Patent Owner.

4. After the mailing of the decision, jurisdiction is transferred back to the Central Reexamination Unit.

4. Telephone inquiries related to this decision should be directed to Kery Fries, Senior Legal Advisor, Office of Patent Legal Administration, Office of Deputy Commissioner for patent Examination Policy, (571) 272-7757.

Kenneth Schor
Senior Legal Advisor
Office of Patent Legal Administration
Office of Deputy Commissioner
for Patent Examination Policy

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,153	07/17/2006	6753013	3893-0251L	2949

2292 7590 03/09/2010

BIRCH STEWART KOLASCH & BIRCH
PO BOX 747
FALLS CHURCH, VA 22040-0747

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 03/09/2010

Please find below and/or attached an Office communication concerning this application or proceeding.

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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
MARTIN B. PAVANE
COHEN PONTANI LIEBERMAN AND PAVANE
551 FIFTH AVE. STE 1210
NEW YORK, NY 10176

Date: MAILED
MAR 0 9 2010
CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester
Inter Partes Reexamination

REEXAMINATION CONTROL NO. : 95000153
PATENT NO. : 6753013
TECHNOLOGY CENTER : 3999
ART UNIT : 3900

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified Reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the inter partes reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an ex parte reexamination has been merged with the inter partes reexamination, no responsive submission by any ex parte third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the Central Reexamination Unit at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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Andrew D. Meikle
Birch, Stewart, Kolasch & Birch, LLP
PO Box 747
Falls Church, VA 22040-0747

For Patent Owner

Martin B. Pavane
Cohen Pontani Lieberman and Pavane
551 Fifth Ave., Ste 1210
New York, NY 10176

For Requester

Ex Parte Reexamination Proceeding
Control No. 95/000,153
Filed: July 17, 2006
For: US Patent No. 6,753,013

DECISION ON
PETITION
UNDER 37 CFR 1.183

This is a decision on the petition under 37 CFR 1.183, filed February 12, 2010, for suspension of rules to obtain requested extension of time and allow submission of finalized versions of patent owner response and amendments under 37 CFR 1.943 and 1.945.

The petition is before the Office of Patent Legal Administration for consideration.

The petition is granted as to permitting a patent owner supplemental submission, in replacement of the February 12, 2010 response, conditional on the supplemental submission being filed within fifteen (15) days of this decision.

The petition is dismissed as to the requested extension of time.

Analysis and Findings

Patent owner's review (in the petition) of procedural facts is correct. On January 15, 2010, patent owner requested an extension of time in which to file a response to the December 10, 2009 Office action which set a two-month date for filing a response thereto. The request was granted. The granted request is dated as being mailed on February 16, 2010, likely as a result of weather closings of the Office.

On February 12, 2010, patent owner timely filed a provisional response and the present petition to preserve the pendency of the proceeding. The filing of the February 12, 2010 response preserved the pendency of the reexamination proceeding. There is no need for a waiver of the rule to provide a further extension of time, and the request for same is accordingly dismissed.

Patent Owner's instant petition additionally requests waiver of the rules to the extent necessary to supply a complete response. This is taken as a request for waiver of 37 CFR 1.111(a)(2) and 37 CFR 1.945(b) to permit a supplemental response to the December 10, 2009 Office action. Based on the specific facts set forth in the instant petition under 37 CFR 1.183, and the unique individual facts and circumstances of this case, it is deemed equitable to waive 37 CFR 1.111(a)(2) and 37 CFR 1.945(b) to permit a supplemental response to the December 10, 2009 Office action. In view of the statutory mandate for special dispatch in reexamination, this waiver is conditional on the supplemental submission being filed within fifteen (15) days of this decision.

Conclusion

1. The petition is granted as to permitting a patent owner supplemental submission, in replacement of the February 12, 2010 response, conditional on the supplemental submission being filed within fifteen (15) days of this decision.

2. The petition is dismissed as to the requested extension of time as moot.

3. The patent owner's supplemental submission, in replacement of the February 12, 2010 response, is due fifteen (15) days from the date of this decision.

4. Response may be submitted as follows:

By EFS: Registered users may submit via the electronic filing system EFS-Web at:
https://sportal.uspto.gov/authenticate/authenticateuserlocalepf.html

By Mail to: Mail Stop *Ex Parte* Reexam
Central Reexamination Unit
Commissioner for Patents

United States Patent & Trademark Office
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Alexandria, VA 22313-1450

By Fax to: (571) 273-9900
Central Reexamination Unit

By Hand: Customer Service Window
Randolph Building
401 Dulany Street
Alexandria, VA 22314

5. Telephone inquiries with regard to this decision should be directed to the undersigned at (571) 272-7710.

6. Any further telephone inquiries with regard to this matter should be directed to Deborah Jones, Supervisory Patent Examiner in the Central Reexamination Unit, Art Unit 3991, at (571) 272-1535.

Kenneth Schor

Kenneth Schor
Senior Legal Advisor
Office of Patent Legal Administration
Office of Deputy Commissioner
for Patent Examination Policy

kenpetlog7/IP
3-9-10

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,153	07/17/2006	6753013	3893-0251L	2949

2292 7590 04/07/2010

BIRCH STEWART KOLASCH & BIRCH
PO BOX 747
FALLS CHURCH, VA 22040-0747

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 04/07/2010

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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
MARTIN B. PAVANE
COHEN PONTANI LIEBERMAN AND PAVANE
551 FIFTH AVE. STE 1210
NEW YORK, NY 10176

Date:

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APR 0 7 2010

CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester
Inter Partes Reexamination

REEXAMINATION CONTROL NO. : 95000153
PATENT NO. : 6753013
TECHNOLOGY CENTER : 3999
ART UNIT : 3900

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified Reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the inter partes reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an ex parte reexamination has been merged with the inter partes reexamination, no responsive submission by any ex parte third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the Central Reexamination Unit at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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CENTRAL REEXAMINATION UNIT

BIRCH STEWART KOLASCH & BIRCH
P.O. BOX 747
FALLS CHURCH, VA 22040-0747

(For Patent Owner)

MARTIN B. PAVANE
COHEN PONTANI LIEBERMAN AND PAVANE
551 FIFTH AVE. STE 1210
NEW YORK, NY 10176

(For Third Party Requester)

Inter Partes Reexamination Proceeding	:	**DECISION**
Control No. 95/000,153	:	**DISMISSING**
Filed: July 17, 2006	:	**PETITION**
For: U.S. Patent No. 6,753,013	:	**UNDER 37 CFR 1.183**

This is a decision on patent owner's January 21, 2010 petition paper entitled "PETITION UNDER 37 C.F.R. § 1.183 FOR SUSPENSION OF RULES OF 37 C.F.R. § 1.943(b)."

The petition under 37 CFR 1.183 is before the Office of Patent Legal Administration.

The petition fee of $400 pursuant to 37 CFR 1.17(f) was charged to patent owner's Deposit Account on January 22, 2010, as authorized on page eight of the petition under 37 CFR 1.183.

The petition under 37 CFR 1.183 is dismissed, for the reasons set forth herein.

BACKGROUND

1. United States Patent Number 6,753,013 ("the '013 patent") issued on June 22, 2004.

2. On July 17, 2006, a request for *inter partes* reexamination of the '013 patent was filed by a third party requester, which request was assigned Reexamination Control No. 95/000,153 ("the '153 proceeding").

3. On September 13, 2006, the Office issued an order granting *inter partes* reexamination in the '153 proceeding.

4. The '153 proceeding progressed to the point where, on December 10, 2009, the Office mailed a non-final Office action.

5. On January 15, 2010, patent owner filed a "PETITION FOR ONE MONTH EXTENSION OF TIME BY PATENT OWNER UNDER 37 C.F.R. § 1.956" ("the request for extension of time").

6. On January 21, 2010, patent owner filed the instant "PETITION UNDER 37 C.F.R. § 1.183 FOR SUSPENSION OF RULES OF 37 C.F.R. § 1.943(b)" ("the petition under 37 CFR 1.183").

7. On February 12, 2010, patent owner timely filed a response to the December 10, 2009 Office action in conjunction with a petition paper entitled "PETITION UNDER 37 C.F.R. § 1.183 FOR SUSPENSION OF RULES TO OBTAIN EARLIER REQUESTED EXTENSION OF TIME AND ALLOW SUBMISSION OF FINALIZED VERSIONS OF PATENT OWNER RESPONSE AND AMENDMENTS UNDER 37 C.F.R. § 1.943 AND § 1.945."

8. On February 16, 2010, the Office mailed a decision granting patent owner's January 15, 2010 request for extension of time, extending the time period for patent owner's response to the December 10, 2009 Office action by one month to March 10, 2010.

9. On March 9, 2010, the Office mailed a decision granting patent owner's February 12, 2010 petition to the extent of permitting patent owner to submit another response, in replacement of the February 12, 2010 response, within 15 days of the mailing date of the decision.

10. On March 10, 2010, patent owner timely submitted a response to the December 10, 2010 Office action in replacement of the response submitted on February 12, 2010.

DISCUSSION

In the January 21, 2010 petition under 37 CFR 1.183, patent owner requests waiver of the 50-page limit of 37 CFR 1.943(b) to permit a 70-page patent owner response to the December 10, 2010 Office action. Pursuant to the Office's February 16, 2010 decision, patent owner's February 12, 2010 response will not be considered because patent owner's March 10, 2010 response fully replaces it.[1] For this reason, only patent owner's March 10, 2010 response will be evaluated for the page-limit count of 37 CFR 1.943(b).

Patent owner's March 10, 2010 response does not exceed the 50-page limit of 37 CFR 1.943(b). The number of pages of the remarks and declaration portions of the response that count toward

[1] Note that the Office does not consider "provisional" responses because it is not clear whether or not the patent owner intends the "provisional" response to be the patent owner's response to the outstanding Office action. In the future, any paper designated as a "provisional" response will not be considered. To be considered timely, any response filed must clearly show that the patent owner intends the response to be part of the official record as a complete response to the outstanding Office action.

the page limit pursuant to MPEP § 2667(I)(A)(2) does not exceed 50 pages.[2] Thus, because patent owner's January 21, 2010 petition under 37 CFR 1.183 requesting waiver of the 50-page limit of 37 CFR 1.943(b) is unnecessary, the petition is **dismissed**.

CONCLUSION

1. Patent owner's January 21, 2010 petition under 37 CFR 1.183 is **dismissed**.

2. Jurisdiction for the '153 proceeding is returned to the Central Reexamination Unit (CRU).

3. Telephone inquiries regarding this decision should be directed to Nicole Dretar, Legal Advisor, Office of Patent Legal Administration, at (571) 272-7717.

Kenneth M. Schor

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

[2] Only those pages of the remarks portion of the replacement response that contain argument(s) that the art either does or does not anticipate or render obvious the claims, or specific claim elements, of the patent under reexamination are counted toward the 50-page limit. Likewise, only those pages of the accompanying affidavits/declarations that contain opinon(s) of the affiant/declarant that the art either does or does not anticipate or render obvious the claims, or specific claim elements, of the patent under reexamination are counted toward the 50-page limit.

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STERNE, KESSLER, GOLDSTEIN & FOX PLLC 1100 New York Avenue, N. W. Washington, DC 20005	:	For Patent Owner
IRELL & MANELLA LLP Attn: Alan J. Heinrich 1800 Avenue of the Stars Suite 900 Los Angeles, CA 90067	:	For Requester

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CENTRAL REEXAMINATION UNIT

In re: William D. Harvey, *et alia*
Inter Partes Reexamination Proceeding
Control No. 95/000,155
Filed: July 17, 2006
For: US Patent No. 6,784,901

DECISION DISMISSING PETITION FOR EXTENSION OF TIME [37 CFR 1.956]

This is a decision on the December 26, 2005, patent owner "Petition for Extension of Time Under 37 CFR 1.956," requesting that the time for responding to the Order and Office action mailed December 7, 2006 , be extended by fifteen days.

The petition is before the Director of the Central Reexamination Unit for consideration.

The petition is dismissed for the reasons set forth below.

Review of Facts

1. US Patent No. 6,784,901 was granted on August 31, 2004.

2. A request for *inter partes* reexamination was received July 17, 2006 by a third party requester.

3. A notice of Failure to Comply with *Inter Partes* Reexamination Request Filing Requirements was mailed on September 5, 2006.

4. A corrected *Inter Partes* Request for Reexamination was received on September 19, 2006.

5. A Notice of *Inter Partes* Reexamination Request Filing Date was mailed on October 30, 2006 which assigned the filing date of September 19, 2006.

6. The Order Granting *Inter Partes* Reexamination and Non-Final first Office action were mailed on December 7, 2006.

7. The Non-final Office action set a statutory period for response by the Patent Owner for two months. Further, the response time for the third party requester in an *inter parte* proceeding is thirty days following the date of service of the patent owner's response.

Discussion

The Patent Owner requests a fifteen day extension of time in which to file a response to the Office action in reexamination proceeding 95/000,155. The Office action was mailed December 7, 2006. The present petition for extension of time was filed on January 31, 2007, together with the appropriate $200.00 petition fee required by 37 CFR 1.956.

> *37 CFR 1.956. Patent owner extensions of time in inter partes reexamination. The time for taking any action by a patent owner in an inter partes reexamination proceeding will be extended only for sufficient cause and for a reasonable time specified. Any request for such extension must be filed on or before the day on which action by the patent owner is due, but in no case will the mere filing of a request effect any extension. Any request for such extension must be accompanied by the petition set forth in § 1.17(g). See § 1.304(a) for extensions of time for filing a notice of appeal to the U.S. Court of Appeals for the Federal Circuit.*

Addressing the requirement of 37 CFR 1.956 to make a showing of "sufficient cause" to grant an extension request, MPEP § 2665 states, in pertinent part:

> As noted above, a request for extension of time under 37 CFR 1.956 will be granted only for sufficient cause, ...
>
> Evaluation of whether "sufficient cause" has been shown for an extension must be made by **balancing** the desire to provide the patent owner with a fair opportunity to respond, **against** the requirement of the statute, 35 U.S.C. 314(c), that the proceedings be conducted with special dispatch. ...

Any request for an extension of time in a reexamination proceeding must fully state the reasons therefore. The reasons should include a statement of what action the patent owner has taken, and why in spite of the action taken thus far, the additional time is needed.

The Patent Owner first seeks an extension of time to that the Director may consider the concurrently filed petition under 37 CFR 1.181 to Vacate the Order Granting Reexamination.

The Patent Owner further seeks an extension of time for the CRU to make a determination of how and whether the instant *inter partes* proceeding 95/000,155 may be merged with concurrent reissue application serial number 11/513,425.

There is no further showing of "sufficient cause" beyond the concurrent petition request to vacate and determination of merger outlined *supra*.

Decision

The decision to extend the time for response in an inter partes reexamination proceeding must be made balancing the desire to provide the patent owner with a fair opportunity to respond against the requirements that the proceedings be handled with special dispatch. In this petition request there is an insufficient showing of "sufficient cause" as to why the patent owner is unable to respond to the issues raised in the non-final Office action mailed December 7, 2006. In fact none of the reasons given are directed to the requirements of the outstanding Office action.

The determination of the petition request on whether or not to vacate the filing date and the decision to merge the proceedings has no bearing at this time until the actual decision is rendered and both patent owner and third party requester's time to reply have passed. Further, when considering the "sufficient cause" aspect of the Petition for Extension of Time Under 37 CFR 1.956 there is insufficient showing for why the extension of time should be granted at this time.

Conclusion

1. The patent owner's petition for extension of time filed on January 31, 2007 is **dismissed** as insufficient for the reasons given above.

2. Patent owner is invited to file a renewed petition for extension of time, without additional fee, to address the deficiencies noted above, in order to appropriately establish "sufficient cause" for granting the extension of time. Any such renewed petition would be directed to the Central Reexamination Unit.

3. All correspondence involving this proceeding may be addressed to the following:

By Mail to: Mail Stop *Ex Parte* Reexam

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Commissioner for Patents
United States Patent & Trademark Office
P. O. Box 1450
Alexandria, VA 22313-1450

By Fax to: (571) 273-9900
Central Reexamination Unit

By Hand: Customer Service Window
Randolph Building
401 Dulany Street
Alexandria, VA 22314

4. Telephone inquiries with regard to this decision should be directed to Mark Reinhart, Special Program Examiner in the Central Reexamination Unit, Art Unit 3992, at (571) 272-1611, and in his absence to the undersigned at 571-272-1596.

MARK J. REINHART
SPRE-AU 3992
CENTRAL REEXAMINATION UNIT

Lissi M. Marquis,
Director,
Central Reexamination Unit

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CENTRAL REEXAMINATION UNIT

Sterne, Kessler, Goldstein & Fox PLLC
1100 New York Avenue, N.W.
Suite 600
Washington, D.C. 20005-3934

(For Patent Owner)

Irell & Manella LLP
Attn: Alan J. Heinrich
1800 Avenue of the Stars, Suite 900
Los Angeles, California 90067-4276

(For Requester)

In re William D. Harvey et al.
Inter Partes Reexamination Proceeding
Control Number 95/000,155
Filed: September 19, 2006
For: U.S. Patent No. 6,784,901

DECISION DISMISSING PETITION TO VACATE

This is a decision on the January 31, 2007 patent owner petition under 37 CFR 1.181(a)(3), requesting that the December 7, 2006 order granting *inter partes* reexamination of U.S. Patent No. 6,784,901 be vacated or, in the alternative, be converted to an *ex parte* reexamination proceeding. Third party requestor filed a paper denominated "Third-Party Requesters' Petition and Opposition under 37 C.F.R. §1.183 in Response to Patent Owner's Petition to the Director Under 37 C.F.R. §1.181" on February 12, 2007.

The patent owner's petition and the third party requester's opposition are before the Office of Patent Legal Administration for decision.

For the reasons discussed below, the patent owner's petition is **dismissed**.

REVIEW OF FACTS

1. U.S. Patent No. 6,784,901 (the '901 patent) issued to Harvey, et al. on August 31, 2004.

2. A request for *inter partes* reexamination of the '901 patent was filed by a third party requester on September 19, 2006, and was assigned reexamination control no. 95/000,155 (the '155 proceeding). Avatar Factory, IMVU, Inc., and William D. Harvey are identified as the real parties in interest for the requester.

3. On December 7, 2006, reexamination was ordered and a non-final Office action was mailed in the '155 proceeding.

4. On January 31, 2007, the patent owner filed the instant petition under 37 CFR 1.181(a)(3), requesting that the December 7, 2006 order granting *inter partes* reexamination of U.S. Patent No. 6,784,901 be vacated, based upon patent owner's position that the order was an *ultra vires* action by the Office. In the alternative, patent owner requests that the *inter partes* reexamination be converted to an *ex parte* proceeding.

5. Also on January 31, 2007, patent owner filed a request to have the period for response to the non-final Office action in the '155 *inter partes* reexamination proceeding extended until 15 days after a decision is rendered in the petition requesting vacatur of the reexamination proceeding.

6. On February 7, 2007, patent owner filed a response to the non-final Office action of December 7, 2006.

7. On February 12, 2007, the third party requester filed an opposition to the instant petition, as provided for in MPEP § 2646.

8. On February 16, 2007 a decision dismissing the patent owner's request for an extension of time to respond to the December 7, 2006 Office action was mailed by the Central Reexamination Unit (CRU).

DECISION

Petitioner contends that the order granting the request for *inter partes* reexamination was based *inter alia*, on the incorrect representation that Avatar Factory ("Avatar"), IMVU, Inc.("IMVU"), and William D. Harvey (hereinafter cumulatively referred to as "the requesters") are third party requesters. Petitioner asserts that William D. Harvey was not, and is not, a third party requester as

provided by 35 U.S.C. 311 and 37 CFR 1.913, but rather is a privy of the patent owner, Forterra Systems, Inc. ("Forterra"). Petitioner states that Avatar and IMVU, Inc. are wholly owned by William D. Harvey ("Harvey"), who is one of the named inventors on the '901 patent, and who assigned his entire interest in the patent to "There," the current patent owner which is now doing business as Forterra. [1] Petitioner urges that the requesters are included within the "privies" who are ineligible to initiate an *inter partes* reexamination, and that such inclusion is consistent with the purpose of the rules and fairness. Petitioner points out that the parties requesting reexamination have already been barred in a collateral district court patent infringement proceeding from challenging the validity of the '901 patent under the doctrine of assignor estoppel, and has submitted (Exhibit "I" to the petition) an Order Granting Plaintiff's Motion for Partial Summary Judgment to Strike Affirmative Defense of Invalidity. Petitioner contends "the proper vehicle for Mr. Harvey to challenge the validity of the '901 patent is through *ex parte* reexamination." (Petition at 4.)

Petitioner provides the following statements [2] in support of the instant petition:

Harvey founded "There" in the late 1990's; he was an employee of There until July 2003, he remained under contract to There as a consultant until December 29, 2003, and he served as a member of the Board of Directors until April 8, 2004. Harvey is a named inventor on the '901 patent, and he assigned the patent to There on February 20, 2001; this assignment was recorded with the Office at Reel 011075, Frame 0429 of the Office's assignment records. Harvey executed an employment agreement that requires him to cooperate in the enforcement of the assignee's patent rights both during and after his employment. [3]

Petitioner asserts [4] that Harvey is currently the owner of Avatar Factory (a California corporation) and IMVU, Inc. (a Delaware corporation). A civil action, styled *Forterra Systems v. Avatar Factory et al.*, Case No. C05-04472 (currently pending in the Northern District of California) was initiated by Forterra against Avatar Factor, IMVU, Inc. and William D. Harvey for infringement of the '901 patent. The District Court, applying the doctrine of assignor estoppel, precluded defendant from

---

[1] The change of name from "There" to "Forterra" is recorded at Reel 018184, Frame 0972, of the Office's assignment records. The patent owner will be referred to in the remainder of the decision as Forterra.

[2] Some of these statements are taken from the Declaration of Jon E. Wright submitted in support of the petition.

[3] See paragraph 13 of the Declaration, and Exhibit C thereto.

[4] Petition at page 3, and Declaration paragraph 24.

raising the affirmative defense of patent invalidity. [5] This litigation has been stayed [6] pending the outcome of the present '155 *inter partes* proceeding and the copending reissue application serial number 11/513,425.

1. Privity Contention:

Petitioner argues that Harvey is in privity with Forterra, and thus, under 37 CFR 1.913, Harvey is not eligible to request an *inter partes* reexamination for the '901 patent. Petitioner further argues that, as Harvey is sole owner of Avatar and IMVU, these corporate entities are also in privity with Forterra. Petitioner urges that an *inter partes* reexamination can only be based on a request by a third party; it cannot be based on a request by either the patent owner or its privies.

Petitioner patent owner's position is not persuasive.

35 U.S.C. § 311 states:

> (a) IN GENERAL.- Any **third-party requester** at any time may file a request for inter partes reexamination by the Office of a patent on the basis of any prior art cited under the provisions of section 301. [Emphasis added]

Thus, any "third party requester" is statutorily authorized to file a request for *inter partes* reexamination of a patent by the Office. 35 U.S.C. § 100(e) defines the term "third party requester" to mean "a person requesting *ex parte* reexamination under section 302 or *inter partes* reexamination under section 311 who is not the patent owner." In this instance, Harvey is clearly not the patent owner. First named inventor Harvey has divested himself of all ownership interest in the '901 patent by virtue of his assignment of his entire interest in the patent to There,[7] which is now Forterra, the statutory "patent owner." Accordingly, Harvey was, and is, authorized by statute to file the reexamination request on which the '155 proceeding (hereinafter "the instant reexamination) is based. Similarly, the companies owned by Harvey - Avatar and IMVU - are also not the "patent owner," and they are thus eligible to file a request for *inter partes* reexamination of the '901 patent.

37 CFR 1.913 states:

> Except as provided for in § 1.907, any person **other than the patent owner or its privies** may, at any time during the period of enforceability of a patent which issued from an original application filed in the United States on or after November 29, 1999, file a request for *inter*

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[5] Exhibit I to the Declaration.

[6] Exhibit J to the Declaration.

[7] As previously noted, There is the predecessor to Forterra Systems, Inc.

> *partes* reexamination by the Office of any claim of the patent on the basis of prior art patents or printed publications cited under § 1.501 [Emphasis added]

The issue presented is whether the "or its privies" language of 37 CFR 1.913 should bar the requesters from filing the instant reexamination (even though they are authorized by statute to do so).

In the Final Rule entitled "*Rules To Implement Optional Inter Partes Reexamination Proceedings*," 65 Fed. Reg. 76756 (December 7, 2000), the rule preamble states that "[t]he question of whether a party is a privy must be decided on a case-by-case basis, evaluating all the facts and circumstances of each individual situation." 65 Fed. Reg at 76759. Accordingly, the "or its privies" language of 37 CFR 1.913 will now be examined as to whether it applies in the present case.

Clearly, the regulation (37 CFR 1.913) was drafted to promulgate the statute and its intent. As pointed out above, Avatar, IMVU, and Harvey are each authorized by the plain language of the statute to file the instant reexamination, since they are third party requesters as defined by the statute. In addition, House Conference Report No. 107-685m (September 25, 2002) 21ST CENTURY DEPARTMENT OF JUSTICE APPROPRIATIONS AUTHORIZATION ACT [To accompany H.R. 2215], Cong. Record Vol. 148 (200), points out:

> Section 13202 of the bill merely clarifies the Patent Act's *inter partes* reexamination section by stipulating that it will apply to the proper parties and operate as envisioned. For example, the term "third-party requester" is inserted in lieu of "persons," **since only a third party may invoke this *inter partes* reexamination. This is logical because a patent owner has more rights under *ex parte* reexamination and would not choose to use the *inter partes* procedures even if available.** [Cong. Record Vol. 148 at 220][Emphasis added]

The legislative history shows a legislative intent to bar the filing of an *inter partes* reexamination by a party whose interests are consistent with the patent owner and can be empowered to exercise the ownership rights in the patent to file a patent-owner-*ex parte* reexamination (including filing a preliminary amendment and prosecution of the proceeding without interference by an adverse party). An adverse party who does not have an ownership interest in the patent cannot have the stated *"more rights under ex parte reexamination" that would result in that party choosing not "to use the inter partes* procedures even if available."

Given the plain meaning of the statute and the legislative intent, "or its privies" must be interpreted to preclude an *inter partes* reexamination request by a party which is **not** at "arms length" with the owner of the patent and which can be empowered to exercise the ownership rights in the patent as needed. Thus, "or its privies" would be applied to preclude an *inter partes* reexamination request by the patent owner's counsel, or by a wholly owned subsidiary of the patent owner. On the other hand, an interpretation of 37 CFR 1.913 to preclude an *inter partes* reexamination request by an adverse party having no ownership interest would be contrary to the plain meaning of the statute and the

legislative intent, and such an interpretation must fail. In this instance, the record, including the litigation materials submitted with the present January 31, 2007 patent owner petition, clearly shows that each of the requesters are in an adversary "arms length" relationship with patent owner Forterra, and that inventor Harvey is no longer employed by Forterra. Further, as a result of the assignment of the '901 patent to There, none of the requesters have any ownership rights in the patent. Thus, "or its privies" cannot be, and is not, interpreted to preclude the present *inter partes* reexamination request by Harvey, Avatar, or IMVU, and their further participation in the '155 reexamination proceeding.

2. Assignor Estoppel Contention:

The doctrine of assignor estoppel is applied by the courts to prevent "the 'unfairness and injustice' of permitting a party 'to sell something and later to assert that what was sold is worthless.'" *Mentor Graphics Corp. v. Quickturn Design Sys., Inc.*, 150 F.3d 1374, 1377 (Fed. Cir. 1998). Assignor estoppel will bar a litigation challenge to a patent by a party in privity with the assignor by virtue of the assignment. See *Id.*

Petitioner acknowledges that the Office is not ***bound*** by the doctrine of assignor estoppel, [8] but argues that, as a matter of equity, the Office should not have permitted the requesters to have initiated the '155 *inter partes* reexamination proceeding, and should not permit the requesters to continue to participate in the proceeding.

It appears that patent owner is urging the Office to use its discretion and apply the equitable doctrine of assignor estoppel to this proceeding. Equitable doctrines are, however, the province of the courts. The Office, an administrative agency, is bound by the statues and rules which authorize and govern its proceedings.

The statutory mandate of 35 U.S.C. § 311(a) provides that any third-party requester may, at any time, file a request for *inter partes* reexamination. Petitioner patent owner has not established that 35 U.S.C. § 311(a) precludes the filing of a request for *inter partes* reexamination by an adverse party who assigned a patent to the present patent owner. Absent citation of controlling authority to the contrary by patent owner, it is determined that the statutory language "any third-party requester" is broadly drawn and would permit a party not in direct privity with a patent owner, i.e., a "former privy" of patent owner, to file a request for *inter partes* reexamination. It is to be noted that, while Congress established statutory estoppels requiring the denial of a request for *inter partes* reexamination and the conclusion of a pending *inter partes* reexamination proceeding in certain

[8] Petition at 8

instances, [9] *Congress did not make provision for assignor estoppel.* If Congress had intended for assignor estoppel to apply, it would have also included such other basis in the statute.

Reexamination is not a litigation to determine the validity of patent claims conducted before a court, wherein the equitable doctrine of assignor estoppel is applicable. Rather, reexamination is a creature of the statute, providing an administrative proceeding to determine the patentability of patent claims, - a determination that is not conducted under the equitable considerations attaching to a litigation in which claim validity is determined. *In re Etter*, 756 F.2d 852, 857, 225 USPQ 1, 4, (Fed Cir. 1985) (*en banc*) makes it clear that litigation and reexamination are distinct proceedings with distinct parties, purposes, procedures and outcomes. Stated differently, although the application of the assignor estoppel doctrine in litigation is a fact intensive issue requiring the finding of facts and the balancing of the equities by the court, a reexamination proceeding is not a determination of patent validity and infringement of patent claims. [10] It is also to be noted that a patent owner is statutorily authorized to file a reexamination request to obtain an advisory opinion as to the applicability of a prior patent or printed publication; such an advisory opinion would, however, be prohibited in litigation as lacking a "case or controversy." A patent owner cannot initiate a one party litigation, while a patent owner can initiate a one party *ex parte* reexamination, since reexamination is a creature of the statute.

3. Conversion to *Ex Parte* Reexamination:

Petitioner requests alternate relief, in the event that the proceeding is not vacated, that the proceeding be converted to an *ex parte* reexamination proceeding. (Petition at 1.) Petitioner contends "the proper vehicle for Mr. Harvey to challenge the validity of the '901 patent is through *ex parte* reexamination." (Petition at 4.)

Petitioner's position is not persuasive. As explained above the institution of *inter partes* reexamination is proper in this instance. The requested conversion to *ex parte* reexamination would result in taking away the third party requester's statutory participation rights, obtained by filing the present reexamination proceeding. Therefore, the requested relief is clearly not warranted. It is also to be observed that there is no provision within the statue or regulations for converting an *inter partes* reexamination proceeding into an *ex parte* reexamination proceeding.

As a final point, to the extent that petitioner's argument for both vacatur and redesignation as an *ex*

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[9] See 35 U.S.C. § 317

[10] See also *Joy Technologies, Inv. v. Harry F. Manbeck, Jr.* 959 F.2d 226, 229 (Fed. Cir. 1992) "Trying to equate its appeal of the reexamination decision to an action analogous to a 'suit at common law,' Joy argues that the reexamination proceeding should be construed as most like a declaratory judgment action where the PTO is seeking a determination that Joy's patent is invalid. It admits, however, that the PTO could not bring such a suit. Thus, there is no basis to recharacterize the statutory procedure established by Congress in the reexamination statute."

parte proceeding is based on the position that the requester has contractual obligations to patent owner with respect to supporting the validity of the patent, the forum for enforcement of such obligations is the courts, not the Office.

CONCLUSION

1. The petition is **dismissed**

2. A copy of this decision will be made of record in the '155 *inter partes* reexamination proceeding.

3. Jurisdiction over the proceeding is returned to the Central Reexamination Unit.

4. Telephone inquiries with regard to this decision should be directed to Pinchus M. Laufer, Legal Advisor, at (571) 272-7726 or, in his absence, to Kenneth M. Schor, Senior Legal Advisor, at (571) 272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration
Office of the Deputy Commissioner
for Patent Examination Policy

3-7-07
C:\Kiva\Kenpet6\UV\95_155_3PR-inventor-assignor.wpd

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United States Patent and Trademark Office
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Paper No.

Michael H. Teschner
CIMA
LERNER, DAVID ET AL
600 South Avenue West
Westfield, NJ 07090

In re Application of:
Rajendra K. Khankari
Application No. 95/000,160
Filed: July 28, 2006
For: RAPIDLY DISSOLVING ROBUST DOSAGE FORM

DECISION ON REQUEST TO WITHDRAW AS ATTORNEY OR AGENT

This is a decision on the Request To Withdraw from Representation filed February 20, 2007.

A grantable request to withdraw as attorney of record should indicate thereon the present mailing addresses of the attorney(s) who is/are withdrawing from the record and of the applicant. The request for withdrawal must be signed by every attorney seeking to withdraw or contain a clear indication that one attorney is signing on behalf of another/others. A request to withdraw will not be approved unless at least 30 (thirty) days would remain between the date of approval and the later of the expiration date of a time to file a response or the expiration date of the maximum time period which can be extended under 37 C.F.R. ∋ 1. 136(a). The effective date of withdrawal being the date of decision and not the date of request. See M.P.E.P. ∋ 402.06. 37 C.F.R. ∋ 1.36 further requires that the applicant or patent owner be notified of the withdrawal of the attorney or agent.

The request filed February 20, 2007 meets all the requirements. Accordingly the request is **GRANTED**.

All future communications from the Office will be directed to the below-listed address until otherwise notified by applicant. This correspondence address is provided by the withdrawn attorney(s). Applicant is reminded of the obligation to promptly notify the Patent and Trademark Office (Office) of any change in correspondence address to ensure receipt of all communications from the Office.

James R. Matthews

James R. Matthews
Patent Reexamination Specialist
Central Reexamination Unit
(571) 272-3613

cc: Customer Number 27573

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2/24/07

THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS

ALAN H. NORMAN

THOMPSON COBURN, LLP

ONE US BANK PLAZA

ST. LOUIS, MO 63101

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO 95/000160

PATENT NO. 6,221,392

ART UNIT 3991

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified ex parte reexamination proceeding (37 CFR 1.550(f)).

Where this copy is supplied after the reply by requester, 37 CFR 1.535, or the time for filing a replly has passed, no submission on behalf of the ex parte reexamination requester will be acknowledged or considered (37 CFR 1.550(g)).

UNITED STATES PATENT AND TRADEMARK OFFICE

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Paper No.

Michael H. Teschner
CIMA
LERNER, DAVID ET AL
600 South Avenue West
Westfield, NJ 07090

In re Application of:
Rajendra K. Khankari
Application No. 95/000,160
Filed: July 28, 2006
For: RAPIDLY DISSOLVING ROBUST DOSAGE FORM

DECISION ON REQUEST TO WITHDRAW AS ATTORNEY OR AGENT

This is a decision on the Request To Withdraw from Representation filed February 20, 2007.

A grantable request to withdraw as attorney of record should indicate thereon the present mailing addresses of the attorney(s) who is/are withdrawing from the record and of the applicant. The request for withdrawal must be signed by every attorney seeking to withdraw or contain a clear indication that one attorney is signing on behalf of another/others. A request to withdraw will not be approved unless at least 30 (thirty) days would remain between the date of approval and the later of the expiration date of a time to file a response or the expiration date of the maximum time period which can be extended under 37 C.F.R. э 1. 136(a). The effective date of withdrawal being the date of decision and not the date of request. See M.P.E.P. э 402.06. 37 C.F.R. э 1.36 further requires that the applicant or patent owner be notified of the withdrawal of the attorney or agent.

The request filed February 20, 2007 meets all the requirements. Accordingly the request is **GRANTED**.

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James R. Matthews

James R. Matthews
Patent Reexamination Specialist
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,160	07/28/2006	6221392	15514/40037	2500

27573 7590 06/05/2008

CEPHALON, INC.
41 MOORES ROAD
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FRAZER, PA 19355

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 06/05/2008

Please find below and/or attached an Office communication concerning this application or proceeding.

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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
ALAN H. NORMAN
THOMPSON COBURN, LLP
ONE US BANK PLAZA
ST. LOUIS, MO 63101

Date:
MAILED
JUN 0 5 2008
CENTRAL REEXAMINATION UNIT

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. : 95000160
PATENT NO. : 6221392
ART UNIT : 3900

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified ex parte reexamination proceeding (37 CFR 1.550(f)).

Where this copy is supplied after the reply by requester, 37 CFR 1.535, or the time for filing a reply has passed, no submission on behalf of the ex parte reexamination requester will be acknowledged or considered (37 CFR 1.550(g)).

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Cephalon, Inc.
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PO Box 4011
Frazer, PA 19355

(For Patent Owner)

Alan H. Norman, Esq.
Thompson Coburn, LLP
One US Bank Plaza
St. Louis, MO 63101

(For Third Party Requester)

In re Reexamination Proceedings
Khankari et al.
Control No. 95/000160
Filed: July 28, 2006
Attorney Docket No. 93982.00030

DECISION GRANTING PETITION

This is a decision on the petition under 37 CFR 1.137(b) filed by the patent owner on May 29, 2008, for entry of late papers based upon unintentional delay.

The petition is before the Office of Patent Legal Administration for decision.

37 CFR 1.137(b) states:

> "(b) *Unintentional.* If the delay in reply by applicant or patent owner was unintentional, a petition may be filed pursuant to this paragraph to revive an abandoned application, a reexamination proceeding terminated under §§ 1.55(d) or 1.957(b) or (c), or a lapsed patent. A grantable petition pursuant to this paragraph must be accompanied by: (1) The reply required to the outstanding Office action or notice, unless previously filed; (2) The petition fee as set forth in § 1.17(m); (3) A statement that the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to this paragraph was unintentional. The Director may require additional information where there is a question whether the delay was unintentional; and (4) Any terminal disclaimer (and fee as set forth in § 1.20(d) required pursuant to paragraph (d) of this section."

A review of the present petition reveals that it includes, *inter alia*, a Notice of Appeal, a Certificate of Service, and the requisite $510.00 fee under 37 CFR 41.20(b)(1). As such, Petitioner has provided the response required by 37 CFR 1.137(b) (item 1). Payment of the requisite unintentional delay fee for a small entity was made (item 2). The petition contains the proper statement for unintentional delay in filing the required response (item 3). The present proceeding is a reexamination proceeding; thus, the petition does not require a terminal disclaimer (item 4). 37 CFR 1.137(d)(3)

Accordingly, the present petition under 37 CFR 1.137(b) includes the requisite response (item 1), the $1540.00 petition fee under 37 CFR 1.17(m) (item 2), and the requisite statement (item 3).

CONCLUSION

1. The petition for entry of late papers is **granted.**

2. Jurisdiction over the reexamination proceeding is being returned to the Central Reexamination Unit (CRU).

3. The time period for filing an appeal brief and the appeal brief fee is set to run one (1) month from the date of this decision.

4. Any further communication as to the merits of the reexamination proceeding should be directed to examiner Evelyn Huang in the CRU, who can be reached at (571) 272-0686.

5. Telephone inquiries with regard to this decision should be directed to Kenneth M. Schor at 571-272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,160	07/28/2006	6221392	15514/40037	2500

27573 7590 07/08/2008

CEPHALON, INC.
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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 07/08/2008

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Cephalon, Inc.
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Frazer, PA 19355

(For Patent Owner)

FAX RECEIVED

JUL 08 2008

CENTRAL REEXAMINATION UNIT

Alan H. Norman, Esq.
Thompson Coburn, LLP
One US Bank Plaza
St. Louis, MO 63101

(For Third Party Requester)

In re Reexamination Proceedings
Khankari et al.
Control No. 95/000160
Filed: July 28, 2006
Attorney Docket No. 93982.00030

DECISION GRANTING PETITION

This is a supplemental decision to the June 5, 2008 decision for the May 29, 2008 petition under 37 CFR 1.137(b) filed by the patent owner for entry of late papers based upon unintentional delay.

The May 29, 2008 petition included, *inter alia*, a Notice of Appeal, a Certificate of Service, and the requisite $510.00 fee under 37 CFR 41.20(b)(1). As such, petitioner provided the response required by 37 CFR 1.137(b) (item 1). Payment of the requisite unintentional delay fee for a small entity was made (item 2). The petition contains the proper statement for unintentional delay in filing the required response (item 3). The present proceeding is a reexamination proceeding; thus, the petition does not require a terminal disclaimer (item 4). 37 CFR 1.137(d)(3)

The June 5, 2008 decision did not note that the appellant may file a brief within two months from the date of filing of the notice of appeal; instead, the June 5, 2008 decision inadvertently stated that the time period for filing an appeal brief and the appeal brief fee was set to run one (1) month from June 5, 2008. Accordingly, this supplemental decision is being issued to rectify that the patent owner may file the appeal brief within two months from May 29, 2008, the date of filing of the notice of appeal.

CONCLUSION

1. The petition for entry of late papers is **granted.**

2. Jurisdiction over the reexamination proceeding is being returned to the Central Reexamination Unit (CRU).

3. The time period for filing an appeal brief and the appeal brief fee is set to run two (2) months from May 29, 2008, the date of the filing of the notice of appeal.

4. Any further communication as to the merits of the reexamination proceeding should be directed to examiner Evelyn Huang in the CRU, who can be reached at (571) 272-0686.

5. Telephone inquiries with regard to this decision should be directed to Kenneth M. Schor at 571-272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

7-7-08
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,160	07/28/2006	6221392	15514/40037	2500

27573 7590 08/28/2008

CEPHALON, INC.
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FRAZER, PA 19355

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 08/28/2008

Please find below and/or attached an Office communication concerning this application or proceeding.

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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
ALAN H. NORMAN
THOMPSON COBURN, LLP
ONE US BANK PLAZA
ST. LOUIS, MO 63101

Date:

MAILED

AUG 28 2008

CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester
Inter Partes Reexamination

REEXAMINATION CONTROL NO. : 95000160
PATENT NO. : 6221392
TECHNOLOGY CENTER : 3999
ART UNIT : 3900

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified Reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the inter partes reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an ex parte reexamination has been merged with the inter partes reexamination, no responsive submission by any ex parte third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the Central Reexamination Unit at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

UNITED STATES PATENT AND TRADEMARK OFFICE

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MAILED

AUG 28 2008

CENTRAL REEXAMINATION UNIT

McCarter and English LLP
City Place I
185 Asylum Street
Hartford, CT

(For Patent Owner)

Alan H. Norman
Thompson Coburn LLP
One US Bank Plaza
St. Louis, Missouri

(For *Inter Partes* Requester)

In re Khankari et al.
Inter partes Reexamination Proceeding
Control No. 95/000,160
Filed: July 28, 2006
For: U.S. Patent No. 6,221,392

:DECISION GRANTING PATENT
:OWNER'S REQUEST FOR PAGE/WORD
:EXTENSION TO FILE APPEAL BRIEF

This decision is in response to patent owner's July 29, 2008 petition titled "MISCELLANEOUS PETITION UNDER 37 CFR 1.183" that requests that the Office waive the restrictions of 37 CFR 1.943(c) relating to the 14,000 word limit in the rule. Patent Owner estimates that the appellant brief contains approximately 24,000 words.[1] The Patent Owner's petition to waive the restrictions under 37 CFR 1.943(c) is **GRANTED.**

PROCEDURAL HISTORY

[1]It is noted that the rule requires appellant to file a certificate stating a number of pages contained in the brief. The Office will construe the submission of the approximate amount of pages in addition to the signature of the registered attorney as meeting the certificate requirement of 37 CFR 1.943(c).

1. U.S. Patent No. 6,221,391 (the '391 patent) issued on April 24, 2001. The '391 patent issued with one claim.

2. A request for reexamination of the '391 patent was filed on July 28, 2006. The request was assigned control No. 95/000,160 (the '160 reexamination proceeding).

3. Reexamination was ordered for the '160 proceeding on September 13, 2006. The examiner's order contained 14 pages. The Office also mailed a non-final rejection on the same date. The non-final rejection mailed was 24 pages in length.

4. On November 13, 2006, the patent owner filed a reply to the non-final rejection. The response canceled claim 1 and added new claims 2-47. Patent Owner filed twenty-eight (28) pages of remarks.

5. On December 11, 2006, the requester filed comments after the patent owner 's response to the Office non-final rejection. The requester's comments were more than 50 pages.

6. On September 18, 2007, the Office mailed an Action Closing Prosecution (ACP). The ACP was 87 pages in length. The Office noted that claims 2-20 and 22-32 were subject to reexamination. Claims 21 and 33-47 were outside the scope of reexamination. The ACP also included a waiver of the fifty (50) page requirement of 37 CFR 1.943(b) for the requester submission filed on December 11, 2006.

7. On October 18, 2007, the patent owner submitted a response under 37 CFR 1.951(a). The patent owner filed forty-five (45) pages of remarks and 12 pages of declaration.

8. On November 23, 2007, the third party requester submitted a response to patent owner's comments under 37 CFR 1.951(b). The response amounted to a thirty (30) pages of declaration and 12 pages of remarks.

9. On April 10, 2008, the Office issued a Right of Appeal Notice (RAN) in the proceeding. The RAN was 86 pages in length. The RAN also included a waiver of rule 1.943(b) for the patent owner submission of a response greater than 50 pages. The RAN included 16 different rejections.

10. On May 29, 2008, the patent owner submitted a petition to revive the application for unintentional delay pursuant to 37 CFR 1.137(b).

11. On June 5, 2008, the Office granted the petition to revive the application for unintentional delay and granted a one month period for patent owner to reply. On July 8, 2008, the Office mailed a supplemental decision granting the petition and advising appellant (patent owner) that the appeal brief is due two months from the date of May 29, 2008.

12. On July 29, 2008, the patent owner filed a one hundred and seventy-eight (178) page appeal

brief that included one hundred (100) pages of evidence appendix. The filing also included a petition under 37 CFR 1.183 to waive the length of the appeal brief under 37 CFR 1.943(c).

RELEVANT REGULATIONS

37 CFR 1.183 provides:

In an extraordinary situation, when justice requires, any requirement of the regulations in this part which is not a requirement of the statutes may be suspended or waived by the Director or the Director's designee, *sua sponte*, or on petition of the interested party, subject to such other requirements as may be imposed. Any petition under this section must be accompanied by the petition fee set forth **in** § 1.17**(f).**

37 CFR 1.939 provides:

(a) If an unauthorized paper is filed by any party at any time during the *inter partes* reexamination proceeding it will not be considered and may be returned.

(b) Unless otherwise authorized, no paper shall be filed prior to the initial Office action on the merits of the *inter partes* reexamination.

37 CFR 1.943 provides in part:

(c) Appellant's briefs filed by the patent owner and the third party requester shall not exceed thirty pages or 14,000 words in length, excluding appendices of claims and reference materials such as prior art references. All other briefs filed by any party shall not exceed fifteen pages in length or 7,000 words. If the page limit for any brief is exceeded, a certificate is required stating the number of words contained in the brief.

37 CFR 41.67 provides:

(1) Appellant(s) may once, within time limits for filing set forth in § 41.66, file a brief and serve the brief on all other parties to the proceeding in accordance with § 1.903 of this title.

(2) The brief must be signed by the appellant, or the appellant's duly authorized attorney or agent and must be accompanied by the requisite fee set forth in § 41.20(b)(2).

(b) An appellant's appeal shall stand dismissed upon failure of that appellant to file an appellant's brief, accompanied by the requisite fee, within the time allowed under § 41.66(a).

(c) (1) The appellant's brief shall contain the following items under appropriate headings and in the order indicated in paragraphs (c)(1)(i) through (c)(1)(xi) of this section.

(i) *Real party in interest.* A statement identifying by name the real party in interest.

(ii) *Related appeals and interferences*. A statement identifying by application, patent, appeal or interference number all other prior and pending appeals, interferences or judicial proceedings known to appellant, the appellant's legal representative, or assignee which may be related to, directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal. Copies of any decisions rendered by a court or the Board in any proceeding identified under this paragraph must be included in an appendix as required by paragraph (c)(1)(xi) of this section.

(iii) *Status of claims*. A statement of the status of all the claims in the proceeding (e.g., rejected, allowed or confirmed, withdrawn, objected to, canceled). If the appellant is the owner, the appellant must also identify the rejected claims whose rejection is being appealed. If the appellant is a requester, the appellant must identify the claims that the examiner has made a determination favorable to patentability, which determination is being appealed.

(iv) *Status of amendments*. A statement of the status of any amendment filed subsequent to the close of prosecution.

(v) *Summary of claimed subject matter*. A concise explanation of the subject matter defined in each of the independent claims involved in the appeal, which shall refer to the specification by column and line number, and to the drawing(s), if any, by reference characters. For each independent claim involved in the appeal and for each dependent claim argued separately under the provisions of paragraph (c)(1)(vii) of this section, every means plus function and step plus function as permitted by 35 U.S.C. 112, sixth paragraph, must be identified and the structure, material, or acts described in the specification as corresponding to each claimed function must be set forth with reference to the specification by page and line number, and to the drawing, if any, by reference characters.

(vi) *Issues to be reviewed on appeal*. A concise statement of each issue presented for review. No new ground of rejection can be proposed by a third party requester appellant, unless such ground was withdrawn by the examiner during the prosecution of the proceeding, and the third party requester has not yet had an opportunity to propose it as a third party requester proposed ground of rejection.

(vii) *Argument*. The contentions of appellant with respect to each issue presented for review in paragraph (c)(1)(vi) of this section, and the basis therefor, with citations of the statutes, regulations, authorities, and parts of the record relied on. Any arguments or authorities not included in the brief permitted under this section or §§ 41.68 and 41.71 will be refused consideration by the Board, unless good cause is shown. Each issue must be treated under a separate heading. If the appellant is the patent owner, for each ground of rejection in the Right of Appeal Notice which appellant contests and which applies to two or more claims, the claims may be argued separately or as a group. When multiple claims subject to the same ground of rejection are argued as a group by appellant, the Board may select a single claim from the group of claims that are argued together to decide the appeal with respect to the group of claims as to the ground of rejection on the basis of the selected claim alone. Notwithstanding any other provision of this paragraph, the failure of appellant to separately argue claims which appellant has grouped together shall constitute a waiver of any argument that the Board must consider the patentability of any grouped claim separately. Any claim argued separately should be placed under a subheading identifying the claim by number. Claims argued as a group should be placed under a subheading identifying the claims by number. A statement which merely points out what a claim recites will not be considered an argument for separate patentability of the claim.

(viii) *Claims appendix*. An appendix containing a copy of the claims to be reviewed on appeal.

(ix) *Evidence appendix*. An appendix containing copies of any evidence submitted pursuant to §§ 1.130, 1.131, or 1.132 of this title or of any other evidence entered by the examiner and relied upon by appellant in the appeal, along with a statement setting forth where in the record that evidence was entered in the record by the examiner. Reference to unentered evidence is not permitted in the brief. See § 41.63 for treatment of

evidence submitted after appeal. This appendix may also include copies of the evidence relied upon by the examiner in any ground of rejection to be reviewed on appeal.

(x) *Related proceedings appendix.* An appendix containing copies of decisions rendered by a court or the Board in any proceeding identified pursuant to paragraph (c)(1)(ii) of this section.

(xi) *Certificate of service.* A certification that a copy of the brief has been served in its entirety on all other parties to the reexamination proceeding. The names and addresses of the parties served must be indicated.

(2) A brief shall not include any new or non-admitted amendment, or any new or non-admitted affidavit or other evidence. See § 1.116 of this title for amendments, affidavits or other evidence filed after final action but before or on the same date of filing an appeal and § 41.63 for amendments, affidavits or other evidence after the date of filing the appeal.

(d) If a brief is filed which does not comply with all the requirements of paragraph (a) and paragraph (c) of this section, appellant will be notified of the reasons for non-compliance and given a non-extendable time period within which to file an amended brief. If appellant does not file an amended brief within the set time period, or files an amended brief which does not overcome all the reasons for non-compliance stated in the notification, that appellant's appeal will stand dismissed.

PATENT OWNER'S ARGUMENTS

1. The examiner's right of Appeal Notice (RAN) was eighty-six (86) pages and included eighteen (18) grounds of rejection.
2. The formalistic requirements of the brief were ten (10) pages.
3. The examiner included comments not previously included in the previous rejections that needed to be address in the appeal brief.
4. There are also numerous comments from requester's comments paper and supplemental declaration that needed to be addressed in the appellant brief.

ANALYSIS AND FINDINGS

The patent owner's appellant brief filed on July 29, 2008 contained one hundred and seventy - eight (178) pages including the evidence appendix. The four documents in the evidence appendix contained the following : thirty-three (33) pages (i.e., Substitute Declaration of James Ayres), twenty- five (25) pages (i.e. Declaration of James Klancke), thirty-four (34) pages (i.e. Amended redacted order from Dist. Court Minnesota) and eight (8) pages (i.e. book titled

"Pharmaceutical Dosage Forms"). [2] The entire evidence appendix totaled one hundred additional pages.

In the Manual of Patent Examining Procedure (MPEP), a waiver of the thirty (30) page limit of rule 37 CFR 1.943(c) is provided as to the table of content pages, the table of case law pages, and the pages of the claims. See MPEP 2667. Moreover, the Office hereby waives the one hundred (100) page evidence appendix from the thirty (30) page limit of rule 37 CFR 1.943(c). Accordingly, the twelve (12) pages of the appeal brief that relates to table of content pages, table of case law pages or pages of the claims are not considered as applying to the thirty (30) page limit. Moreover, the Office waiver of the evidence appendix removes one hundred (100) additional pages as applying to the thirty (30) page limit. [3] After removal of one hundred and twelve pages from consideration since they are waived, appellant is requesting a waiver of 36 additional pages of substance. [4]

Patent Owner urges that this additional space is necessary because the examiner action (i.e, Right of Appeal Notice) is eighty-six (86) pages in length, contains 18 grounds of rejection, encompasses more than ten references, and involves independent and dependent claims. Moreover, patent owner further points out that the formality requirements of the brief consumed ten (10) pages. Accordingly, patent owner argues that limiting the patent owner to the express page limit or word limit enumerated in the rule would be "unfair and contrary to the spirit of 37 CFR 1.183."

The Office finds the requirements of 37 CFR 1.183 have been met in this instance. The Office will consider the entire appellant brief as filed. In balancing the equities of the petition, the Office notes that there is a substantial number of rejections and a substantial number of references. The Office gives considerable weight to the fact that the Right of Appeal Notice (RAN) mailed by the Office was 86 pages in length. Moreover, the Office has previously

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[2]It is noted that examiner entered all four of the documents submitted in the evidence appendix during prosecution of the application. Accordingly, none of the documents would be need be considered entry under 37 CFR 1.116 or 41.63. Moreover, since the documents submitted in the evidence appendix were entered during prosecution, no question exists as to whether the appendix makes the appeal brief non-compliant under 37 CFR 41.67.

[3]It is noted that the evidence appendix is an appendix containing copies of any evidence presented pursuant to 37 CFR 130,131, or 132 or any other evidence relied upon by appellant in the appeal. See 37 CFR 41.67(c)(1)(x). The purpose of the requirement is to provide all of the evidence in one centralized location rather having the examiner and the administrative patent judge scour the record to find the document in question.

[4]Patent Owner asserted its request in words rather than pages. The Office will not decide this petition in a waiver of specific amount of words 10,000 additional words but will consider the request as seeking 36 additional pages .

acknowledged the complex nature of this proceeding and twice waived the fifty-page limit under 37 CFR 1.943(b). The page limit has been waived for both patent owner as well as requester. Based on the above, and the individual facts and circumstances of this individual case, the Office finds that justice requires that patent owner be provided the additional pages sufficient to address the brief-format requirements and the grounds of rejection in the Right of Appeal Notice.

CONCLUSION

1. The Office waives the page limit as to the submitted of appellant brief and will not consider the appeal brief as being defective under 37 CFR 1.943(c).
2. The requester is provided ONE (1) month from the mail date of this decision to file a Respondent's brief.
3. Jurisdiction over the proceeding is returned to Central Reexamination Unit.
4. Any questions considering this decision should be addressed to Kery A. Fries, Senior Legal Advisor, Office of Patent Legal Administration and Office of Deputy Commissioner for Patent Examination Policy at 571-272-7757.

Kenneth Schor

Kenneth Schor
Senior Legal Advisor
Office of Patent Legal Administration
Office of Deputy Commissioner
for Patent Examination Policy

8-28-08
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,160	07/28/2006	6221392	15514/40037	2500

27573 7590 09/24/2008

CEPHALON, INC.
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PO BOX 4011
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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 09/24/2008

Please find below and/or attached an Office communication concerning this application or proceeding.

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SEP 24 2008

CENTRAL REEXAMINATION UNIT

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185 Asylum Street
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(For Patent Owner)

Alan H. Norman
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(For *Inter Partes* Requester)

In re Khankari et al.
Inter partes Reexamination Proceeding
Control No. 95/000,160
Filed: July 28, 2006
For: U.S. Patent No. 6,221,391 B1

:DECISION GRANTING REQUESTER'S
:PETITION FOR PAGE/WORD
:EXTENSION TO FILE RESPONDENT
:BRIEF
:
:

This decision is in response to requester's Aug. 29, 2008 petition titled "MISCELLANEOUS PETITION UNDER 37 CFR 1.183" that requests that the Office waive the restrictions of 37 CFR 1.943(c) relating to the 7,000 word limit in the rule. Requester estimates that the respondent's brief contains approximately 36 pages. The requester's petition to waive the restrictions under 37 CFR 1.943(c) is **GRANTED.**

PROCEDURAL HISTORY

1. U.S. Patent No. 6,221,391 (the '391 patent) issued on April 24, 2001. The '391 patent issued with one claim.

2. A request for reexamination of the '391 patent was filed on July 28, 2006. The request was

assigned control No. 95/000,160 (the '160 reexamination proceeding).

3. Reexamination was ordered for the '160 proceeding on September 13, 2006. The examiner's order contained 14 pages. The Office also mailed a non-final rejection on the same date. The non-final rejection mailed was 24 pages in length.

4. On November 13, 2006, the patent owner filed a response to the non-final rejection. The response canceled claim 1 and added new claims 2-47. Patent owner filed twenty-eight (28) pages of remarks.

5. On December 11, 2006, the requester filed comments after the patent owner's response to the Office non-final rejection. The requester's comments were more than 50 pages.

6. On September 18, 2007, the Office mailed an Action Closing Prosecution (ACP). The ACP was 87 pages in length. The Office noted that claims 2-20 and 22-32 were subject to reexamination. Claims 21 and 33-47 were outside the scope of reexamination. The ACP also included a waiver of the fifty (50) page requirement of 37 CFR 1.943(b) for the requester comments filed on December 11, 2006.

7. On October 18, 2007, the patent owner submitted a response under 37 CFR 1.951(a). The patent owner filed forty-five (45) pages of remarks and 12 pages of declaration.

8. On November 23, 2007, the third party requester submitted a response to patent owner's comments under 37 CFR 1.951(b). The responsive comments amounted to a thirty (30) pages of declaration and 12 pages of remarks.

9. On April 10, 2008, the Office issued a Right of Appeal Notice (RAN) in the proceeding. The RAN was 86 pages in length. The RAN also included a waiver of rule 1.943(b) for the patent owner's submission of a response greater than 50 pages. The RAN included 16 different rejections.

10. On May 29, 2008, the patent owner submitted a petition to revive the application for unintentional delay pursuant to 37 CFR 1.137(b).

11. On June 5, 2008, the Office granted the petition to revive the application for unintentional delay and granted a one month period for patent owner to reply. On July 8, 2008, the Office mailed a supplemental decision granting the petition and advising appellant (patent owner) that the appeal brief was due two months from the date of May 29, 2008.

12. On July 29, 2008, the patent owner filed a one hundred and seventy-eight (178) page appeal brief that included one hundred (100) pages of evidence appendix. The filing also included a petition under 37 CFR 1.183 to waive the length of the appeal brief under 37 CFR 1.943(c).

13. On August 28, 2008, the Office granted patent owner's petition to file grant a waiver of the page limit restrictions of 37 CFR 1.943(c).

14. On August 29, 2002, the requester filed this petition for page waiver for the length of respondent brief under 37 CFR 1.183.

RELEVANT REGULATIONS

37 CFR 1.183 provides:

In an extraordinary situation, when justice requires, any requirement of the regulations in this part which is not a requirement of the statutes may be suspended or waived by the Director or the Director's designee, *sua sponte*, or on petition of the interested party, subject to such other requirements as may be imposed. Any petition under this section must be accompanied by the petition fee set forth **in** § 1.17**(f).**

37 CFR 1.939 provides:

(a) If an unauthorized paper is filed by any party at any time during the *inter partes* reexamination proceeding it will not be considered and may be returned.

(b) Unless otherwise authorized, no paper shall be filed prior to the initial Office action on the merits of the *inter partes* reexamination.

37 CFR 1.943 provides in part:

(c) Appellant's briefs filed by the patent owner and the third party requester shall not exceed thirty pages or 14,000 words in length, excluding appendices of claims and reference materials such as prior art references. All other briefs filed by any party shall not exceed fifteen pages in length or 7,000 words. If the page limit for any brief is exceeded, a certificate is required stating the number of words contained in the brief.

37 CFR 41.68 provides:

1. (a)

(1) Respondent(s) in an appeal may once, within the time limit for filing set forth in § 41.66, file a respondent brief and serve the brief on all parties in accordance with § 1.903 of this title.

(2) The brief must be signed by the party, or the party's duly authorized attorney or agent, and must be accompanied by the requisite fee set forth in § 41.20(b)(2).

(3) The respondent brief shall be limited to issues raised in the appellant brief to which the respondent brief is directed.

(4) A requester's respondent brief may not address any brief of any other requester.

(b)

(1) The respondent brief shall contain the following items under appropriate headings and in the order here indicated, and may include an appendix containing only those portions of the record on which reliance has been made.

(i) *Real Party in Interest.* A statement identifying by name the real party in interest.

(ii) *Related Appeals and Interferences.* A statement identifying by application, patent, appeal or interference number all other prior and pending appeals, interferences or judicial proceedings known to respondent, the respondent's legal representative, or assignee which may be related to, directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal. Copies of any decisions rendered by a court or the Board in any proceeding identified under this paragraph must be included in an appendix as required by paragraph (b)(1)(ix) of this section.

(iii) *Status of claims.* A statement accepting or disputing appellant's statement of the status of claims. If appellant's statement of the status of claims is disputed, the errors in appellant's statement must be specified with particularity.

(iv) *Status of amendments.* A statement accepting or disputing appellant's statement of the status of amendments. If appellant's statement of the status of amendments is disputed, the errors in appellant's statement must be specified with particularity.

(v) *Summary of claimed subject matter.* A statement accepting or disputing appellant's summary of the subject matter defined in each of the independent claims involved in the appeal. If appellant's summary of the subject matter is disputed, the errors in appellant's summary must be specified.

(vi) *Issues to be reviewed on appeal.* A statement accepting or disputing appellant's statement of the issues presented for review. If appellant's statement of the issues presented for review is disputed, the errors in appellant's statement must be specified. A counter statement of the issues for review may be made. No new ground of rejection can be proposed by a requester respondent.

(vii) *Argument.* A statement accepting or disputing the contentions of appellant with each of the issues presented by the appellant for review. If a contention of the appellant is disputed, the errors in appellant's argument must be specified, stating the basis therefor, with citations of the statutes, regulations, authorities, and parts of the record relied on. Each issue must be treated under a separate heading. An argument may be made with each of the issues stated in the counter statement of the issues, with each counter-stated issue being treated under a separate heading.

(viii) *Evidence appendix.* An appendix containing copies of any evidence submitted pursuant to §§ 1.130, 1.131, or 1.132 of this title or of any other evidence entered by the examiner and relied upon by respondent in the appeal, along with a statement setting forth where in the record that evidence was entered in the record by the examiner. Reference to unentered evidence is not permitted in the respondent's brief. See § 41.63 for treatment of evidence submitted after appeal.

(ix) *Related proceedings appendix.* An appendix containing copies of decisions rendered by a court or the Board in any proceeding identified pursuant to paragraph (b)(1)(ii) of this section.

(x) *Certificate of service.* A certification that a copy of the respondent brief has been served in its entirety on all

other parties to the reexamination proceeding. The names and addresses of the parties served must be indicated.

(2) A respondent brief shall not include any new or non-admitted amendment, or any new or non-admitted affidavit or other evidence. See § 1.116 of this title for amendments, affidavits or other evidence filed after final action but before or on the same date of filing an appeal and § 41.63 for amendments, affidavits or other evidence filed after the date of filing the appeal.

(c) If a respondent brief is filed which does not comply with all the requirements of paragraph (a) and paragraph (b) of this section, respondent will be notified of the reasons for non-compliance and given a non-extendable time period within which to file an amended brief. If respondent does not file an amended respondent brief within the set time period, or files an amended respondent brief which does not overcome all the reasons for non-compliance stated in the notification, the respondent brief and any amended respondent brief by that respondent will not be considered.

REQUESTER'S ARGUMENTS

1. The patent owner's appellant brief totaled 77 pages and included seventeen different issues
2. The patent pwner's appellant brief was over twice the allowed size.
3. Requester needs 36 pages to respond to the numerous issues raised in the Respondert's brief.

ANALYSIS AND FINDINGS

The patent owner's appellant brief filed on July 29, 2008 contained one hundred and seventy-eight (178) pages including the evidence appendix. The four documents in the evidence appendix contained the following: thirty-three (33) pages (i.e., Substitute Declaration of James Ayres), twenty- five (25) pages (i.e. Declaration of James Klancke), thirty-four (34) pages (i.e. Amended redacted order from Dist. Court Minnesota) and eight (8) pages (i.e. book titled "Pharmaceutical Dosage Forms"). [1] The entire evidence appendix totaled one hundred additional pages.

Patent owner urged that the additional space was necessary because the examiner action (i.e, Right of Appeal Notice) is eighty-six (86) pages in length, contains 18 grounds of rejection, encompasses more than ten references, and involves independent and dependent claims. The Office granted the petition based upon the complex nature of the proceeding as well as the length of the Right of Appeal Notice..

Requester now deems it necessary to have the page limit waived as it relates to the filing

[1]It is noted that examiner entered all four of the documents submitted in the evidence appendix during prosecution of the reexamination proceeding. Accordingly, none of the documents would be need be considered entry under 37 CFR 1.116 or 41.63.

of the Respondent's brief.

The Office finds the requirements of 37 CFR 1.183 have been met in this instance. The Office will consider a respondent brief 36 pages in length. In balancing the equities of the petition, the Office notes that there are a substantial number of rejections and a substantial number of references. The Office gives considerable weight to the fact that the Right of Appeal Notice (RAN) mailed by the Office was 86 pages in length and the waiver granted to Patent Owner to file the appellant brief. Moreover, the Office has previously acknowledged the complex nature of this proceeding and twice waived the fifty-page limit under 37 CFR 1.943(b). The page limit has been waived for both patent owner as well as requester. Based on the above, and the individual facts and circumstances of this individual case, the Office finds that justice requires that requester be provided the additional pages sufficient to address the issues raised in the appellant brief by patent owner.

CONCLUSION

1. The petition is **GRANTED**.

2. The Office waives the page limit to the extent that the Office will allow the thirty-six (36) page respondent brief and will not consider the respondent's brief as being defective under 37 CFR 1.943(c).

3. The due date of the respondent's brief is extended and will be due **fifteen (15)** days from the mail date of this decision granting the petition.

4. Jurisdiction over the proceeding is returned to Central Reexamination Unit.

5. Any questions considering this decision should be addressed to Kery A. Fries, Senior Legal Advisor, Office of Patent Legal Administration and Office of Deputy Commissioner for Patent Examination Policy at 571-272-7757.

Kenneth Schor
Senior Legal Advisor
Office of Patent Legal Administration
Office of Deputy Commissioner
for Patent Examination Policy

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,160	07/28/2006	6221392	15514/40037	2500

21832 7590 04/29/2010

MCCARTER & ENGLISH, LLP HARTFORD
CITYPLACE I
185 ASYLUM STREET
HARTFORD, CT 06103

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 04/29/2010

Please find below and/or attached an Office communication concerning this application or proceeding.

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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS

ALAN H. NORMAN
THOMPSON COBURN, LLP
ONE US BANK PLAZA
ST. LOUIS, MO 63101

Date:

MAILED
APR 29 2010
CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester
Inter Partes Reexamination

REEXAMINATION CONTROL NO. : 95000160
PATENT NO. : 6221392
TECHNOLOGY CENTER : 3999
ART UNIT : 3900

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified Reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the inter partes reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an ex parte reexamination has been merged with the inter partes reexamination, no responsive submission by any ex parte third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the Central Reexamination Unit at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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MAILED

APR 29 2010

CENTRAL REEXAMINATION UNIT

Eric Grondahl, Esq.
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(For Patent Owner)

Alan H. Norman
Thompson Coburn LLP
One US Bank Plaza
Suite 3500
St. Louis, Missouri 63101-1611

(For *Inter Partes* Requester)

In re Khankari et al. *Inter partes* Reexamination Proceeding Control No. 95/000,160 Filed: July 28, 2006 For: U.S. Patent No. 6,221,391 B1	:	DECISION GRANTING OWNER'S REQUEST FOR PAGE/WORD EXTENSION TO FILE REPLY BRIEF, GRANTING IDS ENTRY AND DISMISSING AFFIDAVIT

This decision is in response to patent owner's dual petitions filed May 1, 2009 and titled "MISCELLANEOUS PETITION UNDER 37 CFR 1.183" that requests that the Office waive the restrictions of 37 CFR 1.943(c) relating to the fifteen page or 7,000 word limit enumerated in 37 CFR 1.943(c). Patent Owner estimates that the rebuttal brief contains approximately 9,000 words. In addition, the Patent Owner seeks the submission of an additional reference at the time of the filing of the reply rebuttal brief and the submission of an additional affidavit at the time of the filing of the rebuttal brief. The Patent Owner's petition to waive the restrictions as to the page limits under 37 CFR 1.943(c) is **GRANTED.** The Patent Owner's request to have the additional information disclosure statement entered into the file record is **GRANTED**. The Patent Owner's request to have the Office consider the additional affidavit pursuant to 37 CFR 41.71 and 37 CFR 1.183 is **DISMISSED**.

PROCEDURAL HISTORY

1. U.S. Patent No. 6,221,391 (the '391 patent) issued on April 24, 2001. The '391 patent issued with one claim.

2. A request for reexamination of the '391 patent was filed on July 28, 2006. The request was assigned control No. 95/000,160 (the '160 reexamination proceeding).

3. Reexamination was ordered for the '160 proceeding on September 13, 2006. The examiner's order contained 14 pages. The Office also mailed a non-final rejection on the same date. The non-final Office action mailed was 24 pages in length.

4. On November 13, 2006, the patent owner filed a response to the non-final Office action. The response canceled claim 1 and added new claims 2-47. Patent Owner filed twenty-eight (28) pages of remarks.

5. On December 11, 2006, the requester filed comments after the patent owner's response to the non-final Office action. The requester's comments were more than 50 pages.

6. On September 18, 2007, the Office mailed an Action Closing Prosecution (ACP). The ACP was 87 pages in length. The Office noted that claims 2-20 and 22-32 were subject to reexamination. Claims 21 and 33-47 were outside the scope of reexamination. The ACP also included a waiver of the fifty (50) page requirement of 37 CFR 1.943(b) for the requester comments submission filed on December 11, 2006.

7. On October 18, 2007, the patent owner submitted comments under 37 CFR 1.951(a). The patent owner filed forty-five (45) pages of remarks and 12 pages of declaration.

8. On November 23, 2007, the third party requester submitted 37 CFR 1.951(b) responsive comments after patent owner's comments. The responsive comments amounted to a thirty (30) pages of declaration and 12 pages of remarks.

9. On April 10, 2008, the Office issued a Right of Appeal Notice (RAN) in the proceeding. The RAN was 88 pages in length. The RAN also included a waiver of rule 1.943(b) for the patent owner submission of a response greater than 50 pages. The RAN included 16 different rejections.

10. On May 29, 2008, the patent owner submitted a petition to revive the application for unintentional delay pursuant to 37 CFR 1.137(b).

11. On June 5, 2008, the Office granted the petition to revive the application for unintentional delay

and granted a one month period for patent owner to reply. On July 8, 2008, the Office mailed a supplemental decision granting the petition and advising appellant (patent owner) that the appeal brief was due two months from the date of May 29, 2008.

12. On July 29, 2008, the patent owner filed a one hundred and seventy-eight (178) page appeal brief that included one hundred (100) pages of evidence appendix. The filing also included a petition under 37 CFR 1.183 to waive the length of the appeal brief under 37 CFR 1.943(c).

13. On August 28,2008, the patent owner's 37 CFR 1.183 petition to waive the page limit for the brief was granted.

14. On August 29, 2008, requester filed a petition under 37 CFR 1.183 to waive the page limit of the requester's respondent brief.

15. On September 24, 2008, the Office granted requester's 37 CFR 1.183 petition to extend the page limit in the filing of the requester's respondent brief.

16. On November 26, 2008, the Office mailed patent owner a notice that the appeal brief was defective.

17. On December 18, 2008, the patent owner submitted an amended appeal brief.

18. On January 22, 2009, the requester submitted an amended respondent brief.

19. On April 1, 2009, the Office mailed an examiner's answer. The examiner's answer was 92 pages in length.

20. On May 1, 2009, the patent owner submitted a rebuttal brief that was 19 pages in length and contained approximately 9000 words. Accordingly, patent owner filed a concurrent petition under 37 CFR 1.183 which is the subject of this decision to waive the page length and/or word count of the rebuttal brief.

21. On May 1, 2009, patent owner also submitted a supplemental affidavit by James W. Ayers, PHD to address arguments made by Dr. Augsberger in the supplemental declaration that had been filed by requester after the patent owner's response to the Action Closing Prosecution. The entry of the affidavit is the source of the additional petition (May 1, 2009) under 37 CFR 1.183 and seeks to waive rule 37 CFR 41.71 due to the prohibition of submitting additional evidence at the time of the filing of the reply brief.

RELEVANT REGULATIONS

37 CFR 1.183 provides:

In an extraordinary situation, when justice requires, any requirement of the regulations in this part which is not a requirement of the statutes may be suspended or waived by the Director or the Director's designee, *sua sponte*, or on petition of the interested party, subject to such other requirements as may be imposed. Any petition under this section must be accompanied by the petition fee set forth **in** § 1.17**(f).**

37 CFR 1.939 provides:

(a) If an unauthorized paper is filed by any party at any time during the inter partes reexamination proceeding it will not be considered and may be returned.

(b) Unless otherwise authorized, no paper shall be filed prior to the initial Office action on the merits of the inter partes reexamination.

37 CFR 1.943 provides in part:

(c) Appellant's briefs filed by the patent owner and the third party requester shall not exceed thirty pages or 14,000 words in length, excluding appendices of claims and reference materials such as prior art references. All other briefs filed by any party shall not exceed fifteen pages in length or 7,000 words. If the page limit for any brief is exceeded, a certificate is required stating the number of words contained in the brief.

37 CFR 1.902 provides:

Citations by the patent owner in accordance with § 1.933 and by an inter partes reexamination third party requester under § 1.915 or § 1.948 will be entered in the inter partes reexamination file. The entry in the patent file of other citations submitted after the date of an order for reexamination pursuant to § 1.931 by persons other than the patent owner, or the third party requester under either § 1.913 or § 1.948, will be delayed until the inter partes reexamination proceeding has been concluded by the issuance and publication of a reexamination certificate. See § 1.502 for processing of prior art citations in patent and reexamination files during an ex parte reexamination proceeding filed under § 1.510.

37 CFR 1.933 provides in part:

a) Each individual associated with the patent owner in an inter partes reexamination proceeding has a duty of candor and good faith in dealing with the Office, which includes a duty to disclose to the Office all information known to that individual to be material to patentability in a reexamination proceeding as set forth in § 1.555(a) and (b). The duty to disclose all information known to be material to patentability in an inter partes reexamination proceeding is deemed to be satisfied by filing a paper in compliance with the requirements set forth in § 1.555(a) and (b).

37 CFR 41.71 provides:

(a) Within one month of the examiner's answer, any appellant may once file a rebuttal brief.

(b)(1) The rebuttal brief of the owner may be directed to the examiner's answer and/or any respondent brief.

(2) The rebuttal brief of the owner shall not include any new or non-admitted amendment, or an affidavit or other evidence. See § 1.116 of this title for amendments, affidavits or other evidence filed after final action but before or on the same date of filing an appeal and § 41.63 for amendments, affidavits or other evidence filed after the date of filing the appeal.

(c) (1) The rebuttal brief of any requester may be directed to the examiner's answer and/or the respondent brief of the owner.

(2) The rebuttal brief of a requester may not be directed to the respondent brief of any other requester.

(3) No new ground of rejection can be proposed by a requester.

(4) The rebuttal brief of a requester shall not include any new or non-admitted affidavit or other evidence. See § 1.116(d) of this title for affidavits or other evidence filed after final action but before or on the same date of filing an appeal and § 41.63(c) for affidavits or other evidence filed after the date of filing the appeal.

(d) The rebuttal brief must include a certification that a copy of the rebuttal brief has been served in its entirety on all other parties to the proceeding. The names and addresses of the parties served must be indicated.

(e) If a rebuttal brief is timely filed under paragraph (a) of this section but does not comply with all the requirements of paragraphs (a) through (d) of this section, appellant will be notified of the reasons for non-compliance and provided with a non-extendable period of one month within which to file an amended rebuttal brief. If the appellant does not file an amended rebuttal brief during the one-month period, or files an amended rebuttal brief which does not overcome all the reasons for non-compliance stated in the notification, that appellant's rebuttal brief and any amended rebuttal brief by that appellant will not be considered.

PATENT OWNER'S ARGUMENTS

1. The examiner's answer was 91 pages in length, contained 16 rejections, and more than ten references, and therefore, in order to completely respond, the patent owner needs approximately 9,000 words rather than rule limitation of 7,000 words for rebuttal brief.

2. The respondent brief was over 40 pages and included 16 exhibits.

3. The patent owner has made a *bona fide* attempt to reduce the length of the rebuttal brief and to keep arguments as concise as possible.

4. The patent owner believes that the submission of a more complete version of an earlier IDS submission is necessary to preclude the reading of the reference out of context.

5. The patent owner asserts that the submission of a supplemental affidavit with the filing of the rebuttal brief (the Ayers declaration) to contradict the supplemental submission of requester's affidavit by Dr. Augsberger is necessary and that failure to allow entry of such affidavit would be considered unfair to patent owner.

6. The patent owner asserts the submission of such affidavit is necessary because the examiner adopts some of such points addressed in the affidavit for the first time in the examiner's answer.

ANALYSIS AND FINDINGS

A. The waiver of the page limit/word count requirement of 37 CFR 41.43(c).

The patent owner's rebuttal brief filed on May 1, 2009, contained twenty pages and approximately 9000 words as stated by patent owner in the submission of the petition to waive the page/count requirements of the rule.

The rule relating to the filing of rebuttal briefs provides that patent owner and/or requester may file 15 pages of rebuttal or 7000 words. Patent owner's rebuttal brief contained 20 pages and approximately 9000 words. Accordingly, patent owner is seeking a waiver of 5 additional pages or approximately 2000 additional words.

Patent Owner urges that this additional space is necessary because the examiner's answer contained 91 pages.[1] Moreover, the examiner's answer addresses 16 different rejections and cites ten specific references. Further, requester's respondent brief contained more than 40 pages. Accordingly, patent owner argues that limiting the patent owner to the express page limit or word limit enumerated in the rule would be "unfair and contrary to the spirit of 37 CFR 1.183."

The Office finds the requirements of 37 CFR 1.183 have been met in this instance. The Office will consider the entire rebuttal brief as filed as being length-compliant.[2] In balancing the equities of the petition, the Office notes that there is a substantial number of rejections and a substantial number of references.

The Office gives considerable weight to the fact that the examiner's answer mailed by the Office was 92 pages in length. Moreover, the Office has previously acknowledged the complex nature of this proceeding and has previously waived page limits, including the fifty-page limit under 37 CFR 1.943(b). The page limit has been waived for both patent owner as well as requester. Based on the above, and the individual facts and circumstances of this individual case, the Office finds that justice requires that patent owner be provided the additional pages sufficient to address the brief-format requirements and the grounds of rejection in the Right of Appeal Notice.

The Office **GRANTS** patent owner petition to waive the page limit/count requirements and will consider the 20 page rebuttal brief filed by patent owner on May 1, 2009.

B. The entry of the IDS submission filed on May 1, 2009

On May 1, 2009, the patent owner submitted an IDS document and a petition under 37 CFR 1.183 which requested that the Office consider the entire disclosure of a document, not just the selected pages submitted in the request. Initially, an excerpt of the forty-nine page chapter "Banker reference" was submitted by requester as part of the request for reexamination on December 13, 2006. The requester only submitted pages 76-78 of the chapter, rather than the entire 49-page chapter. On May 1, 2009, the patent owner/petitioner submitted the entire chapter to assert that the three page submission by requester was being misunderstood.

The Office does not understand why such submission would have occurred at this stage of the prosecution, since patent owner has been aware of the submission since the initial request for reexamination. Nevertheless, the patent owner need not submit a petition under 37 CFR 1.183

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[1] The Office notes, for clarity of the record, that the actual number of pages in the examiner's answer was 92 pages.

[2] It is noted that the Office has reviewed the rebuttal brief ,and it does not contain discussions of a supplemental affidavit proffered by Dr. Ayres on behalf of Patent Owner.

under the circumstances of this proceeding, because the rules clearly provide that patent owner may submit and have entered into the file of the application any prior art. See 37 CFR 1.902 and 37 CFR 1.933.

The submission of a prior art reference is not considered an amendment, affidavit, or other evidence within the meaning of 37 CFR 41.71(b)(2)) and therefore is not precluded under the rule.

MPEP 2602 provides that if the prior art citation satisfies 37 CFR 1.501 and is submitted **after an order to reexamine**, the citation will be treated as follows:

(A) A patent owner citation will normally be considered if it is submitted in time to do so before the reexamination certificate issues.

Accordingly, the petition to waive the rule to enter the IDS document is **DISMISSED**, since such waiver is not needed. However, pursuant to the rules the IDS document will be entered into the file record. While the IDS document will be entered into the file record, **this decision does not address** the use and weight to be given to the submission nor when it will be considered (given the delay in submitting it); it only states that the IDS document will be made a part of the file record.

C. Requested entry of the supplemental affidavit filed by patent owner on May1, 2009

The patent owner, on May 1, 2009, filed a supplemental declaration by Dr. Ayres along with the submission of the rebuttal brief. Patent Owner asserts that the submission of the supplemental affidavit is necessary to address supplemental arguments made by Dr. Augsberger that were filed by requester after the Action Closing Prosecution and which were cited by the examiner in the examiner's answer filed on April 1, 2009. Patent owner asserts that, out of fairness and equity, it should be provided an opportunity to address mischaracterizations that were made in the declaration by Dr. Augsberger through use of the declaration by Dr. Ayres.

Unlike, the rules for IDS submission, the rules clearly preclude submissions of amendments, affidavits, and other evidence under 37 CFR 41.63 and 37 CFR 41.71(b)(2). Therefore, the patent owners must seek a waiver of the prohibition against filing an affidavit or declaration at the stage of proceeding when a rebuttal brief is filed. Pursuant to 37 CFR 1.183, the petitioner must show "extraordinary circumstances" where justice requires in order for a waiver to be granted. The burden is upon petitioner to establish that justice would require such waiver. Petitioner asserts that the "notions of fairness and equity" would justify the waiver.

Patent owner/Petitioner's argument is not persuasive. Petitioner's argument does not justify the waiver. As pointed out, Patent Owner asserts that the submission of the supplemental affidavit is necessary to address supplemental arguments made by Dr. Augsberger that were filed

by requester after the Action Closing Prosecution. Patent Owner could have attempted to address the Augsberger matter in its appellant brief (with the requisite petition), and, if the patent owner's Ayers declaration were entered, requester would then have had a chance to address the Ayers declaration. Patent owner chose not to do so. The Office is statutorily tasked with conducting this reexamination proceeding with special dispatch, and allowing amendments, affidavits, or other evidence to be presented this late in the proceeding would not further the statutory mandate to handle such matters with special dispatch.

Accordingly, patent owner's petition, as it relates to submission of the additional affidavit ,is **DISMISSED**. Pursuant to 37 CFR 1.939, the Office will expunge this paper. The paper will be "closed" in the image file wrapper and will not be considered part of the record.

CONCLUSION

1. The Office **grants** the page limit waiver as to the patent owner's submitted rebuttal brief of May 1, 2009, and will not consider the rebuttal brief as being defective under 37 CFR 1.943(c).

2. The submission of the prior art document is permitted under the rules, and it is admitted into the file; accordingly, the petition to waive the rule as it is related to entry of the prior art document into the file is **dismissed**.

3. The supplemental affidavit by Dr. Ayers supplied by the patent owner will not be entered into the record, as the petition under 37 CFR 1.183 to waive the prohibition against the filing of affidavits with the rebuttal brief is **dismissed**. The Office is expunging the affidavit by Dr. Ayers as an unauthorized paper by, "closing the paper" in the image file wrapper (IFW) for the proceeding. The paper will not be considered by the examiner.

4. Jurisdiction over the proceeding is returned to Central Reexamination Unit.

5. Any questions considering this decision should be addressed to Kery A. Fries, Senior Legal Advisor, Office of Patent Legal Administration and Office of the Associate Commissioner for Patent Examination Policy at 571-272-7757.

/Kenneth M. Schor/
Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration
Office of the Associate Commissioner
for Patent Examination Policy

4-28-10 kenpet8/IP/length/grant

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,161	07/28/2006	6543447	VER2-6-1014	7361

25315 7590 01/27/2009

BLACK LOWE & GRAHAM, PLLC
701 FIFTH AVENUE
SUITE 4800
SEATTLE, WA 98104

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 01/27/2009

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(THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS)

EDWARD & ANGELL LLP
P.O. BOX 55874
BOSTON, MA 02205

MAILED

JAN 27 2009

CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester *Inter Partes* Reexamination

REEXAMINATION CONTROL NUMBER *95/000,161*.

PATENT NUMBER *6,543,447*.

TECHNOLOGY CENTER *3999*.

ART UNIT *3993*.

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above-identified reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the *inter partes* reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an *ex parte* reexamination has been merged with the *inter partes* reexamination, no responsive submission by any *ex parte* third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the **Central Reexamination Unit** at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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(For Patent Owner)

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JAN 27 2009

CENTRAL REEXAMINATION UNIT

Edward & Angell LLP
P.O. Box 55874
Boston, MA 02205

(For Third Party Requester)

In re Pacey
Inter Partes Reexamination Proceeding
Control No. 95/000,161
Filed: July 28, 2006
For: U.S. Patent No. 6,543,447

: **DECISION**
: **DISMISSING**
: **PETITION**

This is a decision on the paper titled "Patent Owner's Response to 'Third-Party Requestor's Petition Under 37 C.F.R. 1.182 That the Patent Owner's Submission of November 14, 2008 Be Returned Without Being Considered," submitted on December 17, 2008.

The patent owner reply paper is taken as a petition to strike, and it is before the Office of Patent Legal Administration ("OPLA").

The petition is dismissed as moot.

BACKGROUND

U.S. patent No. 6,543,447 ("the '447 patent") issued to John A. Pacey on April 8, 2003, and is currently assigned to Saturn Biomedical Systems, Inc. ("Cooper").

An order in reexamination control no. 95/000,161 ("the '161 reexamination") granting *inter-partes* reexamination for claims 1-44 of the '447 patent, based on a request filed by a third-party requester, was mailed on October 25, 2006, and a non-final first Office action on the merits was mailed on May 4, 2007. On August 10, 2007 patent owner filed an Information Disclosure Statement and a timely response[1] to the May 4, 2007 Office action. Patent owner filed a Supplemental IDS on September 24, 2008, and a second Supplemental IDS on November 14, 2008.

On December 10, 2008, requester filed a petition requesting that the November 14, 2008 supplemental patent owner submission be returned without consideration. On December 17, 2008, patent owner filed this response to requester's December 10, 2008 petition. On December 29, 2008, prior to the matching of this paper to the reexamination proceeding, a

[1] A request for extension of time had been granted setting the time for response to expire 4 months from the May 4, 2007 mailing date of the action.

decision was mailed expunging the November 14, 2008 supplemental IDS, dismissing requester's petition and affording patent owner 15 days to present a redacted IDS for entry. On January 8, 2009, patent owner submitted a redacted version of the November 14, 2008 IDS

Insofar as the paper under consideration can be construed as a petition to allow entry of the November 14, 2008 IDS, the issue has been mooted by the prior activity as patent owner has no action or decision from which it is requesting relief.. Accordingly, the petition is dismissed as moot.

CONCLUSION

The petition is dismissed as moot.

Jurisdiction is being returned to the Central Reexamination Unit for appropriate action consistent with the procedural posture of this proceeding.

Telephone inquiries with regard to this decision should be directed to Pinchus M. Laufer, Legal Advisor, at (571) 272-7726, or to the undersigned at (571) 272-7710.

Kenneth Schor
Senior Legal Advisor
Office of Patent Legal Administration

1-26-09
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,161	07/28/2006	6543447	VER2-6-1014	7361

25315 7590 02/02/2009

BLACK LOWE & GRAHAM, PLLC
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EXAMINER

ART UNIT	PAPER NUMBER

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FEB 02 2009

CENTRAL REEXAMINATION UNIT

In re Pacey
Inter Partes Reexamination Proceeding
Control No. 95/000,161
Filed: July 28, 2006
For: U.S. Patent No. 6,543,447

: **DECISION**
: **DISMISSING**
: **PETITION**

This is a decision on the patent owner paper titled "Discharging Our Continuing Duty of Candor - Petition to Waive the Rules Pursuant to 37 C.F.R. §1.183" submitted on January 16, 2009.

As explained below, 37 C.F.R. §1.945 (b) provides a mechanism for entry of supplemental responses. Therefore, a petition is not necessary and the petition is dismissed as moot.

The present 95/000,161 proceeding is remanded to the examiner to take action consistent with this decision.

BACKGROUND

U.S. patent No. 6,543,447 ("the '447 patent") issued to John A. Pacey on April 8, 2003, and is currently assigned to Saturn Biomedical Systems, Inc. ("Cooper").

An order in reexamination control no. 95/000,161 ("the '161 reexamination") granting *inter-partes* reexamination for claims 1-44 of the '447 patent, based on a request filed by a third-party requester, was mailed on October 25, 2006, and a non-final first Office action on the merits was mailed on May 4, 2007. On August 10, 2007, patent owner filed an Information Disclosure Statement and a timely response [1] to the May 4, 2007 Office action. Patent owner filed a Supplemental IDS on September 24, 2008, and a second Supplemental IDS on November 14, 2008.

On December 10, 2008, requester filed a petition requesting that the November 14, 2008 supplemental patent owner submission be returned without consideration. On December 17, 2008, patent owner filed a response to requester's December 10, 2008 petition. On

[1] A request for extension of time had been granted setting the time for response to expire 4 months from the May 4, 2007 mailing date of the action.

December 29, 2008, a decision was mailed expunging the November 14, 2008 supplemental IDS, dismissing requester's petition and affording patent owner 15 days to present a redacted IDS for entry. On January 8, 2009, patent owner submitted a redacted version of the November 14, 2008 IDS.

On January 18, 2009 patent owner submitted a paper containing material redacted from the November 14, 2008 IDS (i.e., no longer present in the redacted version of the November 14, 2008 IDS) and requesting waiver of 37 CFR 1.945 to allow entry of said paper.

I. Relevant Regulations

37 CFR 1.945 Response to Office action by patent owner in *inter partes* reexamination.

(a) The patent owner will be given at least thirty days to file a response to any Office action on the merits of the inter partes reexamination.

(b) Any supplemental response to the Office action will be entered only where the supplemental response is accompanied by a showing of sufficient cause why the supplemental response should be entered. The showing of sufficient cause must include:
(1) An explanation of how the requirements of § 1.111(a)(2)(i) are satisfied;
(2) An explanation of why the supplemental response was not presented together with the original response to the Office action; and
(3) A compelling reason to enter the supplemental response.

37 CFR 1.111 Reply by applicant or patent owner to a non-final Office action.

(a) (2) Supplemental replies . (i) A reply that is supplemental to a reply that is in compliance with § 1.111(b) will not be entered as a matter of right except as provided in paragraph (a)(2)(ii) of this section. The Office may enter a supplemental reply if the supplemental reply is clearly limited to:

(A) Cancellation of a claim(s);
(B) Adoption of the examiner suggestion(s);
(C) Placement of the application in condition for allowance;
(D) Reply to an Office requirement made after the first reply was filed;
(E) Correction of informalities (e.g., typographical errors); or
(F) Simplification of issues for appeal.

II. Decision

37 CFR 1.945(b) provides for entry of a supplemental response if the criteria set out in the rule and in 37 CFR 1.111(a)(2)(i) are satisfied. Thus, the rule establishes criteria for entry of a submission such as the one currently under consideration, without recourse to waiver of any rule.

Accordingly, the petition is dismissed as moot.

The reexamination proceeding is hereby remanded to the examiner to consider whether the submission meets the criteria for entry into the proceeding in accordance with 37 CFR 1.945(b). In making that determination, the examiner should consider the statements made in the paper as to patent owner's need to comply with the duty of candor in proceedings before the Office along with any relevant regulations. In this regard, it is noted that correction of the record in compliance with the duty of candor is deemed to be a simplification of issues for appeal pursuant to 37 CFR 1.111(a)(2)(i)(F).

CONCLUSION

The petition is dismissed as moot. [2]

The present 95/000,161 proceeding is remanded to the examiner to take action consistent with the procedural posture of this proceeding and this decision. Accordingly, jurisdiction is returned to the Central Reexamination Unit.

Telephone inquiries with regard to this decision should be directed to Pinchus M. Laufer, Legal Advisor, at (571) 272-7726, or to the undersigned at (571) 272-7710.

Kenneth Schor

Kenneth Schor
Senior Legal Advisor
Office of Patent Legal Administration

1-30-09
C:\kiva\kenpet7\IP\\95_161_183 to waive 945 for sup response not needed: remand to examiner to apply 945(b).doc

[2] Based on the facts and circumstances of this paper, patent owner was not charged a petition fee for the handling of this matter.

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,161	07/28/2006	6543447	VER2-6-1014	7361

25315 7590 05/13/2009

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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 05/13/2009

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(For Patent Owner)

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MAY 13 2009

CENTRAL REEXAMINATION UNIT

BRIAN M. GAFF
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111 HUNTINGTON AVENUE
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(For Requester)

In re Pacey
Inter Partes Reexamination Proceeding
Control No. 95/000,161
Filed: July 28, 2006
For: U.S. Patent No. 6,543,447

DECISION
DISMISSING PETITION
UNDER 1.182

This is a decision on the April 23, 2009 patent owner petition entitled "PETITION UNDER 37 CFR § 1.182 REQUEST FOR CONTINUED REEXAMINATION."

The patent owner petition is before the Office of Patent Legal Administration.

The petition is **dismissed**.

BACKGROUND

- On July 28, 2006, a request for *ex parte* reexamination was filed by the third party requester, and the resulting reexamination proceeding was assigned control number 95/000,161 ("the '161 proceeding").

- Prosecution progressed until, on March 23, 2009, an Action Closing Prosecution (ACP) was issued, setting a time period of the longer of 30 days or one month for patent owner comments including proposed amendments pursuant to 37 CFR 1.951(a).

- On April 23, 2009, patent owner filed a timely response to the ACP entitled "COMMENTS AND PROPOSED AMENDMENTS AFTER AN ACTION CLOSING PROSECUTION."

- On April 23, 2009, the patent owner filed the instant petition entitled "PETITION UNDER 37 CFR § 1.182 REQUEST FOR CONTINUED REEXAMINATION" to have the proposed amendments filed on the same date entered into the record.

STATUTES, REGULATIONS, AND PATENT EXAMINING PROCEDURES

37 CFR 1.182 provides:

> All **situations not specifically provided** for in the regulations of this part will be decided in accordance with the merits of each situation by or under the authority of the Director, subject to such other requirements as may be imposed, and such decision will be communicated to the interested parties in writing. Any petition seeking a decision under this section must be accompanied by the petition fee set forth in § 1.17(f). (emphasis added)

37 CFR 1.951(a) provides:

> After an Office action closing prosecution in an inter partes reexamination, the patent owner may once file comments limited to the issues raised in the Office action closing prosecution. The comments can include a proposed amendment to the claims, which amendment will be subject to the criteria of § 1.116 as to whether or not it shall be admitted. The comments must be filed within the time set for response in the Office action closing prosecution.

DECISION

A Petition Under 37 CFR 1.182 Will Not Be Granted Where Another Rule Applies

The present April 23, 2009 patent owner petition is filed under 37 CFR 1.182, requesting entry of amendments submitted under a separate paper on April 23, 2009. 37 CFR 1.182 addresses only those situations not otherwise provided for in the regulations. Where a situation exists such that relief is specifically provided for elsewhere in the regulations, 37 CFR 1.182 is, according to the terms of the regulation, not the appropriate mechanism for relief.

As stated in the ACP of March 23, 2009, 37 CFR 1.951(a) provides for the entry of comments and amendment after an ACP during the 1 month time period set for response in the ACP. Since patent owner filed comments and amendments on April 23, 2009, within the time period set forth for response in the ACP, 37 CFR 1.951(a) specifically provides for the entry and consideration of the comments and amendments if the criteria of the regulation are satisfied. As of the time of filing the petition under 37 CFR 1.182, the Office had not yet rendered a decision on the entry of the amendments pursuant to 1.951(a).

Therefore, since the situation is currently in the process of being addressed through 37 CFR 1.951, consideration of the situation under 37 CFR 1.182 would be premature. Patent owner retains the option of filing a renewed petition, if, at some future date, relief has not been granted under 37 CFR 1.951. Until such time, the issue is not ripe for consideration by the Office.

Accordingly, the petition is **dismissed** as being premature.

CONCLUSION

- The petition is **dismissed**.
- A copy of this decision will be made of record in the reexamination file.
- Jurisdiction over this proceeding is being returned to the Central Reexamination Unit for further proceedings.
- **All** correspondence relating to this *inter partes* reexamination proceeding should be directed:

By EFS: Registered users may submit the response via the electronic filing system EFS-Web, at: https://sportal.uspto.gov/authenticate/authenticateuserlocalepf.html.

By Mail to: Mail Stop *Inter Partes* Reexam
Attn: Central Reexamination Unit
Commissioner for Patents
United States Patent & Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

By FAX to: (571) 273-9900
Central Reexamination Unit

By hand: Customer Service Window
Randolph Building
401 Dulany Street
Alexandria, VA 22314

For EFS-Web transmissions, 37 CFR 1.8(a)(1)(i) (C) and (ii) states that correspondence (except for a request for reexamination and a corrected or replacement request for reexamination) will be considered timely filed if (a) it is transmitted via the Office's electronic filing system in accordance with 37 CFR 1.6(a)(4), and (b) includes a certificate of transmission for each piece of correspondence stating the date of transmission, which is prior to the expiration of the set period of time in the Office action.

- Any inquiry concerning this decision should be directed to Michael Cygan, Legal Advisor, at (571) 272-7700, or in his absence, Pinchus M. Laufer at (571) 272-7726.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

May 12, 2009
C:\kiva\kimpropa\IP\95_0161 RCR dismissed –premature where 951(a) applies.doc

UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,161	07/28/2006	6543447	VER2-6-1014	7361

25315 7590 09/30/2009

BLACK LOWE & GRAHAM, PLLC
701 FIFTH AVENUE
SUITE 4800
SEATTLE, WA 98104

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 09/30/2009

Please find below and/or attached an Office communication concerning this application or proceeding.

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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
EDWARDS ANGELL PALMER & DODGE LLP
P.O. BOX 55874
BOSTON, MA 02205

Date:

MAILED

SEP 3 0 2009

CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester
Inter Partes Reexamination

REEXAMINATION CONTROL NO. : 95000161
PATENT NO. : 6543447
TECHNOLOGY CENTER : 3999
ART UNIT : 3900

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified Reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the inter partes reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an ex parte reexamination has been merged with the inter partes reexamination, no responsive submission by any ex parte third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the Central Reexamination Unit at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

United States Patent and Trademark Office

Commissioner for Patent
United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450
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Black Lowe & Graham, PLLC
701 Fifth Avenue, Suite 4800
Seattle, Washington 98104

(For Patent Owner)

MAILED

SEP 3 0 2009

CENTRAL REEXAMINATION UNIT

Edwards Angell Palmer & Dodge LLP
P.O. Box 55874
Boston, Massachusetts 02205-5874

(For Third Party Requester)

In re Pacey
Inter Partes Reexamination Proceeding
Control No. 95/000,161
Filed: July 28, 2006
For: U.S. Patent No. 6,543,447

: **DECISION GRANTING**
: **PETITION TO WAIVE**
: **PAGE LIMITS FOR**
: **APPELLANT BRIEF**
:

This is a decision on the July 10, 2009 third party requester petition entitled "THIRD PARTY REQUESTER'S PETITION UNDER 37 CFR § 1.183 TO WAIVE THE PAGE AND WORD LIMIT UNDER 37 CFR § 1.943(c)" and the September 15, 2009 third party requester petition entitled "THIRD PARTY REQUESTER'S SUPPLEMENTAL PETITION UNDER 37 CFR § 1.183 TO WAIVE THE PAGE AND WORD LIMIT UNDER 37 CFR § 1.943(c)". In the petition under 37 CFR 1.183 as supplemented, third party requester requests waiver of the 37 CFR 1.943(c) requirement that appellant briefs in an *inter partes* reexamination proceeding not exceed 30 pages in length. Third party requester submitted an appellant brief concurrently with the September 15, 2009 petition.

The third party requester's July 10, 2009 and September 15, 2009 petition papers are before the Office of Patent Legal Administration.

Patent owner has filed an opposition to the July 10, 2009 third party requester petition on August 4, 2009. The patent owner opposition paper is before the Office of Patent Legal Administration and has been considered.

The requester's petition to waive the restrictions under 37 CFR 1.943(c) is granted to the extent that the page limit for requester's September 15, 2009 appellant brief shall not exceed forty-five (45) pages. [1]

[1] This decision, in section III *infra*, provides guidance on which portions of the brief are counted towards the page limit.

FEES

Third party requester has paid the petition fee of $400.00 pursuant to 37 CFR 1.17(f) for the July 10, 2009 petition under 37 CFR 1.183 from deposit account 04-1105. No fee is due for requester's September 15, 2009 supplemental petition under 37 CFR 1.183. Accordingly, requester's deposit account 04-1105 will be credited the $400.00 fee that was charged on September 18, 2009, for the supplemental petition under 37 CFR 1.183.

REVIEW OF THE RELEVANT FACTS

1. On April 8, 2003, United States Patent Number 6,543,447 (the '447 patent) issued.

2. On July 28, 2006, a request for *inter partes* reexamination of the '447 patent, assigned Reexamination Control No. 95/000,161 (the '161 proceeding), was filed by third party requester Aircraft Medical Limited.

3. The proceeding progressed to the point where, on June 5, 2009, a Right of Appeal Notice was mailed.

4. On July 6, 2009, third party requester timely filed a Notice of Appeal to the Board of Patent Appeals and Interferences.

5. On July 10, 2009, third party requester filed a petition entitled "THIRD PARTY REQUESTER'S PETITION UNDER 37 CFR § 1.183 TO WAIVE THE PAGE AND WORD LIMIT UNDER 37 CFR § 1.943(c)."

6. On July 15, 2009, patent owner timely filed a Notice of Cross Appeal to the Board of Patent Appeals and Interferences.

7. On August 4, 2009, patent owner filed a paper entitled "PATENT OWNER'S OPPOSITION TO: "THIRD-PARTY REQUESTER'S PETITION UNDER 37 C.F.R § 1.183 TO WAIVE THE PAGE AND WORD LIMIT UNDER 37 C.F.R. § 1.943(C)."

8. On September 15, 2009 third party requester filed a petition entitled "THIRD PARTY REQUESTER'S SUPPLEMENTAL PETITION UNDER 37 CFR § 1.183 TO WAIVE THE PAGE AND WORD LIMIT UNDER 37 CFR § 1.943(c)."

9. Concurrently, on September 15, 2009, third party requester submitted an appeal brief.

RELEVANT AUTHORITY

37 CFR 1.183 provides:

In an extraordinary situation, when justice requires, any requirement of the regulations in this part which is not a requirement of the statutes may be suspended or waived by the Director or the Director's designee, *sua*

sponte, or on petition of the interested party, subject to such other requirements as may be imposed. Any petition under this section must be accompanied by the petition fee set forth in § 1.17(f).

37 CFR 1.943(c) provides:

Appellant's briefs filed by the patent owner and the third party requester shall not exceed thirty pages or 14,000 words in length, excluding appendices of claims and reference materials such as prior art references. All other briefs filed by any party shall not exceed fifteen pages in length or 7,000 words. If the page limit for any brief is exceeded, a certificate is required stating the number of words contained in the brief.

MPEP § 2667 I.A.2 provides:

With respect to the length of the papers, the following additional information is to be noted. Similar to the Federal Rules of Appellate Procedure, the provisions of 37 CFR 1.943(c) are waived to the extent that the table of contents pages, the table of case law pages, and the pages of the claims (but not claim charts applying the art to the claims) are excluded from the thirty (30) page limit required by 37 CFR 1.943(c).

MPEP § 2667 I.B.2 provides:

For additional information with respect to the length of papers, see Subsection I.A.2 above.

DECISION

I. Third Party Requester's Petition of July 10, 2009

In the petition of July 10, 2009, petitioner requests waiver of 37 CFR 1.943(c), which limits third party requester appellant brief to thirty (30) pages or 14,000 words in length, such waiver being requested to permit third party requester to file an appellant's brief not to exceed sixty (60) pages or 28,000 words in length. Pet. at 1. In support of waiver of the rule, third party requester submits that sixty pages (60) pages are required to fully and sufficiently present third party requester's numerous proposed grounds of unpatentability. Pet. at 1. Petitioner states that one or more issues, including anticipation/obviousness, impermissible broadening, written description (new matter), and/or indefiniteness, associated with each of the 278 claims found to be patentable are being presented in its appeal. Pet at 3. Petitioner asserts that several issues for appeal have been raised by the examiner's findings regarding six declarations that were submitted by the patent owner, these declarations, along with their exhibits, included approximately 1800 pages. Pet. at 3. Petitioner argues that the large number of claims and issues requires more than thirty (30) pages despite efforts to group claims and consolidate issues. Pet. at 3.

Further in support of waiver of 37 CFR 1.943(c), petitioner asserts that 251 pages of material are to be addressed by third party requester and that "addressing this volume of material within the thirty page limit prescribed by the rules would be unjust because it would unfairly compel Third Party Requester to abandon several issues ripe for appeal." Pet. at 4. Petitioner also asserts that "compliance with all of the formal requirements will likely consume one third or more (e.g., eight to twelve pages) of the brief" and that adherence to the page limit of 37 CFR 1.943(c) "will prevent Third Party Requester from addressing all of the substantive issues." Pet. at 4. Finally, petitioner asserts that "increasing the maximum length of the Appeal Brief to sixty pages would not unduly burden the USPTO" and that "if the page and word limit of 37 C.F.R. § 1.943(c) is

imposed, the large number of claims in the Subject Reexamination will prevent Third Party Requester from presenting all of the substantive issues for review on appeal." Pet. at 5.

II. Third Party Requester's Supplemental Petition of September 15, 2009

In the supplemental petition of September 15, 2009, petitioner states that the arguments of the July 10, 2009 petition are incorporated by reference. Supp. Pet. at 1. Petitioner states that the accompanying appeal brief is limited, in good faith, to forty-seven (47) pages, which is less than the originally requested pages of sixty (60). Supp. Pet. at 2. Additionally, petitioner states that the total number of claims, which was originally 44, through patent owner amendments, now stands at over 400, and that out of these 400 claims, about 300 were considered patentable by the examiner and are the subject of its appeal. Supp. Pet. at 2. Accordingly, petitioner requests waiver of the page and word count limitations of 37 CFR 1.943(c) for its concurrently submitted appeal brief. Supp. Pet. at 2.

III. What is Included or Excluded from the Page Limit Count

The provisions of 37 CFR 1.943(c) have been waived by the Office to the extent that certain content, including the table of contents pages, table of case law pages, and the pages of the claims, are not counted toward the 30 page limit. *See* MPEP 2667(I)(A)(2). By its terms, 37 CFR 1.943(c) excludes from the count of the pages in an appellant's brief claim appendices and "reference materials such as prior art references." Furthermore, the sections of the appellant's briefs required under 37 CFR 41.67(c)(1)(i)-(iv) and (ix)-(xi)[2] are deemed to be included in "reference materials" that do not count toward the page limits. If any portion of the relevant section includes material/information that goes beyond that which is required by those sections, the entire section will be counted toward the page total. Partial pages will be tallied as whole pages for this purpose.

It is to be noted, that the "Related Proceedings" appendices required by 37 CFR 41.67(c)(x) are considered "reference materials," and are excluded from the page count only insofar as they are documents that are formally required in the appendix. Note that this requirement only covers copies of decisions rendered by a court or the Board as identified in the "Related appeals and interferences" section of the brief. Any documents that are not required to be submitted (such as Office actions, requests for reexamination, etc.) are counted toward the page limit of the brief.

IV. Application of the Page Limit Count to the September 15, 2009 Third Party Requester Appellant Brief

37 CFR 1.183 provides for suspension or waiver of any requirement of the regulations which is not a requirement of the statutes in an extraordinary situation, when justice requires, on petition of the interested party. In this instance, petitioner has made a showing in support of the request for waiver of the 30-page limit of 37 CFR 1.943(c) by attempting to draft an appellant brief in compliance with the 30-page limit, and submitting the resulting appellant brief, which is in

[2] *i.e.*, (i) *Real Party in Interest*; (ii) *Related Appeals and Interferences*, (iii) *Status of Claims*, (iv) *Status of Amendments*, (ix) *Evidence Appendix*, (x) *Related Proceedings Appendix*, and (xi) *Certificate of Service*. The Claims Appendix is already explicitly identified in the rule as being excluded from the count of pages.

excess of 30 pages, concurrently with present petition under 37 CFR 1.183 for waiver of 37 CFR 1.943(c).

A review of the September 15, 2009 third party requester appellant brief [3] shows that the document contains ninety-three (93) pages, accompanied by 25 attached Exhibits listed in Section IX (Evidence Appendix).

The following sections of the appellant brief are not counted toward the page limit:

> One (1) cover page, one (1) page for Sections I-III[4], forty-four (44) pages of claims in Section VIII (Claims Appendix), two (2) pages for Section IX (Evidence Appendix) and four (4) pages for Section X (Related Proceedings Appendix).

The 25 attached Exhibits cited in Section IX (Evidence Appendix) and the copy of the decision rendered by the court cited in Section X (Related Proceedings Appendix) do not appear to go beyond that which is required by those sections. Therefore Section IX (Evidence Appendix) and Section X (Related Proceedings Appendix) will not count toward the page limit.

The following sections of the appellant brief are counted toward the page limit:

> Forty-five (45) pages for Sections V-VII.

Therefore, the appellant brief is effectively substantively 45 pages in length.

Upon review of the submitted information of record and the appeal brief, it is found that 15 pages of arguments in the third party requester appellant brief which are in excess of the 30 page regulatory limit are not unreasonable in view of the present facts and circumstances.

Based on the specific facts set forth in the July 10, 2009 and September 15, 2009 petitions under 37 CFR 1.183 and the particular circumstances of the '161 proceeding, it is deemed equitable to waive the 30-page limit of 37 CFR 1.943(c) in this instance. Accordingly, the third party requester petitions under 37 CFR 1.183 are **granted** to the extent that the page limit of 37 CFR 1.943(c) is waived as to the **fifteen (15) pages** of the arguments portion of the September 15, 2009 appellant brief that exceed the thirty (30) page limit.

CONCLUSION

1. The third party requester July 10, 2009 petition under 37 CFR 1.183 to waive the provisions of 37 CFR 1.943(c), as supplemented September 15, 2009, is granted to the extent that the requester's appellant brief shall not exceed forty-five (45) pages, excluding

[3] This decision is directed merely at the page-limit issue, and does not review the propriety of the appellant brief. The Central Reexamination Unit (CRU) will review that matter, when jurisdiction over the proceeding is returned to the CRU.

[4] The page on which Section IV appears counts toward the page limit because Section V appears on the same page.

appendices of claims and reference materials, such as prior art references. This waiver makes the September 15, 2009 third party requester appellant brief page-length compliant.

2. Pursuant to 37 CFR 41.66(b), once third party requester's appellant's brief has been properly filed, a respondent's brief must be filed by respondent within one month from the date of service of the appellant's brief. However, it is the present decision that now makes appellant's brief a compliant paper; thus the mailing of this decision constitutes the service of the appellant's brief on parties. Accordingly, any respondent's brief must be filed within one month from the date of this decision. The time for filing a respondent's brief may not be extended. 37 CFR 41.66(b).

3. Jurisdiction over the '161 reexamination proceeding is hereby returned to the Central Reexamination Unit.

4. Any questions concerning this communication should be directed to Maria Nuzzolillo, Legal Advisor, at 571-272-8150.

Kenneth M. Schor

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

UNITED STATES PATENT AND TRADEMARK OFFICE

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,161	07/28/2006	6543447	VER2-6-1014	7361

25315 7590 10/14/2009

BLACK LOWE & GRAHAM, PLLC
701 FIFTH AVENUE
SUITE 4800
SEATTLE, WA 98104

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 10/14/2009

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Black Lowe & Graham, PLLC
701 Fifth Avenue, Suite 4800
Seattle, Washington 98104

(For Patent Owner)

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OCT 14 2009

CENTRAL REEXAMINATION UNIT

Edwards Angell Palmer & Dodge LLP
P.O. Box 55874
Boston, Massachusetts 02205-5874

(For Third Party Requester)

In re Pacey
Inter Partes Reexamination Proceeding
Control No. 95/000,161
Filed: July 28, 2006
For: U.S. Patent No. 6,543,447

: **DECISION GRANTING**
: **PETITION TO WAIVE**
: **PAGE LIMITS FOR**
: **RESPONDENT'S BRIEF**
:

This is a decision on the September 25, 2009 patent owner petition entitled "PATENT OWNER'S PETITION UNDER 37 CFR § 1.182 TO STRIKE AN IMPROPERLY FILED APPELLANT BRIEF OR, IN THE ALTERNATIVE, TO GRANT PATENT OWNER ADDITIONAL PAGES." In the petition under 37 CFR 1.182 and 1.183, patent owner requests to strike third party requester's appeal brief submitted on September 15, 2009 as it is over the 30-page limit, or alternatively patent owner requests waiver of the 37 CFR 1.943(c) page-limit requirement to provide patent owner with 9 additional pages for its respondent's brief.[1]

Patent owner's September 25, 2009 petition is before the Office of Patent Legal Administration.

Patent owner's petition under 37 CFR 1.182 to strike the third party's requester's appeal brief is moot, for the reasons set forth herein, and patent owner's petition under 37 CFR 1.183 for waiver of the page limit of 37 CFR 1.1943(c) is granted to the extent set forth herein.

[1] Patent owner's petition includes a request under 37 CFR 1.182 to strike requester's September 15, 2009 appellant's brief and a request under 37 CFR 1.183 to waive the page limit requirements of 37 CFR 1.943(c) for patent owner's respondent's brief. Normally, such a petition is considered improper under 37 CFR 1.4(c) as two different forms of relief are being requested in a single petition. *See* 37 CFR 1.4(c) (stating "Since different matters may be considered by different branches or sections of the United States Patent and Trademark Office, each distinct subject, inquiry or order must be contained in a separate paper to avoid confusion and delay in answering paper dealing with different subject"). Since a decision has been granted to the third party requester's petition to waive the page limit of the appeal brief, patent owner's request to strike the appeal brief has been rendered moot; thus it only remains to decide the 37 CFR 1.183 petition to waive the page limit requirements of 37 CFR 1.943(c) for patent owner's respondent's brief.

FEES

Patent owner has paid the petition fee of $400.00 pursuant to 37 CFR 1.17(f) for the September 25, 2009 petition under 37 CFR 1.182/1.183.

REVIEW OF THE RELEVANT FACTS

1. On April 8, 2003, United States Patent Number 6,543,447 (the '447 patent) issued.

2. On July 28, 2006, a request for *inter partes* reexamination of the '447 patent, assigned Reexamination Control No. 95/000,161 (the '161 proceeding), was filed by third party requester Aircraft Medical Limited.

3. The proceeding progressed to the point where, on June 5, 2009, a Right of Appeal Notice was mailed.

4. On July 6, 2009, third party requester timely filed a Notice of Appeal to the Board of Patent Appeals and Interferences.

5. On July 10, 2009, third party requester filed a petition entitled "THIRD PARTY REQUESTER'S PETITION UNDER 37 CFR § 1.183 TO WAIVE THE PAGE AND WORD LIMIT UNDER 37 CFR § 1.943(c)."

6. On July 15, 2009, patent owner timely filed a Notice of Cross Appeal to the Board of Patent Appeals and Interferences.

7. On August 4, 2009, patent owner filed a paper entitled "PATENT OWNER'S OPPOSITION TO: "THIRD-PARTY REQUESTER'S PETITION UNDER 37 C.F.R § 1.183 TO WAIVE THE PAGE AND WORD LIMIT UNDER 37 C.F.R. § 1.943(C)."

8. On September 15, 2009 third party requester filed a petition entitled "THIRD PARTY REQUESTER'S SUPPLEMENTAL PETITION UNDER 37 CFR § 1.183 TO WAIVE THE PAGE AND WORD LIMIT UNDER 37 CFR § 1.943(c)."

9. Concurrently on September 15, 2009, third party requester submitted an appeal brief.

10. On September 25, 2009, patent owner filed a petition entitled "PATENT OWNER'S PETITION UNDER 37 CFR § 1.182 TO STRIKE AN IMPROPERLY FILED APPELLANT BRIEF OR, IN THE ALTERNATIVE, TO GRANT PATENT OWNER ADDITIONAL PAGES."

11. On September 30, 2009, a decision was mailed granting third party requester's July 10, 2009 petition, as supplemented on September 15, 2009, for waiver of the page limit of 37 CFR 1.943(c) for requester's appeal brief.

RELEVANT AUTHORITY

37 CFR 1.183 provides:

In an extraordinary situation, when justice requires, any requirement of the regulations in this part which is not a requirement of the statutes may be suspended or waived by the Director or the Director's designee, *sua sponte*, or on petition of the interested party, subject to such other requirements as may be imposed. Any petition under this section must be accompanied by the petition fee set forth in § 1.17(f).

37 CFR 1.943(c) provides:

Appellant's briefs filed by the patent owner and the third party requester shall not exceed thirty pages or 14,000 words in length, excluding appendices of claims and reference materials such as prior art references. All other briefs filed by any party shall not exceed fifteen pages in length or 7,000 words. If the page limit for any brief is exceeded, a certificate is required stating the number of words contained in the brief.

MPEP § 2667 I.A.2 provides (in-part):

With respect to the length of the papers, the following additional information is to be noted. Similar to the Federal Rules of Appellate Procedure, the provisions of 37 CFR 1.943(c) are waived to the extent that the table of contents pages, the table of case law pages, and the pages of the claims (but not claim charts applying the art to the claims) are excluded from the thirty (30) page limit required by 37 CFR 1.943(c).

MPEP § 2667 I.B.2 provides (in-part):

For additional information with respect to the length of papers, see Subsection I.A.2 above.

ANALYSIS

I. Patent Owner Petition under 37 CFR 1.182

In the instant petition under 37 CFR 1.182, patent owner asserts that third party requester's September 15, 2009 appellant's brief totaling 47 pages fails to comply with the mandatory page limits of 37 CFR 1.943 and "must be stricken." Pet. at 1-2. On September 30, 2009, a decision was mailed granting third party requester's July 10, 2009 petition under 37 CFR 1.183, as supplemented on September 15, 2009, for waiver of the page limit requirements of 37 CFR 1.943(c) for third party requester's September 15, 2009 appeal brief. Accordingly, the instant petition under 37 CFR 1.182 to strike third party requester's September 15, 2009 appeal brief is dismissed as moot.

II. Patent Owner Petition under 37 CFR 1.183

In the instant petition, patent owner requests that, if the page limit requirement of 37 CFR 1.943(c) is waived for third party requester's September 15, 2009 appeal brief, then the page limit requirement of 37 CFR 1.943(c) for patent owner's respondent's brief should also be waived. Pet. at 4. Petitioner asserts that "[i]f the Office decides to grant the Requester the full

17 page extension, then in the interest of fairness, and without waiving its arguments above, the Patent Owner petitions for and should be given additional pages for its respondent's brief in the same ratio as requested by Third Party Requester, that is, 9 additional pages, pursuant to 37 C.F.R. § 1.183." Pet at 4.

Based on the particular circumstances of the '161 proceeding, and in light of the September 30, 2009 decision,[2] it is deemed equitable to waive the 15-page limit of 37 CFR 1.943(c) for patent owner's respondent's brief in this instance by an amount proportional to the amount granted for the third party requester's appellant's brief. Therefore, patent owner's petition under 37 CFR 1.183 is granted to the extent that patent owner's respondent's brief shall not exceed 23 pages.[3]

III. What is Included or Excluded from the Page Limit Count

A: "Reference Materials"

A comparison of 37 CFR 41.67(c) and 37 CFR 41.68(b), which set out the respective requirements for an appellant's brief and a respondent's brief, reveals that the claims appendix is the only item required in the appellant's brief that is not required in the respondent's brief.

By its terms, 37 CFR 1.943(c) excludes from the count of the pages in an appellant's brief claim appendices and "reference materials such as prior art references." Section 1.943 does not, however, specify that reference materials are excluded from the page count of respondent's brief. To the extent that the rule can be read as giving unequal treatment to reference materials in determining the page count of appellant and respondent briefs, the rule is hereby waived. Specifically, "reference materials such as prior art references" that are properly part of an appendix to the respondent's brief are not being counted toward the page limit set in § 1.943(c). Furthermore, the sections of the appellant and respondent briefs required under 37 CFR 41.67(c)(1)(i)-(iv) and 37 CFR 41.68(b)(1)(i)-(iv) respectively are deemed to be included in "reference materials" that do not count toward the page limits.

It is to be noted, that the "Related Proceedings" appendices required by 37 CFR 41.67(c)(x) and 37 CFR 41.67(b)(ix) are considered "reference materials," and are excluded from the page count only insofar as they are documents that are formally required in the appendix. Note that this requirement only covers copies of decisions rendered by a court of the Board as identified in the "Related appeals and interferences" section of the brief. Any documents that are not required to be submitted (such as Office actions, requests for reexamination, etc.) are counted toward the size limit of the brief.

B: *Sua Sponte* Waiver of 37 CFR 1.943(c) as Recorded in MPEP § 2667

MPEP § 2667 I.A.2 provides that the table of contents pages, the table of case law and the pages of (the appealed) claims are excluded from the thirty (30) page limit. It is noted that the only

[2] The September 30, 2009 Office decision on third party requester's petition under 37 CFR 1.183 was granted for 15 pages over the 30 page limit allowed by 37 CFR 1.943(c) for appellant's brief.

[3] Section III *infra*, provides guidance on which portions of the brief are counted towards the size limit.

brief that may be filed in an *inter partes* reexamination proceeding in which the party may include thirty (30) pages is an appellant brief. Therefore, the waiver of 1.943(c) set forth in MPEP § 2667 I.A.2 applies, on its face, only to appellant's brief. Likewise, MPEP § 2667 I.B.2, in discussing the appropriate length of third party requester papers, which refers the reader to subsection I.A.2 would apply to a requester appellant brief. Although the MPEP does not specifically address respondent briefs, it is equitable to waive the provisions of 37 CFR 1.943(c) for the respondent's brief to the same extent as the provisions are waived by the MPEP for the appellant's brief (as the basis for waiver is equally applicable in each case).

CONCLUSION

1. Patent owner's September 25, 2009 petition under 37 CFR 1.182 requesting that the third party requester's September 15, 2009 appeal brief be struck as non-compliant is dismissed as moot.

2. Patent owner's September 25, 2009 petition under 37 CFR 1.183 is granted to the extent that the patent owner's respondent's brief shall not exceed 23 pages. The submission must be, in minimum size of 12 points, double or one-and-a half spaced, conforming with the margin requirements of 37 CFR 1.52(a)(1)(ii), and with sufficient clarity and contrast to permit direct reproduction, such as electronic capture by digital imaging and optical character recognition.

3. Pursuant to 37 CFR 41.66(b), once third party requester's appellant's brief has been properly filed, a respondent's brief must be filed by respondent within one month from the date of service of the appellant's brief. The time period for filing the patent owner respondent's brief runs from the mailing date of the September 30, 2009 decision making third party requester's September 15, 2009 appellant's brief a compliant paper, and effectively serving it on patent owner. The time for filing a respondent's brief may not be extended. 37 CFR 41.66(b).

4. Jurisdiction over the '161 reexamination proceeding is hereby returned to the Central Reexamination Unit.

5. Any questions concerning this communication should be directed to Maria Nuzzolillo, Legal Advisor, at 571-272-8150.

Kenneth M. Schor

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

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(For Patent Owner)

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(For Third Party Requester)

MAILED

FEB 16 2010

CENTRAL REEXAMINATION UNIT

In re Pacey	:	
Inter Partes Reexamination Proceeding	:	**DECISION**
Control No.: 95/000,161	:	**DISMISSING**
Filed: July 28, 2006	:	**PETITION**
For: U.S. Patent No. 6,543,447	:	

This is a decision on patent owner's "PATENT OWNER'S PETITION TO SIMPLIFY NON-ART ISSUES FOR APPEAL UNDER 37 C.F.R §§ 1.182 OR 1.183," filed on October 19, 2009.

The patent owner petition is before the Office of Patent Legal Administration for decision.

The petition is dismissed for the reasons set forth herein.

FEES

The $400 petition fee pursuant to 37 CFR 1.17(f) for the patent owner petition under 37 CFR 1.182/1.183 was paid on October 19, 2009.

BACKGROUND

1. U.S. Patent No. 6,543,447 ("the '447 patent") issued on April 8, 2003.

2. A request for *inter partes* reexamination of the '447 patent was filed by a third party requester on July 28, 2006, which request was assigned control no. 95/000,161 ("the '161 proceeding").

3. Reexamination was ordered in the '161 proceeding on October 25, 2006.

4. The '161 proceeding progressed to the point where, on June 5, 2009, the Office mailed a Right of Appeal Notice (RAN).

5. On July 6, 2009, third party requester filed a notice of appeal in the '161 proceeding in response to the RAN.

6. On July 15, 2009, patent owner filed a notice of cross appeal in the '161 proceeding in response to the RAN.

7. On September 15, 2009, third party requester filed an appellant's brief in the '161 proceeding.

8. Patent owner also filed an appellant's brief in the '161 proceeding on September 15, 2009.

9. On October 15, 2009, third party requester filed a respondent's brief in the '161 proceeding.

10. On October 19, 2009, patent owner filed the instant petition paper entitled "PATENT OWNER'S PETITION TO SIMPLIFY NON-ART ISSUES FOR APPEAL UNDER 37 C.F.R §§ 1.182 OR 1.183" ("the petition under 37 CFR 1.182/1.183").

11. On October 30, 2009, patent owner filed a respondent's brief in the '161 proceeding.[1]

DECISION

Relevant Statutes, Regulations and Practice

37 CFR 1.182 provides:

> All situations not specifically provided for in the regulations of this part will be decided in accordance with the merits of each situation by or under the authority of the Director, subject to such other requirements as may be imposed, and such decision will be communicated to the interested parties in writing. Any petition seeking a decision under this section must be accompanied by the petition fee set forth in § 1.17(f).

37 CFR 1.183 provides:

> In an extraordinary situation, when justice requires, any requirement of the regulations in this part which is not a requirement of the statutes may be suspended or waived by the Director or the Director's designee, *sua sponte*, or on petition of the interested party, subject to such other requirements as may be imposed. Any petition under this section must be accompanied by the petition fee set forth in § 1.17(f).

37 CFR 1.953(c) provides:

> The Right of Appeal Notice shall be a final action, which comprises a final rejection setting forth each ground of rejection and/or final decision favorable to

[1] The time period for filing the patent owner respondent brief was set at one month from the mailing date of a September 30, 2009 Office decision, which waived the page limit of 37 CFR 1.943(c), making third party requester's September 15, 2009 appellant brief a compliant paper at that point in time, and effectively serving requester's appellant brief on patent owner.

> patentability including each determination not to make a proposed rejection, an identification of the status of each claim, and the reasons for decisions favorable to patentability and/or the grounds of rejection for each claim. No amendment can be made in response to the Right of Appeal Notice. The Right of Appeal Notice shall set a one-month time period for either party to appeal. If no notice of appeal is filed, prosecution in the *inter partes* reexamination proceeding will be terminated, and the Director will proceed to issue and publish a certificate under § 1.997 in accordance with the Right of Appeal Notice.

37 CFR 41.63 provides:

> (a) Amendments filed after the date of filing an appeal pursuant to § 41.61 canceling claims may be admitted where such cancellation does not affect the scope of any other pending claim in the proceeding.
>
> (b) All other amendments filed after the date of filing an appeal pursuant to § 41.61 will not be admitted except as permitted by § 41.77(b)(1).
>
> (c) Affidavits or other evidence filed after the date of filing an appeal pursuant to § 41.61 will not be admitted except as permitted by reopening prosecution under § 41.77(b)(1).

37 CFR 41.77(b) provides, in-part:

> Should the Board reverse the examiner's determination not to make a rejection proposed by a requester, the Board shall set forth in the opinion in support of its decision a new ground of rejection; or should the Board have knowledge of any grounds not raised in the appeal for rejecting any pending claim, it may include in its opinion a statement to that effect with its reasons for so holding, which statement shall constitute a new ground of rejection of the claim. Any decision which includes a new ground of rejection pursuant to this paragraph shall not be considered final for judicial review. When the Board makes a new ground of rejection, the owner, within one month from the date of the decision, must exercise one of the following two options with respect to the new ground of rejection to avoid termination of the appeal proceeding as to the rejected claim:
>
> (1) *Reopen prosecution.* The owner may file a response requesting reopening of prosecution before the examiner. Such a response must be either an amendment of the claims so rejected or new evidence relating to the claims so rejected, or both.

MPEP 2675 provides, in pertinent part,

> Pursuant to 37 CFR 41.63:
>
> (A) Amendments filed after the date of filing an appeal (under 37 CFR 41.61) canceling claims may be admitted, where such cancellation does not affect the scope of any other pending claim in the proceeding;

(B) All other amendments filed after the date of filing an appeal will not be admitted, except as permitted where the patent owner takes action for reopening prosecution under 37 CFR 41.77(b)(1);

(C) Affidavits or other evidence filed after the date of filing an appeal will not be admitted, except as permitted where the patent owner takes action for reopening prosecution under 37 CFR 41.77(b)(1).

If the examiner wishes to have the patent owner provide an amendment (other than cancellation of claims as discussed above) or evidence during the appeal stage, the examiner must (A) reopen prosecution, (B) accept the amendment or evidence for entry, (C) permit timely comment on the new amendment or evidence by the third party requester, and (D) then issue a new Action Closing Prosecution (ACP). See MPEP § 2673.01.

Patent Owner's Petition under 37 CFR 1.182

In the instant petition under 37 CFR 1.182/1.183, patent owner requests that prosecution be reopened in the '161 proceeding under 37 CFR 1.182 "for the sole limited purpose" of entering amendments to address issues third party requester raised in its appeal brief "related to minor informalities, such as typographical errors, antecedent basis issues, multiple inclusion of an identical element, and duplication of claims."[2]

The instant petition under 37 CFR 1.182 has been fully considered. Petitions are filed under 37 CFR 1.182 for "all situations not specifically provided for in the regulations." In the regulations, 37 CFR 41.63 provides for amendments filed after the date of filing an appeal in *inter partes* reexamination. *See* MPEP 2674 and 2675. In particular, 37 CFR 41.63(a) provides that "[a]mendments filed after the date of filing an appeal pursuant to § 41.61 cancelling claims may be admitted where such cancellation does not affect the scope of any other pending claim in the proceeding," and 37 CFR 41.63(b) provides that "[a]ll other amendments filed after the date of filing an appeal pursuant to § 41.61 will not be admitted except as permitted by § 41.77(b)(1)."

In this instance, third party requester filed a notice of appeal in the '161 proceeding on July 6, 2009 and patent owner filed a notice of cross appeal in the '161 proceeding on July 15, 2009. Thus, patent owner's October 19, 2009 request is for entry of an amendment after the date of filing an appeal in *inter partes* reexamination - a situation which is specifically provided for in the regulations under 37 CFR 41.63(a) and (b). Accordingly, patent owner's petition under 37 CFR 1.182 to reopen prosecution in the '161 proceeding for entry of an amendment after the date of filing an appeal is <u>dismissed</u> as inappropriate to the present fact situation.

Patent Owner's Petition under 37 CFR 1.183 for Waiver of 1.953(c)

In the instant petition under 37 CFR 1.182/1.183, patent owner requests waiver under 37 CFR 1.183 of 37 CFR 1.953(c), which prohibits amendments filed after the Right of Appeal Notice (RAN).[3] Patent owner "further requests that the proposed amendments be entered into the record

[2] Petition under 37 CFR 1.182/1.183 at pages 1-2.
[3] Petition under 37 CFR 1.182/1.183 at page 4.

before the pending claims are presented to the Board on appeal" and "anticipates that granting of this petition will place the claims in better form for the Board without delaying the present timeline for a Board decision."[4] Patent owner's submission is asserted to be for the purpose of correcting, by way of claim amendments, "minor informalities" in the claims that were identified by third party requester in its appeal brief.[5] More specifically, patent owner requests correction of several typographical errors (e.g., changing "patent" to "patient"), a number of minor antecedent basis issues (e.g., converting "a" to "the"), multiple inclusions of an identical element (e.g., converting "a" to "the" for the second occurrence of the element), and duplication (e.g., canceling an occurrence of a duplicate claim), all as summarized in the "ATTACHMENT TO PATENT OWNER'S PETITION FILED OCTOBER 19, 2009" filed concurrently with the instant petition.[6] Additionally, patent owner also seeks to amend claims to substitute the claim term "viewer" for the existing claim term "camera" and *vice versa*.[7]

The instant petition under 37 CFR 1.183 has been fully considered. 37 CFR 1.183 provides for suspension or waiver of any requirement of the regulations which is not a requirement of the statutes in an extraordinary situation, when justice so requires, on petition of the interested party. The burden is on petitioner to set forth with specificity the facts that give rise to an extraordinary situation in which justice requires suspension of a rule.

In support of waiver of 37 CFR 1.953(c), patent owner asserts that the Office of Patent Legal Administration has previously granted two petitions under 37 CFR 1.183 in the '161 proceeding and that the decisions granting those petitions noted "the particular circumstances of the '161 proceeding."[8] Thus, patent owner asserts that "[i]mplicit in these decisions is a determination by the Patent Office that the present reexamination meets the extraordinary situation standard."[9] Further in support of the requested waiver of 37 CFR 1.953(c), patent owner asserts that "[t]he underpinnings of the rules continually encourage presenting the claims in their best form for consideration by the Board on appeal," and that the "Office has emphasized that in accordance with the mandate of 35 U.S.C. § 314 the patent owner must make a *bona fide* effort to define the issues for appeal and advance the prosecution toward issuance."[10] Thus, patent owner asserts that the petition under 37 CFR 1.183 should be granted to permit entry of the proposed amendments because "[t]o determine otherwise would be inequitable, inefficient and outside the 'special dispatch' mandate" and that patent owner "makes this request as a *bona fide* effort to perfect the claims for appeal so they may be presented to the Board in better form."[11]

Pursuant to 37 CFR 41.63(a), no waiver of the rule is required to enter claim amendments filed after the date of filing an appeal directed solely to claim cancellation so long as the Office determines that the cancellation does not affect the scope of any other pending claim in the proceeding. 37 CFR 41.63(b), however, prohibits all other amendments (i.e., amendments not

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[4] Petition under 37 CFR 1.182/1.183 at page 4.
[5] Petition under 37 CFR 1.182/1.183 at page 1.
[6] Petition under 37 CFR 1.182/1.183 at page 2.
[7] Petition under 37 CFR 1.182/1.183 at page 2.
[8] Petition under 37 CFR 1.182/1.183 at page 5 (citing the September 30, 2009 "Decision Granting Petition to Waive Page Limits for Appellant Brief" and the October 14, 2009 "Decision Granting Petition to Waive Page Limits for Respondent's Brief").
[9] Petition under 37 CFR 1.182/1.183 at page 5.
[10] Petition under 37 CFR 1.182/1.183 at page 5.
[11] Petition under 37 CFR 1.182/1.183 at page 6.

directed solely to cancelling claims) after the date of filing an appeal. In this instance, there are proposed amendments directed to matters other then cancelling the claims; thus, the proffered amendment paper is barred by 37 CFR 41.63(b). With respect to the requested waiver of 37 CFR 41.63(b), patent owner has not demonstrated facts that give rise to an extraordinary situation in which justice requires suspension of the rule. Each request for waiver of a rule is evaluated independently in a reexamination proceeding. That is, the facts that give rise to an extraordinary situation with respect to waiver of a particular rule during a reexamination proceeding in one individual situation may very well not give rise to an extraordinary situation with respect to waiver of the same rule, or a different rule, during the same reexamination proceeding in a different individual situation. In this instance, patent owner has not provided any reasons as to why such claim amendments could not have been presented earlier in the '161 proceeding, at a point where waiver of a rule would not have been required for entry of such claim amendments. Additionally, while patent owner has characterized the proposed claim amendments as merely correcting "minor informalities," it is far from clear that at least some of the claim amendments, such as those substituting the claim term "viewer" for the claim term "camera," and *vice versa*, would not require more in-depth consideration by the examiner, resulting in delay of the appeal process in the '161 proceeding. Accordingly, patent owner's petition for waiver of 37 CFR 1.953(c) is dismissed.

Amendment papers are generally not entered in part; however, patent owner may submit a new amendment paper in the '161 proceeding directed only to cancelling claims 165, 200, 227, 354, 360 and 385-387 (due to duplication) and cancelling claims 116, 240, 246, 321, 368, 407-409 and 415 (due to claim standing rejected but not appealed). Such amendment would not be accompanied by a petition, and would be entered as of right pursuant to 37 CFR 41.63(a), without significant delay of the proceeding, if the Office determines that the cancellation does not affect the scope of any other pending claim in the '161 proceeding.

CONCLUSION

1. Patent owner's October 19, 2009 petition, as it is directed to 37 CFR 1.182, is dismissed, as the situation is specifically provided for in the regulations under 37 CFR 41.63(a) and (b).

2. Patent owner's October 19, 2009 petition, as it is directed to 37 CFR 1.183 for waiver of 37 CFR 1.953(c), is dismissed.

3. Jurisdiction over the '161 *inter partes* reexamination proceeding is being returned to the Central Reexamination Unit.

4. Any questions concerning this communication should be directed to Nicole Dretar, Legal Advisor, at (571) 272-7717.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

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(For Patent Owner)

MAILED

JUN 16 2010

CENTRAL REEXAMINATION UNIT

EDWARDS ANGELL PALMER & DODGE LLP
P.O. BOX 55874
BOSTON, MA 02205

(For Requester)

In re Pacey	:
Reexamination Proceeding	: DECISION
Control No.: 95/000,161	: DISMSSING
Filing Date: July 28, 2006	: PETITION
For: U.S. Patent No.: 6,543,447	:

The above reexamination proceeding is before the Director of the Central Reexamination Unit after receipt of a April 23, 2010 third party requester petition, which is being treated as a petition under 37 CFR § 1.181 to invoke supervisory authority to mail a corrected notification of defective appeal brief regarding the third party requester's appeal brief received on September 15, 2009.

The patent owner's petition is dismissed as to the request to mail a corrected defective notification regarding the third party requester's brief of September 15, 2009.

BACKGROUND

1. U.S. Patent No. 6,543,447 (hereinafter, the '447 patent) issued on April 8, 2003.

2. A request for inter partes reexamination of the '447 patent was filed by a third party requester on July 28, 2006, which request was assigned control no. 95/000,161 ("the '161 proceeding").

3. Reexamination was ordered in the '161 proceeding on October 25, 2006.

4. The '161 proceeding progressed to appeal to the point where, on March 23, 2010, the Office mailed an "*Inter Partes* Reexamination Notification re Brief," which stated that both the patent owner's and the third party requester's appeal briefs were not compliant with Office regulations.

5. On April 23, 2010, third party requester filed a replacement appeal brief in the '161 proceeding in response to the March 23, 2010 notice. The third party requester also filed the instant petition requesting clarification of the March 23, 2010 notice.

6. On April 29, 2010, patent owner filed a petition, which is being treated as a petition under 37 CFR 1.181 to invoke supervisory authority to not enter the third party requester's replacement appeal brief, dated April 23, 2010. This petition will be addressed in a separate decision.

DECISION

The third party requester filed petition is being treated as a petition under 37 CFR 1.181 to invoke supervisory authority to mail a corrected notification of defective appeal brief regarding the third party requester's appeal brief received on September 15, 2009. However, the third party requester filed a replacement appeal brief on April 23, 2010. Accordingly, it is moot as to how the September 15, 2009 third party requester's appeal brief failed to comply with Office rules and procedures because the September 15, 2009 requester's appeal brief has been replaced by the April 23, 2010 requester's appeal brief. Therefore, the present petition's request to mail a corrected notice regarding the requester's September 15, 2009 appeal brief is moot, and it is dismissed for this reason.

It is noted that the third party requester did make changes to the appeal brief of September 15, 2009 in its replacement April 23, 2010 appeal brief. For example, the claims listed under appeal issue 1 has been changed (e.g., from "claims 26, 34, 35, 134, 142, and 147" to "claims 26, 34, 35, and 134") and appeal issue 3 now lists claim numbers in place of stating "certain of the claims." At least some of these changes seem to be made in response to the March 23, 2010 notice. It is also noted that the third party requester did not submit an explanation identifying each change in the replacement brief and why each change was made. It is further noted that this proceeding involves complex issues regarding numerous proposed rejections applied to many claims, and that the March 23, 2010 notice may not have clearly listed each defect found in the September 15, 2009 requester appeal brief. Finally, it is noted that the examiner has not acted upon the April 23, 2010 requester replacement brief to determine if the replacement brief complies with Office rules and procedures. Because of the importance and complexities of the issues on appeal, if the examiner decides to hold that the third party requester's replacement brief is a *bona fide* attempt to comply with the March 23, 2010 notice but that the replacement brief is

still defective, the examiner will send out a new notification that clearly sets forth the reasons why the replacement brief of April 23, 2010 is defective, and give a new time period to file a replacement appeal brief.

CONCLUSION

1. The April 23, 2010 third party requester's petition, which is treated as a petition under 37 CFR § 1.181, is dismissed as to the request to mail a corrected defective notification regarding the third party requester's brief of September 15, 2009.

2. The proceeding will be forwarded to the examiner to act upon in due course. If the examiner decides to hold that the third party requester's replacement brief is a *bona fide* attempt to comply with the March 23, 2010 notice but that the replacement brief is still defective, the examiner will send out a new notification that clearly sets forth the reasons why the replacement brief of April 23, 2010 is defective and give a new time period to file a replacement appeal brief.

3. Telephone inquiries related to this decision should be directed Andy Kashnikow, Supervisory Patent Examiner, at (571) 272-4361.

Gregory Morse
Director
Central Reexamination Unit

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(For Patent Owner)

MAILED

JUN 16 2010

CENTRAL REEXAMINATION UNIT

EDWARDS ANGELL PALMER & DODGE LLP
P.O. BOX 55874
BOSTON, MA 02205

(For Requester)

In re Pacey	:
Reexamination Proceeding	: DECISION
Control No.: 95/000,161	: DISMSSING
Filing Date: July 28, 2006	: PETITION
For: U.S. Patent No.: 6,543,447	:

The above reexamination proceeding is before the Director of the Central Reexamination Unit after receipt of a April 29, 2010 patent owner petition, which is being treated as a petition under 37 CFR § 1.181 to invoke supervisory authority to not enter the third party requester's replacement appeal brief, dated April 23, 2010.

The patent owner's petition is dismissed as premature.

BACKGROUND

1. U.S. Patent No. 6,543,447 (hereinafter, the '447 patent) issued on April 8, 2003.

2. A request for inter partes reexamination of the '447 patent was filed by a third party requester on July 28, 2006, which request was assigned control no. 95/000,161 ("the '161 proceeding").

3. Reexamination was ordered in the '161 proceeding on October 25, 2006.

4. The '161 proceeding progressed to appeal to the point where, on March 23, 2010, the Office mailed an "*Inter Partes* Reexamination Notification re Brief," which stated that both the patent owner's and the third party requester's appeal briefs were not compliant with Office regulations.

5. On April 23, 2010, third party requester filed a replacement appeal brief in the '161 proceeding in response to the March 23, 2010 notice. The third party requester also filed a petition requesting clarification of the March 23, 2010 notice. This petition will be addressed in a separate decision.

6. On April 29, 2010, patent owner filed the present petition, which is being treated as a petition under 37 CFR 1.181 to invoke supervisory authority to not enter the third party requester's replacement appeal brief, dated April 23, 2010.

DECISION

As pointed out, the Patent Owner filed present petition is being treated as a petition under 37 CFR 1.181 to invoke supervisory authority to not enter the third party requester's replacement appeal brief, dated April 23, 2010. However, there has been no decision by the examiner to either enter or not enter the third party requester's replacement brief. Accordingly, it is premature to invoke supervisory authority regarding entry or refusal to enter the replacement appeal brief because the examiner has not made his or her decision. Thus, the present petition is premature, and it is dismissed.

CONCLUSION

1. The April 29, 2010 patent owner's petition, which is treated as a petition under 37 CFR § 1.181, is <u>dismissed</u>.

2. Should the examiner enter the third party requester's replacement brief into the record, the patent owner would be free to submit a petition under 37 CFR 1.181.

3. Telephone inquiries related to this decision should be directed Andy Kashnikow, Supervisory Patent Examiner, at (571) 272-4361.

Gregory Morse
Director
Central Reexamination Unit

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,161	07/28/2006	6543447	VER2-6-1014	7361

25315 7590 07/21/2010

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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 07/21/2010

Please find below and/or attached an Office communication concerning this application or proceeding.

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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
EDWARDS ANGELL PALMER & DODGE LLP
P.O. BOX 55874
BOSTON, MA 02205

Date:
MAILED
JUL 21 2010

CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester
Inter Partes Reexamination

REEXAMINATION CONTROL NO. : 95000161
PATENT NO. : 6543447
TECHNOLOGY CENTER : 3999
ART UNIT : 3900

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified Reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the inter partes reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an ex parte reexamination has been merged with the inter partes reexamination, no responsive submission by any ex parte third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the Central Reexamination Unit at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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JUL 21 2010

CENTRAL REEXAMINATION UNIT

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(For Requester)

In re Pacey
Reexamination Proceeding
Control No.: 95/000,161
Filing Date: July 28, 2006
For: U.S. Patent No.: 6,543,447

: DECISION
: DISMSSING
: PETITION

The above reexamination proceeding is before the Director of the Central Reexamination Unit after receipt of a July 6, 2010 patent owner petition, which is being treated as a petition under 37 CFR § 1.181 to invoke supervisory authority to not enter the third party requester's respondent brief, dated May 6, 2010.

The patent owner's petition is dismissed as premature.

BACKGROUND

1. U.S. Patent No. 6,543,447 (hereinafter, the '447 patent) issued on April 8, 2003.

2. A request for *inter partes* reexamination of the '447 patent was filed by a third party requester on July 28, 2006, which request was assigned control no. 95/000,161 ("the '161 proceeding").

3. Reexamination was ordered in the '161 proceeding on October 25, 2006.

4. The '161 proceeding progressed to appeal to the point where, on March 23, 2010, the Office mailed an "*Inter Partes* Reexamination Notification re Brief," which stated that both the patent owner's and the third party requester's appeal briefs were not compliant with Office regulations.

5. On April 23, 2010, third party requester filed a replacement appeal brief in the '161 proceeding in response to the March 23, 2010 notice. The third party requester also filed a petition requesting clarification of the March 23, 2010 notice.

6. On April 29, 2010, patent owner filed a petition, which petition was treated as a petition under 37 CFR 1.181 to invoke supervisory authority to not enter the third party requester's replacement appeal brief, dated April 23, 2010.

7. On May 6, 2010, third party requester filed a respondent brief

8. On May 22, 2010, patent owner filed a respondent brief.

9. On June 16, 2010, the Office mailed decisions addressing the April 23, 2010 petition and the April 29, 2010 petition. On the same day, the Office also mailed an "*Inter Partes* Reexamination Notification re Brief," which stated that both the third party requester's replacement appeal brief of April 23, 2010 was not compliant with Office regulations.

10. On July 6, 2010, patent owner filed the present petition, which is being treated as a petition under 37 CFR 1.181 to invoke supervisory authority to not enter the third party requester's respondent brief, dated May 6, 2010.

DECISION

As pointed out, the patent owner filed present petition is being treated as a petition under 37 CFR 1.181 to invoke supervisory authority to not enter the third party requester's respondent brief, dated May 6, 2010. However, there has been no decision by the examiner to either enter or not enter the third party requester's respondent brief. Accordingly, it is premature to invoke supervisory authority regarding entry or refusal to enter the replacement appeal brief because the examiner has not made his or her decision. Thus, the present petition is premature, and it is dismissed.

CONCLUSION

1. The July 6, 2010 patent owner's petition, which is treated as a petition under 37 CFR § 1.181, is <u>dismissed</u>.

2. Should the examiner enter the third party requester's respondent brief into the record, the patent owner would be free to submit a petition under 37 CFR 1.181.

3. Telephone inquiries related to this decision should be directed Andy Kashnikow, Supervisory Patent Examiner, at (571) 272-4361.

for

Gregory Morse
Director
Central Reexamination Unit

UNITED STATES PATENT AND TRADEMARK OFFICE

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,163	09/18/2006	6428371	1084413	3029

28735 7590 08/20/2008

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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 08/20/2008

Please find below and/or attached an Office communication concerning this application or proceeding.

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MAILED

AUG 20 2008

CENTRAL REEXAMINATION UNIT

In re BRP US, Inc.
Inter Partes Reexamination Proceeding
Control No.: 95/000,163
Filed: September 18, 2006
For: U.S. Patent No. 6,428,371 B1

: **DECISION**
: **GRANTING**
: **PETITION**

This is a decision on the third party requester petition filed on April 14, 2008, entitled "PETITION UNDER 37 C.F.R. 1.183." The third party petition filed on January 10, 2007, entitled "PETITION UNDER 37 CFR § 1.927," and the patent owner opposition petition filed on February 14, 2007, entitled "PATENT OWNER'S RESPONSE TO REQUESTER'S PETITION UNDER 37 CFR 1.927," are also considered in this decision.

The above-captioned reexamination proceeding and the three petition papers identified above are before the Office of Patent Legal Administration.

FEES

A petition fee of $400.00 has been remitted by third party requester for the April 14, 2008 petition. That fee is appropriate for a petition under 37 CFR 1.182, which is the regulation under which the April 14, 2008 petition will be addressed. No fee is required for the January 10, 2007 third party requester petition. The February 14, 2007 opposition petition did require a fee, as discussed below, but no fee accompanied the opposition petition.

BACKGROUND

1. A request for *inter partes* reexamination of U.S. Patent No. 6, 428,371 B1 (the '371 patent) was filed on September 18, 2006 and assigned control number 95/000,163 (the '163 *inter partes* reexamination proceeding).

2. The September 18, 2006 filing requested that reexamination be ordered for claims 1-73, (*i.e.*, all of the claims) of the '371 patent.

3. On December 8, 2006, reexamination was ordered in the '163 *inter partes* reexamination proceeding for claims 1-50, 54, 58 and 61-73 of the '163 patent. Reexamination was not ordered for claims 51-53, 55-57, 59 and 60 of the '163 patent.

4. On January 10, 2007, third party requester filed a petition under 37 CFR 1.927 to review the examiner's refusal to order reexamination as to patent claims 51-53, 55-57, 59 and 60 of the '371 patent. The petition included a certificate of mailing pursuant to 37 CFR 1.8 that indicated that on January 5, 2007, the petition had been deposited in the United States Postal Service with sufficient postage as first-class mail in a package that was properly addressed to the Office.

5. On February 14, 2007, patent owner filed an opposition to the January 10, 2007 third party requester petition.

6. No decision has yet been rendered on the petitions mentioned in Fact Nos. 4 and 5.

7. No Office action on the patentability of the claims for which reexamination was ordered has been mailed.

8. On April 14, 2008, third party requester filed the present petition.

RELEVANT AUTHORITY

37 CFR 1.182 provides:

> All situations not specifically provided for in the regulations of this part will be decided in accordance with the merits of each situation by or under the authority of the Director, subject to such other requirements as may be imposed, and such decision will be communicated to the interested parties in writing. Any petition seeking a decision under this section must be accompanied by the petition fee set forth in § 1.17(f).

37 CFR 1.927 provides:

> The third party requester may seek review by a petition to the Director under § 1.181 within one month of the mailing date of the examiner's determination refusing to order *inter partes* reexamination. Any such petition must comply with § 1.181(b). If no petition is timely filed or if the decision on petition affirms that no substantial new question of patentability has been raised, the determination shall be final and nonappealable.

DISCUSSION

Third party requester filed a request for *inter partes* reexamination of the '371 patent in which reexamination was requested for all of the claims of the '371 patent. The examiner ordered reexamination on December 8, 2006. However, the examiner found that the request raised a substantial new question of patentability only for patent claims 1-50, 54, 58 and 61-73 of the '371 patent. Accordingly, reexamination was ordered only for patent claims 1-50, 54, 58 and 61-73.

On January 10, 2007, third party requester filed a petition in accordance with the provisions of 37 CFR 1.927, requesting that the USPTO Director review the examiner's determination refusing to order reexamination for patent claims 51-53, 55-57, 59 and 60 of the '371 patent. The petition was timely filed by reason of a certificate of mailing under 37 CFR 1.8 that was attached to the petition and was dated January 5, 2007. Patent owner filed a petition on February 14, 2007

opposing the January 10, 2007 third party requester petition. The Office did not treat either petition.

Third party requester has now filed a petition requesting that the January 10, 2007 third party requester petition be withdrawn. The basis for the request to withdraw the January 10, 2007 petition is that patent owner and third party requester have recently resolved litigation between them with respect to the '371 patent, such that third party requester "no longer has any interest in having the subject '371 patent reexamined." [1]

Although the rules do not provide for a party to "withdraw" a previously filed petition, taken as a petition under 37 CFR 1.182 for relief not otherwise provided by the rule, it appears that the there is no reason why the present third party requester petition should not be granted. In the *Order Granting Inter Partes Reexamination*, the Office set forth cogent reasons why the request for reexamination did not establish a substantial new question of patentability for claims 51-53, 55-57, 59 and 60 of the '371 patent. There does not appear to be any injury to either party to the present '163 *inter partes* reexamination proceeding, or to the public interest, in proceeding with reexamination for only those claims for which a substantial new question of patentability was established by the request for reexamination.

Accordingly, the relief requested by third party requester in the April 14, 2008 petition will be granted. The grant of the requested relief effectively renders the January 10, 2007 third party requester petition a non-entity and the February 14, 2007 patent owner opposition moot. Accordingly, the January 10, 2007 petition and the February 14, 2007 opposition petition will be dismissed without consideration.

ADDITIONAL DISCUSSION

The February 14, 2007 opposition petition filed by patent owner is an improper paper, not having an entry right, and it is being expunged from the record. The opposition petition could not have been considered absent a waiver of 37 CFR 1.939(b). [2] Accordingly a petition fee as discussed in footnote 2 would have been required for the filing of the opposition petition, but none was submitted. As also discussed in footnote 2, no fee is being charged in this instance, because the opposition petition has not been addressed. Even if an opposition petition fee were included, and the 37 CFR 1.927 petition had not been withdrawn, the opposition petition would not have been appropriate for consideration, and would be expunged from the record. The only purpose of the decision on the reexamination request made in an examiner's Order, and in a decision under 37 CFR 1.927, is to decide whether reexamination should go forward at all, and the patent owner does not have a right to submit input at that stage of the proceeding. If a substantial new question of patentability is found and reexamination is ordered, then the patent owner is permitted to provide input in response to the Office's actions. It is during the examination/prosecution stage of the proceeding where any new question of patentability ultimately will be resolved that patent owner provides input. In *Patlex Corp. v. Mossinghoff*, 771

[1] "Petition Under 37 C.F.R. 1.183," April 14, 2008, page 2, last paragraph.

[2] 37 CFR 1.939(b) precludes the filing of a paper by either party prior to the first Office action on the merits of patentability, unless the regulations otherwise provide for the filing of such paper. While 37 CFR 1.927 provides for the filing of petition to review an examiner's determine to refuse to order reexamination for some or all of the patent claims, there is no corresponding provision in the rules to permit patent owner to oppose such a petition. Not only would a waiver of 37 CFR 1.939(b) be required for such a petition, the petition would also be requesting relief not provided for in the rules, and so would also have to invoke the provisions of 37 CFR 1.182. Each of 37 CFR 1.182 and 37 CFR 1.183 requires a petition fee, but no such fee accompanied the February 14, 2007 opposition petition. Inasmuch as that petition is being dismissed without consideration, there is no necessity to now remit the appropriate petition fee.

F.2d 480, 226 USPQ 985 (Fed. Cir. 1985), the U.S. Court of Appeals for the Federal Circuit (hereinafter - the Federal Circuit) upheld the propriety of the Office's regulatory prohibition of a patent owner response to a request prior to the entry into the examination stage of the proceeding.

It is pointed out that as a result of the present third party requester petition, the attention of the Office has been drawn to the fact that the current litigation between patent owner and third party requester with respect to the '371 patent has been settled between the parties by reason of "Stipulations of Dismissal With Prejudice" that have been filed with the court. Accordingly, the Office has now obtained a copy of the court's order with respect to the stipulated dismissal.

CONCLUSION

1. The April 14, 2008 third party requester petition to withdraw the January 10, 2007 petition is granted.

2. The February 14, 2007 patent owner opposition petition paper is being expunge from the record by marking it as "closed" and "non-public" in the Image File Wrapper (IFW) record of the present reexamination proceeding. No copy of the opposition petition paper will be maintained of record in the Office.

3. Jurisdiction over the '163 *inter partes* reexamination proceeding is being retained by the Office of Patent Legal Administration for such action as may be appropriate in light of the above discussion with respect to the stipulated dismissal.

4. Telephone inquiries related to the present decision should be directed to the Stephen Marcus, Senior Legal Advisor, at 571-272-7743, or, in his absence, to the undersigned at 571-272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

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August 14, 2008

August19, 2008
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CENTRAL REEXAMINATION UNIT

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For Requester

Inter Partes Reexamination Proceeding
Control No. 95/000,165
Filed: September 21, 2006
For: U.S. Patent No. 6,550,701

: DECISION ON PETITION
: FOR RELIEF TO FILE PETITION FOR
: TERMINATION AND ON PETITION
: FOR TERMINATION OF *INTER PARTES*
: REEXAMINATION

This is a decision on the petition for relief to file petition for termination and on the petition for termination of *inter partes* reexamination, which are included as part of the "Petition For Relief To File Petition For Termination; Petition For Termination Of *Inter Partes* Reexamination Or, If Denied, Petition For a Brief 30 Day Extension; Declarations of Roy A. Kim and Shih-Chuan Tsou In Support Thereof" filed June 2, 2008 ("the June 2nd petition"), to terminate the *inter partes* reexamination of U.S. Patent No. 6,550,701 (control number 95/000,165).

The June 2nd petition is before the Office of Patent Legal Administration ("OPLA") for consideration.

The request for extension of time aspect of the June 2nd petition was granted in the Decision mailed July 2, 2008.

The petition for relief to file petition for termination and the petition for termination are herein treated together as a petition for termination of the '165 *inter partes* reexamination proceeding. The petition for termination is dismissed for the reasons set forth below.

FEES

A petition fee of $400 has been charged to patent owner's deposit account, pursuant to the authorization for same at page 8 of the June 2nd petition.

BACKGROUND

1. U.S. Patent No. 6,550,701 B1 ("the '701 patent") issued to Frank Chang on April 22, 2003, from an application filed on October 10, 2000. The '701 patent issued containing a total of four claims.

2. On April 20, 2005, the patent owner filed a reissue application for the '701 patent, which was assigned application number 11/109,843 ("the '843 reissue application").

3. On July 7, 2006, the Office mailed in the '843 reissue application a non-final Office action containing rejections based on prior art, including U.S. Patent No. 6,065,696 issued to Jeff Tsai ("Tsai") and U.S. Patent No. 3,724,766 issued to James M. Bosland ("Bosland").

4. A third party requester filed on September 21, 2006, a request for *inter partes* reexamination of the '701 patent. The request requests reexamination of claims 1 and 3-4 of the '701 patent; the request does not request reexamination of the '701 patent's claim 2. The resulting reexamination proceeding was assigned control number 95/000,165 ("the '165 *inter partes* reexamination proceeding").

5. On November 1, 2006, the Office mailed an Order granting *inter partes* reexamination in the '165 *inter partes* reexamination proceeding. The Order states that a substantial new question of patentability (SNQ) affecting each claim for which reexamination was requested (claims 1 and 3-4) is raised by the September 21, 2006 request.

6. On November 27, 2006, the Office mailed in the '843 reissue application a non-final Office action containing rejections based on prior art, including U.S. Patent No. 4,842,205 to Yasuo Araki, *et al.* ("Araki") and the brochure Intimus® 501 CD, January 1999 ("Intimus brochure").

7. The Office mailed on February 8, 2007, an *Ex Parte Quayle* action closing prosecution in the '843 reissue application.

8. On June 21, 2007, the Office mailed a Notice of Allowance in the '843 reissue application.

9. The '843 reissue application issued on February 5, 2008, as reissue patent number RE 40,042 (the '042 reissue patent) with original patent claims 1-4 (unchanged) and new reissue claims 5-11.

10. On May 2, 2008, the Office issued a non-final Office action in the '165 reexamination proceeding substituting the '042 reissue patent for the '701 patent. The Office action

states that, of the eleven claims of the '042 reissue patent, claims 1, 3, 5, 7, and 9-11 are rejected, claims 4, 6, and 8 are confirmed, and claim 2 is not subject to reexamination. The prior art rejections contained in the Office action are based on Tsai, Araki, Bosland, the Intimus brochure, the advertisement Kobra 240 SS5 Electronic Data Media Shredder, May 31, 2000 ("the Kobra advertisement"), and the literature Card-Shredder, Schleicher, 1996 ("Schleicher literature").

11. Patent owner filed the June 2nd petition in the '165 *inter partes* reexamination proceeding.

12. The third party requester in the '165 *inter partes* reexamination proceeding filed on June 11, 2008, an Opposition to Petition to Terminate Reexamination Proceedings.

13. On July 2, 2008, the Office mailed a Decision on Petition for Extension of Time Under 37 CFR 1.956 granting a 30-day extension of time.

14. Patent owner filed on July 2, 2008, an Amendment and Reply To May 2, 2008 Non-Final Office Action.

RELEVANT AUTHORITY

35 USC 312(a) provides:

> REEXAMINATION.- Not later than 3 months after the filing of a request for *inter partes* reexamination under section 311, the Director shall determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request, with or without consideration of other patents or printed publications. The existence of a substantial new question of patentability is not precluded by the fact that a patent or printed publication was previously cited by or to the Office or considered by the Office.

MPEP § 2646(II) provides, in part:

> A petition under 37 CFR 1.181 may, however, be filed to vacate an *ultra vires* reexamination order, such as where the order for reexamination is not based on prior art patents and printed publications. In cases where <u>no discretion</u> to grant a request for reexamination exists, a petition to vacate the decision to grant, or a request for reconsideration, will be entertained. "Appropriate circumstances" under 37 CFR 1.181(a)(3) exist to vacate the order granting reexamination where, for example:
>
> (A) the reexamination order is not based on prior art patents or printed publications;
>
> (B) reexamination is prohibited under 37 CFR 1.907;
>
> (C) all claims of the patent were held to be invalid by a final decision of a Federal Court after all appeals;
>
> (D) reexamination was ordered for the wrong patent;

(E) reexamination was ordered based on a duplicate copy of the request; or

(F) the reexamination order was based **wholly** on the same question of patentability raised by the prior art *previously considered* in an earlier concluded examination of the patent by the Office (e.g., the application which matured into the patent, a prior reexamination, an interference proceeding). (Emphases in the original.)

MPEP § 2642(II)(A) provides, in part:

In a decision to order reexamination made on or after November 2, 2002, reliance on old art does not necessarily preclude the existence of a substantial new question of patentability (SNQ) that is based exclusively on that old art. See Public Law 107-273, 116 Stat. 1758, 1899-1906 (2002), which expanded the scope of what qualifies for a substantial new question of patentability upon which a reexamination may be based. Determinations on whether a SNQ exists in such an instance shall be based upon a fact-specific inquiry done on a case-by-case basis. For example, a SNQ may be based solely on old art where the old art is being presented/viewed in a new light, or in a different way, as compared with its use in the earlier concluded examination(s), in view of a material new argument or interpretation presented in the request. (Emphasis in the original.)

DECISION

I. Patent Owner's Argument for Termination of the Reexamination

In the June 2nd petition, patent owner alleges that the Order granting reexamination in the '165 *inter partes* reexamination proceeding, as well as the claim rejections contained in the May 2, 2008 non-final Office action, are based wholly on the same questions of patentability raised by the prior art previously considered by the Office in the '843 reissue application. In particular, patent owner argues that each of the references found to raise a SNQ in the Order granting reexamination in the '165 *inter partes* reexamination proceeding, as well as each of the references used to reject claims in the May 2, 2008 Office action, is "old art" that was cited and considered in the '843 reissue application. Patent owner concludes, therefore, that in accordance with *In re Recreative Technologies Corp.*, 83 F.3d 1394, 38 USPQ2d 1776 (Fed. Cir. 1996), a SNQ is not raised by the request for reexamination in the '165 *inter partes* reexamination proceeding, and the questions of patentability which form the bases of the claim rejections presented in the May 2, 2008 non-final Office action are not SNQs.

II. Findings and Analysis

A. The Order for Reexamination in the '165 *Inter Partes* Reexamination Proceeding

A review of the Order granting reexamination shows that the examiner determined that a SNQ exists for every claim of the '701 patent for which reexamination was requested (claims 1 and 3-4). The review further shows that the SNQs are based, either in whole or in part, on the following documents: Araki; the Intimus brochure; Bosland; the Kobra advertisement; Tsai; the

Schleicher literature; DE 27 02 147 ("DE '147"); and GB 2 171 029 to Zettler ("Zettler"). For example, at page 7 of the November 1, 2006 Order granting reexamination in the '165 proceeding, the examiner concludes that Tsai raises a SNQ with regard to claims 1 and 3-4 of the '701 patent. As another example, at page 6 of the November 1, 2006 Order, the examiner concludes that the Kobra advertisement raises a SNQ with regard to claims 1 and 3-4 of the '701 patent.

B. The May 2, 2008 Office Action in the '165 *Inter Partes* Reexamination Proceeding

Between the November 1, 2006 Order granting reexamination and the May 2, 2008 non-final Office action, the '843 reissue application issued as the '042 reissue patent. Therefore, the examiner substituted the '042 reissue patent, which contains original patent claims 1-4 (unchanged) and new reissue claims 5-11, for the '701 patent in the May 2, 2008 non-final Office action.

The Summary of Action in the May 2, 2008 Office action states that claims 1 and 3-11 are subject to reexamination, claim 2 is not subject to reexamination, claims 4, 6, and 8 are confirmed, and claims 1, 3, 5, 7, and 9-11 are rejected. A review of the May 2, 2008 non-final Office action reveals the following rejections of claims 1, 3, 5, 7, and 9-11:

> claims 1, 9, and 11 are rejected under 35 U.S.C. 103 as being unpatentable over Tsai, in view of Araki and Bosland;
>
> claims 1 and 3 are rejected under 35 U.S.C. 103 as being unpatentable over Tsai in view of Araki or Bosland, as applied in the rejection of claims 1, 9, and 11, and in further view of the Intimus brochure, the Kobra advertisement, and the Schleicher literature;
>
> claim 5 is rejected under 35 U.S.C. 103 as being unpatentable over Tsai in view of Bosland;
>
> claim 7 is rejected under 35 U.S.C. 103 as being unpatentable over Tsai in view of Bosland, as applied in the rejection of claim 5, and further in view of the Intimus brochure; and
>
> claim 10 is rejected under 35 U.S.C. 102(b) as being anticipated by Tsai.

Therefore, in the May 2, 2008 Office action, the SNQs are based, either in whole or in part, on the following documents: Tsai; Araki; the Intimus brochure; Bosland; the Kobra advertisement; and the Schleicher literature. The Tsai document, in particular, is to be noted. It is the basis of the only § 102 anticipation rejection contained in the May 2, 2008 Office action, and it is the primary reference in each of the four § 103 obviousness rejections contained in the May 2, 2008 Office action.

In contrast to the Order granting reexamination, neither DE '147 or Zettler is identified as forming the basis, either in whole or in part, of a SNQ in the May 2, 2008 Office action.

C. Prior Proceedings Involving the '701 Patent

There have been two prior proceedings involving the '701 patent, which has now been surrendered and replaced by the '042 reissue patent. The two prior proceedings are the application that matured into the '701 patent and the '843 reissue application that resulted in the grant of the '042 reissue patent.

1. The '843 reissue application

A review of the record of the '843 reissue application reveals that at least the Tsai reference and the Kobra advertisement are being viewed in a new light, or in a different way, in the present '165 *inter partes* reexamination proceeding as compared with their uses, respectively, in the '843 reissue application.

Looking first at the Tsai reference, the '165 proceeding presents a material new argument or interpretation with respect to its disclosure. In this regard, each independent claim of the '042 reissue patent includes the recitation "two inports on an upper limit thereof, the inports including a paper inport with an opening of a larger dimension and inclined, curved channel walls, and a disc inport with an opening of a smaller dimension and vertical channel walls." Each rejection in the May 2, 2008 Office action relies on Tsai to meet the curved walls feature and the smaller versus larger dimension feature of the "two inports" claim recitation. The rejection of claims 1, 9, and 11 under 35 U.S.C. 103 as being unpatentable over Tsai, in view of Araki and Bosland is representative; the relevant portion thereof from page 4 of the May 2, 2008 Office action is reproduced below (emphasis in the original).

> Tsai has two inports on its upper lid. The upper lid is the top part 2 of the housing. And the two ports are labeled 11 and 12 in the Figures (see col. 2, lines 4-8). Each of the inports includes vertical walls and inclined, curved upper walls. Regarding the inclined, curved walls, these are at the top of each inport at that portion of the top 2 that surrounds the beginning of the vertical passage of the inport. The vertical walls are the facing portions of the vertical passage.
>
> Each of the inports has an opening. The opening for the inport 11 is shown larger than the opening for the inport 12. As pointed out by third party requester, "Figure 1 illustrates inlet 11 as being slightly wider at the point where the curved upper walls meet the vertical walls leading down to the respective cutters 30, 32. This area clearly has a wider dimension than the inlet 12, and thus satisfies this limitation" (see Request, page 54).
>
> The inlet 11 is larger in a different way, also indicated by third party requester:
>
> > *Alternatively, inlet 11 may be regarded as having "an opening of a larger dimension" because it has a greater depth between the outside of the shredder and the point where it ends near the cutter*

> *30. The inlet 12 has a much shorter length. This longer depth for inlet 11 can also satisfy the requirement of a "larger dimension" relative to inlet 12. The claim does not define a particular dimension, and thus is satisfied under the "broadest reasonable interpretation" standard by this difference in depth dimension.*

(Request, page 54).

Thus, regarding the claim 1 limitations, "two inports on an upper limit thereof, the inports including a paper inport with an opening of a larger dimension and inclined, curved channel walls, and a disc inport with an opening of a smaller dimension and vertical channel walls," such limitations are met by Tsai.

In contrast, as shown at the paragraph bridging pages 3 and 4 of the July 7, 2006 Office action, the examiner in the '843 reissue application considered that Tsai did not disclose either an inport having a curved channel or inports of different dimensions. Thus, the above argument or interpretation by the examiner in the '165 *inter partes* reexamination proceeding that the Tsai reference meets the curved walls feature and the smaller versus larger dimension feature of the "two inports" recitation reflects a consideration of Tsai in a new light, or in a different way, from how it was viewed in the '843 reissue application.

It is to be noted that, at page 7 of the November 1, 2006 Order granting reexamination in the '165 proceeding, the examiner likewise relied on Tsai's disclosure of a shredder having (i) an inport with curved walls and (ii) inports of different dimensions to conclude that Tsai raises a SNQ with regard to claims 1, 3, and 4 of the '701 patent.

Turning to the Kobra advertisement, the '165 *inter partes* reexamination proceeding also presents a material new argument or interpretation with respect to its disclosure. In the rejection of claims 1 and 3 under 35 U.S.C. 103 on page 6 of the May 2, 2008 Office action, the examiner relies on the Kobra advertisement as a secondary reference for the teaching to make a shredder with the cutting capability for shredding optical discs, credit cards and paper. Likewise, at page 6 of the November 1, 2006 Order granting reexamination in the '165 proceeding, the examiner relies on the Kobra advertisement's teaching of a "high performance multi-purpose shredder suitable to shred CD-roms, floppy disks and regular office paper" to conclude that the Kobra advertisement raises a SNQ with regard to claims 1, 3, and 4 of the '701 patent.

The foregoing manner in which the Kobra advertisement was considered and applied in the '165 proceeding differs from the manner in which it was considered and discussed on the record of the '843 reissue application. In fact, the Kobra advertisement was not used to reject a claim in the '843 reissue application. Indeed, the Kobra advertisement, which was first submitted to the Office in an Information Disclosure Statement (IDS) filed in the '843 reissue application on September 8, 2006, and considered by the examiner on November 20, 2006, was not discussed at all in the '843 reissue application.

2. The application that matured into the '701 patent

A review of the record of the application that matured into the '701 patent fails to show any discussion of any kind of any of Tsai, Araki, Bosland, the Intimus brochure, the Kobra advertisement, and the Schleicher literature. None of these publications was of record in that proceeding.

3. Summary of the prior proceedings

The records of the prior proceedings involving the '701 patent reveal that at least the Tsai reference and the Kobra advertisement are being viewed in a new light, or in a different way, in the present '165 *inter partes* reexamination proceeding, in view of the material new arguments or interpretations outlined in Section II.C.1, *supra*.

D. A SNQ May Be Based on "Old Art"

35 U.S.C. § 312 was amended, effective in 2002, to provide that the Office is not automatically precluded from finding that a SNQ exists in an *inter partes* reexamination proceeding where the SNQ is based only upon "old art" (*i.e.*, prior patents or printed publications that were previously cited to or considered by the Office in a prior proceeding involving a patent for which *inter partes* reexamination is requested). MPEP § 2642, subsection II.A., clearly states that the determination of whether a SNQ exists must be made on a case-by-case basis, and that as one example, a SNQ may be based solely on "old art" if such "old art" is presented in a "new light" or in a different way as compared with its use in the earlier concluded examination(s), in view of a material new argument or interpretation presented in the request for *inter partes* reexamination.

Further, MPEP § 2646, subsection II., which explains the bases upon which a petition to vacate an Order for *inter partes* reexamination may be filed, includes a discussion of MPEP § 2642, subsection II.A. MPEP § 2646, subsection II., specifically states that where a reexamination order is based wholly on the same question of patentability raised by the prior art previously considered in an earlier concluded examination of the patent by the Office (*e.g.*, the application which matured into the patent, or a prior reexamination of the patent), such would provide a circumstance in which there would be no discretion to grant a request for reexamination.

MPEP § 2646, subsection II., also includes a discussion of the *Recreative Technologies* decision insofar as that decision relates to the criteria for vacating a reexamination order on the basis of the order having been based wholly on the same question of patentability raised in an earlier concluded examination of the patent by the Office. A review of the *Recreative Technologies* decision, which pre-dates the 2002 amendment to the reexamination statute, shows that the decision involved a reexamination proceeding in which a 35 U.S.C. § 103 rejection for obviousness was made based on a reference to Ota. The Ota reference was "old art" because the very same section 103 rejection over Ota had been made in the examination of the original application that had matured into the patent that was being reexamined, and the claims of the patent had been held to be nonobvious over Ota in that prior proceeding. The Court held that the statutory requirement that a SNQ must exist before the Office may order reexamination was not satisfied when the very same rejection that had been made during the prosecution of the original

application for patent was asserted as raising a SNQ in the reexamination proceeding. The Court did not reach the question of whether viewing the Ota reference as a 35 U.S.C. § 102 anticipatory reference would have raised a SNQ in the reexamination proceeding.

The extent to which "old" art qualifies in support of establishing a SNQ sufficient to order reexamination was further clarified recently when the Federal Circuit issued its decision in *In re Swanson*, 540 F.3d 1368 (Fed. Cir. 2008). There, the Federal Circuit states:

> Thus, under § 303(a) as amended, a reference may present a substantial new question even if the examiner considered or cited a reference for one purpose in earlier proceedings. Nothing in the statute creates an exception to this rule for references considered in the context of a rejection of prior claims.

540 F.3d at 1382. Thus, "a piece of prior art relied on for a prior rejection could nevertheless create a new question of patentability sufficient to warrant a reexamination." *Id.* The Federal Circuit states that the focus of the new question inquiry should be "whether the particular question of patentability presented by the reference in reexamination was previously evaluated by the PTO." *Id.* Further, it should be noted that the basis for the Federal Circuit's discussion of the consideration of the ability of an examiner to find a SNQ based on a reference previously considered during a prior proceeding for the patent that is the subject of reexamination is the legislative history.*

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* "The PTO, however, may only grant a reexamination request if it determines that 'a substantial new question of patentability affecting any claim of the patent concerned is raised by the request.' [Footnote omitted] *35 U.S.C. § 303(a); see also id. § 304.* The 'substantial new question of patentability' requirement prevents potential harassment of patentees by 'act[ing] to bar reconsideration of any argument already decided by the [PTO], whether during the original examination or an earlier reexamination.' H.R. Rep. No. 96-1307 (1980). This court, in *In re Portola Packaging Inc.*, 110 F.3d 786 (Fed. Cir. 1997), interpreted this statutory intent as precluding reexamination based on 'prior art previously considered by the PTO in relation to the same or broader claims.' *Id. at 791.* Congress disagreed with the restrictive scope of reexamination imposed by this court. *See* H.R. Rep. No 107-120, at 2 ('[T]he Federal Circuit incorrectly interpreted Congress' original intent underlying the reexamination statute and limited the application of the process.'). In 2002 Congress amended § 303(a) to include an additional sentence, explaining that the amendment 'overturns the holding of In re Portola Packaging Inc., a 1997 Federal court decision imposing an overly-strict limit that reaches beyond the text of the Patent Act.' *Id.* The reexamination statute now provides, in pertinent part:

> Within three months following the filing of a request for reexamination under the provisions of *section 302* of this title, the Director will determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request, with or without consideration of other patents or printed publications. . . . *The existence of a substantial new question of patentability is not precluded by the fact that a patent or printed publication was previously cited by or to the Office or considered by the Office.*

35 U.S.C.A. § 303(a) (2002) (emphasis added). According to the House Report accompanying the Bill, under the *amended § 303(a)*, 'the appropriate test to determine whether a 'substantial new question of patentability' exists should not merely look at the number of references or whether they were previously considered or cited but their combination in the appropriate context of a new light as it bears on the question of the validity of the patent.' *Id.; see also* H.R. Rep. No. 107-120, at 3 ('While this bill clarifies that previously considered prior art will not necessarily bar a request for reexamination, the bill does not eliminate the requirement for a 'substantial new question of patentability' to be present for the agency to permit reexamination.')." 540 F.3d 1375-76.

E. Reexamination Was Properly Ordered in the '165 *Inter Partes* Reexamination Proceeding

The November 1, 2006 Order granting reexamination in the '165 *inter partes* reexamination is not an *ultra vires* action by the examiner that must be vacated. In this regard, MPEP § 2642(I) provides that a SNQ may be presented by prior art patents and printed publications if they raise a substantial question of patentability of at least one claim of the patent, "***unless*** the same question of patentability has already been decided by (A) a final holding of invalidity, after all appeals, or (B) by the Office in a previous examination or pending reexamination of the patent." (Emphasis added.) MPEP § 2642(I) further provides that "[a] 'previous examination' of the patent is: (A) the original examination of the application which matured into the patent; (B) the examination of the patent in a reissue application ***that has resulted*** in a reissue of the patent; or (C) the examination of the patent in an earlier pending or concluded reexamination." (Emphasis added.) Similarly, MPEP § 2642(II)(A) states that "a SNQ may be based solely on old art where the old art is being presented/viewed in a new light, or in a different way, as compared with its use in the ***earlier concluded*** examination(s), in view of a material new argument or interpretation presented in the request. (Underlined emphasis in the original; boldface italicized emphasis added.)

At the time that the Order granting reexamination was mailed in the '165 reexamination proceeding, the '843 reissue application had not resulted in a reissue of the '701 patent and, thus, was not an earlier concluded examination. Specifically, the reexamination order in the '165 proceeding was mailed November 1, 2006, whereas the Office (i) mailed an *Ex Parte Quayle* action closing prosecution in the '843 reissue application on February 8, 2007, (ii) mailed a Notice of Allowance in the '843 reissue application on June 21, 2007, and (iii) issued the '843 reissue application on February 5, 2008. Therefore, the examination of the '843 reissue application could not have qualified as a proper bar to the raising of a SNQ in the November 1, 2006 Order granting reexamination in the '165 *inter partes* proceeding, and does not cause the Order to be an *ultra vires* action that must be vacated.

Even if the '843 reissue application could have qualified as a proper bar to the raising of a SNQ in the November 1, 2006 Order, it is shown in Section II.D., *supra*, that a SNQ is not *per se* improper if based solely on old art. In particular, a SNQ may be based solely on "old art," if such "old art" is presented in a "new light" or in a different way as compared with its use in the earlier concluded examination(s), *e.g.*, if a material new argument or interpretation with respect to the "old art" is presented. For the reasons discussed at Section II.C.1., *supra*, the arguments and interpretations presented by the examiner in the November 1, 2006 Order with respect to each of the Tsai reference and the Kobra advertisement reflect a consideration of these documents in a new light, or in a different way, from how they were viewed in the '843 reissue application. Therefore, even if the '843 reissue application could have qualified as a proper bar to the raising of a SNQ in the November 1, 2006 Order, the examination of the '843 reissue application would not cause the Order to be an *ultra vires* action that must be vacated, because the Order still would not be based wholly on the same questions of patentability raised by previously considered prior art.

At the time that the Order granting reexamination was mailed in the '165 reexamination proceeding, the only earlier concluded examination involving the '701 patent was the application

that matured into the '701 patent. As stated at Section II.C.2., *supra*, the record of the application that matured into the '701 patent fails to show any discussion of any kind of any of Tsai, Araki, Bosland, the Intimus brochure, the Kobra advertisement, and the Schleicher literature. None of these publications was of record in that proceeding. Therefore, the examination of the application that matured into the '701 patent cannot bar the raising of the SNQs presented in the November 1, 2006 Order granting reexamination in the '165 *inter partes* proceeding, and does not cause the Order to be an *ultra vires* action that must be vacated.

F. The May 2, 2008 Office Action Was Properly Issued in the '165 *Inter Partes* Reexamination Proceeding

The May 2, 2008 Office action in the '165 *inter partes* reexamination proceeding is not an *ultra vires* action by the examiner that must be vacated. As shown in Section II.D., *supra*, a SNQ is not *per se* improper if based solely on old art. A SNQ may be based solely on "old art," if such "old art" is presented in a "new light" or in a different way as compared with its use in the earlier concluded examination(s), *e.g.*, if a material new argument or interpretation with respect to the "old art" is presented. As set forth at Section II.B., *supra*, the Tsai document is (i) the basis of the only § 102 anticipation rejection contained in the May 2, 2008 Office action and (ii) the primary reference in each of the four § 103 obviousness rejections contained in the May 2, 2008 Office action. As further set forth at Section II.B., the examiner relies on the Kobra advertisement as a secondary reference in the rejection of claims 1 and 3 under 35 U.S.C. 103 in the May 2, 2008 Office action. For the reasons discussed at Section II.C.1., *supra*, the arguments and interpretations presented by the examiner in the May 2, 2008 Office action with respect to each of the Tsai reference and the Kobra advertisement reflect a consideration of these documents in a new light, or in a different way, from how they were viewed in the '843 reissue application. Therefore, the examination of the '843 reissue application does not cause the May 2, 2008 Office action to be an *ultra vires* action that must be vacated, because the rejections presented in the Office action are not based <u>wholly</u> on the <u>same</u> questions of patentability raised by previously considered prior art.

With respect to the examination of the application that matured into the '701 patent, it is stated at Section II.C.2., *supra*, that the record of said application fails to show any discussion of any kind of any of Tsai, Araki, Bosland, the Intimus brochure, the Kobra advertisement, and the Schleicher literature. None of these publications was of record in that proceeding. Therefore, the examination of the application that matured into the '701 patent cannot cause the May 2, 2008 Office action to be an *ultra vires* action that must be vacated.

For the reasons given above, the Office has the authority to proceed in the '165 *inter partes* reexamination proceeding.

As a final point regarding the present decision on petition, the June 2, 2008 patent owner petition to terminate the '165 *inter partes* reexamination proceeding was not filed within two months of the November 1, 2006 mail date of the Order, as required by 37 CFR 1.181(f). The June 2nd patent owner petition to terminate, therefore, is untimely filed. This presents an alternative ground for dismissal.

CONCLUSION

1. The patent owner's June, 2, 2008 petition for termination of the '165 *inter partes* reexamination is **dismissed**.

2. The '165 *inter partes* reexamination proceeding will not be terminated and will proceed with special dispatch.

3. Jurisdiction of the '165 *inter partes* reexamination proceeding is being returned to the Central Reexamination Unit, Art Unit 3993, for action as may be appropriate.

4. Telephone inquiries related to this decision should be directed to Raul Tamayo, Legal Advisor, Office of Patent Legal Administration, at (571) 272-7728, or in his absence, to Stephen Marcus, Senior Legal Advisor, at (571) 272-7743.

Kenneth M. Schor
Senior Legal Advisor
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CENTRAL REEXAMINATION UNIT

In re Rambus, Inc. :
Inter Partes Reexamination Proceeding : **DECISION**
Control No. 95/000,166 : **DISMISSING**
Originally Deposited: August 8, 2006 : **PETITION**
Filed: August 22, 2007 :
For: U.S. Patent No. 6,426,916 :

This is a decision on the patent owner petition filed on October 1, 2007 entitled "Renewed Petition to Vacate the Filing Dates and Orders Granting Inter Partes Reexamination or, Alternatively, to Suspend the Proceedings" (hereinafter "renewed petition"). Receipt is also acknowledged of a paper filed on October 12, 2007 by third party requester entitled "Renewed Third-Party Requester's Petition and Opposition to Petition to Vacate the Filing Dates and Orders Granting *Inter Partes* Reexamination or, Alternatively, to Suspend the Proceedings" (hereinafter "renewed opposition").

The October 1, 2007 patent owner renewed petition, the October 12, 2007 third party renewed opposition, and the '166 *inter partes* reexamination proceeding are before the Office of Patent Legal Administration for consideration.

FEES

No fee is required for the October 1, 2007 patent owner renewed petition or for the October 12, 2007 renewed opposition paper filed by the third party requester. These papers merely call up for action the patent owner petition to vacate or suspend that was previously filed on May 15, 2007, and the June 14, 2007 opposition thereto that was previously filed by the third party requester. The May 15, 2007 and June 14, 2007 papers were held in abeyance because the originally granted filing date was vacated on other grounds. [1] Each party had remitted the necessary $400.00 petition fee for their respective papers that had been held in abeyance. The present decision is a decision in respect to the May 15, 2007 patent owner petition to suspend or vacate and the June 14, 2007 third party requester opposition thereto.

[1] "Decision on Petition to Vacate *Inter Partes* Reexamination Filing Date," August 14, 2007, particularly at page 7.

REVIEW OF SALIENT FACTS

1. U.S Patent number 6,426,916 ("the '916 patent") issued to Michael Farmwald *et al* on July 30, 2002, and is assigned to Rambus, Inc.

2. On August 8, 2006, a request for *inter partes* reexamination of the '916 patent was deposited by a third party requester, David L. McCombs, and was assigned control No. 90/000,166 ("the '166 *inter partes* reexamination proceeding").

3. On October 6, 2006, a Notice was mailed to the third party requester in the '166 *inter partes* reexamination proceeding in which requester was notified that the request for *inter partes* reexamination of the '916 patent was not entitled to a filing date until the request for reexamination was completed.

4. On October 12, 2006, the third party requester filed a corrected original request for *inter partes* reexamination of the '916 patent, and the request for *inter partes* reexamination was deemed to have been completed and was accorded a filing date of October 12, 2006.

5. In both the original request and the corrected original request for *inter partes* reexamination, the third party requester identified Samsung Electronics Co., Ltd. as being "the real party in interest," pursuant to 37 CFR 1.915(b) and 35 U.S.C. 311(b).

6. On December 26, 2006, reexamination was ordered for claims 1-41 (*i.e.*, all of the claims) of the '916 patent.

7. On May 15, 2007, patent owner filed a petition requesting that the October 12, 2006 filing date accorded to the corrected request for *inter partes* reexamination of the '916 patent be vacated on the grounds that the request did not properly identify the real party in interest in accordance with the reexamination statute and regulations, or in the alternative, suspended.

8. On May 31, 2007, the Office mailed a Notice advising third party requester that third party requester had the right to file an opposition to the May 15, 2007 patent owner petition, and establishing a fifteen (15) day time period for third party requester to do so.

9. On June 14, 2007, third party requester timely filed the present papers opposing the May 15, 2007 patent owner petition ("hereinafter, the present third party opposition").

10. On July 13, 2007, patent owner filed a petition to vacate the December 12, 2006 Order Granting *Inter Partes* Reexamination.

11. On July 26, 2007, the third party requester filed an opposition to the July 13, 2007 patent owner petition to vacate the December 12, 2006 Order Granting *Inter Partes* Reexamination.

12. On August 14, 2007, a decision granting the July 13, 2007 patent owner petition was mailed. The August 14, 2007 decision vacated the filing date that had been originally accorded to the '166 *inter partes* reexamination proceeding. Therefore, the December 12,

2006 Order Granting *Inter Partes* Reexamination was also vacated due to the vacatur of the filing date of the '166 *inter partes* reexamination proceeding. [2]

13. On August 22, 2007, a redacted version of the original Request for *Inter Partes* Reexamination was filed in response to the August 14, 2007 decision that had vacated the originally accorded filing date. The redacted version of the Request for *Inter Partes* Reexamination was accorded a filing date of August 22, 2007.

14. The redacted request for *inter partes* reexamination also identified Samsung Electronics Co., Ltd. as the real party in interest.

15. On October 1, 2007, the patent owner filed the renewed patent owner petition to vacate or suspend the '166 *inter partes* reexamination proceeding, effectively calling the May 15, 2007 patent owner petition up for action.

16. On October 12, 2007, the requester filed the renewed opposition to the October 1, 2007 patent owner petition, effectively calling the May 15, 2007 requester opposition petition up for action.

17. The '916 patent is currently involved in a number of litigation proceedings. [3] as follows, as indicated in the May 15, 2007 petition to vacate or suspend, the June 14, 2007 third party requester opposition thereto and the Notice of Prior and Concurrent Proceedings filed by patent owner concurrently with the October 1, 2007 renewed patent owner petition:

RELEVANT STATUTORY, REGULATORY AND PRACTICE PROVISIONS

35 U.S.C. §§ 311(a) and (b) provide:

(a) IN GENERAL.— Any third-party requester at any time may file a request for inter partes reexamination by the Office of a patent on the basis of any prior art cited under the provisions of section 301.
(b) REQUIREMENTS.— The request shall—
(1) be in writing, include the identity of the real party in interest, and be accompanied by payment of an inter partes reexamination fee established by the Director under section 41; and
(2) set forth the pertinency and manner of applying cited prior art to every claim for which reexamination is requested.

35 U.S.C. § 314(c) provides:

SPECIAL DISPATCH.— Unless otherwise provided by the Director for good cause, all inter partes reexamination proceedings under this section, including any appeal to the Board of Patent Appeals and Interferences, shall be conducted with special dispatch within the Office.35 U.S.C. § 315(c) provides:

CIVIL ACTION.— A third-party requester whose request for an inter partes reexamination results in an order under section 313 is estopped from asserting at a later time, in any civil action arising in whole or in part under section 1338 of title 28, the invalidity of any claim finally determined to be valid and patentable on any ground which the third-party requester raised or could have

[2] Decision on Petition, August 14, 2007, Summary paragraph bridging pages 1 and 2.
[3] Claims 9, 28 and 40 of the '916 patent has been held "not invalid." See Special Verdict attached as Exhibit 2 to the present patent owner petition and as Exhibit B to the June 14, 2007 third party opposition.

raised during the inter partes reexamination proceedings. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

35 U.S.C. § 317 provides:

(a) ORDER FOR REEXAMINATION.– Notwithstanding any provision of this chapter, once an order for inter partes reexamination of a patent has been issued under section 313, neither the third-party requester nor its privies may file a subsequent request for inter partes reexamination of the patent until an inter partes reexamination certificate is issued and published under section 316, unless authorized by the Director.
(b) FINAL DECISION.– Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party has not sustained its burden of proving the invalidity of any patent claim in suit or if a final decision in an inter partes reexamination proceeding instituted by a third-party requester is favorable to the patentability of any original or proposed amended or new claim of the patent, then neither that party nor its privies may thereafter request an inter partes reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in such civil action or inter partes reexamination proceeding, and an inter partes reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office, notwithstanding any other provision of this chapter. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

37 CFR 1.907 provides:

(a) Once an order to reexamine has been issued under § 1.931, neither the third party requester, nor its privies, may file a subsequent request for *inter partes* reexamination of the patent until an *inter partes* reexamination certificate is issued under § 1.997, unless authorized by the Director.
(b) Once a final decision has been entered against a party in a civil action arising in whole or in part under 28 U.S.C. 1338 that the party has not sustained its burden of proving invalidity of any patent claim-in-suit, then neither that party nor its privies may thereafter request *inter partes* reexamination of any such patent claim on the basis of issues which that party, or its privies, raised or could have raised in such civil action, and an *inter partes* reexamination requested by that party, or its privies, on the basis of such issues may not thereafter be maintained by the Office.
(c) If a final decision in an *inter partes* reexamination proceeding instituted by a third party requester is favorable to patentability of any original, proposed amended, or new claims of the patent, then neither that party nor its privies may thereafter request *inter partes* reexamination of any such patent claims on the basis of issues which that party, or its privies, raised or could have raised in such *inter partes* reexamination proceeding.

37 CFR 1.913 provides:

Except as provided for in § 1.907, any person other than the patent owner or its privies may, at any time during the period of enforceability of a patent which issued from an original application filed in the United States on or after November 29, 1999, file a request for *inter partes* reexamination by the Office of any claim of the patent on the basis of prior art patents or printed publications cited under § 1.501.

37 CFR 1.915(b)(7), (b)(8) and (d) provide:

(b) A request for *inter partes* reexamination must include the following parts:
(7) A certification by the third party requester that the estoppel provisions of § 1.907 do not prohibit the inter partes reexamination.

(8) A statement identifying the real party in interest to the extent necessary for a subsequent person filing an *inter partes* reexamination request to determine whether that person is a privy.

...

(d) If *the inter partes* request does not include the fee for requesting *inter partes* reexamination required by paragraph (a) of this section and meet all the requirements of paragraph (b) of this section, then the person identified as requesting *inter partes* reexamination will be so notified and will generally be given an opportunity to complete the request within a specified time. Failure to comply with the notice will result in the *inter partes* reexamination request not being granted a filing date, and will result in placement of the request in the patent file as a citation if it complies with the requirements of § 1.501.

37 CFR 1.919(a) provides:

(a) The filing date of a request for *inter partes* reexamination is the date on which the request satisfies all the requirements for the request set forth in § 1.915.

MPEP § 2614 provides, in part:

The reexamination request must identify the real party in interest who is responsible for filing the reexamination request. This information will be used by future parties requesting reexamination of the same patent, in making the certifications required by 37 CFR 1.915(b)(8).

DISCUSSION

On September 15, 2006, the third party requester deposited papers requesting *inter partes* reexamination of the '916 patent. These papers were processed by the technical support in the Central Reexamination Unit, and were deemed to be incomplete. Thereafter, a completed request for *inter partes* reexamination was deposited on, and accorded a filing date of, October 12, 2006. *Inter partes* reexamination was ordered on December 26, 2006. Patent owner then filed a petition on May 15, 2007 in which patent owner requested that the Office vacate the filing of the '166 *inter partes* reexamination proceeding, or in the alternative, that the Office suspend the '166 *inter partes* reexamination proceeding. The patent owner's request to vacate the filing date was based upon the assertion that the third party requester had not correctly identified the "real party of interest," as required by 35 U.S.C. 311(b)(1) and 37 CFR 1.915(b)(8) and 1.919(a).

Due to the nature of the issues raised by the patent owner, the Office mailed a Notice on May 31, 2007 inviting third party requester to file a paper opposing the May 15, 2007 patent owner petition. On June 14, 2007, third party requester did file such an opposition paper.

Patent owner thereafter filed a petition on July 13, 2007 to vacate the December 26, 2006 Order Granting *Inter Partes* Reexamination. Third party requester filed an opposition paper thereto on July 26, 2007. In the course of reviewing the record of the '166 *inter partes* reexamination proceeding with respect to these papers, the Office concluded that the October 12, 2006 corrected request for *inter partes* reexamination failed to comply with the reexamination statute and implementing regulation. Therefore, in a decision dated August 14, 2007, the Office vacated the October 12, 2006 filing date. (As a necessary incident to having vacated the filing date of the '166 *inter partes* reexamination proceeding, the Office also vacated the December 26, 2006 Order.) The Office also invited patent owner to file a response that would remedy the defects in the request for *inter partes* reexamination. Due to the vacatur of the October 12, 2006 filing date and the December 26, 2006 Order, the August 14, 2007 decision also stated that the May 15, 2007 patent owner petition and the third party

requester's June 14, 2007 opposition thereto would be held in abeyance pending a response to the decision that vacated the October 12, 2006 filing date of the corrected original request for *inter partes* reexamination.

Patent owner filed a response to the August 14, 2007 decision, and that response was accepted. The '166 *inter partes* reexamination proceeding, was accorded a filing date of August 22, 2007. An Order Granting *Inter Partes* Reexamination was then mailed on October 19, 2007. It is now appropriate, in light of patent owner having called the May 15, 2007 patent owner petition up for action, and the third party requester having called the opposition thereto up for action, that a decision on whether patent owner is entitled to have the '166 *inter partes* reexamination proceeding vacated, or in the alternative, suspended (based on the issues raised in the newly called-up patent owner petition) now be rendered.

I. Vacatur of the '166 *Inter Partes* Reexamination Proceeding

A. Summary of Patent Owner's Position [4]

35 U.S.C. § 311(b)(1), 37 CFR 1.915(b)(8) and 37 CFR 1.919(a) require that a third party requester who files a request for *inter partes* reexamination identify the real party in interest. The principal basis for patent owner's petition for vacatur of the '166 *inter partes* reexamination proceeding is that the request for *inter partes* reexamination of the '916 patent fails to properly identify the real party in interest (RPI). [5] Specifically, patent owner alleges the third party requester has failed to properly identify the RPI because certain parties asserted to be RPIs have not been identified by the request. Patent owner argues that because these parties have not been identified as real parties in interest, patent owner will be subject to multiple requests for *inter partes* reexamination in contravention of both 35 U.S.C. § 317(a) and the legislative intent that a patent owner not be harassed by such multiple requests. [6] Patent owner further alleges that the failure to identify all of the real parties in interest will mean that the unidentified parties will be able to evade the estoppel restrictions of 35 U.S.C. §§ 315(c) and 317(b). [7] Patent owner also alleges that third party requester delayed in pursuing this reexamination proceeding for strategic reasons to enable the filing of a series of *inter partes* reexamination requests aimed at patents that are "related" to the '916 patent, all of which are involved in litigation with the identified real party in interest and the other parties in interest who have not been identified. [8]

Patent owner bases these allegations on the fact that, with respect to the '916 patent and the other identified related patents, there are in fact multiple litigations in which patent owner has sued one or more defendants for patent infringement, that the litigations are in different stages along the path to a final determination of patent validity, that the '916 patent and the other patents have been found to be infringed and not invalid (at the district court level), that co-defendants in the litigation have formed an entity called the Advanced DRAM Technology consortium to develop future DRAM technologies and assess and minimize

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[4] The positions of both parties have been summarized in subsections A and B of Sections I and II of this decision. This decision reflects consideration of all arguments presented by the parties, and any failure to specifically mention a particular argument of either party does not reflect a failure to have considered that argument.

[5] All of the requests for *inter partes* reexamination of the '916 patent have named the same real party in interest, and so the May 15, 2007 petition, although originally addressed to the October 12, 2006 request for *inter partes* reexamination, is also applicable to the August 22, 2007 request for *inter partes* reexamination.

[6] Petition to Vacate or Suspend, May 15, 2007, page 2.

[7] *Id.*

[8] *Id.*, at page 2 and the first paragraph of page 3.

intellectual property related risks, and that there is a "joint defense group" that includes the presently identified real party in interest and other co-defendants in the litigations. [9] Patent owner also states that two of the parties, Samsung and Micron are, and have been, represented by the same counsel. [10]

Patent owner argues that although the reexamination statute does not define "real party in interest," the purposes behind the requirement (that a third party requesting *inter partes* reexamination identify the real party in interest) must be (1) to preclude harassment of the patent owner by the filing (particularly the serial filing) of multiple requests for *inter partes* reexamination, and (2) to provide a basis for allowing a patent owner to avail itself of the estoppel provisions of the reexamination statute. Patent owner presumes that to carry out the intent behind the real party in interest requirement, the phrase real party in interest "is meant to include entities working together with the reexamination requester and entities having a legal relationship with the requester." [11]

B. Summary of Third Requester's Position

Third party requester takes the position that, in accordance with 37 CFR 1.915(b), the real party in interest has been properly identified, because such identification need only be sufficient so that a party wishing to file an *inter partes* reexamination request will be able to determine whether that party is in privity with the identified real party in interest, and if not, will then be able to make the certification required by 37 CFR 1.915(b)(7). [12] Third party requester argues out that the issue of whether a party is in privity with another "must be decided on a case-by-case (*sic*, basis), evaluating all of the facts and circumstances of each individual situation. [13] Third party requester points out that:

> ... the Office generally will not have a need to resolve the factual issue of whether or not one party is a privy of another. Section 1.915(b)(7) requires a third party requester to certify that the estoppel provisions of § 1.907 do not prohibit the filing of the inter partes reexamination request, and the Office does not intend to look beyond this required certification. It is only in the rare instance where a challenge to the accuracy of the certification is raised by the patent owner, that the question would need to be addressed. [14]

Third party requester then argues that patent owner has not challenged the accuracy of the certification in the request for reexamination in the present '166 *inter partes* reexamination proceeding (that Samsung is a real party in interest), that the Office has no present need to do so, that Samsung was not a requester in an earlier *inter partes* reexamination proceeding for the '916 patent, and no estoppel against Samsung, having filed the request for the present '166 *inter partes* reexamination, exists. Third party requester further argues that because no other party controls or is substantially participating in the '166 *inter partes* reexamination proceeding, no other party is a real party in interest. [15] Third party requester concludes that, as the only party controlling and participating in the '166 *inter partes* reexamination proceeding, Samsung is the only real party in interest, and was properly identified as such in the request for *inter partes* reexamination.

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[9] *Id.*, at pages 3-7.
[10] *Id.*, at pages 10.
[11] *Id.*, at page 9.
[12] Petition and Opposition to Petition to Vacate or Suspend, June 14, 2007, page 5.
[13] *Id.*, at page 6, citing Response to General Comment 4, 37 CFR Part 1 *Rules to Implement Optional Inter Partes Reexamination Proceedings; Final Rule*, 65 FR 76759 (Dec. 7, 2000).
[14] *Id.*
[15] *Id.*, at pages 6-7.

C. Analysis and Findings

Note is taken of patent owner's argument that co-defendants of third party requester, and/or members of a "joint defense group," are required to be named as real parties in interest in the '166 *inter partes* reexamination proceeding; however, the argument is not persuasive. The fact that Samsung's co-defendants may benefit from this reexamination request, and/or that Samsung may be cooperating with others in a concurrent litigation involving the '916 patent and in other concurrent litigation involving related patents, would not, *per se*, show that those co-defendants or "joint defense group" members are real parties in interest in this *inter partes* reexamination proceeding.

It does not appear that the Office is in any way required to investigate and determine the accuracy of a certification made by a third party who files a request for *inter partes* reexamination of a patent. The reexamination statute does not require the Office to investigate the matter, nor does it provide the tools for the Office to do so. Further, Congress has not provided the Office with subpoena power or discovery tools and has not provided the Office with the ability to conduct hearings for eliciting testimony and cross-examination - - nor did Congress authorize the Office to impose punitive sanctions for non-compliance. Such evidentiary tools and sanctions are, however, available to the courts, which are the appropriate vehicle to make a factual investigation as to the accuracy of the identification of a "real party in interest." [16]

To expand, courts have discovery, testimony and other evidentiary tools (e.g., subpoena power and sanctions) available, and are the forums best equipped to determine who is, and who is not, the "real party in interest." Further, courts may provide relief, as appropriate, by enjoining the filing of a further *inter partes* reexamination request by the other parties in a civil action. Even if such an *inter partes* reexamination request was filed by one of the other parties in the civil action, a court could always enjoin participation by that requester in the proceeding and essentially turn the proceeding into an *ex parte* reexamination proceeding, the filing of which does not require identification of "a real party in interest" (35 USC 301-

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[16] Attention is invited to *In re Epstein*, 32 F.3d 1559, 31 USPQ2d 1817 (Fed. Cir. 1994), where the court took note of parties' availability of the court's investigative powers, to address the absence of same to the Office.

> "During ex parte PTO examination, applicants are free to investigate hearsay assertions relied upon by an examiner during the three to six month period available to respond to an office action. They also have the right to introduce rebuttal evidence under 37 C.F.R. Section 1.132 (1993). Moreover, if applicants wish to cross-examine the authors of written hearsay assertions, under 35 U.S.C. Section 145 (1988) they may bring a civil action in the United States District Court for the District of Columbia seeking adjudication that they are entitled to receive a patent. In such an action, testimony could be compelled by subpoena under Federal Civil Procedure Rule 45. See Gould v. Quigg , 822 F.2d 1074, 1076, 3 USPQ2d 1302, 1303 (Fed. Cir. 1987) ("While the evidentiary record before the Board serves as the 'evidentiary nucleus' of the district court proceeding in a section 145 action, the parties are entitled to submit additional evidence."). [32 F.3d at 1565, 31 USPQ2d at 1821]

Note MPEP 2010 which states:

> "The Office is not the best forum in which to determine whether there was an 'intent to mislead'; such intent is best determined when the trier of facts can observe demeanor of witnesses subjected to cross-examination. A court, with subpoena power, is presently the best forum to consider duty of disclosure issues under the present evidentiary standard for finding an 'intent to mislead'."

See also MPEP 2686.04(III) which points to this difference between the Office and the courts stating:

> "Another example is where there is an issue common to the litigation and the reexamination that can best be decided in court due to the availability in court of discovery and subpoena power (e.g., an issue heavily dependent on presentation of conflicting/contested evidence by the two parties)."

302), and is not prohibited by statute or rule, even after an *inter partes* reexamination was filed by the same real party in interest. [17] In addition, if (1) a decision in the present *inter partes* proceeding is ultimately made which is adverse to the requester, and (2) the issue is presented before a court, any estoppel considerations which may or may not apply from the *inter partes* reexamination statute, depending on the court's resolution of the "real party in interest" issue, can be addressed by the court at that time.

It is also to be noted that there is precedent on the issue of "real party in interest" in the federal courts, on matters ranging from jurisdiction (*e.g.*, presence of diversity or amount of suit) [18] to actions in which the principle is applied to prevent multiple or conflicting lawsuits by persons such as assignees [19]. Where such precedent requires a party whose disclosure has been challenged to provide support for the disclosure, the examples of court proceedings resolving "real party in interest" issues demonstrate the reason why the Office cannot perform such a function here. The Office does not possess subpoena, discovery, hearing and sanction tools that a court and certain other tribunals possess. A patent owner concerned with the issue of misidentification of the real party in interest in a request for *inter partes* reexamination may immediately seek relief from the alleged erroneous identification of the "real party in interest" via the courts, which possess the tools to investigate and obtain information as to the relationship of the parties to ascertain the veracity of the identified "real party in interest." The present petition is silent as to why patent owner did not approach the appropriate District Court for relief (*e.g.*, an investigation into the matter and an appropriate order). Given the emphasis that petitioner patent owner has placed on the importance of the "real party in interest" disclosure requirement, it would appear that patent owner could have immediately sought relief in the appropriate court regarding the identity of the real party in interest. The record does not show that patent owner has done so.

With respect to 37 CFR 1.915(b) regarding the issue of "real party in interest," the following discussion is provided. 37 CFR 1.915(b)(8) requires "[a] statement identifying the real party in interest to the extent necessary for a subsequent person filing an *inter partes* reexamination request to determine whether that person is a privy." As argued by third party requester, Samsung is identified as the "real party in interest." Samung further has been identified sufficiently for a party to know where it is located, and which business it operates under. Parties who would seek to file subsequent requests for *inter partes* reexamination of the '916 patent, and/or who may be subject to estoppels in litigation involving the '916 patent (if any such estoppels should result from the present '166 *inter partes* reexamination proceeding), have been provided with sufficient information to make an informed determination as to whether any relationship that they might have with third party requester Samsung would trigger a statutory estoppel. To the extent that petitioner construes 37 CFR 1.915(b)(8) to require inclusion of the identity of all parties who would be related or co-defendants of Samsung, such a construction would be unreasonable. As pointed out by third party requester, simply because a party may be related to, or is, a co-defendant of Samsung does not necessarily make that party a "real party in interest," because such party does not necessarily direct or control input into the '166 *inter partes* reexamination proceeding in any way. To the extent that petitioner patent owner has characterized requester's identification of the "real party of interest" as improper or erroneous, patent owner has not shown that any party other than the party identified in the

[17] If the court makes a finding that the "real party in interest" was misstated, the Office can then take action, if appropriate, based upon the court's findings.
[18] *Varlotta Construction Corporation v. Carla Development Corporation*, 886 F. Supp 315 (E.D.N.Y. 1995)
[19] *First Hartford Corporation Pension Plan & Trust v. United States*, 194 F.3d 1279 (Fed. Cir. 1999)

request for *inter partes* reexamination is in fact in control or is a directly contributing "real party in interest"; patent owner has simply shown that the co-defendants are simply – co-defendants in one or several civil suits who have formed a "joint defense group" for the purposes of that litigation. The Office is unaware of any authority that equates co-defendants in a civil suit with "real parties in interest" in an *inter partes* reexamination proceeding, and petitioner patent owner has cited none.

As a final point regarding requester's identification of the real party of interest, the Office relies on factual assertions made before it as true. See 37 CFR 10.18(b) ("By presenting to the Office . . . any paper, the party presenting such paper, whether a practitioner or non-practitioner, is certifying that . . . statements made therein of the party's own knowledge are true . . ."). And, as explained earlier, the Office is not equipped with the proper evidentiary tools to scrutinize the veracity of such asserted facts.

II. Suspension of the '166 *Inter Partes* Reexamination Proceeding

A. Summary of Patent Owner's Position

Patent owner argues that suspension of the '166 *inter partes* reexamination proceeding is warranted because of concurrent litigation that involves claim invalidity issues on grounds that cannot properly be decided in *inter partes* reexamination, such as invalidity under 35 U.S.C. § 112 written description issues. In this regard, patent owner draws attention to a verdict that has already been rendered in which the '916 patent claims that have been litigated have been held to be "not invalid" on such issues. [20]

Patent owner further argues that the litigation involves issues that district courts "can resolve more readily" through the use of discovery and their subpoena powers. [21,22] Patent owner also argues that suspension of the proceedings will lessen the burden on the Office that results from an alleged strategy on the part of the named real party in interest of serially filing delayed *inter partes* reexamination requests. Patent owner notes that the '166 *inter partes* reexamination proceeding is not in an advanced stage, while the litigations are far advanced, and that these facts support suspension of the '166 *inter partes* reexamination proceeding. [23]

B. Third Party Requester's Position

The third party requester argues that no good cause exists for suspension of the '166 *inter partes* reexamination proceeding. In this regard, third party requester argues that the Office has discretion to determine whether or not to suspend, and that there is no basis for the exercise of that discretion. Requester argues that there are no issues pending in the district court cases that would effect the issues in the '166 *inter partes* reexamination proceeding, that the courts subpoena powers would not have any effect on patentability issues in the '166 *inter partes* reexamination proceeding, and that there has been no final decision in the

[20] Petition to Vacate or Suspend, May 15, 2007, pages 13-14.
[21] *Id.*, at page 14.
[22] Interestingly, patent owner argues here that he district courts can, by virtue of such powers, require other members of the joint defense group to address their participation in the present *inter partes* reexamination proceeding. It is noted that this argument buttresses the position stated in Section I(C) with respect to why patent owner's position regarding the issue of the identification of "real party in interest" is not persuasive.
[23] Petition to Vacate or Suspend, May 15, 2007, pages 15-17.

litigation on claim validity with respect to the issues involved in the '166 *inter partes* reexamination proceeding. [24]

C. Analysis and Findings

In *Sony Computer Entertainment America, Inc. et al v. Jon W. Dudas,* 2006 U.S. Dist. LEXIS, 36856 (E.D. Va. 2006), the court noted that 35 U.S.C. § 314(c) afforded the USPTO Director discretion to suspend an *inter partes* reexamination for good cause. *Id.,* at *15. The court went on to hold that the USPTO Director has wide latitude in exercising this discretion. The court refused to overturn the suspension of the two *inter partes* reexamination proceedings that had been ordered by the Office. [25]

The circumstances in which the Office had ordered suspension of the *inter partes* reexamination proceedings that were before the district court in *Sony* were:

1. The *inter partes* reexamination proceedings were in an early stage of prosecution;

2. Copending litigation involving the same patents that were the subject of the *inter partes* reexamination proceedings were near to a final disposition, because the litigation was before the United States Court of Appeals for the Federal Circuit; and

3. A decision on claim validity in the litigation would dispose of all issues of claim validity in the reexamination proceeding because:

   a. The prior art before the court and before the Office was identical and

   b. The claims before the court and before the Office were identical.

These factors were determined by the Office to constitute "good cause" for suspension of an *inter partes* reexamination proceeding, and the Sony court agreed that the Office had properly exercised its discretion under 35 U.S.C. § 314(c) to suspend the two *inter partes* reexamination proceedings.

In the present instance, it is true that the '166 *inter partes* reexamination proceeding is at an early stage of prosecution. However, petitioner patent owner has not demonstrated that the copending litigation involving the '916 patent that is the subject of the '166 *inter partes* reexamination proceeding is at an advanced stage wherein a decision on the merits of all issues that the Office must address in the '166 *inter partes* reexamination proceeding will be determined by a final, nonappealable court decision in the foreseeable future. It is to be noted that although patent owner has pointed out that some of the '916 patent claims have been held to be "not invalid" with respect to written description issues in the *Hynix* litigation, patent owner has not alleged that there has been even an initial (*i.e.,* district court) validity determination in any litigation for all of the claims of the '916 patent that are subject to reexamination in the present '166 *inter partes* reexamination proceeding (*i.e.,* patent claims 1-41). Patent owner has merely alleged that "[A]lthough the claims at issue in these

[24] In general, see Petition and Opposition to Petition to Vacate or Suspend, June 14, 2007, pages 7-10 for all of the arguments advanced by third party requester as bases for not suspending the '166 *inter partes* reexamination proceeding.

[25] Decision Granting Petitions to Suspend, Nov. 17, 2005, (Spar, Director) of record in *inter partes* reexamination proceedings 95/000,093 and 95/000,094.

proceedings are not identical to those in the litigations, decision by the Federal Circuit following the district court litigations might cast light on the appropriate disposition of any claims that remain in the reexamination." The speculative nature of the effect that a final decision that is not yet near to being rendered might have is, in balance, insufficient to provide sufficient good cause that would outweigh the statutory mandate that *inter partes* reexamination proceedings are to be conducted with special dispatch within the Office. That mandate is one that is concerned not only with the interests of patent owners and parties adverse to patent owners, but is also concerned with the public interest.

Further, patent owner has not demonstrated that all of the '916 patent claims that are being reexamined before the Office are also the subject of the copending litigation. The public is entitled to a determination conducted with special dispatch in the Office of the issues involving claims that are being reexamined in the '166 *inter partes* reexamination proceeding which will not be subject to a validity determination in copending litigation. Patent owner has not demonstrated any good cause to deprive the public of such a determination merely because patent owner may, at some point in the future which is highly uncertain, obtain a final, nonappealable determination on validity in copending litigation that involves only some of the clams that are being reexamined in the '916 *inter partes* reexamination proceeding.

Thus, although the '166 *inter partes* reexamination proceeding is still in an early stage, the petitioner patent owner has failed to demonstrate that the copending litigation involving the '916 patent is near to a final, nonappealable determination of invalidity of any of the clams currently being reexamined in the '166 *inter partes* reexamination. Further, petitioner patent owner has not shown that any final, nonappealable determination of validity that might someday result from the copending litigation will, at least potentially, require termination of the '166 *inter partes* reexamination as to all of the '916 patent claims. [26] The failure of petitioner patent owner to make a satisfactory showing on these points argues against suspension of the '166 *inter partes* reexamination proceeding. The public interest, and the interests of the third party requester in the '166 *inter partes* reexamination proceeding argue in favor of the '166 *inter partes* reexamination proceeding continuing with special dispatch in the Office, rather than being suspended. Petitioner patent owner has <u>not</u> demonstrated that there is sufficient "good cause" to suspend the '166 *inter partes* reexamination proceeding.

CONCLUSION

1. The petition to vacate, or in the alternative, to suspend the '166 *inter partes* reexamination proceeding is granted <u>only</u> to the extent that the petition has been considered and entered into the record by way of waiver of 37 CFR 1.939. However, the petition is <u>dismissed</u> as to the requested vacatur, and as to the requested suspension, of the reexamination proceeding.

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[26] Only a final holding of claim invalidity or unenforceability (after all appeals) is controlling on the Office. In such cases, a substantial new question of patentability would not be present as to the claims held invalid or unenforceable. See *Ethicon v. Quigg*, 849 F.2d 1422, 7 USPQ2d 1152 (Fed. Cir. 1988). While a patent owner cannot predict the final outcome of litigation that is copending with a reexamination proceeding in the Office, it is clear that if fewer than all of the patent claims that are being reexamined are the subject of such copending litigation, then even a final, nonappealable decision in that litigation will not dispose of all of the claims that are being reexamined.

2. The parties to the '166 *inter partes* reexamination proceeding should keep the Office apprised of the progress of the litigation involving the '916 patent.

3. Telephone inquiries related to this decision should be directed to Stephen Marcus, Legal Advisor, at (571) 272-7743, or in his absence, the undersigned at (571) 272-7710.

Kenneth M. Schor

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

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October 29, 2007

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,166	08/22/2007	6426916	38512.3	7919

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FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER LLP
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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 12/12/2007

Please find below and/or attached an Office communication concerning this application or proceeding.

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(For Patent Owner)

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DEC 12 2007
CENTRAL REEXAMINATION UNIT

David L. McCombs
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(For Third Party Requester)

In re Rambus, Inc.
Inter Partes Reexamination Proceeding
Control No. 95/000,166
Filed: August 22, 2007
For: U.S. Patent No. 6,426,916

: **DECISION DISMISSING**
: **PETITION TO**
: **VACATE-IN-PART THE**
: **ORDER GRANTING**
: **REEXAMINATION**

This is a decision on the October 29, 2007 patent owner petition denominated "PETITION TO VACATE-IN-PART THE ORDER GRANTING REEXAMINATION." Petitioner patent owner requests waiver under 37 CFR 1.183 of 37 CFR 1.939 to allow entry and consideration of this paper. Receipt is also acknowledged of a paper filed on November 13, 2007 by third party requester entitled "Third-Party Requester's Petition and Opposition to Rambus's Petition to Vacate-in-Part the Orders Granting Reexamination and Rambus's Renewed Petition to Vacate the Filing Date and Order Granting *Inter Partes* Reexamination or, Alternatively, to Suspend the Proceedings" (hereinafter "opposition"). Both patent owner and third party requester have remitted the appropriate fees for consideration of their respective petitions.

The October 29, 2007 papers also include Exhibits A-C, and a certificate of service showing service of the petition and Exhibits A-C on the reexamination requester

The October 29, 2007 patent owner petition, the November 13, 2007 third party opposition, and the 95/000,166 *inter partes* reexamination proceeding are before the Office of Patent Legal Administration for consideration.

The patent owner's petition is <u>dismissed</u> for the reasons set forth below.

<u>Summary:</u> The request to vacate-in-part the order of reexamination by withdrawing various substantial new questions is not persuasive. An order to reexamine is a determination by the Director that the Office has jurisdiction to reexamine the patent claims. Once jurisdiction is established based upon a finding that a proper substantial new question of patentability (SNQ), statement of further grounds for jurisdiction is irrelevant to the question of jurisdiction. The relief requested - withdrawal of the finding of an SNQ grounded on the intervening art - does not affect the jurisdictional issue that is the sole purpose of the order.

This decision also addresses in detail the various arguments put forth by patent owner as to the propriety of addressing priority benefit for the patent claims within the context of reexamination. The decision explains why the citations provided by patent owner as support for its position as to SNQ, among others, are not persuasive under the facts in the '166 reexamination proceeding. The decision finds that if and when a rejection is instituted based upon the examiner's findings of SNQ that patent owner is challenging in the present petition, the correct venue for obtaining relief is by appeal to the Board of Patent Appeals and Interferences (BPAI), not by petition to the Director.

BACKGROUND

1. U.S Patent number 6,426,916 ("the '916 patent") issued to Michael Farmwald *et al* on July 30, 2002, and is assigned to Rambus, Inc.

2. On August 8, 2006, a request for *inter partes* reexamination of the '916 patent was deposited by a third party requester, David L. McCombs, and was assigned control No. 90/000,166 ("the '166 *inter partes* reexamination proceeding").

3. On October 6, 2006, a Notice was mailed to the third party requester in the '166 *inter partes* reexamination proceeding in which requester was notified that the request for *inter partes* reexamination of the '916 patent was not entitled to a filing date until the request for reexamination was completed.

4. On October 12, 2006, the third party requester filed a corrected original request for *inter partes* reexamination of the '916 patent, and the request for *inter partes* reexamination was deemed to have been completed and was accorded a filing date of October 12, 2006.

5. In both the original request and the corrected original request for *inter partes* reexamination, the third party requester identified Samsung Electronics Co., Ltd. as being "the real party in interest," pursuant to 37 CFR 1.915(b) and 35 U.S.C. 311(b).

6. On December 26, 2006, reexamination was ordered for claims 1-41 (*i.e.*, all of the claims) of the '916 patent.

7. On May 15, 2007, patent owner filed a petition requesting that the October 12, 2006 filing date accorded to the corrected request for *inter partes* reexamination of the '916 patent be vacated on the grounds that the request did not properly identify the real party in interest in accordance with the reexamination statute and regulations, or in the alternative, suspended.

8. On May 31, 2007, the Office mailed a Notice advising third party requester that third party requester had the right to file an opposition to the May 15, 2007 patent owner petition, and establishing a fifteen (15) day time period for third party requester to do so.

9. On June 14, 2007, third party requester timely filed papers opposing the May 15, 2007 patent owner petition.

10. On July 13, 2007, patent owner filed a petition to vacate the December 12, 2006 Order Granting *Inter Partes* Reexamination.

11. On July 26, 2007, the third party requester filed an opposition to the July 13, 2007 patent owner petition to vacate the December 12, 2006 Order Granting *Inter Partes* Reexamination.

12. On August 14, 2007, a decision granting the July 13, 2007 patent owner petition was mailed. The August 14, 2007 decision vacated the filing date that had been originally accorded to the '166 *inter partes* reexamination proceeding. Therefore, the December 12, 2006 Order Granting *Inter Partes* Reexamination was also vacated due to the vacatur of the filing date of the '166 *inter partes* reexamination proceeding. [1]

13. On August 22, 2007, a redacted version of the original Request for *Inter Partes* Reexamination was filed in response to the August 14, 2007 decision that had vacated the originally accorded filing date. The redacted version of the Request for *Inter Partes* Reexamination was accorded a filing date of August 22, 2007.

14. The redacted request for *inter partes* reexamination also identified Samsung Electronics Co., Ltd. as the real party in interest.

15. On October 1, 2007, the patent owner filed the renewed patent owner petition to vacate or suspend the '166 *inter partes* reexamination proceeding, effectively calling the May 15, 2007 patent owner petition up for action.

16. On October 12, 2007, the requester filed the renewed opposition to the October 1, 2007 patent owner petition, effectively calling the May 15, 2007 requester opposition petition up for action.

17. On October 19, 2007, the Office mailed an order granting reexamination for claims 1-41 of the '916 patent.

18. On October 29, 2007, patent owner filed the instant petition requesting that the reexamination order be vacated-in-part.

19. On November 13, 2007, the requester filed an opposition to the October 29, 2007 patent owner petition that requested the order be vacated-in-part.

20. On November 9, 2007, the Office mailed a decision dismissing the petition to vacate the entire proceeding based upon improper identification of the real party in interest.

DECISION

I. Relevant Statute, Regulations, and Examining Procedure

The relevant portions of the statute, regulations and MPEP are reproduced below.

35 U.S.C. § 311 states, in part:

> "(a) IN GENERAL. - Any third-party requester at any time may file a request for inter partes reexamination by the Office of a patent on the basis of any prior art cited under the provisions of section 301."

[1] Decision on Petition, August 14, 2007, Summary paragraph bridging pages 1 and 2.

35 U.S.C. § 312 states, in part:

> "(a) REEXAMINATION. - Not later than 3 months after the filing of a request for inter partes reexamination under section 311, the Director shall determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request, with or without consideration of other patents or printed publications. The existence of a substantial new question of patentability is not precluded by the fact that a patent or printed publication was previously cited by or to the Office or considered by the Office."

MPEP § 2646, Part I, states, in part:

> "A petition under 37 CFR 1.181 may... be filed to vacate an *ultra vires* reexamination order, such as where the order for reexamination is not based on prior art patents and printed publications. In cases where no discretion to grant a request for reexamination exists, a petition to vacate the decision to grant, or a request for reconsideration, will be entertained. "Appropriate circumstances" under 37 CFR 1.181(a)(3) exist to vacate the order granting reexamination where, for example:
>
> "(A) the reexamination order is not based wholly on prior art patents or printed publications;
> (B) reexamination is prohibited under 37 CFR 1.907;
> (C) all claims of the patent were held to be invalid by a final decision of a Federal Court after all appeals;
> (D) reexamination was ordered for the wrong patent;
> (E) reexamination was ordered based on a duplicate copy of the request; or
> (F) the reexamination order was based **wholly** on the same question of patentability raised by the prior art previously considered in an earlier concluded examination of the patent by the Office (e.g. the application which matured into the patent, a prior reexamination, an interference proceeding).."

II. Patent Owner's Position

Patent owner puts forth the position that five of the bases asserted by requester to raise substantial new questions of patentability rely on publications that would not qualify as prior art if the patent under reexamination was afforded the effective filing dates of the prior applications of which it claims benefit under 35 USC § 120. Patent owner objects to the designation of of three of these bases [2] that are asserted to demonstrate substantial new questions of patentability in the order as being beyond the authority of the Office because "[w]here a patent has essentially the same disclosure as the priority document, the priority determination becomes a reassessment of whether that patent provides written description support for the claims under 35 USC § 112, ¶ 1, which is beyond the Office's authority in reexamination " [3] Patent owner, cites to MPEP § 2617, and various papers in other Office proceedings [4] in support of this position.

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[2] The examiner found that two of the five proposed bases did not establish substantial new questions of patentability.

[3] Petition at page 2.

[4] Exhibits A-C.

Patent owner requests that the order be vacated-in-part and that the "scope of the reexamination be limited to issues that do not relate to whether the claims have written description support." [5]

III. Analysis and Findings

The Order Granting Reexamination Was Not An *Ultra Vires* Action

The question of whether an order granting reexamination is based upon grounds permitted by 35 U.S.C. §§ 311 and 312 is a question of whether the Office has jurisdiction to order reexamination. As discussed in MPEP § 2246, if an order granting a request for reexamination is not based wholly or **in part** upon prior art patents or printed publications, (*i.e.*, the order granting reexamination is based wholly upon consideration of subject matter that is not permitted by the statute), then the granting of a request for reexamination is said to be an *ultra vires* action that is outside of the authority of the Office. However, a substantive determination to order reexamination based upon grounds permitted by the statute is not subject to judicial review. [6]

The request for reexamination, filed on August 22, 2007, cited numerous patents and printed publications upon which requester asserted grounds for finding a substantial new question of patentability. One of the cited publications is identified as the iAPX Manual. [7] The iAPX manual's publication year of 1982 is a date earlier than the earliest date recited in the benefit claim of the '916 patent. The iAPX publication was not of record during the original examination of the application that matured into the '916 patent.

The order for reexamination mailed October 19, 2007, found multiple substantial new questions of patentability (SNQs) with respect to each of the claims of the '916 patent. Accordingly, the Office took jurisdiction over the patent by ordering reexamination in the '166 proceeding.

Specifically, the examiner's order granting reexamination held that the iAPX manual [8] on its own raised a substantial new question of patentability with respect to claims 1-2, 4-8, 10-17, 19-26, 32-39 and 41, and that in combination with other appropriately qualified prior art publications it raised a substantial new question with respect to the remaining claims as well. [9] The examiner therefore granted the request for reexamination. [10] Pursuant to 35 U.S.C. § 313 [11] and MPEP § 2643, [12] the examiner ordered reexamination of <u>all</u> patent claims.

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[5] Petition at page 7.

[6] *Heinl v. Godici*, 143 F. Supp. 2d 593 (E.D. VA. 2001); *Patlex Corp. v. Quigg*, 680 F. Supp. 33, 35 (D.D.C. 1998)

[7] iAPX 432 Interconnect Architecture Reference Manual, published 1982.

[8] See issues 4 and 8-14.

[9] The '916 patent contains claims 1-41.

[10] See Order Granting Reexamination dated October 19, 2007, at pages 3-4.

[11] The statute states: "If, in a determination made under section 312(a), the Director finds that a substantial new question of patentability affecting a claim of a patent is raised, the determination shall include an order for inter partes **reexamination of the patent** for resolution of the question. The order may be accompanied by the initial action of the Patent and Trademark Office on the merits of the inter partes reexamination conducted in accordance with section 314." (Emphasis supplied.)

The order granting *inter partes* reexamination, having been based upon prior art publications that raised a substantial new question of patentability with respect to one or more of the '916 patent claims, was thus a proper exercise of the jurisdiction conferred upon the Office by 35 U.S.C. §§ 311 and 312. Patent owner has not advanced any rationale for holding that the order for reexamination was based upon subject matter outside of the jurisdiction conferred upon the Office by the reexamination statutes. Therefore, the examiner's order granting reexamination was not an *ultra vires* act on the part of the Office.

The examiner's decision represents the exercise of discretion in reaching the conclusion that the requester has proffered prior art printed publications for consideration as the basis for the request for *ex parte* reexamination of the '916 patent. In *Heinl v. Godici*, 143 F. Supp. 2d 593, 601 (E.D. Va. 2001), the court stated, in a decision seeking termination of reexamination based on the absence of a new question of patentability:

> "Under the well established *ultra vires* doctrine, the exhaustion and final agency requirements are excused 'only if plaintiff is able to show that the PTO clearly exceeded its statutory authority', quoting from *Philip Morris, Inc. v. Block*, 755 F.2d 368, 370 (4th Cir 1985 (quoting *Mayor and City Council of Baltimore v. Mathews*, 562 F.2d 914, 920 (4th Cir. 1977), vacated on other grounds, 571 F.2d 1273 (4th Cir. 1978).

The court then went on to state:

> "Put differently, when an agency acts in 'brazen defiance' of its statutory authorization, courts need not await the conclusions of underlying proceedings."

In this instance, the Office clearly has not acted in 'brazen defiance' of its statutory authorization, in finding that it has jurisdiction to order reexamination, and as such, the order for reexamination must stand.

Patent owner contends that the additional grounds for granting reexamination on allegedly intervening prior art [13] was an *ultra vires* act that should be set aside.

> "Specifically, the portion of the order granting reexamination based on a question as to the patent's priority date is beyond the Office's authority because the patent at issue in this proceeding has the same or essentially the same disclosure as the application relied on for priority." [14]

The patent owner's belief that the SNQ which the examiner based upon some of the art advanced is legally impermissible in this proceeding does not, however, convert the proceeding into a question of the examiner's jurisdiction to reexamine, which would create a petition right to contest the propriety of taking that action. Rather, the patent owner is free to contest such an issue before the patent owner, and then the Board of Patent Appeals and Interferences ("Board"), if the claims are rejected based upon the contested references.

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[12] MPEP § 2643 states in pertinent part: "If a substantial new question of patentability is found as to any claim, reexamination will be ordered and will normally cover all claims except for claims that have been finally held invalid in a Federal Court decision on the merits."

[13] These grounds are referred to as issues 1-3, 6, and 7 in the request and the order and are based on a US patent to Park (filed Dec 29, 1995), the JEDEC standard (published in 1999) and the Hynix publications.

[14] Petition, at page 2.

37 CFR 1.181(a)(1) permits petitions only from matters that are not subject to appeal; in this instance, if a rejection based on the contested references would be made and maintained, the route to contest that rejection would be via appeal.[15] Even if the contested references are not tenable to provide a substantial new question of patentability, the above-referred-to iAPX manual conferred the Office with jurisdiction to order the reexamination, and there was no *ultra vires* action on the part of the Office.

After a review of the record, it is found that patent owner has not established that the Office "clearly exceeded its statutory authority," or acted "in brazen defiance of its statutory authorization," in the Office's determination that the reexamination request properly raised a substantial new question of patentability.

For the forgoing reasons, the order granting reexamination will not be disturbed, and the '166 *inter partes* reexamination proceeding will continue in its examination stage.

IV. Additional Discussion

A. The Director can not "vacate-in-part" the order granting reexamination.

A decision granting reexamination is a determination that a sufficient basis has been raised for the Office to assume jurisdiction over the patent in question and to proceed with reexamination of at least those claims for which a proper substantial new question of patentability has been raised. As pointed out above, review of the order granting reexamination reveals that at least one SNQ has been raised for each and every claim of the '916 patent based upon references that qualify as prior art, irrespective of the priority date benefit granted to the claims of the '916 patent. Accordingly, there is no basis for vacating reexamination with respect to any claim of the '916 patent. The Office's jurisdiction over the proceeding is not taken in-part; either the Office has jurisdiction to reexamine or it does not. In this case, the Office does have jurisdiction.

B. The allegedly intervening prior art properly raise substantial new questions of patentability

Patent owner attempts to characterize the grounds for reexamination proposed by requester and accepted by the examiner as whether the specification of the patent has adequate written description (under 35 U.S.C. 112 first paragraph) to support the claims. This mischaracterizes the request for reexamination and the order granting reexamination. Rather, the issue is whether the patent claims to be reexamined [16] are entitled to benefit under 35 U.S.C. 120 of the filing date(s) of one or more prior filed applications, to thereby avoid the asserted art, or whether they are not so entitled. The issue of whether the instant

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[15] Briefly, in this instance, benefit under 35 USC § 120 is challenged based on a question of whether specific claim elements find support in the priority applications for which benefit is claimed. This, combined with intervening art based upon the later effective filing date to be afforded the claims, is a legitimate issue for treatment in reexamination, should a rejection be made. Patent owner's arguments as to the authority of the Office to find a substantial new question of patentability based upon allegedly intervening prior art in the circumstances of this specific proceeding will however be addressed at length below.

[16] This analysis must be carried out on a claim-by-claim basis.

specification satisfies the written description requirement of 35 USC 112 first paragraph is not raised nor implicated in the order granting reexamination.

The '916 patent claims priority directly from US Patent 6,452,863 (the '863 patent) filed January 27, 2000 which claims priority from US Patent 5,841,580 (the '580 patent) filed February 10, 1997 and through a further chain of applications ultimately claims benefit of the April 18, 1990 filing date of application number 07/510,898.

As a precursor to applying intervening art, the request propounds the position that the '916 patent is not entitled to benefit of the filing date of its immediate parent (the '863 patent).

The first argument [17] put forth by the requester with respect to the granting of priority for the '916 patent is based on the filing of a copy of a declaration in the '863 patent from the original '898 application, which perforce did not make reference to a concurrently filed preliminary amendment. Thus, it is argued, that under the rules then in effect, the preliminary amendment in the '863 patent is not part of the original filing and cannot be relied upon for establishing priority.

The second and related argument as to priority is simply that there is no support for certain specific claims of the '916 patent in the prior application. Pages 9-16 of the request are devoted to a detailed elaboration [18] of elements of claims 1-5, 9-10, 12-20, 23, 25-32, 34-35, 37, and 39-41 of the '916 patent, presenting specific arguments as to why the specification of the '918 patent does not provide written description support of these elements.

Petitioner patent owner, focusing on the first prong, contends that this argument is fallacious because "it would apply to almost all patents that result from continuations" and that accepting this argument "would subject every continuation to a priority attack ... just because an applicant files a continuation application, presents, a preliminary amendment, and files a copy of an oath or declaration from the parent application." [19]

Petitioner misses the point. In fact, every application is subject to a priority attack without regard to the declaration filed. Every continuing application, irrespective of designation, must contain support for the claims in the parent application in order to derive benefit of the filing date of the earlier application. The issue raised in this request relates to the <u>declaration in the '863 parent patent</u>. [20] The argument is that because of the rule in place at that time, the preliminary amendment is not entitled to the benefit of the filing date of the application, and thus can not be relied on when seeking support for the claims of the current patent in the disclosure of the '863 patent. [21]

Note that the request does not merely rely on the declaration, but enumerates specific claim elements and presents argument as to the lack of support in the prior application for the claimed element.

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[17] Request for reexamination Section A.2 on pages 7-8

[18] This is in contrast to the Gorra decision discussed below in which the Examiner found that there was no specificity to requester's allegations of lack of support.

[19] Petition at page 6.

[20] Insofar as any similar comment was made by the examiner with respect to the declaration in the patent now under reexamination, it has no bearing on any priority benefit.

[21] Note further, that the order points petitioner to a course of action that may result in the elimination of this issue.

The order cites both these reasons [22] as raising a question of the appropriate priority date and then proceeds to find that the intervening references are adequate to raise a substantial new question of patentability for the relevant claims.

C. If Examiner issues a rejection that would be appealable to Board.

Patent owner requests that the Director preempt the examiner from issuing any rejections based upon the intervening art provided by the requester. This, however, is not a petitionable issue, as discussed above. It is the Board of Patent Appeals and Interferences ("Board") which reviews the decision of the examiner as to whether a rejection should be made. There is also no showing that making a rejection based upon the intervening art advanced by the requester would be an abuse of the examiner's discretion. If the examiner determines that (a) there are claim elements that are not supported in the prior applications and (b) that the art reads upon the claims then the examiner has the discretion to issue a rejection upon the claims, and the Board may review it, if appealed to the Board by the patent owner.

Stated another way, patent owner's belief that any rejection based upon the intervening publications is legally impermissible in this proceeding would not convert the examiner's promulgation of such a rejection into a question of the examiner's jurisdiction to take a particular action, thereby creating a petition right to contest the propriety of taking that action. 37 CFR 1.181(a)(1) permits petitions **only** from matters that are not subject to appeal to the Board of Patent Appeals and Interferences ("Board"). In terms of determining the propriety of a particular ground of rejection in an *inter partes* reexamination proceeding, the statutes and regulations make no distinction between a ground of rejection based upon anticipation or nonobviousness and a ground of rejection that allegedly violates 35 U.S.C. 312(a) (because it is alleged to be based upon grounds other than the application of prior art patents and printed publications). The jurisdiction to determine that any particular ground of rejection is or is not legally correct resides with the Board. [23] Any rejection maintained and made final by the examiner issuing a Right of Appeal Notice [24] in this proceeding, may then be appealed to the Board. The Board will then have jurisdiction to determine whether any appealed rejection is or is not legally correct.

It should be noted that even if patent owner ultimately appeals a particular ground of rejection in this proceeding, and successfully demonstrates that the rejection and supporting rationale are legally incorrect because they are based upon matters outside of the scope of the reexamination statutes and regulations, this would not mean that the rejection and supporting rationale should have been treated as petitionable *ultra vires* actions in the sense that the Office lacked jurisdiction to order reexamination of the '916 patent and promulgate rejections during that proceeding. Instead, the rejection would simply be considered to be a legally incorrect rejection in a reexamination proceeding in which, for the reasons set forth in Section III above, the Office had clear jurisdiction to order reexamination.

Thus, in a reexamination proceeding that is not itself *ultra vires*, because the Office did in fact have jurisdiction to order reexamination, patent owner's remedy with respect to any rejection and supporting rationale believed to be erroneous, is to appeal in accordance with the statutes, and regulations that establish and implement the right to appeal rejections in

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[22] Order granting reexamination, at page 9.

[23] See 35 U.S.C. § 315; see also 37 CFR 1.959 and 41.61.

[24] See 37 CFR 1.953.

inter partes reexamination proceedings. In this regard, it should be noted that the decision in *Patlex Corporation v. Quigg*, 680 F. Supp. 33, (D.D.C. 1988), was a decision **on appeal from a decision of the PTO Board of Appeals and Interferences,** and not from a decision reviewing an adverse decision on petition. [25] Where, as in *Patlex* and as here, the order granting reexamination has not been shown to have been an *ultra vires* action on the part of the Office, thereby depriving the Office of jurisdiction to reexamine, the propriety of a rejection allegedly based upon subject matter not proper for consideration in reexamination is properly determined by appeal, and not by way of petition.

V. Supporting authority for petition decision

BPAI decision dated September 25, 2007, in Reexamination Control No. 90/006,621

The situation in *ex parte* reexamination proceeding 90/006,621 (the '6621 proceeding) is closely analogous to the fact situation before the Office in this case and sheds light on the proper approach to the issue of the appropriateness of assessing the entitlement of a benefit claim within the context of a prior art rejection during reexamination.

The '6621 proceeding was a reexamination of U.S. Patent No. 5,964,604 (the '604 patent) which issued on December 12, 1997 from an application filed in March of 1994. The '604 patent claimed priority (as a continuation of) to U.S. patent No. 5,964,603 (the '603 patent) which also issued on December 12, 1997, but was filed in March of 1990. The '603 patent further claimed benefit of two other applications filed in 1985 and 1982 respectively.

The examiner in the '6621 reexamination proceeding determined that the '604 patent was not entitled to 35 U.S.C. 120 benefit of any of the 3 parent applications for the claims under reexamination, because various claim features were not supported by the disclosures in the prior applications, and the examiner accordingly rejected many of the claims over a reference with a 1988 date.

Patent owner pointed out that the applications were designated as continuations [26] and contained identical disclosures and argued, that in such a situation, raising the issue of affording benefit amounted to questioning the sufficiency of the written description of the patent under reexamination – something clearly precluded by the reexamination statute.

In a decision [27] rendered September 25, 2007, a panel of the Board found that the question of affording benefit under 35 U.S.C. 120 was within the jurisdiction of the Office. The Board explained that the issue was not how the relationship of the applications was characterized, but whether support existed in the prior application.

> "The question of whether the '604 patent is properly labeled a 'continuation' ... is a collateral issue to the real issue of whether there is written description for the term ... in the 1982 application. [28]

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[25] In *Patlex*, reexamination had been order based upon five substantial new questions of patentability. See *Patlex*, at page 35.

[26] "a continuation application does not contain new matter, and all claims issuing from it are entitled to the filing date of the parent." Decision in Appeal 2007-1217 at 66, quoting from patent owner's brief .

[27] Appeal 2007-1217 Decision dated September 25, 2007, mailed October 2, 2007

[28] *id.* at 66

> "Regardless of what an application is called, there is only priority for common subject matter actually disclosed in the earlier application." [29]

The panel then proceeded to address each contested claim element and determined whether there was support in the prior applications that provided the benefit of the earlier filing dates. The Board supported the examiner's position and affirmed the rejections based upon the intervening prior art.

VI. Analysis of authorities cited in Patent Owner's petition

Patent owner relies on various documents in support of the proposition that a determination of the right to priority is precluded in a reexamination proceeding because it is a collateral attack on the written description support of the patent under reexamination.

The following subsections address each of these citations [30] in turn and explain why they are not controlling under the facts in this proceeding.

1. The Fischell Decision: Exhibit A - June 30, 2005 Decision on petition in Reexamination Control No. 90/007,355 .

A request for reexamination of U.S. patent No. 6,527,817 (the '817 patent) was filed on December 22, 2004, and resulted in an order issued by the examiner on March 15, 2005, denying reexamination. On April 15, 2005, the requester filed a petition under 37 CFR 1.181 asking the Director to review the decision of the examiner. On June 30, 2005, the Office issued a decision (referred to by the instant petitioner as the "Fischell Decision") on the 37 CFR 1.181 petition determining that the examiner was correct in denying reexamination of the '817 patent based on the request under review.

Patent owner relies on the Fischell decision for the proposition that "reassessment [of a benefit claim] is not appropriate with respect to a continuation ... patent having a disclosure that is essentially identical to the disclosure in its parent patent." [31] Petitioner further contends "that the Office has acknowledged that it is precluded from reconsidering in reexamination a claim for priority under 35 USC 120 where the continuing application contains essentially the same disclosure." [32]

Patent owner's reliance on the Fischell decision is misplaced because (a) petitioner's selective use of a portion of a single paragraph of the full decision is not representative of the context and the holding; (b) the facts and holding were directed to a case where the issue of benefit was not properly raised; (c) the paragraph repeatedly cited by petitioner was not needed for the decision upholding the denial of reexamination; and finally (d) a decision by a group director in one proceeding (although informative) is not binding precedent on another group director (or Central Reexamination Unit director) in a different proceeding.

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[29] *id.* at 67

[30] Exhibit C, a decision in 95/000,089 needs no discussion as it supports the position that if a reexamination is properly ordered, rejections are resolved by resort to appeal, not by way of petition.

[31] Petition at 4, citing Fischell Decision at 4 n. 21.

[32] Petition at 4, citing Fischell Decision at 4-5

The following is cited from the '7355 decision to clarify the aforementioned points.

> "A review of the position taken by requester in the ex parte reexamination request clearly shows that the request is predicated on showing that the claims of the '817 patent are based upon a specification that is alleged to be defective under 35 USC 112, first paragraph because the specification allegedly fails to enable the practice of the subject matter claimed in the '817 patent. Although petitioner argues that the reexamination request merely addresses the question of whether the '817 patent is entitled to 35 USC § 120 benefit of the three prior United States patents, ***the request in fact is not directed to the issue of whether the '817 is entitled to a given prima facie date of invention*** for any or all of its claimed subject matter based upon the parent patents ***or is limited to its actual filing date. Instead, the request for reexamination is premised on evidence, and argument based on that evidence, which allegedly demonstrates that the claims of the '817 patent are not enabled by the specification of the '817 patent under 35 USC § 112, first paragraph."*** [33] [Emphasis added]

The decision then addresses the specific evidence provided in support of the request, stating:

> ***"Given the manner in which the reexamination request repeatedly emphasizes that the '817 patent does not enable the claimed invention,*** petitioner's attempt to characterize the request for reexamination as not being based on lack of enablement and failure to meet the written description requirement in the '817 patent itself, because such attack would clearly be "prohibited by the rules", is simply not persuasive. The request quite clearly indicates that the specification of the '817 patent does not enable the claimed invention in the '817, and does not merely argue that the '817 patent is restricted to its actual filing date as the prima facie date for the invention claimed therein." [34] [Emphasis added]

The decision then goes on (as cited by petitioner) to state that, in any event, since the specification of the patent under examination is essentially identical to the parent applications from which it seeks benefit, review of the benefit claim is inappropriate. However, in the interest of addressing all possible contentions, the decision concludes:

> "And even if the reexamination request were somehow perceived as being confined only to the question of whether the parent patent(s) support a particular invention date for the claims of the '817 patent, the evidence presented on that question is not regarded as being of sufficient clarity and detail so as to support a finding that substantial new question of patentability is raised by the request for ex parte reexamination." [35]

As seen by the first two paragraphs reproduced above, in this instance where the bulk of the evidence and argument was directed to the sufficiency of the disclosure of the '817 patent

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[33] Fischell Decision at 3. Emphasis added.

[34] Fischell Decision at 4. Emphasis added

[35] Fischell Decision at 6.

itself, the issue that the requester set forth was outside the realm of reexamination. Under these facts, the Director did not find petitioner's attempt to recharacterize the request as an attack on the right to claim benefit to be credible and thus found that the examiner correctly denied reexamination. Further, one basis for the decision was that the request did not provide enough "clarity and detail" to negate the parent patent(s) support of a particular invention date for the claims of the '817 patent.

2. The Gorra Order: Exhibit B - Reexamination Control Number 95/000,108.

Patent owner relies on the examiner's decision denying reexamination of U.S. patent 6,936,104 (the '104 patent) to support the proposition that within a reexamination proceeding, the Office is generally precluded from determining whether an application relied upon for benefit of a priority date supports the claimed invention. [36]

As a preliminary matter, it is worth noting that the "Gorra order" was a determination by an examiner, and therefore does not have binding precedential value. The requester did not challenge the decision.

A request for *inter partes* reexamination of the '104 patent was filed on August 30, 2005. The request put forth the position that the '104 patent contained new matter with respect to the patent from which it claimed benefit under 35 USC 120, and thus was unpatentable based on intervening art published before its filing date.

The examiner issued an order denying the request for reexamination on October 20, 2005. With respect to the issue of the proper effective filing date for the application the examiner noted [37] "... the Requester has failed to provide any specific analysis why a given limitation in a given claim lacks support in the parent. . . . The requester has not provided a discussion of which specific claim in the patent undergoing reexamination contains which specific limitation that is not supported in the parent application."

Thus, unlike the situation in the '166 proceeding, the requester only alleged that the second patent did not qualify as a proper continuation (a finding irrelevant to the question of priority) and did not establish an adequate basis for questioning the granting of the benefit for any claim of the patent for which reexamination was requested.

The section of the examiner's decision relied on by petitioner relied on two other decisions. Specifically, the examiner stated:

> "Both *Patlex Corporation v. Quigg*, 680 F.Supp. 33, 37 (D.D.C. 1988) and Ex parte Hyatt, Appeal No. 98-1912, Reexamination Control No. 90/001,896 (Bd. Pat. Appl. & Inter. 1999, unpublished)[38] appear to stand for the proposition that the Office lacks jurisdiction to "reexamine" the sufficiency of the specification of a parent application (to support patent claims) during the reexamination of a patent that claimed 35 U.S.C. § 120 benefit of that parent application. In a proceeding to reexamine a continuation or divisional patent, the Office is generally precluded from reexamining the 35 U.S.C. §

[36] Petition at 4, citing pages 6-7 of the Order Denying Reexamination mailed October 20, 2005, in control no. 90/000,108.

[37] See paragraph 16 on page 8 of the Gorra Order

[38] The correct reexamination control number is '1869 and the correct appeal number is 1998-1913

> 112, first paragraph, claim support for the 35 U.S.C. § 120 benefit of the parent application, because there is a presumption (in absence of a strong showing to the contrary) that the Office already determined (in the examination of the child application that became the patent) that the child's claims were supported by the disclosure of the parent and the child is a proper continuation or divisional. If the child's claims were not supported by the disclosure of the parent, the Office would presumably have rejected those claims under 35 U.S.C. § 112, first paragraph. Since the Office has presumably already considered the issue and determined that any patent or publication not having a date prior to the effective filing date of the parent is unavailable against the child patent's claims, it may not reconsider the issue in a reexamination proceeding. Criticism of the specification of the parent application as not supporting the child patent claims would generally be precluded for the case of a continuation or divisional child patent. That is the scenario of the Patlex and Hyatt decisions relied upon by the patent owner. "

As will be demonstrated below, each of these decisions presented a fact scenario that negated the existence of a "new" question, and thus neither of these decisions can be relied upon for the proposition that a priority benefit cannot be attacked as part of a reexamination. In addition, there is no presumption that the Office evaluated the benefit claim. **Examiners are instructed not to examine the sufficiency of a 120 benefit claim in the ordinary course of examination**. Pursuant to MPEP 706.02(k) "[t]he claim for 35 U.S.C. 120 benefit will be permitted without examination of the earlier application for disclosure and support of at least one claim of the later filed application under 35 U.S.C. 112, first paragraph unless it becomes necessary to do so, for example, because of an intervening reference."

3. BPAI May 28, 1999 decision in Reexamination Control Number 90/001,869 (*Hyatt*)

The examiner's reliance on *Hyatt* was misplaced. **In *Hyatt*, the Board held [39] that the examiner had already disposed of this issue in the initial prosecution and thus it could not be raised again in reexamination.**

> "The record before us reflects that the examiner in the original prosecution of this patent undergoing reexamination was presented with the question of whether appellant was entitled to the filing date of Hyatt '022. The examiner decided this question in appellant's favor and gave appellant the benefit of the filing date of Hyatt '022. Even though the claims before us are not all identical to the claims considered during the course of the original examination, we think it was improper for the Board[40] to raise the **<u>very same question</u>** which appellant had successfully prosecuted before the original examiner. [41]
>
> ...
>
> "Even the proper grant of a request for reexamination, as is the case here, does not allow the PTO to again raise issues which had already been

[39] Appeal 98-1913, paper #85 in Reexamination Control No. 90/001,869, Decision date May 28, 1999 at pages 34-36.

[40] This appeal is from a rejection instituted by a panel of the BPAI in a previous appeal in this proceeding which was maintained by the examiner.

[41] *Hyatt* decision at page 35..

> determined by the original examiner. A patentee should not have to keep winning the same issue over and over every time a reexamination of a patent is granted." [42] [Emphasis added.]

Thus the *Hyatt* decision merely stands for the proposition that one may not revisit, on reexamination, an issue, including a claim benefit issue, that was resolved in the previous examination as to the patent.

4. *Patlex v. Quigg*, 680 F.Supp. 33 (D.D.C. 1988)

The examiner's reliance on the *Patlex* decision is similarly misplaced. In *Patlex* the issue as stated by the court was [43]

> "whether the Commissioner has jurisdiction, once reexamination has been ordered, to consider on the merits whether a 'great-grandparent' application that contains the same specification as its 'great-grandchild' complies with the requirement of 35 U.S.C. sec. 112 that the specification contain an enabling disclosure ***where the first examiner, at the time the 'great-grandchild' was issued, had found that the 'great-grandparent' contained an enabling disclosure.*** [Emphasis added]

In rendering its decision the court made a specifically finding of fact that the examiner had made a notation on the file that the issue of priority was considered and resolved in applicant's favor.

> "In allowing the claims, the first examiner made the handwritten notation that undue breadth has been considered as well as sufficiency of the disclosure (note 'Reasons for Allowance' attached for co-pending case of applicants).' Office Action of November 21, 1978, Commissioner's Exhibit 1 at page 0140. The 'Reasons for Allowance' incorporated by reference relate to laser amplifiers and conclude that Gould's 1959 specification for laser amplifiers met the enablement requirement. The Court therefore finds that the examiner in the original examination determined enablement as of 1959." [44]

Of particular note is that the court did not summarily dismiss the rejection as should have been the result if a challenge to benefit was absolutely precluded [45] when the patent under reexamination was a continuation (with substantially identical disclosure) as the parent file. Instead, the court reviewed the record on prosecution, finding that the issue had already been addressed during the original prosecution of the patent and was thus not subject to being reintroduced during a reexamination, because the question, although possibly "substantial," did not qualify as a "new" question.

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[42] *Hyatt* decision at 35-36.

[43] *Patlex* at 36.

[44] *Id.*

[45] In fact, the court specifically declined to address this question, stating: "The Court wishes to make clear that it is not deciding whether the Commissioner has jurisdiction in a reexamination to inquire into the sufficiency of the specification of a "parent" application where the sufficiency of the "parent" application *vis-a-vis* the claims of the patent being reexamined was not previously determined by the PTO or a court. Resolution of this issue should await a future case." *Patlex* at 37.

CONCLUSION

1. The petition to vacate-in-part the '166 *inter partes* reexamination proceeding is granted only to the extent that the petition has been considered and entered into the record by way of waiver of 37 CFR 1.939. However, the petition is dismissed as to the requested relief.

2. Jurisdiction over the proceeding is being forwarded to the examiner of record for appropriate action.

3. Telephone inquiries related to this decision should be directed to Pinchus M. Laufer, Legal Advisor, at (571) 272-7726, or in his absence, the undersigned at (571) 272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

12-11-07
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,166	08/22/2007	6426916	38512.3	7919

22852 7590 06/17/2008

FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER LLP
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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 06/17/2008

Please find below and/or attached an Office communication concerning this application or proceeding.

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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
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Date:
MAILED

JUN 17 2008

CENTRAL REEXAMINATION UNIT

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. : 95000166
PATENT NO. : 6426916
ART UNIT : 3900

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified ex parte reexamination proceeding (37 CFR 1.550(f)).

Where this copy is supplied after the reply by requester, 37 CFR 1.535, or the time for filing a reply has passed, no submission on behalf of the ex parte reexamination requester will be acknowledged or considered (37 CFR 1.550(g)).

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Paul Anderson
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(For Patent Owner)

MAILED

JUN 17 2008

CENTRAL REEXAMINATION UNIT

David L. McCombs
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(For Third Party Requester)

In re Rambus, Inc. :
Inter Partes Reexamination Proceeding : **DECISION**
Control No. 95/000,166 : **DENYING**
Originally Deposited: August 8, 2006 : **PETITION**
Filed: August 22, 2007 :
For: U.S. Patent No. 6,426,916 :

This is a decision on the patent owner petition filed on January 23, 2008 entitled "PETITION FOR RECONSIDERATION OF DECISIONS DISMISSING RAMBUS'S PETITIONS TO VACATE FILING DATES AND ORDERS GRANTING INTER PARTES REEXAMINATION" (hereinafter "request for reconsideration"). Receipt is also acknowledged of a paper filed on February 6, 2008 by third party requester entitled "THIRD PARTY REQUESTER'S PETITION AND OPPOSITION TO RAMBUS'S FIFTH PETITION FILED JANUARY 23, 2008 (hereinafter "renewed opposition").

The January 23, 2008 patent owner request for reconsideration, the February 6, 2008 third party renewed opposition, and *inter partes* reexamination proceeding control number 95/000,166 are before the Office of Patent Legal Administration for consideration.

Summary:

1) The renewed petition is granted to the extent that the "Decision Dismissing Petition" dated November 9, 2007 has been reconsidered as follows:

> The present reconsideration extends only to the patent owner's request for, and arguments directed to, vacatur of the filing date and reexamination Order for *inter partes* reexamination proceeding control number 95/000,166.
>
> Reconsideration of the Decision Dismissing Petition dated November 9, 2007 does not extend to the issue of suspension of *inter partes* reexamination proceeding control number 95/000,166, because no arguments on that issue have been presented by petitioner patent owner.
>
> Reconsideration further does not extend to the December 12, 2007 "Decision Dismissing Petition to Vacate-in-Part the Order Granting Reexamination" which is

also requested in the present patent owner petition. [1] Patent owner may file a separate reconsideration petition directed to the December 12, 2007 Office decision.

2) The renewed petition is denied to the extent of granting the relief requested by patent owner as to vacatur of the filing date and Order granting reexamination for *inter partes* reexamination proceeding control number 95/000,166.

3) The present decision is designated as a final agency action under 5 U.S.C. § 704.

FEES

Petitioner patent owner has remitted the $400.00 petition fee required for the present petition that is necessitated by the fact that petitioner requests suspension of the provisions of 37 CFR 1.939, [2] to permit consideration of the substance of the renewed petition. In addition, the Office will charge a $400.00 fee against Deposit Account No. 08-1394 as authorized by third party requester, to permit consideration of the substance of the renewed opposition through suspension of 37 CFR 1.939.

REVIEW OF FACTS

1. U.S. Patent number 6,426,916 ("the '916 patent") issued to Michael Farmwald *et al* on July 30, 2002, and is assigned to Rambus, Inc.

2. On August 8, 2006, a request for *inter partes* reexamination of the '916 patent was deposited by a third party requester, David L. McCombs, and was assigned control No. 90/000,166 ("the '166 *inter partes* reexamination proceeding").

3. On October 6, 2006, a Notice was mailed to the third party requester in the '166 *inter partes* reexamination proceeding in which requester was notified that the request for *inter partes* reexamination of the '916 patent was not entitled to a filing date until the request for reexamination was completed.

4. On October 12, 2006, the third party requester filed a corrected original request for *inter partes* reexamination of the '916 patent, and the request for *inter partes* reexamination was deemed to have been completed and was accorded a filing date of October 6, 2006.

5. In both the original request and the corrected original request for *inter partes* reexamination, the third party requester identified Samsung Electronics Co., Ltd. as being "the real party in interest," pursuant to 37 CFR 1.915(b) and 35 U.S.C. 311(b). [3]

6. On December 26, 2006, reexamination was ordered for claims 1-41 (*i.e.*, all of the claims)

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[1] Pursuant to 37 CFR 1.4(c), "each distinct subject, inquiry or order must be contained in a separate paper to avoid confusion and delay in answering papers dealing with different subjects." Thus, the present patent owner petition is subject to dismissal. However, in the interest of the statutory mandate for special dispatch in reexamination proceedings, the filing date threshold filing date issue of the October 1, 2007 petition and November 9, 2007 will be addressed in this decision. The issue of the propriety of the order granting reexamination can be addressed as a later date, should patent owner separately request reconsideration as to that issue.

[2] 37 CFR 1.939 precludes filing of any party paper prior to the issuance of the first Office action on the merits of patentability in an *inter partes* reexamination proceeding.

[3] However, note fact numbers 24-27, and Decision, Section I, *infra*.

of the '916 patent.

7. On May 15, 2007, patent owner filed a petition requesting that the October 12, 2006 filing date accorded to the corrected request for *inter partes* reexamination of the '916 patent be vacated on the grounds that the request did not properly identify the real party in interest in accordance with the reexamination statute and regulations, or in the alternative, that the proceeding be suspended.

8. On May 31, 2007, the Office mailed a Notice advising third party requester that third party requester had the right to file an opposition to the May 15, 2007 patent owner petition, and establishing a fifteen (15) day time period for third party requester to do so.

9. On June 14, 2007, third party requester timely filed papers opposing the May 15, 2007 patent owner petition.

10. On July 13, 2007, patent owner filed a petition to vacate the December 26, 2006 Order Granting *Inter Partes* Reexamination.

11. On July 26, 2007, the third party requester filed a petition and opposition to the July 13, 2007 patent owner petition to vacate the December 26, 2006 Order Granting *Inter Partes* Reexamination.

12. On August 14, 2007, a decision granting the July 13, 2007 patent owner petition was mailed. The August 14, 2007 decision vacated the filing date that had been originally accorded to the '166 *inter partes* reexamination proceeding. Therefore, the December 26, 2006 Order Granting *Inter Partes* Reexamination was also vacated due to the vacatur of the filing date of the '166 *inter partes* reexamination proceeding. [4]

13. On August 22, 2007, a redacted version of the original request for *inter partes* Reexamination was filed in response to the August 14, 2007 decision that had vacated the originally accorded filing date. The redacted version of the request for *inter partes* Reexamination was accorded a filing date of August 22, 2007.

14. The redacted request for *inter partes* reexamination also identified Samsung Electronics Co., Ltd. as the real party in interest. [5]

15. On October 1, 2007, patent owner filed a renewed patent owner petition to vacate or suspend the '166 *inter partes* reexamination proceeding, effectively calling the May 15, 2007 patent owner petition up for action.

16. On October 12, 2007, the requester filed a renewed petition and opposition to the October 1, 2007 patent owner petition, effectively calling the June 14, 2007 requester opposition petition up for action.

17. An Order Granting *Inter Partes* Reexamination based on the August 22, 2007 redacted version of the original request for *inter Partes* reexamination was mailed on October 19, 2007.

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[4] Decision on Petition, August 14, 2007, Summary paragraph bridging pages 1 and 2.
[5] Again, also note fact numbers 24-27, and Decision, Section I , *infra*.

18. On October 29, 2007, patent owner filed a petition to vacate-in-part the '166 *inter partes* reexamination proceeding.

19. On November 9, 2007, a decision dismissing the October 1, 2007 patent owner petition was mailed.

20. On November 13, 2007, third party requester filed a petition and opposition opposing the October 29, 2007 patent owner petition.

21. On December 12, 2007, a decision dismissing the October 29, 2007 patent owner petition was mailed.

22. On January 23, 2008, patent owner filed the present renewed petition.

23. On February 6, 2008, third party requester filed the present renewed opposition.

24. On February 22, 2008, the Office issued an Order to Show Cause why the '166 *inter partes* reexamination proceeding should not be terminated in view of certain ambiguities that appear in third party requester's identification of the named real party in interest in the various request papers filed by third party requester described in fact numbers 2, 4 and 13.

25. On March 4, 2008, third party requester filed a response to the February 22, 2008 Order to Show Cause.

26. On March 19, 2008, patent owner filed comments on the March 4, 2008 third party requester response.

27. On April 7, 2008, the Office issued a decision accepting the February 22, 2008 third party requester response to the Order to Show Cause, and accepted the unambiguous identification of Samsung Electronics Co, Ltd. as the real party in interest in the '166 *inter partes* reexamination proceeding for purposes of satisfying, *nunc pro tunc*, the requirements of 37 CFR 1.915(b)(8).

28. The '916 patent is currently involved in a number of litigation proceedings, [6] as indicated in the May 15, 2007 patent owner petition to vacate or suspend, the June 14, 2007 third party requester opposition thereto, and the Notice of Prior and Concurrent Proceedings filed by patent owner concurrently with the January 23, 2008 renewed patent owner petition.

RELEVANT STATUTORY, REGULATORY AND PRACTICE PROVISIONS

35 U.S.C. §§ 311(a) and (b) provide:

> (a) IN GENERAL.— Any third-party requester at any time may file a request for inter partes reexamination by the Office of a patent on the basis of any prior art cited under the provisions of section 301.
> (b) REQUIREMENTS.— The request shall—
> (1) be in writing, include the identity of the real party in interest, and be accompanied by payment of an inter partes reexamination fee established by the Director under section 41; and

[6] Claims 9, 28 and 40 of the '916 patent have been held "not invalid." See Special Verdict attached as Exhibit 2 to the present patent owner petition and as Exhibit B to the June 14, 2007 third party opposition.

(2) set forth the pertinency and manner of applying cited prior art to every claim for which reexamination is requested.

35 U.S.C. § 315(c) provides:

CIVIL ACTION.— A third-party requester whose request for an inter partes reexamination results in an order under section 313 is estopped from asserting at a later time, in any civil action arising in whole or in part under section 1338 of title 28, the invalidity of any claim finally determined to be valid and patentable on any ground which the third-party requester raised or could have raised during the inter partes reexamination proceedings. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

35 U.S.C. § 317 provides:

(a) ORDER FOR REEXAMINATION.— Notwithstanding any provision of this chapter, once an order for inter partes reexamination of a patent has been issued under section 313, neither the third-party requester nor its privies may file a subsequent request for inter partes reexamination of the patent until an inter partes reexamination certificate is issued and published under section 316, unless authorized by the Director.
(b) FINAL DECISION.— Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party has not sustained its burden of proving the invalidity of any patent claim in suit or if a final decision in an inter partes reexamination proceeding instituted by a third-party requester is favorable to the patentability of any original or proposed amended or new claim of the patent, then neither that party nor its privies may thereafter request an inter partes reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in such civil action or inter partes reexamination proceeding, and an inter partes reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office, notwithstanding any other provision of this chapter. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

37 CFR 1.105 provides:

(a)(1) In the course of examining or treating a matter in a pending or abandoned application filed under 35 U.S.C. 111 or 371 (including a reissue application), in a patent, or in a reexamination proceeding, the examiner or other Office employee may require the submission, from individuals identified under § 1.56(c), or any assignee, of such information as may be reasonably necessary to properly examine or treat the matter, for example:

(i) *Commercial databases*: The existence of any particularly relevant commercial database known to any of the inventors that could be searched for a particular aspect of the invention.

(ii) *Search*: Whether a search of the prior art was made, and if so, what was searched.

(iii)*Related information*: A copy of any non-patent literature, published application, or patent (U.S. or foreign), by any of the inventors, that relates to the claimed invention.

(iv) *Information used to draft application*: A copy of any non-patent literature, published application, or patent (U.S. or foreign) that was used to draft the application.

(v) *Information* used in invention process: A copy of any non-patent literature, published application, or patent (U.S. or foreign) that was used in the invention process, such as by designing around or providing a solution to accomplish an invention result.

(vi) *Improvements*: Where the claimed invention is an improvement, identification of what is being improved.

(vii) *In Use*: Identification of any use of the claimed invention known to any of the inventors at the time the application was filed notwithstanding the date of the use.

(viii) *Technical information* known to applicant.

Technical information known to applicant concerning the related art, the disclosure, the claimed subject matter, other factual information pertinent to patentability, or concerning the accuracy of the examiner's stated interpretation of such items.

(2) Where an assignee has asserted its right to prosecute pursuant to § 3.71(a) of this chapter, matters such as paragraphs (a)(1)(i), (iii), and (vii) of this section may also be applied to such assignee.

(3) Requirements for factual information known to applicant may be presented in any appropriate manner, for example:

(i) A requirement for factual information;

(ii) Interrogatories in the form of specific questions seeking applicant's factual knowledge; or

(iii) Stipulations as to facts with which the applicant may agree or disagree.

(4) Any reply to a requirement for information pursuant to this section that states either that the information required to be submitted is unknown to or is not readily available to the party or parties from which it was requested may be accepted as a complete reply.

(b)The requirement for information of paragraph (a)(1) of this section may be included in an Office action, or sent separately.

(c) A reply, or a failure to reply, to a requirement for information under this section will be governed by §§ 1.135 and 1.136.

37 CFR 1.907 provides:

(a) Once an order to reexamine has been issued under § 1.931, neither the third party requester, nor its privies, may file a subsequent request for *inter partes* reexamination of the patent until an *inter partes* reexamination certificate is issued under § 1.997, unless authorized by the Director.

(b) Once a final decision has been entered against a party in a civil action arising in whole or in part under 28 U.S.C. 1338 that the party has not sustained its burden of proving invalidity of any patent claim-in-suit, then neither that party nor its privies may thereafter request *inter partes* reexamination of any such patent claim on the basis of issues which that party, or its privies, raised or could have raised in such civil action, and an *inter partes* reexamination requested by that party, or its privies, on the basis of such issues may not thereafter be maintained by the Office.

(c) If a final decision in an *inter partes* reexamination proceeding instituted by a third party requester is favorable to patentability of any original, proposed amended, or new claims of the patent, then neither that party nor its privies may thereafter request *inter partes* reexamination of any such patent claims on the basis of issues which that party, or its privies, raised or could have raised in such *inter partes* reexamination proceeding.

37 CFR 1.913 provides:

Except as provided for in § 1.907, any person other than the patent owner or its privies may, at any time during the period of enforceability of a patent which issued from an original application filed in the United States on or after November 29, 1999, file a request for *inter partes* reexamination by the Office of any claim of the patent on the basis of prior art patents or printed publications cited under § 1.501.

37 CFR 1.915(b)(7), (b)(8) and (d) provide:

(b) A request for *inter partes* reexamination must include the following parts:

(7) A certification by the third party requester that the estoppel provisions of § 1.907 do not prohibit the inter partes reexamination.

(8) A statement identifying the real party in interest to the extent necessary for a subsequent person filing an *inter partes* reexamination request to determine whether that person is a privy.

...

(d) If *the inter partes* request does not include the fee for requesting *inter partes* reexamination required by paragraph (a) of this section and meet all the requirements of paragraph (b) of this section, then the person identified as requesting *inter partes* reexamination will be so notified and will generally be given an opportunity to complete the request within a specified time. Failure to

comply with the notice will result in the *inter partes* reexamination request not being granted a filing date, and will result in placement of the request in the patent file as a citation if it complies with the requirements of § 1.501.

37 CFR 1.919(a) provides:

(a) The filing date of a request for *inter partes* reexamination is the date on which the request satisfies all the requirements for the request set forth in § 1.915.

MPEP § 2614 provides, in part:

The reexamination request must identify the real party in interest who is responsible for filing the reexamination request. This information will be used by future parties requesting reexamination of the same patent, in making the certifications required by 37 CFR 1.915(b)(8).

PRELIMINARY MATTER

It is noted that the present patent owner petition seeks review of two separate petition decisions that addressed two separately filed petitions in which different forms of relief were requested based upon different issues raised in the separate petitions. The "Decision Dismissing Petition" mailed on November 9, 2007 addressed the relief requested in the October 1, 2007 patent owner petition. [7] The "Decision Dismissing Petition to Vacate-in-Part the Order Granting Reexamination" mailed on December 12, 2007 addressed the relief requested in the patent owner petition filed on October 29, 2007. A review of the two petition decisions shows that the decisions responded to two different and wholly separate issues requiring separate consideration with appropriate, but different, rationales. For example, if the relief requested had been granted, then the October 29, 2007 petition would have been rendered moot. Pursuant to 37 CFR 1.4(c), "each distinct subject, inquiry or order must be contained in a separate paper to avoid confusion and delay in answering papers dealing with different subjects." Thus, the present patent owner petition is subject to dismissal. However, in the interest of furthering the statutory mandate for special dispatch in reexamination proceedings, the threshold filing date issue of the October 1, 2007 petition and November 9, 2007 decision will be addressed in this decision, and the issue as to the merits of the order granting reexamination will be addressed at a later date, should patent owner file a separate reconsideration petition on that issue (i.e., directed to the December 12, 2007 Office decision). Accordingly, the present petition decision will reconsider <u>only</u> the November 9, 2007 petition decision.

DISCUSSION

I. <u>The November 9, 2007 Decision – The Issue of Vacatur of the '166 *Inter Partes* Reexamination Proceeding Filing Date</u>

The November 9, 2007 Office decision dismissed the October 1, 2007 patent owner petition (which called up for action the petition originally filed by patent owner on May 15, 2007) for a number of reasons. Patent owner had argued that because:

(1) Patent owner is the plaintiff in litigation in which the '916 patent has been asserted against a number of defendants; and

[7] The relief requested in the October 1, 2007 patent owner petition was vacatur of the filing date of the '166 *inter partes* reexamination proceeding and of the Order granting reexamination in that proceeding, or, in the alternative, suspension of the '*166 inter partes* reexamination proceeding.

(2) The real party in interest identified in the request for reexamination of the '916 patent, "Samsung," [8] is one of those co-defendants; and
(3) Samsung and certain co-defendants have formed a "joint defense group";

the third party requester did not properly identify the real party in interest, given that only Samsung is named as the real party in interest in the '166 *inter partes* reexamination proceeding. Patent owner reasoned that based on the alleged improper identification of the real party in interest, the Office was required to vacate both the filing date of the '166 *inter partes* reexamination proceeding and the order granting *inter partes* reexamination.

The November 9, 2007 Office decision found that patent owner's position was not deemed to be persuasive because:

(A) The mere fact that a given party was a co-defendant of Samsung in the '916 patent litigation, or a member of a "joint defense group" together with Samsung in that litigation, would not necessarily mean that such a party was entitled to direct or control input into the conduct of '166 *inter partes* reexamination proceeding, or had ever done so.
(B) Patent owner failed to provide any factual showing that would support an allegation that any of Samsung's co-defendants in the '916 patent litigation, or who are members of the "joint defense group" in that litigation together with Samsung, actually is in control of, or is directly contributing input into the prosecution of, the '166 *inter partes* reexamination proceeding.
(C) There is no requirement of the reexamination statute that the Office conduct an investigation into the accuracy of the certification made by a third party requester that files a request for reexamination.
(D) Congress has not provided the Office with investigative tools of subpoena powers or discovery, [9] or the ability to conduct hearings to elicit testimony or to conduct cross-examination. Further, Congress has also not provided the Office with authority to impose punitive sanctions for noncompliance with a failure to cooperate in such an inquiry.
(E) Investigative evidentiary tools and the ability to impose sanctions are available to the courts.
(F) There is precedent showing that the courts have the ability to rule on the issue of "real party in interest" in matters ranging from diversity or amount of suit [10] to matters in which the principle is applied to prevent multiple or conflicting lawsuits by persons such as assignees. [11]
(F) Patent owner did not explain why patent owner had not approached the District Court for relief as, for example by investigation into the matter and issuing an appropriate order.
(G) The identification by third party requester is deemed to be adequate for purposes of 37 CFR 1.915(b)(8), because a subsequent party wishing to file an *inter partes* reexamination request for the '916 patent, or who may be subject to estoppels

[8] As determined by the April 7, 2008 Decision, Samsung Electronics, Inc., Ltd. (hereinafter "Samsung").
[9] While 35 U.S.C. §§ 23 and 24 do authorize the Office to establish rules for taking affidavits and depositions required in cases in the Office, no such rules have been established with respect to taking affidavits or depositions with respect to reexamination proceedings, or with respect to parties not before the Office in a given proceeding whose compliance cannot be compelled by the Office. Further, these provisions do not appear to be directed to conducting discovery in a proceeding before the Office, such as a reexamination proceeding.
[10] *Varlotta Construction Corporation v. Carla Development Corporation*, 886 F. Supp 315 (E.D.N.Y. 1995)
[11] *First Hartford Corporation Pension Plan & Trust v. United States*, 194 F.3d 1279 (Fed. Cir. 1999)

resulting from the present *inter partes* reexamination proceeding, would be able to determine for itself whether any relationship with *Samsung* would bar the *inter partes* reexamination request or trigger statutory estoppel.

(H) Pursuant to 37 CFR 10.18(b), the Office relies on factual assertions made before the Office as being true. [12]

II. Patent Owner is Not Entitled to Vacatur of the Filing Date

Patent owner has renewed its argument that the Office has the ability to investigate the accuracy of the identification of the real party in interest in an *inter partes* reexamination proceeding, and has the duty to investigate the accuracy of the identification of the real party in interest in the '166 *inter partes* reexamination proceeding. All of patent owner's arguments have been carefully considered. However, for the reasons that follow, patent owner's arguments are not persuasive that patent owner is entitled to the requested relief of vacatur of the filing date and the resultant vacatur of the order granting *inter partes* reexamination in the '166 *inter partes* reexamination proceeding.

A. When the Identification of the Real Party in Interest Is Not Facially Inaccurate Or Ambiguous, the Office Lacks the Authority and the Tools to Question That Identification

The arguments presented in the patent owner petition for reconsideration fail to establish that the Office has either the authority to question the accuracy of a third party requester's facially accurate and unambiguous identification of the real party in interest in an *inter partes* reexamination proceeding, or the tools to competently conduct an investigation of the matter.

Patent owner's argument that the Office has the ability to investigate the accuracy of the identification of the real party in interest in an *inter partes* reexamination proceeding is based upon drawing an analogy between the requirement of 37 CFR 1.915(b)(8) that the request for reexamination identify the real party in interest and the requirement of 37 CFR 1.915(b)(7) that the request for reexamination include a statement certifying the filing of the request is not barred by 37 CFR 1.907. [13] Patent owner begins by pointing out that the legislative history of 35 U.S.C § 311(b) shows that Congress enacted the requirement for identification of the real party in interest in order to prevent harassment of the patent owner. [14] Patent owner then alleges that the Office has the stated in the *inter partes* reexamination rulemaking that it has the authority to investigate the accuracy of a third party requester's certification under 37 CFR 1.915(b)(7) (*i.e.*, that the estoppel provisions of 37 CFR 1.907 do not preclude the filing of the request for **inter partes** reexamination). [15] Patent owner then states the Office's November 9, 2007 Decision on Petition to have taken the position that the Office does not have the ability or authority to investigate the accuracy

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[12] As discussed further with respect to the present petition for reconsideration, *infra*, the ability of the Office to require a party to a matter before the Office to address ambiguities or inaccuracies in a factual assertion made by that party to resolve the ambiguity is a wholly different matter from the Office having the statutory authority or the evidentiary tools to conduct an investigation regarding parties not before the Office based upon mere allegations that such an investigation is desired by a party before the Office.

[13] The estoppel provisions of 37 CFR 1.907 incorporate the estoppel provisions established by 35 U.S.C. §§ 315(c) and 317. These provisions will be referred to collectively as "statutory estoppel."

[14] Intellectual Property and Communications Omnibus Reform Act of 199, H.R. Conf. Rep. 10-464, 1999 WL 1095089, *133.

[15] See: MPEP § 2612; see also 65 Fed. Reg. 76756 at pages 76759 and 76764 (stating that "where a challenge to the accuracy of the certification is raised by the patent, that the question would then need to be addressed.")

and identification of the real party in interest. Patent owner opines that these positions are inconsistent. Patent owner argues that the Office must take consistent positions, and therefore, patent owner concludes that the Office has the authority and the tools to investigate allegations of requester misidentification of the real party in interest in the same manner that it would investigate the accuracy of a requester's 37 CFR 1.915(b)(7) certification statement. Patent owner concludes the Office has must conduct such an investigation in the '166 *inter partes* reexamination proceeding, that as a result of such investigation the Office will find that the real party in interest has not been properly identified, and that the Office should thereafter vacate both the filing date of the '166 *inter partes* reexamination proceeding, and the Order granting reexamination.

Patent owner's argument is not, however, persuasive, because it does not reflect the intent or plain language of the provisions of 37 CFR 1.915(b)(7) and (b)(8).

A certification statement made pursuant to 37 CFR 1.915(b)(7) is a statement by the third party requester to the effect that the third party requester is not itself estopped by the statutory estoppel provisions from filing a request for *inter partes* reexamination of a given patent. The *inter partes* rulemaking at 65 Fed. Reg. 76756, 76759 (Dec. 7, 2000), provides that:

> "It should be noted that the Office generally will not have a need to resolve the factual issue of whether or not one party is a privy of another party. Section 1.915(b)(7) requires a third party requester to certify that the estoppel provisions of §1.907 do not prohibit the filing of the inter partes reexamination request, and the Office does not intend to look beyond this required certification. It is only in the rare instance where a challenge to the accuracy of the certification is raised by the patent owner, that the question would then need to be addressed."

A substantially identical statement also appears at MPEP § 2612. These statements establish that the Office will, in the rare instance that it is necessary to do so, "address" the issue of the accuracy of a certification that statutory estoppel does not bar the filing of a request for *inter partes* reexamination. However, the rulemaking does not, in any way, discuss the type or depth of investigation that can and will be undertaken, and, more importantly, does not anywhere state or imply that an investigation can or will be undertaken by the Office. Rather, it is the duty of the party moving in favor of vacating a reexamination proceeding to provide the facts of any investigation establishing its position, including what it has obtained by resort to the courts' investigative power. It is nowhere in the statue, rules, or Office procedural guidelines stated or indicated that a patent owner may trigger an investigation of the accuracy of the certification merely by advancing an unsupported allegation that the third party requester is estopped from filing a request for *inter partes* reexamination.

While the Office would clearly query an ambiguous or facially inaccurate 37 CFR 1.915(b)(7) certification statement, such a query is based on an ambiguity or inaccuracy provided by the record of the proceeding. A third party making such a statement for the record is a party appearing before the Office. Therefore, a third party requester may appropriately be asked by the Office to clarify or support a 37 CFR 1.915(b)(7) certification statement that is ambiguous or facially inaccurate on the record. In such a case, the third party requester would be called upon to respond based on facts wholly within its knowledge and possession. The Office would be able to obtain information from the patent owner and the third party requester, and would have no need to try to obtain information from parties not before the Office in the *inter partes* reexamination. Similarly, where the identification of the real party in interest required by 37 CFR 1.915(b)(8) is ambiguous or facially inaccurate, a

third party requester that is before the Office can be queried by the Office. In fact, the record in the present '166 *inter partes* reexamination proceeding shows that the third party requester was required to clarify its identification of the real party in interest, because the identification was facially ambiguous on the record. Third party requester promptly clarified the ambiguity; accordingly, the present record in the '166 *inter partes* reexamination proceeding is not ambiguous as to the identification of the real party in interest.

Patent owner additionally relies on the decisions in *Lacavera v. Dudas*, 441 F.3d 1380, 1382 (Fed. Cir. 2006); *Stevens v. Tamai*, 366 F.3d 1325, 1333 (Fed. Cir. 2004; and *In re Bogese*, 303 F.3d 1362, 1368 (Fed. Cir. 2002) as authority for the proposition that the Office can for conduct an investigation to determine the accuracy of a third party requester's identification of the real party in interest in an *inter partes* reexamination proceeding.

In the *Lacavera* decision, the court discussed the authority of the Office to regulate attorney practice before it pursuant to 35 U.S.C. § 2(b)(2)(D). The *Stevens* case involved an interference proceeding, and the court's decision in *Stevens* cited 35 U.S.C. § 2(b)(2)(A) as giving the Office authority to establish rules not inconsistent with law to govern the conduct of proceedings in the Office. The *Bogese* case concerned the authority of the Office to reject claims in a patent application based upon laches arising from unreasonable and unexplained delay in prosecution, notwithstanding that the applicant complied with pertinent statutes and rules. None of these decisions have been found to be relevant to the authority of the Office to conduct an investigation into the identity of a real party in interest, as to whether other parties are involved (included). Rather, the cases involve circumstances in which the patent statute provides authority for the Office to promulgate regulations not inconsistent with law that will govern the conduct of proceedings in the Office, as well as the recognition and conduct of parties <u>before the Office</u> (including practitioners, applicants and other parties).

Patent owner fails to point to any established regulation that would provide a mechanism for conducting an investigation of the sort patent owner envisions, other than 37 CFR 1.105. Although patent owner opines that the Office can conduct an investigation into a third party requester's identification of the real party in interest in a request for *inter partes* reexamination, and require information from a third party requester under the provisions of 37 CFR 1.105, patent owner is simply mistaken. 37 CFR 1.105 was promulgated pursuant to 35 U.S.C. §§ 131 and 132 - statutes that relate to the examination of applications and the conduct of reexamination proceedings <u>as to patentability</u>. The regulation was promulgated <u>for the purpose of requiring submission of information material to patentability from persons having a duty under 37 CFR 1.56 to disclose information to the Office that is material to patentability</u>. [16] 37 CFR 1.105 has <u>no</u> applicability to requesting information from a third party requester regarding that requester's identification of the real party in interest in an *inter partes* reexamination proceeding, which would require investigation into activity by parties not party to the proceeding before the Office. The identification of the real party in interest has no relationship to the duty to disclose information that is material to patentability that applies to an applicant for patent and to a patent owner (and other 37 CFR 1.56(c) parties) in a reexamination proceeding. [17] Further, patent owner has not adequately explained the basis under which the Office would proceed to require a third party requester to supply information regarding the identity of the real party in interest, or to conduct an

[16] 65 Fed. Reg. 54604, 54633, (Sept. 8, 2000.)

[17] See 37 CFR 1.933, which refers back to 37 CFR 1.555, which in turn, references 37 CFR 1.105. These regulations do not create a duty to disclose information material to patentability, (or any duty of disclosure), that attaches to a reexamination third party requester.

investigation into the identity of the real party in interest, given that there is no ambiguity or facial inaccuracy in the third party requester's identification of the real party in interest. And, to the extent that it would be necessary to obtain information from a party who is alleged to be an undisclosed real party in interest in an *inter partes* reexamination proceeding, patent owner has not explained how 37 CFR 1.105 could be applied to a party who is not before the Office in that proceeding.

Rather than the Office conducting an investigation based on a raw allegation that a patent believes an identification of the real party in interest to be facially inaccurate, the courts are the appropriate venue in which the patent owner should seek relief in the form of an investigation. [18] (This point is especially relevant here, where the identification appears to be unambiguous on the record, and it is patent owner that is alleging an inaccuracy.) It is to be noted that there is precedent on the issue of "real party in interest" in the federal courts, on matters ranging from jurisdiction (*e.g.*, presence of diversity or amount of suit) to actions in which the principle is applied to prevent multiple or conflicting lawsuits by persons such as assignees (*e.g.*, assignee estoppel or *res judicata*). [19] Where such precedent requires a party whose disclosure has been challenged to provide support for the disclosure, the examples of court proceedings resolving "real party in interest" issues demonstrate the reason why the Office cannot perform such a function here. Upon obtaining jurisdiction over the parties, courts may order discovery, take testimony and employ other evidentiary tools (*e.g.*, subpoena power and sanctions). Accordingly, the courts are the forums best equipped to determine who is, and who is not, the "real party in interest" when a party has a doubt as to the third party requester's identification of a party or parties as being the real party in interest in an *inter partes* reexamination proceeding. Further, courts may provide relief with respect to patents, as appropriate, by enjoining the filing of a further *inter partes* reexamination request by the other parties in a civil action, or as to the filing of subsequent civil action. Even if an *inter partes* reexamination request is filed by one of the other parties in the civil action who is barred from requesting *inter partes* reexamination by statutory estoppel, a court could always enjoin participation by that requester in the proceeding and essentially turn the proceeding into an *ex parte* reexamination proceeding, the filing of which does not require identification of "a real party in interest" (35 U.S.C §§ 301 and 302), and is not prohibited by statute or rule, even after an *inter partes* reexamination has been filed by the same real party in interest. [20]

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[18] See: *In re Epstein*, 32 F.3d 1559, 31 USPQ2d 1817 (Fed. Cir. 1994), where the court took note of party's availability of the court's investigative powers, to address the absence of same to the Office.

> "During ex parte PTO examination, applicants are free to investigate hearsay assertions relied upon by an examiner during the three to six month period available to respond to an office action. They also have the right to introduce rebuttal evidence under 37 C.F.R. Section 1.132 (1993). Moreover, if applicants wish to cross-examine the authors of written hearsay assertions, under 35 U.S.C. Section 145 (1988) they may bring a civil action in the United States District Court for the District of Columbia seeking adjudication that they are entitled to receive a patent. In such an action, testimony could be compelled by subpoena under Federal Civil Procedure Rule 45. See Gould v. Quigg, 822 F.2d 1074, 1076, 3 USPQ2d 1302, 1303 (Fed. Cir. 1987) ("While the evidentiary record before the Board serves as the 'evidentiary nucleus' of the district court proceeding in a section 145 action, the parties are entitled to submit additional evidence."). [32 F.3d at 1565, 31 USPQ2d at 1821]

[19] See, for example: *Varlotta Construction Corporation v. Carla Development Corporation*, 886 F. Supp 315 (E.D.N.Y. 1995) (presence of diversity or amount of suit); *First Hartford Corporation Pension Plan & Trust v. United States*, 194 F.3d 1279 (Fed. Cir. 1999) (application of the principle of "real party in interest" applied to prevent multiple or conflicting lawsuits by persons such as assignees.

[20] If the court makes a finding that the "real party in interest" was misstated, the Office can then take action, if appropriate, based upon the court's findings.

A patent owner concerned with the issue of misidentification of the real party in interest in a request for *inter partes* reexamination may immediately seek relief from the alleged erroneous identification of the "real party in interest" via the courts, which possess the tools to investigate and obtain information as to the relationship of the parties to ascertain the veracity of the identified "real party in interest." The present petition is silent as to why patent owner did not approach the appropriate District Court for relief (*e.g.*, an investigation into the matter and an appropriate order). Given the emphasis that petitioner patent owner has placed on the importance of the "real party in interest" disclosure requirement, it would appear that patent owner could have immediately sought relief in the appropriate court regarding the identity of the real party in interest. The record does not show that patent owner has done so. Patent owner's argument that it is the Office, not a district court, "that administers the patent statute," is wholly unpersuasive. The Office may consider that it is "the sole agency that administers the patent statute," [21] in conducting the *inter partes* proceeding. However, it is common knowledge that the federal courts (which are not an agency in the sense used in the *inter partes* reexamination rulemaking) routinely adjudicate matters arising under the patent statute. Further, patent owner should appreciate the difference between conducting a reexamination proceeding, which is the provenance of the Office, and enforcing an estoppel provision of Federal law as a matter of equitable relief. Patent owner has not provided any basis for believing that the district courts lack authority to act as described above.

B. The Office Has No Duty To Investigate The Identity Of The Real Party In Interest In The '166 *Inter Partes* Reexamination Proceeding

(1) Patent Owner Does Not Allege A Present Injury

The reexamination statute requires, *inter alia*, that a request for *inter partes* reexamination proceeding "shall ... include the identity of the real party in interest ... ." [22] The *inter partes* reexamination rules require that a request for *inter partes* reexamination include, *inter alia*, "[A] statement identifying the real party in interest to the extent necessary for a subsequent person filing an *inter partes* reexamination request to determine whether that person is a privy." [23] Neither the *inter partes* reexamination statute nor the *inter partes* reexamination rules imposes a duty on the Office to investigate the accuracy of an unambiguous identification of the real party in interest in a third party requester's request for *inter partes* reexamination proceeding and the identification is not facially inaccurate.

In the present '166 *inter partes* reexamination proceeding, the real party in interest is unambiguously identified in the current record. [24] The identification of the real party is not found to be facially inaccurate. The Office will refuse to accord a filing date to a request for *inter partes* reexamination that does not identify the real party in interest, or which provides an identification of the real party in interest that is ambiguous or facially inaccurate. If the Office accords a filing date to a request for *inter partes* reexamination, and later discovers an

[21] 65 Fed. Reg. 76756, 76759 (Dec. 7, 2000), emphasis added.
[22] 35 U.S.C. § 311(b)(1).
[23] 37 CFR 1.915(b)(8).
[24] It is to be noted that although the identification of the real party in interest was ambiguous in the various requests for reexamination filed by the third party requester in the '166 *inter partes* reexamination proceeding, such ambiguity has been resolved and a decision so stating was issued on April 7, 2008. The present identification of Samsung Electronics Inc., Ltd. as the real party in interest applies to this proceeding *nunc pro tunc*, and will allow any subsequent party to draw the necessary conclusions for purposes of 37 CFR 1.907 and statutory estoppel in *inter partes* reexamination.

ambiguity or a facial inaccuracy in the identification of the real party in interest, the Office can, and will, require that a party appearing before it as third party requester in an *inter partes* reexamination proceeding clarify the ambiguity or facial inaccuracy. [25] However, it does not follow that the Office is empowered to conduct an investigation into the identity of the real party in interest when the statement identifying the real in interest in the record of an *inter partes* reexamination proceeding is neither facially inaccurate nor ambiguous. The Office will not conduct an investigation into the accuracy of the identification of the real party interest in the '166 *inter partes* reexamination proceeding, because there is no established reason to do so.

Further, it is also to be noted that in the present '166 *inter partes* reexamination proceeding, patent owner is requesting relief based upon an injury that has not yet occurred. Patent owner does not allege that the named real party in interest is itself estopped from filing and participating in the '166 *inter partes* reexamination proceeding. Rather, patent owner's concern is that patent owner might be harassed by the filing of a subsequent request for *inter partes* reexamination of the '916 patent by a party that should have been identified as a real party in interest in the '166 *inter partes* reexamination proceeding, but was not so identified. Such a party, as a real party in interest in the '166 *inter partes* reexamination proceeding, would (if one existed) be subject to a statutory estoppel that would preclude the filing of such a request by that third party requester. While a patent owner is entitled to be protected from harassment by the filing of a subsequent request for *inter partes* reexamination of the '916 patent by a party who is estopped from filing such a request, the record simply does not show that such a circumstance presently exists in the '166 *inter partes* reexamination proceeding. No additional requests for *inter partes* reexamination of the '916 patent have been filed, so clearly there is presently no cause for concern that a misidentification of the real party in interest has permitted a party subject to statutory estoppel to file an additional request for *inter partes* reexamination of the '916 patent. Accordingly, there is presently no basis for granting the relief requested by patent owner in the present '166 *inter partes* reexamination proceeding, since patent owner cannot, at this point, have been injured by the filing of another request for *inter partes* reexamination for the '916 patent that would be barred by statutory estoppel.

(2) Patent Owner Has Presented No Evidence That The Real Party in Interest Has Not Been Properly Identified

A further reason why the Office will not conduct an investigation into the identity of the real party in interest in the '166 *inter partes* reexamination proceeding is that patent owner has not presented any factual basis that would establish that the third party requester's identification of the real party in interest is inaccurate or ambiguous. Rather, patent owner relies solely on the fact that third party requester is one of a number of co-defendants in litigation directed to the '916 patent and that certain co-defendants have formed a "joint defense group," of which the identified real party in interest is a member, as providing the reason why the Office must investigate the accuracy of the identification of the real party in interest in the request for reexamination of the '916 patent. However, patent owner *has not provided any factual showing* that would suggest that one or more of members of the "joint defense group" has, in fact: (a) participated in the filing of the request for reexamination of the '916 patent any way or was involved in the decision to file, or (b) in any way participated in the prosecution of the resulting '166 *inter partes* reexamination proceeding or was involved in the decision as to prosecution. Assuming, *arguendo*, that (1) the Office has

[25] In fact, the Office has required third party requester to clarify an ambiguous identification of the real party in interest in the present '166 *inter partes* reexamination proceeding, and third party requester has done so.

authority to conduct an investigation and to require that third party requester provide information in the form of documents, or answers to interrogatories, requiring information, and (2) that patent owner believed that it had been injured due to the filing of another request for *inter partes* reexamination of the '916 patent by a party subject to statutory estoppel, patent owner still has not provided the Office with any evidentiary basis to justify conducting an investigation into the accuracy of a third party requester's identification of the real party in interest in the '166 *inter partes* reexamination proceeding. Patent owner's belief that one or more unnamed entities are also real parties in interest is not evidence. The Office will not act on mere beliefs, any more than a court would act on allegations that are not supported by facts. The record in the '166 *inter partes* reexamination proceeding shows that third party requester has unambiguously identified the real party in interest in the request. The record does not show that Office has been provided with any concrete evidence suggesting reason to doubt the accuracy of requester's identification of the real party in interest. On the present record, the Office can only conclude that further inquiry by the Office directed to the third party requester regarding the identity of the real party in interest would merely result in third party requester confirming that that "Samsung Electric Co, Limited" is the real party in interest, as third party requester has previously stated. Note is taken that such a statement by a party appearing before the Office is a certification that such statement is believed to be true. [26] The record in the '166 *inter partes* reexamination proceeding provides no basis for the Office to doubt the statement, and accordingly, provides no basis to investigate the accuracy of that statement.

III. Suspension of the '166 *Inter Partes* Reexamination Proceeding

It does not appear that petitioner patent owner has requested reconsideration of the refusal to suspend the '166 *inter partes* reexamination proceeding. It appears, therefore, that petitioner patent owner has chosen to abandon its prior petition for suspension. Accordingly, no further decision on that issue is necessary.

IV. Synopsis

Patent owner has filed a petition paper on January 23, 2008, requesting reconsideration of the petition decisions dated November 9, 2007 and December 12, 2007. This decision treats the request for reconsideration only to the extent that November 9, 2007 decision has been reconsidered, and only to the extent that reconsideration was requested as to the refusal to vacate the filing date of the '166 *inter partes* reexamination proceeding and the refusal to vacate the Order granting *inter partes* reexamination. [27] Patent owner has not demonstrated that the Office has the authority or the procedural tools to conduct an investigation into the otherwise facially unambiguous and facially accurate identification of the real party in interest in this *inter partes* reexamination proceeding. Also, patent owner has not demonstrated any present injury in the '166 *inter partes* reexamination that would warrant the requested relief. Even further, patent owner has not provided any evidence showing that the present identification of the real party in interest in the '166 *inter partes* reexamination is in any way facially ambiguous or facially inaccurate. Accordingly, patent owner has not demonstrated any basis for the requested relief of vacatur of the filing date of the '166 *inter partes* reexamination proceeding and the Order granting reexamination. On the other hand, requester has unequivocally stated that Samsung ("Samsung Electric Co,

[26] 37 CFR 10.18(b)

[27] Patent owner has elected not to request reconsideration of the November 9, 2007 petition decision with respect to the refusal to suspend the '166 *inter partes* reexamination proceeding. The relief requested in the December 12, 2007 petition will be addressed in a separate petition decision.

Limited") is the only real party in interest for the present proceeding, and pursuant to 37 CFR 10.18(b), the Office relies on factual assertions made before the Office as being true. Therefore, the requested relief is denied, and this decision is being designated as a final agency action within the meaning of 5 U.S.C. § 704.

ADDITIONAL DISCUSSION

As this decision is designated as a final agency action under 5 U.S.C. § 704, patent owner is advised that to the extent that patent owner may disagree with the disposition of the issues in this decision, those issues are now ripe for judicial review. Any further patent owner petition paper directed to the issues decided herein, will not be considered unless accompanied by a strong showing of additional facts warranting further review by the Office. The filing by patent owner of a petition paper directed the issues decided herein, that does not include such showing may be construed as being a paper interposed for purposes of delay.

CONCLUSION

1. The January 23, 2008 petition to vacate '166 *inter partes* reexamination proceeding is granted only to the extent that the petition requested vacatur of the filing date and the Order granting reexamination has been considered and entered into the record by way of waiver of 37 CFR 1.939.

2. The January 23, 2008 petition is denied as to the requested vacatur of the filing date of, and the Order granting reexamination in, the '166 *inter partes* reexamination proceeding.

3. The reconsideration given in this decision does not extend to the December 12, 2007 "Decision Dismissing Petition to Vacate-in-Part the Order Granting Reexamination" which is also requested in the present patent owner petition. Patent owner may file a separate reconsideration petition directed to the December 12, 2007 Office decision.

4. This decision is a final agency action within the meaning of 5 U.S.C. § 704.

5. Telephone inquiries related to this decision should be directed to Stephen Marcus, Senior Legal Advisor, at (571) 272-7743, or in his absence, the undersigned at (571) 272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

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June 16, 2008

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,166	08/22/2007	6426916	38512.3	7919

22852 7590 07/31/2008

FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER LLP
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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 07/31/2008

Please find below and/or attached an Office communication concerning this application or proceeding.

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JUL 31 2008

CENTRAL REEXAMINATION UNIT

In re Farmweld et al.	:
Reexamination Proceeding	: DECISION GRANTING
Control No.: 95/000,166	: PETITION UNDER
Filed: August 22, 2007	: 37 CFR § 1.183
For: U.S. Patent No. 6,426,916	:

This is a decision on the May 13, 2008 patent owner petition entitled "PETITION TO WAIVE 37 CFR § 1.98(a) (2) AND ENTER INTO THE FILE DOCUMENTS FROM CO-PENDING REEXAMINATION PROCEEDING," being treated under 37 CFR 1.183. The petition requests waiver of the formal submission requirements of 37 CFR 1.555 and 1.98(a), for entry into the record of reexamination proceeding control No. 95/000,166 - the foreign and non-patent literature documents that were previously submitted in a copending reexamination proceeding.

The petition is before the Office of Patent Legal Administration of the United States Patent and Trademark Office for decision.

The petition is granted.

REVIEW OF FACTS

1. U.S. Patent No. 6,426,916 (the '916 patent) issued on July 30, 2002.

2. U.S. Patent Nos. 6,452,863 (the '863 patent) issued on September 17, 2002.

3. The '916 patent and the '863 patent are related patent application filings, which both ultimately claim benefit to US application 07/510,898, filed April 18, 1990, now abandoned.

4. A request for reexamination of the '863 patent was filed on June 28, 2007. The request was assigned control No. 95/000,250 (the '250 reexamination proceeding).

5. A request for reexamination of the '916 patent was filed on August 22, 2007. The request was assigned control No. 95/000,166 (the '166 reexamination proceeding).

6. Reexamination was ordered for the '250 proceeding on September 5, 2007.

7. Reexamination was ordered for the '166 proceeding on October 19, 2007.

8. On February 22, 2008, patent owner filed an IDS under 37 CFR 1.555, 1.97 and 1.98 in the '250 proceeding.

9. On May 13, 2008, patent owner filed in the '166 proceeding - a document entitled "Information Disclosure Statement" that is identical to the document of the same title filed on February 22, 2008 in the '250 proceeding. Office records fail to reveal, however, that copies of the references listed in the May 13, 2008 document entitled "Information Disclosure Statement"were received by the Office in the '166 proceeding.

10. Concurrent with the May 13, 2008 submission in the '166 proceeding, the patent owner filed the instant petition under 1.183 requesting waiver of the formal submission requirements of 37 CFR 1.555 and 1.98(a), and requesting entry into the record of reexamination proceeding control no. 95/000,166 - the foreign and non-patent literature documents that were previously submitted in a copending reexamination proceeding.

DECISION

37 CFR 1.555(a) states (in part):

> . . . .
> Any information disclosure statement must be filed with the items listed in § 1.98(a) as applied to individuals associated with the patent owner in a reexamination proceeding, and should be filed within two months of the date of the order for reexamination, or as soon thereafter as possible.

37 CFR 1.98 states (in part):

> (a) Any information disclosure statement filed under § 1.97 shall include the items listed in paragraphs (a) (1), (a) (2) and (a) (3) of this section.
> . . . .
> (2) A legible copy of:
> (i) Each foreign patent;
> (ii) Each publication or that portion which caused it to be listed, other than U.S. patents and U.S. patent application publications unless required by the Office;
> (iii) For each cited pending unpublished U.S. application, the application specification including the claims, and any drawing of the application, or that portion of the application which caused it to be listed including any claims directed to that portion; and
> (iv) All other information or that portion which caused it to be listed.
> . . . .

37 CFR 1.555 requires that information material to patentability must be filed in accordance with 37 CFR 1.98(a). 37 CFR 1.98(a) requires that copies of certain

types of references must be provided in each application for which applicant files an information disclosure statement. Copies of the Information Disclosure Statement references were not appropriately provided in this proceeding; accordingly, patent owner has requested waiver of the rules to permit transfer of scanned-in references of a related reexamination proceeding (such references submitted for an identical document entitled "information disclosure statement" from the related reexamination proceeding to the present proceeding. The scanning of a single submission of references and subsequent electronic transfer of the same scanned references in an identical document entitled "information disclosure statement" from a related reexamination proceeding eases the burden of handling the references for the Office, as well as the patent owner, without prejudice to the third party requesters. Accordingly, the petition is granted.

The grant of this petition is based upon the individual facts and circumstances of these proceedings. Furthermore, the grant of this petition is not an acknowledgement that patent owner's May 13, 2008 submission complies with all other requirements of the relevant rules. The examiner of record will make such a determination, in light of the waiver of the formal submission requirements of 37 CFR 1.555 and 1.98 granted by this decision.

A petition fee of $400.00 under 37 CFR 1.17(f) has been received and processed by the Office.

ADDITIONAL DISCUSSION

Petitioner asserts that a granting of a waiver of the "copy requirement" is supported by the granting of a similar petition in another reexamination proceeding.[1] However, that decision expressly states that EFS-Web is now available for reexamination filings thus minimizing the need for such a request for relief. The Office (via the Electronic Business Center) released a notice in the summer of 2007 stating that EFS-Web version 1.1.4 is designed to receive papers for reexamination proceedings.[2] Also, in December 2007 the Office issued a legal notice stating that EFS-Web was available for both initial and ***follow-on*** papers in reexamination proceedings.[3] Accordingly, petitioner now has multiple instances of both constructive and actual notice that e-filing of initial and follow on papers is available in reexamination proceedings. Any subsequent submission of a document entitled "information disclosure statement" filed with a petition requesting a waiver of the "copy requirement," absent a showing of ***extraordinary*** circumstances significantly above and beyond the mere convenience rationale set forth in the present instance, will not receive favorable consideration. The Office has provided a readily usable alternative for the submission of documents that minimizes the burden of document handling for all parties, EFS-Web, but only if utilized. Therefore, petitioner, having been placed on notice is

[1] Petitioner discusses a petition decision issued on April 17, 2008 in reexamination proceeding 95/001,013.
[2] See http://www.uspto.gov/ebc/portal/efs/efs_web_114_v13.pdf
[3] Memorandum signed by John J. Love, Deputy Commissioner for Patent Examination Policy, Legal Framework for EFS-Web page 10, § XXII (Signed November 29, 2007) at http://www.uspto.gov/ebc/portal/efs/legalframework.pdf

cautioned to utilize EFS-Web in filing large duplicative submissions in multiple Office proceedings, in order to minimize those burdens and not cause unnecessary expenditure of the Office's limited resources.

CONCLUSION

1. The petition under 37 CFR 1.183 for waiver of the requirements of 37 CFR 1.555 and 1.98 is granted.

2. Patent owner and counsel have been placed on notice to utilize EFS-Web in future filings of large duplicative submissions in multiple Office proceedings.

3. Jurisdiction over this proceeding is returned to the Central Reexamination Unit for transfer of the references from the copending reexamination proceeding to the '166 proceeding, and then to the examiner to await any response to the July 3, 2008 non-final Office action.

4. Telephone inquiries with regard to this decision should be directed to Joseph F. Weiss, Jr., Office of Patent Legal Administration, at (571) 272-7759.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration
Office of the Deputy Commissioner
for Patent Examining Policy

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MAR 09 2009

CENTRAL REEXAMINATION UNIT

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(Courtesy Copy)

In re Farmwald et al.
Inter partes Reexamination Proceeding
Control No.: 95/000,166
Filed: August 22, 2007
For: U.S. Patent No. 6,426,916

In re Farmwald et al.
Inter partes Reexamination Proceeding
Control No. 95/001,122
Filed: November 20, 2008
For: U.S. Patent No. 6,426,916

DECISION, *SUA SPONTE*, TO MERGE REEXAMINATION PROCEEDINGS

The above-captioned reexamination proceedings are before the Office of Patent Legal Administration for *sua sponte* consideration of whether the proceedings should be merged under 37 CFR 1.989 at this time.

REVIEW OF RELEVANT FACTS

1. U. S. Patent Number 6,426,916 (the '916 patent) issued to Farmwald et al. on July 30, 2002, with 41 claims.

2. A request for *inter partes* reexamination, assigned Reexamination Control No. 95/000,166 ('166 proceeding), was initially deposited by third party requester on August 8, 2006, and received a filing date of August 22, 2007. Samsung Electronics, Co. Ltd. is identified as the real party in interest.

3. An order granting reexamination of claims 1-41 of the '916 patent was mailed for the '166 reexamination proceeding on October 19, 2007.

4. An Office action containing at least one rejection of each of claims 1-41 of the '916 patent was mailed for the '166 reexamination proceeding on July 3, 2008.

5. Patent owner filed a timely response on September 3, 2008, retaining original patent claims 1-41 as unamended.

6. Third party requester filed timely comments on October 3, 2008, pursuant to 37 CFR 1.947.

7. A request for *inter partes* reexamination, assigned Reexamination Control No. 95/001,122 ('1122 proceeding), was filed November 20, 2008, by third party requester Micron Technology, Inc.

8. An order granting reexamination of claims 26 and 28 of the '916 patent was mailed for the '1122 reexamination proceeding on January 16, 2009.

9. No Office action has been mailed, and no amendments to the claims have been made, in the '1122 *inter partes* reexamination proceeding.

DECISION

I. MERGER OF PROCEEDINGS

Under 37 CFR 1.989(a):

> If any reexamination is ordered while a prior *inter partes* reexamination proceeding is pending for the same patent and prosecution in the prior *inter partes* reexamination proceeding has not been terminated, a decision may be made to merge the two proceedings or to suspend one of the two proceedings. Where merger is ordered, the merged examination will normally result in the issuance of a single reexamination certificate under § 1.997.

As evidenced by the above review of facts, both the '166 and the '1122 reexamination proceedings are currently pending. The order to reexamine has been mailed for both reexamination proceedings, and a decision under 37 CFR 1.989(a) is timely.

The general policy of the Office is that two reexamination proceedings will not be conducted separately, and at the same time, as to a particular patent. The rationale for this policy is (1) to prevent inconsistent, and possibly conflicting, amendments from being introduced into the two proceedings on behalf of the patent owner, (2) to provide a comprehensive examination of the patent based on the issues raised in both of the proceedings, and (3) to expedite the prosecution of both proceedings. In the present instance, merger of the 95/000,166 and 95/001,122 reexamination proceedings would address these considerations. Thus, pursuant to 37 CFR 1.989(a), the 95/000,166 and 95/001,122 reexamination proceedings are hereby merged. The merged proceeding will be conducted in accordance with the guidelines and requirements which follow.

II. THE SAME CLAIMS MUST BE MAINTAINED IN BOTH PROCEEDINGS

The claims are identical in both proceedings. The patent owner is required to continue to maintain the same claims (and specification) in both files *throughout the merged proceeding*.

III. CONDUCT OF MERGED PROCEEDING

A. Governing regulations for the merged proceeding:

The present decision merges an *inter partes* reexamination proceeding with another *inter partes* reexamination proceeding. Pursuant to 37 CFR 1.989(b), the merged proceeding is governed by 37 CFR 1.902 through 1.997.

B. Papers mailed/filed:

All papers mailed by the Office throughout the merged proceeding will take the form of a single action which applies to both proceedings. All papers issued by the Office or filed by the patent owner and the third party requesters will contain the identifying data for both proceedings and will be entered in each reexamination file. All papers filed by the patent owner and the third party requesters must consist of a single paper, **filed in duplicate**, each bearing a signature and identifying data for both proceedings, for entry into the file for each proceeding.

All papers that are filed by the patent owner and the third party requesters should be directed:

By EFS: Registered users may submit via the electronic filing system EFS-Web, at https://sportal.uspto.gov/authenticate/authenticateuserlocalepf.html.

By Mail to: Mail Stop *Inter Partes* Reexam
Attn: Central Reexamination Unit
Commissioner for Patents

United States Patent & Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

By FAX to: (571) 273-9900
Central Reexamination Unit

By hand (or delivery service):

Customer Service Window
Attn: Central Reexamination Unit
Randolph Building, Lobby Level
401 Dulany Street
Alexandria, VA 22314

For EFS-Web transmissions, 37 CFR 1.8(a)(1)(i) (C) and (ii) states that correspondence (except for a request for reexamination and a corrected or replacement request for reexamination) will be considered timely filed if (a) it is transmitted via the Office's electronic filing system in accordance with 37 CFR 1.6(a)(4), and (b) includes a certificate of transmission for each piece of correspondence stating the date of transmission, which is prior to the expiration of the set period of time in the Office action.

The patent owner and the requesters are reminded that every paper filed in the merged proceeding subsequent to this Decision must be served on the other parties, including papers filed *via* facsimile transmission.

C. Amendments:

The filing of any amendments to the specification, claims, and drawings must comply with the provisions of 37 CFR 1.530 and the guidelines of MPEP § 2666. 37 CFR 1.121 does not apply to amendments in a reexamination proceeding. Accordingly, clean copies of the amended claims are not required and are not to be submitted; rather amendments are to be presented via markings pursuant to 37 CFR 1.530(f), except that a claim should be canceled by a statement canceling the claim, without presentation of the text of the claim.

Pursuant to 37 CFR 1.530(i), all amendments must be made relative to the patent specification, including the claims, and drawings, which are in effect as of the date of filing the request for reexamination. Amendments are not to be made relative to previous amendments. Thus, for all amendments, all words not appearing in the patent are always underlined, and only words being deleted from the patent appear in brackets.

D. Fees:

Where a paper is filed which requires payment of a fee (e.g., extension of time fee, excess claims fee, petition fee, appeal fee, brief fee, oral hearing fee), only a single fee need be paid. For

example, only one fee need be paid for patent owner's appellant brief (or that of one of the *inter partes* reexamination requesters), even though the brief relates to merged multiple proceedings and even though copies must be filed (as pointed out above) for each file in the merged proceeding.

E. Citation of Patents and Printed Publications:

Upon return of the present merged proceeding to the examiner, the examiner will review the files to ensure that each file contains identical citations of prior patents and printed publications, and will cite such documents as are necessary as part of the next action in order to place the files in that condition.

PATENT OWNER'S ADDRESS

The patent owner is called upon to coordinate the proper correspondence addresses in (1) the patent, (2) the '166 proceeding and (3) the '1122 proceeding. Different patent owner counsel and addresses are of record for the two reexamination proceedings. The current correspondence address of record for the patent file is the proper patent owner address for reexamination mailings pursuant to 37 CFR 1.33(c), and it is that of RAMBUS, INC., c/o Ann Williams, 4440 El Camino Real, Los Altos, CA 94022. Accordingly, all future correspondence will be directed to RAMBUS, INC., c/o Ann Williams, 4440 El Camino Real, Los Altos, CA 94022, unless, within ONE (1) MONTH of this decision, patent owner changes the correspondence address of record in the patent (the same should be done for the reexamination proceedings).

It is further noted that different attorneys are of record for the two reexamination proceedings. In order to permit filing of patent owner papers in the now merged proceeding by one attorney alone, the two proceedings must given a single attorney of record, with appointment being made as appropriate. Patent owner is provided with ONE (1) MONTH from the mailing of this decision to do so. If there is a newly designated attorney, patent owner must supply the designated attorney with the requisite power of attorney in the appropriate files (the patent file and both reexamination proceedings).

As a courtesy, this decision is being mailed to both addresses. However, as pointed out above, the address of RAMBUS, INC., c/o Ann Williams, 4440 El Camino Real, Los Altos, CA 94022, will be used in future correspondence, unless the address of record is changed as set forth above.

CONCLUSION

1. *Inter partes* Reexamination Control No. 95/000,166 and *inter partes* Reexamination Control No. 95/001,122 are merged into a single proceeding, to be conducted in accordance with the procedure set forth above.

2. Patent owner is provided with ONE (1) MONTH from the mailing of this decision to file papers to address the correspondence address and attorney of record considerations in both proceedings, as set forth in the last section of this decision.

3. Jurisdiction over the merged reexamination is being forwarded via the Central Reexamination Unit Director to the examiner for the preparation of an Office action, to be issued in due course for the merged proceeding. The examiner should not issue an Office action for the present merged proceeding until after the earlier of:

   (A) The expiration of the one month period set for filing the papers addressing the correspondence address and attorney of record in both proceedings, or

   (B) The receipt of such papers.

4. Any questions concerning this communication should be directed to Susy Tsang-Foster, Legal Advisor, at (571) 272-7711.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

UNITED STATES PATENT AND TRADEMARK OFFICE

Commissioner for Patents
United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450
www.uspto.gov

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APR 29 2009

CENTRAL REEXAMINATION UNIT

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David L. McCombs HAYNES AND BOONE, LLP IP SECTION 2323 VICTORY AVENUE SUITE 700 DALLAS, TX 75219	:	(For Third Party (Requester)
Tracy W Druce NOVAK DRUCE & QUIGG, LLP (NDQ REEXAMINATION GROUP) 1000 LOUISIANA STREET FIFTY-THIRD FLOOR HOUSTON, TX 77002	:	(For Third Party Requester)
	:	DECISION GRANTING-IN-PART PETITION FOR EXTENSION OF TIME [37 CFR § 1.956 and § 1.181]
In re: Farmwald *et alia* *Inter Partes* Reexamination Proceeding Control No. 95/000,166 Deposited on: 12 October 2006 For: US Patent No. 6,426,916	:	
In re: Farmwald *et alia* *Inter Partes* Reexamination Proceeding Control No. 95/001,122 Deposited on: 20 November 2008 For: US Patent No. 6,426,916	:	

This is a decision on the 23April 2009, "Patent Owner's Petition for Extension of Time Pursuant to 37 CFR 1.956" requesting that the time for responding to the Action Closing

Prosecution mailed 20 March 2009, be extended by forty-five (45) days. The petition was timely filed.

The petition is before the Director of the Central Reexamination Unit for consideration.

The petition is granted-in-part for the reasons set forth below.

Statement of Relevant Facts

1. On 30 July 2002 US patent No. 6,426,916 was granted to Farmwald *et alia.*

2. On 12 October 2006 a request for reexamination was deposited by a third party requester for *Inter Partes* Reexamination with the Office identified by control number 95/000,166.

3. On 26 December 2006 an Order Granting Request for *Inter Partes* Reexamination 95/000,155 was mailed.

4. On 20 November 2008 a request for reexamination was deposited by a third party requester for *Inter Partes* Reexamination with the Office identified by control number 95/001,122.

5. On 16 January 2009 an Order Granting Request for *Inter Partes* Reexamination 95/001,122 was mailed.

6. On 09 March 2009 a decision s*ua sponte* was mailed merging proceedings 95/000,166 and 95/001,122

7. On 20 March 2009 a non-final Office action was mailed was mailed in the above mentioned proceedings.

8. On 23 April 2009 the instant petition for a forty-five (45) days extension of time was submitted by the patent owner's representative.

Discussion

The Patent Owner's representative requests the period of time be extended in which to file a response to the non-final Office action mailed 20 March 2009, which set a two (2) months time for filing a response thereto. The petition for extension of time was timely filed on 23 April 2009, together with electronic fee transmittal for the $200.00 petition fee as

required by 37 CFR § 1.956 and 37 CFR § 1.17 (g). A certificate of service was provided with the petition.

The request is granted-in-part.

> **37 CFR § 1.956. Patent owner extensions of time in inter partes reexamination.** *The time for taking any action by a patent owner in an inter partes reexamination proceeding will be extended only for sufficient cause and for a reasonable time specified. Any request for such extension must be filed on or before the day on which action by the patent owner is due, but in no case will the mere filing of a request effect any extension. Any request for such extension must be accompanied by the petition set forth in § 1.17(g). See § 1.304(a) for extensions of time for filing a notice of appeal to the U.S. Court of Appeals for the Federal Circuit.*

Addressing the requirement of 37 CFR § 1.956 to make a showing of "sufficient cause" to grant an extension request, MPEP § 2665 states, in pertinent part:

> As noted above, a request for extension of time under 37 CFR § 1.956 will be granted only for sufficient cause, ...
>
> Evaluation of whether "sufficient cause" has been shown for an extension must be made by **balancing** the desire to provide the patent owner with a fair opportunity to respond, **against** the requirement of the statute, 35 U.S.C. § 314(c), that the proceedings be conducted with special dispatch. ...

Any petition request must include the required petition fee as set forth according to 37 CFR § 1.17 (g) and 37 CFR § 1.956.

MPEP § 2665 Extension of Time for Patent Owner Response (in-part)

> Requests for an extension of time in an inter partes reexamination proceeding will be considered only after the first Office action on the merits in the reexamination is mailed. Any request for an extension of time filed prior to the first action will be denied.
>
> The certificate of mailing and the certificate of transmission procedures (37 CFR § 1.8), and the "Express Mail" mailing procedure (37 CFR § 1.10), may be used to file a request for extension of time, as well as any other paper in an existing *inter partes* reexamination proceeding (see MPEP § 2666).
>
> As noted above, a request for extension of time under 37 CFR § 1.956 will be granted only for sufficient cause, and the request must be filed on or before the day on which action by the patent owner is due. In no case, will the mere filing of a request for extension of time automatically effect any extension, because the showing of cause may be insufficient or incomplete. In the prosecution of an *ex parte* reexamination, an automatic 1-month extension of time to take further action is granted upon filing a first timely response to a final Office action (see MPEP § 2272). The automatic

extension given in *ex parte* reexamination does not apply to the first response to an Action Closing Prosecution (ACP) in an inter partes reexamination. The reason is that in *inter partes* reexamination, parties do not file an appeal in response to an ACP, and a further Office action (Right of Appeal Notice) will issue even if the parties make no response at all. Thus, there is no time period to appeal running against the parties after the ACP is issued, unlike ex parte reexamination where an appeal is due after final rejection and the time is thus automatically extended one month to provide time for the patent owner to review the Office's response to the amendment before deciding whether to appeal.

Evaluation of whether "sufficient cause" has been shown for an extension must be made by balancing the desire to provide the patent owner with a fair opportunity to respond, against the requirement of the statute, 35 U.S.C. § 314(c), that the proceedings be conducted with special dispatch.

Decision

The patent owner's representative petitions under 37 CFR § 1.956 to extend the period for response by adding forty-five (45) days to the period for response. The decision to extend the period for response is evaluated based upon a showing of "sufficient cause." There is always the consideration to balance the need for the patent owner to have a fair opportunity to respond to the Office action between the need for special dispatch.

The non-final Office action was mailed 20 March 2009. The patent owner submitted a timely filed the petition on 23 April 2009 with the appropriate fee and certificate of service.

The petition dated 23 April 2009 cites the length and complexity of the Office action with its many rejections as well as the number of concurrently handled proceedings by the patent owner. While concurrent proceedings are generally no considered to rise to the level of sufficient cause, on balance, the petitioner has demonstrated "sufficient cause" to grant a one (1) month extension of time based upon the length and complexity of the Office action.

The petition request to extend the response time by one (1) month is hereby granted-in-part.

CONCLUSION

1. The patent owner's petition for extension for forty-five (45) days time in which to file a response to the non-final Office action dated 20 March 2009 is hereby **granted-in-part**

2. The period for response is extended by one (1) month.

3. The Patent Owner's response is due **20 June 2009.**

4. All correspondence involving this proceeding may be addressed to the following:

By Mail to: Mail Stop *Ex Parte* Reexam
Central Reexamination Unit
Commissioner for Patents
United States Patent & Trademark Office
P. O. Box 1450
Alexandria, VA 22313-1450

By Fax to: (571) 273-9900
Central Reexamination Unit

By Hand: Customer Service Window
Randolph Building
401 Dulany Street
Alexandria, VA 22314

By EFS: Registered users of EFS-Web may alternatively submit such correspondence via the electronic filing system EFS-Web, at https://sportal.uspto.gov/authenticate/authenticateuserlocalepf.html. EFS-Web offers the benefit of quick submission to the particular area of the Office that needs to act on the correspondence. Also, EFS-Web submissions are "soft scanned" (i.e., electronically uploaded) directly into the official file for the reexamination proceeding, which offers parties the opportunity to review the content of their submissions after the "soft scanning" process is complete.

5. Telephone inquiries with regard to this decision should be directed to Mark Reinhart, at (571) 272-1611, in the absence of Mark Reinhart calls may be directed to Eric Keasel, at (571) 272-4929, or Jessica Harrison, at (571) 272-4449, all are Supervisory Patent Examiners in the Central Reexamination Unit, Art Unit 3992.

/Mark Reinhart/
for

Gregory Morse,
Director,
Central Reexamination Unit

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(For Third Party Requester)

In re Farmwald et al.
Inter Partes Reexamination Proceeding
Control No. 95/000,166
Filed: August 22, 2007
For U.S. Patent Number 6,426,916

In re Farmwald et al.
Inter Partes Reexamination Proceeding
Control No. 95/001,122
Filed: November 20, 2008
For U.S. Patent Number 6,426,916

DECISION DISMISSING PATENT OWNER'S PETITION TO WAIVE THE PAGE LIMIT FOR ITS APPELLANTS' BRIEF, AND DISMISSING PETITIONS TO WAIVE THE PAGE LIMITS FOR RESPONDENT'S BRIEFS

This is a decision on the following petitions requesting waiver of 37 C.F.R. § 1.943(c):

(1) Petition filed March 16, 2010 by patent owner entitled "EXPEDITED PETITION SEEKING WAIVER OF 37 CFR § 1.943."

(2) Petition filed March 29, 2010 by patent owner entitled "SECOND PETITION SEEKING WAIVER OF 37 CFR § 1.943."

(3) Petition filed April 19, 2010, by third party requester entitled "THIRD PARTY REQUESTER'S PETITION UNDER 37 C.F.R. § 1.183 FOR LIMITED WAIVER OF 37 C.F.R. § 1.943(C)."

(4) Petition filed April 29, 2010 by patent owner entitled "PETITION SEEKING WAIVER OF 37 C.F.R. § 1.943 FOR PATENT OWNER'S RESPONDENT APPEAL BRIEF."

This decision also addresses the third party requester's May 14, 2010 opposition paper entitled "Third Party Requester's Opposition to Patent Owner's Petition Seeking Waiver of 37 CFR § 1.943 for Patent Owner's Respondent Appeal Brief".

The proceeding, the third party requestor's petition and opposition, and the patent owner's petitions are before the Office of Patent Legal Administration.

The petition fee of $400.00 pursuant to 37 CFR 1.17(f) for each of the petitions under 37 C.F.R. § 1.183 has been received.

SUMMARY

(1) The patent owner's March 16, 2010, and March 29, 2010 petitions requesting waiver of its appellant brief page limit restrictions under 37 C.F.R. § 1.943(c) are dismissed as the situation has not been shown to be extraordinary as explained below. The brief filed March 29, 2010 is expunged as improper, since it does not comply with 37 CFR 1.943(c). The patent owner's brief shall not exceed 30 pages. The patent owner is given 15 days from the date of this decision to file a corrected or redacted brief that does not exceed 30 pages.[1]

(2) The third party requester's April 19, 2010 petition requesting waiver of its respondent brief page limit restrictions under 37 C.F.R. § 1.943(c) is dismissed as the situation has not been shown to be extraordinary as explained below. The brief filed April 29, 2010 is expunged as improper, since it does not comply with 37 CFR 1.943(c). The third party requester's brief shall not exceed 15 pages. The third party requester may file a corrected or redacted respondent brief that does not exceed 15 pages in response to patent owner's appellant brief once filed, within one month from the date of service of the appellant brief.

(3) The patent owner's April 29, 2010 petition requesting waiver of its respondent brief page limit restrictions under 37 C.F.R. § 1.943(c) is dismissed as the situation has not been shown to be extraordinary as explained below. The respondent brief filed April 29, 2010 is expunged as improper as it does not comply with 37 C.F.R. § 1.943(c). Patent owner's respondent brief shall not exceed 15 pages. Patent owner may file a corrected or redacted respondent brief that does not exceed 15 pages within 15 days from the date of this decision.

(4) The third party requester's May 14, 2010 opposition paper to patent owner's April 29, 2010 petition is dismissed and expunged as having no right of entry in this proceeding.

[1] The instant decision, in section IV *infra*, provides guidance on which portions of the brief are counted towards the page limit.

REVIEW OF THE RELEVANT FACTS

1. On July 30, 2002, U.S. Patent No. 6,426,916 B2 ('the '916 patent) issued with forty-one claims to Farmwald *et al.* and assigned on its face to Rambus, Inc.

2. On August 8, 2006, a request for *inter partes* reexamination of claims 1-41 of the '916 patent was submitted by a third party requester, Samsung Electronics Ltd., which request was assigned control number 95/000,166 ("the '166 proceeding"). After receipt of a corrected request the '166 proceeding was granted a filing date of October 12, 2006. An Order was granted for the *inter partes* reexamination on Dec. 26, 2006, which was then vacated in a decision mailed August 14, 2007.

3. On August 22, 2007, a redacted/corrected request for *inter* partes reexamination of the claims of the '916 patent was filed by Samsung Electronics and was granted a filing date.

4. On October 19, 2007, an order granting *inter partes* reexamination of claims 1-41 of the '916 patent was issued.

5. On November 20, 2008, a second request for *inter partes* reexamination of claims 26 and 28 of the '916 patent was submitted by a third party requester, Micron Technology, which request was assigned control number 95/001,122 ("the '1122 proceeding") and granted a filing date of November 20, 2008.

6. On January 16, 2009, an Order was granted for *inter partes* reexamination of claims 26 and 28 of the '916 patent in the '1122 proceeding.

7. On March 9, 2009, the '166 and '1122 proceedings were merged.

8. The merged proceeding has progressed to the point where, on December 18, 2009, a Right of Appeal Notice (RAN) was mailed in the merged proceeding.

9. On January 15, 2010, patent owner filed a Notice of Appeal for claims 26, 28, and 40.

10. On January 29, 2010, third party requester Micron filed a Notice of Cross Appeal for claims 26 and 28.

11. On March 16, 2010, patent owner filed a petition under 37 C.F.R. § 1.183 requesting waiver of the page limit requirements of 37 C.F.R. § 1.943(c).

12. On March 29, 2010, patent owner filed an appellant's brief, along with a second petition under 37 C.F.R. § 1.183 requesting waiver of the page limit requirements of 37 C.F.R. § 1.943(c).

13. On March 29, 2010, third party requester filed an appellant's brief.

14. On April 19, 2010, third party requester filed a petition under 37 C.F.R. § 1.183 requesting waiver of page limit requirements of 37 C.F.R. § 1.943(c) for third party requester's respondent brief. The respondent brief was filed on April 29, 2010.

15. On April 29, 2010, patent owner filed a respondent's brief, along with a petition under 37 C.F.R. § 1.183 requesting waiver of the page limit requirements of 37 C.F.R. § 1.943(c).

RELEVANT AUTHORITY

37 CFR 1.183 provides:

In an extraordinary situation, when justice requires, any requirement of the regulations in this part which is not a requirement of the statutes may be suspended or waived by the Director or the Director's designee, *sua sponte*, or on petition of the interested party, subject to such other requirements as may be imposed. Any petition under this section must be accompanied by the petition fee set forth in § 1.17(f).

37 CFR 1.943(c) provides:

Appellant's briefs filed by the patent owner and the third party requester shall not exceed thirty pages or 14,000 words in length, excluding appendices of claims and reference materials such as prior art references. All other briefs filed by any party shall not exceed fifteen pages in length or 7,000 words. If the page limit for any brief is exceeded, a certificate is required stating the number of words contained in the brief.

MPEP § 2667 I.A.2 (Response filed by Patent Owner that is too long) provides:

With respect to the length of the papers, the following additional information is to be noted. Similar to the Federal Rules of Appellate Procedure, the provisions of 37 CFR 1.943(c) are waived to the extent that the table of contents pages, the table of case law pages, and the pages of the claims (but not claim charts applying the art to the claims) are excluded from the thirty (30) page limit required by 37 CFR 1.943(c). Any affidavit or declaration (or a clearly defined portion thereof) that contains opinion(s) of the affiant/declarant, or argument(s) that the art either does or does not anticipate or render obvious the claims, or specific claim elements, of the patent under reexamination, is considered to be part of the comments submitted by the patent owner, or by the third party requester, and is subject to the page limit requirements of 37 CFR 1.943. Affidavits or declarations that are excluded from the page limit requirements include, for example, declarations attempting to swear behind (antedate) the filing date of a reference, or to establish the date of a printed publication, or declarations that provide comparative test data and an analysis of same. However, if the patent owner's affidavit or declaration includes any argument as to how an outstanding/proposed rejection is overcome, then the page(s) of the affidavit or declaration upon which the argument appears would be included against of the page limit count. Likewise, if a third party requester affidavit or declaration includes any argument as to how a rejection is supported, then the page(s) of the affidavit or declaration upon which the argument appears would be included against of the page limit count. Similarly, attached exhibits presenting data or drawings are not included against the page limit count, unless an exhibit or drawing includes argument as to how the outstanding rejection is overcome. Any page(s) of the exhibit or sheet(s) of drawings that include such argument would be included against the page limit count.

MPEP § 2667 I.B.2 (Response filed by Third Party Requester that is too long) provides:

For additional information with respect to the length of papers, see Subsection I.A.2 above.

37 CFR 41.67. Appellant's brief (selected sections) provides:

...(c)(1) The appellant's brief shall contain the following items under appropriate headings and in the order indicated in paragraphs (c)(1)(i) through (c)(1)(xi) of this section.

...

(ix) Evidence appendix. An appendix containing copies of any evidence submitted pursuant to § § 1.130, 1.131, or 1.132 of this title or of any other evidence entered by the examiner and relied upon by appellant in the appeal, along with a statement setting forth where in the record that evidence was entered in the record by the examiner. Reference to unentered evidence is not permitted in the brief. See § 41.63 for treatment of evidence submitted after appeal. This appendix may also include copies of the evidence relied upon by the examiner in any ground of rejection to be reviewed on appeal.

(x) Related proceedings appendix. An appendix containing copies of decisions rendered by a court or the Board in any proceeding identified pursuant to paragraph (c)(1)(ii) of this section.

...

(d) If a brief is filed which does not comply with all the requirements of paragraph (a) and paragraph (c) of this section, appellant will be notified of the reasons for non-compliance and given a non-extendable time period within which to file an amended brief. If appellant does not file an amended brief within the set time period, or files an amended brief which does not overcome all the reasons for non-compliance stated in the notification, that appellant's appeal will stand dismissed.

37 CFR 41.68. Respondent's brief (selected sections) provides:

...(b)(1) The respondent brief shall contain the following items under appropriate headings and in the order here indicated, and may include an appendix containing only those portions of the record on which reliance has been made.

...

(viii) Evidence appendix. An appendix containing copies of any evidence submitted pursuant to § § 1.130, 1.131, or 1.132 of this title or of any other evidence entered by the examiner and relied upon by respondent in the appeal, along with a statement setting forth where in the record that evidence was entered in the record by the examiner. Reference to unentered evidence is not permitted in the respondent 's brief. See § 41.63 for treatment of evidence submitted after appeal.

(ix) Related proceedings appendix. An appendix containing copies of decisions rendered by a court or the Board in any proceeding identified pursuant to paragraph (b)(1)(ii) of this section.

...

(c) If a respondent brief is filed which does not comply with all the requirements of paragraph (a) and paragraph (b) of this section, respondent will be notified of the reasons for non-compliance and given a non-extendable time period within which to file an amended brief. If respondent does not file an amended respondent brief within the set time period, or files an amended respondent brief which does not overcome all the reasons for non-compliance stated in the notification, the respondent brief and any amended respondent brief by that respondent will not be considered.

DECISION

I. Patent Owner Petitions of March 16, 2010 and March 29, 2010.

The patent owner requests waiver of 37 C.F.R. § 1.943(c), which limits patent owner's appellant brief to thirty (30) pages or 14,000 words in length. The patent owner submitted a brief that includes 51 pages of arguments and has certified that the brief as filed is 21,542 words.

Waiver is requested for the following reasons, which according to the patent owner, present an extraordinary situation:

(1) The extensive arguments made by the Office in the RAN, which is over 100 pages in length.
(2) The size of the applied Bennett reference, in combination with the other applied references.
(3) The number of issues raised by the Office in the RAN, including claim rejections, a written description determination allegedly made as a priority determination, and claim construction issues.

II. Third Party Requester Petition of April 19, 2010

The third party requester Micron Technology requests waiver of 37 C.F.R. § 1.943(c), which limits third party requester's respondent brief to fifteen (15) pages or 7,000 words in length. The third party requester desires waiver to double the limit set forth in § 1.943(c).

Waiver is requested for the sole reason that patent owner's appellant's brief exceeded the page limit requirements, which according to the third party requester, presents an extraordinary situation.

III. Patent Owner Petition of April 29, 2010

The patent owner requests waiver of 37 C.F.R. § 1.943(c), which limits the respondent brief to fifteen (15) pages or 7,000 words in length. The patent owner states that the respondent brief as filed is 9,885 words.

Waiver is requested for the reason that Micron's appellant's brief raises numerous (three) issues, which according to the patent owner, present an extraordinary situation.

IV. Analysis and findings

A. Determining Page Length

As noted in MPEP 2667(I)(A)(2), the provisions of 37 C.F.R. § 1.943(c) have been waived by the Office to the extent that certain content, including the table of contents pages, table of case law pages, and the pages of the claims, are not counted toward the 30 page limit of the appellant brief or 15 page limit of the respondent brief. Additionally, by its terms, 37 C.F.R. § 1.943(c) excludes from the count of the pages in an appellant's brief claim appendices and "reference materials such as prior art references." The sections of the appellant's briefs required under 37 C.F.R. § 41.67(c)(1)(i)-(iv) and (ix)-(xi)[2] are deemed to be included in "reference materials" that do not count toward the page limits. However, if any portion of the relevant section includes material that goes beyond that which is required by those sections, then the entire section will be counted toward the page total. Partial pages are tallied as whole pages for this purpose.

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[2] *i.e.*, (i) *Real Party in Interest*; (ii) *Related Appeals and Interferences*, (iii) *Status of Claims*, (iv) *Status of Amendments*, (ix) *Evidence Appendix*, (x) *Related Proceedings Appendix, and* (xi) *Certificate of Service.* The Claims Appendix is already explicitly included in the rule.

B. Patent Owner Has Not Shown the Existence of an Extraordinary Situation Requiring Waiver of the Page Limit Rule For Patent Owner's Appellant's Brief

Patent owner's petition rests upon three facts supporting an unfairness in application of the page limit rules. First, the RAN, which is over 100 pages in length, includes extensive arguments made by the Office requiring treatment at some length in the appellant's brief. Second the size of the applied Bennett reference, in combination with the other applied references, presents an unusual situation. Third, the number of issues raised by the Office in the RAN, including claim rejections, a written description determination allegedly made as a priority determination, and claim construction issues, necessarily requires treatment at some length in the appellant's brief. Analysis of the RAN and the appellant's brief reveals that both discuss issues of claim construction raised in evidentiary submissions.

The content of patent owner's appellant's brief has been considered, in view of the prosecution history, to determine the necessity of page limit waiver on the arguments presented by patent owner. Prior to appeal, the claims and rejections/issues were adequately addressed in significantly fewer pages than in the appellant's brief. The regulations contemplate that issues addressable in 50 pages during the pre-appeal stage should be addressable in 30 pages in an appellant's brief. Furthermore, the appellant's brief addresses fewer grounds of rejection than were addressed in earlier patent owner responses. Of the approximately 54 pages of argument in patent owner's appellant brief, as indicated by the table of contents, approximately 44 address a single anticipation rejection.[3] Although patent owner states that the necessity for page limit waiver is, in part, due to "numerous issues," patent owner's treatment of this single issue has exceeded the page limit requirements for an appellant brief. It is further noted that the RAN addresses this single anticipation rejection primarily over an 18 page span, and although significant additional treatment of claim construction issues is present, it is clear that a significant number of the 136 pages in the RAN are not the subject of patent owner's appellant brief.[4]

Despite the simplification of issues, and the fact that the regulations contemplate an appellant brief to be 40% shorter than an response to an Office action, patent owner has here submitted an appellant brief having a number of pages that is longer than the permitted page limit for a response to an action, and indeed, over 50% greater than that contemplated under the regulations even when measured by the word count. No reason has been provided why such an increase in pages, relative to the length of patent owner's previous responses to Office actions, is now warranted.

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[3] Patent owner's appellant brief, at ii-iii, indicating that pages 6-50 address the anticipation of claim 26 by *Bennett*, and pages 51-52 address the anticipation of claim 28 by *Bennett*.

[4] Patent owner's appellant's brief cites to pages 83-100 of the RAN; e.g., at pages 6-32 and 48-50 of appellant's brief. The appellant's brief, at pages 35-44, cites to additional pages of the RAN (individual pages starting between page 9 and 48) for claim construction issues. It is further noted that approximately the first ten pages of the appellant's brief are devoted towards a general discussion of the claimed invention and the Bennett reference; the discussion merits of the rejection appear to begin at page 15 of the brief; *e.g.*, at the section entitled "d. *Bennett* Does Not Read on the Claimed Inventions."

The appeal rules for reexamination have been structured such that treatment of issues is expected to be compressed relative to responses during prosecution. As patent owner filed responses within the 50 page limit for responses, it should be expected that, barring extraordinary circumstances, patent owner's appellant's brief should remain within the 30 page limit for appellant's briefs. None of the above facts, viewed in context of the circumstances of the proceeding, give rise to an extraordinary situation such that waiver of the page limit rules would be necessary to satisfy the requirements of justice in the instant proceeding. Therefore, patent owner's request to waive 37 C.F.R. § 1.943(c), to the extent necessary to permit the March 29, 2010 patent owner's appellant's brief, is **dismissed**.

C. Third Party Requester Has Not Shown the Existence of an Extraordinary Situation Requiring Waiver of the Page Limit Rule For Third Party Requester's Respondent's Brief

Third party requester Micron Technology's petition rests on the sole ground that a waiver of page limit requirements for an appellant's brief necessarily requires a waiver of page limit requirements for the corresponding respondent's brief. However, the rationale for waiver of page limit requirements for the appellant's brief rest upon the combination of a lengthy RAN, lengthy references, and numerous issues requiring treatment by the patent owner. The third party requester has not set forth any facts supporting a contention that the respondent's brief could not fairly be written within the standard page limits. Furthermore, it is not apparent from the prosecution history that a combination of factors exists such that an extraordinarily lengthy respondent's brief would be necessitated to satisfy the requirements of justice.

Third party requester Micron Technology has failed to persuasively establish the existence of an extraordinary situation requiring waiver of the page limit requirements for its respondent's brief, which as filed includes 31 pages of arguments. Therefore, third party requester's request to waive 37 C.F.R. § 1.943(c), to permit a respondent brief of up to 14,000 words or 30 pages, is **dismissed**.

D. Patent Owner Has Not Shown the Existence of an Extraordinary Situation Requiring Waiver of the Page Limit Rule For Patent Owner's Respondent's Brief

Patent Owner's petition requests waiver of the page limit requirement for patent owner's respondent's brief based upon the fact that the third party requester's appellant's brief raises numerous (three) issues. However, the third party requester's appellant's brief presents these issues and yet remains within the page limit requirements set forth in 37 C.F.R. § 1.943(c). No reason why an increase in pages is now warranted has been provided. Furthermore, it is not apparent from the prosecution history that a combination of factors exists such that an extraordinarily lengthy respondent's brief would be necessitated to satisfy the requirements of justice.

Patent owner has failed to persuasively establish the existence of an extraordinary situation requiring waiver of the page limit requirements for its respondent's brief, which as filed includes 27 pages of arguments. Therefore, third party requester's request to waive 37 C.F.R. § 1.943(c), to permit a respondent brief of 9,885 words is **dismissed**.

E. Improper Content in the Appendices in the Briefs

The Evidence appendices required in 37 CFR 41.67(c)(1)(ix) and 37 CFR 41.68(b)(1)(viii) should only include evidence that has been entered in the record pursuant to 37 CFR 1.130, 1.131, or 1.132, other similar evidence, or evidence relied upon by the examiner in a ground of rejection (appellant brief) or evidence entered by the examiner and relied upon by the respondent in the appeal (respondent brief). The appendix must include a statement where the evidence was entered into the record. The evidence appendix is not to include copies of the patent under reexamination, copies of Office actions in related cases or copies of prior art references. To the extent that such items are submitted, any arguments that go to a rejection or patentability of the claims will be counted against the page limits.

Both parties improperly included items in the evidence appendix that go beyond evidence that was entered into the record in accordance with the rules. These items may be counted toward the page limit if resubmitted. Prior art references should be identified and made of record through a listing of patents and printed publications as provided for in 37 CFR 1.98. See MPEP 2657. It is not necessary or desirable to file duplicate copies of references with the brief.

F. Third Party Requester's Opposition Paper Has No Right Of Entry

With respect to the May 14, 2010 requester paper opposing patent owner's petition under 37 C.F.R. § 1.183, no statute or regulation provides any right for the third party requester to file an opposition to, or comment on, the patent owner's petition to request waiver of respondent brief page limits. A request for waiver of respondent brief page limits is **not** a response to an "Office action on the merits." Rather, it goes to an issue that goes to formal requirements and is a matter within the discretion of the Office in balancing the equities as to the "special dispatch" requirement and the needs of a specific situation. Stated differently, as pointed out above, the requester is not responding to comment on a patent owner response to an Office action, but is instead commenting on the issue of whether the Office should grant a petition to the USPTO Director to provide relief not expressly provided for by the rules. The latter is clearly a matter within the discretion of the USPTO Director, for which requesters were not granted a comment right by statute. While enactment of the *inter partes* reexamination statute was for the purpose of expanding a third party requester's participation in the merits of the proceeding, there is no indication whatsoever in the legislative history of the *inter partes* reexamination statute that the requester was granted any right to challenge the granting of a petition that requests waiver of respondent brief page limits. No mechanism has been provided for the third party requester to file a paper, such as the present paper, that is in response to an event other than a patent owner response to an Office action. Such rights were not provided in the enactment of the *inter partes* reexamination statute (or in any of its precursor bills), and there is no evidence to indicate that enacting such rights was ever contemplated by Congress.

A third party requester's opposition to a patent owner's petition requesting waiver of respondent brief page limits is a paper that is not permitted by the statute governing *inter partes* reexamination proceedings, and accordingly it was not provided for (i.e., was not permitted) in the regulations that implemented the *inter partes* reexamination statute. Third party requester's

opposition to patent owner's petition for waiver of respondent brief page limits is therefore not enterable into the record.

In view of the above, the opposition will be refused entry as an improper paper.

Pursuant to 37 CFR 1.939(a), "[I]f an unauthorized paper is filed by any party at any time during the *inter partes* reexamination proceeding it will not be considered and may be returned. For the reasons discussed above, the requester's opposition, filed on May 14, 2010 to the patent owner's petition for waiver of respondent brief page limits filed on April 29, 2010 does, not have a right of entry into the record of the present reexamination proceeding, and, as such, is not an authorized paper. Because the opposition paper was incorporated into the electronic Image File Wrapper (IFW) for the proceeding before discovery of the impropriety of the paper, the original opposition paper cannot be physically returned to the third party requester. Rather, the requester's paper opposing patent owner's request for revival will be expunged from the record by closing the paper in the IFW and marking it "non-public." A copy of the present decision will be made of record in the IFW.

CONCLUSION

1. The patent owner petitions filed on March 16, 2010 and March 29, 2010 under 37 C.F.R. § 1.183 to waive the provisions of 37 C.F.R. § 1.943(c) for the appellant brief are **dismissed**. The appellant brief filed March 29, 2010 is expunged from IFW by closing it in IFW and marking it as non-public. Patent owner has 15 days from the date of this decision to file a compliant appellant brief pursuant to 37 C.F.R. § 41.67(d). The time for filing an appellant brief may not be extended.

2. The third party requester petition filed April 19, 2010 under 37 C.F.R. § 1.183 to waive the provisions of 37 C.F.R. § 1.943(c) for the respondent brief is **dismissed**. The respondent brief filed April 29, 2010 is expunged from IFW by closing it in IFW and marking it as non-public. Third party requester has one month from the date of service of patent owner's appellant brief to file a compliant respondent brief pursuant to 37 C.F.R. § 41.68(c). The time for filing a respondent brief may not be extended. Failure to timely file a respondent brief will result in the respondent brief not being considered.

3. The patent owner petition filed April 29, 2010 under 37 CFR 1.183 to waive the provisions of 37 C.F.R. § 1.943(c) for the respondent brief is **dismissed**. The respondent brief filed April 29, 2010 is expunged from IFW by closing it in IFW and marking it as non-public. Patent owner has 15 days from the date of this decision to file a compliant respondent brief pursuant to 37 C.F.R. § 41.67(d). The time for filing a respondent brief may not be extended. Failure to timely file a respondent brief will result in the respondent brief not being considered.

4. The May 14, 2010 requester opposition petition paper is **refused entry**, as it is an improper paper. The opposition paper is being expunged by closing the paper in the Image File

Wrapper (IFW) for the proceeding and marking it "not public." It will not constitute part of the record of the present reexamination proceeding.

5. Jurisdiction over the merged reexamination proceeding is hereby returned to the Central Reexamination Unit.

6. Any questions concerning this communication should be directed to Michael Cygan, Legal Advisor, at 571-272-7700.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

May 26, 2010

UNITED STATES PATENT AND TRADEMARK OFFICE

COMMISSIONER FOR PATENTS
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P.O. BOX 1450
ALEXANDRIA, VA 22313-1450
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ALCATEL USA RESOURCES, INC. (For Patent Owner)
3400 W. Plano Parkway
Plano, TX 75075-0811

Michael F. Heafey (For Requester)
ORRICK, HERRINGTON & SUTCLIFFE LLP
1000 Marsh Road
Menlo Park, CA 94025

MAILED

OCT 05 2006

CENTRAL REEXAMINATION UNIT

Scott F. Partridge (Courtesy Copy)
BAKER BOTTS L.L.P.
One Shell Plaza
910 Louisiana Street
Houston, Texas 77002

In re ALCATEL USA RESOURCES, INC.	:
Reexamination Proceeding	: DECISION
Control No.: 95/000,167	: DISMSSING
Deposited: August 7, 2006	: PETITION
For: U.S. Patent No.: 6,874,090	:
	:

The above reexamination proceeding is before the Office of Patent Legal Administration after receipt of a September 25, 2006 patent owner petition under 37 CFR §§ 1.181, 1.182 and 1.183, and 35 U.S.C. 314(c), to suspend the instant *inter partes* reexamination proceeding.

A petition under 37 CFR 1.182 or 37 CFR 1.183 requires a petition fee of $400.00 under 37 CFR 1.17(f). The requisite petition fee has been charged to Deposit account No. 02-0383 as authorized in the last paragraph of the petition.

The patent owner petition is dismissed.

BACKGROUND

1. U.S. Patent No. 6,874,090 (hereinafter, the '090 patent) issued on March 29, 2005.

2. A request for reexamination, assigned control No. 90/000,167 (the '0167 proceeding), was deposited by a third party requester on August 7, 2006.

3. On September 26, 2006, the Central Reexamination Unit (CRU) issued a NOTICE OF FAILURE TO COMPLY WITH INTER PARTES REEXAMINATION REQUEST FILING REQUIREMENTS (37 CFR 1.915(d)).

4. The present petition to suspend the instant *inter partes* reexamination proceeding was received from the patent owner on September 25, 2006.

DECISION

As pointed out, papers requesting reexamination of the '090 patent were deposited by a third party requester on August 7, 2006. However, a filing date has not been granted for the request. Rather, the Office has issued a Notice that the request papers are not filing date compliant. Accordingly, no reexamination proceeding exists, and thus, the present petition is premature, and it is dismissed.

A Courtesy Copy of this decision is being sent to counsel who filed the petition. **All future papers will be sent only to the correspondence address of record.**

CONCLUSION

1. The patent owner petition under petition under 37 CFR §§ 1.181, 1.182 and 1.183, and 35 U.S.C. 314(c), is dismissed.

2. Should a filing date ultimately be granted for an *inters partes* reexamination of the '090 patent, the patent owner would be free to again submit a petition to suspend, and the third party requester would have two weeks from the date of service of such a petition to submit an opposition to it.

3. Telephone inquiries related to this decision should be directed to the undersigned at (571) 272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

9-4-06
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,169	09/05/2006	6826661	8160.002.RXUS	8365

22852 7590 04/01/2008

FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER LLP
901 NEW YORK AVENUE, NW
WASHINGTON, DC 20001-4413

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 04/01/2008

Please find below and/or attached an Office communication concerning this application or proceeding.

UNITED STATES PATENT AND TRADEMARK OFFICE

Commissioner for Patents
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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
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121 SW SALMON STREET
SUITE 1600
PORTLAND, OR 97204

Date:
MAILED

APR 01 2008

CENTRAL REEXAMINATION UNIT

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. : 95000169
PATENT NO. : 6826661
ART UNIT : 3992

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified ex parte reexamination proceeding (37 CFR 1.550(f)).

Where this copy is supplied after the reply by requester, 37 CFR 1.535, or the time for filing a reply has passed, no submission on behalf of the ex parte reexamination requester will be acknowledged or considered (37 CFR 1.550(g)).

UNITED STATES PATENT AND TRADEMARK OFFICE

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Lionel M. Lavenue
Finnegan, Henderson, Farabow, Garrett & Dunner, L.L.P.
901 New York Avenue, NW
Washington D.C. 2001-4413

(For Patent Owner)

MAILED

APR 01 2008

CENTRAL REEXAMINATION UNIT

John D. Vandenberg, Esq.
Klarquist Sparkman, L.L.P.
121 SW Salmon Street, Suite 1600
Portland, OR 97204

(For Requester)

In re Umbehocker et al.
Inter Partes Reexamination Proceeding
Control No.: 95/000,169
Filed: September 5, 2006
For: U.S. Patent No.: 6,826,661 B2

: DECISION GRANTING
: PETITION UNDER
: 37 CFR 1.182

This is a decision on the petition filed by the third party requester on July 26, 2007, titled "PETITION UNDER 37 C.F.R. § 1.183," requesting the USPTO to suspend the rules and replace the written comments submitted by the third party requester on January 17, 2007 with the replacement written comments filed with the instant petition as Exhibit A. The instant petition will be treated as a petition under 37 CFR 1.182, since the requested relief may be granted without any suspension of rule requirements and is "not specifically provided for in the regulations."

The petition is before the Office of Patent Legal Administration of the United States Patent and Trademark Office (USPTO) for decision.

The petition is granted.

FEES

A petition under 37 CFR 1.182 requires a fee set forth in 37 CFR 1.17(f). The petition fee of $400.00 has been paid by electronic submission with the instant petition on July 26, 2007.

REVIEW OF FACTS

1. U.S. Patent No. 6,826,661 (the '661 patent) issued on November 30, 2004.

2. A request for reexamination of the '661 patent was filed on September 5, 2006. The request was assigned control No. 95/000,169 (the '169 reexamination proceeding).

3. Reexamination was ordered for the '169 proceeding on October 31, 2006.

4. On October 31, 2006, a first Office action, rejecting claims 1-14 of the patent, was mailed. A shortened statutory period of two months was set for the filing of a response to the Office action.

5. On December 22, 2006, the patent owner filed a response to the Office action mailed on October 31, 2006.

6. On January 17, 2007, the third party requester filed written comments on the patent owner's response and the Office action.

7. On July 20, 2007, the patent owner filed a petition under 37 CFR 1.182, requesting the USPTO to strike the January 17, 2007 requester written comments from the record of the instant reexamination proceeding, because the written comments allegedly exceeded the 50-page limit set forth in 37 CFR 1.943.

6. On July 26, 2007, the third party requester filed the instant petition under 37 CFR 1.183 accompanied by replacement written comments, requesting the USPTO to replace the written comments (60 pages in length) filed by third party requester on January 17, 2007 with the replacement written comments (48 pages in length).

7. In a separate decision being mailed concurrently with the present decision, the USPTO is dismissing as moot the petition under 37 CFR 1.182 filed by the patent owner on July 20, 2007.

DECISION

37 CFR 1.182 provides:

> All situations not specifically provided for in the regulations of this part will be decided in accordance with the merits of each situation by or under the authority of the Director, subject to such other requirements as may be imposed, and such decision will be communicated to the interested parties in writing. Any petition seeking a decision under this section must be accompanied by the petition fee set forth in § 1.17(f).

37 CFR 1.939(a) states:

> (a) If an unauthorized paper is filed by any party at any time during the *inter partes* reexamination proceeding it will not be considered and may be returned.

37 CFR 1.943 states (in part):

> (a) The form of responses, written comments, briefs, appendices, and other papers must be in accordance with the requirements of § 1.52.
>
> (b) Responses by the patent owner and written comments by the third party requester shall not exceed 50 pages in length, excluding amendments, appendices of claims, and reference materials such as prior art references.

MPEP § 2667(I), "Types of Papers Returned With Technology Center Director or Reexamination Legal Advisor Approval Required," provides, in pertinent part:

> "Where the length of the third party requester submission exceeds that permitted by 37 CFR 1.943, the submission is improper. Accordingly, a Notice will be issued by the examiner and mailed to the third party requester permitting the third party requester to exercise one of the following two options:
>
> (A) Submit a re-drafted response that does not exceed the page limit set by 37 CFR 1.943; or
>
> (B) File a copy of the supplemental response with pages redacted to satisfy the 37 CFR 1.943 page limit requirement."
>
> The Notice will set a period of 15 days from the date of the notice to respond. If no response is received, the improper third party requester submission will not be considered."

In the instant petition, the third party requester requests the USPTO to replace the January 17, 2007 requester written comments with the replacement written comments filed with the instant petition on July 26, 2007.

The record reveals that the third party requester initially filed written comments (60 pages in length) on January 17, 2007, after the patent owner's December 22, 2006 response to the October 31, 2006 Office action. Since the January 17, 2007 written comments paper exceeds the 50-page limit set forth in 37 CFR 1.943, the USPTO would have, in accordance with MPEP § 2667, issued a notice to the third party requester that would permit the third party requester to submit a replacement written comments paper that does not exceed the 50-page limit within 15 days from the mailing of the notice. Before the USPTO issued such a notice, the third party requester voluntarily filed a replacement written comments paper (48 pages in length) that does not exceed the 50-page limit, and the instant petition on July 26, 2007.

Since the January 17, 2007 written comments paper exceeds the 50-page limit set forth in 37 CFR 1.943, it is an improper paper. In this instance, the January 17, 2007 comments paper was scanned into the Image File Wrapper (IFW) for the proceeding prior to discovery that it lacked an entry right. Accordingly, the January 17, 2007 comments paper will be expunged from the record by closing it in the Image File Wrapper (IFW) of the present reexamination proceeding from public view and marking the document as "closed" and "not public."

The instant petition is granted, to remove the improper January 17, 2007 written comments paper (60 pages in length) from the record and replace it with replacement written comments paper (48 pages in length) filed with the present petition. The January 17, 2007 written comments paper has not, and will not be considered as to its substance.

CONCLUSION

1. The instant petition under 37 CFR 1.182 filed by the third party requester on July 26, 2007 is <u>granted</u>.

2. The written comments filed by the third party requester on January 17, 2007 will be marked "closed" and "non-public," and will not constitute part of the record of the present reexamination proceeding. The January 17, 2007 written comments will not be considered.

3. The replacement written comments filed by the third party requester on July 26, 2007 as Exhibit A of the instant petition will be entered as part of the record of the present reexamination proceeding.

4. Jurisdiction over this proceeding is being returned to the Central Reexamination Unit to process all party papers. After the Central Reexamination Unit has processed all party papers, jurisdiction will be transferred to the Primary Examiner for appropriate action on the proceeding.

5. Telephone inquiries with regard to this decision should be directed to Joni Y. Chang, Senior Legal Advisor, Office of Patent Legal Administration, at (571) 272-7720, or in her absence, Kenneth L. Schor, Senior Legal Advisor, at (571) 272-7710.

Kenneth L. Schor
Senior Legal Advisor
Office of Patent Legal Administration
Office of the Deputy Commissioner
for Patent Examining Policy

April 1, 2008

UNITED STATES PATENT AND TRADEMARK OFFICE

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,169	09/05/2006	6826661	8160.002.RXUS	8365

22852 7590 04/01/2008

FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER LLP
901 NEW YORK AVENUE, NW
WASHINGTON, DC 20001-4413

EXAMINER

ART UNIT	PAPER NUMBER

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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
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121 SW SALMON STREET
SUITE 1600
PORTLAND, OR 97204

Date: MAILED

APR 01 2008

CENTRAL REEXAMINATION UNIT

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

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(For Patent Owner)

MAILED

APR 01 2008

CENTRAL REEXAMINATION UNIT

John D. Vandenberg, Esq.
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(For Requester)

In re Umbehocker et al.
Inter Partes Reexamination Proceeding
Control No.: 95/000,169
Filed: September 5, 2006
For: U.S. Patent No.: 6,826,661 B2

: DECISION DISMISSING
: PETITION UNDER
: 37 CFR 1.182

This is a decision on the petition under 37 CFR 1.182 filed by the patent owner on July 20, 2007, titled "PETITION PURSUANT TO 37 C.F.R. § 1.182," requesting the USPTO to strike the written comments submitted by the third party requester on January 17, 2007 from the application file because the comments allegedly exceeded the 50-page limit set forth in 37 CFR 1.943.

The petition is before the Office of Patent Legal Administration of the United States Patent and Trademark Office for decision.

The petition is dismissed as moot.

FEES

A petition under 37 CFR 1.182 requires a fee set forth in 37 CFR 1.17(f). The instant petition (in the last paragraph on page 2) provides an authorization to charge the Deposit Account No. 06-0916. Therefore, a petition fee of $400.00 under 37 CFR 1.17(f) is being charged to the Deposit Account No. 06-0916 as authorized in the patent owner's petition filed on July 20, 2007.

REVIEW OF FACTS

1. U.S. Patent No. 6,826,661 (the '661 patent) issued on November 30, 2004.

2. A request for reexamination of the '661 patent was filed on September 5, 2006. The request was assigned control No. 95/000,169 (the '169 reexamination proceeding).

3. Reexamination was ordered for the '169 proceeding on October 31, 2006.

4. On October 31, 2006, a first Office action, rejecting claims 1-14 of the patent, was mailed. A shortened statutory period of two months was set for the filing of a response to the Office action.

5. On December 22, 2006, the patent owner filed a response to the Office action mailed on October 31, 2006.

6. On January 17, 2007, the third party requester filed written comments on the patent owner's response and the Office action.

7. On July 20, 2007, the patent owner filed the instant petition under 37 CFR 1.182, requesting the USPTO to strike the January 17, 2007 requester written comments from the record of the instant reexamination proceeding, because the written comments allegedly exceeded the 50-page limit set forth in 37 CFR 1.943.

6. On July 26, 2007, the third party requester filed a petition under 37 CFR 1.183 accompanied by replacement written comments, requesting the USPTO to replace the written comments (60 pages in length) filed by third party requester on January 17, 2007 with the replacement written comments (48 pages in length).

7. In a separate decision being mailed concurrently with the present decision, the USPTO is treating the petition under 37 CFR 1.183 filed by the third party requester as a petition under 37 CFR 1.182 and granting the petition. Therefore, the written comments filed by third party requester on January 17, 2007 will be removed from the record of the present reexamination proceeding and will not be considered. The replacement written comments (48 pages in length) filed on July 26, 2007 will be entered into the record of the instant reexamination proceeding.

DECISION

37 CFR 1.182 provides:

> All situations not specifically provided for in the regulations of this part will be decided in accordance with the merits of each situation by or under the authority of the Director, subject to such other requirements as may be imposed, and such decision will be communicated to the interested parties in writing. Any petition seeking a decision under this section must be accompanied by the petition fee set forth in § 1.17(f).

37 CFR 1.939(a) states:

> (a) If an unauthorized paper is filed by any party at any time during the *inter partes* reexamination proceeding it will not be considered and may be returned.

37 CFR 1.943 states (in part):

(a) The form of responses, written comments, briefs, appendices, and other papers must be in accordance with the requirements of § 1.52.

(b) Responses by the patent owner and written comments by the third party requester shall not exceed 50 pages in length, excluding amendments, appendices of claims, and reference materials such as prior art references.

MPEP § 2667(I), "Types of Papers Returned With Technology Center Director or Reexamination Legal Advisor Approval Required," provides, in pertinent part:

"Where the length of the third party requester submission exceeds that permitted by 37 CFR 1.943, the submission is improper. Accordingly, a Notice will be issued by the examiner and mailed to the third party requester permitting the third party requester to exercise one of the following two options:

(A) Submit a re-drafted response that does not exceed the page limit set by 37 CFR 1.943; or

(B) File a copy of the supplemental response with pages redacted to satisfy the 37 CFR 1.943 page limit requirement."

The Notice will set a period of 15 days from the date of the notice to respond. If no response is received, the improper third party requester submission will not be considered."

In the instant petition, the patent owner requests the USPTO to strike the written comments submitted by the third party requester on January 17, 2007, from the file of the present proceeding, as exceeding the 50-page limit set forth in 37 CFR 1.943.

The record reveals that the third party requester initially filed written comments (60 pages in length) on January 17, 2007, after the patent owner's December 22, 2006 response to the October 31, 2006 Office action. Since the January 17, 2007 written comments paper exceeds the 50-page limit set forth in 37 CFR 1.943, the USPTO would have, in accordance with MPEP § 2667, issued a notice to the third party requester that would permit the third party requester to submit a replacement written comments paper that does not exceed the 50-page limit, within 15 days from the mailing of such a notice. Before the USPTO issued such a notice, the third party requester voluntarily filed a replacement written comments paper (48 pages in length) that does not exceed the 50-page limit, and a petition requesting the USPTO to replace the January 17, 2007 written comments paper with the replacement written comments paper. The USPTO, in a separate decision being mailed concurrently with the present decision, is granting the third party requester's petition. Therefore, the written comments (60 pages in length) filed on January 17, 2007 are being removed from the record of the instant reexamination proceeding and will not be considered. Accordingly, the instant petition is dismissed as moot.

CONCLUSION

1. The petition under 37 CFR 1.182 filed by the patent owner on July 20, 2007 is dismissed as moot.

2. Jurisdiction over this proceeding is being returned to the Central Reexamination Unit to process all party papers. After the Central Reexamination Unit has processed all party

papers, jurisdiction will be transferred to the Primary Examiner for appropriate action on the proceeding.

3. Telephone inquiries with regard to this decision should be directed to Joni Y. Chang, Senior Legal Advisor, Office of Patent Legal Administration, at (571) 272-7720, or in her absence, Kenneth L. Schor, Senior Legal Advisor, at (571) 272-7710.

Kenneth L. Schor
Senior Legal Advisor
Office of Patent Legal Administration
Office of the Deputy Commissioner
for Patent Examining Policy

April 1, 2008

UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,170	08/11/2006	6703144	ASC-031C1 REX	6655

51414 7590 04/03/2009

GOODWIN PROCTER LLP
PATENT ADMINISTRATOR
53 STATE STREET
EXCHANGE PLACE
BOSTON, MA 02109-2881

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 04/03/2009

Please find below and/or attached an Office communication concerning this application or proceeding.

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(For Patent Owner)

MAILED

APR 03 2009

CENTRAL REEXAMINATION UNIT

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SEVENTH FLOOR
LOS ANGELES, CA 90055

(For Third Party Requester)

In re Fitzgerald
Inter Partes Reexamination Proceeding
Control No.: 95/000,170
Filing Date: August 11, 2006
For: U.S. Patent No. 6,703,144

DECISION ON PETITION

This is a decision on the March 27, 2009 patent owner petition entitled "PETITION UNDER 37 C.F.R. § 1.183 - REQUEST FOR A WAIVER OF THE PROHIBITION OF AN EXTENSION OF TIME FOR FILING AN APPEAL BRIEF AND A REQUEST FOR AN EXTENSION OF TIME FOR FILING AN APPEAL BRIEF," filed concurrently with a petition pursuant to 37 CFR 1.181 to request entry of amendments after Action Closing Prosecution, and a Notice of Appeal.

The petition under 37 CFR 1.183 is before the Office of Patent Legal Administration of the United States Patent and Trademark Office.

The petition under 37 CFR 1.183 to request for an extension of time is dismissed as premature.

FEES

The requisite petition fee for a petition under 37 CFR 1.183 is $400.00 pursuant to 37 CFR 1.17(f), and the $400.00 fee is being charged to petitioner's Deposit Account No. 07-1700 as authorized on page 2 of the petition.

DECISION

37 CFR 1.183 states:

> In an extraordinary situation, when justice requires, any requirement of the regulations in this part which is not a requirement of the statutes may be suspended or waived by the Director or the Director's designee, *sua sponte*, or on petition of the interested party, subject to such other requirements as may be imposed. Any petition under this section must be accompanied by the petition fee set forth in § 1.17(f).

The present petition for an extension of time was filed concurrently with a Notice of Appeal. Upon filing a Notice of Appeal, by operation of rule 37 CFR 41.66(a), an appellant has a two month time period within which to file an Appellant Brief. In the present proceeding, patent owner petitioner has until May 27, 2009 to file an Appellant Brief. Therefore, as of the date of this decision, patent owner has approximately six to seven weeks remaining before reaching the May 27, 2009 deadline for filing an Appellant Brief. Under the current facts and circumstances of the proceeding, petitioner's time period to submit an Appellant Brief has not been reduced to a point where an extraordinary circumstance requiring suspension of a rule could exist. However, if the concurrently filed petition under 37 CFR 1.181 has not yet been decided at the point where the time for patent owner to file an Appellant Brief becomes less than one month prior to the May 27, 2009 deadline, then petitioner may renew its petition for an extension of time (and waiver of the rules for such extension). In that event, petitioner is advised to contact either Susy Tsang-Foster, at the phone number given below in the contact information, or the undersigned, to inform the Office that the petition is being renewed - in order to expedite its review.

CONCLUSION

1. The patent owner petition for extension of time filed March 27, 2009 for filing an Appellant Brief is **dismissed as premature.**

2. Petitioner has until May 27, 2009 to file an Appellant Brief. Petitioner may submit a renewed petitioner for an extension of time, if the concurrently filed petition under 37 CFR 1.181 is not decided at the point in time stated above.

3. Telephone inquiries related to this decision should be directed to Susy Tsang-Foster, Legal Advisor, at (571) 272-7711, or in her absence, to Pinchus Laufer at (571) 272-7726 or to Cynthia Nessler at (571) 272-7724.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,170	08/11/2006	6703144	ASC-031C1 REX	6655

51414 7590 04/03/2009

GOODWIN PROCTER LLP
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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 04/03/2009

Please find below and/or attached an Office communication concerning this application or proceeding.

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(For Patent Owner)

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(For Third Party Requester)

In re Fitzgerald
Inter Partes Reexamination Proceeding
Control No.: 95/000,170
Filing Date: August 11, 2006
For: U.S. Patent No. 6,703,144

: **DECISION ON PETITION**
: **TO CONTINUE**
: ***INTER PARTES***
: **REEXAMINATION**
: **PROCEEDING**
:

This is a decision on the March 27, 2009 patent owner petition entitled "PETITION UNDER 37 C.F.R. § 1.182 - REQUEST FOR CONTINUED REEXAMINATION," filed concurrently with a petition pursuant to 37 CFR 1.181 to request entry of amendments after an Action Closing Prosecution.

The present petition under 37 CFR 1.182 is before the Office of Patent Legal Administration of the United States Patent and Trademark Office.

The present petition under 37 CFR 1.182 to request for continued reexamination is dismissed as premature.

FEES

The requisite petition fee for a petition under 37 CFR 1.182 is $400.00 pursuant to 37 CFR 1.17(f), and the $400.00 fee is being charged to petitioner's Deposit Account No. 07-1700 as authorized on page 7 of the petition.

DECISION

37 CFR 1.182 provides:

> All situations not specifically provided for in the regulations of this part will be decided in accordance with the merits of each situation by or under the authority of the Director, subject to such other requirements as may be imposed, and such decision will be communicated to the interested parties in writing. Any petition seeking a decision under this section must be accompanied by the petition fee set forth in § 1.17(f).

CONTINUATION OF PROSECUTION UNDER 37 CFR 1.182

In the present petition under 37 CFR 1.182, it is requested that the Office grant a request for continued reexamination of the above-referenced *inter partes* reexamination proceeding and to enter the Amendment and Response to Action Closing Prosecution ("ACP") submitted on October 30, 2008. Filed concurrently with the present petition under 37 CFR 1.182, was a petition under 37 CFR 1.181 to seek entry of the October 30, 2008 amendment and re-opening of prosecution, or alternatively, to seek entry of the October 30, 2008 amendment for purposes of appeal.

In March of 2005, the Office issued a Notice titled "Notice of Changes in Requirement for a Substantial New Question of Patentability for a Second or Subsequent Request for Reexamination While an Earlier Filed Reexamination is Pending."[1] Notice was provided therein that a patent owner could file a petition under 37 CFR 1.182 requesting continued prosecution on the merits in the reexamination proceeding **to seek entry of an amendment and/or evidence that was denied entry** after an action closing prosecution in an *inter partes* reexamination proceeding.

By filing such a petition, the patent owner could obtain continued prosecution on the merits in the reexamination proceeding, including entry of the amendment and/or evidence that was denied entry after an action closing prosecution in an *inter partes* reexamination proceeding. Accordingly, relief in the form of a continuation of the reexamination prosecution (after a final Office action) was made available by the Office via a 37 CFR 1.182 petition, *in appropriate circumstances*. This petition will be referred to herein as "the § 1.182 petition."

In this instance, the patent owner has concurrently pursued alternative relief via a 37 CFR 1.181 petition to request entry of the October 30, 2008 amendment filed after an ACP. Since the concurrently filed March 27, 2009 petition under 37 CFR 1.181 to request entry of the amendment and response filed on October 30, 2008 has not yet been decided, the amendment filed on October 30, 2008 cannot be considered to have been denied entry after an ACP, for the purpose of filing a §1.182 petition to request for continued reexamination. Accordingly, the present § 1.182 petition to request for continued reexamination filed to seek entry of the October 30, 2008 amendment filed after an ACP is premature, and is dismissed as such.

---

[1] 1292 *Off. Gaz. Pat. Office* 20, March 1, 2005.

CONCLUSION

1. The patent owner petition to request continued reexamination filed on March 27, 2009 is **dismissed as premature.**

2. Jurisdiction for the instant *inter partes* reexamination proceeding is being transferred to the Central Reexamination Unit (CRU) for consideration of the March 27, 2009 patent owner petition filed under 37 CFR 1.181.

3. Telephone inquiries related to this decision should be directed to Susy Tsang-Foster, Legal Advisor, at (571) 272-7711, or in her absence, to Pinchus Laufer at (571) 272-7726 or to Cynthia Nessler at (571) 272-7724.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,170	08/11/2006	6703144	ASC-031C1 REX	6655

51414 7590 05/13/2009

GOODWIN PROCTER LLP
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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 05/13/2009

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MAY 13 2009

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For Requester

Ex Parte Reexamination Proceeding
Control No. 95/000,170
Filed: August 11, 2006
For: US Patent No. 6,703,144

DECISION ON
PETITION UNDER
37 CFR 1.181

This is a decision on the petition filed March 31, 2009 to request entry of Patent Owner's October 30, 2008 amendment and accompanying response to the Action Closing Prosecution mailed October 1, 2008.

The petition is before the Director of the Central Reexamination Unit for consideration.

The petition is **denied** for the reasons set forth below.

Analysis and Findings

37 CFR 1.116 states in pertinent part:

(a) An amendment after final action must comply with § 1.114 or this section.

(b) After a final rejection or other final action (§ 1.113) in an application or in an ex parte reexamination filed under § 1.510, or an action closing prosecution (§1.949) in an inter partes reexamination filed under § 1.913, but before or on the same date of filing an appeal (§ 41.31 or § 41.61 of this title):

(1) An amendment may be made canceling claims or complying with any requirement of form expressly set forth in a previous Office action;

(2) An amendment presenting rejected claims in better form for consideration on appeal may be admitted; or

(3) An amendment touching the merits of the application or patent under reexamination may be admitted upon a showing of good and sufficient reasons why the amendment is necessary and was not earlier presented.

(c) The admission of, or refusal to admit, any amendment after a final rejection, a final action, an action closing prosecution, or any related proceedings will not operate to relieve the application or reexamination proceeding from its condition as subject to appeal or to save the application from abandonment under § 1.135, or the reexamination prosecution from termination under § 1.550(d) or § 1.957(b) or limitation of further prosecution under § 1.957(c).

(e) An affidavit or other evidence submitted after a final rejection or other final action (§ 1.113) in an application or in an ex parte reexamination filed under § 1.510, or an action closing prosecution (§ 1.949) in an inter partes reexamination filed under § 1.913 but before or on the same date of filing an appeal (§ 41.31 or § 41.61 of this title), may be admitted upon a showing of good and sufficient reasons why the affidavit or other evidence is necessary and was not earlier presented.

MPEP 2672 Patent Owner Comments/Amendment After ACP and Third Party Requester Responsive Comments [R-7].

37 CFR 1.951. Options after Office action closing prosecution in inter partes reexamination.

(a) After an Office action closing prosecution in an inter partes reexamination, the patent owner may once file comments limited to the issues raised in the Office action closing prosecution. The comments can include a proposed amendment to the claims, which amendment will be subject to the criteria of § 1.116 as to whether or not it shall be admitted.

The comments must be filed within the time set for response in the Office action closing prosecution.
(b) When the patent owner does file comments, a third party requester may once file comments responsive to the patent owner 's comments within 30 days from the date of service of patent owner's comments on the third party requester.

MPEP 2673 III.
In view of the fact that the patent owner cannot continue the proceeding by refiling under 37 CFR 1.53(b) or 1.53(d) nor by filing a Request for Continued Examination under 37 CFR 1.114 and the patent owner cannot file an inter partes reexamination request (see MPEP § 2612), the examiner should consider the feasibility of entering a proposed amendment paper, where the entirety of the amendment would result only in an additional claim (or claims) being indicated as patentable. The examiner is encouraged to enter such an amendment unless the entry would cause an "undue burden" on the examiner. Where the examiner does not enter the amendment, the examiner should explain the "undue burden." Where the examiner does enter the amendment, see MPEP § 2673.01 as to whether a Right of Appeal Notice (RAN) can be issued or whether there is a need to reopen prosecution.
Where multiple amendments are submitted after the ACP, all amendments except for the first one will be returned without consideration, since they are improper submissions. Thus, if prosecution is reopened, only the first amendment will be present for entry.
An amendment filed at any time after the ACP and prior to the RAN may be entered (where appropriate for entry). An amendment filed after the RAN will not be entered at all, in the absence of a grantable petition under 37 CFR 1.183 because 37 CFR 1.953(c) prohibits an amendment after the RAN in inter partes reexamination. If the examiner wishes to have the patent owner provide an amendment after the RAN, the examiner can reopen prosecution, enter the amendment, and issue a new ACP.

The statement of facts listed in the petition is correct.

The petition maintains that the claim amendments in the 10/30/08 submission are necessary and could not have been presented earlier. In the ACP issued on October 1, 2008, the Examiner cited three new references in rejections of the claims. It is the position of Patent Owner that this was not predictable and the amendment filed October 30, 2008 was submitted in good faith to advance prosecution of the proceeding, make the pending claims allowable, and simplify the issues for appeal. Patent Owner further asserts the amendments are necessary to effectively proceed in the reexamination because Patent Owner is seeking to define the invention in the claims in response to the ACP. Additionally, issuing an ACP while at the same time citing new grounds of rejection places significant constraints on Patent Owner's ability to make amendments and fully develop the

record for appeal. For at least these reasons, the showing of good and sufficient reasons why the amendment is necessary and not earlier presented is met under 37 CFR 1.116(b)(3). Patent Owner requests entry and consideration of the 10/30/08 amendments and reopening of the reexamination proceeding.

In response to patent owner's arguments that the examiner erred in deciding not to enter the proposed amendment of October 30, 2008, the director finds there are not good and sufficient reasons to enter the proposed amendment. First, 35 U.S.C. 314(c) requires that all *inter partes* reexamination proceedings to be acted upon with "special dispatch." The rules and procedures of the Office were established through notice and comment in order to achieve special dispatch in a reasonable manner. Office rules and procedures encourage examiners to look at the facts involved in a particular proceeding and to weigh the equities before issuing a right of appeal notice and/or an action closing prosecution. Furthermore, MPEP 2673 states that:

> It should be kept in mind that a patent owner cannot, as a matter of right, amend claims rejected in the ACP, add new claims after an ACP, nor reinstate previously canceled claims. A showing under 37 CFR 1.116(b) is required and will be evaluated by the examiner for all proposed amendments after the ACP, except where an amendment merely cancels claims, adopts examiner's suggestions, removes issues for appeal, or in some other way requires only a cursory review by the examiner.
>
> Where the entry of the proposed amendment (after the ACP) would result in any ground of rejection being withdrawn or any additional claim indicated as patentable, the proposed amendment generally raises new issues requiring more than cursory review by the examiner. The examiner would need to indicate new grounds for patentability for any claim newly found patentable and/or the reason why the rejection was withdrawn and would also need to deal with any third party requester's comments on the proposed amendment (made pursuant to 37 CFR 1.951(b) in response to owner's proposed amendment). Thus, the examiner is not required to enter the proposed amendment.
>
> In view of the fact that the patent owner <u>cannot</u> continue the proceeding by refiling under 37 CFR 1.53(b) or 1.53(d) nor by filing a Request for Continued Examination under 37 CFR 1.114 and the patent owner <u>cannot</u> file an *inter partes* reexamination request (see MPEP § 2612), the examiner should consider the feasibility of entering a proposed amendment paper, where the entirety of the amendment would result *only* in an additional claim (or claims) being indicated as patentable. The examiner is encouraged to enter such an amendment unless the entry would cause an "undue burden" on the examiner. Where the examiner does not enter the amendment, the examiner should explain the "undue burden."

Turning to the facts in this proceeding, the proposed amendment of October 30, 2008 was given sufficient consideration to determine whether the claims are in condition for allowance and/or whether the issues on appeal are simplified. The amendment clearly presents limitations which were not previously before the examiner that would require further substantial consideration. As pointed out by

the examiner, some of the amended claims are deemed to raise broadening issues under 35 USC 305 and new matter issues. The examiner set forth multiple clear reasons why the October 30, 2008 amendment raised new issues and why entry would place an undue burden on the examiner. See pages 3-6 in the RAN dated February 27, 2009. For these reasons, it is apparent the examiner carefully considered entry of the October 30, 2008 and determined that entry would not result in meeting the "special dispatch" requirement.

Patent owner further states that their "statutory rights" have been denied because they have not had a "fair opportunity" to reply to the new grounds of rejection in the ACP. See pages 7-8 of the petition. In support, patent owner contends that closing prosecution in the October 1, 2008 Office action interferes with patent owner's right to present claim amendments under 35 USC 314 and to clearly develop issues for purposes of appeal. 35 U.S.C. 314(c) requires that all *inter partes* reexamination proceedings to be acted upon with "special dispatch." The rules and procedures of the Office were established through notice and comment in order to achieve special dispatch in a reasonable manner. The Office rules and procedures encourage examiners to look at the facts involved in a particular proceeding and to weigh the equities before issuing a right of appeal notice and/or an action closing prosecution. See MPEP 2672 and 2673. Accordingly, the Office's rules and procedures do not categorically deprive the patent owner of its statutory rights to present amendments in reexamination proceedings. As stated in the Right of Appeal Notice, the new art cited by the examiner was necessary in light of the amendment presented on March 17, 2008 and the Action Closing Prosecution is proper.

In addition, since the amendment presents additional claims without canceling any finally rejected claims it is not considered to place the proceeding in better form for appeal. *Ex parte Wirt,* 1905 C.D. 247, 117 O.G. 599 (Comm'r Pat. 1905). Entry of amendments after ACP is limited to directly addressing the rejections of record or presenting the claims in better form for appeal. Furthermore, there is insufficient showing why the amendment filed October 30, 2008 could not have been presented earlier.

Finally, it is noted that many of the patent owner's arguments pertain to the alleged unfairness resulted in the closing of prosecution. These arguments are more appropriate in a petition under 37 CFR 1.182 requesting continuing reexamination.

Accordingly, the examiner appropriately applied Office policies and procedures in determining that the amendment of October 30, 2008 should not be entered, and issued a RAN in the interest of "special dispatch." For the reasons set forth above, it is deemed that the examiner followed Office rules and procedures and did not abuse his discretion in deciding to not enter the amendment of October 30, 2008 and issuing a RAN.

Accordingly, good and sufficient reasons to reopen prosecution in the reexamination proceeding have not been provided and the patent owner's petition is <u>denied</u>.

Conclusion

1. The Patent Owner's petition for entry of the October 30, 2008 amendment is **denied**.

2. Any future response may be submitted as follows:

By EFS: Registered users may submit via the electronic filing system, EFS-Web at https://sportal.uspto.gov/authenticate/authenticatuserlocale:html

By Mail to: Mail Stop *Ex Parte* Reexam
Central Reexamination Unit
Commissioner for Patents
United States Patent & Trademark Office
P. O. Box 1450
Alexandria, VA 22313-1450

By Fax to: (571) 273-9900
Central Reexamination Unit

By Hand: Customer Service Window
Randolph Building
401 Dulany Street
Alexandria, VA 22314

4. Telephone inquiries with regard to this decision should be directed to Deborah Jones, Supervisory Patent Examiner in the Central Reexamination Unit, Art Unit 3991, at (571) 272-1535.

Gregory Morse,
Director,
Central Reexamination Unit

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NEWPPORT BEACH, CA 92660

(For Requester)

MAILED

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CENTRAL REEXAMINATION UNIT

: DECISION GRANTING PETITION
: FOR EXTENSION OF TIME
: (37 CFR 1.956)

In re: Ottesen et alia :
Inter partes Reexamination Proceeding :
Control No. 95/000,173 :
Filed: August 1, 2006 :
For: U.S. Patent No. 6,529, 685 :

This is a decision on the 7 December 2007, patent owner petition titled "Request For Time-Extension Under 37 CFR 1.956."

The petition is before the Director of the Central Reexamination Unit for consideration of the above petition.

The petition is **granted** for the reasons set forth below.

DECISION

Patent Owner Has provided a statement of sufficient cause to justify granting a one-month extension of time. The petition for a one-month extension of time is filed, together with authorization to charge the required petition fee of $200.00 as set forth in 37 CFR 1.17 (g) required by 37 CFR 1.956 for the extension of time. This is the first request for a one-month extension of time

37 CFR 1.956 states:

> The time for taking any action by a patent owner in an inter partes reexamination proceeding will be extended **only for sufficient cause** and for a reasonable time specified. Any request for such extension must be filed on or before the day on which action by the patent owner is due, but in no case will the mere filing of a request effect any extension. Any request for such extension must be accompanied by the petition set forth in § 1.17(g). See § 1.304(a) for extensions of time for filing a notice of appeal to the U.S. Court of Appeals for the Federal Circuit. (Emphasis added.)

Addressing the requirement of 37 CFR 1.956 to make a showing of "sufficient cause" to grant an extension request, MPEP § 2665 states, in pertinent part:

> As noted above, a request for extension of time under 37 CFR 1.956 will be granted only for sufficient cause, ...
>
> Evaluation of whether "sufficient cause" has been shown for an extension must be made by **balancing** the desire to provide the patent owner with a fair opportunity to respond, **against** the requirement of the statute, 35 U.S.C. 314(c), that the proceedings be conducted with special dispatch. ...
>
> Any request for an extension of time in a reexamination proceeding must fully state the reasons therefore. The reasons should include a statement of what action the patent owner has taken, and why in spite of the action taken thus far, the additional time is needed. (Emphasis in the original.)

The Patent owner has set forth that based upon the number of rejections, the extensive length of the outstanding Office action and the short amount of time with which to respond as the reasons setting forth the sufficient cause for requesting the petition for extension of time. While the holidays are generally not considered to justify the sufficient cause for granting an extension of time, the length of the Office action and the shortened statutory period do support the sufficient cause aspect of the petition requesting a one-month extension of time. On balance, it is considered that the petition provides sufficient basis as to why an extension of time should be granted.

CONCLUSION

1. Patent owner's petition for a one-month extension of time in which to file a response to the Office action dated 28 November 2007I is hereby **granted**.

2. The period for response is hereby extended to 28 January 2007.

All correspondence regarding these proceedings should be submitted as follows:

By Mail to: Mail Stop *Ex Parte* Reexam
Central Reexamination Unit
Commissioner for Patents
United States Patent & Trademark Office
P. O. Box 1450
Alexandria, VA 22313-1450

By Fax to: (571) 273-9900
Central Reexamination Unit

By Hand: Customer Service Window
Randolph Building
401 Dulany Street
Alexandria, VA 22314

Telephone inquiries with regard to this decision should be directed to Mark Reinhart, Supervisory Patent Examiner in the Central Reexamination Unit, Art Unit 3992, at (571) 272-1611, alternatively where Mark Reinhart is unavailable, Eric Keasel, Supervisory Patent Examiner, Art Unit 3992, at 571-272-4929 may be contacted.

MARK J. REINHART
S PTE ~~SPRE~~ AU 3992
CENTRAL REEXAMINATION UNIT

for

Lissi Mojica. Marquis,
Director,
Central Reexamination Unit

mas

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(For Patent Owner)

MAILED

AUG 14 2007

CENTRAL REEXAMINATION UNIT

David L. McCombs
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(For Requester)

In Farmwald et al.
Reexamination Proceeding
Control No. 95/000,178
Original Request Deposited: September 15, 2006
For: U.S. Patent No. 6,324,120

: DECISION ON
: PETITION TO
: VACATE *INTER PARTES*
: REEXAMINATION
: FILING DATE

On July 13, 2007, the patent owner filed a petition, entitled "Petition to Vacate the Orders Granting Reexamination," which requests that the Director vacate a portion or all entire order granting reexamination. The petition also requested suspension of the rules under 37 CFR 1.183 in order to seek entry of the petition.

A $400.00 petition fee was collected from patent owner for the petition under 37 CFR 1.183. The Requester's Opposition is, likewise, taken as a petition under 37 CFR 1.183 (for waiver of 37 CFR 1.939(b)). Therefore, a $400.00 petition fee was charged to counsel's deposit account as authorized by the third party requester.

The petition and *inter partes* reexamination request papers deposited on October 6, 2006, are before the Office of Patent Legal Administration for consideration.

SUMMARY

A. The request for suspension of the rules under 37 CFR 1.183 is granted (and 37 CFR 1.939(b) is waived) so that the petition can be entered and considered on the merits.

B. The petition to vacate is granted.

C. The filing date of October 6, 2006, which was assigned to the corrected request papers for the above-captioned *inter partes* reexamination proceeding, is vacated for failure to comply with the provisions of 35 U.S.C. §§ 301 and 311, and those of 37 CFR 1.915, for the reasons set forth below. See also MPEP 2602, 2610, 2627, Part B.1, 2614, and 2617, Part I.

D. Since the filing date is vacated, the December 26, 2006 order granting reexamination is vacated.

E. In order to obtain a filing date for the request papers, the requester must, within **thirty (30) days** of the mailing date of this decision, file a response to this decision which remedies the defects set forth in this decision and makes the request papers compliant with the requirements of 35 U.S.C. §§ 301 and 311, and with 37 CFR 1.915.

REVIEW OF FACTS

1. U.S. Patent No. 6,324,120 (hereinafter, the '120 patent) issued to Farmwald et al. on November 27, 2001.

2. On September 15, 2006, a third party deposited a request for *inter partes* reexamination of claims 1-39 of the '120 patent, made pursuant to 37 CFR 1.915. Samsung Electronics Co., Ltd. is identified as the real party in interest. The reexamination proceeding was assigned Control No. 95/000,178 (hereinafter, the '178 proceeding).

3. On September 29, 2006, a "NOTICE OF FAILURE TO COMPLY WITH INTER PARTES REEXAMINATION REQUEST FILING REQUIREMENTS (37 CFR 1.915(d))" was mailed notifying the third party that the detailed explanation, required by 37 CFR 1.915(b)(3), was not provided for every reference cited on the information disclosure statement (IDS).

4. On October 6, 2006, the third party filed a corrected request providing the detailed explanation for two references identified in the September 29, 2006 Notice and corrected IDS removing the citations to all the references for which the detailed explanation was not provided for in the corrected request papers.

5. On October 13, 2006, a "Notice of *Inter Partes* Reexamination Request Filing Date" was mailed for the '178 proceeding. The notice assigned the filing date of October 6, 2006 for the request for reexamination.

6. On December 26, 2006, an order granting reexamination was mailed. A first Office action on the merits was not included with the order.

7. On May 15, 2007, patent owner filed a petition requesting that the October 6, 2006 filing date accorded to the request for *inter partes* reexamination of the '120 patent be vacated on the

grounds that the request did not properly identify the real party in interest, in accordance with the reexamination statute and regulations.

8. On May 31, 2007, the Office mailed a Notice advising the third party requester that it had the right to file an opposition to the May 15, 2007 patent owner petition, and establishing a time period for requester to do so.

9. On June 14, 2007, third party requester timely filed petition papers opposing the May 15, 2007 patent owner petition.

10. On July 13, 2007, the patent owner filed the present petition, entitled "Petition to Vacate the Orders Granting Reexamination" (hereinafter "the Petition") based upon the assertion that the request failed to comply with 35 U.S.C. 301 and 311 and 37 CFR 1.915 by including inappropriate allegations in the request for reexamination.

11. On July 26, 2007, the third party requester filed a paper entitled "Third-Party Requester's Petition and Opposition to Petition to Vacate Orders Granting Reexamination" (hereinafter "Requester's Opposition"), opposing the July 13, 2007 patent owner petition.

DECISION

The patent owner has filed the Petition to request that the Office vacate the order granting reexamination of the '178 *inter partes* reexamination proceeding. The patent owner's request to vacate the order granting reexamination is based upon the assertion that the requester has failed to comply with 35 U.S.C. 301 and 311 and 37 CFR 1.915 by including allegations of fraud and misconduct in the request for reexamination. The Petition also asserts that the Office had no authority to decide whether the '120 patent claims are entitled to the benefit of earlier-filed applications, because to do so, would, in effect, be a determination of whether the specification of the '120 patent provides the required written description under 35 U.S.C. 112, first paragraph, to the claimed invention. The patent owner asserts this is true because the specifications of the earlier-filed applications have essentially the same disclosure of that of the '120 patent.

A) Whether the Filing Date Should be Vacated

After a patent is granted, entry of information in a patent file is limited.

35 U.S.C. 301 provides a mechanism for obtaining entry of certain information into a patent file, as follows:

> "Any person at any time may cite to the Office in writing **prior art consisting of patents or printed publications** which that person believes to have a bearing on the patentability of any claim of a particular patent. If the person explains in writing the pertinency and manner of applying such prior art to at least one claim of the patent, the citation of such prior art and the explanation thereof will become a part of the official file of the patent. At the written request

of the person citing the prior art, his or her identity will be excluded from the patent file and kept confidential."

[Emphasis Added]

35 U.S.C. 311 provides a mechanism for requesting *inter partes* reexamination of a patent, as follows:

"(a) IN GENERAL.- Any third-party requester at any time may file a request for inter partes reexamination by the Office of a patent **on the basis of any prior art cited under the provisions of section 301**.

"(b) REQUIREMENTS.- The request shall-

(1) be in writing, include the identity of the real party in interest, and be accompanied by payment of an inter partes reexamination fee established by the Director under section 41; and

(2) set forth the pertinency and manner of applying cited prior art to every claim for which reexamination is requested.

"(c) COPY.- The Director promptly shall send a copy of the request to the owner of record of the patent."

[Emphasis Added]

In the present instance, entry of the request materials, and the information contained therein, would be grounded on 35 U.S.C §§ 301 and 311. Upon further review of the proceeding papers, the request is found not to be compliant with 35 U.S.C. §§ 301 and 311, and the relevant implementing regulation, 37 CFR 1.915. Accordingly, entry of the request, which in-effect would become a part of the patent, is not appropriate in this instance. The corrected request, deposited October 6, 2006, contains a discussion of litigation, *including allegations of fraud and misconduct on the part of the patent owner* (e.g., see pages 3 to 6 of the request dated October 6, 2006). This discussion about the prior litigation has no bearing on how patents or printed publications might establish/raise a substantial new question of patentability (SNQ). Accordingly, the examiner in the determination of whether a SNQ is raised, or in any subsequent patentability determination must not consider it. There is simply no statutory authority for entry of such material into the patent.[1] Even if entry in a patent of such information in a patent were provided for outside of the reexamination setting, entry in the present reexamination setting would unduly lengthen and complicate the record by the inclusion of material not relevant to the conduct of a reexamination proceeding, potentially making consideration by the examiner, or anyone else reviewing the file, difficult and unfocused. Therefore, the discussion in the request of *allegations of fraud and misconduct on the part of the patent owner* pertaining to the litigation and other issues is clearly inappropriate in the present *inter partes* reexamination proceeding. As such, the request papers dated October 6, 2006, which would become part of the patent's record

[1] It is also observed that the presence of such information in the public record could potentially have a negative or prejudicial effect on the public perception of the patent, despite the fact that there is no statutory authority for entry of such material into the patent.

if retained, do not have an entry right, in accordance with 35 U.S.C. §§ 301 and 311, and 37 CFR 1.915.

A request for *inter partes* reexamination must not include information that is not permitted to be entered into the record. 35 U.S.C. 311 only establishes reexamination based upon prior art as provided for in 35 U.S.C. 301, and it sets forth the requirements for reexamination, which include stating the pertinence and manner of applying the cited art. 37 CFR 1.915 implements 35 U.S.C. 311 to set out the requirements for requesting *inter partes* reexamination of a patent. Nothing in the law permits disclosure of material that contains allegations of impropriety and improper behavior that does not go to the merits of the patentability of any of the claims, and only pertains to issues that are not permitted in reexamination proceedings.

A third party requester can provide certain information pertaining to litigation involving the patent for which reexamination is being requested under policy set forth in the Office's rules and procedures. In an *inter partes* reexamination proceeding, parties may provide notice to the Office of prior or concurrent proceedings in which the patent (for which reexamination was requested) is or was involved, including interferences, reissues, reexaminations, or litigations, and the results of such proceedings. MPEP § 2686 explains the requirements for entry of such notice under 37 CFR 1.985 that is proffered by parties. As to a third party providing information pertaining to litigation, MPEP § 2686 states:

> "Persons making such submissions must limit the submissions to the notification, and must not include further arguments or information. Where a submission is not limited to bare notice of the prior or concurrent proceedings (in which a patent undergoing reexamination is or was involved), the submission will be returned by the Office."

In a request for reexamination, a third party requester may go further. The third party requester can provide information pertaining to litigation which impacts on how prior art consisting of patents or printed publications has "a bearing on the patentability of any claim of a particular patent" (35 U.S.C. 301), and how the litigation relates to "the pertinency and manner of applying cited prior art to every claim for which reexamination is requested" (35 U.S.C. 311). A discussion of litigation, including allegations of fraud and misconduct on the part of the patent owner (conduct issues), however, goes beyond what is permitted. And thus, it is not entitled to entry in a patent; by reexamination request, or by any other vehicle. As pointed out above, the request papers deposited October 6, 2006 contain inappropriate comments directed to conduct issues, that are not permitted under 35 U.S.C. §§ 301 and 311 and 37 CFR 1.915, or under any other provision of the statute and rules. Accordingly, the request papers deposited October 6, 2006, should not have been entered into the record. The October 6, 2006 request papers were, however, entered into the electronic Image File Wrapper (IFW) for the proceeding prior to discovery of the defects precluding entry of the request. Accordingly, the October 6, 2006 request papers are being expunged from the record, by closing the papers and marking them "not public" within the IFW.

Since the filing date is vacated, the order mailed December 26, 2006 is also hereby vacated.

The third party requester in the Request's Opposition filed July 26, 2007 advances that the patent owner's Petition is neither timely nor proper, and therefore, should be dismissed. Specifically, the third party requester quotes MPEP 2646, which states that a finding that a substantial new question of patentability exists in an order granting reexamination cannot be challenged via a petition. The third party requester also states that only a petition to vacate a reexamination order as *ultra vires* may be filed, and that the patent owner has not alleged that the allegations of fraud and misconduct in the request were relied upon by the examiner in the order granting reexamination. The Requester's Opposition also quotes MPEP 2616, which states that "[q]uestions relating to grounds of rejection other than those based on prior art patents or printed publications should not be included and will not be considered by the examiner if included." The third party requester concludes there is no *ultra vires* criterion upon which to vacate the orders granting reexamination, and that any allegations of fraud and misconduct in the request for reexamination are harmless because the examiner did not rely on the allegations.

To address the third party's arguments, the rules and procedures are clear that it is within the Office's discretion to determine if allegations of fraud or misconduct are so inflammatory that the paper should not entered into the record, or as an alternative, the paper will be entered but the examiner will be instructed to ignore the offending statements. See 37 CFR 1.939(a) and MPEP 2667. In this instance, as explained above, the allegations of fraud and misconduct are inappropriate comments directed to conduct issues, that are not permitted under 35 U.S.C. §§ 301 and 311 and 37 CFR 1.915, or under any other provision of the statute and rules. Accordingly, entry of the request, which in-effect would become a part of the patent, is not appropriate in this instance. In this instance, to address this defect, it is a simple matter of requester filing a request with the inappropriate materials deleted. Requester has already done so in control number 95/000,250, and a filing date has been granted for that proceeding.

B) Whether the Office has the Authority to Decide if the '120 patent claims are Entitled to the Benefit of Earlier-Filed Applications.

This issue is not ripe for consideration because the filing date for the reexamination proceeding is being vacated. If the request is made filing date compliant, and another order for reexamination is issued, then the issue can become ripe for consideration.

REQUESTER'S RECOURSE

In view of the October 13, 2006 "Notice of Reexamination Request Filing Date" mailed for the '178 proceeding, the requester is being given an opportunity to correct the request.

I. Requester has the option to respond to this identification of defects in the request papers by:

Providing a request for *inter partes* reexamination, as required by 37 CFR 1.915, without any inappropriate comments pertaining to the actions or inactions of the patent owner and comments on litigation. In other words, any and all inappropriate comments must be removed, or not

included in the request. A redacted copy of the current request with any and all inappropriate comments may be filed. The requester should review the entire request for inappropriate comments prior to filing a response to the Office, and not limit the review to the specific pages mentioned as an example in the above discussion. The requester must ensure that the redacted or replacement request be limited solely to a discussion of prior art patent and publications that may raise a substantial new question of patentability and the requisite discussion necessary to comply with 37 CFR 1.915(b), or the proceeding will be terminated. Submissions notifying the Office of prior or concurrent proceedings in which the patent is or was involved, will be accepted only if the statements are limited to bare notice of the prior or concurrent proceedings, and made in a separate paper.

II. **In order to obtain a filing date for the request papers, the requester must, within thirty (30) days of the mailing date of this decision, file a response to this decision which makes the request papers filing date compliant.**

The response may be mailed to the Central Reexamination Unit (CRU), attn: "Box *Inter Partes* Reexam" at the USPTO address indicated below, or hand carried to the CRU at the address indicated below. It is strongly suggested that any response be followed up by a telephone call to the Central Reexamination Unit at (571) 272-7705, as soon as possible.

The requester has one opportunity to make the request papers filing date compliant. If the response to this decision fails to cure the defect(s) identified in this decision or adds a new defect, then processing of the request papers will be terminated, and the request papers will either be discarded or treated as a prior art citation under 37 CFR 1.501, at the Office's option.

If the request papers are made filing date compliant, the date of the receipt of the response will be the filing date of the reexamination proceeding.

THE MAY 15, 2007 PETITION AND JUNE 14, 2007 OPPOSITION

In view of the present vacatur of the filing date for the present proceeding, the May 15, 2007 patent owner petition and June 14, 2007 requester opposition petition papers are not ripe for consideration, and are held in abeyance. If third party requester timely files a response to the present decision, and the request papers are thereafter determined to be entitled to a new filing date, parties may call up the matter for decision. If third party requester does not timely and appropriately respond to the present decision, then the request papers and all other papers maintained therewith will be discarded/expunged by the Office without further consideration.

If a new filing date is assigned, the Office will take appropriate action on the May 15, 2007 patent owner petition in light of the June 14, 2007 third party requester opposition to that petition, only if the parties call up the matter for decision by renewing their respective petitions. If the petitions are not renewed, they will be deemed withdrawn and will not be acted upon.

ADVISORY DISCUSSION

Parties are advised that, in the event that the '178 *inter partes* reexamination is reinstated, or re-filed as a new proceeding, the proceeding will be conducted in the Office, in accordance with the reexamination statute, governing regulations and published examining procedures. The reexamination statute, governing regulations and published examining procedures do not encompass so-called "litigation tactics." The parties are expected to conduct themselves accordingly. For example, it is expected that submissions of papers that are not provided for in the regulations, and/or appear to be precluded by the regulation will either be filed with the appropriate petition to accept the paper and/or waive the regulations, or not filed at all. Patent owner and third party requester are both advised that multiple submissions, such as a reply to a paper opposing a petition and a sur-reply directed to such a replies are not provided for in the regulations or examining procedure governing *inter partes* reexamination. In summary, should the '178 *inter partes* reexamination proceeding be reinstated, it is expected that the parties will adhere to the provisions of 37 CFR 10.18(b) throughout the course of the proceeding.

CONCLUSION

1. The petition for suspension of the rules under 37 CFR 1.183 is granted such that the petition has been entered and considered on the merits.

2. The petition to vacate is granted.

3. The filing date of October 6, 2006, which was assigned to the request papers is vacated for failure to comply with the provisions of 35 U.S.C. §§ 301 and 311, and those of 37 CFR 1.915.

4. The December 26, 2006 order granting reexamination is vacated.

5. **In order to obtain a filing date for the request papers, the requester must, within thirty (30) days of the mailing date of this decision, file a response to this decision which remedies the defects set forth in this decision and makes the request papers compliant with the requirements of 35 U.S.C. §§ 301 and 311, and with 37 CFR 1.915.**

6. The requester is being provided with **only one opportunity** to make the request papers filing-date compliant. *If the response to this decision fails to cure the defects identified in this decision, or adds a new defect, processing of the request papers will be terminated*, and the request papers will either be discarded or treated as a prior art citation under 37 CFR 1.501, at the Office's option. If the request papers are made filing date compliant, the date of the receipt of the response will be the filing date of the reexamination proceeding.

7. The May 15, 2007 patent owner petition and June 14, 2007 requester opposition petition papers are being held in abeyance. **If a filing date is assigned (after response to this decision by requester), the Office will take appropriate action on the May 15, 2007 patent owner petition in light of the June 14, 2007 third party requester opposition to that petition, only if the parties call up the matter for decision by renewing their respective petitions. If the petitions are not renewed, they will be deemed withdrawn and will not be acted upon.** If a filing date is not assigned, then this petition and opposition are moot.

8. Jurisdiction over the present *inter partes* reexamination request papers is being retained in the Office of Patent Legal Administration pending response to this decision, or the expiration of time to respond.

9. Any response to this decision should be directed to:

By Mail: Mail Stop "*Inter Partes* Reexam"
Attn: Central Reexamination Unit
Commissioner for Patents
P. O. Box 1450
Alexandria VA 22313-1450

By hand: Customer Service Window
Attn: Central Reexamination Unit
Randolph Building, Lobby Level
401 Dulany Street
Alexandria, VA 22314

It is strongly suggested that any such response be followed up by a telephone call to the Central Reexamination Unit at (571) 272-7705, as soon as possible, to ensure receipt and processing.

10. Telephone inquiries related to this decision should be directed to Jeanne Clark, at (571) 272-7714 or Mark Reinhart, Special Program Examiner, at (571) 272-1611, or in their absence, to Legal Advisors Pinchus M. Laufer at (571) 272-7726, Stephen Marcus at (571) 272-7743, or Cynthia Nessler at (571) 272-7724.

Kenneth M Schor
Senior Legal Advisor
Office of Patent Legal Administration
Office of the Deputy Commissioner
for Patent Examination Policy

Aug. 10, 2007

UNITED STATES PATENT AND TRADEMARK OFFICE

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CENTRAL REEXAMINATION UNIT

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(For Patent Owner)

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(For Third Party Requester)

In re Rambus, Inc.
Inter Partes Reexamination Proceeding
Control No. 95/000,178
Originally Deposited: September 15, 2006
Filed: August 27, 2007
For: U.S. Patent No. 6,324,120

: **DECISION**
: **DISMISSING**
: **PETITION**

This is a decision on the patent owner petition filed on October 29, 2007 entitled "Renewed Petition to Vacate the Filing Dates and Orders Granting Inter Partes Reexamination or, Alternatively, to Suspend the Proceedings" (hereinafter "renewed petition").

The October 29, 2007 patent owner renewed petition and the '178 *inter partes* reexamination proceeding are before the Office of Patent Legal Administration for consideration.

FEES

No fee is required for the October 29, 2007 patent owner renewed. This paper merely calls up for action the patent owner petition to vacate or suspend that was previously filed on May 15, 2007. The May 15, 2007 paper was held in abeyance because the originally granted filing date was vacated on other grounds. [1] Patent owner had remitted the necessary $400.00 petition fee the May 15, 2007 paper that had been held in abeyance. The present decision is a decision in respect to the May 15, 2007 patent owner petition to suspend or vacate. [2]

REVIEW OF SALIENT FACTS

1. U.S Patent number 6,324,120 ("the '120 patent") issued to Michael Farmwald *et al* on November 27, 2001, and is assigned to Rambus, Inc.

2. On September 15, 2006, a request for *inter partes* reexamination of the '120 patent was

[1] "Decision on Petition to Vacate *Inter Partes* Reexamination Filing Date," August 14, 2007, particularly at page 7.

[2] It is noted that the May 15, 2007 patent owner petition had been opposed by a paper filed on June 14, 2007 that was also held in abeyance due to the August 14, 2007 vacatur of the reexamination filing date. Third party requester has not filed a paper renewing its opposition or calling the June 14, 2007 opposition up for action.

deposited by a third party requester, David L. McCombs, and was assigned control No. 90/000,178 ("the '178 *inter partes* reexamination proceeding").

3. On September 29, 2006, a Notice was mailed to the third party requester in the '178 *inter partes* reexamination proceeding in which requester was notified that the request for *inter partes* reexamination of the '120 patent was not entitled to a filing date until the request for reexamination was completed.

4. On October 6, 2006, the third party requester filed a corrected original request for *inter partes* reexamination of the '120 patent, and the request for *inter partes* reexamination was deemed to have been completed and was accorded a filing date of October 6, 2006.

5. In both the original request and the corrected original request for *inter partes* reexamination, the third party requester identified Samsung Electronics Co., Ltd. as being "the real party in interest," pursuant to 37 CFR 1.915(b) and 35 U.S.C. 311(b).

6. On December 26, 2006, reexamination was ordered for claims 1-41 (*i.e.*, all of the claims) of the '120 patent.

7. On May 15, 2007, patent owner filed a petition requesting that the October 6, 2006 filing date accorded to the corrected request for *inter partes* reexamination of the '120 patent be vacated on the grounds that the request did not properly identify the real party in interest in accordance with the reexamination statute and regulations, or in the alternative, suspended.

8. On May 31, 2007, the Office mailed a Notice advising third party requester that third party requester had the right to file an opposition to the May 15, 2007 patent owner petition, and establishing a fifteen (15) day time period for third party requester to do so.

9. On June 14, 2007, third party requester timely filed papers opposing the May 15, 2007 patent owner petition ("hereinafter, the present third party opposition").

10. On July 13, 2007, patent owner filed a petition to vacate the December 12, 2006 Order Granting *Inter Partes* Reexamination.

11. On July 26, 2007, the third party requester filed an opposition to the July 13, 2007 patent owner petition to vacate the December 12, 2006 Order Granting *Inter Partes* Reexamination.

12. On August 14, 2007, a decision granting the July 13, 2007 patent owner petition was mailed. The August 14, 2007 decision vacated the filing date that had been originally accorded to the '178 *inter partes* reexamination proceeding. Therefore, the December 12, 2006 Order Granting *Inter Partes* Reexamination was also vacated due to the vacatur of the filing date of the '178 *inter partes* reexamination proceeding. [3]

13. On August 22, 2007, a redacted version of the original Request for *Inter Partes* Reexamination was filed in response to the August 14, 2007 decision that had vacated the originally accorded filing date. The redacted version of the Request for *Inter Partes* Reexamination was accorded a filing date of August 22, 2007.

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[3] Decision on Petition, August 14, 2007, Summary paragraph bridging pages 1 and 2.

14. The redacted request for *inter partes* reexamination also identified Samsung Electronics Co., Ltd. as the real party in interest.

15. On October 29, 2007, the patent owner filed the renewed patent owner petition to vacate or suspend the '178 *inter partes* reexamination proceeding, effectively calling the May 15, 2007 patent owner petition up for action. Third party requester has not filed a renewed opposition paper or otherwise called the June 14, 2007 opposition to the May 15, 2007 patent owner petition up for action.

16. The '120 patent is currently involved in a number of litigation proceedings. [4]

RELEVANT STATUTORY, REGULATORY AND PRACTICE PROVISIONS

35 U.S.C. §§ 311(a) and (b) provide:

(a) IN GENERAL.— Any third-party requester at any time may file a request for inter partes reexamination by the Office of a patent on the basis of any prior art cited under the provisions of section 301.
(b) REQUIREMENTS.— The request shall—
(1) be in writing, include the identity of the real party in interest, and be accompanied by payment of an inter partes reexamination fee established by the Director under section 41; and
(2) set forth the pertinency and manner of applying cited prior art to every claim for which reexamination is requested.

35 U.S.C. § 314(c) provides:

SPECIAL DISPATCH.— Unless otherwise provided by the Director for good cause, all inter partes reexamination proceedings under this section, including any appeal to the Board of Patent Appeals and Interferences, shall be conducted with special dispatch within the Office.35 U.S.C. § 315(c) provides:

CIVIL ACTION.— A third-party requester whose request for an inter partes reexamination results in an order under section 313 is estopped from asserting at a later time, in any civil action arising in whole or in part under section 1338 of title 28, the invalidity of any claim finally determined to be valid and patentable on any ground which the third-party requester raised or could have raised during the inter partes reexamination proceedings. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

35 U.S.C. § 317 provides:

(a) ORDER FOR REEXAMINATION.— Notwithstanding any provision of this chapter, once an order for inter partes reexamination of a patent has been issued under section 313, neither the third-party requester nor its privies may file a subsequent request for inter partes reexamination of the patent until an inter partes reexamination certificate is issued and published under section 316, unless authorized by the Director.
(b) FINAL DECISION.— Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party has not sustained its burden

[4] Claim 33 of the '120 patent have been held "not invalid." See Special Verdict Form attached as Exhibit 2 to the present patent owner petition.

of proving the invalidity of any patent claim in suit or if a final decision in an inter partes reexamination proceeding instituted by a third-party requester is favorable to the patentability of any original or proposed amended or new claim of the patent, then neither that party nor its privies may thereafter request an inter partes reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in such civil action or inter partes reexamination proceeding, and an inter partes reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office, notwithstanding any other provision of this chapter. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

37 CFR 1.907 provides:

(a) Once an order to reexamine has been issued under § 1.931, neither the third party requester, nor its privies, may file a subsequent request for *inter partes* reexamination of the patent until an *inter partes* reexamination certificate is issued under § 1.997, unless authorized by the Director.
(b) Once a final decision has been entered against a party in a civil action arising in whole or in part under 28 U.S.C. 1338 that the party has not sustained its burden of proving invalidity of any patent claim-in-suit, then neither that party nor its privies may thereafter request *inter partes* reexamination of any such patent claim on the basis of issues which that party, or its privies, raised or could have raised in such civil action, and an *inter partes* reexamination requested by that party, or its privies, on the basis of such issues may not thereafter be maintained by the Office.
(c) If a final decision in an *inter partes* reexamination proceeding instituted by a third party requester is favorable to patentability of any original, proposed amended, or new claims of the patent, then neither that party nor its privies may thereafter request *inter partes* reexamination of any such patent claims on the basis of issues which that party, or its privies, raised or could have raised in such *inter partes* reexamination proceeding.

37 CFR 1.913 provides:

Except as provided for in § 1.907, any person other than the patent owner or its privies may, at any time during the period of enforceability of a patent which issued from an original application filed in the United States on or after November 29, 1999, file a request for *inter partes* reexamination by the Office of any claim of the patent on the basis of prior art patents or printed publications cited under § 1.501.

37 CFR 1.915(b)(7), (b)(8) and (d) provide:

(b) A request for *inter partes* reexamination must include the following parts:
(7) A certification by the third party requester that the estoppel provisions of § 1.907 do not prohibit the inter partes reexamination.
(8) A statement identifying the real party in interest to the extent necessary for a subsequent person filing an *inter partes* reexamination request to determine whether that person is a privy.

...

(d) If *the inter partes* request does not include the fee for requesting *inter partes* reexamination required by paragraph (a) of this section and meet all the requirements of paragraph (b) of this section, then the person identified as requesting *inter partes* reexamination will be so notified and will generally be given an opportunity to complete the request within a specified time. Failure to comply with the notice will result in the *inter partes* reexamination request not being granted a filing date, and will result in placement of the request in the patent file as a citation if it complies with the requirements of § 1.501.

37 CFR 1.919(a) provides:

(a) The filing date of a request for *inter partes* reexamination is the date on which the request satisfies all the requirements for the request set forth in § 1.915.

MPEP § 2614 provides, in part:

> The reexamination request must identify the real party in interest who is responsible for filing the reexamination request. This information will be used by future parties requesting reexamination of the same patent, in making the certifications required by 37 CFR 1.915(b)(8).

DISCUSSION

On September 15, 2006, the third party requester deposited papers requesting *inter partes* reexamination of the '120 patent. These papers were processed by the technical support in the Central Reexamination Unit, and were deemed to be incomplete. Thereafter, a completed request for *inter partes* reexamination was deposited on, and accorded a filing date of, October 6, 2006. *Inter partes* reexamination was ordered on December 26, 2006. Patent owner then filed a petition on May 15, 2007 in which patent owner requested that the Office vacate the filing of the '178 *inter partes* reexamination proceeding, or in the alternative, that the Office suspend the '178 *inter partes* reexamination proceeding. The patent owner's request to vacate the filing date was based upon the assertion that the third party requester had not correctly identified the "real party of interest," as required by 35 U.S.C. 311(b)(1) and 37 CFR 1.915(b)(8) and 1.919(a).

Due to the nature of the issues raised by the patent owner, the Office mailed a Notice on May 31, 2007 inviting third party requester to file a paper opposing the May 15, 2007 patent owner petition. On June 14, 2007, third party requester did file such an opposition paper.

Patent owner thereafter filed a petition on July 13, 2007 to vacate the December 26, 2006 Order Granting *Inter Partes* Reexamination. Third party requester filed an opposition paper thereto on July 26, 2007. In the course of reviewing the record of the '178 *inter partes* reexamination proceeding with respect to these papers, the Office concluded that the October 6, 2006 corrected request for *inter partes* reexamination failed to comply with the reexamination statute and implementing regulation. Therefore, in a decision dated August 14, 2007, the Office vacated the October 6, 2006 filing date. (As a necessary incident to having vacated the filing date of the '178 *inter partes* reexamination proceeding, the Office also vacated the December 26, 2006 Order.) The Office also invited patent owner to file a response that would remedy the defects in the request for *inter partes* reexamination. Due to the vacatur of the October 6, 2006 filing date and the December 26, 2006 Order, the August 14, 2007 decision also stated that the May 15, 2007 patent owner petition and the third party requester's June 14, 2007 opposition thereto would be held in abeyance pending a response to the decision that vacated the October 12, 2006 filing date of the corrected original request for *inter partes* reexamination.

Patent owner filed a response to the August 14, 2007 decision, and that response was accepted. The '178 *inter partes* reexamination proceeding, was accorded a filing date of August 22, 2007. An Order Granting *Inter Partes* Reexamination was then mailed on October 19, 2007. It is now appropriate, in light of patent owner having called the May 15, 2007 patent owner petition up for action, that a decision on whether patent owner is entitled to have the '178 *inter partes* reexamination proceeding vacated, or in the alternative, suspended (based on the issues raised in the newly called-up patent owner petition) now be rendered.

I. Vacatur of the '178 *Inter Partes* Reexamination Proceeding

A. Summary of Patent Owner's Position [5]

35 U.S.C. § 311(b)(1), 37 CFR 1.915(b)(8) and 37 CFR 1.919(a) require that a third party requester who files a request for *inter partes* reexamination identify the real party in interest. The principal basis for patent owner's petition for vacatur of the '178 *inter partes* reexamination proceeding is that the request for *inter partes* reexamination of the '120 patent fails to properly identify the real party in interest (RPI). [6] Specifically, patent owner alleges the third party requester has failed to properly identify the RPI because certain parties asserted to be RPIs have not been identified by the request. Patent owner argues that because these parties have not been identified as real parties in interest, patent owner will be subject to multiple requests for *inter partes* reexamination in contravention of both 35 U.S.C. § 317(a) and the legislative intent that a patent owner not be harassed by such multiple requests. [7] Patent owner further alleges that the failure to identify all of the real parties in interest will mean that the unidentified parties will be able to evade the estoppel restrictions of 35 U.S.C. §§ 315(c) and 317(b). [8] Patent owner also alleges that third party requester delayed in pursuing this reexamination proceeding for strategic reasons to enable the filing of a series of *inter partes* reexamination requests aimed at patents that are "related" to the '120 patent, all of which are involved in litigation with the identified real party in interest and the other parties in interest who have not been identified. [9]

Patent owner bases these allegations on the fact that, with respect to the '120 patent and the other identified related patents, there are in fact multiple litigations in which patent owner has sued one or more defendants for patent infringement, that the litigations are in different stages along the path to a final determination of patent validity, that the '120 patent and the other patents have been found to be infringed and not invalid (at the district court level), that co-defendants in the litigation have formed an entity called the Advanced DRAM Technology consortium to develop future DRAM technologies and assess and minimize intellectual property related risks, and that there is a "joint defense group" that includes the presently identified real party in interest and other co-defendants in the litigations. [10] Patent owner also states that two of the parties, Samsung and Micron are, and have been, represented by the same counsel. [11]

Patent owner argues that although the reexamination statute does not define "real party in interest," the purposes behind the requirement (that a third party requesting *inter partes* reexamination identify the real party in interest) must be (1) to preclude harassment of the patent owner by the filing (particularly the serial filing) of multiple requests for *inter partes*

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[5] The position of patent owner has been summarized in subsections A of Sections I and II of this decision. This decision reflects consideration of all arguments presented by the patent owner, and any failure to specifically mention a particular argument does not reflect a failure to have considered that argument. However, in accordance with Conclusion 7 in the August 14, 2007 Decision on Petition to Vacate *Inter Partes* Reexamination Filing Date, the arguments of third party requester filed in the opposition paper dated June 14, 2007 third party requester opposition paper have not been considered because the opposition paper has not been renewed.

[6] All of the requests for *inter partes* reexamination of the '120 patent have named the same real party in interest, and so the May 15, 2007 petition, although originally addressed to the October 12, 2006 request for *inter partes* reexamination, is also applicable to the August 22, 2007 request for *inter partes* reexamination.

[7] Petition to Vacate or Suspend, May 15, 2007, page 2.

[8] *Id.*

[9] *Id.*, at page 2 and the first paragraph of page 3.

[10] *Id.*, at pages 3-7.

[11] *Id.*, at pages 10.

reexamination, and (2) to provide a basis for allowing a patent owner to avail itself of the estoppel provisions of the reexamination statute. Patent owner presumes that to carry out the intent behind the real party in interest requirement, the phrase real party in interest "is meant to include entities working together with the reexamination requester and entities having a legal relationship with the requester." [12]

B. Analysis and Findings

Note is taken of patent owner's argument that co-defendants of third party requester, and/or members of a "joint defense group," are required to be named as real parties in interest in the '178 *inter partes* reexamination proceeding; however, the argument is not persuasive. The fact that Samsung's co-defendants may benefit from this reexamination request, and/or that Samsung may be cooperating with others in a concurrent litigation involving the '120 patent and in other concurrent litigation involving related patents, would not, *per se*, show that those co-defendants or "joint defense group" members are real parties in interest in this *inter partes* reexamination proceeding.

It does not appear that the Office is in any way required to investigate and determine the accuracy of a certification made by a third party who files a request for *inter partes* reexamination of a patent. The reexamination statute does not require the Office to investigate the matter, nor does it provide the tools for the Office to do so. Further, Congress has not provided the Office with subpoena power or discovery tools and has not provided the Office with the ability to conduct hearings for eliciting testimony and cross-examination - - nor did Congress authorize the Office to impose punitive sanctions for non-compliance. Such evidentiary tools and sanctions are, however, available to the courts, which are the appropriate vehicle to make a factual investigation as to the accuracy of the identification of a "real party in interest." [13]
To expand, courts have discovery, testimony and other evidentiary tools (e.g., subpoena power and sanctions) available, and are the forums best equipped to determine who is, and who is not, the "real party in interest." Further, courts may provide relief, as appropriate, by enjoining the filing of a further *inter partes* reexamination request by the other parties in a

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[12] *Id.*, at page 9.

[13] Attention is invited to *In re Epstein*, 32 F.3d 1559, 31 USPQ2d 1817 (Fed. Cir. 1994), where the court took note of parties' availability of the court's investigative powers, to address the absence of same to the Office.

> "During ex parte PTO examination, applicants are free to investigate hearsay assertions relied upon by an examiner during the three to six month period available to respond to an office action. They also have the right to introduce rebuttal evidence under 37 C.F.R. Section 1.132 (1993). Moreover, if applicants wish to cross-examine the authors of written hearsay assertions, under 35 U.S.C. Section 145 (1988) they may bring a civil action in the United States District Court for the District of Columbia seeking adjudication that they are entitled to receive a patent. In such an action, testimony could be compelled by subpoena under Federal Civil Procedure Rule 45. See Gould v. Quigg , 822 F.2d 1074, 1076, 3 USPQ2d 1302, 1303 (Fed. Cir. 1987) ("While the evidentiary record before the Board serves as the 'evidentiary nucleus' of the district court proceeding in a section 145 action, the parties are entitled to submit additional evidence."). [32 F.3d at 1565, 31 USPQ2d at 1821]

Note MPEP 2010 which states:

> "The Office is not the best forum in which to determine whether there was an 'intent to mislead'; such intent is best determined when the trier of facts can observe demeanor of witnesses subjected to cross-examination. A court, with subpoena power, is presently the best forum to consider duty of disclosure issues under the present evidentiary standard for finding an 'intent to mislead'."

See also MPEP 2686.04(III) which points to this difference between the Office and the courts stating:

> "Another example is where there is an issue common to the litigation and the reexamination that can best be decided in court due to the availability in court of discovery and subpoena power (e.g., an issue heavily dependent on presentation of conflicting/contested evidence by the two parties)."

civil action. Even if such an *inter partes* reexamination request was filed by one of the other parties in the civil action, a court could always enjoin participation by that requester in the proceeding and essentially turn the proceeding into an *ex parte* reexamination proceeding, the filing of which does not require identification of "a real party in interest" (35 USC 301-302), and is not prohibited by statute or rule, even after an *inter partes* reexamination was filed by the same real party in interest. [14] In addition, if (1) a decision in the present *inter partes* proceeding is ultimately made which is adverse to the requester, and (2) the issue is presented before a court, any estoppel considerations which may or may not apply from the *inter partes* reexamination statute, depending on the court's resolution of the "real party in interest" issue, can be addressed by the court at that time.

It is also to be noted that there is precedent on the issue of "real party in interest" in the federal courts, on matters ranging from jurisdiction (*e.g.*, presence of diversity or amount of suit) [15] to actions in which the principle is applied to prevent multiple or conflicting lawsuits by persons such as assignees [16]. Where such precedent requires a party whose disclosure has been challenged to provide support for the disclosure, the examples of court proceedings resolving "real party in interest" issues demonstrate the reason why the Office cannot perform such a function here. The Office does not possess subpoena, discovery, hearing and sanction tools that a court and certain other tribunals possess. A patent owner concerned with the issue of misidentification of the real party in interest in a request for *inter partes* reexamination may immediately seek relief from the alleged erroneous identification of the "real party in interest" via the courts, which possess the tools to investigate and obtain information as to the relationship of the parties to ascertain the veracity of the identified "real party in interest." The present petition is <u>silent</u> as to why patent owner did not approach the appropriate District Court for relief (*e.g.*, an investigation into the matter and an appropriate order). Given the emphasis that petitioner patent owner has placed on the importance of the "real party in interest" disclosure requirement, it would appear that patent owner could have immediately sought relief in the appropriate court regarding the identity of the real party in interest. The record does not show that patent owner has done so.

With respect to 37 CFR 1.915(b) regarding the issue of "real party in interest," the following discussion is provided. 37 CFR 1.915(b)(8) requires "[a] statement identifying the real party in interest to the extent necessary for a subsequent person filing an *inter partes* reexamination request to determine whether that person is a privy." Third party requester has identified Samsung as being the "real party in interest." Samung further has been identified sufficiently for a party to know where it is located, and which business it operates under. Parties who would seek to file subsequent requests for *inter partes* reexamination of the '120 patent, and/or who may be subject to estoppels in litigation involving the '120 patent (if any such estoppels should result from the present '178 *inter partes* reexamination proceeding), have been provided with sufficient information to make an informed determination as to whether any relationship that they might have with third party requester Samsung would trigger a statutory estoppel. To the extent that petitioner construes 37 CFR 1.915(b)(8) to require inclusion of the identity of all parties who would be related or co-defendants of Samsung, such a construction would be unreasonable. Merely because a party may be related to or is a co-defendant of Samsung does not necessarily make that party a "real party in interest," because such party does not necessarily direct or

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[14] If the court makes a finding that the "real party in interest" was misstated, the Office can then take action, if appropriate, based upon the court's findings.

[15] *Varlotta Construction Corporation v. Carla Development Corporation*, 886 F. Supp 315 (E.D.N.Y. 1995)

[16] *First Hartford Corporation Pension Plan & Trust v. United States*, 194 F.3d 1279 (Fed. Cir. 1999)

control input into the '178 *inter partes* reexamination proceeding in any way. To the extent that petitioner patent owner has characterized requester's identification of the "real party of interest" as improper or erroneous, patent owner has not shown that any party other than the party identified in the request for *inter partes* reexamination is in fact in control or is a directly contributing "real party in interest"; patent owner has simply shown that the co-defendants are simply -- co-defendants in one or several civil suits who have formed a "joint defense group" for the purposes of that litigation. The Office is unaware of any authority that equates co-defendants in a civil suit with "real parties in interest" in an *inter partes* reexamination proceeding, and petitioner patent owner has cited none.

As a final point regarding requester's identification of the real party of interest, the Office relies on factual assertions made before it as true. See 37 CFR 10.18(b) ("By presenting to the Office . . . any paper, the party presenting such paper, whether a practitioner or non-practitioner, is certifying that . . . statements made therein of the party's own knowledge are true . . ."). And, as explained earlier, the Office is not equipped with the proper evidentiary tools to scrutinize the veracity of such asserted facts.

II. Suspension of the '178 *Inter Partes* Reexamination Proceeding

A. Summary of Patent Owner's Position

Patent owner argues that suspension of the '178 *inter partes* reexamination proceeding is warranted because of concurrent litigation that involves claim invalidity issues on grounds that cannot properly be decided in *inter partes* reexamination, such as invalidity under 35 U.S.C. § 112 written description issues. In this regard, patent owner draws attention to a verdict that has already been rendered in which one of the claims of the '120 patent has been held to be "not invalid" on such issues. [17]

Patent owner further argues that the litigation involves issues that district courts "can resolve more readily" through the use of discovery and their subpoena powers. [18,19] Patent owner also argues that suspension of the proceedings will lessen the burden on the Office that results from an alleged strategy on the part of the named real party in interest of serially filing delayed *inter partes* reexamination requests. Patent owner notes that the '178 *inter partes* reexamination proceeding is not in an advanced stage, while the litigations are far advanced, and that these facts support suspension of the '178 *inter partes* reexamination proceeding. [20]

B. Analysis and Findings

In *Sony Computer Entertainment America, Inc. et al v. Jon W. Dudas*, 2006 U.S. Dist. LEXIS, 36856 (E.D. Va. 2006), the court noted that 35 U.S.C. § 314(c) afforded the USPTO Director discretion to suspend an *inter partes* reexamination for good cause. *Id.*, at *15. The court went on to hold that the USPTO Director has wide latitude in exercising this discretion. The

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[17] Petition to Vacate or Suspend, May 15, 2007, pages 13-14.
[18] *Id.*, at page 14.
[19] Interestingly, patent owner argues here that he district courts can, by virtue of such powers, require other members of the joint defense group to address their participation in the present *inter partes* reexamination proceeding. It is noted that this argument buttresses the position stated in Section I(C) with respect to why patent owner's position regarding the issue of the identification of "real party in interest" is not persuasive.
[20] Petition to Vacate or Suspend, May 15, 2007, pages 15-17.

court refused to overturn the suspension of the two *inter partes* reexamination proceedings that had been ordered by the Office. [21]

The circumstances in which the Office had ordered suspension of the *inter partes* reexamination proceedings that were before the district court in *Sony* were:

1. The *inter partes* reexamination proceedings were in an early stage of prosecution;

2. Copending litigation involving the same patents that were the subject of the *inter partes* reexamination proceedings were near to a final disposition, because the litigation was before the United States Court of Appeals for the Federal Circuit; and

3. A decision on claim validity in the litigation would dispose of all issues of claim validity in the reexamination proceeding because:

   a. The prior art before the court and before the Office was identical and

   b. The claims before the court and before the Office were identical.

These factors were determined by the Office to constitute "good cause" for suspension of an *inter partes* reexamination proceeding, and the Sony court agreed that the Office had properly exercised its discretion under 35 U.S.C. § 314(c) to suspend the two *inter partes* reexamination proceedings.

In the present instance, it is true that the '178 *inter partes* reexamination proceeding is at an early stage of prosecution. However, petitioner patent owner has <u>not</u> demonstrated that the copending litigation involving the '120 patent that is the subject of the '178 *inter partes* reexamination proceeding is at an advanced stage wherein a decision on the merits of all issues that the Office must address in the '178 *inter partes* reexamination proceeding will be determined by a final, nonappealable court decision in the foreseeable future. It is to be noted that although patent owner has pointed out that a claim of the '120 patent has been held to be "not invalid" with respect to written description issues in the *Hynix* litigation, patent owner has not alleged that there has been even an initial (*i.e.*, district court) validity determination in any litigation for all of the claims of the '120 patent that are subject to reexamination in the present '178 *inter partes* reexamination proceeding (*i.e.*, patent claims 1-39). Patent owner has merely alleged that "[A]lthough the claims at issue in these proceedings are not identical to those in the litigations, decision by the Federal Circuit following the district court litigations might cast light on the appropriate disposition of any claims that remain in the reexamination." The speculative nature of the effect that a final decision that is not yet near to being rendered might have is, in balance, insufficient to provide sufficient good cause that would outweigh the statutory mandate that *inter partes* reexamination proceedings are to be conducted with special dispatch within the Office. That mandate is one that is concerned not only with the interests of patent owners and parties adverse to patent owners, but is also concerned with the public interest.

Further, patent owner has not demonstrated that all of the '120 patent claims that are being reexamined before the Office are also the subject of the copending litigation. The public is entitled to a determination conducted with special dispatch in the Office of the issues

[21] Decision Granting Petitions to Suspend, Nov. 17, 2005, (Spar, Director) of record in *inter partes* reexamination proceedings 95/000,093 and 95/000,094.

involving claims that are being reexamined in the '178 *inter partes* reexamination proceeding which will not be subject to a validity determination in copending litigation. Patent owner has not demonstrated any good cause to deprive the public of such a determination merely because patent owner may, at some point in the future which is highly uncertain, obtain a final, nonappealable determination on validity in copending litigation that involves only some of the clams that are being reexamined in the '120 *inter partes* reexamination proceeding.

Thus, although the '178 *inter partes* reexamination proceeding is still in an early stage, the petitioner patent owner has failed to demonstrate that the copending litigation involving the '120 patent is near to a final, nonappealable determination of invalidity of any of the clams currently being reexamined in the '178 *inter partes* reexamination. Further, petitioner patent owner has not shown that any final, nonappealable determination of validity that might someday result from the copending litigation will, at least potentially, require termination of the '178 *inter partes* reexamination as to all of the '120 patent claims. [22] The failure of petitioner patent owner to make a satisfactory showing on these points argues against suspension of the '178 *inter partes* reexamination proceeding. The public interest, as well as the interests of the third party requester in the '178 *inter partes* reexamination proceeding, argue in favor of the '178 *inter partes* reexamination proceeding continuing with special dispatch in the Office, rather than being suspended. Petitioner patent owner has <u>not</u> demonstrated that there is sufficient "good cause" to suspend the '178 *inter partes* reexamination proceeding.

[22] Only a final holding of claim invalidity or unenforceability (after all appeals) is controlling on the Office. In such cases, a substantial new question of patentability would not be present as to the claims held invalid or unenforceable. See *Ethicon v. Quigg*, 849 F.2d 1422, 7 USPQ2d 1152 (Fed. Cir. 1988). While a patent owner cannot predict the final outcome of litigation that is copending with a reexamination proceeding in the Office, it is clear that if fewer than all of the patent claims that are being reexamined are the subject of such copending litigation, then even a final, nonappealable decision in that litigation will not dispose of all of the claims that are being reexamined.

CONCLUSION

1. The petition to vacate, or in the alternative, to suspend the '178 *inter partes* reexamination proceeding is granted only to the extent that the petition has been considered and entered into the record by way of waiver of 37 CFR 1.939. However, the petition is dismissed as to the requested vacatur, and as to the requested suspension, of the reexamination proceeding.

2. The parties to the '178 *inter partes* reexamination proceeding should keep the Office apprised of the progress of the litigation involving the '120 patent.

3. Telephone inquiries related to this decision should be directed to Stephen Marcus, Legal Advisor, at (571) 272-7743, or in his absence, the undersigned at (571) 272-7710.

Kenneth M. Schor

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

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November 7, 2007

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C:\Kiva\Kenpet6\IP\RPI\95_0178 Renewed pet to vacate_ no RPI or to Suspend.doc

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,178	10/06/2006	6,324,120	38512.4	8591

22852 7590 12/12/2007

FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER LLP
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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 12/12/2007

Please find below and/or attached an Office communication concerning this application or proceeding.

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(For Patent Owner)

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DEC 12 2007

CENTRAL REEXAMINATION UNIT

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(For Third Party Requester)

In re Rambus, Inc.
Inter Partes Reexamination Proceeding
Control No. 95/000,178
Filed: August 22, 2007
For: U.S. Patent No. 6,324,120

: **DECISION DISMISSING**
: **PETITION TO**
: **VACATE-IN-PART THE**
: **ORDER GRANTING**
: **REEXAMINATION**

This is a decision on the October 29, 2007 patent owner petition denominated "PETITION TO VACATE-IN-PART THE ORDER GRANTING REEXAMINATION." Petitioner patent owner requests waiver under 37 CFR 1.183 of 37 CFR 1.939 to allow entry and consideration of this paper. Receipt is also acknowledged of a paper filed on November 13, 2007 by third party requester entitled "Third-Party Requester's Petition and Opposition to Rambus's Petition to Vacate-in-Part the Orders Granting Reexamination and Rambus's Renewed Petition to Vacate the Filing Date and Order Granting *Inter Partes* Reexamination or, Alternatively, to Suspend the Proceedings" (hereinafter "opposition"). Both patent owner and third party requester have remitted the appropriate fees for consideration of their respective petitions.

The October 29, 2007 papers also include Exhibits A-C, and a certificate of service showing service of the petition and Exhibits A-C on the reexamination requester

The October 29, 2007 patent owner petition, the November 13, 2007 third party opposition, and the 95/000,178 *inter partes* reexamination proceeding are before the Office of Patent Legal Administration for consideration.

The patent owner's petition is dismissed for the reasons set forth below.

Summary: The request to vacate-in-part the order of reexamination by withdrawing various substantial new questions is not persuasive. An order to reexamine is a determination by the Director that the Office has jurisdiction to reexamine the patent claims. Once jurisdiction is established based upon a finding that a proper substantial new question of patentability (SNQ), statement of further grounds for jurisdiction is irrelevant to the question of jurisdiction. The relief requested - withdrawal of the finding of an SNQ grounded on the intervening art - does not affect the jurisdictional issue that is the sole purpose of the order.

This decision also addresses in detail the various arguments put forth by patent owner as to the propriety of addressing priority benefit for the patent claims within the context of reexamination. The decision explains why the citations provided by patent owner as support for its position as to SNQ, among others, are not persuasive under the facts in the '178 reexamination proceeding. The decision finds that if and when a rejection is instituted based upon the examiner's findings of SNQ that patent owner is challenging in the present petition, the correct venue for obtaining relief is by appeal to the Board of Patent Appeals and Interferences (BPAI), not by petition to the Director.

BACKGROUND

1. U.S Patent number 6,324,120 ("the '120 patent") issued to Michael Farmwald *et al* on November 27, 2001, and is assigned to Rambus, Inc.

2. On September 15, 2006, a request for *inter partes* reexamination of the '120 patent was deposited by a third party requester, David L. McCombs, and was assigned control No. 90/000,178 ("the '178 *inter partes* reexamination proceeding").

3. On September 29, 2006, a Notice was mailed to the third party requester in the '178 *inter partes* reexamination proceeding in which requester was notified that the request for *inter partes* reexamination of the '120 patent was not entitled to a filing date until the request for reexamination was completed.

4. On October 6, 2006, the third party requester filed a corrected original request for *inter partes* reexamination of the '120 patent, and the request for *inter partes* reexamination was deemed to have been completed and was accorded a filing date of October 6, 2006.

5. In both the original request and the corrected original request for *inter partes* reexamination, the third party requester identified Samsung Electronics Co., Ltd. as being "the real party in interest," pursuant to 37 CFR 1.915(b) and 35 U.S.C. 311(b).

6. On December 26, 2006, reexamination was ordered for claims 1-39 (*i.e.*, all of the claims) of the '120 patent.

7. On May 15, 2007, patent owner filed a petition requesting that the October 6, 2006 filing date accorded to the corrected request for *inter partes* reexamination of the '120 patent be vacated on the grounds that the request did not properly identify the real party in interest in accordance with the reexamination statute and regulations, or in the alternative, suspended.

8. On May 31, 2007, the Office mailed a Notice advising third party requester that third party requester had the right to file an opposition to the May 15, 2007 patent owner petition, and establishing a fifteen (15) day time period for third party requester to do so.

9. On June 14, 2007, third party requester timely filed papers opposing the May 15, 2007 patent owner petition ("hereinafter, the present third party opposition").

10. On July 13, 2007, patent owner filed a petition to vacate the December 12, 2006 Order Granting *Inter Partes* Reexamination.

11. On July 26, 2007, the third party requester filed an opposition to the July 13, 2007 patent owner petition to vacate the December 12, 2006 Order Granting *Inter Partes* Reexamination.

12. On August 14, 2007, a decision granting the July 13, 2007 patent owner petition was mailed. The August 14, 2007 decision vacated the filing date that had been originally accorded to the '178 *inter partes* reexamination proceeding. Therefore, the December 12, 2006 Order Granting *Inter Partes* Reexamination was also vacated due to the vacatur of the filing date of the '178 *inter partes* reexamination proceeding. [1]

13. On August 22, 2007, a redacted version of the original Request for *Inter Partes* Reexamination was filed in response to the August 14, 2007 decision that had vacated the originally accorded filing date. The redacted version of the Request for *Inter Partes* Reexamination was accorded a filing date of August 22, 2007.

14. The redacted request for *inter partes* reexamination also identified Samsung Electronics Co., Ltd. as the real party in interest.

15. On October 19, 2007, the Office mailed an order granting reexamination for claims 1-39 of the '120 patent.

16. On October 29, 2007, the patent owner filed the renewed patent owner petition to vacate or suspend the '178 *inter partes* reexamination proceeding, effectively calling the May 15, 2007 patent owner petition up for action.

17. On October 29, 2007, patent owner filed the instant petition requesting that the reexamination order be vacated-in-part.

18. On November 9, 2007, the Office mailed a decision dismissing the petition to vacate the entire proceeding based upon improper identification of the real party in interest.

19. On November 13, 2007, the requester filed an opposition to the October 29, 2007 patent owner petition that requested the order be vacated-in-part. [2]

DECISION

I. Relevant Statute, Regulations, and Examining Procedure

The relevant portions of the statute, regulations and MPEP are reproduced below.

35 U.S.C. § 311 states, in part:

> "(a) IN GENERAL. - Any third-party requester at any time may file a request for inter partes reexamination by the Office of a patent on the basis of any prior art cited under the provisions of section 301."

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[1] Decision on Petition, August 14, 2007, Summary paragraph bridging pages 1 and 2.

[2] The petition also renewed requester's opposition to the patent owner's May 15, 2007 petition, effectively calling up the requester's opposition petition for action. Since, the patent owner's petitionof May 15, 2007 has been dismissed in a decision mailed November 9, 2007, whether the November 13 submission properly renewed the request and its content need not be addressed here.

35 U.S.C. § 312 states, in part:

> "(a) REEXAMINATION. - Not later than 3 months after the filing of a request for inter partes reexamination under section 311, the Director shall determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request, with or without consideration of other patents or printed publications. The existence of a substantial new question of patentability is not precluded by the fact that a patent or printed publication was previously cited by or to the Office or considered by the Office."

MPEP § 2646, Part I, states, in part:

> "A petition under 37 CFR 1.181 may... be filed to vacate an *ultra vires* reexamination order, such as where the order for reexamination is not based on prior art patents and printed publications. In cases where no discretion to grant a request for reexamination exists, a petition to vacate the decision to grant, or a request for reconsideration, will be entertained. "Appropriate circumstances" under 37 CFR 1.181(a)(3) exist to vacate the order granting reexamination where, for example:
>
> "(A) the reexamination order is not based wholly on prior art patents or printed publications;
> (B) reexamination is prohibited under 37 CFR 1.907;
> (C) all claims of the patent were held to be invalid by a final decision of a Federal Court after all appeals;
> (D) reexamination was ordered for the wrong patent;
> (E) reexamination was ordered based on a duplicate copy of the request; or
> (F) the reexamination order was based **wholly** on the same question of patentability raised by the prior art previously considered in an earlier concluded examination of the patent by the Office (e.g. the application which matured into the patent, a prior reexamination, an interference proceeding).."

II. Patent Owner's Position

Patent owner puts forth the position that five of the bases asserted by requester to raise substantial new questions of patentability rely on publications that would not qualify as prior art if the patent under reexamination was afforded the effective filing dates of the prior applications of which it claims benefit under 35 USC § 120. Patent owner objects to the designation of three of these bases [3] that are asserted to demonstrate substantial new questions of patentability in the order as being beyond the authority of the Office because "[w]here a patent has essentially the same disclosure as the priority document, the priority determination becomes a reassessment of whether that patent provides written description support for the claims under 35 USC § 112, ¶ 1, which is beyond the Office's authority in reexamination " [4] Patent owner, cites to MPEP § 2617, and various papers in other Office proceedings [5] in support of this position.

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[3] The examiner found that two of the five proposed bases did not establish substantial new questions of patentability.

[4] Petition at page 2.

[5] Exhibits A-C.

Patent owner requests that the order be vacated-in-part and that the "scope of the reexamination be limited to issues that do not relate to whether the claims have written description support." [6]

III. Analysis and Findings

The Order Granting Reexamination Was Not An *Ultra Vires* Action

The question of whether an order granting reexamination is based upon grounds permitted by 35 U.S.C. §§ 311 and 312 is a question of whether the Office has jurisdiction to order reexamination. As discussed in MPEP § 2246, if an order granting a request for reexamination is not based wholly or **in part** upon prior art patents or printed publications, (*i.e.*, the order granting reexamination is based wholly upon consideration of subject matter that is not permitted by the statute), then the granting of a request for reexamination is said to be an *ultra vires* action that is outside of the authority of the Office. However, a substantive determination to order reexamination based upon grounds permitted by the statute is not subject to judicial review. [7]

The request for reexamination, filed on August 22, 2007, cited numerous patents and printed publications upon which requester asserted grounds for finding a substantial new question of patentability. One of the cited publications is identified as the iAPX Manual. [8] The iAPX manual's publication year of 1982 is a date earlier than the earliest date recited in the benefit claim of the '120 patent. The iAPX publication was not of record during the original examination of the application that matured into the '120 patent.

The order for reexamination mailed October 19, 2007, found multiple substantial new questions of patentability (SNQs) with respect to each of the claims of the '120 patent. Accordingly, the Office took jurisdiction over the patent by ordering reexamination in the '178 proceeding.

Specifically, the examiner's order granting reexamination held that the iAPX manual [9] on its own raised a substantial new question of patentability with respect to claims 1-4, 6, 8-19, 21-27, 29-32, 34-37 and 39, and that in combination with other appropriately qualified prior art publications it raised a substantial new question with respect to the remaining claims as well. [10] The examiner therefore granted the request for reexamination. [11] Pursuant to 35 U.S.C. § 313 [12] and MPEP § 2643, [13] the examiner ordered reexamination of <u>all</u> patent claims.

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[6] Petition at page 7.

[7] *Heinl v. Godici*, 143 F. Supp. 2d 593 (E.D. VA. 2001); *Patlex Corp. v. Quigg*, 680 F. Supp. 33, 35 (D.D.C. 1998)

[8] iAPX 432 Interconnect Architecture Reference Manual, published 1982.

[9] See issues 4 and 8-14 as designated in the order.

[10] The '120 patent contains claims 1-39.

[11] See Order Granting Reexamination dated October 19, 2007, at page s 3-4.

[12] The statute states: "If, in a determination made under section 312(a), the Director finds that a substantial new question of patentability affecting a claim of a patent is raised, the determination shall include an order for inter partes **reexamination of the patent** for resolution of the question. The order may be accompanied by the initial action of the Patent and Trademark Office on the merits of the inter partes reexamination conducted in accordance with section 314." (Emphasis supplied.)

The order granting *inter partes* reexamination, having been based upon prior art publications that raised a substantial new question of patentability with respect to one or more of the '120 patent claims, was thus a proper exercise of the jurisdiction conferred upon the Office by 35 U.S.C. §§ 311 and 312. Patent owner has not advanced any rationale for holding that the order for reexamination was based upon subject matter outside of the jurisdiction conferred upon the Office by the reexamination statutes. Therefore, the examiner's order granting reexamination was not an *ultra vires* act on the part of the Office.

The examiner's decision represents the exercise of discretion in reaching the conclusion that the requester has proffered prior art printed publications for consideration as the basis for the request for *ex parte* reexamination of the '120 patent. In *Heinl v. Godici*, 143 F. Supp. 2d 593, 601 (E.D. Va. 2001), the court stated, in a decision seeking termination of reexamination based on the absence of a new question of patentability:

> "Under the well established *ultra vires* doctrine, the exhaustion and final agency requirements are excused 'only if plaintiff is able to show that the PTO clearly exceeded its statutory authority', quoting from *Philip Morris, Inc. v. Block*, 755 F.2d 368, 370 (4th Cir 1985 (quoting *Mayor and City Council of Baltimore v. Mathews*, 562 F.2d 914, 920 (4th Cir. 1977), vacated on other grounds, 571 F.2d 1273 (4th Cir. 1978).

The court then went on to state:

> "Put differently, when an agency acts in 'brazen defiance' of its statutory authorization, courts need not await the conclusions of underlying proceedings."

In this instance, the Office clearly has not acted in 'brazen defiance' of its statutory authorization, in finding that it has jurisdiction to order reexamination, and as such, the order for reexamination must stand.

Patent owner contends that the additional grounds for granting reexamination on allegedly intervening prior art [14] was an *ultra vires* act that should be set aside.

> "Specifically, the portion of the order granting reexamination based on a question as to the patent's priority date is beyond the Office's authority because the patent at issue in this proceeding has the same or essentially the same disclosure as the application relied on for priority." [15]

The patent owner's belief that the SNQ which the examiner based upon some of the art advanced is legally impermissible in this proceeding does not, however, convert the proceeding into a question of the examiner's jurisdiction to reexamine, which would create a petition right to contest the propriety of taking that action. Rather, the patent owner is free to contest such an issue before the patent owner, and then the Board of Patent Appeals and Interferences ("Board"), if the claims are rejected based upon the contested references.

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[13] MPEP § 2643 states in pertinent part: "If a substantial new question of patentability is found as to any claim, reexamination will be ordered and will normally cover all claims except for claims that have been finally held invalid in a Federal Court decision on the merits."

[14] These grounds are referred to as issues 1-3, 6, and 7 in the request and the order and are based on a US patent to Park (filed Dec 29, 1995), the JEDEC standard (published in 1999) and the Hynix publications.

[15] Petition, at page 2.

37 CFR 1.181(a)(1) permits petitions only from matters that are not subject to appeal; in this instance, if a rejection based on the contested references would be made and maintained, the route to contest that rejection would be via appeal.[16] Even if the contested references are not tenable to provide a substantial new question of patentability, the above-referred-to iAPX manual conferred the Office with jurisdiction to order the reexamination, and there was no *ultra vires* action on the part of the Office.

After a review of the record, it is found that patent owner has not established that the Office "clearly exceeded its statutory authority," or acted "in brazen defiance of its statutory authorization," in the Office's determination that the reexamination request properly raised a substantial new question of patentability.

For the forgoing reasons, the order granting reexamination will not be disturbed, and the '178 *inter partes* reexamination proceeding will continue in its examination stage.

IV. Additional Discussion

A. The Director can not "vacate-in-part" the order granting reexamination.

A decision granting reexamination is a determination that a sufficient basis has been raised for the Office to assume jurisdiction over the patent in question and to proceed with reexamination of at least those claims for which a proper substantial new question of patentability has been raised. As pointed out above, review of the order granting reexamination reveals that at least one SNQ has been raised for each and every claim of the '120 patent based upon references that qualify as prior art, irrespective of the priority date benefit granted to the claims of the '120 patent. Accordingly, there is no basis for vacating reexamination with respect to any claim of the '120 patent. The Office's jurisdiction over the proceeding is not taken in-part; either the Office has jurisdiction to reexamine or it does not. In this case, the Office does have jurisdiction.

B. The allegedly intervening prior art properly raise substantial new questions of patentability

Patent owner attempts to characterize the grounds for reexamination proposed by requester and accepted by the examiner as whether the specification of the patent has adequate written description (under 35 U.S.C. 112 first paragraph) to support the claims. This mischaracterizes the request for reexamination and the order granting reexamination. Rather, the issue is whether the patent claims to be reexamined [17] are entitled to benefit under 35 U.S.C. 120 of the filing date(s) of one or more prior filed applications, to thereby avoid the asserted art, or whether they are not so entitled. The issue of whether the instant

[16] Briefly, in this instance, benefit under 35 USC § 120 is challenged based on a question of whether specific claim elements find support in the priority applications for which benefit is claimed. This, combined with intervening art based upon the later effective filing date to be afforded the claims, is a legitimate issue for treatment in reexamination, should a rejection be made. Patent owner's arguments as to the authority of the Office to find a substantial new question of patentability based upon allegedly intervening prior art in the circumstances of this specific proceeding will however be addressed at length below.

[17] This analysis must be carried out on a claim-by-claim basis.

specification satisfies the written description requirement of 35 USC 112 first paragraph is not raised nor implicated in the order granting reexamination.

The '120 patent claims priority directly from US Patent 6,452,863 (the '863 patent) filed January 27, 2000 which claims priority from US Patent 5,841,580 (the '580 patent) filed February 10, 1997 and through a further chain of applications ultimately claims benefit of the April 18, 1990 filing date of application number 07/510,898.

As a precursor to applying intervening art, the request propounds the position that the '120 patent is not entitled to benefit of the filing date of its immediate parent (the '863 patent).

The first argument [18] put forth by the requester with respect to the granting of priority for the '120 patent is based on the filing of a copy of a declaration in the '863 patent from the original '898 application, which perforce did not make reference to a concurrently filed preliminary amendment. Thus, it is argued, that under the rules then in effect, the preliminary amendment in the '863 patent is not part of the original filing and cannot be relied upon for establishing priority.

The second and related argument as to priority is simply that there is no support for certain specific claims of the '120 patent in the prior application. Pages 10-19 of the request are devoted to a detailed elaboration [19] of elements of claims 1, 2, 4-7, 11-13, 15-21, 24-31, 33-36, and 38-39 of the '120 patent, presenting specific arguments as to why the specification of the '918 patent does not provide written description support of these elements.

Petitioner patent owner, focusing on the first prong, contends that this argument is fallacious because "it would apply to almost all patents that result from continuations" and that accepting this argument "would subject every continuation to a priority attack ... just because an applicant files a continuation application, presents, a preliminary amendment, and files a copy of an oath or declaration from the parent application." [20]

Petitioner misses the point. In fact, every application is subject to a priority attack without regard to the declaration filed. Every continuing application, irrespective of designation, must contain support for the claims in the parent application in order to derive benefit of the filing date of the earlier application. The issue raised in this request relates to the <u>declaration in the '863 parent patent</u>. [21] The argument is that because of the rule in place at that time, the preliminary amendment is not entitled to the benefit of the filing date of the application, and thus can not be relied on when seeking support for the claims of the current patent in the disclosure of the '863 patent. [22]

Note that the request does not merely rely on the declaration, but enumerates specific claim elements and presents argument as to the lack of support in the prior application for the claimed element.

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[18] Request for reexamination Section A.2 on pages 9-10

[19] This is in contrast to the Gorra decision discussed below in which the Examiner found that there was no specificity to requester's allegations of lack of support.

[20] Petition at page 6.

[21] Insofar as any similar comment was made by the examiner with respect to the declaration in the patent now under reexamination, it has no bearing on any priority benefit.

[22] Note further, that the order points petitioner to a course of action that may result in the elimination of this issue.

The order cites both these reasons [23] as raising a question of the appropriate priority date and then proceeds to find that the intervening references are adequate to raise a substantial new question of patentability for the relevant claims.

C. If Examiner issues a rejection that would be appealable to Board.

Patent owner requests that the Director preempt the examiner from issuing any rejections based upon the intervening art provided by the requester. This, however, is not a petitionable issue, as discussed above. It is the Board of Patent Appeals and Interferences ("Board") which reviews the decision of the examiner as to whether a rejection should be made. There is also no showing that making a rejection based upon the intervening art advanced by the requester would be an abuse of the examiner's discretion. If the examiner determines that (a) there are claim elements that are not supported in the prior applications and (b) that the art reads upon the claims then the examiner has the discretion to issue a rejection upon the claims, and the Board may review it, if appealed to the Board by the patent owner.

Stated another way, patent owner's belief that any rejection based upon the intervening publications is legally impermissible in this proceeding would not convert the examiner's promulgation of such a rejection into a question of the examiner's jurisdiction to take a particular action, thereby creating a petition right to contest the propriety of taking that action. 37 CFR 1.181(a)(1) permits petitions **only** from matters that are not subject to appeal to the Board of Patent Appeals and Interferences ("Board"). In terms of determining the propriety of a particular ground of rejection in an *inter partes* reexamination proceeding, the statutes and regulations make no distinction between a ground of rejection based upon anticipation or nonobviousness and a ground of rejection that allegedly violates 35 U.S.C. 312(a) (because it is alleged to be based upon grounds other than the application of prior art patents and printed publications). The jurisdiction to determine that any particular ground of rejection is or is not legally correct resides with the Board. [24] Any rejection maintained and made final by the examiner issuing a Right of Appeal Notice [25] in this proceeding, may then be appealed to the Board. The Board will then have jurisdiction to determine whether any appealed rejection is or is not legally correct.

It should be noted that even if patent owner ultimately appeals a particular ground of rejection in this proceeding, and successfully demonstrates that the rejection and supporting rationale are legally incorrect because they are based upon matters outside of the scope of the reexamination statutes and regulations, this would not mean that the rejection and supporting rationale should have been treated as petitionable *ultra vires* actions in the sense that the Office lacked jurisdiction to order reexamination of the '120 patent and promulgate rejections during that proceeding. Instead, the rejection would simply be considered to be a legally incorrect rejection in a reexamination proceeding in which, for the reasons set forth in Section III above, the Office had clear jurisdiction to order reexamination.

Thus, in a reexamination proceeding that is not itself *ultra vires*, because the Office did in fact have jurisdiction to order reexamination, patent owner's remedy with respect to any rejection and supporting rationale believed to be erroneous, is to appeal in accordance with the statutes, and regulations that establish and implement the right to appeal rejections in

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[23] Order granting reexamination, at page 11.

[24] See 35 U.S.C. § 315; see also 37 CFR 1.959 and 41.61.

[25] See 37 CFR 1.953.

inter partes reexamination proceedings. In this regard, it should be noted that the decision in *Patlex Corporation v. Quigg*, 680 F. Supp. 33, (D.D.C. 1988), was a decision **on appeal from a decision of the PTO Board of Appeals and Interferences,** and not from a decision reviewing an adverse decision on petition. [26] Where, as in *Patlex* and as here, the order granting reexamination has not been shown to have been an *ultra vires* action on the part of the Office, thereby depriving the Office of jurisdiction to reexamine, the propriety of a rejection allegedly based upon subject matter not proper for consideration in reexamination is properly determined by appeal, and not by way of petition.

V. Supporting authority for petition decision

BPAI decision dated September 25, 2007, in Reexamination Control No. 90/006,621

The situation in *ex parte* reexamination proceeding 90/006,621 (the '6621 proceeding) is closely analogous to the fact situation before the Office in this case and sheds light on the proper approach to the issue of the appropriateness of assessing the entitlement of a benefit claim within the context of a prior art rejection during reexamination.

The '6621 proceeding was a reexamination of U.S. Patent No. 5,964,604 (the '604 patent) which issued on December 12, 1997 from an application filed in March of 1994. The '604 patent claimed priority (as a continuation of) to U.S. patent No. 5,964,603 (the '603 patent) which also issued on December 12, 1997, but was filed in March of 1990. The '603 patent further claimed benefit of two other applications filed in 1985 and 1982 respectively.

The examiner in the '6621 reexamination proceeding determined that the '604 patent was not entitled to 35 U.S.C. 120 benefit of any of the 3 parent applications for the claims under reexamination, because various claim features were not supported by the disclosures in the prior applications, and the examiner accordingly rejected many of the claims over a reference with a 1988 date.

Patent owner pointed out that the applications were designated as continuations [27] and contained identical disclosures and argued, that in such a situation, raising the issue of affording benefit amounted to questioning the sufficiency of the written description of the patent under reexamination - something clearly precluded by the reexamination statute.

In a decision [28] rendered September 25, 2007, a panel of the Board found that the question of affording benefit under 35 U.S.C. 120 was within the jurisdiction of the Office. The Board explained that the issue was not how the relationship of the applications was characterized, but whether support existed in the prior application.

> "The question of whether the '604 patent is properly labeled a 'continuation' ... is a collateral issue to the real issue of whether there is written description for the term ... in the 1982 application. [29]

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[26] In *Patlex*, reexamination had been order based upon five substantial new questions of patentability. See *Patlex*, at page 35.

[27] "a continuation application does not contain new matter, and all claims issuing from it are entitled to the filing date of the parent." Decision in Appeal 2007-1217 at 66, quoting from patent owner's brief .

[28] Appeal 2007-1217 Decision dated September 25, 2007, mailed October 2, 2007

[29] *id.* at 66

> "Regardless of what an application is called, there is only priority for common subject matter actually disclosed in the earlier application." [30]

The panel then proceeded to address each contested claim element and determined whether there was support in the prior applications that provided the benefit of the earlier filing dates. The Board supported the examiner's position and affirmed the rejections based upon the intervening prior art.

VI. Analysis of authorities cited in Patent Owner's petition

Patent owner relies on various documents in support of the proposition that a determination of the right to priority is precluded in a reexamination proceeding because it is a collateral attack on the written description support of the patent under reexamination.

The following subsections address each of these citations [31] in turn and explain why they are not controlling under the facts in this proceeding.

1. The Fischell Decision: Exhibit A - June 30, 2005 Decision on petition in Reexamination Control No. 90/007,355 .

A request for reexamination of U.S. patent No. 6,527,817 (the '817 patent) was filed on December 22, 2004, and resulted in an order issued by the examiner on March 15, 2005, denying reexamination. On April 15, 2005, the requester filed a petition under 37 CFR 1.181 asking the Director to review the decision of the examiner. On June 30, 2005, the Office issued a decision (referred to by the instant petitioner as the "Fischell Decision") on the 37 CFR 1.181 petition determining that the examiner was correct in denying reexamination of the '817 patent based on the request under review.

Patent owner relies on the Fischell decision for the proposition that "reassessment [of a benefit claim] is not appropriate with respect to a continuation ... patent having a disclosure that is essentially identical to the disclosure in its parent patent." [32] Petitioner further contends "that the Office has acknowledged that it is precluded from reconsidering in reexamination a claim for priority under 35 USC 120 where the continuing application contains essentially the same disclosure." [33]

Patent owner's reliance on the Fischell decision is misplaced because (a) petitioner's selective use of a portion of a single paragraph of the full decision is not representative of the context and the holding; (b) the facts and holding were directed to a case where the issue of benefit was not properly raised; (c) the paragraph repeatedly cited by petitioner was not needed for the decision upholding the denial of reexamination; and finally (d) a decision by a group director in one proceeding (although informative) is not binding precedent on another group director (or Central Reexamination Unit director) in a different proceeding.

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[30] *id.* at 67

[31] Exhibit C, a decision in 95/000,089 needs no discussion as it supports the position that if a reexamination is properly ordered, rejections are resolved by resort to appeal, not by way of petition.

[32] Petition at 4, citing Fischell Decision at 4 n. 21.

[33] Petition at 4, citing Fischell Decision at 4-5

The following is cited from the '7355 decision to clarify the aforementioned points.

> "A review of the position taken by requester in the ex parte reexamination request clearly shows that the request is predicated on showing that the claims of the '817 patent are based upon a specification that is alleged to be defective under 35 USC 112, first paragraph because the specification allegedly fails to enable the practice of the subject matter claimed in the '817 patent. Although petitioner argues that the reexamination request merely addresses the question of whether the '817 patent is entitled to 35 USC § 120 benefit of the three prior United States patents, ***the request in fact is not directed to the issue of whether the '817 is entitled to a given prima facie date of invention*** for any or all of its claimed subject matter based upon the parent patents ***or is limited to its actual filing date. Instead, the request for reexamination is premised on evidence, and argument based on that evidence, which allegedly demonstrates that the claims of the '817 patent are not enabled by the specification of the '817 patent under 35 USC § 112, first paragraph."*** [34] [Emphasis added]

The decision then addresses the specific evidence provided in support of the request, stating:

> ***"Given the manner in which the reexamination request repeatedly emphasizes that the '817 patent does not enable the claimed invention,*** petitioner's attempt to characterize the request for reexamination as not being based on lack of enablement and failure to meet the written description requirement in the '817 patent itself, because such attack would clearly be "prohibited by the rules", is simply not persuasive. The request quite clearly indicates that the specification of the '817 patent does not enable the claimed invention in the '817, and does not merely argue that the '817 patent is restricted to its actual filing date as the prima facie date for the invention claimed therein." [35] [Emphasis added]

The decision then goes on (as cited by petitioner) to state that, in any event, since the specification of the patent under examination is essentially identical to the parent applications from which it seeks benefit, review of the benefit claim is inappropriate. However, in the interest of addressing all possible contentions, the decision concludes:

> "And even if the reexamination request were somehow perceived as being confined only to the question of whether the parent patent(s) support a particular invention date for the claims of the '817 patent, the evidence presented on that question is not regarded as being of sufficient clarity and detail so as to support a finding that substantial new question of patentability is raised by the request for ex parte reexamination." [36]

As seen by the first two paragraphs reproduced above, in this instance where the bulk of the evidence and argument was directed to the sufficiency of the disclosure of the '817 patent

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[34] Fischell Decision at 3. Emphasis added.
[35] Fischell Decision at 4. Emphasis added
[36] Fischell Decision at 6.

itself, the issue that the requester set forth was outside the realm of reexamination. Under these facts, the Director did not find petitioner's attempt to recharacterize the request as an attack on the right to claim benefit to be credible and thus found that the examiner correctly denied reexamination. Further, one basis for the decision was that the request did not provide enough "clarity and detail" to negate the parent patent(s) support of a particular invention date for the claims of the '817 patent.

2. The Gorra Order: Exhibit B - Reexamination Control Number 95/000,108.

Patent owner relies on the examiner's decision denying reexamination of U.S. patent 6,936,104 (the '104 patent) to support the proposition that within a reexamination proceeding, the Office is generally precluded from determining whether an application relied upon for benefit of a priority date supports the claimed invention. [37]

As a preliminary matter, it is worth noting that the "Gorra order" was a determination by an examiner, and therefore does not have binding precedential value. The requester did not challenge the decision.

A request for *inter partes* reexamination of the '104 patent was filed on August 30, 2005. The request put forth the position that the '104 patent contained new matter with respect to the patent from which it claimed benefit under 35 USC 120, and thus was unpatentable based on intervening art published before its filing date.

The examiner issued an order denying the request for reexamination on October 20, 2005. With respect to the issue of the proper effective filing date for the application the examiner noted [38] "... the Requester has failed to provide any specific analysis why a given limitation in a given claim lacks support in the parent. . . . The requester has not provided a discussion of which specific claim in the patent undergoing reexamination contains which specific limitation that is not supported in the parent application."

Thus, unlike the situation in the '178 proceeding, the requester only alleged that the second patent did not qualify as a proper continuation (a finding irrelevant to the question of priority) and did not establish an adequate basis for questioning the granting of the benefit for any claim of the patent for which reexamination was requested.

The section of the examiner's decision relied on by petitioner relied on two other decisions. Specifically, the examiner stated:

> "Both *Patlex Corporation v. Quigg*, 680 F.Supp. 33, 37 (D.D.C. 1988) and Ex parte Hyatt, Appeal No. 98-1912, Reexamination Control No. 90/001,896 (Bd. Pat. Appl. & Inter. 1999, unpublished)[39] appear to stand for the proposition that the Office lacks jurisdiction to "reexamine" the sufficiency of the specification of a parent application (to support patent claims) during the reexamination of a patent that claimed 35 U.S.C. § 120 benefit of that parent application. In a proceeding to reexamine a continuation or divisional patent, the Office is generally precluded from reexamining the 35 U.S.C. §

[37] Petition at 4, citing pages 6-7 of the Order Denying Reexamination mailed October 20, 2005, in control no. 90/000,108.

[38] See paragraph 16 on page 8 of the Gorra Order

[39] The correct reexamination control number is '1869 and the correct appeal number is 1998-1913

> 112, first paragraph, claim support for the 35 U.S.C. § 120 benefit of the parent application, because there is a presumption (in absence of a strong showing to the contrary) that the Office already determined (in the examination of the child application that became the patent) that the child's claims were supported by the disclosure of the parent and the child is a proper continuation or divisional. If the child's claims were not supported by the disclosure of the parent, the Office would presumably have rejected those claims under 35 U.S.C. § 112, first paragraph. Since the Office has presumably already considered the issue and determined that any patent or publication not having a date prior to the effective filing date of the parent is unavailable against the child patent's claims, it may not reconsider the issue in a reexamination proceeding. Criticism of the specification of the parent application as not supporting the child patent claims would generally be precluded for the case of a continuation or divisional child patent. That is the scenario of the Patlex and Hyatt decisions relied upon by the patent owner. "

As will be demonstrated below, each of these decisions presented a fact scenario that negated the existence of a "new" question, and thus neither of these decisions can be relied upon for the proposition that a priority benefit cannot be attacked as part of a reexamination. In addition, there is no presumption that the Office evaluated the benefit claim. **Examiners are instructed not to examine the sufficiency of a 120 benefit claim in the ordinary course of examination.** Pursuant to MPEP 706.02(k) "[t]he claim for 35 U.S.C. 120 benefit will be permitted without examination of the earlier application for disclosure and support of at least one claim of the later filed application under 35 U.S.C. 112, first paragraph unless it becomes necessary to do so, for example, because of an intervening reference."

3. BPAI May 28, 1999 decision in Reexamination Control Number 90/001,869 (*Hyatt*)

The examiner's reliance on *Hyatt* was misplaced. **In *Hyatt*, the Board held [40] that the examiner had already disposed of this issue in the initial prosecution and thus it could not be raised again in reexamination.**

> "The record before us reflects that the examiner in the original prosecution of this patent undergoing reexamination was presented with the question of whether appellant was entitled to the filing date of Hyatt '022. The examiner decided this question in appellant's favor and gave appellant the benefit of the filing date of Hyatt '022. Even though the claims before us are not all identical to the claims considered during the course of the original examination, we think it was improper for the Board[41] to raise the **<u>very same question</u>** which appellant had successfully prosecuted before the original examiner. [42]
>
> ...

[40] Appeal 98-1913, paper #85 in Reexamination Control No. 90/001,869, Decision date May 28, 1999 at pages 34-36.

[41] This appeal is from a rejection instituted by a panel of the BPAI in a previous appeal in this proceeding which was maintained by the examiner.

[42] *Hyatt* decision at page 35..

> "Even the proper grant of a request for reexamination, as is the case here, does not allow the PTO to again raise issues which had already been determined by the original examiner. A patentee should not have to keep winning the same issue over and over every time a reexamination of a patent is granted." [43] [Emphasis added.]

Thus the *Hyatt* decision merely stands for the proposition that one may not revisit, on reexamination, an issue, including a claim benefit issue, that was resolved in the previous examination as to the patent.

4. *Patlex v. Quigg*, 680 F.Supp. 33 (D.D.C. 1988)

The examiner's reliance on the *Patlex* decision is similarly misplaced. In *Patlex* the issue as stated by the court was [44]

> "whether the Commissioner has jurisdiction, once reexamination has been ordered, to consider on the merits whether a 'great-grandparent' application that contains the same specification as its 'great-grandchild' complies with the requirement of 35 U.S.C. sec. 112 that the specification contain an enabling disclosure ***where the first examiner, at the time the 'great-grandchild' was issued, had found that the 'great-grandparent' contained an enabling disclosure.*** [Emphasis added]

In rendering its decision the court made a specifically finding of fact that the examiner had made a notation on the file that the issue of priority was considered and resolved in applicant's favor.

> "In allowing the claims, the first examiner made the handwritten notation that undue breadth has been considered as well as sufficiency of the disclosure (note 'Reasons for Allowance' attached for co-pending case of applicants).' Office Action of November 21, 1978, Commissioner's Exhibit 1 at page 0140. The 'Reasons for Allowance' incorporated by reference relate to laser amplifiers and conclude that Gould's 1959 specification for laser amplifiers met the enablement requirement. The Court therefore finds that the examiner in the original examination determined enablement as of 1959." [45]

Of particular note is that the court did not summarily dismiss the rejection as should have been the result if a challenge to benefit was absolutely precluded [46] when the patent under reexamination was a continuation (with substantially identical disclosure) as the parent file. Instead, the court reviewed the record on prosecution, finding that the issue had already been addressed during the original prosecution of the patent and was thus not subject to

---

[43] *Hyatt* decision at 35-36.

[44] *Patlex* at 36.

[45] *Id.*

[46] In fact, the court specifically declined to address this question, stating: "The Court wishes to make clear that it is not deciding whether the Commissioner has jurisdiction in a reexamination to inquire into the sufficiency of the specification of a "parent" application where the sufficiency of the "parent" application *vis-a-vis* the claims of the patent being reexamined was not previously determined by the PTO or a court. Resolution of this issue should await a future case." *Patlex* at 37.

being reintroduced during a reexamination, because the question, although possibly "substantial," did not qualify as a "new" question.

CONCLUSION

1. The petition to vacate-in-part the '178 *inter partes* reexamination proceeding is granted only to the extent that the petition has been considered and entered into the record by way of waiver of 37 CFR 1.939. However, the petition is dismissed as to the requested relief.

2. Jurisdiction over the proceeding is being forwarded to the examiner of record for appropriate action.

3. Telephone inquiries related to this decision should be directed to Pinchus M. Laufer, Legal Advisor, at (571) 272-7726, or in his absence, the undersigned at (571) 272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

12-11-07
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,178	10/06/2006	6,324,120	38512.4	8591

22852 7590 06/17/2008

FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER LLP
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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 06/17/2008

Please find below and/or attached an Office communication concerning this application or proceeding.

UNITED STATES PATENT AND TRADEMARK OFFICE

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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
DAVID L. MCCOMBS
HAYNES AND BOONE LLP
901 MAIN STREET, SUITE 3100
DALLAS, TX 95202

Date:
MAILED

JUN 17 2008

CENTRAL REEXAMINATION UNIT

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. : 95000178
PATENT NO. : 6324120
ART UNIT : 3900

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified ex parte reexamination proceeding (37 CFR 1.550(f)).

Where this copy is supplied after the reply by requester, 37 CFR 1.535, or the time for filing a reply has passed, no submission on behalf of the ex parte reexamination requester will be acknowledged or considered (37 CFR 1.550(g)).

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Paul Anderson
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4440 El Camino Real
Los Altos, CA 94022

(For Patent Owner)

MAILED

JUN 17 2008

CENTRAL REEXAMINATION UNIT

David L. McCombs
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Dallas, TX 75202

(For Third Party Requester)

In re Rambus, Inc. :
Inter Partes Reexamination Proceeding : **DECISION**
Control No. 95/000,178 : **DENYING**
Originally Deposited: September 15, 2006 : **PETITION**
Filed: August 22, 2007 :
For: U.S. Patent No. 6,324,120 :

This is a decision on the patent owner petition filed on January 23, 2008 entitled "PETITION FOR RECONSIDERATION OF DECISIONS DISMISSING RAMBUS'S PETITIONS TO VACATE FILING DATES AND ORDERS GRANTING INTER PARTES REEXAMINATION" (hereinafter "request for reconsideration"). Receipt is also acknowledged of a paper filed on February 6, 2008 by third party requester entitled "THIRD PARTY REQUESTER'S PETITION AND OPPOSITION TO RAMBUS'S FIFTH PETITION FILED JANUARY 23, 2008 (hereinafter "renewed opposition").

The January 23, 2008 patent owner request for reconsideration, the February 6, 2008 third party renewed opposition, and *inter partes* reexamination proceeding control number 95/000,178 are before the Office of Patent Legal Administration for consideration.

Summary:

1) The renewed petition is granted to the extent that the "Decision Dismissing Petition" dated November 9, 2007 has been reconsidered as follows:

> The present reconsideration extends only to the patent owner's request for, and arguments directed to, vacatur of the filing date and reexamination Order for *inter partes* reexamination proceeding control number 95/000,178.
>
> Reconsideration of the Decision Dismissing Petition dated November 9, 2007 does not extend to the issue of suspension of *inter partes* reexamination proceeding control number 95/000,178, because no arguments on that issue have been presented by petitioner patent owner.
>
> Reconsideration further does not extend to the December 12, 2007 "Decision Dismissing Petition to Vacate-in-Part the Order Granting Reexamination" which is

also requested in the present patent owner petition. [1] Patent owner may file a separate reconsideration petition directed to the December 12, 2007 Office decision.

2) The renewed petition is denied to the extent of granting the relief requested by patent owner as to vacatur of the filing date and Order granting reexamination for *inter partes* reexamination proceeding control number 95/000,178.

3) The present decision is designated as a final agency action under 5 U.S.C. § 704.

FEES

Petitioner patent owner has remitted the $400.00 petition fee required for the present petition that is necessitated by the fact that petitioner requests suspension of the provisions of 37 CFR 1.939, [2] to permit consideration of the substance of the renewed petition. In addition, the Office will charge a $400.00 fee against Deposit Account No. 08-1394 as authorized by third party requester, to permit consideration of the substance of the renewed opposition through suspension of 37 CFR 1.939.

REVIEW OF FACTS

1. U.S. Patent number 6,324,120 ("the '120 patent") issued to Michael Farmwald *et al* on July 30, 2002, and is assigned to Rambus, Inc.

2. On September 15, 2006, a request for *inter partes* reexamination of the '120 patent was deposited by a third party requester, David L. McCombs, and was assigned control No. 95/000,178 ("the '178 *inter partes* reexamination proceeding").

3. On September 29, 2006, a Notice was mailed to the third party requester in the '178 *inter partes* reexamination proceeding in which requester was notified that the request for *inter partes* reexamination of the '120 patent was not entitled to a filing date until the request for reexamination was completed.

4. On October 6, 2006, the third party requester filed a corrected original request for *inter partes* reexamination of the '120 patent, and the request for *inter partes* reexamination was deemed to have been completed and was accorded a filing date of October 6, 2006.

5. In both the original request and the corrected original request for *inter partes* reexamination, the third party requester identified Samsung Electronics Co., Ltd. as being "the real party in interest," pursuant to 37 CFR 1.915(b) and 35 U.S.C. 311(b). [3]

6. On December 26, 2006, reexamination was ordered for claims 1-39 (*i.e.*, all of the claims)

---

[1] Pursuant to 37 CFR 1.4(c), "each distinct subject, inquiry or order must be contained in a separate paper to avoid confusion and delay in answering papers dealing with different subjects." Thus, the present patent owner petition is subject to dismissal. However, in the interest of the statutory mandate for special dispatch in reexamination proceedings, the filing date threshold filing date issue of the October 1, 2007 petition and November 9, 2007 will be addressed in this decision. The issue of the propriety of the order granting reexamination can be addressed as a later date, should patent owner separately request reconsideration as to that issue.

[2] 37 CFR 1.939 precludes filing of any party paper prior to the issuance of the first Office action on the merits of patentability in an *inter partes* reexamination proceeding.

[3] However, note fact numbers 23-26, and Decision, Section I, *infra*.

of the '120 patent.

7. On May 15, 2007, patent owner filed a petition requesting that the October 6, 2006 filing date accorded to the corrected request for *inter partes* reexamination of the '120 patent be vacated on the grounds that the request did not properly identify the real party in interest in accordance with the reexamination statute and regulations, or in the alternative, that the proceeding be suspended.

8. On May 31, 2007, the Office mailed a Notice advising third party requester that third party requester had the right to file an opposition to the May 15, 2007 patent owner petition, and establishing a fifteen (15) day time period for third party requester to do so.

9. On June 14, 2007, third party requester timely filed papers opposing the May 15, 2007 patent owner petition.

10. On July 13, 2007, patent owner filed a petition to vacate the December 26, 2006 Order Granting *Inter Partes* Reexamination.

11. On July 26, 2007, the third party requester filed a petition and opposition to the July 13, 2007 patent owner petition to vacate the December 26, 2006 Order Granting *Inter Partes* Reexamination.

12. On August 14, 2007, a decision granting the July 13, 2007 patent owner petition was mailed. The August 14, 2007 decision vacated the filing date that had been originally accorded to the '178 *inter partes* reexamination proceeding. Therefore, the December 26, 2006 Order Granting *Inter Partes* Reexamination was also vacated due to the vacatur of the filing date of the '178 *inter partes* reexamination proceeding. [4]

13. On August 22, 2007, a redacted version of the original request for *inter partes* reexamination was filed in response to the August 14, 2007 decision that had vacated the originally accorded filing date. The redacted version of the request for *inter partes* reexamination was accorded a filing date of August 22, 2007.

14. The redacted request for *inter partes* reexamination also identified Samsung Electronics Co., Ltd. as the real party in interest. [5]

15. On October 19, 2007, reexamination was ordered for claims 1-39, (*i.e.*, all of the claims), based on the August 22, 2007 redacted request for *inter partes* reexamination.

16. On October 29, 2007, patent owner filed a renewed patent owner petition to vacate or suspend the '178 *inter partes* reexamination proceeding, effectively calling the May 15, 2007 patent owner petition up for action

17. Also on October 29, 2007, patent owner filed a petition to vacate-in-part the October 19, 2007 Order Granting *Inter Partes* reexamination proceeding.

18. On November 9, 2007, a decision dismissing the October 29, 2007 patent owner petition to vacate the filing date or to suspend the proceeding was mailed.

---

[4] Decision on Petition, August 14, 2007, Summary paragraph bridging pages 1 and 2.

[5] Again, also note fact numbers 23-26, and Decision, Section I , *infra*.

19. On November 13, 2007, the requester filed a renewed petition and opposition to the October 29, 2007 patent owner petition, effectively calling the June 14, 2007 requester opposition petition up for action.

20. On December 12, 2007, a decision dismissing the October 29, 2007 patent owner petition to vacate-in-part was mailed.

21. On January 23, 2008, patent owner filed the present renewed petition.

22. On February 6, 2008, third party requester filed the present renewed opposition.

23. On February 22, 2008, the Office issued an Order to Show Cause why the '178 *inter partes* reexamination proceeding should not be terminated in view of certain ambiguities that appear in third party requester's identification of the named real party in interest in the various request papers filed by third party requester described in fact numbers 2, 4 and 13.

24. On March 4, 2008, third party requester filed a response to the February 22, 2008 Order to Show Cause.

25. On March 19, 2008, patent owner filed comments on the March 4, 2008 third party requester response.

26. On April 7, 2008, the Office issued a decision accepting the February 22, 2008 third party requester response to the Order to Show Cause, and accepted the unambiguous identification of Samsung Electronics Co, Ltd. as the real party in interest in the '178 *inter partes* reexamination proceeding for purposes of satisfying, *nunc pro tunc*, the requirements of 37 CFR 1.915(b)(8).

27. The '120 patent is currently involved in a number of litigation proceedings, as indicated in the May 15, 2007 patent owner petition to vacate or suspend, the June 14, 2007 third party requester opposition thereto, and the Notice of Prior and Concurrent Proceedings filed by patent owner concurrently with the January 23, 2008 renewed patent owner petition.

RELEVANT STATUTORY, REGULATORY AND PRACTICE PROVISIONS

35 U.S.C. §§ 311(a) and (b) provide:

(a) IN GENERAL.– Any third-party requester at any time may file a request for inter partes reexamination by the Office of a patent on the basis of any prior art cited under the provisions of section 301.
(b) REQUIREMENTS.– The request shall–
(1) be in writing, include the identity of the real party in interest, and be accompanied by payment of an inter partes reexamination fee established by the Director under section 41; and
(2) set forth the pertinency and manner of applying cited prior art to every claim for which reexamination is requested.

35 U.S.C. § 315(c) provides:

CIVIL ACTION.– A third-party requester whose request for an inter partes reexamination results in an order under section 313 is estopped from asserting at a later time, in any civil action arising in whole or in part under section 1338 of title 28, the invalidity of any claim finally determined to

be valid and patentable on any ground which the third-party requester raised or could have raised during the inter partes reexamination proceedings. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

35 U.S.C. § 317 provides:

(a) ORDER FOR REEXAMINATION.— Notwithstanding any provision of this chapter, once an order for inter partes reexamination of a patent has been issued under section 313, neither the third-party requester nor its privies may file a subsequent request for inter partes reexamination of the patent until an inter partes reexamination certificate is issued and published under section 316, unless authorized by the Director.
(b) FINAL DECISION.— Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party has not sustained its burden of proving the invalidity of any patent claim in suit or if a final decision in an inter partes reexamination proceeding instituted by a third-party requester is favorable to the patentability of any original or proposed amended or new claim of the patent, then neither that party nor its privies may thereafter request an inter partes reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in such civil action or inter partes reexamination proceeding, and an inter partes reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office, notwithstanding any other provision of this chapter. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

37 CFR 1.105 provides:

(a)(1) In the course of examining or treating a matter in a pending or abandoned application filed under 35 U.S.C. 111 or 371 (including a reissue application), in a patent, or in a reexamination proceeding, the examiner or other Office employee may require the submission, from individuals identified under § 1.56(c), or any assignee, of such information as may be reasonably necessary to properly examine or treat the matter, for example:

(i) *Commercial databases*: The existence of any particularly relevant commercial database known to any of the inventors that could be searched for a particular aspect of the invention.

(ii) *Search*: Whether a search of the prior art was made, and if so, what was searched.

(iii)*Related information*: A copy of any non-patent literature, published application, or patent (U.S. or foreign), by any of the inventors, that relates to the claimed invention.

(iv) *Information used to draft application*: A copy of any non-patent literature, published application, or patent (U.S. or foreign) that was used to draft the application.

(v) *Information* used in invention process: A copy of any non-patent literature, published application, or patent (U.S. or foreign) that was used in the invention process, such as by designing around or providing a solution to accomplish an invention result.

(vi) *Improvements*: Where the claimed invention is an improvement, identification of what is being improved.

(vii) *In Use*: Identification of any use of the claimed invention known to any of the inventors at the time the application was filed notwithstanding the date of the use.

(viii) *Technical information* known to applicant.
Technical information known to applicant concerning the related art, the disclosure, the claimed subject matter, other factual information pertinent to patentability, or concerning the accuracy of the examiner's stated interpretation of such items.

(2) Where an assignee has asserted its right to prosecute pursuant to § 3.71(a) of this chapter, matters such as paragraphs (a)(1)(i), (iii), and (vii) of this section may also be applied to such assignee.

(3) Requirements for factual information known to applicant may be presented in any appropriate manner, for example:

(i) A requirement for factual information;
(ii) Interrogatories in the form of specific questions seeking applicant's factual knowledge; or
(iii) Stipulations as to facts with which the applicant may agree or disagree.

(4) Any reply to a requirement for information pursuant to this section that states either that the information required to be submitted is unknown to or is not readily available to the party or parties from which it was requested may be accepted as a complete reply.

(b)The requirement for information of paragraph (a)(1) of this section may be included in an Office action, or sent separately.

(c) A reply, or a failure to reply, to a requirement for information under this section will be governed by §§ 1.135 and 1.136.

37 CFR 1.907 provides:

(a) Once an order to reexamine has been issued under § 1.931, neither the third party requester, nor its privies, may file a subsequent request for *inter partes* reexamination of the patent until an *inter partes* reexamination certificate is issued under § 1.997, unless authorized by the Director.

(b) Once a final decision has been entered against a party in a civil action arising in whole or in part under 28 U.S.C. 1338 that the party has not sustained its burden of proving invalidity of any patent claim-in-suit, then neither that party nor its privies may thereafter request *inter partes* reexamination of any such patent claim on the basis of issues which that party, or its privies, raised or could have raised in such civil action, and an *inter partes* reexamination requested by that party, or its privies, on the basis of such issues may not thereafter be maintained by the Office.

(c) If a final decision in an *inter partes* reexamination proceeding instituted by a third party requester is favorable to patentability of any original, proposed amended, or new claims of the patent, then neither that party nor its privies may thereafter request *inter partes* reexamination of any such patent claims on the basis of issues which that party, or its privies, raised or could have raised in such *inter partes* reexamination proceeding.

37 CFR 1.913 provides:

Except as provided for in § 1.907, any person other than the patent owner or its privies may, at any time during the period of enforceability of a patent which issued from an original application filed in the United States on or after November 29, 1999, file a request for *inter partes* reexamination by the Office of any claim of the patent on the basis of prior art patents or printed publications cited under § 1.501.

37 CFR 1.915(b)(7), (b)(8) and (d) provide:

(b) A request for *inter partes* reexamination must include the following parts:

(7) A certification by the third party requester that the estoppel provisions of § 1.907 do not prohibit the inter partes reexamination.

(8) A statement identifying the real party in interest to the extent necessary for a subsequent person filing an *inter partes* reexamination request to determine whether that person is a privy.

...

(d) If *the inter partes* request does not include the fee for requesting *inter partes* reexamination required by paragraph (a) of this section and meet all the requirements of paragraph (b) of this section, then the person identified as requesting *inter partes* reexamination will be so notified and will generally be given an opportunity to complete the request within a specified time. Failure to comply with the notice will result in the *inter partes* reexamination request not being granted a filing date, and will result in placement of the request in the patent file as a citation if it complies with the requirements of § 1.501.

37 CFR 1.919(a) provides:

(a) The filing date of a request for *inter partes* reexamination is the date on which the request satisfies all the requirements for the request set forth in § 1.915.

MPEP § 2614 provides, in part:

> The reexamination request must identify the real party in interest who is responsible for filing the reexamination request. This information will be used by future parties requesting reexamination of the same patent, in making the certifications required by 37 CFR 1.915(b)(8).

PRELIMINARY MATTER

It is noted that the present patent owner petition seeks review of two separate petition decisions that addressed two separately filed petitions in which different forms of relief were requested based upon different issues raised in the separate petitions. The "Decision Dismissing Petition" mailed on November 9, 2007 addressed the relief requested in the October 29, 2007 patent owner petition that was a renewed petition to vacate the filing date of the '178 *inter partes* reexamination proceeding, or in the alternative, to suspend the proceeding. The "Decision Dismissing Petition to Vacate-in-Part the Order Granting Reexamination" mailed on December 12, 2007 addressed the separate patent owner petition, filed on October 29, 2007, which requested that the '178 *inter partes* reexamination proceeding be vacated in part. A review of the two petition decisions shows that the decisions responded to two different and wholly separate issues requiring separate consideration with appropriate, but different, rationales. For example, if the petition to vacate had been granted, then the October 29, 2007 petition to vacate the order in part would have been rendered moot. Pursuant to 37 CFR 1.4(c), "each distinct subject, inquiry or order must be contained in a separate paper to avoid confusion and delay in answering papers dealing with different subjects." Thus, the present patent owner petition is subject to dismissal. However, in the interest of furthering the statutory mandate for special dispatch in reexamination proceedings, the threshold filing date issue of the petition vacate or suspend and the November 9, 2007 decision will be addressed in this decision, and the issue as to the merits of the order granting reexamination will be addressed at a later date, should patent owner file a separate reconsideration petition on that issue (i.e., directed to the December 12, 2007 Office decision). Accordingly, the present petition decision will reconsider only the November 9, 2007 petition decision.

DISCUSSION

I. The November 9, 2007 Decision - The Issue of Vacatur of the '178 *Inter Partes* Reexamination Proceeding Filing Date

The November 9, 2007 Office decision dismissed the October 29, 2007 patent owner petition (which called up for action the petition originally filed by patent owner on May 15, 2007) for a number of reasons. Patent owner had argued that because:

(1) Patent owner is the plaintiff in litigation in which the '120 patent has been asserted against a number of defendants; and
(2) The real party in interest identified in the request for reexamination of the '120 patent, "Samsung," [6] is one of those co-defendants; and
(3) Samsung and certain co-defendants have formed a "joint defense group";

the third party requester did not properly identify the real party in interest, given that only Samsung is named as the real party in interest in the '178 *inter partes* reexamination

[6] As determined by the April 7, 2008 Decision, Samsung Electronics, Inc., Ltd. (hereinafter "Samsung").

proceeding. Patent owner reasoned that based on the alleged improper identification of the real party in interest, the Office was required to vacate both the filing date of the '178 *inter partes* reexamination proceeding and the order granting *inter partes* reexamination.

The November 9, 2007 Office decision found that patent owner's position was not deemed to be persuasive because:

(A) The mere fact that a given party was a co-defendant of Samsung in the '120 patent litigation, or a member of a "joint defense group" together with Samsung in that litigation, would not necessarily mean that such a party was entitled to direct or control input into the conduct of '178 *inter partes* reexamination proceeding, or had ever done so.

(B) Patent owner failed to provide any factual showing that would support an allegation that any of Samsung's co-defendants in the '120 patent litigation, or who are members of the "joint defense group" in that litigation together with Samsung, actually is in control of, or is directly contributing input into the prosecution of, the '178 *inter partes* reexamination proceeding.

(C) There is no requirement of the reexamination statute that the Office conduct an investigation into the accuracy of the certification made by a third party requester that files a request for reexamination.

(D) Congress has not provided the Office with investigative tools of subpoena powers or discovery, [7] or the ability to conduct hearings to elicit testimony or to conduct cross-examination. Further, Congress has also not provided the Office with authority to impose punitive sanctions for noncompliance with a failure to cooperate in such an inquiry.

(E) Investigative evidentiary tools and the ability to impose sanctions are available to the courts.

(F) There is precedent showing that the courts have the ability to rule on the issue of "real party in interest" in matters ranging from diversity or amount of suit [8] to matters in which the principle is applied to prevent multiple or conflicting lawsuits by persons such as assignees. [9]

(F) Patent owner did not explain why patent owner had not approached the District Court for relief as, for example by investigation into the matter and issuing an appropriate order.

(G) The identification by third party requester is deemed to be adequate for purposes of 37 CFR 1.915(b)(8), because a subsequent party wishing to file an *inter partes* reexamination request for the '120 patent, or who may be subject to estoppels resulting from the present *inter partes* reexamination proceeding, would be able to determine for itself whether any relationship with *Samsung* would bar the *inter partes* reexamination request or trigger statutory estoppel.

(H) Pursuant to 37 CFR 10.18(b), the Office relies on factual assertions made before the Office as being true. [10]

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[7] While 35 U.S.C. §§ 23 and 24 do authorize the Office to establish rules for taking affidavits and depositions required in cases in the Office, no such rules have been established with respect to taking affidavits or depositions with respect to reexamination proceedings, or with respect to parties not before the Office in a given proceeding whose compliance cannot be compelled by the Office. Further, these provisions do not appear to be directed to conducting discovery in a proceeding before the Office, such as a reexamination proceeding.

[8] *Varlotta Construction Corporation v. Carla Development Corporation*, 886 F. Supp 315 (E.D.N.Y. 1995)

[9] *First Hartford Corporation Pension Plan & Trust v. United States*, 194 F.3d 1279 (Fed. Cir. 1999)

[10] As discussed further with respect to the present petition for reconsideration, *infra*, the ability of the Office to require a party to a matter before the Office to address ambiguities or inaccuracies in a factual assertion made

II. Patent Owner is Not Entitled to Vacatur of the Filing Date

Patent owner has renewed its argument that the Office has the ability to investigate the accuracy of the identification of the real party in interest in an *inter partes* reexamination proceeding, and has the duty to investigate the accuracy of the identification of the real party in interest in the '178 *inter partes* reexamination proceeding. All of patent owner's arguments have been carefully considered. However, for the reasons that follow, patent owner's arguments are not persuasive that patent owner is entitled to the requested relief of vacatur of the filing date and the resultant vacatur of the order granting *inter partes* reexamination in the '178 *inter partes* reexamination proceeding.

A. When the Identification of the Real Party in Interest Is Not Facially Inaccurate Or Ambiguous, the Office Lacks the Authority and the Tools to Question That Identification

The arguments presented in the patent owner petition for reconsideration fail to establish that the Office has either the authority to question the accuracy of a third party requester's facially accurate and unambiguous identification of the real party in interest in an *inter partes* reexamination proceeding, or the tools to competently conduct an investigation of the matter.

Patent owner's argument that the Office has the ability to investigate the accuracy of the identification of the real party in interest in an *inter partes* reexamination proceeding is based upon drawing an analogy between the requirement of 37 CFR 1.915(b)(8) that the request for reexamination identify the real party in interest and the requirement of 37 CFR 1.915(b)(7) that the request for reexamination include a statement certifying the filing of the request is not barred by 37 CFR 1.907. [11] Patent owner begins by pointing out that the legislative history of 35 U.S.C § 311(b) shows that Congress enacted the requirement for identification of the real party in interest in order to prevent harassment of the patent owner. [12] Patent owner then alleges that the Office has the stated in the *inter partes* reexamination rulemaking that it has the authority to investigate the accuracy of a third party requester's certification under 37 CFR 1.915(b)(7) (*i.e.*, that the estoppel provisions of 37 CFR 1.907 do not preclude the filing of the request for **inter partes** reexamination). [13] Patent owner then states the Office's November 9, 2007 Decision on Petition to have taken the position that the Office does not have the ability or authority to investigate the accuracy and identification of the real party in interest. Patent owner opines that these positions are inconsistent. Patent owner argues that the Office must take consistent positions, and therefore, patent owner concludes that the Office has the authority and the tools to investigate allegations of requester misidentification of the real party in interest in the same manner that it would investigate the accuracy of a requester's 37 CFR 1.915(b)(7) certification statement. Patent owner concludes the Office has must conduct such an investigation in the '178 *inter partes* reexamination proceeding, that as a result of such

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by that party to resolve the ambiguity is a wholly different matter from the Office having the statutory authority or the evidentiary tools to conduct an investigation regarding parties not before the Office based upon mere allegations that such an investigation is desired by a party before the Office.

[11] The estoppel provisions of 37 CFR 1.907 incorporate the estoppel provisions established by 35 U.S.C. §§ 315(c) and 317. These provisions will be referred to collectively as "statutory estoppel."

[12] Intellectual Property and Communications Omnibus Reform Act of 199, H.R. Conf. Rep. 10-464, 1999 WL 1095089, *133.

[13] See: MPEP § 2612; see also 65 Fed. Reg. 76756 at pages 76759 and 76764 (stating that "where a challenge to the accuracy of the certification is raised by the patent, that the question would then need to be addressed.")

investigation the Office will find that the real party in interest has not been properly identified, and that the Office should thereafter vacate both the filing date of the '178 *inter partes* reexamination proceeding, and the Order granting reexamination.

Patent owner's argument is not, however, persuasive, because it does not reflect the intent or plain language of the provisions of 37 CFR 1.915(b)(7) and (b)(8).

A certification statement made pursuant to 37 CFR 1.915(b)(7) is a statement by the third party requester to the effect that the third party requester is not itself estopped by the statutory estoppel provisions from filing a request for *inter partes* reexamination of a given patent. The *inter partes* rulemaking at 65 Fed. Reg. 76756, 76759 (Dec. 7, 2000), provides that:

> "It should be noted that the Office generally will not have a need to resolve the factual issue of whether or not one party is a privy of another party. Section 1.915(b)(7) requires a third party requester to certify that the estoppel provisions of §1.907 do not prohibit the filing of the inter partes reexamination request, and the Office does not intend to look beyond this required certification. It is only in the rare instance where a challenge to the accuracy of the certification is raised by the patent owner, that the question would then need to be addressed."

A substantially identical statement also appears at MPEP § 2612. These statements establish that the Office will, in the rare instance that it is necessary to do so, "address" the issue of the accuracy of a certification that statutory estoppel does not bar the filing of a request for *inter partes* reexamination. However, the rulemaking does not, in any way, discuss the type or depth of investigation that can and will be undertaken, and, more importantly, does not anywhere state or imply that an investigation can or will be undertaken by the Office. Rather, it is the duty of the party moving in favor of vacating a reexamination proceeding to provide the facts of any investigation establishing its position, including what it has obtained by resort to the courts' investigative power. It is nowhere in the statue, rules, or Office procedural guidelines stated or indicated that a patent owner may trigger an investigation of the accuracy of the certification merely by advancing an unsupported allegation that the third party requester is estopped from filing a request for *inter partes* reexamination.

While the Office would clearly query an ambiguous or facially inaccurate 37 CFR 1.915(b)(7) certification statement, such a query is based on an ambiguity or inaccuracy provided by the record of the proceeding. A third party making such a statement for the record is a party appearing before the Office. Therefore, a third party requester may appropriately be asked by the Office to clarify or support a 37 CFR 1.915(b)(7) certification statement that is ambiguous or facially inaccurate on the record. In such a case, the third party requester would be called upon to respond based on facts wholly within its knowledge and possession. The Office would be able to obtain information from the patent owner and the third party requester, and would have no need to try to obtain information from parties not before the Office in the *inter partes* reexamination. Similarly, where the identification of the real party in interest required by 37 CFR 1.915(b)(8) is ambiguous or facially inaccurate, a third party requester that is before the Office can be queried by the Office. In fact, the record in the present '178 *inter partes* reexamination proceeding shows that the third party requester was required to clarify its identification of the real party in interest, because the identification was facially ambiguous on the record. Third party requester promptly clarified the ambiguity; accordingly, the present record in the '178 *inter partes* reexamination proceeding is not ambiguous as to the identification of the real party in interest.

Patent owner additionally relies on the decisions in *Lacavera v. Dudas*, 441 F.3d 1380, 1382 (Fed. Cir. 2006); *Stevens v. Tamai*, 366 F.3d 1325, 1333 (Fed. Cir. 2004; and *In re Bogese*, 303 F.3d 1362, 1368 (Fed. Cir. 2002) as authority for the proposition that the Office can for conduct an investigation to determine the accuracy of a third party requester's identification of the real party in interest in an *inter partes* reexamination proceeding.

In the *Lacavera* decision, the court discussed the authority of the Office to regulate attorney practice before it pursuant to 35 U.S.C. § 2(b)(2)(D). The *Stevens* case involved an interference proceeding, and the court's decision in *Stevens* cited 35 U.S.C. § 2(b)(2)(A) as giving the Office authority to establish rules not inconsistent with law to govern the conduct of proceedings in the Office. The *Bogese* case concerned the authority of the Office to reject claims in a patent application based upon laches arising from unreasonable and unexplained delay in prosecution, notwithstanding that the applicant complied with pertinent statutes and rules. None of these decisions have been found to be relevant to the authority of the Office to conduct an investigation into the identity of a real party in interest, as to whether other parties are involved (included). Rather, the cases involve circumstances in which the patent statute provides authority for the Office to promulgate regulations not inconsistent with law that will govern the conduct of proceedings in the Office, as well as the recognition and conduct of parties <u>before the Office</u> (including practitioners, applicants and other parties).

Patent owner fails to point to any established regulation that would provide a mechanism for conducting an investigation of the sort patent owner envisions, other than 37 CFR 1.105. Although patent owner opines that the Office can conduct an investigation into a third party requester's identification of the real party in interest in a request for *inter partes* reexamination, and require information from a third party requester under the provisions of 37 CFR 1.105, patent owner is simply mistaken. 37 CFR 1.105 was promulgated pursuant to 35 U.S.C. §§ 131 and 132 - statutes that relate to the examination of applications and the conduct of reexamination proceedings <u>as to patentability</u>. The regulation was promulgated <u>for the purpose of requiring submission of information material to patentability from persons having a duty under 37 CFR 1.56 to disclose information to the Office that is material to patentability</u>. [14] 37 CFR 1.105 has <u>no</u> applicability to requesting information from a third party requester regarding that requester's identification of the real party in interest in an *inter partes* reexamination proceeding, which would require investigation into activity by parties not party to the proceeding before the Office. The identification of the real party in interest has no relationship to the duty to disclose information that is material to patentability that applies to an applicant for patent and to a patent owner (and other 37 CFR 1.56(c) parties) in a reexamination proceeding. [15] Further, patent owner has not adequately explained the basis under which the Office would proceed to require a third party requester to supply information regarding the identity of the real party in interest, or to conduct an investigation into the identity of the real party in interest, given that there is no ambiguity or facial inaccuracy in the third party requester's identification of the real party in interest. And, to the extent that it would be necessary to obtain information from a party who is alleged to be an undisclosed real party in interest in an *inter partes* reexamination proceeding, patent owner has not explained how 37 CFR 1.105 could be applied to a party who is not before the Office in that proceeding.

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[14] 65 Fed. Reg. 54604, 54633, (Sept. 8, 2000.)

[15] See 37 CFR 1.933, which refers back to 37 CFR 1.555, which in turn, references 37 CFR 1.105. These regulations do not create a duty to disclose information material to patentability, (or any duty of disclosure), that attaches to a reexamination third party requester.

Rather than the Office conducting an investigation based on a raw allegation that a patent believes an identification of the real party in interest to be facially inaccurate, the courts are the appropriate venue in which the patent owner should seek relief in the form of an investigation. [16] (This point is especially relevant here, where the identification appears to be unambiguous on the record, and it is patent owner that is alleging an inaccuracy.) It is to be noted that there is precedent on the issue of "real party in interest" in the federal courts, on matters ranging from jurisdiction (*e.g.*, presence of diversity or amount of suit) to actions in which the principle is applied to prevent multiple or conflicting lawsuits by persons such as assignees (*e.g.*, assignee estoppel or *res judicata*). [17] Where such precedent requires a party whose disclosure has been challenged to provide support for the disclosure, the examples of court proceedings resolving "real party in interest" issues demonstrate the reason why the Office cannot perform such a function here. Upon obtaining jurisdiction over the parties, courts may order discovery, take testimony and employ other evidentiary tools (*e.g.*, subpoena power and sanctions). Accordingly, the courts are the forums best equipped to determine who is, and who is not, the "real party in interest" when a party has a doubt as to the third party requester's identification of a party or parties as being the real party in interest in an *inter partes* reexamination proceeding. Further, courts may provide relief with respect to patents, as appropriate, by enjoining the filing of a further *inter partes* reexamination request by the other parties in a civil action, or as to the filing of subsequent civil action. Even if an *inter partes* reexamination request is filed by one of the other parties in the civil action who is barred from requesting *inter partes* reexamination by statutory estoppel, a court could always enjoin participation by that requester in the proceeding and essentially turn the proceeding into an *ex parte* reexamination proceeding, the filing of which does not require identification of "a real party in interest" (35 U.S.C §§ 301 and 302), and is not prohibited by statute or rule, even after an *inter partes* reexamination has been filed by the same real party in interest. [18]

A patent owner concerned with the issue of misidentification of the real party in interest in a request for *inter partes* reexamination may immediately seek relief from the alleged erroneous identification of the "real party in interest" via the courts, which possess the tools to investigate and obtain information as to the relationship of the parties to ascertain the veracity of the identified "real party in interest." The present petition is <u>silent</u> as to why patent owner did not approach the appropriate District Court for relief (*e.g.*, an investigation into the matter and an appropriate order). Given the emphasis that petitioner patent owner has placed on the importance of the "real party in interest" disclosure

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[16] <u>See</u>: *In re Epstein*, 32 F.3d 1559, 31 USPQ2d 1817 (Fed. Cir. 1994), where the court took note of party's availability of the court's investigative powers, to address the absence of same to the Office.

> "During ex parte PTO examination, applicants are free to investigate hearsay assertions relied upon by an examiner during the three to six month period available to respond to an office action. They also have the right to introduce rebuttal evidence under 37 C.F.R. Section 1.132 (1993). Moreover, if applicants wish to cross-examine the authors of written hearsay assertions, under 35 U.S.C. Section 145 (1988) they may bring a civil action in the United States District Court for the District of Columbia seeking adjudication that they are entitled to receive a patent. In such an action, testimony could be compelled by subpoena under Federal Civil Procedure Rule 45. See Gould v. Quigg, 822 F.2d 1074, 1076, 3 USPQ2d 1302, 1303 (Fed. Cir. 1987) ("While the evidentiary record before the Board serves as the 'evidentiary nucleus' of the district court proceeding in a section 145 action, the parties are entitled to submit additional evidence."). [32 F.3d at 1565, 31 USPQ2d at 1821]

[17] <u>See, for example</u>: *Varlotta Construction Corporation v. Carla Development Corporation*, 886 F. Supp 315 (E.D.N.Y. 1995) (presence of diversity or amount of suit); *First Hartford Corporation Pension Plan & Trust v. United States*, 194 F.3d 1279 (Fed. Cir. 1999) (application of the principle of "real party in interest" applied to prevent multiple or conflicting lawsuits by persons such as assignees.

[18] If the court makes a finding that the "real party in interest" was misstated, the Office can then take action, if appropriate, based upon the court's findings.

requirement, it would appear that patent owner could have immediately sought relief in the appropriate court regarding the identity of the real party in interest. The record does not show that patent owner has done so. Patent owner's argument that it is the Office, not a district court, "that administers the patent statute," is wholly unpersuasive. The Office may consider that it is "the sole agency that administers the patent statute," [19] in conducting the *inter partes* proceeding. However, it is common knowledge that the federal courts (which are not an agency in the sense used in the *inter partes* reexamination rulemaking) routinely adjudicate matters arising under the patent statute. Further, patent owner should appreciate the difference between conducting a reexamination proceeding, which is the provenance of the Office, and enforcing an estoppel provision of Federal law as a matter of equitable relief. Patent owner has not provided any basis for believing that the district courts lack authority to act as described above.

B. The Office Has No Duty To Investigate The Identity Of The Real Party In Interest In The '178 *Inter Partes* Reexamination Proceeding

(1) Patent Owner Does Not Allege A Present Injury

The reexamination statute requires, *inter alia,* that a request for *inter partes* reexamination proceeding "shall ... include the identity of the real party in interest ... ." [20] The *inter partes* reexamination rules require that a request for *inter partes* reexamination include, *inter alia,* "[A] statement identifying the real party in interest to the extent necessary for a subsequent person filing an *inter partes* reexamination request to determine whether that person is a privy." [21] Neither the *inter partes* reexamination statute nor the *inter partes* reexamination rules imposes a duty on the Office to investigate the accuracy of an unambiguous identification of the real party in interest in a third party requester's request for *inter partes* reexamination proceeding and the identification is not facially inaccurate.

In the present '178 *inter partes* reexamination proceeding, the real party in interest is unambiguously identified in the current record. [22] The identification of the real party is not found to be facially inaccurate. The Office will refuse to accord a filing date to a request for *inter partes* reexamination that does not identify the real party in interest, or which provides an identification of the real party in interest that is ambiguous or facially inaccurate. If the Office accords a filing date to a request for *inter partes* reexamination, and later discovers an ambiguity or a facial inaccuracy in the identification of the real party in interest, the Office can, and will, require that a party appearing before it as third party requester in an *inter partes* reexamination proceeding clarify the ambiguity or facial inaccuracy. [23] However, it does not follow that the Office is empowered to conduct an investigation into the identity of the real party in interest when the statement identifying the real in interest in the record of an *inter partes* reexamination proceeding is neither facially inaccurate nor ambiguous. The

[19] 65 Fed. Reg. 76756, 76759 (Dec. 7, 2000), emphasis added.
[20] 35 U.S.C. § 311(b)(1).
[21] 37 CFR 1.915(b)(8).
[22] It is to be noted that although the identification of the real party in interest was ambiguous in the various requests for reexamination filed by the third party requester in the '178 *inter partes* reexamination proceeding, such ambiguity has been resolved and a decision so stating was issued on April 7, 2008. The present identification of Samsung Electronics Inc., Ltd. as the real party in interest applies to this proceeding *nunc pro tunc*, and will allow any subsequent party to draw the necessary conclusions for purposes of 37 CFR 1.907 and statutory estoppel in *inter partes* reexamination.
[23] In fact, the Office has required third party requester to clarify an ambiguous identification of the real party in interest in the present '178 *inter partes* reexamination proceeding, and third party requester has done so.

Office will not conduct an investigation into the accuracy of the identification of the real party interest in the '178 *inter partes* reexamination proceeding, because there is no established reason to do so.

Further, it is also to be noted that in the present '178 *inter partes* reexamination proceeding, patent owner is requesting relief based upon an injury that has not yet occurred. Patent owner does not allege that the named real party in interest is itself estopped from filing and participating in the '178 *inter partes* reexamination proceeding. Rather, patent owner's concern is that patent owner might be harassed by the filing of a subsequent request for *inter partes* reexamination of the '120 patent by a party that should have been identified as a real party in interest in the '178 *inter partes* reexamination proceeding, but was not so identified. Such a party, as a real party in interest in the '178 *inter partes* reexamination proceeding, would (if one existed) be subject to a statutory estoppel that would preclude the filing of such a request by that third party requester. While a patent owner is entitled to be protected from harassment by the filing of a subsequent request for *inter partes* reexamination of the '120 patent by a party who is estopped from filing such a request, the record simply does not show that such a circumstance presently exists in the '178 *inter partes* reexamination proceeding. No additional requests for *inter partes* reexamination of the '120 patent have been filed, so clearly there is presently no cause for concern that a misidentification of the real party in interest has permitted a party subject to statutory estoppel to file an additional request for *inter partes* reexamination of the '120 patent. Accordingly, there is presently no basis for granting the relief requested by patent owner in the present '178 *inter partes* reexamination proceeding, since patent owner cannot, at this point, have been injured by the filing of another request for *inter partes* reexamination for the '120 patent that would be barred by statutory estoppel.

(2) Patent Owner Has Presented No Evidence That The Real Party in Interest Has Not Been Properly Identified

A further reason why the Office will not conduct an investigation into the identity of the real party in interest in the '178 *inter partes* reexamination proceeding is that patent owner has not presented any factual basis that would establish that the third party requester's identification of the real party in interest is inaccurate or ambiguous. Rather, patent owner relies solely on the fact that third party requester is one of a number of co-defendants in litigation directed to the '120 patent and that certain co-defendants have formed a "joint defense group," of which the identified real party in interest is a member, as providing the reason why the Office must investigate the accuracy of the identification of the real party in interest in the request for reexamination of the '120 patent. However, patent owner *has not provided any factual showing* that would suggest that one or more of members of the "joint defense group" has, in fact: (a) participated in the filing of the request for reexamination of the '120 patent any way or was involved in the decision to file, or (b) in any way participated in the prosecution of the resulting '178 *inter partes* reexamination proceeding or was involved in the decision as to prosecution. Assuming, *arguendo*, that (1) the Office has authority to conduct an investigation and to require that third party requester provide information in the form of documents, or answers to interrogatories, requiring information, and (2) that patent owner believed that it had been injured due to the filing of another request for *inter partes* reexamination of the '120 patent by a party subject to statutory estoppel, patent owner still has not provided the Office with any evidentiary basis to justify conducting an investigation into the accuracy of a third party requester's identification of the real party in interest in the '178 *inter partes* reexamination proceeding. Patent owner's belief that one or more unnamed entities are also real parties in interest is not evidence. The

Office will not act on mere beliefs, any more than a court would act on allegations that are not supported by facts. The record in the '178 *inter partes* reexamination proceeding shows that third party requester has unambiguously identified the real party in interest in the request. The record does not show that Office has been provided with any concrete evidence suggesting reason to doubt the accuracy of requester's identification of the real party in interest. On the present record, the Office can only conclude that further inquiry by the Office directed to the third party requester regarding the identity of the real party in interest would merely result in third party requester confirming that that "Samsung Electric Co, Limited" is the real party in interest, as third party requester has previously stated. Note is taken that such a statement by a party appearing before the Office is a certification that such statement is believed to be true. [24] The record in the '178 *inter partes* reexamination proceeding provides no basis for the Office to doubt the statement, and accordingly, provides no basis to investigate the accuracy of that statement.

III. Suspension of the '178 *Inter Partes* Reexamination Proceeding

It does not appear that petitioner patent owner has requested reconsideration of the refusal to suspend the '178 *inter partes* reexamination proceeding. It appears, therefore, that petitioner patent owner has chosen to abandon its prior petition for suspension. Accordingly, no further decision on that issue is necessary.

IV. Synopsis

Patent owner has filed a petition paper on January 23, 2008, requesting reconsideration of the petition decisions dated November 9, 2007 and December 12, 2007. This decision treats the request for reconsideration only to the extent that November 9, 2007 decision has been reconsidered, and only to the extent that reconsideration was requested as to the refusal to vacate the filing date of the '178 *inter partes* reexamination proceeding and the refusal to vacate the Order granting *inter partes* reexamination. [25] Patent owner has not demonstrated that the Office has the authority or the procedural tools to conduct an investigation into the otherwise facially unambiguous and facially accurate identification of the real party in interest in this *inter partes* reexamination proceeding. Also, patent owner has not demonstrated any present injury in the '178 *inter partes* reexamination that would warrant the requested relief. Even further, patent owner has not provided any evidence showing that the present identification of the real party in interest in the '178 *inter partes* reexamination is in any way facially ambiguous or facially inaccurate. Accordingly, patent owner has not demonstrated any basis for the requested relief of vacatur of the filing date of the '178 *inter partes* reexamination proceeding and the Order granting reexamination. On the other hand, requester has unequivocally stated that Samsung ("Samsung Electric Co, Limited") is the only real party in interest for the present proceeding, and pursuant to 37 CFR 10.18(b), the Office relies on factual assertions made before the Office as being true. Therefore, the requested relief is denied, and this decision is being designated as a final agency action within the meaning of 5 U.S.C. § 704.

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[24] 37 CFR 10.18(b)

[25] Patent owner has elected not to request reconsideration of the November 9, 2007 petition decision with respect to the refusal to suspend the '178 *inter partes* reexamination proceeding. The relief requested in the December 12, 2007 petition will be addressed in a separate petition decision.

ADDITIONAL DISCUSSION

As this decision is designated as a final agency action under 5 U.S.C. § 704, patent owner is advised that to the extent that patent owner may disagree with the disposition of the issues in this decision, those issues are now ripe for judicial review. Any further patent owner petition paper directed to the issues decided herein, will not be considered unless accompanied by a strong showing of additional facts warranting further review by the Office. The filing by patent owner of a petition paper directed the issues decided herein, that does not include such showing may be construed as being a paper interposed for purposes of delay.

CONCLUSION

1. The January 23, 2008 petition to vacate '178 *inter partes* reexamination proceeding is granted only to the extent that the petition requested vacatur of the filing date and the Order granting reexamination has been considered and entered into the record by way of waiver of 37 CFR 1.939.

2. The January 23, 2008 petition is denied as to the requested vacatur of the filing date of, and the Order granting reexamination in, the '178 *inter partes* reexamination proceeding.

3. The reconsideration given in this decision does not extend to the December 12, 2007 "Decision Dismissing Petition to Vacate-in-Part the Order Granting Reexamination" which is also requested in the present patent owner petition. Patent owner may file a separate reconsideration petition directed to the December 12, 2007 Office decision.

4. This decision is a final agency action within the meaning of 5 U.S.C. § 704.

5. Telephone inquiries related to this decision should be directed to Stephen Marcus, Senior Legal Advisor, at (571) 272-7743, or in his absence, the undersigned at (571) 272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

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June 16, 2008

UNITED STATES PATENT AND TRADEMARK OFFICE

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,178	10/06/2006	6,324,120	38512.4	8591

22852 7590 07/31/2008

FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER LLP
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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 07/31/2008

Please find below and/or attached an Office communication concerning this application or proceeding.

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MAILED
JUL 31 2008
CENTRAL REEXAMINATION UNIT

In re Farmweld et al.
Reexamination Proceeding
Control No.: 95/000,178
Filed: August 22, 2007
For: U.S. Patent No. 6,324,120

: DECISION GRANTING
: PETITION UNDER
: 37 CFR § 1.183

This is a decision on the May 13, 2008 patent owner petition entitled "PETITION TO WAIVE 37 CFR § 1.98(a) (2) AND ENTER INTO THE FILE DOCUMENTS FROM CO-PENDING REEXAMINATION PROCEEDING," being treated under 37 CFR 1.183. The petition requests waiver of the formal submission requirements of 37 CFR 1.555 and 1.98(a), for entry into the record of reexamination proceeding control No. 95/000,178 - the foreign and non-patent literature documents that were previously submitted in a copending reexamination proceeding.

The petition is before the Office of Patent Legal Administration of the United States Patent and Trademark Office for decision.

The petition is granted.

REVIEW OF FACTS

1. U.S. Patent No. 6,324,120 (the '120 patent) issued on November 27, 2001.

2. U.S. Patent No. 6,452,863 (the '863 patent) issued on September 17, 2002.

3. The '120 patent and the '863 patent are related patents, both of which ultimately claim benefit to application serial no. 07/510,898, filed on April 18, 1990, now abandoned.

4. A request for reexamination of the '863 patent was filed on June 28, 2007. The request was assigned control No. 95/000,250 (the '250 reexamination proceeding).

5. A request for reexamination of the '120 patent was filed on August 22, 2007.

The request was assigned control No. 95/000,178 (the '178 reexamination proceeding).

6. Reexamination was ordered for the '250 proceeding on September 5, 2007.

7. Reexamination was ordered for the '178 proceeding on October 19, 2007.

8. On February 22, 2008, patent owner filed a document entitled "Information Disclosure Statement" in the '250 proceeding.

9. On May 13, 2008, patent owner filed in the '178 proceeding - a document entitled "Information Disclosure Statement" that is identical to the document of the same title filed on February 22, 2008 in the '250 proceeding. Office records fail to reveal, however, that copies of the references listed in the May 13, 2008 document entitled "Information Disclosure Statement"were received by the Office in the '178 proceeding.

10. Concurrent with the May 13, 2008 submission in the '178 proceeding, the patent owner filed the instant petition under 1.183 requesting waiver of the formal submission requirements of 37 CFR 1.555 and 1.98(a), and requesting entry into the record of reexamination proceeding control no. 95/000,178 - the foreign and non-patent literature documents that were previously submitted in a copending reexamination proceeding.

DECISION

37 CFR 1.555(a) states (in part):

> . . . .
> Any information disclosure statement must be filed with the items listed in § 1.98(a) as applied to individuals associated with the patent owner in a reexamination proceeding, and should be filed within two months of the date of the order for reexamination, or as soon thereafter as possible.

37 CFR 1.98 states (in part):

> (a) Any information disclosure statement filed under § 1.97 shall include the items listed in paragraphs (a) (1), (a) (2) and (a) (3) of this section.
> . . . .
> (2) A legible copy of:
> (i) Each foreign patent;
> (ii) Each publication or that portion which caused it to be listed, other than U.S. patents and U.S. patent application publications unless required by the Office;
> (iii) For each cited pending unpublished U.S. application, the application specification including the claims, and any drawing of the application, or that portion of the application which caused it to be listed including any claims directed to that portion; and
> (iv) All other information or that portion which caused it to be listed.
> . . . .

37 CFR 1.555 requires that information material to patentability must be filed in accordance with 37 CFR 1.98(a). 37 CFR 1.98(a) requires that copies of certain types of references must be provided in each application for which applicant files an

information disclosure statement. Copies of the Information Disclosure Statement references were not appropriately provided in this proceeding; accordingly, patent owner has requested waiver of the rules to permit transfer of scanned-in references of a related reexamination proceeding (such references submitted for an identical document entitled "information disclosure statement" from the related reexamination proceeding to the present proceeding. The scanning of a single submission of references and subsequent electronic transfer of the same scanned references in an identical document entitled "information disclosure statement" from a related reexamination proceeding eases the burden of handling the references for the Office, as well as the patent owner, without prejudice to the third party requesters. Accordingly, the petition is granted.

The grant of this petition is based upon the individual facts and circumstances of these proceedings. Furthermore, the grant of this petition is not an acknowledgement that patent owner's May 13, 2008 submission complies with all other requirements of the relevant rules. The examiner of record will make such a determination, in light of the waiver of the formal submission requirements of 37 CFR 1.555 and 1.98 granted by this decision.

A petition fee of $400.00 under 37 CFR 1.17(f) has been received and processed by the Office.

ADDITIONAL DISCUSSION

Petitioner asserts that a granting of a waiver of the "copy requirement" is supported by the granting of a similar petition in another reexamination proceeding.[1] However, that decision expressly states that EFS-Web is now available for reexamination filings thus minimizing the need for such a request for relief. The Office (via the Electronic Business Center) released a notice in the summer of 2007 stating that EFS-Web version 1.1.4 is designed to receive papers for reexamination proceedings.[2] Also, in December 2007 the Office issued a legal notice stating that EFS-Web was available for both initial and ***follow-on*** papers in reexamination proceedings.[3] Accordingly, petitioner now has multiple instances of both constructive and actual notice that e-filing of initial and follow on papers is available in reexamination proceedings. Any subsequent submission of a document entitled "information disclosure statement" filed with a petition requesting a waiver of the "copy requirement," absent a showing of ***extraordinary*** circumstances significantly above and beyond the mere convenience rationale set forth in the present instance, will not receive favorable consideration. The Office has provided a readily usable alternative for the submission of documents that minimizes the burden of document handling for all parties, EFS-Web, but only if utilized. Therefore, petitioner, having been placed on notice is cautioned to utilize EFS-Web in filing large duplicative submissions in multiple Office

[1] Petitioner discusses a petition decision issued on April 17, 2008 in reexamination proceeding 95/001,013.
[2] See http://www.uspto.gov/ebc/portal/efs/efs_web_114_v13.pdf
[3] Memorandum signed by John J. Love, Deputy Commissioner for Patent Examination Policy, Legal Framework for EFS-Web page 10, § XXII (Signed November 29, 2007) at http://www.uspto.gov/ebc/portal/efs/legalframework.pdf

proceedings, in order to minimize those burdens and not cause unnecessary expenditure of the Office's limited resources.

CONCLUSION

1. The petition under 37 CFR 1.183 for waiver of the requirements of 37 CFR 1.555 and 1.98 is granted.

2. Patent owner and counsel have been placed on notice to utilize EFS-Web in future filings of large duplicative submissions in multiple Office proceedings.

3. Jurisdiction over this proceeding is returned to the Central Reexamination Unit for transfer of the references from the copending reexamination proceeding to the '178 proceeding, and then to the examiner to await any response to the July 3, 2008 non-final Office action.

4. Telephone inquiries with regard to this decision should be directed to Joseph F. Weiss, Jr., Office of Patent Legal Administration, at (571) 272-7759.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

7-27-08
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Ann Williams
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4440 El Camino Real
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(For Patent Owner)

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CENTRAL REEXAMINATIO

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(For 95/000,178 Requester)

Tracy W. Druce
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53rd Floor
Houston, TX 77002

(For 95/001,152 Requester)

Finnegan, Henderson, Farabow,
Garrett & Dunner, L.L.P.
901 New York Avenue, NW
Washington, DC 20001-4413

(Courtesy Copy - Patent Owner)

In re Farmwald et al.
Inter partes Reexamination Proceeding
Control No. 95/000,178
Filed: October 6, 2006
For: U.S. Patent No. 6,324,120

In re Farmwald et al.
Inter partes Reexamination Proceeding
Control No. 95/001,152
Filed: February 27, 2009
For: U.S. Patent No. 6,324,120

DECISION, *SUA SPONTE*,
TO MERGE REEXAMINATION
PROCEEDINGS

The above-captioned reexamination proceedings are before the Office of Patent Legal Administration for *sua sponte* consideration of whether the proceedings should be merged under 37 CFR 1.989 at this time.

REVIEW OF FACTS

1. United States Patent Number 6,324,120 (the '120 patent) issued to Farmwald et al. on November 27, 2001 with 39 claims.

2. A request for *inter partes* reexamination, assigned Reexamination Control No. 95/000,178 ('018), was initially deposited by third party requester, identifying Samsung Electronics Co., Ltd. as the real party in interest, on September 15, 2006 and received a filing date of August 22, 2007.[1]

3. An order granting reexamination of claims 1-39 of the '120 patent was mailed for the '178 reexamination proceeding on October 19, 2007.

4. A request for *inter partes* reexamination, assigned Reexamination Control No. 95/001,152 ('1152), was initially deposited by third party requester Micron Technology on February 27, 2009 and received a filing date of February 27, 2009.

5. Prosecution proceeded in the '178 proceeding to the point that an action closing prosecution was issued on February 13, 2009, patent owner filed comments under 37 CFR 1.951(a) on March 16, 2009, and third party filed comments under 37 CFR 1.951(b) on April 15, 2009.

6. An order granting reexamination of claims 26, 29, and 33 of the '120 patent was mailed for the '1152 reexamination proceeding on April 22, 2009.

7. No Office action has been mailed in the '1152 proceeding, and no amendments to the claims have been made in either of the '178 and the '1152 *inter partes* reexamination proceedings.

DECISION

I. MERGER OF PROCEEDINGS

Under 37 CFR 1.989(a):

> If any reexamination is ordered while a prior *inter partes* reexamination proceeding is pending for the same patent and prosecution in the prior *inter partes* reexamination proceeding has not been terminated, a decision may be made to merge the two proceedings or to suspend one of the two proceedings. Where merger is ordered, the merged examination will normally result in the issuance of a single reexamination certificate under § 1.997.

[1] A decision mailed August 14, 2007 vacated an earlier granted October 6, 2006 filing date and an order granting reexamination issued on December 26, 2006.

As evidenced by the above review of facts, both the '178 and the '1152 reexamination proceedings are currently pending. The order to reexamine has been mailed for both reexamination proceedings, and a decision under 37 CFR 1.989(a) is timely.

The general policy of the Office is that two reexamination proceedings will not be conducted separately, and at the same time, as to a particular patent. The rationale for this policy is (1) to prevent inconsistent, and possibly conflicting, amendments from being introduced into the two proceedings on behalf of the patent owner, (2) to provide a comprehensive examination of the patent based on the issues raised in both of the proceedings, and (3) to expedite the prosecution of both proceedings. In the present instance, where there is overlap in the claims subject to reexamination in the two proceedings, merger of the 95/000,178 and 95/001,152 reexamination proceedings would address these considerations. Thus, pursuant to 37 CFR 1.989(a), the 95/000,178 and 95/001,152 reexamination proceedings are hereby merged. The merged proceeding will be conducted in accordance with the guidelines and requirements which follow.

II. THE SAME CLAIMS MUST BE MAINTAINED IN BOTH PROCEEDINGS

The claims are identical in both proceedings. The patent owner is required to continue to maintain the same claims (and specification) in both files *throughout the merged proceeding*.

III. CONDUCT OF MERGED PROCEEDING

A. Governing regulations for the merged proceeding:

The present decision merges an *inter partes* reexamination proceeding with another *inter partes* reexamination proceeding. Pursuant to 37 CFR 1.989(b), the merged proceeding is governed by 37 CFR 1.902 through 1.997.

B. Papers mailed/filed:

All papers mailed by the Office throughout the merged proceeding will take the form of a single action which applies to both proceedings. All papers issued by the Office or filed by the patent owner and the third party requesters will contain the identifying data for both proceedings and will be entered in each reexamination file. All papers filed by the patent owner and the third party requesters must consist of a single paper, **filed in duplicate**, each bearing a signature and identifying data for both proceedings, for entry into the file for each proceeding.

All papers that are filed by the patent owner and the third party requesters should be directed:

By U.S. Postal Service Mail:

Mail Stop *Inter Partes* Reexam
Central Reexamination Unit
Commissioner for Patents
United States Patent & Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

By FAX to:

(571) 273-9900
Central Reexamination Unit

By hand (or delivery service):

Customer Service Window
Attn: Central Reexamination Unit
Randolph Building
401 Dulaney St.
Alexandria, VA 22314

The patent owner and the requesters are reminded that every paper filed in the merged proceeding subsequent to this Decision must be served on the other parties, including papers filed *via* facsimile transmission.

C. Amendments:

The filing of any amendments to the specification, claims, and drawings must comply with the provisions of 37 CFR 1.530 and the guidelines of MPEP § 2666. 37 CFR 1.121 does not apply to amendments in a reexamination proceeding. Accordingly, clean copies of the amended claims are not required and are not to be submitted; rather amendments are to be presented via markings pursuant to 37 CFR 1.530(f), except that a claim should be canceled by a statement canceling the claim, without presentation of the text of the claim.

Pursuant to 37 CFR 1.530(i), all amendments must be made relative to the patent specification, including the claims, and drawings, which are in effect as of the date of filing the request for reexamination. Amendments are not to be made relative to previous amendments. Thus, for all amendments, all words not appearing in the patent are always underlined, and only words being deleted from the patent appear in brackets.

D. Fees:

Where a paper is filed which requires payment of a fee (e.g., extension of time fee, excess claims fee, petition fee, appeal fee, brief fee, oral hearing fee), only a single fee need be paid. For example, only one fee need be paid for patent owner's appellant brief (or that of one of the *inter partes* reexamination requesters), even though the brief relates to merged multiple proceedings and even though copies must be filed (as pointed out above) for each file in the merged proceeding.

E. Citation of Patents and Printed Publications:

Upon return of the present merged proceeding to the examiner, the examiner will review the files to ensure that each file contains identical citations of prior patents and printed publications, and will cite such documents as are necessary as part of the next action in order to place the files in that condition.

PATENT OWNER'S ADDRESS

The current correspondence address of record for the patent file is the proper patent owner address for reexamination mailings pursuant to 37 CFR 1.33(c), and it is that of Ann Williams, Rambus, Inc., 4440 El Camino Real, Los Altos, CA 94022.

A change of correspondence address was filed in each of the reexamination proceedings designating the Finnegan Henderson address noted above for all future correspondence to patent owner. As a courtesy, this decision is being mailed to both patent owner addresses.

The address of Ann Williams, Rambus, Inc., 4440 El Camino Real, Los Altos, CA 94022, will be the sole address for patent owner used in future correspondence, until a change in correspondence address in the patent and the reexamination is made in accordance with 37 CFR 1.33(c).

CONCLUSION

1. *Inter partes* Reexamination Control No. 95/000,178 and *inter partes* Reexamination Control No. 95/001,152 are merged into a single proceeding, to be conducted in accordance with the procedure set forth above.

2. Jurisdiction over the merged reexamination is being forwarded via the Central Reexamination Unit Director to the examiner for the preparation of an Office action, to be issued in due course for the merged proceeding.

3. Any questions concerning this communication should be directed to Pinchus M. Laufer, Legal Advisor at (571)272-7726.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

July 10, 2009
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Robert Goethals
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(For Patent Owner)

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CENTRAL REEXAMINATION UNIT

Alan H. Norman
Thompson Coburn, LLP
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St. Louis, MO 63101

(For Requester)

In re Rheault et al
Reexamination Proceeding
Control No. 95/000,179
Filed: September 18, 2006
For: U.S. Patent No. 6,405,669

: DECISION ON
: PETITION
: (37 CFR 1.927)

The paper filed by requester on January 10, 2007, styled as "Petition Under 37 CFR § 1.927," is before the Director of the Central Reexamination Unit (CRU). Petitioner, the reexamination requester, seeks review of the examiner's disagreement in finding that a substantial new question of patentability exists as to claim 12 of U.S. Patent No. 6,405,669 (hereinafter, the '669 patent) in the Order dated December 8, 2006 granting the request for reexamination. Specifically, petitioner requests that the CRU Director:

(1) to find that a substantial new question of patentability (SNQ) exists for claim 12 of the '669 patent, and to order examination of claim 12;

(2) in the alternative, exercise her discretion to order examination of all the claims (including claim 12, the only for which an SNQ was not found by the examiner)

The petition is denied for the reasons set forth below.

REVIEW OF FACTS

1. U.S. Patent No. 6,405,669 (hereinafter, the '669 patent) issued on June 18, 2002. The '669 patent is a continuation of application no. 08/782,490, filed January 10, 1997, which is now abandoned.

2. On September 18, 2006, the third party requested deposited a request for *ex parte* reexamination, and the resulting reexamination proceeding was assigned Control No. 95/000,179 (hereinafter, the '179 proceeding).

3. Reexamination was requested for claims 1-53 of the '669 patent.

4. A Notice of Reexamination Request Filing Date was issued on September 25, 2006.

5. A order granting the request for reexamination for claims 1-11 and 13-52 was issued on December 8, 2006.

6. On January 10, 2007, the third party requested filed the above-mentioned petition under 37 CFR § 1.927.

Petitioner's Grounds in Support of the Requested Relief

Petitioner alleges several grounds for which a substantial new question of patentability is raised for claim 12. Although several grounds of arguments are advanced, each ground ultimately depends on whether or not Canadian Patent Application No. 2,207,938 (Rheault (CA)) is prior art as to claim 12 of the '669 patent. In the alternative, the petitioner has requested that the Office should exercise its discretion to order examination of all the claims in the '669 patent (including claim 12).

In support of their showing that Rheault (CA) raises a substantial new question of patentability, petitioner argues that the '669 patent is not entitled to 35 USC § 120 benefit of the filing date of application No. 08/782,490 (hereinafter, '490 application) because claim 12 of the '669 patent is not enabled by the specification and claims of the '490 application.[1] Petitioner further alleges that claim 12 of the '669 patent is not supported by the written description of the '490 application. Petitioner states the lack of written description and enablement is based on the fact that claim 12 of the '669 patent fails to recite a "low speed steering" requirement, which petitioner alleges is an essential and critical limitation, to the invention of the '490 application. Accordingly, petitioner argues that since claim 12 lacks the written description and enablement in the '490 application, it cannot receive the benefit of the filing date of the '490 application.

[1] Petition, pages 5-15.

Petitioner further alleges that absent benefit of the filing dates of these prior patents, the claims of the '817 patent are anticipated by, or obvious over, Rheault (CA), and that the reexamination request therefore raises a substantial new question of patentability. Accordingly, petitioner concludes that the examiner's disagreement as to whether a substantial new question of patentability was raised was improper.

Petitioner relies upon MPEP §§ 2163 and 2217 as authority for the proposition that a request for *ex parte* reexamination may point out that claims in a patent for which reexamination is requested are entitled only to the filing date of the patent and are not supported by an earlier foreign or United States patent application whose filing date is claimed.

It is noted that on page 16 of the above-mentioned petition, petitioner admits that the disclosure of Rheault (CA) is identical to the '490 application.

DECISION

I. Standard of Review

35 USC § 312(c) and 37 CFR 1.927 provide for the filing of a petition to review an examiner's determination refusing to order *inter partes* reexamination. The CRU Director's review on petition is *de novo*. Therefore, the review will determine whether the examiner's refusal to order reexamination for claim 12 was correct, and will not necessarily indicate agreement or disagreement with every aspect of the examiner's rationale for the denial of the request to order reexamination for claim 12 of the '669 patent.

II. The Legal Standard for Ordering Reexamination

A review of 35 USC §§ 311-317 and 37 CFR 1.915, 1.919, and 1.923 shows that *inter partes* reexamination of a United States Patent is only authorized when a consideration of prior art consisting of patents or printed publications establishes that a substantial new question of patentability exists with respect to one or more claims of that patent. In particular, 35 USC § 311(a) requires that a request for *inter partes* reexamination be based upon prior art as set forth in 35 USC § 301, that is, prior art consisting of patents or printed publications, while 37 CFR 1.915(b)(3) requires that a request for *inter partes* reexamination include "a statement pointing out each substantial new question of patentability based on the cited patents and printed publications." Questions relating to grounds of rejection other than those based on prior art patents or printed publications should **not** be included in the request and will not be considered by the examiner if included. A substantial question of patentability is raised by a cited patent or printed

publication when there is a substantial likelihood that a reasonable examiner would consider the prior art patent or printed publication important in deciding whether or not the claim is patentable. If the prior art patents and printed publications relied upon in the request raise a substantial question of patentability, then a "substantial new question of patentability" is present, unless the same question of patentability has already been decided by a final holding of invalidity after all appeals, or by the Office in a previous examination or in a reexamination of a patent. If a substantial new question of patentability is found, an order for *inter partes* reexamination of the patent is issued.

III. Analysis of the Request for Reexamination

A review of the position taken by petitioner in the *inter partes* reexamination request clearly shows that the request is predicated on showing that the claim 12 of the '669 patent is not entitled to the benefit of the filing date of the '490 application because the specification of the '490 application allegedly fails to enable the practice and provide written description of the subject matter claimed in claim 12 of the '669 patent.

A review of the disclosure of Rheault (CA) reveals that this Canadian application claimed priority to the '490 application **and that the disclosures of these documents are essentially verbatim duplicates**. In fact, petitioner has admitted that the disclosures are identical on page 16 of the petition. Therefore, it logically follows that an argument asserting that the disclosure of '490 application as not enabling for a particular invention disclosed in the '669 patent is, perforce, an argument that Rheault (CA) is itself not enabling for that particular invention. Prior art that is not enabled cannot be the basis of a rejection under 35 U.S.C. 102. See MPEP 2121.

Petitioner has argued that when reexamining a patent, it is appropriate to reassess benefit claims and/or foreign priority claims in light of new facts.[2] However, such reassessment is **not** appropriate in the instant *inter partes* reexamination proceeding because of the specific facts presented in this reexamination proceeding. In the instant proceeding, it is logically impossible to make an allegation that '490 application does not enable claim 12 of the '669 patent without also making the case that Rheault (CA) is also does not enable claim 12 of the '669 patent because the disclosures of the '490 application and Rheault (CA) are identical. Lets assume, arguendo, that petitioner assertion that the '490 application does not enable or provide written description for claim 12 of the '669 patent. This critical fact precludes the Office finding a substantial new question of patentability on a reference that is not enabling nor provides the written description for the claimed invention. By definition, the reference would not qualify as prior art under 35 U.S.C. 102.

[2] MPEP § 2617 supports this view, but does not do expressly do so with respect to a continuation (i.e. "child") patent having a disclosure that is essentially identical to the disclosure in its parent patent.

Moreover, reassessing the benefit claims in the '669 patent as to whether the invention of claim 12 is enabled by, or has the required written description, in the '490 application within the meaning of 35 USC § 112, first paragraph, is not proper in this instance because to reassess that issue with respect to the parent patent(s) would **necessarily** amount to a reassessment of that enablement issue with respect to the specification of the '669 patent. This is because the '669 patent was filed with the identical disclosure in the '490 application. **However, the United States Patent and Trademark Office cannot conduct an initial reassessment of the original specification and claims of the '669 patent for compliance with 35 USC § 112, first paragraph in an *inter partes* reexamination proceeding before the Office, whether that initial reassessment is explicitly requested or merely implicit in the reexamination request.**

A 35 USC 112, first paragraph assessment of the sort necessitated by the instant reexamination request might be proper during certain proceedings in the United States Patent and Trademark Office when not precluded by statute, or during proceedings by a court of competent jurisdiction during proceedings before the court. For example, a prior final court decision holding that the claims of a given parent patent are not enabled by the disclosure of that patent might later be utilized as a basis for limiting the effective date of an invention claimed in a "child" patent being reexamined in the United States Patent and Trademark Office, **because the court proceedings in which the determination was made were not an *inter partes* reexamination proceeding within the Patent and Trademark Office, and therefore were not subject to the provisions of 35 USC §§ 311-317**. Again, in the instant *inter partes* reexamination proceeding, the argument that the specification of a parent application '490 is not enabling for subject matter in claim 12 of the '669 patent is also **necessarily** an argument that the invention claimed in the '669 patent is not enabled by the specification of the '669 patent. That argument, **advanced for the first time in an *inter partes* reexamination proceeding governed by 35 USC §§ 311-317**, is clearly not a permissible argument.

In regards to petitioner's request for the Director exercise her discretion to order examination of all the claims, the request is declined. In October of 2006, the Office published a notice clarifying its policy regarding examining fewer than all of the patent claims. This policy was created so that the Office can meet the "special dispatch" required by the statute. See "Notice of Clarification of Office Policy To Exercise Discretion in Reexamining Fewer Than All the Patent Claims," 1311 Off. Gaz. Pat. Office 197 (October 31, 2006). In essence, the Office stated will generally examine only those claims for which reexamination was requested and for which a substantial new question of patentability was raised. In this case, as explained above, a substantial new question of patentability is not deemed raised in regard to claim 12 of the '669 patent. In addition, the petitioner has not presented any compelling reasons for the Director to exercise his/her discretion to examine all the claims. The petitioner argued that the issue of whether claim 12 is entitled to the benefit of the '490 application is equally

applicable to all the claims in the '669 patent. This argument is not compelling as the effective filing date for each claim must be determined individually based on whether or not there is support, as required by 35 U.S.C. 112, 1st paragraph, in the preceding application. In addition, petitioner has not advanced any arguments or showing on how the other claims would be so affected.

CONCLUSION

1. Given the facts involved in this proceeding, the request for *inter partes* reexamination of claim 12 of the '669 patent was properly denied by the examiner, and the Director has declined the request to examine all claims in the '669 patent.

2. Accordingly, the PETITION is DENIED.

3. This decision is final and nonappealable. 37 CFR 1.927. No further communication on this matter will be acknowledged or considered.

4. Telephone inquiries related to this decision should be directed to the to Jeanne Clark, at (571) 272-7714, or Andres Kashnikow, Special Program Examiner, at (571) 272-4361, or in their absence to the undersigned at (571) 272-1596.

Lissi Mojica Marquis, Director
Central Reexamination Unit

UNITED STATES PATENT AND TRADEMARK OFFICE

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5/16/07

THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS

ALAN H. NORMAN
THOMPSON COBURN LLP
ONE US BANK PLAZA, SUITE 3500
ST. LOUIS, MO 63101

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO 95/000179
PATENT NO. 6,405,669
ART UNI 3993

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified ex parte reexamination proceeding (37 CFR 1.550(f)).

Where this copy is supplied after the reply by requester, 37 CFR 1.535, or the time for filing a replly has passed, no submission on behalf of the ex parte reexamination requester will be acknowledged or considered (37 CFR 1.550(g)).

UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,179	09/18/2006	6405669	20277-63097	1457

27123 7590 05/16/2007

MORGAN & FINNEGAN, L.L.P.
3 WORLD FINANCIAL CENTER
NEW YORK, NY 10281-2101

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 05/16/2007

Please find below and/or attached an Office communication concerning this application or proceeding.

UNITED STATES PATENT AND TRADEMARK OFFICE

COMMISSIONER FOR PATENTS
UNITED STATES PATENT AND TRADEMARK OFFICE
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ALEXANDRIA, VA 22313-1450
www.uspto.gov

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Morgan & Finnegan, LLP
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New York, NY 10281-2101

(For Patent Owner)

Alan H. Norman
Thompson Coburn, LLP
One US Bank Plaza
St. Louis, MO 63101

(For Third Party Requester)

MAILED

MAY 16 2007

CENTRAL REEXAMINATION UNIT

In re Rheault *et* al
Inter Partes Reexamination Proceeding
Control No.: 95/000,179
Filed: September 18, 2006
For: U.S. Patent No. 6,405,699

: DECISION
: DISMISSING
: PETITION

This is a decision on the April 9, 2007 third party requester petition entitled "Petition Pursuant to 37 CFR 1.183." For the reasons discussed below, the third party requester petition will be taken as a petition under both 37 CFR 1.182 and 37 CFR 1.183.

The third party requester petition and the present record are before the Office of Patent Legal Administration for consideration.

The third party requester petition is granted to the extent that the present petition has been considered on its merits, but, for the reasons set forth below, it is dismissed with respect to the relief requested.

FEES

A single $400.00 petition fee will be charged to Deposit Account No. 20-0823 as authorized by third party requester.

REVIEW OF SALIENT FACTS

1. U.S. Patent No. 6,405,699 (the '699 patent) issued to Alain Rheault *et al* on June 18, 2002, and is currently assigned to BRP US, Inc.

2. A request for reexamination of the '699 patent was filed by a third party requester on September 18, 2006 and assigned Control Number 95/000,179. Reexamination was requested for claims 1-53 *i.e.*, all of the claims of the '699 patent.

3. On December 8, 2006, reexamination was granted for claims 1-11 and 13-53 of the '699 patent, but reexamination was denied with respect to claim 12 of the '699 patent.

4. The '699 patent was the subject of litigation when the request for reexamination was filed, and currently remains in litigation. [1]

5. On January 10, 2007, the third party requester in the '179 *inter partes* reexamination proceeding filed a petition requesting supervisory review under 37 CFR 1.927 of the primary examiner's refusal to order reexamination of claim 12 of the '699 patent.

6. On March 8, 2007, the Central Reexamination Unit (CRU) Director issued a decision denying requester's January 10, 2007 petition.

7. The present petition for review of the March 8, 2007 CRU Director's decision was filed by requester on April 9, 2007.

RELEVANT STATUTES, REGULATIONS AND PROCEDURE

35 U.S.C. § 312 provides:

> (a) REEXAMINATION.— Not later than 3 months after the filing of a request for inter partes reexamination under section 311, the Director shall determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request, with or without consideration of other patents or printed publications. The existence of a substantial new question of patentability is not precluded by the fact that a patent or printed publication was previously cited by or to the Office or considered by the Office.
> (b) RECORD.— A record of the Director's determination under subsection (a) of this section shall be placed in the official file of the patent, and a copy promptly given or mailed to the owner of record of the patent and to the third-party requester.
> (c) FINAL DECISION.— A determination by the Director pursuant to subsection (a) shall be final and non-appealable. Upon a determination, that no substantial new question of patentability has been raised, the Director may refund a portion of the inter partes reexamination fee required under section 311. [Emphasis added.]

37 CFR 1.182 provides:

> All situations not specifically provided for in the regulations of this part will be decided in accordance with the merits of each situation by or under the authority of the Director, subject to such other requirements as may be imposed, and such decision will be communicated to the interested parties in writing. Any petition seeking a decision under this section must be accompanied by the petition fee set forth in § 1.17(f).

37 CFR 1.183

> In an extraordinary situation, when justice requires, any requirement of the regulations in this part which is not a requirement of the statutes may be suspended or waived by the Director or the Director's designee, *sua sponte*, or on petition of the interested party, subject to such other requirements as may be imposed. Any petition under this section must be accompanied by the petition fee set forth in § 1.17(f).

37 CFR 1.927 provides:

> The third party requester may seek review by a petition to the Director under § 1.181 within one month of the mailing date of the examiner's determination refusing to order *inter partes* reexamination. Any such petition must comply with § 1.181(b). If no petition is timely filed or if the decision on petition affirms that no substantial new question of patentability has been raised, the determination shall be final and nonappealable." [Emphasis supplied.]

37 CFR 1.935 provides:

> The order for *inter partes* reexamination will usually be accompanied by the initial Office action on the merits of the reexamination.

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[1] Bombardier Recreational Products, Inc. *et al* v. Kawasaki Heavy Industries, Ltd., *et al*, Case No. 6:06CV00195 (M.D. FL 2006)

37 CFR 1.939 provides:

> (a) If an unauthorized paper is filed by any party at any time during the *inter partes* reexamination proceeding it will not be considered and may be returned.
> (b) Unless otherwise authorized, no paper shall be filed prior to the initial Office action on the merits of the *inter partes* reexamination.

DECISION

I. Consideration of Petition - Waiver of 37 CFR 1.935

The present petition was filed on April 9, 2007, for review of the CRU Director decision dated March 8, 2007. The CRU Director decision denied the third party requester's 37 CFR 1.181 petition for review, on the merits, of the examiner's denial of reexamination. The CRU Director found that request for *inter partes* reexamination in the '179 *inter partes* reexamination proceeding did not demonstrate the existence of (i.e., did not raise) a substantial new question of patentability as to claim 12 of the '699 patent.

Pursuant to 37 CFR 1.939, no paper may be filed prior to the mailing of the initial action on the merits of the *inter partes* reexamination. Although reexamination has been ordered, no initial action on the merits of the '699 *inter partes* reexamination proceeding has been mailed. [2] Accordingly, the provisions of 37 CFR 1.935 must be waived to permit consideration of the petition.

It is determined, based on the present facts and circumstances, that an extraordinary situation exists justifying waiver of the provisions of 37 CFR 1.935 to the extent that the present petition will be entered and considered. The primary examiner has ordered *inter partes* reexamination for all of the '699 patent claims except patent claim 12. No initial Office action has been promulgated. Unless the third party requester is permitted to file a petition at this point in the '179 *inter partes* reexamination proceeding to challenge the CRU Director's refusal to order *inter partes* reexamination for patent claim 12, an Office action on the merits of the patentability that does not address the patentability of patent claim 12 may be mailed. If addressing the petitioned matter were to be delayed until after the initial Office action on the merits, a potential exists for a delay of prosecution until a supplemental Office action on the merits of claim 12 could be issued. Such would not be in the interest of compact prosecution and the statutory mandate for special dispatch in *inter partes* reexamination.

Therefore, the present third party requester petition will be granted to the extent that the CRU Director decision refusing to order reexamination for patent claim 12 of the '699 patent will be reviewed. The review given will be pursuant to 37 CFR 1.182, because the regulations do not otherwise provide for a review of the decision reached by the CRU Director on a petition filed under 37 CFR 1.927.

II. Standard for Review of CRU Director Decision

A. Substantial new question of patentability:

Before reexamination may be ordered (granted) for any claim of a patent, a "substantial new question of patentability" (SNQ) as set forth in 35 U.S.C. § 312(a), must be raised for that claim, based on prior patents or printed publications). The SNQ standard for *inter partes* reexamination is the same as the SNQ standard for *ex parte* reexamination.

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[2] An order granting or denying reexamination is not the initial Office action on the merits. See 37 CFR 1.939

As early as August 1, 1995, the Office proposed rules to establish *inter partes* reexamination practice in the event that then pending legislation, HR 1732, was enacted. [3] The proposed rules established a practice for reexamination proceedings requested after enactment of the legislation that would apply both to *ex parte* reexamination and *inter partes* reexamination under the newly proposed reexamination statute. The proposed reexamination statute would have applied the same threshold test of "substantial new question of patentability" for both *ex parte* and *inter partes* reexamination.

Further, the legislative history of Section 312 as subsequently proposed does not indicate that the "substantial new question of patentability" standard in *inter partes* reexamination proceedings differs in any respect from the "substantial new question of patentability" standard enacted by 35 US.C. § 303. For example, it was stated that:

> Similar to Sec. 303 of existing law, new Sec. 312 of the Patent Act confers upon the Director the authority and responsibility to determine, within three months after the filing of a request for inter partes reexamination, whether a substantial new question affecting patentability of any claim of the patent is raised by the request. Also, the decision in this regard is final and not subject to judicial review. [Emphasis added.] [4]

It was also stated that:

> The current statute permits any patent holder or third party to submit prior art in the form of prior patents and printed publications throughout the term of the patent for the PTO to determine whether a substantial **new question of patentability exists.** Reexam procedures currently limit a third party's participation to arguing why there is a substantial new question of patentability.
>
> This title was an attempt to provide an alternative to existing law and to further encourage potential litigants to use the PTO as an avenue to resolve patentability issues without expanding the process into one resembling courtroom proceedings. Fundamentally, in addition to the reexam process in law today, this title creates an additional reexam option that permits a 3rd party requestor to file additional written briefs.
>
> [Underlined emphasis added.]

For these reasons, although the *inter partes* reexamination legislation expanded the scope of participation by a third party requester, the legislation otherwise adopted the same threshold standard for the "substantial new question of patentability" for ordering *inter partes* reexamination under 35 U.S.C. § 312(a) that existed for *ex parte* reexamination requested under 35 U.S.C § 303(a). [5]

B. What can be reviewed, with respect to the SNQ standard, in a petition from a 37 CFR 1.927 decision:

Pursuant to 37 CFR 1.927, a petition to the USPTO Director may be filed under 37 CFR 1.181 for review of an examiner's determination refusing to order *inter partes* reexamination. Pursuant to paragraph 12 of MPEP § 1002.02(c), the authority to decide a petition from an examiner's refusal to order *inter partes* reexamination filed under 37 CFR 1.927(c) and MPEP § 2648 has been delegated to the Technology Center Directors. [6] However, there is no provision in the

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[3] See *Rules of Practice in Patent Cases; Reexamination Proceedings*, 60 FR 41035 (August 11, 1995), 1177 *Off. Gaz. Pat. Office* 121 (August 22, 1995) (proposed rule making)

[4] See 145 Cong. Rec. E 1788, (1999); see also 145 Con Rec. S 14696 (1999).

[5] Cage & Cullen, "An Overview of Inter Partes Reexamination Procedures," 85 JPTOS 931 (2003). See also the discussion in MPEP § 2642.

[6] Although some reexamination proceedings are still pending in the Technology Centers, *inter partes* reexamination proceedings are now conducted by the Central Reexamination Unit (CRU). See, for example MPEP §§ 2236 and

reexamination statute or rules that provides for review of a CRU (or Technology Center) Director's decision on petition under 37 CFR 1.927. [7,8] Therefore, any relief requested in the present third party petition in the '179 *inter partes* reexamination may be considered only under 37 CFR 1.182. For the reasons set forth, *infra*, the review of a CRU Director's decision to deny *inter partes* reexamination is strictly limited by 35 U.S.C. § 312(c) to the issue of whether that decision applied the correct standard for the "substantial new question of patentability" (SNQ) set forth in 35 U.S.C. § 312(a).

The purpose of the "substantial new question of patentability" threshold standard of 35 U.S.C. § 303(a) is stated in the 1980 legislative history of § 303 as follows:

> This "substantial new question" requirement would protect patentees from having to respond to, or participate in unjustified reexaminations. [9]

It was also stated in 1980, on behalf of the American Bar Association, that:

> Because of the following safeguards in the proposed reexamination procedure, it is unlikely that there will be any substantial amount of harassment . . . The Commissioner must find that "a new question of patentability" has been created . . . before ordering a reexamination. [10]

In 2001, Congressman Sensenbrenner's motion to pass H.R. 1866, reported at 147 *Cong Rec* H5359 (September 5, 2001) stated as follows as to the SNQ requirement:

> "The bill that we consider today **preserves** the 'substantial new question standard' that is an important safeguard to protect all inventors against frivolous action and against harassment, while allowing the process to continue **as originally intended**." 147 *Cong Rec* at H5359. [Emphasis added.]

From the above, it clear that Congress mandated by statute that the Office deny a reexamination request not raising a "substantial new question of patentability" for the purpose of protecting the interests of patent owners "from having to respond to, or participate in unjustified reexaminations." In connection with that purpose, Congress placed a limitation on how far a requester could go in challenging the Office's decision to protect the interests of a patent owner of not having to "respond to, or participate in unjustified reexaminations." 35 U.S.C. § 303(c) provides that the USPTO Director's determination under § 303(a) of the existence or non-existence of a substantial new question of patentability is a "final and nonappealable"

2241. Pursuant to MPEP § 2648, for proceedings conducted by the CRU, the delegation of authority under MPEP § 1002.02(c), ¶ 12, would be to the CRU Director,.

[7] 37 CFR 1.181(a)(1) contains a general provision for the filing of a petition from any action or requirement of any examiner in the *inter partes* prosecution of a reexamination proceeding. However, a refusal to order *inter partes* reexamination is not part of the "prosecution" of an *inter partes* reexamination proceeding. Once the *inter partes* request for reexamination has been denied for any patent claim or claims, there is no active reexamination proceeding for such claim or claims unless a 37 CFR 1.927 petition is granted. While § 1.927 authorizes the filing a 37 CFR 1.181 petition to obtain a supervisory review of an examiner's refusal to order reexamination, there is no corresponding regulatory provision authorizing the filing of a petition to obtain a review of the refusal of the CRU Director to order reexamination for any or all patent claims after the review of the request for reexamination that is obtained by filing a further 37 CFR 1.181 petition for review of the examiner's refusal to order reexamination. 37 CFR 1.927 does not provide for it, and there is no other regulation to that effect.

[8] It is noted that pursuant to MPEP § 2648, the CRU Director review of the examiner's refusal to order reexamination is a *de novo* review.

[9] H.R. Rep. No. 96-1307, pt. 1 at page 7 (1980)

[10] Patent and Trademark Law Amendments of 1980: Hearings on H.R. 6933 Before the Subcomm. of the House Comm. on Government Operations, 96th Cong., 2d Sees. 178 (1980).

determination. [11] The legislative history of § 303(c) shows that Congress made the decision by Commissioner [12] "final and nonappealable" because:

> No one would be deprived of any legal right by a denial by the Commissioner of a request for reexamination. A party to a reexamination proceeding could still argue in any subsequent litigation that the PTO erred and that the patent is invalid on the basis of the cited prior art. [13]

Rather than permitting the requester to continue on to the courts to challenge the Office's decision to protect the interests of a patent owner, Congress felt that the cited art presented in a reexamination request could later be used in any subsequent litigation, and AT THAT POINT IN TIME, *where the matter directly affected the interest of the party challenging the patent,* the Office's decision could be challenged.

Further as to what may be reviewed pursuant to 35 U.S.C. §§ 303(a) and (c), *In re Etter,* 756 F.2d 852, 225 USPQ 1 (Fed. Cir. 1985) is on point. The court stated:

> The intent that reexamination proceedings and court actions involving challenges to validity be distinct and independent is reflected in the legislative history of § 303, which notes that denial of a request for reexamination does not deprive the requestor (if not the patent owner) 'of any **legal right' to contest validity in subsequent court proceedings.** House Report at 6466. **That 'legal right' may be exercised as a matter of right, but determination of whether a 'substantial new question of patentability' exists, and therefore whether reexamination may be had, <u>is discretionary</u> with the Commissioner,** and, as § 303 provides, that determination is final, i.e., not subject to appeal." [756 F.2d at 857, 225 USPQ at 13] [Emphasis added by both bold and underlining]

It is only where the USPTO Director has "stepped out of his umbrella" to abuse his discretion by using a standard for granting/denying reexamination which is not the "substantial question of patentability" standard of 35 U.S.C. § 303(a), that the Director's decision may be challenged. Accordingly, it is only an **abuse** of that discretion by applying a standard that is not the "substantial question of patentability" standard, in the CRU Director's decision, that may be addressed by a petitioner. If a reexamination requester elects to file a petition under 37 CFR 1.182 and 37 CFR 1.183 seeking review of the CRU Director's Decision on Petition, such a petition, to be a proper paper, must be solely confined to the issue of whether the correct "substantial question of patentability" standard was applied by the CRU Director in reaching the decision. If it is not, it will be returned, or expunged if entered before the Office notes the impropriety. Attention is also directed to the provisions of 37 CFR 1.181(f) with respect to the time for a requester to file a further petition in a reexamination proceeding.

As is the case with respect to 35 U.S.C. § 303(c), 35 U.S.C. § 312(c) provides that the USPTO Director's determination under § 312(a) of the existence or non-existence of a substantial new question of patentability is a "final and non-appealable" determination. [14] The comments in the legislative history of Section 312 regarding the "final and non-appealable" nature of the

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[11] The statutory determination regarding the existence or non-existence of a substantial new question of patentability is a determination by the USPTO Director. That determination has been delegated by the USPTO Director to the examiner (see 35 U.S.C. §§ 3(B)(3)(A) and (B); see also 37 CFR 1.104) and ultimately to the Technology Center (or CRU) Director pursuant to 37 CFR 1.515(c).

[12] Now the USPTO Director.

[13] H.R. Rep. No. 96-1307, pt. 1 at page 7 (1980)

[14] The statutory determination regarding the existence or non-existence of a substantial new question of patentability is a determination by the USPTO Director. That determination has been delegated by the USPTO Director to the examiner (see 35 U.S.C. §§ 3(B)(3)(A) and (B); see also 37 CFR 1.104) and ultimately to the Technology Center (or CRU) Director pursuant to 37 CFR 1.515(c).

determination of the existence or non-existence a "substantial new question of patentability" for *inter partes* reexamination do not show that this language has a meaning which differs from that of the "final and nonappealable" language that was previously enacted in 35 U.S.C. § 303(c) for *ex parte* reexamination. In fact, the legislative history reveals that Congress intended the same meaning:

> Similar to Sec. 303 of existing law, new Sec. 312 of the Patent Act confers upon the Director the authority and responsibility to determine.... Also, the decision in this regard is final and not subject to judicial review. [15]

Therefore, 35 U.S.C. §§ 312(a) and 312(c) (like 35 U.S.C. §§ 303(a) and (c)) together provide that the USPTO Director must ultimately decide whether a substantial question of patentability exists or not, and that such decision is final and non-appealable on its merits. Any review of the CRU Director's decision may not reach the issue of whether the CRU Director's determination was "correct" on the merits, *i.e.*, whether the request for reexamination did, or did not, establish a substantial new question of patentability. The review is strictly confined to a determination of whether the Director applied the correct legal standard, *i.e.*, whether a substantial new question of patentability exists or does not exist. If a review of the merits (correctness) of the CRU Director's decision were possible, then the CRU Director's decision would not be final as mandated by 35 U.S.C. § 312(c). To the extent that a petitioner dissatisfied with the CRU Director's decision could seek administrative review of the merits of the CRU Director's decision in the courts, the CRU Director's decision would not be non-appealable as required by 35 U.S.C. § 312(c).

III. Petitioner Has Not Established Abuse of Discretion in CRU Director's Decision

Initially, it is noted that in the 37 CFR 1.927 petition for supervisory review filed on January 10, 2007, third party requester had urged the Office to "exercise its discretion" [16] to also examine claim 12 of the '699 patent, even if the determination that the request for *inter partes* reexamination had only established a substantial new question of patentability for some of the '699 patent claims, but not for claim 12. [17] The CRU Director has declined to exercise such discretion, and the third party requester has not raised this issue in the present requester petition. Thus the CRU Director's refusal to exercise discretion to examine claim 12 of the '699 patent based upon the existence of a substantial new question of patentability for claims 1-11 and 13-53 of the '699 patent has not been challenged in the present petition. [18]

As discussed, *supra*, 35 U.S.C. § 312(c) mandates that the review of the CRU Director's decision which held that the request for *inter partes* reexamination did not raise a substantial new question for claim 12 of the '699 patent will reach only the issue of whether the CRU Director applied the correct legal standard in her December 19, 2006 decision to deny *inter partes* reexamination of claim 12. The correct legal standard is established by 35 U.S.C. § 312(a), which requires that a request for reexamination be reviewed by the USPTO Director in order to determine whether prior patents and/or printed publications submitted with the request establish a substantial new question of patentability for any claim for which reexamination is requested.

It is clear from a review of the December 19, 2006 that the CRU Director properly undertook a *de novo* review in order to determine whether or not the request for reexamination established a

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[15] See 145 Cong. Rec. E 1788, (1999); see also 145 Con Rec. S 14696 (1999).

[16] Pursuant to *Notice of Clarification of Office Policy To Exercise Discretion in Reexamining Fewer Than All the Patent Claims*, 1311 OG 197, October 31, 2006.

[17] Petition Under 37 CFR 1.927, January 10, 2007, pages 17-18.

[18] "Decision on Petition (37 CFR 1.927)," March 8, 2007, pages 6-7.

substantial new question of patentability for patent claim 12. [19] After correctly stating the standard for review, the CRU Director analyzed the request for *inter partes* reexamination and determined that the all of the grounds set forth in the request for reexamination of patent claim 12 of the '699 patent relied upon published Canadian Patent Application No. 2,207,938 (Rheault) to establish a substantial new question of patentability. [20] In then conducting her *de novo* analysis, the CRU Director determined that with respect to claim 12 of the '699 patent, the requester had argued that the Rheault patent was prior art to claim 12 based upon a reassessment of the '699 patent 35 U.S.C. § 120 benefit claim as being a continuation of parent patent application 08/782,490 (the '490 application). Requester argued that it would be proper to apply Rheault as a prior patent or printed publication against patent claim 12 of the '699 patent, because claim 12 was not entitled to benefit of the '490 application filing date. However, the CRU Director held that this argument did not raise a substantial new question of patentability, because (1) reassessment of the '699 patent benefit claim would require reexamination of the issue of whether claim 12 was enabled by the '699 patent specification under 35 U.S.C. § 112, first paragraph, and (2) the question of whether the specification of the patent for which reexamination is requested enables a given original claim of that patent does not raise a substantial question of patentability <u>based upon prior patents or printed publications</u> as is required by 35 U.S.C. § 312(a). [21] It is to be noted that the patent was determined to be a continuation in the allowance of the patent. The claims of a continuation must be enabled by their parent. See, for example MPEP §§ 201.07 and 201.11. Thus, the issue of enablement was already resolved in the examination resulting in the issue of the '699 patent, and raising the issue again does not provide a "new" question.

The CRU Director found that the requester's own 37 CFR 1.927 petition for review of the examiner's refusal to order reexamination of claim 12 of '699 patent admitted that Rheault and the '490 patent application contained identical disclosures. [22] The CRU Director accordingly determined that, to the extent that the third party requester argued that the '490 application did not enable claim 12 of the '699 patent, Rheault itself also would have not enabled the invention of claim 12 of the '699 patent and thus did not raise a substantial new question of patentability even if it qualified as prior art. [23]

In making these determinations, it is clear that the CRU Director addressed the underpinnings of all of the third party requester's reasons for asserting that a substantial new question of patentability was established for claim 12 of the '699 patent. The CRU Director applied the correct legal standard of "substantial new question of patentability" to determine whether or not the request for *inter partes* reexamination established that patent claim 12 should be reexamined. The question of whether the CRU Director reached the correct result through application of the correct standard, *i.e.*, whether the CRU Director's decision is correct on the merits, is not subject to review because the CRU Director's decision is both final and non-appealable. As discussed in detail above, the "final and non-appealable" language of 35 U.S.C. § 312(c) confines any review of the CRU Director's decision to the <u>sole</u> question of whether the CRU Director applied the correct standard, and <u>precludes</u> a determination of whether, in applying the correct standard, the CRU Director reached a correct or incorrect result based on that standard.

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[19] "*Id.*, at page 4.
[20] *Id.*, at pages 5-7.
[21] *Id.*, at page 6.
[22] *Id.*, at page 5.
[23] *Id.*

Accordingly, while the provisions of 37 CFR 1.935 have been waived to the extent necessary to consider the present requester petition on its merits, requester is not entitled to the relief requested in the present petition.

CONCLUSION

1. The third party requester petition filed on March 8, 2007, is dismissed.

2. Jurisdiction over the '179 *inter partes* reexamination proceeding is returned to the Central Reexamination Unit for appropriate action, including the issuance of a first Office action in due course.

3. Telephone inquiries related to the present decision should be directed to Stephen Marcus, Legal Advisor, at 571-272-7743, or, in his absence, to the undersigned, at 571-272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

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May 14, 2007

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In re Ramage et al *Ex parte* Reexamination Proceeding Control No. 90/008,161 Filed: August 14, 2006 For: U.S. Patent No. 6,664,595	**DECISION, *SUA SPONTE*, TO MERGE REEXAMINATION PROCEEDINGS**
In re Ramage et al *Inter partes* Reexamination Proceeding Control No. 95/000,182 Filed: October 19, 2006 For: U.S. Patent No. 6,664,595	

The above-captioned reexamination proceedings are before the Office of Patent Legal Administration for *sua sponte* consideration of whether the proceedings should be merged under 37 CFR 1.989 at this time.

REVIEW OF FACTS

1. United States Patent Number 6,664,595 (the '595 patent), issued November 11, 2003, is the subject of both *inter partes* Reexamination Control Number 95/000,182 and *ex parte* Reexamination Control Number 90/008,161.

2. A request for *ex parte* reexamination of the '595 patent, assigned Reexamination Control No. 90/008,161 (the '161 proceeding), was filed August 14, 2006, by patent owner.

3. A request for *inter partes* reexamination of the '595 patent, assigned Reexamination Control No. 95/000,182 (the '182 proceeding), was filed October 19, 2006, by third party requester Jeffrey Haendler.

4. An order granting *ex parte* reexamination was mailed for the '161 proceeding on October 20, 2006.

5. An order granting *inter partes* reexamination was mailed for the '182 proceeding on January 10, 2007.

6. The time for filing a patent owner's statement pursuant to 37 CFR 1.530 in the '161 *ex parte* reexamination expired on December 20, 2006. [1] Furthermore, on December 19, 2006, the patent owner filed a paper waiving the filing of any such statement, since the *ex parte* reexamination was filed by the patent owner.

DECISION

I. MERGER OF PROCEEDINGS

As reexamination has been ordered for both proceedings, and there is no longer an opportunity for filing a patent owner's statement and/or requester's reply, consideration of merger is ripe at this point in time.

Under 37 CFR 1.989(a):

> If any reexamination is ordered while a prior *inter partes* reexamination proceeding is pending for the same patent and prosecution in the prior *inter partes* reexamination proceeding has not been terminated, a decision may be made to merge the two

[1] There is no provision for filing a patent owner's statement in *inter partes* reexamination; rather, an Office action on the merits is issued prior to any input from parties.

> proceedings or to suspend one of the two proceedings. Where merger is ordered, the merged examination will normally result in the issuance of a single reexamination certificate under § 1.997.

In accordance with 37 CFR 1.989 (a), the 95/000,182 and 90/008,161 reexamination proceedings are merged. The merged proceeding will be conducted in accordance with the guidelines and requirements that follow.

II. THE SAME CLAIMS MUST BE MAINTAINED IN BOTH PROCEEDINGS

Patent owner is required to maintain the same claims (and specification) in both files *throughout the merged proceeding*. Since the claims are the same in both files, a "housekeeping amendment" is NOT needed.

III. CONDUCT OF MERGED PROCEEDING

A. Governing regulations for the merged proceeding:

The present decision merges an *ex parte* reexamination proceeding with an *inter partes* reexamination proceeding. Pursuant to 37 CFR 1.989(b), the merged proceeding is governed by 37 CFR 1.902 through 1.997, except that the rights of the third party requester of the *ex parte* reexamination are governed by 37 CFR 1.510 through 1.560. In this instance, the *ex parte* reexamination was filed by the patent owner; thus, there is no *ex parte* reexamination third party requester.

B. Papers mailed/filed:

All papers mailed by the Office throughout the merged proceeding will take the form of a single action that applies to both reexamination proceedings. All papers issued by the Office or filed by the patent owner and the third party requester will contain the identifying data for both files and will be physically entered in each reexamination file. All papers filed by the patent owner and the third party requester must consist of a single paper, **filed in duplicate**, each bearing a signature and identifying data for both files, for entry into each file.

All papers filed by the patent owner and the third party requester should be directed:

by Mail to:

Attn: Mail Stop "*Inter Partes* Reexam"
Central Reexamination Unit
Commissioner for Patents
P.O.Box 1450
Alexandria, VA 22313-1450

by FAX to: (571) 273-9900
Central Reexamination Unit

by hand to:

Customer Service Window
Attn: Central Reexamination Unit
Randolph Building, Lobby Level
401 Dulany Street
Alexandria, VA 22314

Patent owner and requester are reminded that every paper filed in the merged proceeding subsequent to this Decision must be served on the other party, including any papers filed *via* facsimile transmission.

C. Amendments:

The filing of any amendments to the drawings, specification or claims must comply with the provisions of 37 CFR 1.530 and the guidelines of MPEP § 2250. 37 CFR 1.121 does not apply to amendments in reexamination. Accordingly, clean copies of the amended claims are not required and are not to be submitted; rather amendments are to be presented via markings pursuant to paragraph 37 CFR 1.530(f) of this section, except that a claim should be canceled by a statement canceling the claim, without presentation of the text of the claim.

Pursuant to 37 CFR 1.530(i), all amendments must be made relative to the patent specification, including the claims, and drawings, which are in effect as of the date of filing the request for reexamination. *Amendments are not to be made relative to previous amendments*. Thus, for all amendments, all words not appearing in the patent are always underlined, and only words being deleted from the patent appear in brackets.

D. Fees:

Where a paper is filed which requires payment of a fee (e.g., petition fee, excess claims fee, appeal fee, brief fee, oral hearing fee), only a single fee need be paid. For example, only one fee need be paid for any patent owner's appellant brief (or that of the *inter partes* requester) which may be filed, even though the brief relates to merged multiple proceedings and copies must be filed (as pointed out above) for each file in the merged proceeding.

E. Citation of Patents and Printed Publications:

Upon return of the present merged proceeding to the examiner, the examiner will review the files to insure that each file contains identical citations of prior patents and printed publications, and will cite such documents as are necessary as part of the next action in order to place the files in that condition.

CONCLUSION

1. *Inter partes* Reexamination Control No. 95/000,182 and *ex parte* Reexamination Control No. 90/008,161 are merged into a single proceeding, to be conducted in accordance with the procedure set forth above.

2. Jurisdiction over the merged reexamination files is being forwarded via the Director of the Central Reexamination Unit (CRU) to the examiner, for the preparation of an Office action, to be issued in due course.

3. Any questions concerning this communication should be directed to Karen Hastings, Legal Advisor, at 571-272-7717, or, in her absence, to the undersigned, at 571-272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

January 31, 2007
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UNITED STATES PATENT AND TRADEMARK OFFICE

COMMISSIONER FOR PATENTS
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(For Third Party Requester)

MAILED

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CENTRAL REEXAMINATION UNIT

In re Rambus, Inc. :
Inter Partes Reexamination Proceeding : **DECISION**
Control No. 95/000,183 : **DISMISSING**
Originally Deposited: October 4, 2006 : **PETITION**
Filed: August 22, 2007 :
For: U.S. Patent No. 6,182,184 :

This is a decision on the patent owner petition filed on October 1, 2007 entitled "Renewed Petition to Vacate the Filing Dates and Orders Granting Inter Partes Reexamination or, Alternatively, to Suspend the Proceedings" (hereinafter "renewed petition"). Receipt is also acknowledged of a paper filed on October 12, 2007 by third party requester entitled "Renewed Third-Party Requester's Petition and Opposition to Petition to Vacate the Filing Dates and Orders Granting *Inter Partes* Reexamination or, Alternatively, to Suspend the Proceedings" (hereinafter "renewed opposition").

The October 1, 2007 patent owner renewed petition, the October 12, 2007 third party renewed opposition, and the '183 *inter partes* reexamination proceeding are before the Office of Patent Legal Administration for consideration.

FEES

No fee is required for the October 1, 2007 patent owner renewed petition or for the October 12, 2007 renewed opposition paper filed by the third party requester. These papers merely call up for action the patent owner petition to vacate or suspend that was previously filed on May 15, 2007, and the June 14, 2007 opposition thereto that was previously filed by the third party requester. The May 15, 2007 and June 14, 2007 papers were held in abeyance because the originally granted filing date was vacated on other grounds. [1] Each party had remitted the necessary $400.00 petition fee for their respective papers that had been held in abeyance. The present decision is a decision in respect to the May 15, 2007 patent owner petition to suspend or vacate and the June 14, 2007 third party requester opposition thereto.

[1] "Decision on Petition to Vacate *Inter Partes* Reexamination Filing Date," August 14, 2007, particularly at page 7.

REVIEW OF SALIENT FACTS

1. U.S Patent number 6,182,184 ("the '184 patent") issued to Michael Farmwald *et al* on July 30, 2002, and is assigned to Rambus, Inc.

2. On October 4, 2006, a request for *inter partes* reexamination of the '184 patent was deposited by a third party requester, David L. McCombs, and was assigned control No. 90/000,183 ("the '183 *inter partes* reexamination proceeding").

3. In request for *inter partes* reexamination, the third party requester identified Samsung Electronics Co., Ltd. as being "the real party in interest," pursuant to 37 CFR 1.915(b) and 35 U.S.C. 311(b).

4. On December 26, 2006, reexamination was ordered for claims 1-41 (*i.e.*, all of the claims) of the '184 patent.

5. On May 15, 2007, patent owner filed a petition requesting that the October 12, 2006 filing date accorded to the corrected request for *inter partes* reexamination of the '184 patent be vacated on the grounds that the request did not properly identify the real party in interest in accordance with the reexamination statute and regulations, or in the alternative, suspended.

6. On May 31, 2007, the Office mailed a Notice advising third party requester that third party requester had the right to file an opposition to the May 15, 2007 patent owner petition, and establishing a fifteen (15) day time period for third party requester to do so.

7. On June 14, 2007, third party requester timely filed the present papers opposing the May 15, 2007 patent owner petition ("hereinafter, the present third party opposition").

8. On July 13, 2007, patent owner filed a petition to vacate the December 12, 2006 Order Granting *Inter Partes* Reexamination.

9. On July 26, 2007, the third party requester filed an opposition to the July 13, 2007 patent owner petition to vacate the December 12, 2006 Order Granting *Inter Partes* Reexamination.

10. On August 14, 2007, a decision granting the July 13, 2007 patent owner petition was mailed. The August 14, 2007 decision vacated the filing date that had been originally accorded to the '183 *inter partes* reexamination proceeding. Therefore, the December 12, 2006 Order Granting *Inter Partes* Reexamination was also vacated due to the vacatur of the filing date of the '183 *inter partes* reexamination proceeding. [2]

11. On August 22, 2007, a redacted version of the original Request for *Inter Partes* Reexamination was filed in response to the August 14, 2007 decision that had vacated the originally accorded filing date. The redacted version of the Request for *Inter Partes* Reexamination was accorded a filing date of August 22, 2007.

12. The redacted request for *inter partes* reexamination also identified Samsung Electronics Co., Ltd. as the real party in interest.

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[2] Decision on Petition, August 14, 2007, Summary paragraph bridging pages 1 and 2.

13. On October 1, 2007, the patent owner filed the renewed patent owner petition to vacate or suspend the '183 *inter partes* reexamination proceeding, effectively calling the May 15, 2007 patent owner petition up for action.

14. On October 12, 2007, the requester filed the renewed opposition to the October 1, 2007 patent owner petition, effectively calling the May 15, 2007 requester opposition petition up for action.

15. On October 19, 2007, reexamination was ordered for patent claims 1-29 of the '184 patent.

16. The '184 patent is currently in litigation in a number of litigations,[3] but it does not appear in the record that any of the '184 patent claims have been determined to be either valid or invalid.

RELEVANT STATUTORY, REGULATORY AND PRACTICE PROVISIONS

35 U.S.C. §§ 311(a) and (b) provide:

(a) IN GENERAL.— Any third-party requester at any time may file a request for inter partes reexamination by the Office of a patent on the basis of any prior art cited under the provisions of section 301.
(b) REQUIREMENTS.— The request shall—
(1) be in writing, include the identity of the real party in interest, and be accompanied by payment of an inter partes reexamination fee established by the Director under section 41; and
(2) set forth the pertinency and manner of applying cited prior art to every claim for which reexamination is requested.

35 U.S.C. § 314(c) provides:

SPECIAL DISPATCH.— Unless otherwise provided by the Director for good cause, all inter partes reexamination proceedings under this section, including any appeal to the Board of Patent Appeals and Interferences, shall be conducted with special dispatch within the Office.35 U.S.C. § 315(c) provides:

CIVIL ACTION.— A third-party requester whose request for an inter partes reexamination results in an order under section 313 is estopped from asserting at a later time, in any civil action arising in whole or in part under section 1338 of title 28, the invalidity of any claim finally determined to be valid and patentable on any ground which the third-party requester raised or could have raised during the inter partes reexamination proceedings. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

35 U.S.C. § 317 provides:

(a) ORDER FOR REEXAMINATION.— Notwithstanding any provision of this chapter, once an order for inter partes reexamination of a patent has been issued under section 313, neither the third-party requester nor its privies may file a subsequent request for inter partes reexamination of the patent until an inter partes reexamination certificate is issued and published under section 316, unless authorized by the Director.

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[3] Petition to Vacate or ... Suspend, filed by patent owner on May 15, 2007; Notice of Prior and Concurrent Proceedings, filed by patent owner on October 1, 2007.

(b) FINAL DECISION.– Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party has not sustained its burden of proving the invalidity of any patent claim in suit or if a final decision in an inter partes reexamination proceeding instituted by a third-party requester is favorable to the patentability of any original or proposed amended or new claim of the patent, then neither that party nor its privies may thereafter request an inter partes reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in such civil action or inter partes reexamination proceeding, and an inter partes reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office, notwithstanding any other provision of this chapter. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

37 CFR 1.907 provides:

(a) Once an order to reexamine has been issued under § 1.931, neither the third party requester, nor its privies, may file a subsequent request for *inter partes* reexamination of the patent until an *inter partes* reexamination certificate is issued under § 1.997, unless authorized by the Director.
(b) Once a final decision has been entered against a party in a civil action arising in whole or in part under 28 U.S.C. 1338 that the party has not sustained its burden of proving invalidity of any patent claim-in-suit, then neither that party nor its privies may thereafter request *inter partes* reexamination of any such patent claim on the basis of issues which that party, or its privies, raised or could have raised in such civil action, and an *inter partes* reexamination requested by that party, or its privies, on the basis of such issues may not thereafter be maintained by the Office.
(c) If a final decision in an *inter partes* reexamination proceeding instituted by a third party requester is favorable to patentability of any original, proposed amended, or new claims of the patent, then neither that party nor its privies may thereafter request *inter partes* reexamination of any such patent claims on the basis of issues which that party, or its privies, raised or could have raised in such *inter partes* reexamination proceeding.

37 CFR 1.913 provides:

Except as provided for in § 1.907, any person other than the patent owner or its privies may, at any time during the period of enforceability of a patent which issued from an original application filed in the United States on or after November 29, 1999, file a request for *inter partes* reexamination by the Office of any claim of the patent on the basis of prior art patents or printed publications cited under § 1.501.

37 CFR 1.915(b)(7), (b)(8) and (d) provide:

(b) A request for *inter partes* reexamination must include the following parts:
(7) A certification by the third party requester that the estoppel provisions of § 1.907 do not prohibit the inter partes reexamination.
(8) A statement identifying the real party in interest to the extent necessary for a subsequent person filing an *inter partes* reexamination request to determine whether that person is a privy.

...

(d) If *the inter partes* request does not include the fee for requesting *inter partes* reexamination required by paragraph (a) of this section and meet all the requirements of paragraph (b) of this section, then the person identified as requesting *inter partes* reexamination will be so notified and will generally be given an opportunity to complete the request within a specified time. Failure to comply with the notice will result in the *inter partes* reexamination request not being granted a filing date, and will result in placement of the request in the patent file as a citation if it complies with the requirements of § 1.501.

37 CFR 1.919(a) provides:

> (a) The filing date of a request for *inter partes* reexamination is the date on which the request satisfies all the requirements for the request set forth in § 1.915.

MPEP § 2614 provides, in part:

> The reexamination request must identify the real party in interest who is responsible for filing the reexamination request. This information will be used by future parties requesting reexamination of the same patent, in making the certifications required by 37 CFR 1.915(b)(8).

DISCUSSION

On October 4, 2006, the third party requester deposited papers requesting *inter partes* reexamination of the '184 patent. These papers were processed by the technical support in the Central Reexamination Unit, and were accorded a filing date of October 4, 2006. *Inter partes* reexamination was ordered on December 26, 2006. Patent owner then filed a petition on May 15, 2007 in which patent owner requested that the Office vacate the filing of the '183 *inter partes* reexamination proceeding, or in the alternative, that the Office suspend the '183 *inter partes* reexamination proceeding. The patent owner's request to vacate the filing date was based upon the assertion that the third party requester had not correctly identified the "real party of interest," as required by 35 U.S.C. 311(b)(1) and 37 CFR 1.915(b)(8) and 1.919(a).

Due to the nature of the issues raised by the patent owner, the Office mailed a Notice on May 31, 2007 inviting third party requester to file a paper opposing the May 15, 2007 patent owner petition. On June 14, 2007, third party requester did file such an opposition paper.

Patent owner thereafter filed a petition on July 13, 2007 to vacate the December 26, 2006 Order Granting *Inter Partes* Reexamination. Third party requester filed an opposition paper thereto on July 26, 2007. In the course of reviewing the record of the '183 *inter partes* reexamination proceeding with respect to these papers, the Office concluded that the October 4, 2006 request for *inter partes* reexamination failed to comply with the reexamination statute and implementing regulation. Therefore, in a decision dated August 14, 2007, the Office vacated the October 4, 2006 filing date. (As a necessary incident to having vacated the filing date of the '183 *inter partes* reexamination proceeding, the Office also vacated the December 26, 2006 Order.) The Office also invited patent owner to file a response that would remedy the defects in the request for *inter partes* reexamination. Due to the vacatur of the October 4, 2006 filing date and the December 26, 2006 Order, the August 14, 2007 decision also stated that the May 15, 2007 patent owner petition and the third party requester's June 14, 2007 opposition thereto would be held in abeyance pending a response to the decision that vacated the October 12, 2006 filing date of the corrected original request for *inter partes* reexamination.

Patent owner filed a response to the August 14, 2007 decision, and that response was accepted. The '183 *inter partes* reexamination proceeding, was accorded a filing date of August 22, 2007. An Order Granting *Inter Partes* Reexamination was then mailed on October 19, 2007. It is now appropriate, in light of patent owner having called the May 15, 2007 patent owner petition up for action, and the third party requester having called the opposition thereto up for action, that a decision on whether patent owner is entitled to have the '183 *inter partes* reexamination proceeding vacated, or in the alternative, suspended (based on the issues raised in the newly called-up patent owner petition) now be rendered.

I. Vacatur of the '183 *Inter Partes* Reexamination Proceeding

A. Summary of Patent Owner's Position [4]

35 U.S.C. § 311(b)(1), 37 CFR 1.915(b)(8) and 37 CFR 1.919(a) require that a third party requester who files a request for *inter partes* reexamination identify the real party in interest. The principal basis for patent owner's petition for vacatur of the '183 *inter partes* reexamination proceeding is that the request for *inter partes* reexamination of the '184 patent fails to properly identify the real party in interest (RPI). [5] Specifically, patent owner alleges the third party requester has failed to properly identify the RPI because certain parties asserted to be RPIs have not been identified by the request. Patent owner argues that because these parties have not been identified as real parties in interest, patent owner will be subject to multiple requests for *inter partes* reexamination in contravention of both 35 U.S.C. § 317(a) and the legislative intent that a patent owner not be harassed by such multiple requests. [6] Patent owner further alleges that the failure to identify all of the real parties in interest will mean that the unidentified parties will be able to evade the estoppel restrictions of 35 U.S.C. §§ 315(c) and 317(b). [7] Patent owner also alleges that third party requester delayed in pursuing this reexamination proceeding for strategic reasons to enable the filing of a series of *inter partes* reexamination requests aimed at patents that are "related" to the '184 patent, all of which are involved in litigation with the identified real party in interest and the other parties in interest who have not been identified. [8]

Patent owner bases these allegations on the fact that, with respect to the '184 patent and the other identified related patents, there are in fact multiple litigations in which patent owner has sued one or more defendants for patent infringement, that the litigations are in different stages along the path to a final determination of patent validity, that the '184 patent and the other patents have been found to be infringed and not invalid (at the district court level), that co-defendants in the litigation have formed an entity called the Advanced DRAM Technology consortium to develop future DRAM technologies and assess and minimize intellectual property related risks, and that there is a "joint defense group" that includes the presently identified real party in interest and other co-defendants in the litigations. [9] Patent owner also states that two of the parties, Samsung and Micron are, and have been, represented by the same counsel. [10]

Patent owner argues that although the reexamination statute does not define "real party in interest," the purposes behind the requirement (that a third party requesting *inter partes* reexamination identify the real party in interest) must be (1) to preclude harassment of the patent owner by the filing (particularly the serial filing) of multiple requests for *inter partes* reexamination, and (2) to provide a basis for allowing a patent owner to avail itself of the estoppel provisions of the reexamination statute. Patent owner presumes that to carry out

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[4] The positions of both parties have been summarized in subsections A and B of Sections I and II of this decision. This decision reflects consideration of all arguments presented by the parties, and any failure to specifically mention a particular argument of either party does not reflect a failure to have considered that argument.

[5] All of the requests for *inter partes* reexamination of the '184 patent have named the same real party in interest, and so the May 15, 2007 petition, although originally addressed to the October 12, 2006 request for *inter partes* reexamination, is also applicable to the August 22, 2007 request for *inter partes* reexamination.

[6] Petition to Vacate or Suspend, May 15, 2007, page 2.

[7] *Id.*

[8] *Id.*, at page 2 and the first paragraph of page 3.

[9] *Id.*, at pages 3-7.

[10] *Id.*, at pages 10.

the intent behind the real party in interest requirement, the phrase real party in interest "is meant to include entities working together with the reexamination requester and entities having a legal relationship with the requester." [11]

B. Summary of Third Requester's Position

Third party requester takes the position that, in accordance with 37 CFR 1.915(b), the real party in interest has been properly identified, because such identification need only be sufficient so that a party wishing to file an *inter partes* reexamination request will be able to determine whether that party is in privity with the identified real party in interest, and if not, will then be able to make the certification required by 37 CFR 1.915(b)(7). [12] Third party requester argues out that the issue of whether a party is in privity with another "must be decided on a case-by-case (*sic*, basis), evaluating all of the facts and circumstances of each individual situation. [13] Third party requester points out that:

> ... the Office generally will not have a need to resolve the factual issue of whether or not one party is a privy of another. Section 1.915(b)(7) requires a third party requester to certify that the estoppel provisions of § 1.907 do not prohibit the filing of the inter partes reexamination request, and the Office does not intend to look beyond this required certification. It is only in the rare instance where a challenge to the accuracy of the certification is raised by the patent owner, that the question would need to be addressed. [14]

Third party requester then argues that patent owner has not challenged the accuracy of the certification in the request for reexamination in the present '183 *inter partes* reexamination proceeding (that Samsung is a real party in interest), that the Office has no present need to do so, that Samsung was not a requester in an earlier *inter partes* reexamination proceeding for the '184 patent, and no estoppel against Samsung, having filed the request for the present '183 *inter partes* reexamination, exists. Third party requester further argues that because no other party controls or is substantially participating in the '183 *inter partes* reexamination proceeding, no other party is a real party in interest. [15] Third party requester concludes that, as the only party controlling and participating in the '183 *inter partes* reexamination proceeding, Samsung is the only real party in interest, and was properly identified as such in the request for *inter partes* reexamination.

C. Analysis and Findings

Note is taken of patent owner's argument that co-defendants of third party requester, and/or members of a "joint defense group," are required to be named as real parties in interest in the '183 *inter partes* reexamination proceeding; however, the argument is not persuasive. The fact that Samsung's co-defendants may benefit from this reexamination request, and/or that Samsung may be cooperating with others in a concurrent litigation involving the '184 patent and in other concurrent litigation involving related patents, would not, *per se*, show that those co-defendants or "joint defense group" members are real parties in interest in this *inter partes* reexamination proceeding.

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[11] *Id.*, at page 9.
[12] Petition and Opposition to Petition to Vacate or Suspend, June 14, 2007, page 5.
[13] *Id.*, at page 6, citing Response to General Comment 4, 37 CFR Part 1 *Rules to Implement Optional Inter Partes Reexamination Proceedings; Final Rule*, 65 FR 76759 (Dec. 7, 2000).
[14] *Id.*
[15] *Id.*, at pages 6-7.

It does not appear that the Office is in any way required to investigate and determine the accuracy of a certification made by a third party who files a request for *inter partes* reexamination of a patent. The reexamination statute does not require the Office to investigate the matter, nor does it provide the tools for the Office to do so. Further, Congress has not provided the Office with subpoena power or discovery tools and has not provided the Office with the ability to conduct hearings for eliciting testimony and cross-examination - - nor did Congress authorize the Office to impose punitive sanctions for non-compliance. Such evidentiary tools and sanctions are, however, available to the courts, which are the appropriate vehicle to make a factual investigation as to the accuracy of the identification of a "real party in interest." [16]

To expand, courts have discovery, testimony and other evidentiary tools (e.g., subpoena power and sanctions) available, and are the forums best equipped to determine who is, and who is not, the "real party in interest." Further, courts may provide relief, as appropriate, by enjoining the filing of a further *inter partes* reexamination request by the other parties in a civil action. Even if such an *inter partes* reexamination request was filed by one of the other parties in the civil action, a court could always enjoin participation by that requester in the proceeding and essentially turn the proceeding into an *ex parte* reexamination proceeding, the filing of which does not require identification of "a real party in interest" (35 USC 301-302), and is not prohibited by statute or rule, even after an *inter partes* reexamination was filed by the same real party in interest. [17] In addition, if (1) a decision in the present *inter partes* proceeding is ultimately made which is adverse to the requester, and (2) the issue is presented before a court, any estoppel considerations which may or may not apply from the *inter partes* reexamination statute, depending on the court's resolution of the "real party in interest" issue, can be addressed by the court at that time.

It is also to be noted that there is precedent on the issue of "real party in interest" in the federal courts, on matters ranging from jurisdiction (*e.g.*, presence of diversity or amount of suit) [18] to actions in which the principle is applied to prevent multiple or conflicting lawsuits

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[16] Attention is invited to *In re Epstein*, 32 F.3d 1559, 31 USPQ2d 1817 (Fed. Cir. 1994), where the court took note of parties' availability of the court's investigative powers, to address the absence of same to the Office.

> "During ex parte PTO examination, applicants are free to investigate hearsay assertions relied upon by an examiner during the three to six month period available to respond to an office action. They also have the right to introduce rebuttal evidence under 37 C.F.R. Section 1.132 (1993). Moreover, if applicants wish to cross-examine the authors of written hearsay assertions, under 35 U.S.C. Section 145 (1988) they may bring a civil action in the United States District Court for the District of Columbia seeking adjudication that they are entitled to receive a patent. In such an action, testimony could be compelled by subpoena under Federal Civil Procedure Rule 45. See Gould v. Quigg , 822 F.2d 1074, 1076, 3 USPQ2d 1302, 1303 (Fed. Cir. 1987) ("While the evidentiary record before the Board serves as the 'evidentiary nucleus' of the district court proceeding in a section 145 action, the parties are entitled to submit additional evidence."). [32 F.3d at 1565, 31 USPQ2d at 1821]

Note MPEP 2010 which states:

> "The Office is not the best forum in which to determine whether there was an 'intent to mislead'; such intent is best determined when the trier of facts can observe demeanor of witnesses subjected to cross-examination. A court, with subpoena power, is presently the best forum to consider duty of disclosure issues under the present evidentiary standard for finding an 'intent to mislead'."

See also MPEP 2686.04(III) which points to this difference between the Office and the courts stating:

> "Another example is where there is an issue common to the litigation and the reexamination that can best be decided in court due to the availability in court of discovery and subpoena power (e.g., an issue heavily dependent on presentation of conflicting/contested evidence by the two parties)."

[17] If the court makes a finding that the "real party in interest" was misstated, the Office can then take action, if appropriate, based upon the court's findings.

[18] *Varlotta Construction Corporation v. Carla Development Corporation*, 886 F. Supp 315 (E.D.N.Y. 1995)

by persons such as assignees [19]. Where such precedent requires a party whose disclosure has been challenged to provide support for the disclosure, the examples of court proceedings resolving "real party in interest" issues demonstrate the reason why the Office cannot perform such a function here. The Office does not possess subpoena, discovery, hearing and sanction tools that a court and certain other tribunals possess. A patent owner concerned with the issue of misidentification of the real party in interest in a request for *inter partes* reexamination may immediately seek relief from the alleged erroneous identification of the "real party in interest" via the courts, which possess the tools to investigate and obtain information as to the relationship of the parties to ascertain the veracity of the identified "real party in interest." The present petition is silent as to why patent owner did not approach the appropriate District Court for relief (*e.g.*, an investigation into the matter and an appropriate order). Given the emphasis that petitioner patent owner has placed on the importance of the "real party in interest" disclosure requirement, it would appear that patent owner could have immediately sought relief in the appropriate court regarding the identity of the real party in interest. The record does not show that patent owner has done so.

With respect to 37 CFR 1.915(b) regarding the issue of "real party in interest," the following discussion is provided. 37 CFR 1.915(b)(8) requires "[a] statement identifying the real party in interest to the extent necessary for a subsequent person filing an *inter partes* reexamination request to determine whether that person is a privy." As argued by third party requester, Samsung is identified as the "real party in interest." Samung further has been identified sufficiently for a party to know where it is located, and which business it operates under. Parties who would seek to file subsequent requests for *inter partes* reexamination of the '184 patent, and/or who may be subject to estoppels in litigation involving the '184 patent (if any such estoppels should result from the present '183 *inter partes* reexamination proceeding), have been provided with sufficient information to make an informed determination as to whether any relationship that they might have with third party requester Samsung would trigger a statutory estoppel. To the extent that petitioner construes 37 CFR 1.915(b)(8) to require inclusion of the identity of all parties who would be related or co-defendants of Samsung, such a construction would be unreasonable. As pointed out by third party requester, simply because a party may be related to, or is, a co-defendant of Samsung does not necessarily make that party a "real party in interest," because such party does not necessarily direct or control input into the '183 *inter partes* reexamination proceeding in any way. To the extent that petitioner patent owner has characterized requester's identification of the "real party of interest" as improper or erroneous, patent owner has not shown that any party other than the party identified in the request for *inter partes* reexamination is in fact in control or is a directly contributing "real party in interest"; patent owner has simply shown that the co-defendants are simply -- co-defendants in one or several civil suits who have formed a "joint defense group" for the purposes of that litigation. The Office is unaware of any authority that equates co-defendants in a civil suit with "real parties in interest" in an *inter partes* reexamination proceeding, and petitioner patent owner has cited none.

As a final point regarding requester's identification of the real party of interest, the Office relies on factual assertions made before it as true. See 37 CFR 10.18(b) ("By presenting to the Office . . . any paper, the party presenting such paper, whether a practitioner or non-practitioner, is certifying that . . . statements made therein of the party's own knowledge are

[19] *First Hartford Corporation Pension Plan & Trust v. United States*, 194 F.3d 1279 (Fed. Cir. 1999)

true . . ."). And, as explained earlier, the Office is not equipped with the proper evidentiary tools to scrutinize the veracity of such asserted facts.

II. Suspension of the '183 *Inter Partes* Reexamination Proceeding

A. Summary of Patent Owner's Position

Patent owner argues that suspension of the '183 *inter partes* reexamination proceeding is warranted because of concurrent litigation that involves claim invalidity issues on grounds that cannot properly be decided in *inter partes* reexamination, such as invalidity under 35 U.S.C. § 112 written description issues. In this regard, patent owner draws attention to a verdict that has already been rendered on the patentability of claims in other patents that are related to the '184 patent. [20]

Patent owner further argues that the litigation involves issues that district courts "can resolve more readily" through the use of discovery and their subpoena powers. [21,22] Patent owner also argues that suspension of the proceedings will lessen the burden on the Office that results from an alleged strategy on the part of the named real party in interest of serially filing delayed *inter partes* reexamination requests. Patent owner notes that the '183 *inter partes* reexamination proceeding is not in an advanced stage, while the litigations are far advanced, and that these facts support suspension of the '183 *inter partes* reexamination proceeding. [23]

B. Third Party Requester's Position

The third party requester argues that no good cause exists for suspension of the '183 *inter partes* reexamination proceeding. In this regard, third party requester argues that the Office has discretion to determine whether or not to suspend, and that there is no basis for the exercise of that discretion. Requester argues that there are no issues pending in the district court cases that would effect the issues in the '183 *inter partes* reexamination proceeding, that the courts subpoena powers would not have any effect on patentability issues in the '183 *inter partes* reexamination proceeding, and that there has been no final decision in the litigation on claim validity with respect to the issues involved in the '183 *inter partes* reexamination proceeding. [24]

C. Analysis and Findings

In *Sony Computer Entertainment America, Inc. et al v. Jon W. Dudas*, 2006 U.S. Dist. LEXIS, 36856 (E.D. Va. 2006), the court noted that 35 U.S.C. § 314(c) afforded the USPTO Director discretion to suspend an *inter partes* reexamination for good cause. *Id.*, at *15. The court went on to hold that the USPTO Director has wide latitude in exercising this discretion. The

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[20] Petition to Vacate or Suspend, May 15, 2007, pages 13-14.
[21] *Id.*, at page 14.
[22] Interestingly, patent owner argues here that he district courts can, by virtue of such powers, require other members of the joint defense group to address their participation in the present *inter partes* reexamination proceeding. It is noted that this argument buttresses the position stated in Section I(C) with respect to why patent owner's position regarding the issue of the identification of "real party in interest" is not persuasive.
[23] Petition to Vacate or Suspend, May 15, 2007, pages 15-17.
[24] In general, see Petition and Opposition to Petition to Vacate or Suspend, June 14, 2007, pages 7-10 for all of the arguments advanced by third party requester as bases for not suspending the '183 *inter partes* reexamination proceeding.

court refused to overturn the suspension of the two *inter partes* reexamination proceedings that had been ordered by the Office. [25]

The circumstances in which the Office had ordered suspension of the *inter partes* reexamination proceedings that were before the district court in *Sony* were:

1. The *inter partes* reexamination proceedings were in an early stage of prosecution;

2. Copending litigation involving the same patents that were the subject of the *inter partes* reexamination proceedings were near to a final disposition, because the litigation was before the United States Court of Appeals for the Federal Circuit; and

3. A decision on claim validity in the litigation would dispose of all issues of claim validity in the reexamination proceeding because:

   a. The prior art before the court and before the Office was identical and

   b. The claims before the court and before the Office were identical.

These factors were determined by the Office to constitute "good cause" for suspension of an *inter partes* reexamination proceeding, and the Sony court agreed that the Office had properly exercised its discretion under 35 U.S.C. § 314(c) to suspend the two *inter partes* reexamination proceedings.

In the present instance, it is true that the '183 *inter partes* reexamination proceeding is at an early stage of prosecution. However, petitioner patent owner has not demonstrated that the copending litigation proceedings that involve the '184 patent (that is the subject of the '183 *inter partes* reexamination proceeding) are at an advanced stage wherein a decision on the merits of all issues that the Office must address in the '183 *inter partes* reexamination proceeding will be determined by a final, nonappealable court decision in the foreseeable future. It is to be noted that patent owner has not pointed out that some of the '184 patent claims have been held to be "not invalid" with respect to written description issues (or prior art issues). Patent owner has not alleged that there has been even an initial (*i.e.*, district court) validity determination in any litigation for all of the claims of the '184 patent that are subject to reexamination in the present '183 *inter partes* reexamination proceeding (*i.e.*, patent claims 1-29). Patent owner has merely alleged that "[A]lthough the claims at issue in these proceedings are not identical to those in the litigations, decision by the Federal Circuit following the district court litigations might cast light on the appropriate disposition of any claims that remain in the reexamination." The speculative nature of the effect that a final decision that is not yet near to being rendered might have is, in balance, insufficient to provide sufficient good cause that would outweigh the statutory mandate that *inter partes* reexamination proceedings are to be conducted with special dispatch within the Office. That mandate is one that is concerned not only with the interests of patent owners and parties adverse to patent owners, but is also concerned with the public interest.

Further, patent owner has not demonstrated that all of the '184 patent claims that are being reexamined before the Office are also the subject of the copending litigation. The public is entitled to a determination conducted with special dispatch in the Office of the issues

[25] Decision Granting Petitions to Suspend, Nov. 17, 2005, (Spar, Director) of record in *inter partes* reexamination proceedings 95/000,093 and 95/000,094.

involving claims that are being reexamined in the '183 *inter partes* reexamination proceeding which will not be subject to a validity determination in copending litigation. Patent owner has not demonstrated any good cause to deprive the public of such a determination merely because patent owner may, at some point in the future which is highly uncertain, obtain a final, nonappealable determination on validity in copending litigation that involves only some of the clams that are being reexamined in the '184 *inter partes* reexamination proceeding.

Thus, although the '183 *inter partes* reexamination proceeding is still in an early stage, the petitioner patent owner has failed to demonstrate that the copending litigation involving the '184 patent is near to a final, nonappealable determination of invalidity of any of the clams currently being reexamined in the '183 *inter partes* reexamination. Further, petitioner patent owner has not shown that any final, nonappealable determination of validity that might someday result from the copending litigation will, at least potentially, require termination of the '183 *inter partes* reexamination as to all of the '184 patent claims. [26] The failure of petitioner patent owner to make a satisfactory showing on these points argues against suspension of the '183 *inter partes* reexamination proceeding. The public interest, and the interests of the third party requester in the '183 *inter partes* reexamination proceeding argue in favor of the '183 *inter partes* reexamination proceeding continuing with special dispatch in the Office, rather than being suspended. Petitioner patent owner has <u>not</u> demonstrated that there is sufficient "good cause" to suspend the '183 *inter partes* reexamination proceeding.

[26] Only a final holding of claim invalidity or unenforceability (after all appeals) is controlling on the Office. In such cases, a substantial new question of patentability would not be present as to the claims held invalid or unenforceable. See *Ethicon v. Quigg*, 849 F.2d 1422, 7 USPQ2d 1152 (Fed. Cir. 1988). While a patent owner cannot predict the final outcome of litigation that is copending with a reexamination proceeding in the Office, it is clear that if fewer than all of the patent claims that are being reexamined are the subject of such copending litigation, then even a final, nonappealable decision in that litigation will not dispose of all of the claims that are being reexamined.

CONCLUSION

1. The petition to vacate, or in the alternative, to suspend the '183 *inter partes* reexamination proceeding is granted only to the extent that the petition has been considered and entered into the record by way of waiver of 37 CFR 1.939. However, the petition is dismissed as to the requested vacatur, and as to the requested suspension, of the reexamination proceeding.

2. The parties to the '183 *inter partes* reexamination proceeding should keep the Office apprised of the progress of the litigation involving the '184 patent.

3. Telephone inquiries related to this decision should be directed to Stephen Marcus, Legal Advisor, at (571) 272-7743, or in his absence, the undersigned at (571) 272-7710.

Kenneth M. Schor

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

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October 29, 2007

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,183	08/24/2007	6182184	38512.5	2395

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FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER LLP
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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 12/12/2007

Please find below and/or attached an Office communication concerning this application or proceeding.

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(For Patent Owner)

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DEC 12 2007
CENTRAL REEXAMINATION UNIT

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(For Third Party Requester)

In re Rambus, Inc.
Inter Partes Reexamination Proceeding
Control No. 95/000,183
Filed: August 22, 2007
For: U.S. Patent No. 6,182,184

: **DECISION DISMISSING**
: **PETITION TO**
: **VACATE-IN-PART THE**
: **ORDER GRANTING**
: **REEXAMINATION**

This is a decision on the October 29, 2007 patent owner petition denominated "PETITION TO VACATE-IN-PART THE ORDER GRANTING REEXAMINATION." Petitioner patent owner requests waiver under 37 CFR 1.183 of 37 CFR 1.939 to allow entry and consideration of this paper. Receipt is also acknowledged of a paper filed on November 13, 2007 by third party requester entitled "Third-Party Requester's Petition and Opposition to Rambus's Petition to Vacate-in-Part the Orders Granting Reexamination and Rambus's Renewed Petition to Vacate the Filing Date and Order Granting *Inter Partes* Reexamination or, Alternatively, to Suspend the Proceedings" (hereinafter "opposition"). Both patent owner and third party requester have remitted the appropriate fees for consideration of their respective petitions.

The October 29, 2007 papers also include Exhibits A-C, and a certificate of service showing service of the petition and Exhibits A-C on the reexamination requester

The October 29, 2007 patent owner petition, the November 13, 2007 third party opposition, and the 95/000,183 *inter partes* reexamination proceeding are before the Office of Patent Legal Administration for consideration.

The patent owner's petition is dismissed for the reasons set forth below.

Summary: The request to vacate-in-part the order of reexamination by withdrawing various substantial new questions is not persuasive. An order to reexamine is a determination by the Director that the Office has jurisdiction to reexamine the patent claims. Once jurisdiction is established based upon a finding that a proper substantial new question of patentability (SNQ), statement of further grounds for jurisdiction is irrelevant to the question of jurisdiction. The relief requested - withdrawal of the finding of an SNQ grounded on the intervening art - does not affect the jurisdictional issue that is the sole purpose of the order.

This decision also addresses in detail the various arguments put forth by patent owner as to the propriety of addressing priority benefit for the patent claims within the context of reexamination. The decision explains why the citations provided by patent owner as support for its position as to SNQ, among others, are not persuasive under the facts in the '183 reexamination proceeding. The decision finds that if and when a rejection is instituted based upon the examiner's findings of SNQ that patent owner is challenging in the present petition, the correct venue for obtaining relief is by appeal to the Board of Patent Appeals and Interferences (BPAI), not by petition to the Director.

BACKGROUND

1. U.S Patent number 6,182,184 ("the '184 patent") issued to Michael Farmwald *et al* on July 30, 2002, and is assigned to Rambus, Inc.

2. On October 4, 2006, a request for *inter partes* reexamination of the '184 patent was deposited by a third party requester, David L. McCombs, and was assigned control No. 90/000,183 ("the '183 *inter partes* reexamination proceeding").

3. In request for *inter partes* reexamination, the third party requester identified Samsung Electronics Co., Ltd. as being "the real party in interest," pursuant to 37 CFR 1.915(b) and 35 U.S.C. 311(b).

4. On December 26, 2006, reexamination was ordered for claims 1-41 (*i.e.*, all of the claims) of the '184 patent.

5. On May 15, 2007, patent owner filed a petition requesting that the October 12, 2006 filing date accorded to the corrected request for *inter partes* reexamination of the '184 patent be vacated on the grounds that the request did not properly identify the real party in interest in accordance with the reexamination statute and regulations, or in the alternative, suspended.

6. On May 31, 2007, the Office mailed a Notice advising third party requester that third party requester had the right to file an opposition to the May 15, 2007 patent owner petition, and establishing a fifteen (15) day time period for third party requester to do so.

7. On June 14, 2007, third party requester timely filed the present papers opposing the May 15, 2007 patent owner petition ("hereinafter, the present third party opposition").

8. On July 13, 2007, patent owner filed a petition to vacate the December 12, 2006 Order Granting *Inter Partes* Reexamination.

9. On July 26, 2007, the third party requester filed an opposition to the July 13, 2007 patent owner petition to vacate the December 12, 2006 Order Granting *Inter Partes* Reexamination.

10. On August 14, 2007, a decision granting the July 13, 2007 patent owner petition was mailed. The August 14, 2007 decision vacated the filing date that had been originally accorded to the '183 *inter partes* reexamination proceeding. Therefore, the December 12, 2006 Order Granting *Inter Partes* Reexamination was also vacated due to the vacatur of the filing date of the '183 *inter partes* reexamination proceeding. [1]

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[1] Decision on Petition, August 14, 2007, Summary paragraph bridging pages 1 and 2.

11. On August 22, 2007, a redacted version of the original Request for *Inter Partes* Reexamination was filed in response to the August 14, 2007 decision that had vacated the originally accorded filing date. The redacted version of the Request for *Inter Partes* Reexamination was accorded a filing date of August 22, 2007.

12. The redacted request for *inter partes* reexamination also identified Samsung Electronics Co., Ltd. as the real party in interest.

13. On October 1, 2007, the patent owner filed a renewed patent owner petition to vacate or suspend the '183 *inter partes* reexamination proceeding, effectively calling the May 15, 2007 patent owner petition up for action.

14. On October 12, 2007, the requester filed a renewed opposition to the October 1, 2007 patent owner petition, effectively calling the May 15, 2007 requester opposition petition up for action.

15. On October 19, 2007, reexamination was ordered for patent claims 1-29 of the '184 patent.

16. On October 29, 2007, patent owner filed the instant petition requesting that the reexamination order be vacated-in-part.

17. On November 13, 2007, the requester filed an opposition to the October 29, 2007 patent owner petition that requested the order be vacated-in-part.

18. On November 9, 2007, the Office mailed a decision dismissing the petition to vacate the entire proceeding based upon improper identification of the real party in interest.

DECISION

I. Relevant Statute, Regulations, and Examining Procedure

The relevant portions of the statute, regulations and MPEP are reproduced below.

35 U.S.C. § 311 states, in part:

> "(a) IN GENERAL. - Any third-party requester at any time may file a request for inter partes reexamination by the Office of a patent on the basis of any prior art cited under the provisions of section 301."

35 U.S.C. § 312 states, in part:

> "(a) REEXAMINATION. - Not later than 3 months after the filing of a request for inter partes reexamination under section 311, the Director shall determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request, with or without consideration of other patents or printed publications. The existence of a substantial new question of patentability is not precluded by the fact that a patent or printed publication was previously cited by or to the Office or considered by the Office."

MPEP § 2646, Part I, states, in part:

> "A petition under 37 CFR 1.181 may... be filed to vacate an *ultra vires* reexamination order, such as where the order for reexamination is not based on prior art patents and printed publications. In cases where no discretion to grant a request for reexamination exists, a petition to vacate the decision to grant, or a request for reconsideration, will be entertained. "Appropriate circumstances" under 37 CFR 1.181(a)(3) exist to vacate the order granting reexamination where, for example:
>
> "(A) the reexamination order is not based wholly on prior art patents or printed publications;
> (B) reexamination is prohibited under 37 CFR 1.907;
> (C) all claims of the patent were held to be invalid by a final decision of a Federal Court after all appeals;
> (D) reexamination was ordered for the wrong patent;
> (E) reexamination was ordered based on a duplicate copy of the request; or
> (F) the reexamination order was based **wholly** on the same question of patentability raised by the prior art previously considered in an earlier concluded examination of the patent by the Office (e.g. the application which matured into the patent, a prior reexamination, an interference proceeding).."

II. Patent Owner's Position

Patent owner puts forth the position that five of the bases asserted by requester to raise substantial new questions of patentability rely on publications that would not qualify as prior art if the patent under reexamination was afforded the effective filing dates of the prior applications of which it claims benefit under 35 USC § 120. Patent owner objects to the designation of three of these bases [2] that are asserted to demonstrate substantial new questions of patentability in the order as being beyond the authority of the Office because "[w]here a patent has essentially the same disclosure as the priority document, the priority determination becomes a reassessment of whether that patent provides written description support for the claims under 35 USC § 112, ¶ 1, which is beyond the Office's authority in reexamination " [3] Patent owner, cites to MPEP § 2617, and various papers in other Office proceedings [4] in support of this position.

Patent owner requests that the order be vacated-in-part and that the "scope of the reexamination be limited to issues that do not relate to whether the claims have written description support." [5]

III. Analysis and Findings

The Order Granting Reexamination Was Not An *Ultra Vires* Action

The question of whether an order granting reexamination is based upon grounds permitted by 35 U.S.C. §§ 311 and 312 is a question of whether the Office has jurisdiction to order reexamination. As discussed in MPEP § 2246, if an order granting a request for

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[2] The examiner found that two of the five proposed bases did not establish substantial new questions of patentability.

[3] Petition at page 2.

[4] Exhibits A-C.

[5] Petition at page 7.

reexamination is not based wholly or **in part** upon prior art patents or printed publications, (*i.e.*, the order granting reexamination is based wholly upon consideration of subject matter that is not permitted by the statute), then the granting of a request for reexamination is said to be an *ultra* vires action that is outside of the authority of the Office. However, a substantive determination to order reexamination based upon grounds permitted by the statute is not subject to judicial review. [6]

The request for reexamination, filed on August 22, 2007, cited numerous patents and printed publications upon which requester asserted grounds for finding a substantial new question of patentability. One of the cited publications is identified as the iAPX Manual. [7] The iAPX manual's publication year of 1982 is a date earlier than the earliest date recited in the benefit claim of the '184 patent. The iAPX publication was not of record during the original examination of the application that matured into the '184 patent.

The order for reexamination mailed October 19, 2007, found multiple substantial new questions of patentability (SNQs) with respect to each of the claims of the '184 patent. Accordingly, the Office took jurisdiction over the patent by ordering reexamination in the '183 proceeding.

Specifically, the examiner's order granting reexamination held that the iAPX manual [8] on its own raised a substantial new question of patentability with respect to claims 1-10, 13, 15-16, and 18-21, and that in combination with other appropriately qualified prior art publications it raised a substantial new question with respect to the remaining claims as well. [9] The examiner therefore granted the request for reexamination. [10] Pursuant to 35 U.S.C. § 313 [11] and MPEP § 2643, [12] the examiner ordered reexamination of <u>all</u> patent claims.

The order granting *inter partes* reexamination, having been based upon prior art publications that raised a substantial new question of patentability with respect to one or more of the '184 patent claims, was thus a proper exercise of the jurisdiction conferred upon the Office by 35 U.S.C. §§ 311 and 312. Patent owner has not advanced any rationale for holding that the order for reexamination was based upon subject matter outside of the jurisdiction conferred upon the Office by the reexamination statutes. Therefore, the examiner's order granting reexamination was not an *ultra vires* act on the part of the Office.

The examiner's decision represents the exercise of discretion in reaching the conclusion that the requester has proffered prior art printed publications for consideration as the basis for the request for *ex parte* reexamination of the '184 patent. In *Heinl v. Godici*, 143 F. Supp. 2d

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[6] *Heinl v. Godici*, 143 F. Supp. 2d 593 (E.D. VA. 2001); *Patlex Corp. v. Quigg*, 680 F. Supp. 33, 35 (D.D.C. 1998)

[7] iAPX 432 Interconnect Architecture Reference Manual, published 1982.

[8] See issues 4 and 11-16.

[9] The '184 patent contains claims 1-29.

[10] See Order Granting Reexamination dated October 19, 2007, at pages 3-5.

[11] The statute states: "If, in a determination made under section 312(a), the Director finds that a substantial new question of patentability affecting a claim of a patent is raised, the determination shall include an order for inter partes **reexamination of the patent** for resolution of the question. The order may be accompanied by the initial action of the Patent and Trademark Office on the merits of the inter partes reexamination conducted in accordance with section 314." (Emphasis supplied.)

[12] MPEP § 2643 states in pertinent part: "If a substantial new question of patentability is found as to any claim, reexamination will be ordered and will normally cover all claims except for claims that have been finally held invalid in a Federal Court decision on the merits."

593, 601 (E.D. Va. 2001), the court stated, in a decision seeking termination of reexamination based on the absence of a new question of patentability:

> "Under the well established *ultra vires* doctrine, the exhaustion and final agency requirements are excused 'only if plaintiff is able to show that the PTO clearly exceeded its statutory authority', quoting from *Philip Morris, Inc. v. Block*, 755 F.2d 368, 370 (4th Cir 1985 (quoting *Mayor and City Council of Baltimore v. Mathews*, 562 F.2d 914, 920 (4th Cir. 1977), vacated on other grounds, 571 F.2d 1273 (4th Cir. 1978).

The court then went on to state:

> "Put differently, when an agency acts in 'brazen defiance' of its statutory authorization, courts need not await the conclusions of underlying proceedings."

In this instance, the Office clearly has not acted in 'brazen defiance' of its statutory authorization, in finding that it has jurisdiction to order reexamination, and as such, the order for reexamination must stand.

Patent owner contends that the additional grounds for granting reexamination on allegedly intervening prior art [13] was an *ultra vires* act that should be set aside.

> "Specifically, the portion of the order granting reexamination based on a question as to the patent's priority date is beyond the Office's authority because the patent at issue in this proceeding has the same or essentially the same disclosure as the application relied on for priority." [14]

The patent owner's belief that the SNQ which the examiner based upon some of the art advanced is legally impermissible in this proceeding does not, however, convert the proceeding into a question of the examiner's jurisdiction to reexamine, which would create a petition right to contest the propriety of taking that action. Rather, the patent owner is free to contest such an issue before the patent owner, and then the Board of Patent Appeals and Interferences ("Board"), if the claims are rejected based upon the contested references. 37 CFR 1.181(a)(1) permits petitions only from matters that are not subject to appeal; in this instance, if a rejection based on the contested references would be made and maintained, the route to contest that rejection would be via appeal.[15] Even if the contested references are not tenable to provide a substantial new question of patentability, the above-referred-to iAPX manual conferred the Office with jurisdiction to order the reexamination, and there was no *ultra vires* action on the part of the Office.

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[13] These grounds are referred to as issues 1-3, 6, and 7 in the request and the order and are based on a US patent to Park (filed Dec 29, 1995), the JEDEC standard (published in 1999) and the Hynix publications.

[14] Petition, at page 2.

[15] Briefly, in this instance, benefit under 35 USC § 120 is challenged based on a question of whether specific claim elements find support in the priority applications for which benefit is claimed. This, combined with intervening art based upon the later effective filing date to be afforded the claims, is a legitimate issue for treatment in reexamination, should a rejection be made. Patent owner's arguments as to the authority of the Office to find a substantial new question of patentability based upon allegedly intervening prior art in the circumstances of this specific proceeding will however be addressed at length below.

After a review of the record, it is found that patent owner has not established that the Office "clearly exceeded its statutory authority," or acted "in brazen defiance of its statutory authorization," in the Office's determination that the reexamination request properly raised a substantial new question of patentability.

For the forgoing reasons, the order granting reexamination will not be disturbed, and the '183 *inter partes* reexamination proceeding will continue in its examination stage.

IV. Additional Discussion

A. The Director can not "vacate-in-part" the order granting reexamination.

A decision granting reexamination is a determination that a sufficient basis has been raised for the Office to assume jurisdiction over the patent in question and to proceed with reexamination of at least those claims for which a proper substantial new question of patentability has been raised. As pointed out above, review of the order granting reexamination reveals that at least one SNQ has been raised for each and every claim of the '184 patent based upon references that qualify as prior art, irrespective of the priority date benefit granted to the claims of the '184 patent. Accordingly, there is no basis for vacating reexamination with respect to any claim of the '184 patent. The Office's jurisdiction over the proceeding is not taken in-part; either the Office has jurisdiction to reexamine or it does not. In this case, the Office does have jurisdiction.

B. The allegedly intervening prior art properly raise substantial new questions of patentability

Patent owner attempts to characterize the grounds for reexamination proposed by requester and accepted by the examiner as whether the specification of the patent has adequate written description (under 35 U.S.C. 112 first paragraph) to support the claims. This mischaracterizes the request for reexamination and the order granting reexamination. Rather, the issue is whether the patent claims to be reexamined [16] are entitled to benefit under 35 U.S.C. 120 of the filing date(s) of one or more prior filed applications, to thereby avoid the asserted art, or whether they are not so entitled. The issue of whether the instant specification satisfies the written description requirement of 35 USC 112 first paragraph is not raised nor implicated in the order granting reexamination.

The '184 patent claims priority directly from US Patent 6,032,214 (the '214 patent) filed February 19, 1999 which claims priority from US Patent 5,915,105 (the '105 patent) filed November 26, 1997 and through a further chain of applications ultimately claims benefit of the April 18, 1990 filing date of application number 07/510,898.

As a precursor to applying intervening art, the request propounds the position that the '184 patent is not entitled to benefit of the filing date of its immediate parent (the '214 patent).

The first argument [17] put forth by the requester with respect to the granting of priority for the '184 patent is based on the filing of a copy of a declaration in the '214 patent from the

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[16] This analysis must be carried out on a claim-by-claim basis.

[17] Request for reexamination Section A.2 on pages 7-8

original '898 application, which perforce did not make reference to a concurrently filed preliminary amendment. Thus, it is argued, that under the rules then in effect, the preliminary amendment in the '214 patent is not part of the original filing and cannot be relied upon for establishing priority.

The second and related argument as to priority is simply that there is no support for certain specific claims of the '184 patent in the prior application. Pages 9-18 of the request are devoted to a detailed elaboration [18] of elements of claims 1-29 of the '184 patent, presenting specific arguments as to why the specification of the '918 patent does not provide written description support of these elements.

Petitioner patent owner, focusing on the first prong, contends that this argument is fallacious because "it would apply to almost all patents that result from continuations" and that accepting this argument "would subject every continuation to a priority attack ... just because an applicant files a continuation application, presents, a preliminary amendment, and files a copy of an oath or declaration from the parent application." [19]

Petitioner misses the point. In fact, every application is subject to a priority attack without regard to the declaration filed. Every continuing application, irrespective of designation, must contain support for the claims in the parent application in order to derive benefit of the filing date of the earlier application. The issue raised in this request relates to the declaration in the '214 parent patent. [20] The argument is that because of the rule in place at that time, the preliminary amendment is not entitled to the benefit of the filing date of the application, and thus can not be relied on when seeking support for the claims of the current patent in the disclosure of the '214 patent. [21]

Note that the request does not merely rely on the declaration, but enumerates specific claim elements and presents argument as to the lack of support in the prior application for the claimed element.

The order cites both these reasons [22] as raising a question of the appropriate priority date and then proceeds to find that the intervening references are adequate to raise a substantial new question of patentability for the relevant claims.

C. If Examiner issues a rejection that would be appealable to Board.

Patent owner requests that the Director preempt the examiner from issuing any rejections based upon the intervening art provided by the requester. This, however, is not a petitionable issue, as discussed above. It is the Board of Patent Appeals and Interferences ("Board") which reviews the decision of the examiner as to whether a rejection should be made. There is also no showing that making a rejection based upon the intervening art advanced by the requester would be an abuse of the examiner's discretion. If the examiner

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[18] This is in contrast to the Gorra decision discussed below in which the Examiner found that there was no specificity to requester's allegations of lack of support.

[19] Petition at page 6.

[20] Insofar as any similar comment was made by the examiner with respect to the declaration in the patent now under reexamination, it has no bearing on any priority benefit.

[21] Note further, that the order points petitioner to a course of action that may result in the elimination of this issue.

[22] Order granting reexamination, at page 9.

determines that (a) there are claim elements that are not supported in the prior applications and (b) that the art reads upon the claims then the examiner has the discretion to issue a rejection upon the claims, and the Board may review it, if appealed to the Board by the patent owner.

Stated another way, patent owner's belief that any rejection based upon the intervening publications is legally impermissible in this proceeding would not convert the examiner's promulgation of such a rejection into a question of the examiner's jurisdiction to take a particular action, thereby creating a petition right to contest the propriety of taking that action. 37 CFR 1.181(a)(1) permits petitions **only** from matters that are not subject to appeal to the Board of Patent Appeals and Interferences ("Board"). In terms of determining the propriety of a particular ground of rejection in an *inter partes* reexamination proceeding, the statutes and regulations make no distinction between a ground of rejection based upon anticipation or nonobviousness and a ground of rejection that allegedly violates 35 U.S.C. 312(a) (because it is alleged to be based upon grounds other than the application of prior art patents and printed publications). The jurisdiction to determine that any particular ground of rejection is or is not legally correct resides with the Board. [23] Any rejection maintained and made final by the examiner issuing a Right of Appeal Notice [24] in this proceeding, may then be appealed to the Board. The Board will then have jurisdiction to determine whether any appealed rejection is or is not legally correct.

It should be noted that even if patent owner ultimately appeals a particular ground of rejection in this proceeding, and successfully demonstrates that the rejection and supporting rationale are legally incorrect because they are based upon matters outside of the scope of the reexamination statutes and regulations, this would not mean that the rejection and supporting rationale should have been treated as petitionable *ultra vires* actions in the sense that the Office lacked jurisdiction to order reexamination of the '184 patent and promulgate rejections during that proceeding. Instead, the rejection would simply be considered to be a legally incorrect rejection in a reexamination proceeding in which, for the reasons set forth in Section III above, the Office had clear jurisdiction to order reexamination.

Thus, in a reexamination proceeding that is not itself *ultra vires*, because the Office did in fact have jurisdiction to order reexamination, patent owner's remedy with respect to any rejection and supporting rationale believed to be erroneous, is to appeal in accordance with the statutes, and regulations that establish and implement the right to appeal rejections in *inter partes* reexamination proceedings. In this regard, it should be noted that the decision in *Patlex Corporation v. Quigg*, 680 F. Supp. 33, (D.D.C. 1988), was a decision **on appeal from a decision of the PTO Board of Appeals and Interferences,** and not from a decision reviewing an adverse decision on petition. [25] Where, as in *Patlex* and as here, the order granting reexamination has not been shown to have been an *ultra vires* action on the part of the Office, thereby depriving the Office of jurisdiction to reexamine, the propriety of a rejection allegedly based upon subject matter not proper for consideration in reexamination is properly determined by appeal, and not by way of petition.

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[23] See 35 U.S.C. § 315; see also 37 CFR 1.959 and 41.61.

[24] See 37 CFR 1.953.

[25] In *Patlex*, reexamination had been order based upon five substantial new questions of patentability. See *Patlex*, at page 35.

V. Supporting authority for petition decision

BPAI decision dated September 25, 2007, in Reexamination Control No. 90/006,621

The situation in *ex parte* reexamination proceeding 90/006,621 (the '6621 proceeding) is closely analogous to the fact situation before the Office in this case and sheds light on the proper approach to the issue of the appropriateness of assessing the entitlement of a benefit claim within the context of a prior art rejection during reexamination.

The '6621 proceeding was a reexamination of U.S. Patent No. 5,964,604 (the '604 patent) which issued on December 12, 1997 from an application filed in March of 1994. The '604 patent claimed priority (as a continuation of) to U.S. patent No. 5,964,603 (the '603 patent) which also issued on December 12, 1997, but was filed in March of 1990. The '603 patent further claimed benefit of two other applications filed in 1985 and 1982 respectively.

The examiner in the '6621 reexamination proceeding determined that the '604 patent was not entitled to 35 U.S.C. 120 benefit of any of the 3 parent applications for the claims under reexamination, because various claim features were not supported by the disclosures in the prior applications, and the examiner accordingly rejected many of the claims over a reference with a 1988 date.

Patent owner pointed out that the applications were designated as continuations [26] and contained identical disclosures and argued, that in such a situation, raising the issue of affording benefit amounted to questioning the sufficiency of the written description of the patent under reexamination - something clearly precluded by the reexamination statute.

In a decision [27] rendered September 25, 2007, a panel of the Board found that the question of affording benefit under 35 U.S.C. 120 was within the jurisdiction of the Office. The Board explained that the issue was not how the relationship of the applications was characterized, but whether support existed in the prior application.

> "The question of whether the '604 patent is properly labeled a 'continuation' ... is a collateral issue to the real issue of whether there is written description for the term ... in the 1982 application. [28]
>
> "Regardless of what an application is called, there is only priority for common subject matter actually disclosed in the earlier application." [29]

The panel then proceeded to address each contested claim element and determined whether there was support in the prior applications that provided the benefit of the earlier filing dates. The Board supported the examiner's position and affirmed the rejections based upon the intervening prior art.

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[26] "a continuation application does not contain new matter, and all claims issuing from it are entitled to the filing date of the parent." Decision in Appeal 2007-1217 at 66, quoting from patent owner's brief .

[27] Appeal 2007-1217 Decision dated September 25, 2007, mailed October 2, 2007

[28] *id.* at 66

[29] *id.* at 67

VI. Analysis of authorities cited in Patent Owner's petition

Patent owner relies on various documents in support of the proposition that a determination of the right to priority is precluded in a reexamination proceeding because it is a collateral attack on the written description support of the patent under reexamination.

The following subsections address each of these citations [30] in turn and explain why they are not controlling under the facts in this proceeding.

1. The Fischell Decision: Exhibit A - June 30, 2005 Decision on petition in Reexamination Control No. 90/007,355 .

A request for reexamination of U.S. patent No. 6,527,817 (the '817 patent) was filed on December 22, 2004, and resulted in an order issued by the examiner on March 15, 2005, denying reexamination. On April 15, 2005, the requester filed a petition under 37 CFR 1.181 asking the Director to review the decision of the examiner. On June 30, 2005, the Office issued a decision (referred to by the instant petitioner as the "Fischell Decision") on the 37 CFR 1.181 petition determining that the examiner was correct in denying reexamination of the '817 patent based on the request under review.

Patent owner relies on the Fischell decision for the proposition that "reassessment [of a benefit claim] is not appropriate with respect to a continuation ... patent having a disclosure that is essentially identical to the disclosure in its parent patent." [31] Petitioner further contends "that the Office has acknowledged that it is precluded from reconsidering in reexamination a claim for priority under 35 USC 120 where the continuing application contains essentially the same disclosure." [32]

Patent owner's reliance on the Fischell decision is misplaced because (a) petitioner's selective use of a portion of a single paragraph of the full decision is not representative of the context and the holding; (b) the facts and holding were directed to a case where the issue of benefit was not properly raised; (c) the paragraph repeatedly cited by petitioner was not needed for the decision upholding the denial of reexamination; and finally (d) a decision by a group director in one proceeding (although informative) is not binding precedent on another group director (or Central Reexamination Unit director) in a different proceeding.

The following is cited from the '7355 decision to clarify the aforementioned points.

> "A review of the position taken by requester in the ex parte reexamination request clearly shows that the request is predicated on showing that the claims of the '817 patent are based upon a specification that is alleged to be defective under 35 USC 112, first paragraph because the specification allegedly fails to enable the practice of the subject matter claimed in the '817 patent. Although petitioner argues that the reexamination request merely addresses the question of whether the '817 patent is entitled to 35 USC § 120 benefit of the three prior United States patents, ***the request in fact is not***

[30] Exhibit C, a decision in 95/000,089 needs no discussion as it supports the position that if a reexamination is properly ordered, rejections are resolved by resort to appeal, not by way of petition.
[31] Petition at 4, citing Fischell Decision at 4 n. 21.
[32] Petition at 4, citing Fischell Decision at 4-5

> ***directed to the issue of whether the '817 is entitled to a given prima facie date of invention*** for any or all of its claimed subject matter based upon the parent patents ***or is limited to its actual filing date. Instead, the request for reexamination is premised on evidence, and argument based on that evidence, which allegedly demonstrates that the claims of the '817 patent are not enabled by the specification of the '817 patent under 35 USC § 112, first paragraph."*** [33] [Emphasis added]

The decision then addresses the specific evidence provided in support of the request, stating:

> ***"Given the manner in which the reexamination request repeatedly emphasizes that the '817 patent does not enable the claimed invention,*** petitioner's attempt to characterize the request for reexamination as not being based on lack of enablement and failure to meet the written description requirement in the '817 patent itself, because such attack would clearly be "prohibited by the rules", is simply not persuasive. The request quite clearly indicates that the specification of the '817 patent does not enable the claimed invention in the '817, and does not merely argue that the '817 patent is restricted to its actual filing date as the prima facie date for the invention claimed therein." [34] [Emphasis added]

The decision then goes on (as cited by petitioner) to state that, in any event, since the specification of the patent under examination is essentially identical to the parent applications from which it seeks benefit, review of the benefit claim is inappropriate. However, in the interest of addressing all possible contentions, the decision concludes:

> "And even if the reexamination request were somehow perceived as being confined only to the question of whether the parent patent(s) support a particular invention date for the claims of the '817 patent, the evidence presented on that question is not regarded as being of sufficient clarity and detail so as to support a finding that substantial new question of patentability is raised by the request for ex parte reexamination." [35]

As seen by the first two paragraphs reproduced above, in this instance where the bulk of the evidence and argument was directed to the sufficiency of the disclosure of the '817 patent itself, the issue that the requester set forth was outside the realm of reexamination. Under these facts, the Director did not find petitioner's attempt to recharacterize the request as an attack on the right to claim benefit to be credible and thus found that the examiner correctly denied reexamination. Further, one basis for the decision was that the request did not provide enough "clarity and detail" to negate the parent patent(s) support of a particular invention date for the claims of the '817 patent.

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[33] Fischell Decision at 3. Emphasis added.

[34] Fischell Decision at 4. Emphasis added

[35] Fischell Decision at 6.

2. The Gorra Order: Exhibit B - Reexamination Control Number 95/000,108.

Patent owner relies on the examiner's decision denying reexamination of U.S. patent 6,936,104 (the '104 patent) to support the proposition that within a reexamination proceeding, the Office is generally precluded from determining whether an application relied upon for benefit of a priority date supports the claimed invention. [36]

As a preliminary matter, it is worth noting that the "Gorra order" was a determination by an examiner, and therefore does not have binding precedential value. The requester did not challenge the decision.

A request for *inter partes* reexamination of the '104 patent was filed on August 30, 2005. The request put forth the position that the '104 patent contained new matter with respect to the patent from which it claimed benefit under 35 USC 120, and thus was unpatentable based on intervening art published before its filing date.

The examiner issued an order denying the request for reexamination on October 20, 2005. With respect to the issue of the proper effective filing date for the application the examiner noted [37] "... the Requester has failed to provide any specific analysis why a given limitation in a given claim lacks support in the parent. . . . The requester has not provided a discussion of which specific claim in the patent undergoing reexamination contains which specific limitation that is not supported in the parent application."

Thus, unlike the situation in the '183 proceeding, the requester only alleged that the second patent did not qualify as a proper continuation (a finding irrelevant to the question of priority) and did not establish an adequate basis for questioning the granting of the benefit for any claim of the patent for which reexamination was requested.

The section of the examiner's decision relied on by petitioner relied on two other decisions. Specifically, the examiner stated:

> "Both *Patlex Corporation v. Quigg*, 680 F.Supp. 33, 37 (D.D.C. 1988) and Ex parte Hyatt, Appeal No. 98-1912, Reexamination Control No. 90/001,896 (Bd. Pat. Appl. & Inter. 1999, unpublished)[38] appear to stand for the proposition that the Office lacks jurisdiction to "reexamine" the sufficiency of the specification of a parent application (to support patent claims) during the reexamination of a patent that claimed 35 U.S.C. § 120 benefit of that parent application. In a proceeding to reexamine a continuation or divisional patent, the Office is generally precluded from reexamining the 35 U.S.C. § 112, first paragraph, claim support for the 35 U.S.C. § 120 benefit of the parent application, because there is a presumption (in absence of a strong showing to the contrary) that the Office already determined (in the examination of the child application that became the patent) that the child's claims were supported by the disclosure of the parent and the child is a proper continuation or divisional. If the child's claims were not supported by the disclosure of the parent, the Office would presumably have rejected those claims under 35 U.S.C. § 112, first paragraph. Since the Office has

[36] Petition at 4, citing pages 6-7 of the Order Denying Reexamination mailed October 20, 2005, in control no. 90/000,108.

[37] See paragraph 16 on page 8 of the Gorra Order

[38] The correct reexamination control number is '1869 and the correct appeal number is 1998-1913

> presumably already considered the issue and determined that any patent or publication not having a date prior to the effective filing date of the parent is unavailable against the child patent's claims, it may not reconsider the issue in a reexamination proceeding. Criticism of the specification of the parent application as not supporting the child patent claims would generally be precluded for the case of a continuation or divisional child patent. That is the scenario of the Patlex and Hyatt decisions relied upon by the patent owner. "

As will be demonstrated below, each of these decisions presented a fact scenario that negated the existence of a "new" question, and thus neither of these decisions can be relied upon for the proposition that a priority benefit cannot be attacked as part of a reexamination. In addition, there is no presumption that the Office evaluated the benefit claim. **Examiners are instructed not to examine the sufficiency of a 120 benefit claim in the ordinary course of examination.** Pursuant to MPEP 706.02(k) "[t]he claim for 35 U.S.C. 120 benefit will be permitted without examination of the earlier application for disclosure and support of at least one claim of the later filed application under 35 U.S.C. 112, first paragraph unless it becomes necessary to do so, for example, because of an intervening reference."

3. BPAI May 28, 1999 decision in Reexamination Control Number 90/001,869 (*Hyatt*)

The examiner's reliance on *Hyatt* was misplaced. **In *Hyatt*, the Board held [39] that the examiner had already disposed of this issue in the initial prosecution and thus it could not be raised again in reexamination.**

> "The record before us reflects that the examiner in the original prosecution of this patent undergoing reexamination was presented with the question of whether appellant was entitled to the filing date of Hyatt '022. The examiner decided this question in appellant's favor and gave appellant the benefit of the filing date of Hyatt '022. Even though the claims before us are not all identical to the claims considered during the course of the original examination, we think it was improper for the Board[40] to raise the **very same question** which appellant had successfully prosecuted before the original examiner. [41]
>
> ...
>
> "Even the proper grant of a request for reexamination, as is the case here, does not allow the PTO to again raise issues which had already been determined by the original examiner. A patentee should not have to keep winning the same issue over and over every time a reexamination of a patent is granted." [42] [Emphasis added.]

Thus the *Hyatt* decision merely stands for the proposition that one may not revisit, on reexamination, an issue, including a claim benefit issue, that was resolved in the previous examination as to the patent.

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[39] Appeal 98-1913, paper #85 in Reexamination Control No. 90/001,869, Decision date May 28, 1999 at pages 34-36.

[40] This appeal is from a rejection instituted by a panel of the BPAI in a previous appeal in this proceeding which was maintained by the examiner.

[41] *Hyatt* decision at page 35.

[42] *Hyatt* decision at 35-36.

4. *Patlex v. Quigg*, 680 F.Supp. 33 (D.D.C. 1988)

The examiner's reliance on the *Patlex* decision is similarly misplaced. In *Patlex* the issue as stated by the court was [43]

> "whether the Commissioner has jurisdiction, once reexamination has been ordered, to consider on the merits whether a 'great-grandparent' application that contains the same specification as its 'great-grandchild' complies with the requirement of 35 U.S.C. sec. 112 that the specification contain an enabling disclosure ***where the first examiner, at the time the 'great-grandchild' was issued, had found that the 'great-grandparent' contained an enabling disclosure.*** [Emphasis added]

In rendering its decision the court made a specifically finding of fact that the examiner had made a notation on the file that the issue of priority was considered and resolved in applicant's favor.

> "In allowing the claims, the first examiner made the handwritten notation that undue breadth has been considered as well as sufficiency of the disclosure (note 'Reasons for Allowance' attached for co-pending case of applicants).' Office Action of November 21, 1978, Commissioner's Exhibit 1 at page 0140. The 'Reasons for Allowance' incorporated by reference relate to laser amplifiers and conclude that Gould's 1959 specification for laser amplifiers met the enablement requirement. The Court therefore finds that the examiner in the original examination determined enablement as of 1959." [44]

Of particular note is that the court did not summarily dismiss the rejection as should have been the result if a challenge to benefit was absolutely precluded [45] when the patent under reexamination was a continuation (with substantially identical disclosure) as the parent file. Instead, the court reviewed the record on prosecution, finding that the issue had already been addressed during the original prosecution of the patent and was thus not subject to being reintroduced during a reexamination, because the question, although possibly "substantial," did not qualify as a "new" question.

CONCLUSION

1. The petition to vacate-in-part the '183 *inter partes* reexamination proceeding is granted <u>only</u> to the extent that the petition has been considered and entered into the record by

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[43] *Patlex* at 36.

[44] *Id.*

[45] In fact, the court specifically declined to address this question, stating: "The Court wishes to make clear that it is not deciding whether the Commissioner has jurisdiction in a reexamination to inquire into the sufficiency of the specification of a "parent" application where the sufficiency of the "parent" application *vis-a-vis* the claims of the patent being reexamined was not previously determined by the PTO or a court. Resolution of this issue should await a future case." *Patlex* at 37.

way of waiver of 37 CFR 1.939. However, the petition is dismissed as to the requested relief.

2. Jurisdiction over the proceeding is being forwarded to the examiner of record for appropriate action.

3. Telephone inquiries related to this decision should be directed to Pinchus M. Laufer, Legal Advisor, at (571) 272-7726, or in his absence, the undersigned at (571) 272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

12-11-07
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,183	08/24/2007	6182184	38512.5	2395

22852 7590 06/17/2008

FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER LLP
901 NEW YORK AVENUE, NW
WASHINGTON, DC 20001-4413

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 06/17/2008

Please find below and/or attached an Office communication concerning this application or proceeding.

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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
DAVID L. McCOMBS
HAYNES AND BOONE LLP
901 MAIN STREET SUITE 3100
DALLAS, TX 75202

Date:
MAILED

JUN 17 2008

CENTRAL REEXAMINATION UNIT

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. : 95000183
PATENT NO. : 6181284
ART UNIT : 3992

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified ex parte reexamination proceeding (37 CFR 1.550(f)).

Where this copy is supplied after the reply by requester, 37 CFR 1.535, or the time for filing a reply has passed, no submission on behalf of the ex parte reexamination requester will be acknowledged or considered (37 CFR 1.550(g)).

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(For Patent Owner)

MAILED

JUN 17 2008

CENTRAL REEXAMINATION UNIT

David L. McCombs
Haynes and Boone LLP
901 Main Street
Suite 3100
Dallas, TX 75202

(For Third Party Requester)

In re Rambus, Inc.	:
Inter Partes Reexamination Proceeding	: **DECISION**
Control No. 95/000,183	: **DENYING**
Originally Deposited: October 4, 2006	: **PETITION**
Filed: August 22, 2007	:
For: U.S. Patent No. 6,182,184	:

This is a decision on the patent owner petition filed on January 23, 2008 entitled "PETITION FOR RECONSIDERATION OF DECISIONS DISMISSING RAMBUS'S PETITIONS TO VACATE FILING DATES AND ORDERS GRANTING INTER PARTES REEXAMINATION" (hereinafter "request for reconsideration"). Receipt is also acknowledged of a paper filed on February 6, 2008 by third party requester entitled "THIRD PARTY REQUESTER'S PETITION AND OPPOSITION TO RAMBUS'S FIFTH PETITION FILED JANUARY 23, 2008 (hereinafter "renewed opposition").

The January 23, 2008 patent owner request for reconsideration, the February 6, 2008 third party renewed opposition, and *inter partes* reexamination proceeding control number 95/000,183 are before the Office of Patent Legal Administration for consideration.

Summary:

1) The renewed petition is granted to the extent that the "Decision Dismissing Petition" dated November 9, 2007 has been reconsidered as follows:

> The present reconsideration extends only to the patent owner's request for, and arguments directed to, vacatur of the filing date and reexamination Order for *inter partes* reexamination proceeding control number 95/000,183.
>
> Reconsideration of the Decision Dismissing Petition dated November 9, 2007 does not extend to the issue of suspension of *inter partes* reexamination proceeding control number 95/000,183, because no arguments on that issue have been presented by petitioner patent owner.
>
> Reconsideration further does not extend to the December 12, 2007 "Decision Dismissing Petition to Vacate-in-Part the Order Granting Reexamination" which is

also requested in the present patent owner petition. [1] Patent owner may file a separate reconsideration petition directed to the December 12, 2007 Office decision.

2) The renewed petition is denied to the extent of granting the relief requested by patent owner as to vacatur of the filing date and Order granting reexamination for *inter partes* reexamination proceeding control number 95/000,183.

3) The present decision is designated as a final agency action under 5 U.S.C. § 704.

FEES

Petitioner patent owner has remitted the $400.00 petition fee required for the present petition that is necessitated by the fact that petitioner requests suspension of the provisions of 37 CFR 1.939, [2] to permit consideration of the substance of the renewed petition. In addition, the Office will charge a $400.00 fee against Deposit Account No. 08-1394 as authorized by third party requester, to permit consideration of the substance of the renewed opposition through suspension of 37 CFR 1.939.

REVIEW OF FACTS

1. U.S. Patent number 6,182,184 ("the '184 patent") issued to Michael Farmwald *et al* on January 30, 2001, and is assigned to Rambus, Inc.

2. On October 4, 2006, a request for *inter partes* reexamination of the '184 patent was deposited by a third party requester, David L. McCombs, and was assigned control No. 95/000,183 ("the '183 *inter partes* reexamination proceeding").

3. In the request for *inter partes* reexamination, the third party requester identified Samsung Electronics Co., Ltd. as being "the real party in interest," pursuant to 37 CFR 1.915(b) and 35 U.S.C. 311(b). [3]

4. On December 26, 2006, reexamination was ordered for claims 1-29 (*i.e.*, all of the claims) of the '184 patent.

5. On May 15, 2007, patent owner filed a petition requesting that the October 4, 2006 filing date accorded to the request for *inter partes* reexamination of the '184 patent be vacated on the grounds that the request did not properly identify the real party in interest in accordance with the reexamination statute and regulations, or in the alternative, that the proceeding be suspended.

---

[1] Pursuant to 37 CFR 1.4(c), "each distinct subject, inquiry or order must be contained in a separate paper to avoid confusion and delay in answering papers dealing with different subjects." Thus, the present patent owner petition is subject to dismissal. However, in the interest of the statutory mandate for special dispatch in reexamination proceedings, the filing date threshold filing date issue of the October 1, 2007 petition and November 9, 2007 will be addressed in this decision. The issue of the propriety of the order granting reexamination can be addressed as a later date, should patent owner separately request reconsideration as to that issue.

[2] 37 CFR 1.939 precludes filing of any party paper prior to the issuance of the first Office action on the merits of patentability in an *inter partes* reexamination proceeding.

[3] However, note fact numbers 23-26, and Decision, Section I, *infra*.

6. On May 31, 2007, the Office mailed a Notice advising third party requester that third party requester had the right to file an opposition to the May 15, 2007 patent owner petition, and establishing a fifteen (15) day time period for third party requester to do so.

7. On June 14, 2007, third party requester timely filed papers opposing the May 15, 2007 patent owner petition.

8. On July 13, 2007, patent owner filed a petition to vacate the December 26, 2006 Order Granting *Inter Partes* Reexamination.

9. On August 14, 2007, a decision was mailed that vacated the filing date that had been originally accorded to the '183 *inter partes* reexamination proceeding. Therefore, the December 26, 2006 Order Granting *Inter Partes* Reexamination was also vacated due to the vacatur of the filing date of the '183 *inter partes* reexamination proceeding. [4]

10. On August 22, 2007, a redacted version of the original request for *inter partes* reexamination was filed in response to the August 14, 2007 decision that had vacated the originally accorded filing date. The redacted version of the request for *inter partes* reexamination was accorded a filing date of August 22, 2007.

11. The redacted request for *inter partes* reexamination also identified Samsung Electronics Co., Ltd. as the real party in interest. [5]

12. On October 1, 2007, patent owner filed a renewed patent owner petition to vacate or suspend the '183 *inter partes* reexamination proceeding, effectively calling the May 15, 2007 patent owner petition up for action patent owner filed a petition to vacate the filing.

13. On October 12, 2007, third party requester filed an opposition to the October 1, 2007 patent owner paper.

14. On October 19, 2007, reexamination was ordered for claims 1-29, (*i.e.*, all of the claims), based on the August 22, 2007 redacted request for *inter partes* reexamination.

15. On October 29, 2007, patent owner filed a petition to vacate-in-part the '183 *inter partes* reexamination proceeding.

16. On November 9, 2007, a decision dismissing the October 1, 2007 patent owner petition to vacate the filing date or to suspend the proceeding was mailed.

17. On November 13, 2007, the requester filed a renewed petition and opposition to the October 29, 2007 patent owner petition, effectively calling the June 14, 2007 requester opposition petition up for action.

18. On December 12, 2007, a decision dismissing the October 29, 2007 patent owner petition to vacate-in-part was mailed.

19. On January 23, 2008, patent owner filed the present renewed petition.

---

[4] Decision on Petition, August 14, 2007, Summary paragraph bridging pages 1 and 2.
[5] Again, also note fact numbers 23-26, and Decision, Section I , *infra*.

22. On February 6, 2008, third party requester filed the present renewed opposition.

23. On February 22, 2008, the Office issued an Order to Show Cause why the '183 *inter partes* reexamination proceeding should not be terminated in view of certain ambiguities that appear in third party requester's identification of the named real party in interest in the various request papers filed by third party requester described in fact numbers 2 and 10.

24. On March 4, 2008, third party requester filed a response to the February 22, 2008 Order to Show Cause.

25. On March 19, 2008, patent owner filed comments on the March 4, 2008 third party requester response.

26. On April 7, 2008, the Office issued a decision accepting the February 22, 2008 third party requester response to the Order to Show Cause, and accepted the unambiguous identification of Samsung Electronics Co, Ltd. as the real party in interest in the '183 *inter partes* reexamination proceeding for purposes of satisfying, *nunc pro tunc*, the requirements of 37 CFR 1.915(b)(8).

27. The '184 patent is currently involved in a number of litigation proceedings, as indicated in the May 15, 2007 patent owner petition to vacate or suspend, the June 14, 2007 third party requester opposition thereto, and the Notice of Prior and Concurrent Proceedings filed by patent owner concurrently with the January 23, 2008 renewed patent owner petition.

RELEVANT STATUTORY, REGULATORY AND PRACTICE PROVISIONS

35 U.S.C. §§ 311(a) and (b) provide:

> (a) IN GENERAL.— Any third-party requester at any time may file a request for inter partes reexamination by the Office of a patent on the basis of any prior art cited under the provisions of section 301.
> (b) REQUIREMENTS.— The request shall—
> (1) be in writing, include the identity of the real party in interest, and be accompanied by payment of an inter partes reexamination fee established by the Director under section 41; and
> (2) set forth the pertinency and manner of applying cited prior art to every claim for which reexamination is requested.

35 U.S.C. § 315(c) provides:

> CIVIL ACTION.— A third-party requester whose request for an inter partes reexamination results in an order under section 313 is estopped from asserting at a later time, in any civil action arising in whole or in part under section 1338 of title 28, the invalidity of any claim finally determined to be valid and patentable on any ground which the third-party requester raised or could have raised during the inter partes reexamination proceedings. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

35 U.S.C. § 317 provides:

> (a) ORDER FOR REEXAMINATION.— Notwithstanding any provision of this chapter, once an order for inter partes reexamination of a patent has been issued under section 313, neither the third-party requester nor its privies may file a subsequent request for inter partes reexamination of the

patent until an inter partes reexamination certificate is issued and published under section 316, unless authorized by the Director.

(b) FINAL DECISION.– Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party has not sustained its burden of proving the invalidity of any patent claim in suit or if a final decision in an inter partes reexamination proceeding instituted by a third-party requester is favorable to the patentability of any original or proposed amended or new claim of the patent, then neither that party nor its privies may thereafter request an inter partes reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in such civil action or inter partes reexamination proceeding, and an inter partes reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office, notwithstanding any other provision of this chapter. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

37 CFR 1.105 provides:

(a)(1) In the course of examining or treating a matter in a pending or abandoned application filed under 35 U.S.C. 111 or 371 (including a reissue application), in a patent, or in a reexamination proceeding, the examiner or other Office employee may require the submission, from individuals identified under § 1.56(c), or any assignee, of such information as may be reasonably necessary to properly examine or treat the matter, for example:

(i) *Commercial databases*: The existence of any particularly relevant commercial database known to any of the inventors that could be searched for a particular aspect of the invention.

(ii) *Search*: Whether a search of the prior art was made, and if so, what was searched.

(iii)*Related information*: A copy of any non-patent literature, published application, or patent (U.S. or foreign), by any of the inventors, that relates to the claimed invention.

(iv) *Information used to draft application*: A copy of any non-patent literature, published application, or patent (U.S. or foreign) that was used to draft the application.

(v) *Information* used in invention process: A copy of any non-patent literature, published application, or patent (U.S. or foreign) that was used in the invention process, such as by designing around or providing a solution to accomplish an invention result.

(vi) *Improvements*: Where the claimed invention is an improvement, identification of what is being improved.

(vii) *In Use*: Identification of any use of the claimed invention known to any of the inventors at the time the application was filed notwithstanding the date of the use.

(viii) *Technical information* known to applicant.

Technical information known to applicant concerning the related art, the disclosure, the claimed subject matter, other factual information pertinent to patentability, or concerning the accuracy of the examiner's stated interpretation of such items.

(2) Where an assignee has asserted its right to prosecute pursuant to § 3.71(a) of this chapter, matters such as paragraphs (a)(1)(i), (iii), and (vii) of this section may also be applied to such assignee.

(3) Requirements for factual information known to applicant may be presented in any appropriate manner, for example:

(i) A requirement for factual information;

(ii) Interrogatories in the form of specific questions seeking applicant's factual knowledge; or

(iii) Stipulations as to facts with which the applicant may agree or disagree.

(4) Any reply to a requirement for information pursuant to this section that states either that the information required to be submitted is unknown to or is not readily available to the party or parties from which it was requested may be accepted as a complete reply.

(b)The requirement for information of paragraph (a)(1) of this section may be included in an Office action, or sent separately.

(c) A reply, or a failure to reply, to a requirement for information under this section will be governed by §§ 1.135 and 1.136.

37 CFR 1.907 provides:

(a) Once an order to reexamine has been issued under § 1.931, neither the third party requester, nor its privies, may file a subsequent request for *inter partes* reexamination of the patent until an *inter partes* reexamination certificate is issued under § 1.997, unless authorized by the Director.
(b) Once a final decision has been entered against a party in a civil action arising in whole or in part under 28 U.S.C. 1338 that the party has not sustained its burden of proving invalidity of any patent claim-in-suit, then neither that party nor its privies may thereafter request *inter partes* reexamination of any such patent claim on the basis of issues which that party, or its privies, raised or could have raised in such civil action, and an *inter partes* reexamination requested by that party, or its privies, on the basis of such issues may not thereafter be maintained by the Office.
(c) If a final decision in an *inter partes* reexamination proceeding instituted by a third party requester is favorable to patentability of any original, proposed amended, or new claims of the patent, then neither that party nor its privies may thereafter request *inter partes* reexamination of any such patent claims on the basis of issues which that party, or its privies, raised or could have raised in such *inter partes* reexamination proceeding.

37 CFR 1.913 provides:

Except as provided for in § 1.907, any person other than the patent owner or its privies may, at any time during the period of enforceability of a patent which issued from an original application filed in the United States on or after November 29, 1999, file a request for *inter partes* reexamination by the Office of any claim of the patent on the basis of prior art patents or printed publications cited under § 1.501.

37 CFR 1.915(b)(7), (b)(8) and (d) provide:

(b) A request for *inter partes* reexamination must include the following parts:
(7) A certification by the third party requester that the estoppel provisions of § 1.907 do not prohibit the inter partes reexamination.
(8) A statement identifying the real party in interest to the extent necessary for a subsequent person filing an *inter partes* reexamination request to determine whether that person is a privy.

...

(d) If *the inter partes* request does not include the fee for requesting *inter partes* reexamination required by paragraph (a) of this section and meet all the requirements of paragraph (b) of this section, then the person identified as requesting *inter partes* reexamination will be so notified and will generally be given an opportunity to complete the request within a specified time. Failure to comply with the notice will result in the *inter partes* reexamination request not being granted a filing date, and will result in placement of the request in the patent file as a citation if it complies with the requirements of § 1.501.

37 CFR 1.919(a) provides:

(a) The filing date of a request for *inter partes* reexamination is the date on which the request satisfies all the requirements for the request set forth in § 1.915.

MPEP § 2614 provides, in part:

The reexamination request must identify the real party in interest who is responsible for filing the reexamination request. This information will be used by future parties requesting reexamination of the same patent, in making the certifications required by 37 CFR 1.915(b)(8).

PRELIMINARY MATTER

It is noted that the present patent owner petition seeks review of two separate petition decisions that addressed two separately filed petitions in which different forms of relief were requested based upon different issues raised in the separate petitions. The "Decision Dismissing Petition" mailed on November 9, 2007 addressed the relief requested in the October 21, 2007 patent owner petition that was a renewed petition to vacate the filing date of the '183 *inter partes* reexamination proceeding, or in the alternative, to suspend the proceeding. The "Decision Dismissing Petition to Vacate-in-Part the Order Granting Reexamination" mailed on December 12, 2007 addressed the separate patent owner petition, filed on October 29, 2007, which requested that the '183 *inter partes* reexamination proceeding be vacated in part. A review of the two petition decisions shows that the decisions responded to two different and wholly separate issues requiring separate consideration with appropriate, but different, rationales. For example, if the October 1, 2007 petition to vacate had been granted, then the October 29, 2007 petition to vacate the order in part would have been rendered moot. Pursuant to 37 CFR 1.4(c), "each distinct subject, inquiry or order must be contained in a separate paper to avoid confusion and delay in answering papers dealing with different subjects." Thus, the present patent owner petition is subject to dismissal. However, in the interest of furthering the statutory mandate for special dispatch in reexamination proceedings, the threshold filing date issue of the petition vacate or suspend and the November 9, 2007 decision will be addressed in this decision, and the issue as to the merits of the order granting reexamination will be addressed at a later date, should patent owner file a separate reconsideration petition on that issue (i.e., directed to the December 12, 2007 Office decision). Accordingly, the present petition decision will reconsider only the November 9, 2007 petition decision.

DISCUSSION

I. The November 9, 2007 Decision – The Issue of Vacatur of the '183 *Inter Partes* Reexamination Proceeding Filing Date

The November 9, 2007 Office decision dismissed the October 1, 2007 patent owner petition (which called up for action the petition originally filed by patent owner on May 15, 2007) for a number of reasons. Patent owner had argued that because:

(1) Patent owner is the plaintiff in litigation in which the '184 patent has been asserted against a number of defendants; and
(2) The real party in interest identified in the request for reexamination of the '184 patent, "Samsung," [6] is one of those co-defendants; and
(3) Samsung and certain co-defendants have formed a "joint defense group";

the third party requester did not properly identify the real party in interest, given that only Samsung is named as the real party in interest in the '183 *inter partes* reexamination proceeding. Patent owner reasoned that based on the alleged improper identification of the real party in interest, the Office was required to vacate both the filing date of the '183 *inter partes* reexamination proceeding and the order granting *inter partes* reexamination.

The November 9, 2007 Office decision found that patent owner's position was not deemed to be persuasive because:

[6] As determined by the April 7, 2008 Decision, Samsung Electronics, Inc., Ltd. (hereinafter "Samsung").

(A) The mere fact that a given party was a co-defendant of Samsung in the '184 patent litigation, or a member of a "joint defense group" together with Samsung in that litigation, would not necessarily mean that such a party was entitled to direct or control input into the conduct of '183 *inter partes* reexamination proceeding, or had ever done so.

(B) Patent owner failed to provide any factual showing that would support an allegation that any of Samsung's co-defendants in the '184 patent litigation, or who are members of the "joint defense group" in that litigation together with Samsung, actually is in control of, or is directly contributing input into the prosecution of, the '183 *inter partes* reexamination proceeding.

(C) There is no requirement of the reexamination statute that the Office conduct an investigation into the accuracy of the certification made by a third party requester that files a request for reexamination.

(D) Congress has not provided the Office with investigative tools of subpoena powers or discovery, [7] or the ability to conduct hearings to elicit testimony or to conduct cross-examination. Further, Congress has also not provided the Office with authority to impose punitive sanctions for noncompliance with a failure to cooperate in such an inquiry.

(E) Investigative evidentiary tools and the ability to impose sanctions are available to the courts.

(F) There is precedent showing that the courts have the ability to rule on the issue of "real party in interest" in matters ranging from diversity or amount of suit [8] to matters in which the principle is applied to prevent multiple or conflicting lawsuits by persons such as assignees. [9]

(F) Patent owner did not explain why patent owner had not approached the District Court for relief as, for example by investigation into the matter and issuing an appropriate order.

(G) The identification by third party requester is deemed to be adequate for purposes of 37 CFR 1.915(b)(8), because a subsequent party wishing to file an *inter partes* reexamination request for the '184 patent, or who may be subject to estoppels resulting from the present *inter partes* reexamination proceeding, would be able to determine for itself whether any relationship with *Samsung* would bar the *inter partes* reexamination request or trigger statutory estoppel.

(H) Pursuant to 37 CFR 10.18(b), the Office relies on factual assertions made before the Office as being true. [10]

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[7] While 35 U.S.C. §§ 23 and 24 do authorize the Office to establish rules for taking affidavits and depositions required in cases in the Office, no such rules have been established with respect to taking affidavits or depositions with respect to reexamination proceedings, or with respect to parties not before the Office in a given proceeding whose compliance cannot be compelled by the Office. Further, these provisions do not appear to be directed to conducting discovery in a proceeding before the Office, such as a reexamination proceeding.

[8] *Varlotta Construction Corporation v. Carla Development Corporation*, 886 F. Supp 315 (E.D.N.Y. 1995)

[9] *First Hartford Corporation Pension Plan & Trust v. United States*, 194 F.3d 1279 (Fed. Cir. 1999)

[10] As discussed further with respect to the present petition for reconsideration, *infra*, the ability of the Office to require a party to a matter before the Office to address ambiguities or inaccuracies in a factual assertion made by that party to resolve the ambiguity is a wholly different matter from the Office having the statutory authority or the evidentiary tools to conduct an investigation regarding parties not before the Office based upon mere allegations that such an investigation is desired by a party before the Office.

II. Patent Owner is Not Entitled to Vacatur of the Filing Date

Patent owner has renewed its argument that the Office has the ability to investigate the accuracy of the identification of the real party in interest in an *inter partes* reexamination proceeding, and has the duty to investigate the accuracy of the identification of the real party in interest in the '183 *inter partes* reexamination proceeding. All of patent owner's arguments have been carefully considered. However, for the reasons that follow, patent owner's arguments are not persuasive that patent owner is entitled to the requested relief of vacatur of the filing date and the resultant vacatur of the order granting *inter partes* reexamination in the '183 *inter partes* reexamination proceeding.

A. When the Identification of the Real Party in Interest Is Not Facially Inaccurate Or Ambiguous, the Office Lacks the Authority and the Tools to Question That Identification

The arguments presented in the patent owner petition for reconsideration fail to establish that the Office has either the authority to question the accuracy of a third party requester's facially accurate and unambiguous identification of the real party in interest in an *inter partes* reexamination proceeding, or the tools to competently conduct an investigation of the matter.

Patent owner's argument that the Office has the ability to investigate the accuracy of the identification of the real party in interest in an *inter partes* reexamination proceeding is based upon drawing an analogy between the requirement of 37 CFR 1.915(b)(8) that the request for reexamination identify the real party in interest and the requirement of 37 CFR 1.915(b)(7) that the request for reexamination include a statement certifying the filing of the request is not barred by 37 CFR 1.907. [11] Patent owner begins by pointing out that the legislative history of 35 U.S.C § 311(b) shows that Congress enacted the requirement for identification of the real party in interest in order to prevent harassment of the patent owner. [12] Patent owner then alleges that the Office has the stated in the *inter partes* reexamination rulemaking that it has the authority to investigate the accuracy of a third party requester's certification under 37 CFR 1.915(b)(7) (*i.e.*, that the estoppel provisions of 37 CFR 1.907 do not preclude the filing of the request for **inter partes** reexamination). [13] Patent owner then states the Office's November 9, 2007 Decision on Petition to have taken the position that the Office does not have the ability or authority to investigate the accuracy and identification of the real party in interest. Patent owner opines that these positions are inconsistent. Patent owner argues that the Office must take consistent positions, and therefore, patent owner concludes that the Office has the authority and the tools to investigate allegations of requester misidentification of the real party in interest in the same manner that it would investigate the accuracy of a requester's 37 CFR 1.915(b)(7) certification statement. Patent owner concludes the Office has must conduct such an investigation in the '183 *inter partes* reexamination proceeding, that as a result of such investigation the Office will find that the real party in interest has not been properly identified, and that the Office should thereafter vacate both the filing date of the '183 *inter partes* reexamination proceeding, and the Order granting reexamination.

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[11] The estoppel provisions of 37 CFR 1.907 incorporate the estoppel provisions established by 35 U.S.C. §§ 315(c) and 317. These provisions will be referred to collectively as "statutory estoppel."

[12] Intellectual Property and Communications Omnibus Reform Act of 199, H.R. Conf. Rep. 10-464, 1999 WL 1095089, *133.

[13] See: MPEP § 2612; see also 65 Fed. Reg. 76756 at pages 76759 and 76764 (stating that "where a challenge to the accuracy of the certification is raised by the patent, that the question would then need to be addressed.")

Patent owner's argument is not, however, persuasive, because it does not reflect the intent or plain language of the provisions of 37 CFR 1.915(b)(7) and (b)(8).

A certification statement made pursuant to 37 CFR 1.915(b)(7) is a statement by the third party requester to the effect that the third party requester is not itself estopped by the statutory estoppel provisions from filing a request for *inter partes* reexamination of a given patent. The *inter partes* rulemaking at 65 Fed. Reg. 76756, 76759 (Dec. 7, 2000), provides that:

> "It should be noted that the Office generally will not have a need to resolve the factual issue of whether or not one party is a privy of another party. Section 1.915(b)(7) requires a third party requester to certify that the estoppel provisions of §1.907 do not prohibit the filing of the inter partes reexamination request, and the Office does not intend to look beyond this required certification. It is only in the rare instance where a challenge to the accuracy of the certification is raised by the patent owner, that the question would then need to be addressed."

A substantially identical statement also appears at MPEP § 2612. These statements establish that the Office will, in the rare instance that it is necessary to do so, "address" the issue of the accuracy of a certification that statutory estoppel does not bar the filing of a request for *inter partes* reexamination. However, the rulemaking does not, in any way, discuss the type or depth of investigation that can and will be undertaken, and, more importantly, does not anywhere state or imply that an investigation can or will be undertaken by the Office. Rather, it is the duty of the party moving in favor of vacating a reexamination proceeding to provide the facts of any investigation establishing its position, including what it has obtained by resort to the courts' investigative power. It is nowhere in the statue, rules, or Office procedural guidelines stated or indicated that a patent owner may trigger an investigation of the accuracy of the certification merely by advancing an unsupported allegation that the third party requester is estopped from filing a request for *inter partes* reexamination.

While the Office would clearly query an ambiguous or facially inaccurate 37 CFR 1.915(b)(7) certification statement, such a query is based on an ambiguity or inaccuracy provided by the record of the proceeding. A third party making such a statement for the record is a party appearing before the Office. Therefore, a third party requester may appropriately be asked by the Office to clarify or support a 37 CFR 1.915(b)(7) certification statement that is ambiguous or facially inaccurate on the record. In such a case, the third party requester would be called upon to respond based on facts wholly within its knowledge and possession. The Office would be able to obtain information from the patent owner and the third party requester, and would have no need to try to obtain information from parties not before the Office in the *inter partes* reexamination. Similarly, where the identification of the real party in interest required by 37 CFR 1.915(b)(8) is ambiguous or facially inaccurate, a third party requester that is before the Office can be queried by the Office. In fact, the record in the present '183 *inter partes* reexamination proceeding shows that the third party requester was required to clarify its identification of the real party in interest, because the identification was facially ambiguous on the record. Third party requester promptly clarified the ambiguity; accordingly, the present record in the '183 *inter partes* reexamination proceeding is not ambiguous as to the identification of the real party in interest.

Patent owner additionally relies on the decisions in *Lacavera v. Dudas*, 441 F.3d 1380, 1382 (Fed. Cir. 2006); *Stevens v. Tamai*, 366 F.3d 1325, 1333 (Fed. Cir. 2004; and *In re Bogese*, 303 F.3d 1362, 1368 (Fed. Cir. 2002) as authority for the proposition that the Office can for

conduct an investigation to determine the accuracy of a third party requester's identification of the real party in interest in an *inter partes* reexamination proceeding.

In the *Lacavera* decision, the court discussed the authority of the Office to regulate attorney practice before it pursuant to 35 U.S.C. § 2(b)(2)(D). The *Stevens* case involved an interference proceeding, and the court's decision in *Stevens* cited 35 U.S.C. § 2(b)(2)(A) as giving the Office authority to establish rules not inconsistent with law to govern the conduct of proceedings in the Office. The *Bogese* case concerned the authority of the Office to reject claims in a patent application based upon laches arising from unreasonable and unexplained delay in prosecution, notwithstanding that the applicant complied with pertinent statutes and rules. None of these decisions have been found to be relevant to the authority of the Office to conduct an investigation into the identity of a real party in interest, as to whether other parties are involved (included). Rather, the cases involve circumstances in which the patent statute provides authority for the Office to promulgate regulations not inconsistent with law that will govern the conduct of proceedings in the Office, as well as the recognition and conduct of parties before the Office (including practitioners, applicants and other parties).

Patent owner fails to point to any established regulation that would provide a mechanism for conducting an investigation of the sort patent owner envisions, other than 37 CFR 1.105. Although patent owner opines that the Office can conduct an investigation into a third party requester's identification of the real party in interest in a request for *inter partes* reexamination, and require information from a third party requester under the provisions of 37 CFR 1.105, patent owner is simply mistaken. 37 CFR 1.105 was promulgated pursuant to 35 U.S.C. §§ 131 and 132 - statutes that relate to the examination of applications and the conduct of reexamination proceedings as to patentability. The regulation was promulgated for the purpose of requiring submission of information material to patentability from persons having a duty under 37 CFR 1.56 to disclose information to the Office that is material to patentability. [14] 37 CFR 1.105 has no applicability to requesting information from a third party requester regarding that requester's identification of the real party in interest in an *inter partes* reexamination proceeding, which would require investigation into activity by parties not party to the proceeding before the Office. The identification of the real party in interest has no relationship to the duty to disclose information that is material to patentability that applies to an applicant for patent and to a patent owner (and other 37 CFR 1.56(c) parties) in a reexamination proceeding. [15] Further, patent owner has not adequately explained the basis under which the Office would proceed to require a third party requester to supply information regarding the identity of the real party in interest, or to conduct an investigation into the identity of the real party in interest, given that there is no ambiguity or facial inaccuracy in the third party requester's identification of the real party in interest. And, to the extent that it would be necessary to obtain information from a party who is alleged to be an undisclosed real party in interest in an *inter partes* reexamination proceeding, patent owner has not explained how 37 CFR 1.105 could be applied to a party who is not before the Office in that proceeding.

Rather than the Office conducting an investigation based on a raw allegation that a patent believes an identification of the real party in interest to be facially inaccurate, the courts are the appropriate venue in which the patent owner should seek relief in the form of an

[14] 65 Fed. Reg. 54604, 54633, (Sept. 8, 2000.)

[15] See 37 CFR 1.933, which refers back to 37 CFR 1.555, which in turn, references 37 CFR 1.105. These regulations do not create a duty to disclose information material to patentability, (or any duty of disclosure), that attaches to a reexamination third party requester.

investigation. [16] (This point is especially relevant here, where the identification appears to be unambiguous on the record, and it is patent owner that is alleging an inaccuracy.) It is to be noted that there is precedent on the issue of "real party in interest" in the federal courts, on matters ranging from jurisdiction (*e.g.*, presence of diversity or amount of suit) to actions in which the principle is applied to prevent multiple or conflicting lawsuits by persons such as assignees (*e.g.*, assignee estoppel or *res judicata*). [17] Where such precedent requires a party whose disclosure has been challenged to provide support for the disclosure, the examples of court proceedings resolving "real party in interest" issues demonstrate the reason why the Office cannot perform such a function here. Upon obtaining jurisdiction over the parties, courts may order discovery, take testimony and employ other evidentiary tools (*e.g.*, subpoena power and sanctions). Accordingly, the courts are the forums best equipped to determine who is, and who is not, the "real party in interest" when a party has a doubt as to the third party requester's identification of a party or parties as being the real party in interest in an *inter partes* reexamination proceeding. Further, courts may provide relief with respect to patents, as appropriate, by enjoining the filing of a further *inter partes* reexamination request by the other parties in a civil action, or as to the filing of subsequent civil action. Even if an *inter partes* reexamination request is filed by one of the other parties in the civil action who is barred from requesting *inter partes* reexamination by statutory estoppel, a court could always enjoin participation by that requester in the proceeding and essentially turn the proceeding into an *ex parte* reexamination proceeding, the filing of which does not require identification of "a real party in interest" (35 U.S.C §§ 301 and 302), and is not prohibited by statute or rule, even after an *inter partes* reexamination has been filed by the same real party in interest. [18]

A patent owner concerned with the issue of misidentification of the real party in interest in a request for *inter partes* reexamination may immediately seek relief from the alleged erroneous identification of the "real party in interest" via the courts, which possess the tools to investigate and obtain information as to the relationship of the parties to ascertain the veracity of the identified "real party in interest." The present petition is silent as to why patent owner did not approach the appropriate District Court for relief (*e.g.*, an investigation into the matter and an appropriate order). Given the emphasis that petitioner patent owner has placed on the importance of the "real party in interest" disclosure requirement, it would appear that patent owner could have immediately sought relief in the appropriate court regarding the identity of the real party in interest. The record does not show that patent owner has done so. Patent owner's argument that it is the Office, not a

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[16] See: *In re Epstein*, 32 F.3d 1559, 31 USPQ2d 1817 (Fed. Cir. 1994), where the court took note of party's availability of the court's investigative powers, to address the absence of same to the Office.

> "During ex parte PTO examination, applicants are free to investigate hearsay assertions relied upon by an examiner during the three to six month period available to respond to an office action. They also have the right to introduce rebuttal evidence under 37 C.F.R. Section 1.132 (1993). Moreover, if applicants wish to cross-examine the authors of written hearsay assertions, under 35 U.S.C. Section 145 (1988) they may bring a civil action in the United States District Court for the District of Columbia seeking adjudication that they are entitled to receive a patent. In such an action, testimony could be compelled by subpoena under Federal Civil Procedure Rule 45. See Gould v. Quigg, 822 F.2d 1074, 1076, 3 USPQ2d 1302, 1303 (Fed. Cir. 1987) ("While the evidentiary record before the Board serves as the 'evidentiary nucleus' of the district court proceeding in a section 145 action, the parties are entitled to submit additional evidence."). [32 F.3d at 1565, 31 USPQ2d at 1821]

[17] See, for example: *Varlotta Construction Corporation v. Carla Development Corporation*, 886 F. Supp 315 (E.D.N.Y. 1995) (presence of diversity or amount of suit); *First Hartford Corporation Pension Plan & Trust v. United States*, 194 F.3d 1279 (Fed. Cir. 1999) (application of the principle of "real party in interest" applied to prevent multiple or conflicting lawsuits by persons such as assignees.

[18] If the court makes a finding that the "real party in interest" was misstated, the Office can then take action, if appropriate, based upon the court's findings.

district court, "that administers the patent statute," is wholly unpersuasive. The Office may consider that it is "the sole agency that administers the patent statute," [19] in conducting the *inter partes* proceeding. However, it is common knowledge that the federal courts (which are not an agency in the sense used in the *inter partes* reexamination rulemaking) routinely adjudicate matters arising under the patent statute. Further, patent owner should appreciate the difference between conducting a reexamination proceeding, which is the provenance of the Office, and enforcing an estoppel provision of Federal law as a matter of equitable relief. Patent owner has not provided any basis for believing that the district courts lack authority to act as described above.

B. The Office Has No Duty To Investigate The Identity Of The Real Party In Interest In The '183 *Inter Partes* Reexamination Proceeding

(1) Patent Owner Does Not Allege A Present Injury

The reexamination statute requires, *inter alia*, that a request for *inter partes* reexamination proceeding "shall ... include the identity of the real party in interest ... ." [20] The *inter partes* reexamination rules require that a request for *inter partes* reexamination include, *inter alia*, "[A] statement identifying the real party in interest to the extent necessary for a subsequent person filing an *inter partes* reexamination request to determine whether that person is a privy." [21] Neither the *inter partes* reexamination statute nor the *inter partes* reexamination rules imposes a duty on the Office to investigate the accuracy of an unambiguous identification of the real party in interest in a third party requester's request for *inter partes* reexamination proceeding and the identification is not facially inaccurate.

In the present '183 *inter partes* reexamination proceeding, the real party in interest is unambiguously identified in the current record. [22] The identification of the real party is not found to be facially inaccurate. The Office will refuse to accord a filing date to a request for *inter partes* reexamination that does not identify the real party in interest, or which provides an identification of the real party in interest that is ambiguous or facially inaccurate. If the Office accords a filing date to a request for *inter partes* reexamination, and later discovers an ambiguity or a facial inaccuracy in the identification of the real party in interest, the Office can, and will, require that a party appearing before it as third party requester in an *inter partes* reexamination proceeding clarify the ambiguity or facial inaccuracy. [23] However, it does not follow that the Office is empowered to conduct an investigation into the identity of the real party in interest when the statement identifying the real in interest in the record of an *inter partes* reexamination proceeding is neither facially inaccurate nor ambiguous. The Office will not conduct an investigation into the accuracy of the identification of the real party interest in the '183 *inter partes* reexamination proceeding, because there is no established reason to do so.

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[19] 65 Fed. Reg. 76756, 76759 (Dec. 7, 2000), emphasis added.
[20] 35 U.S.C. § 311(b)(1).
[21] 37 CFR 1.915(b)(8).
[22] It is to be noted that although the identification of the real party in interest was ambiguous in the various requests for reexamination filed by the third party requester in the '183 *inter partes* reexamination proceeding, such ambiguity has been resolved and a decision so stating was issued on April 7, 2008. The present identification of Samsung Electronics Inc., Ltd. as the real party in interest applies to this proceeding *nunc pro tunc*, and will allow any subsequent party to draw the necessary conclusions for purposes of 37 CFR 1.907 and statutory estoppel in *inter partes* reexamination.
[23] In fact, the Office has required third party requester to clarify an ambiguous identification of the real party in interest in the present '183 *inter partes* reexamination proceeding, and third party requester has done so.

Further, it is also to be noted that in the present '183 *inter partes* reexamination proceeding, patent owner is requesting relief based upon an injury that has not yet occurred. Patent owner does not allege that the named real party in interest is itself estopped from filing and participating in the '183 *inter partes* reexamination proceeding. Rather, patent owner's concern is that patent owner might be harassed by the filing of a subsequent request for *inter partes* reexamination of the '184 patent by a party that should have been identified as a real party in interest in the '183 *inter partes* reexamination proceeding, but was not so identified. Such a party, as a real party in interest in the '183 *inter partes* reexamination proceeding, would (if one existed) be subject to a statutory estoppel that would preclude the filing of such a request by that third party requester. While a patent owner is entitled to be protected from harassment by the filing of a subsequent request for *inter partes* reexamination of the '184 patent by a party who is estopped from filing such a request, the record simply does not show that such a circumstance presently exists in the '183 *inter partes* reexamination proceeding. No additional requests for *inter partes* reexamination of the '184 patent have been filed, so clearly there is presently no cause for concern that a misidentification of the real party in interest has permitted a party subject to statutory estoppel to file an additional request for *inter partes* reexamination of the '184 patent. Accordingly, there is presently no basis for granting the relief requested by patent owner in the present '183 *inter partes* reexamination proceeding, since patent owner cannot, at this point, have been injured by the filing of another request for *inter partes* reexamination for the '184 patent that would be barred by statutory estoppel.

(2) Patent Owner Has Presented No Evidence That The Real Party in Interest Has Not Been Properly Identified

A further reason why the Office will not conduct an investigation into the identity of the real party in interest in the '183 *inter partes* reexamination proceeding is that patent owner has not presented any factual basis that would establish that the third party requester's identification of the real party in interest is inaccurate or ambiguous. Rather, patent owner relies solely on the fact that third party requester is one of a number of co-defendants in litigation directed to the '184 patent and that certain co-defendants have formed a "joint defense group," of which the identified real party in interest is a member, as providing the reason why the Office must investigate the accuracy of the identification of the real party in interest in the request for reexamination of the '184 patent. However, patent owner *has not provided any factual showing* that would suggest that one or more of members of the "joint defense group" has, in fact: (a) participated in the filing of the request for reexamination of the '184 patent any way or was involved in the decision to file, or (b) in any way participated in the prosecution of the resulting '183 *inter partes* reexamination proceeding or was involved in the decision as to prosecution. Assuming, *arguendo*, that (1) the Office has authority to conduct an investigation and to require that third party requester provide information in the form of documents, or answers to interrogatories, requiring information, and (2) that patent owner believed that it had been injured due to the filing of another request for *inter partes* reexamination of the '184 patent by a party subject to statutory estoppel, patent owner still has not provided the Office with any evidentiary basis to justify conducting an investigation into the accuracy of a third party requester's identification of the real party in interest in the '183 *inter partes* reexamination proceeding. Patent owner's belief that one or more unnamed entities are also real parties in interest is not evidence. The Office will not act on mere beliefs, any more than a court would act on allegations that are not supported by facts. The record in the '183 *inter partes* reexamination proceeding shows that third party requester has unambiguously identified the real party in interest in the

request. The record does not show that Office has been provided with any concrete evidence suggesting reason to doubt the accuracy of requester's identification of the real party in interest. On the present record, the Office can only conclude that further inquiry by the Office directed to the third party requester regarding the identity of the real party in interest would merely result in third party requester confirming that that "Samsung Electric Co, Limited" is the real party in interest, as third party requester has previously stated. Note is taken that such a statement by a party appearing before the Office is a certification that such statement is believed to be true. [24] The record in the '183 *inter partes* reexamination proceeding provides no basis for the Office to doubt the statement, and accordingly, provides no basis to investigate the accuracy of that statement.

III. Suspension of the '183 *Inter Partes* Reexamination Proceeding

It does not appear that petitioner patent owner has requested reconsideration of the refusal to suspend the '183 *inter partes* reexamination proceeding. It appears, therefore, that petitioner patent owner has chosen to abandon its prior petition for suspension. Accordingly, no further decision on that issue is necessary.

IV. Synopsis

Patent owner has filed a petition paper on January 23, 2008, requesting reconsideration of the petition decisions dated November 9, 2007 and December 12, 2007. This decision treats the request for reconsideration only to the extent that November 9, 2007 decision has been reconsidered, and only to the extent that reconsideration was requested as to the refusal to vacate the filing date of the '183 *inter partes* reexamination proceeding and the refusal to vacate the Order granting *inter partes* reexamination. [25] Patent owner has not demonstrated that the Office has the authority or the procedural tools to conduct an investigation into the otherwise facially unambiguous and facially accurate identification of the real party in interest in this *inter partes* reexamination proceeding. Also, patent owner has not demonstrated any present injury in the '183 *inter partes* reexamination that would warrant the requested relief. Even further, patent owner has not provided any evidence showing that the present identification of the real party in interest in the '183 *inter partes* reexamination is in any way facially ambiguous or facially inaccurate. Accordingly, patent owner has not demonstrated any basis for the requested relief of vacatur of the filing date of the '183 *inter partes* reexamination proceeding and the Order granting reexamination. On the other hand, requester has unequivocally stated that Samsung ("Samsung Electric Co, Limited") is the only real party in interest for the present proceeding, and pursuant to 37 CFR 10.18(b), the Office relies on factual assertions made before the Office as being true. Therefore, the requested relief is denied, and this decision is being designated as a final agency action within the meaning of 5 U.S.C. § 704.

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[24] 37 CFR 10.18(b)

[25] Patent owner has elected not to request reconsideration of the November 9, 2007 petition decision with respect to the refusal to suspend the '183 *inter partes* reexamination proceeding. The relief requested in the December 12, 2007 petition will be addressed in a separate petition decision.

ADDITIONAL DISCUSSION

As this decision is designated as a final agency action under 5 U.S.C. § 704, patent owner is advised that to the extent that patent owner may disagree with the disposition of the issues in this decision, those issues are now ripe for judicial review. Any further patent owner petition paper directed to the issues decided herein, will not be considered unless accompanied by a strong showing of additional facts warranting further review by the Office. The filing by patent owner of a petition paper directed the issues decided herein, that does not include such showing may be construed as being a paper interposed for purposes of delay.

CONCLUSION

1. The January 23, 2008 petition to vacate '183 *inter partes* reexamination proceeding is granted only to the extent that the petition requested vacatur of the filing date and the Order granting reexamination has been considered and entered into the record by way of waiver of 37 CFR 1.939.

2. The January 23, 2008 petition is denied as to the requested vacatur of the filing date of, and the Order granting reexamination in, the '183 *inter partes* reexamination proceeding.

3. The reconsideration given in this decision does not extend to the December 12, 2007 "Decision Dismissing Petition to Vacate-in-Part the Order Granting Reexamination" which is also requested in the present patent owner petition. Patent owner may file a separate reconsideration petition directed to the December 12, 2007 Office decision.

4. This decision is a final agency action within the meaning of 5 U.S.C. § 704.

5. Telephone inquiries related to this decision should be directed to Stephen Marcus, Senior Legal Advisor, at (571) 272-7743, or in his absence, the undersigned at (571) 272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

sm
June 16, 2008

UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,183	08/24/2007	6182184	38512.5	2395

22852 7590 07/31/2008

FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER LLP
901 NEW YORK AVENUE, NW
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EXAMINER

ART UNIT	PAPER NUMBER

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(For Patent Owner)

David L. McCombs, Esq.
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Dallas, TX 75202-3789

(For Requester)

MAILED

JUL 31 2008

CENTRAL REEXAMINATION UNIT

In re Farmweld et al.
Reexamination Proceeding
Control No.: 95/000,183
Filed: August 24, 2007
For: U.S. Patent No. 6,182,184

: DECISION GRANTING
: PETITION UNDER
: 37 CFR § 1.183

This is a decision on the May 13, 2008 patent owner petition entitled "PETITION TO WAIVE 37 CFR § 1.98(a) (2) AND ENTER INTO THE FILE DOCUMENTS FROM CO-PENDING REEXAMINATION PROCEEDING," being treated under 37 CFR 1.183. The petition requests waiver of the formal submission requirements of 37 CFR 1.555 and 1.98(a), for entry into the record of reexamination proceeding control No. 95/000,183 - the foreign and non-patent literature documents that were previously submitted in a copending reexamination proceeding.

The petition is before the Office of Patent Legal Administration of the United States Patent and Trademark Office for decision.

The petition is granted.

REVIEW OF FACTS

1. U.S. Patent No. 6,182,184 (the '184 patent) issued on January 30, 2001.

2. U.S. Patent Nos. 6,452,863 (the '863 patent) issued on September 17, 2002.

3. The '184 patent and the '863 patent are related patent application filings, which both ultimately claim benefit to US application 07/510,898, filed April 18, 1990, now abandoned.

4. A request for reexamination of the '863 patent was filed on June 28, 2007. The request was assigned control No. 95/000,250 (the '250 reexamination proceeding).

5. A request for reexamination of the '184 patent was filed on August 24, 2007. The request was assigned control No. 95/000,183 (the '183 reexamination proceeding).

6. Reexamination was ordered for the '250 proceeding on September 5, 2007.

7. Reexamination was ordered for the '183 proceeding on October 19, 2007.

8. On February 22, 2008, patent owner filed an IDS under 37 CFR 1.555, 1.97 and 1.98 in the '250 proceeding.

9. On May 13, 2008, patent owner filed in the '183 proceeding - a document entitled "Information Disclosure Statement" that is identical to the document of the same title filed on February 22, 2008 in the '250 proceeding. Office records fail to reveal, however, that copies of the references listed in the May 13, 2008 document entitled "Information Disclosure Statement"were received by the Office in the '183 proceeding.

10. Concurrent with the May 13, 2008 submission in the '183 proceeding, the patent owner filed the instant petition under 1.183 requesting waiver of the formal submission requirements of 37 CFR 1.555 and 1.98(a), and requesting entry into the record of reexamination proceeding control no. 95/000,183 - the foreign and non-patent literature documents that were previously submitted in a copending reexamination proceeding.

DECISION

37 CFR 1.555(a) states (in part):

> . . . .
> Any information disclosure statement must be filed with the items listed in § 1.98(a) as applied to individuals associated with the patent owner in a reexamination proceeding, and should be filed within two months of the date of the order for reexamination, or as soon thereafter as possible.

37 CFR 1.98 states (in part):

> (a) Any information disclosure statement filed under § 1.97 shall include the items listed in paragraphs (a) (1), (a) (2) and (a) (3) of this section.
> . . . .
> (2) A legible copy of:
> (i) Each foreign patent;
> (ii) Each publication or that portion which caused it to be listed, other than U.S. patents and U.S. patent application publications unless required by the Office;
> (iii) For each cited pending unpublished U.S. application, the application specification including the claims, and any drawing of the application, or that portion of the application which caused it to be listed including any claims directed to that portion; and
> (iv) All other information or that portion which caused it to be listed.
> . . . .

37 CFR 1.555 requires that information material to patentability must be filed in accordance with 37 CFR 1.98(a). 37 CFR 1.98(a) requires that copies of certain

types of references must be provided in each application for which applicant files an information disclosure statement. Copies of the Information Disclosure Statement references were not appropriately provided in this proceeding; accordingly, patent owner has requested waiver of the rules to permit transfer of scanned-in references of a related reexamination proceeding (such references submitted for an identical document entitled "information disclosure statement" from the related reexamination proceeding to the present proceeding. The scanning of a single submission of references and subsequent electronic transfer of the same scanned references in an identical document entitled "information disclosure statement" from a related reexamination proceeding eases the burden of handling the references for the Office, as well as the patent owner, without prejudice to the third party requesters. Accordingly, the petition is granted.

The grant of this petition is based upon the individual facts and circumstances of these proceedings. Furthermore, the grant of this petition is not an acknowledgement that patent owner's May 13, 2008 submission complies with all other requirements of the relevant rules. The examiner of record will make such a determination, in light of the waiver of the formal submission requirements of 37 CFR 1.555 and 1.98 granted by this decision.

A petition fee of $400.00 under 37 CFR 1.17(f) has been received and processed by the Office.

ADDITIONAL DISCUSSION

Petitioner asserts that a granting of a waiver of the "copy requirement" is supported by the granting of a similar petition in another reexamination proceeding.[1] However, that decision expressly states that EFS-Web is now available for reexamination filings thus minimizing the need for such a request for relief. The Office (via the Electronic Business Center) released a notice in the summer of 2007 stating that EFS-Web version 1.1.4 is designed to receive papers for reexamination proceedings.[2] Also, in December 2007 the Office issued a legal notice stating that EFS-Web was available for both initial and ***follow-on*** papers in reexamination proceedings.[3] Accordingly, petitioner now has multiple instances of both constructive and actual notice that e-filing of initial and follow on papers is available in reexamination proceedings. Any subsequent submission of a document entitled "information disclosure statement" filed with a petition requesting a waiver of the "copy requirement," absent a showing of ***extraordinary*** circumstances significantly above and beyond the mere convenience rationale set forth in the present instance, will not receive favorable consideration. The Office has provided a readily usable alternative for the submission of documents that minimizes the burden of document handling for all parties, EFS-Web, but only if utilized. Therefore, petitioner, having been placed on notice is

[1] Petitioner discusses a petition decision issued on April 17, 2008 in reexamination proceeding 95/001,013.
[2] See http://www.uspto.gov/ebc/portal/efs/efs_web_114_v13.pdf
[3] Memorandum signed by John J. Love, Deputy Commissioner for Patent Examination Policy, Legal Framework for EFS-Web page 10, § XXII (Signed November 29, 2007) at http://www.uspto.gov/ebc/portal/efs/legalframework.pdf

cautioned to utilize EFS-Web in filing large duplicative submissions in multiple Office proceedings, in order to minimize those burdens and not cause unnecessary expenditure of the Office's limited resources.

CONCLUSION

1. The petition under 37 CFR 1.183 for waiver of the requirements of 37 CFR 1.555 and 1.98 is granted.

2. Patent owner and counsel have been placed on notice to utilize EFS-Web in future filings of large duplicative submissions in multiple Office proceedings.

3. Jurisdiction over this proceeding is returned to the Central Reexamination Unit for transfer of the references from the copending reexamination proceeding to the '183 proceeding, and then to the examiner to await any response to the July 3, 2008 non-final Office action.

4. Telephone inquiries with regard to this decision should be directed to Joseph F. Weiss, Jr., Office of Patent Legal Administration, at (571) 272-7759.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration
Office of the Deputy Commissioner
for Patent Examining Policy

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,183	08/24/2007	6182184	38512.5	2395

22852 7590 03/06/2009

FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER LLP
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WASHINGTON, DC 20001-4413

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 03/06/2009

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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS

DAVID L. McCOMBS
HAYNES AND BOONE LLP
901 MAIN STREET SUITE 3100
DALLAS, TX 75202

Date:

MAILED

MAR 06 2009

CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester
Inter Partes Reexamination

REEXAMINATION CONTROL NO. : 95000183
PATENT NO. : 6181284
TECHNOLOGY CENTER : 3999
ART UNIT : 3992

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified Reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the inter partes reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an ex parte reexamination has been merged with the inter partes reexamination, no responsive submission by any ex parte third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the Central Reexamination Unit at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/001,112	11/17/2008	6,182,184	8963.002.184	6635

22852 7590 03/06/2009

FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER LLP
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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 03/06/2009

Please find below and/or attached an Office communication concerning this application or proceeding.

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HOUSTON, TX 77002

Date:

MAILED

MAR 06 2009

CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester
Inter Partes Reexamination

REEXAMINATION CONTROL NO. : 95001112
PATENT NO. : 6181284
TECHNOLOGY CENTER : 3999
ART UNIT : 3992

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified Reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the inter partes reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

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MAR 06 2009

CENTRAL REEXAMINATION UNIT

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In re Farmwald et al.
Inter partes Reexamination Proceeding
Control No.: 95/000,183
Filed: August 24, 2007
For: U.S. Patent No. 6,182,184

In re Farmwald et al.
Inter partes Reexamination Proceeding
Control No. 95/001,112
Filed: November 17, 2008
For: U.S. Patent No. 6,182,184

DECISION, *SUA SPONTE*, TO MERGE REEXAMINATION PROCEEDINGS

The above-captioned reexamination proceedings are before the Office of Patent Legal Administration for *sua sponte* consideration of whether the proceedings should be merged under 37 CFR 1.989 at this time.

REVIEW OF RELEVANT FACTS

1. U. S. Patent Number 6,182,184 (the '184 patent) issued to Farmwald et al. on January 30, 2001, with 29 claims.

2. A request for *inter partes* reexamination, assigned Reexamination Control No. 95/000,183 ('183 proceeding), was initially deposited by third party requester on October 4, 2006, and received a filing date of August 24, 2007. Samsung Electronics Co., Ltd., is identified as the real party in interest.

3. An order granting reexamination of claims 1-29 of the '184 patent was mailed for the '183 reexamination proceeding on October 19, 2007.

4. An Office action containing at least one rejection of each of claims 1-29 of the '184 patent was mailed for the '183 reexamination proceeding on July 3, 2008.

5. Patent owner filed a timely response on September 5, 2008, retaining original patent claims 1-29 as unamended.

6. Third party requester filed timely comments on October 3, 2008, pursuant to 37 CFR 1.947.

7. A request for *inter partes* reexamination, assigned Reexamination Control No. 95/001,112 ('1112 proceeding), was filed November 17, 2008, by third party requester Micron Technology Inc.

8. An order granting reexamination of claims 13 and 14 of the '184 patent was mailed for the '1112 reexamination proceeding on January 16, 2009.

9. No Office action has been mailed, and no amendments to the claims have been made in the '1112 *inter partes* reexamination proceeding.

DECISION

I. MERGER OF PROCEEDINGS

Under 37 CFR 1.989(a):

> If any reexamination is ordered while a prior *inter partes* reexamination proceeding is pending for the same patent and prosecution in the prior *inter partes* reexamination proceeding has not been terminated, a decision may be made to merge the two proceedings or to suspend one of the two proceedings. Where merger is ordered, the merged examination will normally result in the issuance of a single reexamination certificate under § 1.997.

As evidenced by the above review of facts, both the '183 and the '1112 reexamination proceedings are currently pending. The order to reexamine has been mailed for both reexamination proceedings, and a decision under 37 CFR 1.989(a) is timely.

The general policy of the Office is that two reexamination proceedings will not be conducted separately, and at the same time, as to a particular patent. The rationale for this policy is (1) to prevent inconsistent, and possibly conflicting, amendments from being introduced into the two proceedings on behalf of the patent owner, (2) to provide a comprehensive examination of the patent based on the issues raised in both of the proceedings, and (3) to expedite the prosecution of both proceedings. In the present instance, merger of the 95/000,183 and 95/001,112 reexamination proceedings would address these considerations. Thus, pursuant to 37 CFR 1.989(a), the 95/000,183 and 95/001,112 reexamination proceedings are hereby merged. The merged proceeding will be conducted in accordance with the guidelines and requirements which follow.

II. THE SAME CLAIMS MUST BE MAINTAINED IN BOTH PROCEEDINGS

The claims are identical in both proceedings. The patent owner is required to continue to maintain the same claims (and specification) in both files *throughout the merged proceeding*.

III. CONDUCT OF MERGED PROCEEDING

A. Governing regulations for the merged proceeding:

The present decision merges an *inter partes* reexamination proceeding with another *inter partes* reexamination proceeding. Pursuant to 37 CFR 1.989(b), the merged proceeding is governed by 37 CFR 1.902 through 1.997.

B. Papers mailed/filed:

All papers mailed by the Office throughout the merged proceeding will take the form of a single action which applies to both proceedings. All papers issued by the Office or filed by the patent owner and the third party requesters will contain the identifying data for both proceedings and will be entered in each reexamination file. All papers filed by the patent owner and the third party requesters must consist of a single paper, **filed in duplicate**, each bearing a signature and identifying data for both proceedings, for entry into the file for each proceeding.

All papers that are filed by the patent owner and the third party requesters should be directed:

By EFS: Registered users may submit via the electronic filing system EFS-Web, at https://sportal.uspto.gov/authenticate/authenticateuserlocalepf.html.

By Mail to: Mail Stop *Inter Partes* Reexam
Attn: Central Reexamination Unit
Commissioner for Patents
United States Patent & Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

By FAX to: (571) 273-9900
Central Reexamination Unit

By hand (or delivery service):

Customer Service Window
Attn: Central Reexamination Unit
Randolph Building, Lobby Level
401 Dulany Street
Alexandria, VA 22314

For EFS-Web transmissions, 37 CFR 1.8(a)(1)(i) (C) and (ii) states that correspondence (except for a request for reexamination and a corrected or replacement request for reexamination) will be considered timely filed if (a) it is transmitted via the Office's electronic filing system in accordance with 37 CFR 1.6(a)(4), and (b) includes a certificate of transmission for each piece of correspondence stating the date of transmission, which is prior to the expiration of the set period of time in the Office action.

The patent owner and the requesters are reminded that every paper filed in the merged proceeding subsequent to this Decision must be served on the other parties, including papers filed *via* facsimile transmission.

C. Amendments:

The filing of any amendments to the specification, claims, and drawings must comply with the provisions of 37 CFR 1.530 and the guidelines of MPEP § 2666. 37 CFR 1.121 does not apply to amendments in a reexamination proceeding. Accordingly, clean copies of the amended claims are not required and are not to be submitted; rather amendments are to be presented via markings pursuant to 37 CFR 1.530(f), except that a claim should be canceled by a statement canceling the claim, without presentation of the text of the claim.

Pursuant to 37 CFR 1.530(i), all amendments must be made relative to the patent specification, including the claims, and drawings, which are in effect as of the date of filing the request for reexamination. Amendments are not to be made relative to previous amendments. Thus, for all amendments, all words not appearing in the patent are always underlined, and only words being deleted from the patent appear in brackets.

D. Fees:

Where a paper is filed which requires payment of a fee (e.g., extension of time fee, excess claims fee, petition fee, appeal fee, brief fee, oral hearing fee), only a single fee need be paid. For example, only one fee need be paid for patent owner's appellant brief (or that of one of the *inter partes* reexamination requesters), even though the brief relates to merged multiple proceedings and even though copies must be filed (as pointed out above) for each file in the merged proceeding.

E. Citation of Patents and Printed Publications:

Upon return of the present merged proceeding to the examiner, the examiner will review the files to ensure that each file contains identical citations of prior patents and printed publications, and will cite such documents as are necessary as part of the next action in order to place the files in that condition.

CONCLUSION

1. *Inter partes* Reexamination Control No. 95/000,183 and *inter partes* Reexamination Control No. 95/001,112 are merged into a single proceeding, to be conducted in accordance with the procedure set forth above.

2. Jurisdiction over the merged reexamination is being forwarded via the Central Reexamination Unit Director to the examiner for the preparation of an Office action, to be issued in due course for the merged proceeding.

3. Any questions concerning this communication should be directed to Susy Tsang-Foster, Legal Advisor, at (571) 272-7711.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

UNITED STATES PATENT AND TRADEMARK OFFICE

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United States Patent and Trademark Office
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,183	08/24/2007	6182184	38512.5	2395

22852 7590 04/28/2009

FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER LLP
901 NEW YORK AVENUE, NW
WASHINGTON, DC 20001-4413

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 04/28/2009

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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
DAVID L. McCOMBS
HAYNES AND BOONE LLP (IP SECTION)
2323 VICTORY AVENUE, SUITE 700
DALLAS, TX 75219

Date:

MAILED
APR 28 2009
CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester
Inter Partes Reexamination

REEXAMINATION CONTROL NO. : 95000183
PATENT NO. : 6181284
TECHNOLOGY CENTER : 3999
ART UNIT : 3992

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified Reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the inter partes reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an ex parte reexamination has been merged with the inter partes reexamination, no responsive submission by any ex parte third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the Central Reexamination Unit at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/001,112	11/17/2008	6,182,184	8963.002.184	6635

22852 7590 04/28/2009

FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER LLP
901 NEW YORK AVENUE, NW
WASHINGTON, DC 20001-4413

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 04/28/2009

Please find below and/or attached an Office communication concerning this application or proceeding.

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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
TRACY W. DRUCE
NOVAK DRUCE & QUIGG, LLP
1000 LOUISIANA STREET, FIFTY-THIRD FLOOR
HOUSTON, TX 77002

Date:
MAILED
APR 28 2009
CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester
Inter Partes Reexamination

REEXAMINATION CONTROL NO. : 95001112
PATENT NO. : 6181284
TECHNOLOGY CENTER : 3999
ART UNIT : 3992

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified Reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the inter partes reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

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APR 28 2009

CENTRAL REEXAMINATION UNIT

Naveen Modi FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER LLP 901 NEW YORK AVENUE, NW WASHINGTON DC 20001-4413	:	(For Patent Owner)
David L. McCombs HAYNES AND BOONE, LLP IP SECTION 2323 VICTORY AVENUE SUITE 700 DALLAS, TX 75219	:	(For Third Party (Requester)
Tracy W Druce NOVAK DRUCE & QUIGG, LLP (NDQ REEXAMINATION GROUP) 1000 LOUISIANA STREET FIFTY-THIRD FLOOR HOUSTON, TX 77002	:	(For Third Party Requester)
	:	DECISION GRANTING-IN-PART PETITION FOR EXTENSION OF TIME [37 CFR § 1.956 and § 1.181]
In re: Farmwald *et alia* *Inter Partes* Reexamination Proceeding Control No. 95/000,183 Deposited on: 04 October 2006 For: US Patent No. 6,182,184	:	
In re: Farmwald *et alia* *Inter Partes* Reexamination Proceeding Control No. 95/001,112 Deposited on: 17 November 2008 For: US Patent No. 6,182,184	:	

This is a decision on the 23April 2009, "Patent Owner's Petition for Extension of Time Pursuant to 37 CFR 1.956" requesting that the time for responding to the Action Closing

Prosecution mailed 20 March 2009, be extended by forty-five (45) days. The petition was timely filed.

The petition is before the Director of the Central Reexamination Unit for consideration.

The petition is granted-in-part for the reasons set forth below.

Statement of Relevant Facts

1. On 30 January 2001 US patent No. 6,182,184 was granted to Farmwald *et alia*.

2. On 04 October 2006 a request for reexamination was deposited by a third party requester for *Inter Partes* Reexamination with the Office identified by control number 95/000,183.

3. On 26 December 2006 an Order Granting Request for *Inter Partes* Reexamination 95/000,183 was mailed.

4. On 17 November 2008 a request for reexamination was deposited by a third party requester for *Inter Partes* Reexamination with the Office identified by control number 95/001,112.

5. On 16 January 2009 an Order Granting Request for *Inter Partes* Reexamination 95/001,112 was mailed.

6. On 06 March 2009 a decision *sua sponte* was mailed merging proceedings 95/000,183 and 95/001,112

7. On 20 March 2009 a non-final Office action was mailed was mailed in the abovementioned proceedings.

8. On 23 April 2009 the instant petition for a forty-five (45) days extension of time was submitted by the patent owner's representative.

Discussion

The Patent Owner's representative requests the period of time be extended in which to file a response to the non-final Office action mailed 20 March 2009, which set a two (2) months time for filing a response thereto. The petition for extension of time was timely filed on 23 April 2009, together with electronic fee transmittal for the $200.00 petition fee as

required by 37 CFR § 1.956 and 37 CFR § 1.17 (g). A certificate of service was provided with the petition.

The request is granted-in-part.

> **37 CFR § 1.956. Patent owner extensions of time in inter partes reexamination.** *The time for taking any action by a patent owner in an inter partes reexamination proceeding will be extended only for sufficient cause and for a reasonable time specified. Any request for such extension must be filed on or before the day on which action by the patent owner is due, but in no case will the mere filing of a request effect any extension. Any request for such extension must be accompanied by the petition set forth in § 1.17(g). See § 1.304(a) for extensions of time for filing a notice of appeal to the U.S. Court of Appeals for the Federal Circuit.*

Addressing the requirement of 37 CFR § 1.956 to make a showing of "sufficient cause" to grant an extension request, MPEP § 2665 states, in pertinent part:

> As noted above, a request for extension of time under 37 CFR § 1.956 will be granted only for sufficient cause, ...
>
> Evaluation of whether "sufficient cause" has been shown for an extension must be made by **balancing** the desire to provide the patent owner with a fair opportunity to respond, **against** the requirement of the statute, 35 U.S.C. § 314(c), that the proceedings be conducted with special dispatch. ...

Any petition request must include the required petition fee as set forth according to 37 CFR § 1.17 (g) and 37 CFR § 1.956.

MPEP § 2665 Extension of Time for Patent Owner Response (in-part)

> Requests for an extension of time in an inter partes reexamination proceeding will be considered only after the first Office action on the merits in the reexamination is mailed. Any request for an extension of time filed prior to the first action will be denied.
>
> The certificate of mailing and the certificate of transmission procedures (37 CFR § 1.8), and the "Express Mail" mailing procedure (37 CFR § 1.10), may be used to file a request for extension of time, as well as any other paper in an existing *inter partes* reexamination proceeding (see MPEP § 2666).
>
> As noted above, a request for extension of time under 37 CFR § 1.956 will be granted only for sufficient cause, and the request must be filed on or before the day on which action by the patent owner is due. In no case, will the mere filing of a request for extension of time automatically effect any extension, because the showing of cause may be insufficient or incomplete. In the prosecution of an *ex parte* reexamination, an automatic 1-month extension of time to take further action is granted upon filing a first timely response to a final Office action (see MPEP § 2272). The automatic extension given in *ex parte* reexamination does not apply to the first response to an

Action Closing Prosecution (ACP) in an inter partes reexamination. The reason is that in *inter partes* reexamination, parties do not file an appeal in response to an ACP, and a further Office action (Right of Appeal Notice) will issue even if the parties make no response at all. Thus, there is no time period to appeal running against the parties after the ACP is issued, unlike ex parte reexamination where an appeal is due after final rejection and the time is thus automatically extended one month to provide time for the patent owner to review the Office's response to the amendment before deciding whether to appeal.

Evaluation of whether "sufficient cause" has been shown for an extension must be made by balancing the desire to provide the patent owner with a fair opportunity to respond, against the requirement of the statute, 35 U.S.C. § 314(c), that the proceedings be conducted with special dispatch.

Decision

The patent owner's representative petitions under 37 CFR § 1.956 to extend the period for response by adding forty-five (45) days to the period for response. The decision to extend the period for response is evaluated based upon a showing of "sufficient cause." There is always the consideration to balance the need for the patent owner to have a fair opportunity to respond to the Office action between the need for special dispatch.

The non-final Office action was mailed 20 March 2009. The patent owner submitted a timely filed the petition on 23 April 2009 with the appropriate fee and certificate of service.

The petition dated 23 April 2009 cites the length and complexity of the Office action with its many rejections as well as the number of concurrently handled proceedings by the patent owner. While concurrent proceedings are generally no considered to rise to the level of sufficient cause, on balance, the petitioner has demonstrated "sufficient cause" to grant a one (1) month extension of time based upon the length and complexity of the Office action.

The petition request to extend the response time by one (1) month is hereby granted-in-part.

CONCLUSION

1. The patent owner's petition for extension for forty-five (45) days time in which to file a response to the non-final Office action dated 20 March 2009 is hereby **granted-in-part**

2. The period for response is extended by one (1) month.

3. The Patent Owner's response is due **20 June 2009.**

4. All correspondence involving this proceeding may be addressed to the following:

By Mail to: Mail Stop *Ex Parte* Reexam
Central Reexamination Unit
Commissioner for Patents
United States Patent & Trademark Office
P. O. Box 1450
Alexandria, VA 22313-1450

By Fax to: (571) 273-9900
Central Reexamination Unit

By Hand: Customer Service Window
Randolph Building
401 Dulany Street
Alexandria, VA 22314

By EFS: Registered users of EFS-Web may alternatively submit such correspondence via the electronic filing system EFS-Web, at https://sportal.uspto.gov/authenticate/authenticateuserlocalepf.html. EFS-Web offers the benefit of quick submission to the particular area of the Office that needs to act on the correspondence. Also, EFS-Web submissions are "soft scanned" (i.e., electronically uploaded) directly into the official file for the reexamination proceeding, which offers parties the opportunity to review the content of their submissions after the "soft scanning" process is complete.

5. Telephone inquiries with regard to this decision should be directed to Mark Reinhart, at (571) 272-1611, in the absence of Mark Reinhart calls may be directed to Eric Keasel, at (571) 272-4929, or Jessica Harrison, at (571) 272-4449, all are Supervisory Patent Examiners in the Central Reexamination Unit, Art Unit 3992.

/Mark Reinhart/
for

Gregory Morse,
Director,
Central Reexamination Unit

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United States Patent and Trademark Office
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,184	11/21/2006	6938709	169715/TES024RE	4556

21897 7590 09/18/2008

THE MATTHEWS FIRM
2000 BERING DRIVE
SUITE 700
HOUSTON, TX 77057

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 09/18/2008

Please find below and/or attached an Office communication concerning this application or proceeding.

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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
GARY L BUSH
ANDREWS KURTH LLP
600 TRAVIS, SUITE 4200
HOUSTON, TX 77002

Date:
MAILED

SEP 18 2008

CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester
Inter Partes Reexamination

REEXAMINATION CONTROL NO. : 95000184
PATENT NO. : 6938709
TECHNOLOGY CENTER : 3999
ART UNIT : 3900

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified Reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the inter partes reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an ex parte reexamination has been merged with the inter partes reexamination, no responsive submission by any ex parte third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the Central Reexamination Unit at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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(For Patent Owner)

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SEP 18 2008

CENTRAL REEXAMINATION UNIT

THE MATTHEWS FIRM
2000 BERING DRIVE
SUITE 700
HOUSTON, TX 77057

(For Requester)

GARY L. BUSH
ANDREWS KURTH LLP
600 TRAVIS, SUITE 4200
HOUSTON, TX 77002

In re Jubasz et al.	:	
Reexamination Proceeding	:	DECISION ON PETITION
Control No.: 95/000,184	:	FOR REOPENING
Filed: October 4, 2006	:	PROSECUTION
For: U.S. Patent No.: 6,938,709	:	UNDER 37 CFR 1.181

This is a decision on a petition filed by the patent owner on June 5, 2008. The petition is entitled "PETITION FOR REOPENING PROSECUTION UNDER 37 C.F.R. § 1.181 AND IN THE ALTERNATIVE, PETITION REQUESTING CONTINUING REXAMINATION [sic] UNDER 37 C.F.R. § 1.182," and is a request to the Director to exercise his discretion pursuant to 37 CFR 1.181 and reopen prosecution by withdrawing the Action Closing Prosecution issued on May 5, 2008. In the same paper, the Patent Owner also filed an alternative petition under 37 CFR 1.182 requesting continuation of reexamination. This alternative petition will not be addressed for reasons discussed below.

The petition is before the Director of the Central Reexamination Unit.

The petition under 37 CFR 1.181 to invoke the supervisory authority of the Director dated June 5, 2008 is <u>denied</u> with respect to reopening the prosecution of the *Inter Partes* reexamination proceeding 95/000,184.

REVIEW OF RELEVANT FACTS

1. U.S. Patent No. 6,938,709 (hereinafter, the '709 patent) issued on September 6, 2005.

2. A request for *inter partes* reexamination, assigned control No. 95/000,184, was filed by a third party requester on October 4, 2006.

3. *Inter partes* reexamination was ordered for the '184 reexamination proceeding on February 8, 2007.

4. On April 13, 2007, a non-final Office action was mailed in the '184 reexamination proceeding.

5. The patent owner filed a response to the non-final Office action on June 13, 2007. The response proposed to amended independent patent claims 1, 9, and 15.

6. The third party filed comments on July 13, 2007 to the patent owner's response, and introduced additional prior art.

7. On May 5, 2008, the Office issued an Action Closing Prosecution (ACP), which addressed the patent owner's response and the third party comments. The ACP continued to adopt the rejections of grounds 1-3 set forth in the first Office action. The ACP also adopted newly proposed rejections set forth in the third party requester's comments of July 13, 2007, including rejections based on the new references cited by the third party requester. The examiner stated the rejections were modified in response to the patent owner's amendment and remarks of June 13, 2007.

8. On June 5, 2008, the patent owner filed the above-mentioned petition under 37 CFR 1.181 to invoke the supervisory authority of the Director and requesting that prosecution be reopened and a response to the Action Closing Prosecution. At the same time, the patent owner filed a proposed amendment and remarks.

9. On July 3, 2008, the third party filed comments on patent owner's response to the Action Closing Prosecution, which included a request that prosecution not be reopened.

DECISION

The patent owner (petitioner) states that the ACP dated May 5, 2008 "prematurely" cuts off prosecution, and requests that the concurrently filed amendment be entered so the owner has a fair opportunity to address the new prior art. Patent owner states that the examiner should not prematurely cut off the prosecution with a patent owner who is seeking to define the invention in the claims that will offer the patent protection to which the patent owner is entitled. The patent owner states that they deem it is against the "spirit" of *inter partes* reexamination if prosecution is allowed to be closed immediately after the patent owner's first substantive response and cites to MPEP 2671.02 and 35 U.S.C. 305 for support. The patent owner also advances that "every applicant is seeking to properly define the invention without encompassing the prior art, but often does not do so fully on the first try," and that "[c]losing prosecution after a single substantive response by the Patent Owner sets the stage for a 'one and done' mentality that would render prosecution in an inter partes reexamination a rigid mechanical process ...". See the paragraph spanning pages 4-5 of the Petition. The patent owner states that it would not be an undue burden on the examiner to reopen prosecution because the amendment filed on June 5, 2008 amends each of independent claims 1, 9, and 15 in the same manner. The patent owner also alleges that the amendment of June 5, 2008 was as result of the examiner "misunderstanding" the patent owner's intent with the amendments of June 13, 2007. Patent owner further asserts that the new grounds of rejection adopted in the ACP were not necessitated by amendment. The patent owner also states that requester's citation of new references was interjected into the record without compliance with 37 CFR 1.948. The patent owner points out that since three grounds of rejection from the first Office action were maintained as to the amended claims, there was no need for the citation of additional prior art and any rejection based on such prior art is not necessitated by the amendment. Because of these grounds, petitioner requests that prosecution be reopened.

The third party requester, in comments submitted on July 3, 2008, stated that the patent owner's contention is incorrect because the ACP was proper, timely, and in accordance with MPEP § 2671.02 ("it is intended that the second Office action in the reexamination proceeding will ordinarily be an ACP"). The third party requester states that the patent owner has not presented a good cause to reopen prosecution, reopening prosecution would be a burden on the examiner, and the patent owner had notice that the next Office action after a first Office action is intended to close prosecution as explicitly stated in MPEP 2671.01. The third party requester also states that the July 3, 2008 amendment did necessitate the newly adopted rejections in the ACP and the newly cited additional prior art, which was filed in compliance with 37 CFR 1.948. 37 C.F.R. § 1.949 states that "[a]n Office action will not usually close prosecution if it includes a new ground of rejection which was not previously addressed by the patent owner, unless the new ground was necessitated by an amendment." (emphasis added). 37 C.F.R. § 1.948

expressly describes the circumstances in which additional prior art references can be cited by the requester. The third party requester states that it followed these rules (§ 1.948(a)(2)) and cited new prior art references only in response to the patent owner's insertion of new claim limitations. In other words, the third party requester advances that the patent owner opened the door to the citation of additional references in the ACP by adding new limitations to all of the claims and arguing that the claims were allowable. The third party requester states that the patent owner now seeks to avoid the consequences of its actions by filing the instant petition. The third party request argues that the petition must be denied because the ACP was in accordance with the Office's policies and procedures as set forth in MPEP § 2671.02.

In response to patent owner's arguments for reopening prosecution in this reexamination proceeding, the director finds there are not good and sufficient reasons to do so for the reasons set forth below, and for the reasons set forth by the third party requester in their comments dated July 3, 2008. First, 35 U.S.C. 314(c) requires that all *inter partes* reexamination proceedings to be acted upon with "special dispatch." The rules and procedures of the Office were established through notice and comment in order to achieve special dispatch in a reasonable manner. As pointed out by the patent owner, the Office rules and procedures encourage examiners to look at the facts involved in a particular proceeding and to weigh the equities before issuing a right of appeal notice and/or an action closing prosecution. Accordingly, the Office's rules and procedures are not a "rigid mechanical process" or have the "one and done" mentality as alleged by patent owner.

Turning to the facts in this proceeding, patent owner submitted substantive amendments on June 13, 2007 to each independent claim in response to the first Office action of April 13, 2007. Specifically, the patent owner amended claims 1, 9, and 15 to now claim that "the drive shaft further including a mud-filling device adapted for sealing between the drive shaft and the inside diameter of the pipe segment." The "new" additional prior art references (Delano '968, Coone '343, Mullins '079, Hawkins '673, Hawkins '348, Jordan '042 and Weatherford) introduced in the ACP were applied for as teachings for the new limitations in amended claims 1, 9, and 15. See pages 26-41 of the third party requester's comments dated July 13, 2007. Likewise, all the dependent claims, for which reexamination is requested, also included these new limitations. The patent owner asserted that the amended claims were allowable based on this added limitation to claims 1, 9, and 15. On July 13, 2007, the third party requester responded with comments and additional prior art to address the proposed claim amendments and comments made by the patent owner in accordance with 37 CFR 1.948(a)(2). The examiner specifically set forth in the ACP that the additional prior art applied in the rejections was in response to the amendments made by the patent owner, and applied the additional prior art to meet the newly added claimed limitations. Accordingly, the examiner appropriately applied the additional prior art in the rejection in the ACP, and

closed prosecution in the interest of "special dispatch" in accordance with Office rules and procedures.

In regards to the entry of the amendment submitted on June 5, 2008, this issue is not addressed in this petition. The examiner will consider entry of the amendment in formulating the next Office action. The examiner has the authority to enter or to not enter the amendment in accordance with 37 CFR 1.116(b). See MPEP 2673. Accordingly, the examiner will consider whether the patent owner made a sufficient showing under 37 CFR 1.116(b) for entry of the amendment of June 5, 2008.

Furthermore, it is noted that many of the patent owner's arguments pertain to the alleged unfairness resulted in the closing of prosecution. These arguments are more appropriate in a petition under 37 CFR 1.182 requesting continuing reexamination as mentioned below. For the reasons set forth above, it is deemed that the examiner followed Office rules and procedures and did not abuse his discretion in deciding to issue an ACP.

Accordingly, good and sufficient reasons to reopen prosecution in the reexamination proceeding have not been provided and the patent owner's petition, as it relates to reopening prosecution of the instant reexamination proceeding, is denied.

Alternative Petition under 37 CFR 1.182

As to the alternative relief requested under 37 CFR 1.182, only the petition filed under 37 CFR 1.181 is before the Central Reexamination Unit of the United States Patent and Trademark Office, and is addressed by this decision. The petition under 37 CFR 1.182 must be filed as a separate paper for proper consideration by the Office, and is not addressed in this decision.

> 37 CFR 1.4(c) states:
> Since different matters may be considered by different branches or sections of the United States Patent and Trademark Office, each distinct subject, inquiry or order must be contained in a separate paper to avoid confusion and delay in answering papers dealing with different subjects.

Because petitions filed under 37 CFR 1.182 are decided by the Office of Patent Legal Administration while petitions filed under 37 CFR 1.181 are decided by the Central Reexamination Unit, the third party must submit the petition under 37 CFR 1.182 in a separate paper to avoid confusion and delay.

CONCLUSION

1. The petition under 37 CFR 1.181 for reconsideration of the Action Closing Prosecution dated May 5, 2008 and reopening of prosecution of the '184 reexamination proceeding is denied.

2. Patent owner is advised that a petition under 37 CFR 1.182 requesting continuing reexamination must be filed as a separate petition. The petition should explain how the granting of continuing reexamination would further prosecution of the reexamination rather than delay it, such as a request for entry of a submission that provides a *bona fide* effort to advance the prosecution toward appeal, or toward the issuance of a reexamination certificate. The petition should also explain why the patent owner did not become aware of the need for the new amendment or evidence earlier in the prosecution.

3. Telephone inquiries related to this decision should be directed to Andy Kashnikow, Supervisory Patent Examiner, at (571) 272-4361 or Jeanne Clark at (571) 272-7714, or in their absence to the undersigned at (571) 272-3838.

Gregory A. Morse
Director
Central Reexamination Unit

UNITED STATES PATENT AND TRADEMARK OFFICE

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United States Patent and Trademark Office
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,184	11/21/2006	6938709	169715/TES024RE	4556

21897 7590 10/06/2009

THE MATTHEWS FIRM
2000 BERING DRIVE
SUITE 700
HOUSTON, TX 77057

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 10/06/2009

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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
GARY L BUSH
ANDREWS KURTH LLP
600 TRAVIS, SUITE 4200
HOUSTON, TX 77002

Date:
MAILED
OCT 06 2009
CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester
Inter Partes Reexamination

REEXAMINATION CONTROL NO. : 95000184
PATENT NO. : 6938709
TECHNOLOGY CENTER : 3999
ART UNIT : 3900

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified Reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the inter partes reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an ex parte reexamination has been merged with the inter partes reexamination, no responsive submission by any ex parte third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the Central Reexamination Unit at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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OCT 06 2009

CENTRAL REEXAMINATION UNIT

Gary L. Bush
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600 Travis, Suite 4200
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(For Requester)

In re Juhasz et al.
Inter Partes Reexamination Proceeding
Control No.: 95/000,184
Filed: October 4, 2006
For: U.S. Patent No.: 6,938,709

DECISION DISMISSING PETITION

This is a decision on the patent owner petition entitled "Unopposed Petition to Exceed Page Limits for Patent Owner's Appeal Brief Under 37 CFR § 1.183" filed August 5, 2009.

The petition and *inter partes* reexamination control number 95/000,184 are before the Office of Patent Legal Administration for consideration.

SUMMARY

The petition under 37 CFR 1.183 filed August 5, 2009 is dismissed.

The petition fee of $400.00 pursuant to 37 CFR 1.17(f) for the petition under 37 CFR 1.183 is being charged to the patent owner's deposit account 13-2166, as authorized in the transmittal letter for the appeal brief.

RELEVANT BACKGROUND

1. U.S Patent number 6,938,709 (the '709 patent) issued on September 6, 2005.
2. A request for reexamination of the '709 patent was filed on October 4, 2006. The request was assigned control No. 95/000,184 (the '184 proceeding).
3. Reexamination was ordered for the '184 proceeding on February 8, 2007. A first action on the merits was mailed on April 13, 2007.

4. Prosecution progressed to the point where, on May 5, 2009, a Right of Appeal notice (RAN) was mailed. The RAN sets forth a summary of the proceedings up to the date of the RAN. Furthermore, the RAN states that the patent owner's proposed amendment after the action closing prosecution (ACP) of February 23, 2009 is not entered.

5. On June 5, 2009, the patent owner filed a notice of appeal.

6. On June 12, 2009, the third party requester filed a notice of cross appeal.

7. On July 24, 2009, the third party requester filed an appeal brief for the cross appeal.

8. On August 5, 2009, the patent owner filed the instant petition under 37 CFR 1.183, requesting waiver of the page limit requirement for patent owner's appellant brief. The patent owner also filed an appellant brief. Also on August 5, 2009, the Office mailed a corrected Right of Appeal Notice cover form for the Right of Appeal action mailed on May 5, 2009.

9. On August 24, 2009, the patent owner filed a respondent brief for the cross appeal pursuant to 37 CFR 41.68.

10. On September 4, 2009, the third party requester filed a respondent brief under 37 CFR 41.68. The respondent brief included a certificate under 37 CFR 1.943(c) stating the number of words in the brief to be 6990 words.

RELEVANT REGULATORY PROVISIONS

37 CFR 1.183 provides:

> In an extraordinary situation, when justice requires, any requirement of the regulations in this part which is not a requirement of the statutes may be suspended or waived by the Director or the Director's designee, *sua sponte*, or on petition of the interested party, subject to such other requirements as may be imposed. Any petition under this section must be accompanied by the petition fee set forth in § 1.17(f).

37 CFR 1.943(b) states:

> Responses by the patent owner and written comments by the third party requester shall not exceed 50 pages in length, excluding amendments, appendices of claims, and reference materials such as prior art references.

37 CFR 1.943(c) states:

> Appellant's briefs filed by the patent owner and the third party requester shall not exceed thirty pages or 14,000 words in length, excluding appendices of claims and

reference materials such as prior art references. All other briefs filed by any party shall not exceed fifteen pages in length or 7,000 words. If the page limit of any brief is exceeded, a certificate is required stating the number of words contained in the brief.

DECISION ON PETITION

Patent Owner's Petition of August 5, 2009

In the instant petition, petitioner requests waiver of the page limit for an appeal brief. The petition states that the patent owner "requests a waiver of the 37 CFR § 1.943(b) requirement that Patent Owner's appeal brief shall not exceed 50 pages in length, excluding amendments, appendices of claims, and reference materials." The petition erroneously refers to 37 CFR 1.943(b), which permits responses of up to 50 pages. However, the relevant provision for an appeal brief is 37 CFR 1.943(c), which limits patent owner appellant briefs to 30 pages or 14,000 words in length.

Petitioner requests "an extension to 75 pages, owing to the length of the Right of Appeal Notice, mailed May 5, 2009, which addresses 27 differing grounds of rejection, of which the latter 17 were newly added after entry of amendments to the ten claims at issue." Petitioner also states that "Patent Owner has not yet had an opportunity to substantially address each of the new grounds of rejection, which include various combinations of the ten prior art documents originally cited by the Third party Requestor and seven newly cited prior art documents."

Analysis and Findings

The instant petition has been fully considered. 37 CFR 1.183 provides for suspension or waiver of any requirement of the regulations which is not a requirement of the statutes in an extraordinary situation, when justice requires, on petition of the interested party. The burden is on the petitioner to set forth, with specificity, the facts that give rise to an extraordinary situation in which justice requires suspension of a rule. General requests, unsubstantiated by specific facts to justify an increase in the number of pages available for a patent owner's appellant brief, are not sufficient to demonstrate an extraordinary situation in which justice requires suspension of 37 CFR 1.943(c).

In this instance, petitioner effectively seeks waiver of 37 CFR 1.943(c) to increase the page limit for the patent owner's appeal brief to 68 pages, since the appeal brief that was filed on August 5, 2009, contains 68 pages (excluding the table of contents). It is noted that the provisions of 37 CFR 1.943(c) have been waived to the extent that certain content, including the table of contents pages, table of case law pages, and the pages of claims (but not claim charts), are not counted toward the 30 page limit. See MPEP 2667(I)(A)(2).

Initially, it is noted that while petitioner states that the third party requester does not oppose the instant petition, this is not a relevant factor in determining whether the facts give rise to an extraordinary situation in which justice requires suspension of the rule pursuant to 37 CFR 1.183.

In addition, as indicated above, petitioner points to the length of the RAN to support waiver of the page limit for patent owner's appeal brief. However, it is noted that the RAN is less than 30 pages. Regarding petitioner's reliance on the 27 different grounds of rejection, including the 17 new grounds or rejection and the seven newly cited prior art documents, to support waiver of the page limit, it is noted that there are not 27 different grounds of rejection being made by the examiner since the examiner, in the ACP, withdrew six of the grounds of the rejection and one of the grounds of rejection that was proposed by the third party requester was not adopted in the first Office action. Furthermore, patent owner had an opportunity to address the 17 new grounds of rejection in the February 23, 2009 comments after the ACP. Patent owner's comments filed February 23, 2009, addressed all of the grounds of rejection and met the 50 page limit set forth in 37 CFR 1.943(b). While the February 23, 2009 proposed amendment after ACP was not entered, the examiner addressed the patent owner's remarks in the February 23, 2009 proposed amendment (and the third party requester's comments) to the extent they are applicable to the pending claims (without entry of the February 23, 2009 proposed amendment). See RAN at page 10.

Furthermore, the length of the appeal brief is set by regulation to be shorter than the length of the corresponding earlier patent owner responses. The regulations anticipate that a controversy requiring up to 50 pages of patent owner response will require an appeal brief of only up to 30 pages. In the instant case, patent owner's responses met the 50 page limit in the earlier stages of the proceedings. Ordinarily, then, the regulations contemplate that the issues previously addressed in the proceedings should be addressable by a brief of no more than 30 pages.

When the patent owner prepared the appeal brief, the patent owner was under the mistaken belief that an appeal brief may be 50 pages in length without a waiver of the rule being necessary, and thus, it does not appear that there was any attempt to draft a brief that complies with the 30 page limit of 37 CFR 1.943(c). Furthermore, a cursory review of the brief filed with the instant petition reveals that patent owner does not appear to have made any attempt to economize the brief such as by eliminating extraneous material and the repetition of information already of record.

Accordingly, for all of the reasons set forth above, petitioner has not presented facts that demonstrate an extraordinary situation in which justice requires suspension of 37 CFR 1.943(c) and the petition is dismissed.

CONCLUSION

1. The patent owner petition under 37 CFR 1.183 is dismissed.

2. The patent owner's appellant brief filed on August 5, 2009, is an improper paper, will not be considered, and is being expunged from the record by marking the appellant brief as "closed" and "non-public" in the electronic Image File Wrapper (IFW). No copy of the patent owner's appellant brief filed on August 5, 2009 will be maintained in the record.

3. A copy of this decision will be made of record in the IFW of the '184 *inter partes* reexamination proceeding.

4. **The patent owner is given a period of fifteen (15) days from the date of this decision** in which to file either a redacted or re-drafted appellant's brief that is appropriately labeled as such, and complies with 37 CFR 1.943(c) and 41.67.[1]

5. If the patent owner files a redacted or re-drafted appellant's brief, then **the third party requester is given a period of fifteen (15) days from the date of service of such corrected patent owner appellant's brief** on the third party requester to:
   a. File a replacement respondent's brief; or
   b. File a paper stating that the third party requester deems the September 4, 2009 respondent's brief presently of record to be sufficient to address the patent owner's corrected appellant's brief, in order to ensure that the September 4, 2009 respondent's brief will be considered by the Office.

   The respondent's brief which the third party requester elects to be considered must comply with 37 CFR 41.68 with respect to addressing any appellant's brief submitted in response to this decision.

6. Telephone inquiries related to this decision should be directed to Eugenia Jones, Senior Legal Advisor, at (571) 272-7727.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

10-6-09

[1] The redacted or re-drafted appellant's brief must contain an appropriate signature in the brief itself to ensure that the brief is considered to be properly signed. The patent owner's appellant's brief filed August 5, 2009, only contains a signature on a transmittal letter for the brief.

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(For Third Party Requester)

In re Diversi-Plast Products, Inc.	: **DECISION**
Inter Partes Reexamination Proceeding	: **GRANTING**
Control No. 95/000,185	: **PETITION**
Filed: December 4, 2006	: **IN PART**
For: U.S. Patent No. 6,357,193	:

This is a decision on the May 5, 2007 patent owner petition entitled "PATENT OWNER'S PETITION UNDER 37 CFR 1.181 AND 1.182 TO STAY *INTER PARTES* REEXAMINATION AND TO VACATE ORDER GRANTING *INTER PARTES* REEXAMINATION."

The petition and the 95/000,185 *inter partes* reexamination proceeding are before the Office of Patent Legal Administration for decision.

The patent owner petition is granted in part, and dismissed-in-part.

The stay of the 95/000,185 *inter partes* reexamination proceeding is granted for the reasons, and to the extent, set forth below.

The request to vacate the Order granting *inter partes* reexamination in the 95/000,185 *inter partes* reexamination proceeding is dismissed for the reasons set forth below.

FEES

The patent owner petition has been filed under 37 CFR 1.181 and 37 CFR 1.182. Inasmuch as there is no provision in the regulations for the filing of a general petition to stay an *inter partes* reexamination proceeding, [1] the patent owner petition is being considered pursuant to

[1] 35 U.S.C. §314(c) provides that the an *inter partes* reexamination will be conducted for good cause unless the USPTO Director provides otherwise, for good cause. 37 CFR 1.987 states that the USPTO Director will consider the question of suspension when the patent that is the subject of an *inter partes* reexamination is, or becomes, involved in litigation. However, the regulations do not specifically provide for the filing of a patent owner petition requesting suspension of an *inter partes* reexamination proceeding.

37 CFR 1.182. The fee required for a petition under 37 CFR 1.182 is $400.00. Patent owner has tendered a check in the amount of the petition fee.

REVIEW OF SALIENT FACTS

1. U.S Patent number 6,357,193 ("the '193 patent") issued to Richard J. Morris on March 19, 2002, from an application filed on December 16, 1999, and is assigned to Diversi-Plast Products, Inc.

2. On March 19, 2004, an application was filed to reissue the '193 patent and was assigned 10/805,686 ("the '686 reissue application").

3. On March 29, 2005, a request for *ex parte* reexamination of the '193 patent was filed and assigned control number 90/007,487 ("the '487 *ex parte* reexamination proceeding").

4. On June 2, 2005, an Order granting *ex parte* reexamination was mailed in the '487 *ex parte* reexamination proceeding.

5. On July 19, 2005, the Office issued a decision, *sua sponte* merging the '686 reissue application and the '487 *ex parte* reexamination into a single merged proceeding ("the merged proceeding"), to be conducted under the reissue application examination practice, which is broader that that of reexamination proceedings.

6. On October 11, 2006, a request for *inter partes* reexamination of the '749 patent was deposited by a third party requester, and assigned control number 95/000,185 ("the '185 *inter partes* reexamination proceeding").

7. On October 19, 2006, a Notice of Allowance was mailed in the merged proceeding.

8. The issue fee for the reissue application was paid on October 26, 2007.

9. On November 30, 2006, a continuation reissue application for the '193 patent was filed as a continuation of the '686 reissue application, and the continuation reissue application was assigned application number 11/607,079 ("the '079 continuation reissue application".)

10. Following corrections to the originally deposited request for *inter partes* reexamination, the '185 *inter partes* reexamination proceeding was accorded a filing date of December 4, 2006. [2]

11. On February 23, 2007, an Order granting *inter partes* reexamination was mailed for the '185 *inter partes* reexamination proceeding.

12. On May 7, 2007, patent owner filed the present petition to stay the 95/000,185 *inter partes* reexamination proceeding, and to vacate the February 23, 2007 Order granting *inter partes* reexamination.

---

[2] See the Office communication mailed November 27, 2006, the third party requester's response received December 4, 2006, and the Notice of Assignment mailed on February 7, 2007.

13. Examination of the patentability of the claims of the '185 *inter partes* reexamination proceeding has not yet commenced.

14. Examination of the patentability of the claims of the '079 continuation reissue application has not yet commenced.

RELEVANT STATUTES, REGULATIONS AND PRACTICE

35 U.S.C. § 314(c) provides:

> SPECIAL DISPATCH - Unless otherwise provided by the Director for good cause, all inter partes reexamination proceedings under this section, including, including any appeal to the Board of Patent Appeals and Interferences, shall be conducted with special dispatch within the Office.

37 CFR 1.4(c) provides:

> Since different matters may be considered by different branches or sections of the United States Patent and Trademark Office, each distinct subject, inquiry or order must be contained in a separate paper to avoid confusion and delay in answering papers dealing with different subjects.

37 CFR 1.987 provides:

> If a patent in the process of *inter partes* reexamination is or becomes involved in litigation, the Director shall determine whether or not to suspend the *inter partes* reexamination proceeding.

MPEP 2686.03 provides, in part:

> The general policy of the Office is that the examination of a reissue application and an *inter partes* reexamination proceeding will not be conducted separately at the same time as to a particular patent. The reason for this policy is to permit timely resolution of both the reissue and the reexamination to the extent possible and to prevent inconsistent, and possibly conflicting, amendments from being introduced into the two files on behalf of the patent owner. Accordingly, if both a reissue application and a reexamination proceeding are pending concurrently on a patent, a decision will <u>normally</u> be made to merge the reissue application examination and the reexamination or to stay one of the two. See *In re Onda*, 229 USPQ 235 (Comm'r Pat. 1985). The decision as to whether the reissue application examination and the reexamination proceeding are to be merged, <u>or which of the two (if any) is to be stayed</u>, is made in the Office of Patent Legal Administration (OPLA).
>
> ...
>
> The decision on whether to merge the reissue application examination and reexamination proceeding, or stay one of them, will be made on a case-by-case basis. Where issues are raised in the reissue application that would not be proper for consideration in reexamination and/or not be proper for comment by the reexamination third party requester, merger would ordinarily not be ordered, and one of the two proceedings stayed. A decision to stay the reexamination proceeding will only be issued in exceptional instances because of the statutory requirements that examination proceed with "special dispatch." Where there is "good cause" to stay the reexamination proceeding, the Director may do so pursuant to 35 U.S.C. 314(c). The status of the reissue application and the reexamination proceeding will also be taken into account in the decision as to whether merger will be ordered.
>
> Where a reissue patent will not be granted prior to the expiration of the 3-month period for making the determination on the reexamination request, a decision will be made *after an order to reexamine is issued* as to whether the reissue application examination and the reexamination proceeding are to be merged, or which of the two (if any) is to be stayed. In this situation, no first Office action will have accompanied the order for reexamination. In making a decision on whether or not to merge the reissue application examination and the reexamination proceeding, consideration will be given as to whether issues are raised in the reissue application that would not be proper for consideration in reexamination and/or not

be proper for comment by the reexamination third party requester. If such issues are raised, merger would ordinarily not be ordered, and one of the two proceedings stayed. Consideration will also be given to the status of the reissue application examination at the time the order to reexamine the patent pursuant to 37 CFR 1.931 is mailed. [Underlining added for emphasis.]

DECISION

I. Requested Relief - To Stay *Inter Partes* Reexamination Proceeding

As to the post issuance proceedings in which the '196 patent is involved, the '196 patent is the subject of a merged proceeding in which the '686 reissue application and the '487 *ex parte* reexamination proceeding were merged into a single proceeding. The examination of the '686 reissue application and the '487 *ex parte* reexamination proceeding was conducted (pursuant to the July 19, 2005 merger decision) simultaneously on identical records, under the broader guidelines governing the prosecution of a reissue application. The record shows that the merged proceeding has progressed to a point where a Notice of Allowance has been mailed and the issue fee has been paid. Thus, a reissue patent that will replace the '196 patent is already in the process of being prepared for issue and publication. Once issued, the resulting reissue patent will also serve as the *ex parte* reexamination certificate for the surrendered '196 patent. [3]

On the other hand, the prosecution of '185 *inter partes* reexamination proceeding has not progressed significantly. While reexamination was ordered for the '185 *inter partes* reexamination proceeding (on February 23, 2007), there has been no examination with respect to the patentability of any claims for which reexamination was ordered.

One alternative available to the USPTO Director in this instance would be (a) withdrawal of the Notice of Allowance in the merged reissue/*ex parte* reexamination proceeding, (b) then merging the '185 *inter partes* reexamination proceeding with the previously concluded merged proceeding containing the '487 *ex parte* reexamination proceeding, and perhaps with the '079 continuation reissue application as well, (c) then awaiting a house-keeping amendment to unify the claims and specification in the appropriate proceedings, and (d) then conduction of examination. Exercising this option would be contrary to the *ex parte* reexamination statute, as follows. 35 USC 305 states (in part):

> "All reexamination proceedings under this section, including any on appeal to the Board of Patent Appeals and Interferences, will be conducted with special dispatch within the Office."

It would be contrary to the § 305 statutory *unqualified* mandate for special dispatch to withdraw the merged proceeding, which includes the '487 *ex parte* reexamination proceeding, from the preparation process for issue and publication of the reissue patent will also constitute the *ex parte* reexamination certificate. While in some situations it may be beneficial to consolidate all the proceedings directed to the '196 patent, in this instance, such consolidation would necessitate the reopening of prosecution in the reexamination proceeding, and steps (a)-(d) at a point where preparation for issue and publication has already begun. Any such reopening of prosecution in the reexamination proceeding would significantly delay the resolution of the '487 *ex parte* reexamination proceeding, and

[3] See 37 CFR 1.565, last sentence ("Any *ex parte* reexamination proceeding merged with a reissue application shall be terminated by the grant of the reissued patent.") See also MPEP § 2285 ("If the reissue application examination and the reexamination proceeding are merged, the issuance of the reissue patent will also serve as the certificate under 37 CFR 1.570 and the reissue patent will so indicate.

accordingly be contrary to the unqualified mandate for special dispatch requirement set by the *ex parte* reexamination statute. Thus, the first alternative is not workable.

A second alternative would be to conduct proceedings separately and at the same time. This alternative would however permit inconsistent, and possibly conflicting, amendments to be introduced into the multiple proceedings on behalf of the patent owner. It would also permit the participation of the *inter partes* reexamination requester in the reissue proceedings, which is fraught with statutory issues and potential pitfalls. Thus, the second alternative is also not workable.

The third alternative is to stay the '185 *inter partes* reexamination proceeding until the issue and publication of a reissue patent will replace the surrendered '196 patent, and constitute the '487 *ex parte* reexamination certificate. While 35 U.S.C. § 314(c) also calls for special dispatch in *inter partes* reexamination, that provision clearly does not provide for significantly retarding the special dispatch of the '487 *ex parte* reexamination which is already in the publication process. In addition, 35 U.S.C. § 314(c) requirement for special dispatch is qualified by provision that the USPTO Director may suspend an *inter partes* reexamination proceeding for good cause. And here, there is good cause of suspending the '185 *inter partes* reexamination proceeding for the *relatively brief period of time* that will permit the issue and publication of the reissue patent in the merged '686 reissue application/'487 *ex parte* reexamination proceeding because:

(1) A Notice of Allowance has already been mailed in the existing merged proceeding;

(2) The resulting reissue patent will conclude after the '686 reissue application has been pending for three years and after almost two years of prosecution in the merged '686 reissue application/'487 *ex parte* reexamination proceeding;

(3) The reissue patent will serve as the reexamination certificate for the '487 *ex parte* reexamination proceeding, thereby satisfying the statutory mandate for treatment of that reexamination proceeding with special dispatch; and

(4) This course of action will permit the Office to more conduct a more orderly and simplified prosecution of the '185 *inter partes* reexamination proceeding, even if it is determined that the '079 continue reissue application should be merged therewith.

As pointed out above, the alternative of withdrawing the allowed merged '686 reissue application/'487 *ex parte* reexamination proceeding from issue, reopening prosecution, and attempting to merge the '185 *inter partes* reexamination proceeding (and possibly the '079 continuation reissue application as well) therewith, would unnecessarily delay and complicate prosecution of both of the reexamination proceedings. Such may well require repetition of prosecution that has already been conducted and lengthen a prosecution that has already been terminated by a Notice of Allowance. This would not facilitate treatment of the involved reexamination proceedings with special dispatch, would result in a far more complex examination procedure, and would retard a conclusion of the issues between the involved parties.

Accordingly, the '185 *inter partes* reexamination proceeding will be suspended in order to permit the reissue patent to issue for the merged '686 reissue application/'487 *ex parte* reexamination proceeding. Thereafter, the '185 *inter partes* reexamination proceeding will

proceed based upon the resulting reissue patent, provided that the Office still has jurisdiction to conduct the reexamination proceeding (*i.e.* a substantial new question of patentability still exists for the '185 *inter partes* reexamination proceeding). If it is determined that reexamination will continue in the '185 *inter partes* reexamination proceeding, consideration will then also be give to the appropriate treatment for the '079 continuation reissue application in accordance with the practice for treatment of concurrent *inter partes* reexamination and examination of a reissue application for the same patent that appears in MPEP § 2686.03.

In the unlikely event that the merged '686 reissue application/'487 *ex parte* reexamination proceeding is withdrawn from issue and prosecution is re-opened, either party can file a paper calling the proceeding up for action. Consideration will then be given to whether prosecution in the '185 *inter partes* reexamination proceeding should resume.

As a final point for this section of the decision, it is to be noted that even if the positions of the proceedings were reversed, such that the '185 *inter partes* reexamination proceeding were in the publication process, and examination had not yet begun for the '487 *ex parte* reexamination proceeding, it would still be appropriate to suspend the later proceeding, under the present time and handling fact situation. It has been recognised by the Court of Appeals for the Federal Circuit that an *ex parte* reexamination proceeding can be suspended for a reasonable amount of time to permit the Office to orderly conduct of the proceedings within the Office in circumstances in which there are multiple proceedings before the Office. See *Ethicon v. Quigg*, 849 F.2d 1422, 1428, 7 USPQ2d 1152, 1156 (Fed. Cir. 1988). And, as pointed out above, a suspension of the later proceeding clearly provides for orderly conduct of the proceedings within the Office in the present fact situation.

II. Requested Relief - To Vacate Order Granting the '185 *Inter Partes* Reexamination Request

37 CFR 1.4(c) provides that each distinct subject, inquiry or order must be contained in a separate paper to avoid confusion and delay in answering papers dealing with different subjects. The patent owner's request to vacate the Order granting reexamination in the '185 *inter partes* reexamination proceeding is a request for a second, distinct form of relief contained within a single petition paper. As such, it is a request for of relief that is inappropriate under 37 CFR 1.4(c), and the request must be dismissed.

Further, as noted above, the Office will review the '185 *inter partes* reexamination proceeding following issue and publication of the reissue patent in the merged '686 reissue application/'487 *ex parte* reexamination proceeding in order to ascertain whether a substantial new question of patentability is raised by the request for reexamination in the '185 *inter partes* reexamination proceeding in light of the claims existing in the patent as a result of its reissue. After the reissue patent issues and is published, patent owner may file a paper addressing the issue of whether a substantial new question of patentability exists in the '185 *inter partes* reexamination proceeding in light of the claims in the reissue patent.

CONCLUSION

1. The petition, as it relates to the request to stay (suspend) the '185 *inter partes* reexamination proceeding is granted until such time as a reissue patent issues and

publishes for the allowed merged '686 reissue application/'487 *ex parte* reexamination proceeding.

2. The petition, as it relates to the request to vacate the Order granting reexamination in the '185 *inter partes* reexamination proceeding is dismissed.

3. Patent owner may file a renewed petition to vacate the Order granting reexamination in the '185 *inter partes* reexamination within **30 DAYS** from the issue and publication of the reissue patent for the allowed merged '686 reissue application/'487 *ex parte* reexamination proceeding. If patent owner does so, the requester may file an opposition to such renewed petition within **15 DAYS** from the service of such renewed petition on requester.

4. Telephone inquires related to this decision should be directed to Stephen Marcus, Legal Advisor, at (571) 272-7743.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

sm
May 29, 2007

6-1-07
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Date:

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JAN 14 2008

CENTRAL REEXAMINATION UNIT

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. : 95000185
PATENT NO. : 6357193
ART UNIT : 3900

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified ex parte reexamination proceeding (37 CFR 1.550(f)).

Where this copy is supplied after the reply by requester, 37 CFR 1.535, or the time for filing a reply has passed, no submission on behalf of the ex parte reexamination requester will be acknowledged or considered (37 CFR 1.550(g)).

UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
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P.O. Box 1450
Alexandria, Virginia 22313-1450
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,185	12/04/2006	6357193	1915.68REX01	1303

24113 7590 01/14/2008

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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 01/14/2008

Please find below and/or attached an Office communication concerning this application or proceeding.

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CENTRAL REEXAMINATION UNIT

In re Diversi-Plast Products, Inc.
Inter Partes Reexamination Proceeding
Control No. 95/000,185
Filed: December 4, 2006
For: U.S. Patent No. RE 39,825

: **DECISION**
: **DISMISSING**
: **PETITION**

This is a decision on the September 27, 2007 patent owner petition entitled "PATENT OWNER'S PETITION UNDER 37 C.F.R 1.181 TO VACATE ORDER GRANTING *INTER PARTES* REEXAMINATION." This decision also addresses the third party requester papers filed on November 1, 2007 entitled "THIRD PARTY REQUESTER'S OPPOSITION TO PATENT OWNER'S PETIION UNDER 37 C.F.R 1.181 TO VACATE ORDER GRANTING *INTER PARTES* REEXAMINATION" and "REQUEST FOR CONSIDERATION PURSUANT TO 37 C.F.R. § 1.182." This decision also addresses the patent owner paper filed on November 5, 2007 entitled "PATENT OWNER'S OPPOSITION TO THIRD PARTY REQUESTER'S PETITION UNDER 37 C.F.R. 1.182."

The petition, the additional papers and the 95/000,185 *inter partes* reexamination proceeding are before the Office of Patent Legal Administration for decision.

For the reasons set forth below, the patent owner petition is dismissed.

FEES

The patent owner petition has been filed under 37 CFR 1.181, and no fee is required. The Third party requester has filed a paper under 37 CFR 1.182, for which a $400.00 fee is required and for which payment has been received. Inasmuch as there is no provision in the regulations for the filing of a patent owner opposition to a third party requester opposition, a fee of $400.00 would also be required under 37 CFR 1.182 for the November 5, 2007 patent owner opposition paper. However, in light of the discussion below, no fee is being charged.

REVIEW OF SALIENT FACTS

1. U.S Patent number 6,357,193 B1 ("the '193 patent") issued to Richard J. Morris on March 19, 2002, from an application filed on December 16, 1999, and was assigned to Diversi-Plast Products, Inc.

2. On March 19, 2004, an application was filed to reissue the '193 patent and was assigned application number 10/805,686 ("the '686 reissue application").

3. On March 29, 2005, a request for *ex parte* reexamination of the '193 patent was filed and assigned control number 90/007,487 ("the '487 *ex parte* reexamination proceeding").

4. On June 2, 2005, an Order granting *ex parte* reexamination was mailed in the '487 *ex parte* reexamination proceeding.

5. On July 19, 2005, the Office issued a decision, *sua sponte*, merging the '686 reissue application and the '487 *ex parte* reexamination into a single merged proceeding ("the merged proceeding"), to be conducted under the reissue application examination practice, which is broader that that of reexamination proceedings.

6. On September 15, 2006, a Notice of Allowance and a Notice of Allowability were mailed in the merged proceeding.

7. On October 12, 2006, a request for *inter partes* reexamination of the '193 patent was deposited by a third party requester, and assigned control number 95/000,185 ("the '185 *inter partes* reexamination proceeding").

8. On October 19, 2006, patent owner filed an Information Disclosure Statement ("IDS") in the merged proceeding.

9. The issue fee for the '686 reissue application in the merged proceeding was paid on October 26, 2006.

10. On November 30, 2006, a continuation reissue application for the '193 patent was filed as a continuation of the '686 reissue application, and the continuation reissue application was assigned application number 11/607,079 ("the '079 continuation reissue application".)

11. Following corrections to the originally deposited request for *inter partes* reexamination, the '185 *inter partes* reexamination proceeding was accorded a filing date of December 4, 2006. [1]

12. On February 23, 2007, an Order granting *inter partes* reexamination was mailed for the '185 *inter partes* reexamination proceeding.

13. On March 9, 2007, an interview was conducted in the merged reexamination proceeding that indicates that the examiner and the patent owner discussed the two documents cited in the October 19, 2006 IDS.

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[1] See the Office communication mailed November 27, 2006, the third party requester's response received December 4, 2006, and the Notice of Assignment mailed on February 7, 2007.

14. On May 7, 2007, patent owner filed a petition to stay the 95/000,185 *inter partes* reexamination proceeding, and to vacate the February 23, 2007 Order granting *inter partes* reexamination.

15. On June 8, 2007, the patent owner petition to stay was granted in order to permit the reissue patent in the merged proceeding to issue, but the patent owner petition to vacate was dismissed as not having been presented in a separately filed paper [2] and to permit the reissue patent to issue.

16. On September 11, 2007, reissue patent RE 39,825 E (hereinafter the '825 reissue patent) issued in the merged proceeding. The reissue patent replaced the original '193 patent which has been surrendered, and also effectively serves as the reexamination certificate for the '193 patent. [3]

17. Although reexamination has been ordered in the '185 *inter partes* reexamination proceeding based upon a determination that the request for *inter partes* reexamination raised one or more substantial new questions of patentability, examination as to the patentability of the claims of the '185 *inter partes* reexamination proceeding (which are the claims in the '825 reissue patent) has not yet commenced.

18. The '079 continuation reissue application has not yet been docketed to an examiner, and examination of the patentability of the claims of has not yet commenced.

RELEVANT AUTHORITY

35 U.S.C. § 312 provides:

> (a) REEXAMINATION.— Not later than 3 months after the filing of a request for inter partes reexamination under section 311, the Director shall determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request, with or without consideration of other patents or printed publications. **The existence of a substantial new question of patentability is not precluded by the fact that a patent or printed publication was previously cited by or to the Office or considered by the Office.**
> (b) RECORD.— A record of the Director's determination under subsection (a) shall be placed in the official file of the patent, and a copy shall be promptly given or mailed to the owner of record of the patent and to the third-party requester.
> (c) FINAL DECISION.— A determination by the Director under subsection (a) shall be final and non-appealable. Upon a determination that no substantial new question of patentability has been raised, the Director may refund a portion of the inter partes reexamination fee required under section 311. [Emphasis added.]

MPEP 2642, subsection II.A. provides:

> A "substantial new question of patentability" is <u>not</u> raised by the prior art if the Office has previously considered (in an earlier examination of the patent) the same question of patentability as to a patent claim favorable to the patent owner based on the same prior art patents or printed publications. *In re Recreative Technologies*, 83 F.3d 1394, 38 USPQ2d 1776 (Fed. Cir. 1996).

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[2] 37 CFR 1.4(c) provides that "[S]ince different matters may be considered by different branches or sections of the United States Patent and Trademark Office, each distinct subject, inquiry or order must be contained in a separate paper to avoid confusion and delay in answering papers dealing with different subjects."
[3] <u>See</u>: 35 U.S.C. §§ 251 and 252. <u>See also</u>: 37 CFR 1.565 and MPEP § 2285.

In deciding whether to grant a request for reexamination of a patent, the examiner should check the patent's file history to ascertain whether any of the prior art now advanced by requester *was* previously cited/considered in an earlier Office examination of the patent (e.g., in the examination of the application for the patent, or in a concluded or pending reexamination proceeding). For the sake of expediency, such art is referred to as "old art" throughout, since the term "old art" was coined by the Federal Circuit in its decision of *In re Hiniker Co.*, 150 F.3d 1362, 1365-66, 47 USPQ2d 1523, 1526 (Fed. Cir. 1998).

In a decision to order reexamination made on or after November 2, 2002, reliance on old art does not necessarily preclude the existence of a substantial new question of patentability (SNQ) that is based exclusively on that old art. See Public Law 107-273, 116 Stat. 1758, 1899-1906 (2002), which expanded the scope of what qualifies for a substantial new question of patentability upon which a reexamination may be based. Determinations on whether a SNQ exists in such an instance shall be based upon a fact-specific inquiry done on a case-by-case basis. For example, a SNQ may be based solely on old art where the old art is being presented/viewed in a new light, or in a different way, as compared with its use in the earlier concluded examination(s), in view of a material new argument or interpretation presented in the request.

When it is determined that a SNQ based solely on old art is raised, form paragraph 22.01.01 should be included in the order for reexamination.

MPEP 2646, subsection II. provides:

A substantive determination by the Director of the Office to institute reexamination pursuant to a finding that the prior art patents or printed publications raise a substantial new question of patentability is not subject to review by petition or otherwise. ...

A petition under 37 CFR 1.181 may, however, be filed to vacate an *ultra vires* reexamination order, such as where the order for reexamination is not based on prior art patents and printed publications. In cases where no discretion to grant a request for reexamination exists, a petition to vacate the decision to grant, or a request for reconsideration, will be entertained. "Appropriate circumstances" under 37 CFR 1.181(a)(3) exist to vacate the order granting reexamination where, for example:

(A) the reexamination order is not based on prior art patents or printed publications;

(B) reexamination is prohibited under 37 CFR 1.907;

(C) all claims of the patent were held to be invalid by a final decision of a Federal Court after all appeals;

(D) reexamination was ordered for the wrong patent;

(E) reexamination was ordered based on a duplicate copy of the request; or

(F) the reexamination order was based wholly on the same question of patentability raised by the prior art previously considered in an earlier concluded examination of the patent by the Office (e.g., the application which matured into the patent, a prior reexamination, an interference proceeding).

As to (F), the decision of *In re Recreative Technologies Corp.*, 83 F.3d 1394, 38 USPQ2d 1776 (Fed. Cir. 1996) is to be noted. See the discussion in MPEP § 2642, subsection II.A. as to the criteria for vacating a reexamination order in view of the decision.

When a petition under 37 CFR 1.181 is filed to vacate a reexamination order, the third party requester may file a single submission in opposition to the petition. Because reexamination proceedings are conducted with special dispatch, 35 U.S.C. 314(c), any such opposition by the third party requester must be filed within two weeks of the date upon which a copy of the original 37 CFR 1.181 petition was served on the third party requester to ensure consideration. It is advisable that, upon receipt and review of the served copy of such a 37 CFR 1.181 petition which the third party requester intends to oppose, the requester should immediately place a courtesy telephone call to the Special Program Examiner (SPRE) in the Central Reexamination Unit (CRU) to notify the Office that an opposition to the 37 CFR 1.181 petition will be filed. Whenever possible, filing of the opposition should be submitted by facsimile transmission.

The filing of a 37 CFR 1.181 petition to vacate an *ultra vires* reexamination order is limited to a single submission, even if an opposition thereto is filed by a third party requester.

DECISION

I. The Patent Owner Petition

A. Patent Owner's Argument for Vacatur of the Order

Patent owner alleges that the Order granting reexamination in the '185 *inter partes* reexamination proceeding was based wholly on the same question of patentability raised by the prior art previously considered by the Office in the merged reexamination proceeding. Patent owner argues that each of the references found to raise a substantial new question of patentability in the Order granting reexamination in the '185 *inter partes* reexamination proceeding was fully considered and examined in the merged reexamination proceeding. Patent owner concludes, therefore, that in accordance with MPEP § 2642 II.A., which cites *In re Recreative Technologies Corp.*, F.3d 1394, 38 USPQ2d 1776 (Fed. Cir. 1996), a substantial new question of patentability has not been raised by the request for reexamination in the '185 *inter partes* reexamination proceeding.

B. Findings and Analysis

1. The Order for Reexamination in the '185 *Inter Partes* Reexamination Proceeding

A review of the record in the '185 *inter partes* reexamination proceeding shows that the examiner has determined that a substantial new question of patentability exists for every claim of the '193 patent based, either in whole or in part, on one of two documents that the examiner has referred to as "Japanese Patent Document JP 9-177198" and the "S-400 Strip Vent (1997)." [4]

2. Prior Proceedings Involving the '193 Patent

There have been two prior proceedings involving the '193 patent, which has now been surrendered and replaced by the '825 reissue patent. These proceedings are the application that matured into the '193 patent, and the merged reexamination proceeding (in which the '487 *ex parte* reexamination proceeding was merged with the '686 reissue application) that resulted in the grant of the '825 reissue patent.

A review of the record of the merged reexamination proceeding, and of the record of the application that matured into the '193 patent, fails to reveal that either the Japanese patent publication or the S-400 Strip Vent publication were considered and discussed on the record of those proceedings in the same manner in which they were considered and applied to establish substantial new questions of patentability in the '185 *inter partes* reexamination proceeding. In fact, a review of the records of the prior proceedings shows that the Japanese patent publication and the S-400 Strip Vent publication were first submitted to the Office in the IDS filed in the merged reexamination proceeding on October 19, 2006 (after a Notice of Allowance and a Notice of Allowability had been mailed on September 15, 2006), and that these documents were not considered or discussed in detail on the record. Rather, it appears that on March 9, 2007, an interview was conducted in the merged reexamination

[4] These documents will hereinafter be referred to in this Decision as the "Japanese patent publication" and the "S-400 Strip Vent publication," respectively, except when quoting from the examiner's Interview Summary form of March 9, 2007 in the merged reexamination proceeding or when quoting the Order granting reexamination in the '185 *inter partes* reexamination proceeding.

proceeding between patent owner's representative and a newly assigned examiner. It further appears from the first page of the examiner's Interview Summary form for that interview that the "Japanese Patent Application Publication" and the "Cor-a-Vent Publication" were discussed (along with a third document), that claims 2, 3, 8 and 9 were "discussed," and that "agreement with respect to the claims was not reached." It appears from the third page of the Interview Summary form, (a continuation sheet), that patent owner's representative "briefly explained" the prosecution history of the case to the newly assigned examiner, that the three documents mentioned on the first page of the Interview Summary form were "discussed," that the "SO ET AL" and the "COR-A-Vent" publications had been listed on an Information Disclosure Statement filed 19 October 2006, [5] and that "[N]o agreement was reached." There are absolutely no details of the discussion set forth in the Interview Summary form.

A review of the record of the merged reexamination proceeding also reveals that the examiner's Interview Summary form required patent owner to file, within thirty days of the date of the interview, a statement of the substance of the interview if a reply to the last Office action had already been filed, or to incorporate such a statement in a reply if a reply was to be filed. The record does <u>not</u> show that any such statement was filed by patent owner.

A review of the prosecution history of the application that matured into the '193 patent fails to show any discussion of any kind of the Japanese patent publication or the S-400 Strip Vent publication. Neither of these publications was of record in that proceeding.

Therefore, it appears that the record of the prior proceedings involving the '193 patent do not contain <u>any</u> substantive discussion on the written record of the teachings set forth in the Japanese patent publication and the S-400 Vent strip publication, or the manner in which such teachings might, or might not, have relevance to the patentability of the invention disclosed and claimed by patent owner in the '193 patent or in the '825 reissue patent.

3. A Substantial New Question of Patentability May Be Based on "Old Art"

35 U.S.C. § 312 was amended, effective in 2002, to provided that the Office is not automatically precluded from finding that a substantial new question of patentability exists in an *inter partes* reexamination proceeding where the substantial new question is based only upon "old art" (*i.e.* prior patents or printed publications that were previously cited to or considered by the Office in a prior proceeding involving a patent for which *inter partes* reexamination is requested). This is clearly set forth in MPEP § 2642, subsection II.A., the very portion of the Manual of Patent Examining Procedure that is relied upon by patent owner to support patent owner's petition to vacate the February 23, 2007 Order granting *inter partes* reexamination in the '185 *inter partes* reexamination proceeding. Indeed, MPEP § 2642, subsection II.A. <u>clearly</u> states that the determination of whether a substantial new question of patentability exists must be made on a case-by-case basis, and that as one example, a substantial new question of patentability may be based solely on "old art" if such "old art" is presented in a "new light" or in a different way as compared with its use in the earlier concluded examination(s), in view of a material new argument or interpretation presented in the request for *inter partes* reexamination.

[5] These documents are the Japanese Published Application and the S-400 Strip Vent publication, respectively that were listed on page 1 of the examiner's Interview Summary form, and are the same documents relied upon in the Order granting reexamination in '185 *inter partes* reexamination proceeding. These documents are referred to in this Decision in the manner set forth in footnote 4.

Further, MPEP § 2646, subsection II., which explains the bases upon which a petition to vacate an Order for *inter partes* reexamination may be filed, includes a discussion of MPEP § 2642, subsection II.A.. MPEP § 2646, subsection II. specifically states that where a reexamination order is based wholly on the same question of patentability raised by the prior art previously considered in an earlier concluded examination of the patent by the Office (*e.g.*, the application which matured into the patent, or a prior reexamination of the patent), such would provide a circumstance in which there would be no discretion to grant a request for reexamination. MPEP § 2646, subsection II. also includes a discussion of the *Recreative Technologies* decision insofar as that decision relates to the criteria for vacating a reexamination order on the basis of the order having been based wholly on the same question of patentability raised in an earlier concluded examination of the patent by the Office. A review of the *Recreative Technologies* decision (which pre-dates the 2002 amendment to the reexamination statute discussed in Section B.2., *supra*), shows that the decision involved a reexamination proceeding in which a 35 U.S.C. § 103 rejection for obviousness was made based on a reference to Ota. The Ota reference was "old art" because the very same Section 103 rejection over Ota had been made in the examination of the original application that had matured into the patent that was being reexamined, and the claims of the patent had been held to be nonobvious over Ota in that prior proceeding. The Court held that the statutory requirement that a substantial new question of patentability must exist before the Office may order reexamination was not satisfied when the very same rejection that had been made during the prosecution of the original application for patent was asserted as raising a substantial new question of patentability in the reexamination proceeding. The Court did not reach the question of whether viewing the Ota reference as a 35 U.S.C. § 102 anticipatory reference would have raised a substantial new question of patentability in the reexamination proceeding.

4. Reexamination was Properly Ordered in the '185 *Inter Partes* Reexamination Proceeding

As discussed in Section B.1., *supra*, the Order granting reexamination in the '185 *inter partes* reexamination proceeding was based on the Japanese patent publication and the S-400 Strip Vent publication. As discussed in Section B.2., *supra*, there is nothing in the record of a prior proceeding involving the patent for which reexamination has been requested in the '185 *inter partes* reexamination proceeding that shows that these documents were discussed on the record of a prior proceeding with any degree of specificity. [6] The Japanese patent publication and the S-400 Strip Vent publication were not of record during examination of the application that matured into the '193 patent. These documents were made of record by patent owner in the merged reexamination proceeding only after allowance of the claims. The record of the merged proceeding is totally silent as to how these documents were asserted to be relevant to the claims of the '193 patent, and does not reflect the specifics of either patent owner's position or the examiner's position on that issue. The first paper in which there is any specific allegation that the technical teachings of the Japanese patent publication and the S-400 Strip Vent publication are applicable to the patentability of the '193 patent claims is the request for reexamination in the '185 *inter partes* reexamination proceeding. Thus, it does not appear that these documents are "old art" for purposes of the '185 *inter partes* reexamination proceeding.

[6] As previously noted, the '193 patent has been surrendered in favor of the '825 reissue patent. Thus, the '825 reissue patent would be the subject of reexamination in the '185 *inter partes* reexamination proceeding.

Further, to the extent that patent owner would take the position that even though the Interview Summary form dated March 7, 2007 contains no specifics of the manner in which the teachings of the Japanese patent publication and the S-400 Strip Vent publication apply to the '193 patent claims, the Interview Summary form nevertheless is evidence of a discussion of the potential applicability of the technical teachings of the Japanese patent publication and the S-400 Strip Vent publication to the patentability of the '193 patent claims, (thus making these documents "old art" in the '185 *inter partes* reexamination proceeding), 35 U.S.C. § 312(a) states that a substantial new question of patentability may exist, even if it is based on patents or printed publications that were previously cited by or to the Office, or considered by the Office. It should be noted that pursuant to MPEP § 2642, subsection II.A., a substantial new question of patentability may properly be based on "old art" that is viewed in a new light. Since the specifics of the manner in which the technical teachings of the Japanese patent publication and the S-400 Strip Vent publication might apply to the patentability of the '193 patent claims do not exist in the record of any prior proceeding related to the '193 patent or the '825 reissue patent, the discussion of these documents in the examiner's Order in the '185 *inter partes* reexamination proceeding in which the examiner found substantial new questions of patentability based on these documents must necessarily be based upon viewing these documents in a new light. Stated differently, any specific discussion of how the technical teachings of the Japanese patent publication and the S-400 Strip Vent publication might apply to the patentability of the '193 patent claims would necessarily constitute a new manner of viewing these documents when measured against the absolutely silent record regarding the specifics of the "consideration" given to these documents in the merged proceeding.

In summary, the order granting reexamination in the '185 *inter partes* reexamination is not an *ultra vires* action by the examiner that must be vacated. Rather, each substantial new question of patentability found to exist is based on either the Japanese patent publication or the S-400 Strip Vent publication. These documents are not considered to be "old art" because the prior proceedings involving the '193 patent do not contain a discussion of how the technical teachings in these documents might apply to the '193 patent claims or how the '193 claims distinguished over the technical teachings of these documents. Alternatively, to the extent that it is considered that the examiners' Interview Summary form dated March 9, 2007 in the prior merged proceeding is evidence that the technical teachings of the Japanese patent publication and the S-400 Strip Vent publication were discussed with respect to the '193 patent claims, the absence of any specifics of such discussion means that the specific discussion of these references in the Order granting reexamination in the '185 *inter partes* reexamination proceeding necessarily reflects a consideration of these documents in a new light, or in a different way from how they were viewed in the prior merged reexamination proceeding.

ADDITIONAL DISCUSSION

The decision to dismiss the patent owner's petition to vacate the '185 *inter partes* reexamination proceeding is based only upon a consideration of the arguments presented therein, without detailed consideration of the third party requester opposition paper filed on November 1, 2007. The third party requester's November 1, 2007 opposition paper has only been given a cursory review, because a detailed review was not considered to be necessary to reach a decision on the September 27, 2007 patent owner petition after a careful and detailed review of that petition. However, the third party requester opposition paper was found to contain comments that appear to be arguably directed to the conduct of the

patent owner. Such comments are deemed to be inappropriate in an *inter partes* reexamination proceeding, which is limited to a consideration of prior patents and printed publications, plus extrinsic evidence in aid of interpretation or construction of such patents and printed publications. Accordingly the third party opposition paper will be sealed. [7] Further, in light of the treatment of the third party opposition paper, consideration of the November 1, 2007 third party request to consider the November 1, 2007 opposition paper on its merits, notwithstanding that it was not timely filed, is rendered moot. Accordingly, this paper will also be sealed.

MPEP § 2646, subsection II. provides that "[T]he filing of a 37 CFR 1.181 petition to vacate an *ultra vires* reexamination order is limited to a single submission, even if an opposition thereto is filed by a third party requester." Accordingly, the patent owner paper opposing the third party requester's request to consider the third party requester's untimely filed opposition paper is a paper that does not enjoy an entry right in the '185 *inter partes* reexamination proceeding. Therefore, the patent owner paper filed on November 5, 2007 will also be sealed.

CONCLUSION

1. The September 27, 2007 patent owner petition to vacate the '185 *inter partes* reexamination proceeding is dismissed.

2. The November 1, 2007 third party requester opposition paper has not been given more than cursory consideration, and is sealed as arguably containing comments on matters that are outside of the scope of *inter partes* reexamination.

3. The November 1, 2007 third party requester paper that requests consideration of the third party requester opposition paper is also sealed because it has not been given consideration since it is rendered moot by the sealing of the opposition paper.

4. The November 5, 2007 patent owner paper opposing the third party requester opposition paper lacks an entry right, has not been considered, and is sealed.

5. Jurisdiction of the '185 inter partes reexamination proceeding is being returned to the Central Reexamination Unit for action as may be appropriate.

6. Telephone inquires related to this decision should be directed to the undersigned, at (571) 272-7743, or in his absence, to Kenneth M. Schor, Senior Legal Advisor, at (571) 272 7710.

Stephen Marcus, Legal Advisor
Office of Patent Legal Administration

sm
January 10, 2008

[7] Papers cannot be physically removed from an Image File Wrapper, and so technically cannot be "expunged." Instead papers are "sealed" by being marked "closed" and "non-public." Papers that are sealed do not form any part of the official record of the '185 *inter partes* reexamination proceeding.

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,185	12/04/2006	6357193	1915.68REX01	1303

24113 7590 08/22/2008

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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 08/22/2008

Please find below and/or attached an Office communication concerning this application or proceeding.

UNITED STATES PATENT AND TRADEMARK OFFICE

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(For Patent Owner)

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AUG 22 2008

CENTRAL REEXAMINATION UNIT

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(For Third Party Requester)

In re Diversi-Plast Products, Inc.
Inter Partes Reexamination Proceeding
Control No. 95/000,185
Filed: December 4, 2006
For: U.S. Patent No. RE 39,825

: **DECISION**
: **DENYING**
: **PETITION**

This is a decision on the February 29, 2008 patent owner petition entitled "Petition For Supervisory Review And Final Agency Decision Concerning The Denial Of Patent Owner's Petition Under 37 C.F.R § 1.181(a)(1)." This decision also addresses the third party requester paper filed on March 27, 2008 entitled "Third Party Requester's Opposition To Patent Owner's Petition Under 37 C.F.R 1.181 For Supervisory Review And Final Agency Decision Concerning The Denial Of Patent Owner's Petition Under 37 C.F.R § 1.181(a)(1)."

The petition, the opposition paper and the 95/000,185 *inter partes* reexamination proceeding are before the Office of Patent Legal Administration for decision.

Summary: The patent owner petition for reconsideration is granted to the extent that the "Decision Dismissing Petition" dated January 4, 2008 has been reconsidered. The renewed petition is denied to the extent of granting the relief requested by patent owner (*i.e.*, vacatur of the Order granting reexamination in *inter partes* reexamination control number 95/000,185). The third party requester opposition paper has not been considered because it was not timely filed. [1]

The present decision is designated as a final agency action under 5 U.S.C. § 704.

[1] MPEP § 2646 provides that "[W]hen a petition under 37 CFR 1.181 is filed to vacate a reexamination order, the third party requester may file a single submission in opposition to the petition. Because reexamination proceedings are conducted with special dispatch, 35 U.S.C. 314(c), any such opposition by the third party requester must be filed within two weeks of the date upon which a copy of the original 37 CFR 1.181 petition was served on the third party requester to ensure consideration."

FEES

The patent owner petition has been filed under 37 CFR 1.181, and no fee is required. The third party requester opposition petition is also taken as a paper under 37 CFR 1.181, for which no fee is required.

BACKGROUND

1. U.S Patent number 6,357,193 B1 ("the '193 patent") issued to Richard J. Morris on March 19, 2002, from an application filed on December 16, 1999, and was assigned to Diversi-Plast Products, Inc.

2. On March 19, 2004, an application was filed to reissue the '193 patent and was assigned application number 10/805,686 ("the '686 reissue application").

3. On March 29, 2005, a request for *ex parte* reexamination of the '193 patent was filed and assigned control number 90/007,487 ("the '487 *ex parte* reexamination proceeding").

4. On June 2, 2005, an Order Granting *Ex Parte* Reexamination was mailed in the '487 *ex parte* reexamination proceeding.

5. On July 19, 2005, the Office issued a decision, *sua sponte*, merging the '686 reissue application and the '487 *ex parte* reexamination into a single merged proceeding ("the merged proceeding"), to be conducted under the reissue application examination practice, which is broader than that of reexamination proceedings.

6. On September 15, 2006, a Notice of Allowance and a Notice of Allowability were mailed in the merged proceeding.

7. On October 12, 2006, a request for *inter partes* reexamination of the '193 patent was deposited by a third party requester, and assigned control number 95/000,185 ("the '185 *inter partes* reexamination proceeding").

8. On October 19, 2006, patent owner filed an Information Disclosure Statement ("IDS") in the merged proceeding in which Japanese Patent Publication No. JP9-117198 and Cor-a-Vent S-400 Publication-Cold Roof Application Using S-400 Strip Vent on a Roof Deck were cited for the first time. [2]

9. The issue fee for the '686 reissue application in the merged proceeding was paid on October 26, 2006.

10. On November 30, 2006, a continuation reissue application for the '193 patent was filed as a continuation of the '686 reissue application, and the continuation reissue application was assigned application number 11/607,079 ("the '079 continuation reissue application".)

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[2] These documents will hereinafter be referred to in the present decision as the " JP9-117198 Publication" and the "S-400 Strip Vent Publication," respectively, except when quoting from the examiner's Interview Summary form of March 9, 2007 in the merged reexamination proceeding or when quoting the Order granting reexamination in the '185 *inter partes* reexamination proceeding.

11. Following corrections to the originally deposited request papers, the '185 *inter partes* reexamination proceeding was accorded a filing date of December 4, 2006. [3]

12. On February 23, 2007, an Order Granting *Inter Partes* Reexamination was mailed for the '185 *inter partes* reexamination proceeding.

13. On March 9, 2007, an interview was conducted in the merged proceeding, and the examiner's Interview Summary form for the interview indicates that the examiner and the patent owner discussed the JP9-117198 Publication and the S-400 Strip Vent Publication that had been cited by patent owner in the October 19, 2006 IDS.

14. On May 7, 2007, patent owner filed a petition to stay the 95/000,185 *inter partes* reexamination proceeding, and to vacate the February 23, 2007 Order granting *inter partes* reexamination.

15. On June 8, 2007, the patent owner petition to stay was granted in order to permit the reissue patent in the merged proceeding to issue, but the patent owner petition to vacate was dismissed as not having been presented in a separately filed paper, [4] and to permit the reissue patent to issue.

16. On September 11, 2007, reissue patent RE 39,825 E (hereinafter the '825 reissue patent) issued in the merged proceeding. The reissue patent replaced the original '193 patent which has been surrendered, and also effectively serves as the reexamination certificate for the '193 patent. [5]

17. On September 27, 2007, patent owner filed a petition to vacate the Order Granting *Inter Partes* Reexamination.

18. On November 1, 2007, third party requester filed an opposition to the September 27, 2007 patent owner petition.

19. On January 14, 2008, the Office mailed a Decision dismissing the patent owner petition filed on September 27, 2007 (hereinafter "the January 14, 2008 decision").

20. On February 29, 2008, the present patent owner petition was filed.

21. On March 27, 2008, the third party requester filed an opposition to the February 29, 2008 petition, which, as explained in footnote 1, *supra*, was untimely filed and will not be considered.

22. Although reexamination has been ordered in the '185 *inter partes* reexamination proceeding based upon a determination that the request for *inter partes* reexamination raised one or more substantial new questions of patentability, examination as to the patentability of the claims of the '185 *inter partes* reexamination proceeding (which are the claims in the '825 reissue patent) has not yet commenced.

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[3] See the Office communication mailed November 27, 2006, the third party requester's response received December 4, 2006, and the Notice of Assignment mailed on February 7, 2007.

[4] 37 CFR 1.4(c) provides that "[S]ince different matters may be considered by different branches or sections of the United States Patent and Trademark Office, each distinct subject, inquiry or order must be contained in a separate paper to avoid confusion and delay in answering papers dealing with different subjects."

[5] See: 35 U.S.C. §§ 251 and 252. See also: 37 CFR 1.565 and MPEP § 2285.

23. The '079 continuation reissue application has been docketed to an examiner, but has examination has not yet commenced.

RELEVANT AUTHORITY

35 U.S.C. § 312 provides:

> (a) REEXAMINATION.— Not later than 3 months after the filing of a request for inter partes reexamination under section 311, the Director shall determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request, with or without consideration of other patents or printed publications. **The existence of a substantial new question of patentability is not precluded by the fact that a patent or printed publication was previously cited by or to the Office or considered by the Office.**
>
> (b) RECORD.— A record of the Director's determination under subsection (a) shall be placed in the official file of the patent, and a copy shall be promptly given or mailed to the owner of record of the patent and to the third-party requester.
>
> (c) FINAL DECISION.— A determination by the Director under subsection (a) shall be final and non-appealable. Upon a determination that no substantial new question of patentability has been raised, the Director may refund a portion of the inter partes reexamination fee required under section 311. [Emphasis added.]

MPEP § 609.05(b) provides, in part:

> The information contained in information disclosure statements which comply with both the content requirements of 37 CFR 1.98 and the requirements, based on the time of filing the statement, of 37 CFR 1.97 will be considered by the examiner. Consideration by the examiner of the information submitted in an IDS means that the examiner will consider the documents in the same manner as other documents in Office search files are considered by the examiner while conducting a search of the prior art in a proper field of search. The initials of the examiner placed adjacent to the citations on the PTO/SB/08A and 08B or its equivalent mean that the information has been considered by the examiner to the extent noted above.

MPEP 2642(II) provides:

> A "substantial new question of patentability" is <u>not</u> raised by the prior art if the Office has previously considered (in an earlier examination of the patent) the same question of patentability as to a patent claim favorable to the patent owner based on the same prior art patents or printed publications. *In re Recreative Technologies*, 83 F.3d 1394, 38 USPQ2d 1776 (Fed. Cir. 1996).
>
> In deciding whether to grant a request for reexamination of a patent, the examiner should check the patent's file history to ascertain whether any of the prior art now advanced by requester *was* previously cited/considered in an earlier Office examination of the patent (e.g., in the examination of the application for the patent, or in a concluded or pending reexamination proceeding). For the sake of expediency, such art is referred to as "old art" throughout, since the term "old art" was coined by the Federal Circuit in its decision of *In re Hiniker Co.*, 150 F.3d 1362, 1365-66, 47 USPQ2d 1523, 1526 (Fed. Cir. 1998).
>
> In a decision to order reexamination made on or after November 2, 2002, reliance on old art does not necessarily preclude the existence of a substantial new question of patentability (SNQ) that is based exclusively on that old art. See Public Law 107-273, 116 Stat. 1758, 1899-1906 (2002), which expanded the scope of what qualifies for a substantial new question of patentability upon which a reexamination may be based. Determinations on whether a SNQ exists in such an instance shall be based upon a fact-specific inquiry done on a case-by-case basis. For example, a SNQ may be based solely on old art where the old art is being presented/viewed in a <u>new light</u>, or in a different way, as compared with its use in the earlier concluded examination(s), in view of a material new argument or interpretation presented in the request.
>
> When it is determined that a SNQ based solely on old art is raised, form paragraph 22.01.01 should be included in the order for reexamination.

MPEP 2646(II) provides:

> A substantive determination by the Director of the Office to institute reexamination pursuant to a finding that the prior art patents or printed publications raise a substantial new question of patentability is not subject to review by petition or otherwise. ...
>
> A petition under 37 CFR 1.181 may, however, be filed to vacate an *ultra vires* reexamination order, such as where the order for reexamination is not based on prior art patents and printed publications. In cases where no discretion to grant a request for reexamination exists, a petition to vacate the decision to grant, or a request for reconsideration, will be entertained. "Appropriate circumstances" under 37 CFR 1.181(a)(3) exist to vacate the order granting reexamination where, for example:
>
> (A) the reexamination order is not based on prior art patents or printed publications;
>
> (B) reexamination is prohibited under 37 CFR 1.907;
>
> (C) all claims of the patent were held to be invalid by a final decision of a Federal Court after all appeals;
>
> (D) reexamination was ordered for the wrong patent;
>
> (E) reexamination was ordered based on a duplicate copy of the request; or
>
> (F) the reexamination order was based wholly on the same question of patentability raised by the prior art previously considered in an earlier concluded examination of the patent by the Office (e.g., the application which matured into the patent, a prior reexamination, an interference proceeding).
>
> As to (F), the decision of *In re Recreative Technologies Corp.*, 83 F.3d 1394, 38 USPQ2d 1776 (Fed. Cir. 1996) is to be noted. See the discussion in MPEP § 2642, subsection II.A. as to the criteria for vacating a reexamination order in view of the decision.
>
> When a petition under 37 CFR 1.181 is filed to vacate a reexamination order, the third party requester may file a single submission in opposition to the petition. Because reexamination proceedings are conducted with special dispatch, 35 U.S.C. 314(c), any such opposition by the third party requester must be filed within two weeks of the date upon which a copy of the original 37 CFR 1.181 petition was served on the third party requester to ensure consideration. It is advisable that, upon receipt and review of the served copy of such a 37 CFR 1.181 petition which the third party requester intends to oppose, the requester should immediately place a courtesy telephone call to the Special Program Examiner (SPRE) in the Central Reexamination Unit (CRU) to notify the Office that an opposition to the 37 CFR 1.181 petition will be filed. Whenever possible, filing of the opposition should be submitted by facsimile transmission.
>
> The filing of a 37 CFR 1.181 petition to vacate an *ultra vires* reexamination order is limited to a single submission, even if an opposition thereto is filed by a third party requester.

DECISION

I. The September 27, 2007 Patent Owner Petition

A. Patent Owner's Argument for Vacatur of the Order

In the September 27, 2007 petition, patent owner alleged that the *Order Granting Inter Partes Reexamination* in the '185 *inter partes* reexamination proceeding was based wholly on the same question of patentability raised by the prior art previously considered by the Office in the merged proceeding. Patent owner supported that conclusion by arguing that each of the references found to raise an SNQ in that Order, (including the JP9-117198 Publication and the S-400 Strip Vent Publication), was fully considered and examined in the merged proceeding. Patent owner cited MPEP § 2642(II)(A), (which, in turn, cites *In re Recreative Technologies Corp.*, F.3d 1394, 38 USPQ2d 1776 (Fed. Cir. 1996)), to support patent owner's position that a proper SNQ has not been raised by the request for reexamination in the '185

inter partes reexamination proceeding because the Order was based solely on previously considered "old art."

B. The January 14, 2008 Decision

The January 14, 2008 decision that dismissed patent owner's September 27, 2007 petition was based on the factual findings obtained from a review of the record of the '185 *inter partes* reexamination proceeding and a review of the records of the prior proceedings involving the '193 patent, (which has now been surrendered and replaced by the '825 reissue patent). These prior proceedings were the application that matured into the '193 patent, and the merged proceeding, (in which the '487 *ex parte* reexamination proceeding was merged with the '686 reissue application), that resulted in the grant of the '825 reissue patent. These factual findings, and the basis therefor, were:

(1) A review of the prosecution history of the application that matured into the '193 patent showed that neither the JP9-117198 Publication nor the S-400 Strip Vent Publication was of record in that proceeding.

(2) A review of the record of the merged proceeding showed that the JP9-117198 Publication and the S-400 Strip Vent publication were first submitted to the Office in the IDS filed on October 19, 2006, (after a Notice of Allowance and a Notice of Allowability had been mailed on September 15, 2006), and that these documents were **not considered or discussed in detail on the record at that time**.

(3) The review of the record of the merged proceeding also showed that:

(a) On March 9, 2007, an interview was conducted in the merged proceeding between patent owner's representative and a newly assigned examiner. The examiner's Interview Summary form for that interview, (a copy of which was given to patent owner's representative on March 9, 2007), showed that:

(i) The "SO ET AL Japanese Patent Application Publication No. H09-177198" and the "COR-A-Vent" publication" were listed on the IDS form filed on October 19, 2006,[6] and that the IDS also stated that "[N]o agreement was reached." [7];

(ii) The "SO ET AL Japanese Patent Application Publication No. H09-177198" and the "Cor-a-Vent Publication" had been "discussed" (along with a third document) [8];

(iii) Claims 2, 3, 8 and 9 had been "discussed," and that "agreement with respect to the claims was not reached" [9];

[6] These documents are the JP9-117198 Publication and the S-400 Strip Vent Publication, respectively, *i.e.*, the same documents relied upon in the Order granting reexamination in '185 *inter partes* reexamination proceeding that are referred to in the present decision in the manner set forth in footnote 2, *supra*.
[7] Interview Summary, March 9, 2007 at page 3. Again, these documents are the JP9-117198 Publication and the S-400 Strip Vent Publication, respectively.
[8] Interview Summary, March 9, 2007, at page 1.
[9] Id.

(iv) Patent owner's representative "briefly explained" the prosecution history of the case to the newly assigned examiner, that the three documents mentioned on the first page of the Interview Summary form were "discussed" [10]; and

(v) There are absolutely no details of the discussion set forth in the Interview Summary form with respect to which technical teachings of the JP9-117198 Publication and S-400 Strip Vent Publication were discussed, or of how such technical teachings might apply to claims that had been allowed prior to the citation of these documents.

(b) The examiner's Interview Summary form required that patent owner file, within thirty days of the date of the interview, a statement of the substance of the interview if a reply to the last Office action had already been filed, or to incorporate such a statement in a reply if a reply was to be filed. However the record of the merged proceeding did not show that any such statement was filed by patent owner; [11] and

(4) The examiner's Order granting reexamination in the '185 *inter partes* reexamination, in which it was determined that an SNQ exists for every claim of the '193 patent based, was based either in whole or in part on **specific** technical teachings of one or both of the JP9-117198 Publication and S-400 Strip Vent Publication.

Accordingly, the it was held that petitioner patent owner had not established any basis for vacatur of the Order Granting *Inter Partes* Reexamination in the '185 *inter partes* reexamination proceeding, because the prior proceedings for the '193 patent contained no evidence that the specific technical teachings relied on to establish the SNQs in the '185 *inter partes* reexamination proceeding had ever been considered in those prior proceedings.

II. The Petition for Supervisory Review

A. Patent Owner's Argument for Vacatur of the Order

In the present petition for supervisory review, patent owner argues that:

> [C]ontrary to Legal Advisor Marcus' conclusions, the totality of the written record from the merged reexamination and reissue proceeding that led to the issuance of U.S. RE39,825 indicates that the examiner's were fully aware of both JP9-117198 and the S-400 Strip Vent (1997) and both references were discussed on the record before final allowance of the claims. Further the examiners in the merged proceeding ... had notice of, and access to, Third Party Requester's contentions and arguments regarding the references cited in the request for the instant *inter partes* reexamination. Since both references and all the same underlying questions of patentability have been previously considered in the merged proceeding, vacating the Order granting the instant *inter partes* reexamination as *ultra vires* is proper and required under the circumstances. [12]

Patent owner expands on this argument, arguing that even though the JP9-117198 Publication and the S-440 Strip Vent Publication were cited in the merged proceeding only after allowance of the claims, "to imply" that these references could not have been fully

[10] Id., at page 3. A third document (MORRIS U.S. Patent No. 5,304,095 was "discussed" at the interview, but that document is not relevant to the present petition.
[11] Id., at page 2.
[12] "Petition for Supervisory Review and Final Agency Decision ...", February 29, 2008, pages 6-7.

considered is contrary to reason and is belied by volumes of evidence in the written record, even though there is no "blow-by-blow" transcript of the discussion. [13] Patent owner further argues that "it defies common sense to conclude that the discussion of these references could have centered around something other than their teachings relative to the claims," or that the examiner "would make a record that the references had been discussed if they were not." [14] Patent owner makes further arguments based upon these facts gleaned from papers of record in the merged proceeding, copies of which are appended to the verified statement of Bradley J. Thorson that is attached to the present patent owner petition:

(1) The examiners were required to consider the JP9-117198 Publication and the S-400 Strip Vent Publication because they were listed on a properly formatted IDS and filed on October 16,2006, prior to payment of the issue fee;

(2) The Office "officially took notice in the merged proceeding of the filing of the request for the instant *inter partes* reexamination on October 30, 2006";

(3) The Office issued a supplemental Notice of Allowability in the merged proceeding on November 18, 2006;

(4) There was a personal interview held with the examiner on March 9, 2007 addressing the JP9-117198 Publication and the S-400 Strip Vent Publication ... and how those references related to claims 2, 3, 8 and 9 pending in the merged proceeding;

(5) The examiner conducted additional searches in March and April of 2007;

(6) On April 19, 2007, after the additional searching, a new supplemental Notice of Allowability was mailed signed by the examiner's supervisor, which had attached thereto a copy of the IDS filed on October 16, 2006, with initials by the examiner showing that the JP9-117198 Publication and the S-400 Strip Vent Publication "were considered";

(7) The examiner conducted another search on May 17, 2007; and

(8) The examiner and another supervisor issued yet another Supplemental Notice of Allowability on June 27, 2007. [15]

At pages 9-10 of the present petition, patent owner argues that in light of the examiner having conducted several additional searches over a period of time after the first Notice of Allowability was mailed, it "is not credible" that the examiner and her superiors would have undertaken these searches to locate additional prior art, while simultaneously ignoring the JP9-117198 Publication and the S-400 Strip Vent Publication. In this line of argument, patent owner relies on language quoted from the decision in *In re Portola Packaging*, 110 F.3d 786, 790, 42 USPQ2d 1295, 1982 (Fed. Cir. 1997) ("*Portola Packaging*") as follows:

> [G]overnment officials are presumed to have "properly discharged their official duties." United States v. Chemical Found., Inc. , 272, U.S. 1, 15 (1926). If the references were in front of the examiner, it must be assumed that he or she reviewed them. Accordingly, we reject the

[13] Id., at page 7.
[14] Id., at pages 7-8.
[15] Id., at pages 8-9.

> Commissioner's suggestion that the PTO is entitled to conclude during reexamination that an earlier examination was not conducted properly and to do it again.

Patent owner concludes his argument by quoting language from MPEP § 2642(II)(A) that originally appeared in the decision in *In re Recreative Technologies*, 83 F.3d 1394, USPQ2d 1776:

> A "substantial new question of patentability" is not raised by the prior art if the Office has previously considered ... the same question of patentability as to a patent claim favorable to the patent owner based on the same prior art patents or printed publications."

B. Patent Owner's Position is Not Persuasive

1. Citation of Documents on an IDS and Conducting Additional Searches Subsequent to Mailing a Notice of Allowability are Not Dispositive

Initially, it should be noted that with respect to patent owner's observation that the examiners were required to consider the JP9-117198 Publication and the S-400 Strip Vent Publication because those documents were cited on a properly filed IDS, patent owner has failed to establish the nature of the consideration actually given to those documents, and whether any part of either document was particularly brought to the examiners' attention or was actually discussed with the examiners. As noted in MPEP § 609.05(b), the examiner is required to consider a document cited on an IDS only to the extent that the examiner would otherwise consider a group of documents that is being reviewed as part of a search. Stated differently, an examiner does not necessarily give special or detailed consideration to a particular teaching contained in a document merely because the document was cited as part of an IDS. There is no assurance that any particular teaching will necessarily be focused on by the examiner, absent an indication in the record that the particular teaching has been brought to the examiner's attention. Indeed, it is to be noted that with respect to the IDS filed on October 19, 2006, which first cited the JP9-117198 Publication and the S-400 Strip Vent Publication after allowance, patent owner declined to admit that the cited documents constituted prior art, and patent owner also specifically declined to admit that any of the cited documents were "material to patentability."

Further, the mere fact that the additional searches were conducted after the mailing of the first Notice of Allowability has nothing to do with the issue the extent of examiners' consideration of the technical teachings of the JP9-117198 Publication and the S-400 Strip Vent Publication. For reasons set forth in detail, *infra*, the key fact is that the record of the prior merged proceeding contains no identification of precisely which specific teaching(s) of those documents were considered in, and to what extent such specific teachings appreciated. The record of the merged proceeding is silent on that matter. While silence in the record does not mean that the examiners ignored the JP9-117198 Publication and the S-400 Strip Vent Publication teachings, it does mean that for the reasons discussed in detail, *infra*, the record of the merged proceeding does not support patent owner's position that the SNQs based on those documents were not proper.

2. The Portion of *Portola Packaging* Relied on by Patent Owner is Dicta

Although patent owner has quoted MPEP § 2646(II)(A) and the *Recreative Technologies* decision cited therein, and has also quoted and relied on the *Portola Packaging* decision, patent owner has misconstrued the information set forth in MPEP § 2646(II)(A). Patent

owner has also neglected the fact that the portion of the *Portola Packaging* decision relied on by patent owner has been overruled by Congress, so as to return the state of the law regarding an SNQ in reexamination to its position as set forth in the earlier *Recreative Technologies* decision. Analysis of the *Recreative Technologies* and *Portola Packaging* decisions, and an understanding of the effect that The Patent and Trademark Office Authorization Act of 2002, enacted in Public Law 107-273, 21st Century Department of Justice Appropriations Authorization Act, 116 Stat. 1758 (2002) ("the 2002 amendment") had on the *Portola Packaging* decision demonstrates that patent owner's position in the present petition is not persuasive.

a. *Recreative Technologies*

In the reexamination proceeding that was the subject of the *Recreative Technologies* decision, the prosecution of the original patent for which reexamination had been requested and ordered showed that the reexamination proceeding was ordered based on five patents and three publications that were deemed to raise at least one SNQ. However, the proceeding reached a point at which the examiner's sole rejection for obviousness under 35 U.S.C. § 103 was not based on any of those documents. Rather, the examiner applied "Ota", a document that had been cited in the original examination and over which the claims had been held to be patentable for obviousness. On appeal, the Board of Patent Appeals and Interferences ("BPAI") reversed the obviousness rejection based on Ota, but then applied Ota to certain of the claims in a new ground of rejection for anticipation under 35 U.S.C. § 102. On appeal, the Federal Circuit considered an argument by patent owner that "anticipation is the epitome of obviousness," and therefore, the original examiner had necessarily considered novelty when examining the claims for obviousness. However, the Federal Circuit stated that they need not comment on that argument. Rather, the court's opinion included the following comment regarding the meaning and purpose of the SNQ test:

> "The statute authorizes reexamination only when there is a substantial new question of patentability. A second examination, on the identical ground that had been previously raised and overcome, is barred. Thus, once it becomes apparent that there is no new question of patentability, it is improper to conduct reexamination on an old question that had been finally resolved during the initial examination." *Recreative Technologies*, 83 F.3d at 1396, 38 USPQ2d at 1777. [Emphasis added.]

The Federal Circuit then concluded that when the only rejection of record in the reexamination proceeding was the same Section 103 rejection view of the Ota document that had been applied in a Section 103 during the prosecution of the original patent:

> "... reexamination should not have been granted or should have been dismissed at the examination stage when no new grounds of rejection were raised. Id., 83 F.3d at 1398, 38 USPQ2d at 1799. [Emphasis added.]

b. *Portola Packaging*

The subsequent *Portola Packaging* decision presented facts significantly different from the facts in the earlier *Recreative Technologies* decision. In *Portola Packaging*, during examination of the original application that matured into the patent that was the subject of the appealed reexamination proceeding, application claims 1 and 2 had been rejected under 35 U.S.C. § 102 as being anticipated by a patent to Hunter. Application claims 3-6 and 8-11 had been rejected under 35 U.S.C. § 103 as being obvious based on the combined teachings of a patent to Faulstich and two other references. In response to these rejections, the existing

application claims were amended and several new claims were added. Eight of these claims issued in the patent. Subsequently, reexamination was requested for the patent, and during that reexamination, the examiner initially rejected all of the patent claims as being anticipated by, *inter alia*, a patent to Von Hagel. In response, patent owner amended the claims in the reexamination proceeding. The examiner then rejected the amended claims as obvious over the combined teachings of the Faulstich and Hunter patents. The BPAI affirmed that rejection. [16]

On appeal from the decision of the BPAI, patent owner argued that it was improper to reject the claims in the reexamination proceeding over the combined teachings of the Faulstich and Hunter patents, because it was improper to reject solely over the combined teachings of patents that had been before the Office in an earlier examination. Id., 110 F.3d at 787, 42 USPQ2d at 1296-97. [17] The Office argued that the claims of the original application had never been rejected for obviousness under 35 U.S.C. § 103 over the specific combination of the Faulstich and Hunter patents, that the rejection was a new rejection and, therefore, was proper under the reexamination statute. The Office noted that there was no evidence that the examiner had ever considered an obviousness rejection over the specific teachings of the Faulstich and Hunter patents relied on in the prior proceeding. The Office also argued that because patent owner had amended the claims during the reexamination proceeding, all of the post-amendment reexamination proceedings were authorized by the reexamination statute, and that those proceedings necessarily concerned questions of patentability distinct from those addressed during the original examination. Id. 110 F.3d at 787-8, 42 USPQ2d at 1297.

As it considered these issues, the court referenced the following guidance in MPEP § 2258, (6th ed. Rev.2, July 1996) that had been promulgated after the holding in *Recreative Technologies*:

> Once reexamination is ordered based on a proper substantial new question of patentability, grounds of rejection previously considered by the [PTO] may not be raised by the examiner. For this purpose, a ground of rejection was 'previously considered' if it:
>
> 1. is applied to the same claimed subject matter as a previous rejection in the examination of the original patent or earlier concluded reexamination;
> 2. relies on the same combination of patents and printed publications as the previous rejection; and
> 3. applies the same statutory basis as the previous rejection.

The court noted that if such guidance were followed, the rejections before the court would be permitted by the reexamination statute. However, the court reversed the rejections, stating that the reexamination statutes did not countenance a rejection based <u>only</u> on the technical teachings of previously considered prior art, <u>even if those same teachings were applied on a statutory basis other than the basis upon which they had been considered in a prior examination of those claims</u>. The court expressed its position in this way:

> Congress did not authorize the PTO to evaluate patentability anew whenever there existed doubt as to a patent's validity. Rather, the PTO was authorized to reexamine an issued patent only within strictly defined limits. Congress recognized that holdings of patent invalidity by courts were mostly based on prior art that was not before the PTO. *Patent Reexamination:*

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[16] *Portola Packaging*, 110 F.3d at 787, 42 USPQ2d at 1296.

[17] It should be noted that specific teaching of the Faulstich and Hunter patents had necessarily been considered in formulating rejections in the prior proceeding.

Hearings on S. 1679 Before the Senate Comm. on the Judiciary, 96th Cong. 2 (1980) (opening statement of Senator Birch Bayh) ('All too often, patent holders find themselves in lengthy court proceedings where valuable patents are challenged on the grounds that the patent examiner missed pertinent data during the initial patent search.); *id.* at 14 (testimony of Sydney Diamond, Commissioner, U.S. Patent and Trademark Office) (referring to Gloria K. Koenig, *Patent Validity-A Statistical and Substantive Analysis* at § 5.05[4] (1974) in which the author found that from 1953 through 1967 'the proportion of invalid patents wherein uncited prior art [*i.e.*, prior art not before the PTO] figured into the result is between 66 and 80 percent'). Congress also was aware that newly-discovered prior art often is identified only after a patent is issued because a potential infringer generally has greater resources and incentives to search for and find prior art than does the PTO. Hearings on S. 1679, at 21-22 (testimony of Donald R. Dunner, President of the American Patent Law Association) ('It is inevitable . . . that all of the prior art will not be uncovered [by the PTO]. A determined advocate, desiring to do in a patent, spending tens of thousands of dollars in litigation situations, can often, if not always, find something that has not been considered by the [PTO].').

Thus, Congress provided for reexamination of patents, but it was also concerned about subjecting patentees to repeated examinations on the same prior art. It therefore limited the scope of reexamination. As the Federal Circuit stated in *Recreative Technologies*:

> Congress recognized that [the] broad purpose [of reexamination] must be balanced against the potential for abuse, whereby unwarranted reexaminations can harass the patentee and waste the patent life. The legislative record and the record of the interested public reflect a serious concern that reexamination not create new opportunities for abusive tactics and burdensome procedures. *Thus, reexamination as enacted was carefully limited to new prior art, that is, 'new information about pre-existing technology which may have escaped review at the time of the initial examination of the patent application.*" H.R. Rep. No. 96-1307, [at] 3 (1980) reprinted in 1980 U.S.C.C.A.N. 6460, 6462. No grounds of reexamination were to be permitted other than on new prior art and sections 102 and 103. As explained in the legislative history, matters that were decided in the original examination would be barred from reexamination: "This 'substantial new question' requirement would protect patentees from having to respond to, or participate in unjustified reexaminations. Further, it would act to bar reconsideration of any argument already decided by the [PTO], whether during the original examination or an earlier reexamination." Id. at 7, reprinted [in] 1980 U.S.C.C.A.N. at 6466.

83 F.3d at 1397, 38 U.S.P.Q.2D (BNA) at 1778 (emphasis added); see also *In re Etter*, 756 F.2d 852, 856, 225 U.S.P.Q. (BNA) 1, 4 (Fed. Cir. 1985) (in banc) (citing the first quoted passage from H.R. Rep. 96-1307 and emphasizing the phrase '*escaped review at the time of the initial examination*'). **Accordingly, reexamination was only intended for those instances in which the examiner did not have all of the relevant prior art at his disposal when he originally considered the patentability of an invention.** [Emphasis in bold added.] Id. at 110 F.3d at 789-90, 42 USPQ2d at 1298.

On this reasoning, the *Portola Packaging* court stated that a reexamination proceeding could not be ordered or maintained based only on technical teachings in prior patents or printed publications <u>that the examiner had at his or her disposal in a prior Office proceeding for that patent</u> (*e.g.*, during the examination of the original application for patent or during a prior reexamination of that patent). However, that statement went well beyond the facts of *Portola Packaging*. The facts presented the much narrower issue of whether reexamination could be conducted based on <u>specific technical teachings</u> in a prior patent or publication "A" <u>that had been considered</u> in a prior proceeding involving the patent, but <u>only</u> with respect to anticipation of the claims in that prior proceeding, if those teachings were to be combined with <u>specific technical teachings</u> of a prior patent or publication "B" <u>that had</u>

been previously considered in that prior proceeding, but only together with technical teachings other than those of "A" in the prior proceeding.

The language relied on by patent owner in the present petition to the effect that the examiners (*i.e.* "government employees") must be presumed to "have done their duty" and "if the references were in front of the examiner, it must be assumed that he or she reviewed them" is part of the *Portola Packaging* dicta, since it is quite clear from the record that in *Portola Packaging*, the facts in the appeal showed that that the examiner had indeed previously considered specific technical teachings contained in the Faulstich and Hunter patents during the prior examination of the application that matured into the patent that was the subject of the appealed reexamination proceeding. The facts in *Portola Packaging* had nothing to do with the legal effect of any presumed consideration of all documents cited in a prior proceeding which the examiner had at his or her disposal, where the record of the prior proceeding does not expressly indicate consideration of the teachings of those documents.

3. The 2002 Amendment Overruled the *Portola Packaging* Dicta Relied on by Patent Owner

The 2002 amendment added the following language to the patent statute as the last sentence of 35 U.S.C. §§ 303(a) and 312(a):

> "The existence of a substantial new question of patentability is not precluded by the fact that a patent or printed publication was previously cited by or to the Office or considered by the Office."

The legislative history and floor discussion of the 2002 amendment clearly indicate that the language added was expressly directed at overruling the dicta in the *Portola Packaging* decision. For example, it is stated in the legislative history of the 2002 amendment that:

> "Section 13105 modifies the sections of Title 35 of the U.S. Code that instruct the Director to determine whether substantial new questions of patentability are raised by requests for prior art citations to the Office, ex parte reexaminations of patents, or inter partes reexaminations of patents. In each of these cases, language is added to the Title to clarify that the existence of a substantial new question of patentability is not necessarily precluded by the fact that a patent or printed publication has been previously cited by the Office or considered by the Office. This section states that these amendments to the U.S. Code will be effective for any determinations made by the Director on or after the enactment of this bill." (H.R. CONF. REP. 107-685, H.R. Conf. Rep. No. 685, 107TH Cong., 2ND Sess. 2002, 2002 U.S.C.C.A.N. 1120, 2002 WL 31163881 (Leg.Hist.)) [Emphasis added.]

As a further guidance on the purpose of the clarifying language, note the following remarks of Congressman Sensenbrenner directed to the language added be added to 35 U.S.C. §§ 303(a) and 312(a):

> Madam Speaker, Congress established the patent reexamination system in 1980. The 1980 reexamination statute was enacted with the intent reexamination of patents by the Patent and Trademark Office would achieve three principal benefits, first, to settle validity disputes more quickly and less expensively than litigation; second, to allow courts to refer patent validity questions to an agency with expertise in both the patent law and technology; and third, to reinforce investor confidence in the certainty of patent rights by affording an opportunity to review patents of doubtful validity.

More than 20 years after the original enactment of the reexamination statute, the Committee on the Judiciary still endorses these goals and encourages third parties to pursue reexamination as an efficient way of settling patent disputes.

Reexamination worked well until recently when it was severely limited by a Federal Court of Appeals decision. H.R. 1866 is intended to overturn the 1997 In re Portola Packaging case by the United States Court of Appeals for the Federal circuit. That decision severely impairs the patent reexamination process. Reexamination was intended to be an important quality check on defective patents. Unfortunately, this decision severely limits its use.

The Portola case is criticized for establishing an illogical and overly strict bar concerning the scope of reexamination requests. The bill permits a broader range of cases to be the subject of a request, as was the case for the first 16 years since the law was enacted. The bill that we consider today preserves the "substantial new question standard" that is an important safeguard to protect all inventors against frivolous action and against harassment, while allowing the process to continue as originally intended. It also preserves the discretion of the Patent and Trademark Office in evaluating these cases.

The bill has been amended since its introduction by the full committee. I wish to take a moment to explain this to my colleagues.

Since its introduction, we heard from the public members of the bar and critics of the Portola decision who have recommended that we make an additional change to ensure the result that we seek. The text is clarified to permit the use of relevant evidence that was "considered" by the PTO, but not necessarily "cited." Some would say this is redundant, but I prefer to clarify precisely when reexamination is an available procedure. This will ensure that the system is flexible and efficient. While many believe the base text is satisfactory to meet that goal, I hope that the amendment removes any doubt.

I believe that adding this one sentence to the Patent Act will help prevent the misuse of defective patents in all fields, especially those concerning business methods. An efficient patent system is important for inventors, investors and consumers. I urge Members to support H.R. 1866. [18] [Emphasis added.]

Additional confirmation that the amendments to 35 U.S.C. §§ 303(a) and 312(a) were directed to overturning the *Portola Packaging* dicta is provided in the concurrent remarks of Congressman Berman:

Madam Speaker, I rise in support of H.R. 1866, and I urge my colleagues to vote for it.

The Committee on the Judiciary favorably reported this legislation by voice vote on June 20. Prior to that, the Subcommittee on Courts, the Internet and Intellectual Property passed the bill by a voice vote on May 22. It is a good step forward on the road of making reexamination a more attractive and effective option for challenging a patent's validity.

The bill overturns, as the gentleman from Wisconsin mentioned, the 1997 Federal circuit decision In Re Portola Packaging. In that case, the Federal circuit narrowly construed the term "substantial new question of patentability" to mean prior art that was not before the examiner during an earlier examination. Because the PTO director can only order a reexamination if a " substantial new question of patentability" exists, the Federal court's decision in Portola effectively bars the PTO from conducting a reexamination based on prior art that was cited in the patent application.

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[18] 147 Cong. Rec. H5358-01

> The Portola decision is troublesome because it prevents reexaminations from correcting mistakes made by examiners. Ideally, a reexamination could be requested based on prior art cited by an applicant that the examiner failed to adequately consider. However, after Portola, such prior art could not be the basis of the reexamination.
>
> By overturning the Portola decision, H.R. 1866 will allow reexamination to correct some examiner errors. Thus, this bill will accomplish an important, if narrow, objective.
>
> Madam Speaker, as far as I know, H.R. 1866 has not engendered any controversy, and I urge my colleagues to support it. [19] [Emphasis added.]

Note should also be taken of the decision of the following comment by the Federal Circuit in *In re Bass*, 314 F.3d 57565 USPQ2d 1156 (Fed. Cir. 2002):

> "[O]n November 2, 2002, 35 USC § 303(a) was amended by the passage of Pub. L. No. 107- 273, § 13105, (116 Stat.) 1758, 1900, to add "the existence of a substantial new question of patentability is not precluded by the fact that a patent or printed publication was previously cited by or to the Office or considered by the Office," thereby overruling *Portola Packaging*. Because the change only applies to decisions made by the PTO on or after its enactment, this case is not affected." [20]

315 F.3d at 576, 65 USPQ2d at 1157.

Thus, it is clear from legislative history of the 2002 amendment, and the floor comments thereon, as well as from the cited *Bass* decision, that the purpose of the 2002 amendment to Sections 303(a) and 312(a) was to clarify, with respect to the *Portola Packaging* decision, that finding an SNQ "is not necessarily precluded" by the fact that a patent or printed publication was previously cited or considered by the Office. As discussed, *infra*, to the extent that patent owner relies on the dicta in *Portola Packaging*, by arguing that the examiners had the JP9-117198 Publication and the S-400 Strip Vent Publication "before them" and so, must necessarily have considered them in their entirety, it is clear that after the 2002 amendment to the reexamination statute, such reliance is misplaced because that dicta in *Portola Packaging* was expressly abrogated by Congress.

4. The Record of the Merged Proceeding Does **Not** Identify Which **Specific** Technical Teachings of the JP9-117198 Publication and the S-400 Strip Vent Publication, **If Any**, Were Considered by the Examiner or Her Supervisors

Patent owner has argued at length that the examiner involved in the allowance of the merged proceeding:

1. Had the teachings of the JP9-117198 Publication and the S-400 Strip Vent Publication before her for an extended period of time after the mailing of the first Notice of Allowability on October 19, 2006;

2. Conducted an interview on March 9, 2007 following patent owner's citation of the two publications in question on October 19, 2006;

3. Mailed additional Notices of Allowability on November 18, 2006, and April 19, 2007; and

---

[19] Id.

[20] Note that the 2002 amendments added the identical language to 35 U.S.C § 312(a), for the identical reasons.

4. Continued searching even after those Notices of Allowability until a last Notice of Allowability was mailed on June 27, 2007.

However, in all of patent owner's arguments, and in all of the exhibits referenced in the Thorson verified statement that is attached to the present petition, patent owner has not pointed to **any** specific technical teaching in the JP9-117198 Publication or in the S-400 Strip Vent Publication that was considered and discussed on the record by those examiners. In fact, in the Interview Summary form for the March 9, 2007 interview, it is merely stated by the examiner that those two documents (and one other cited document) were "discussed" with respect to claims 2, 3, 8 and 9. [21] It is also stated by the examiner in the Interview Summary form for the March 9, 2007 that "[N]o agreement was reached." [22] Further although it was required that patent owner file a "Statement of the Substance of the Interview" within one month or 30 days from the interview date, [23] patent owner did not do so. Thus the record of the prior merged proceeding clearly does not identify a single specific teaching of either the Japanese Patent Application or the S-400 Strip Vent Publication that was discussed at the March 9, 2007 interview. Additional interviews were conducted on May 2, 2007 and May 10, 2007, but no prior art is identified as having been discussed at such interviews. [24]

As discussed in Sections II(B)(3), *supra*, after the *Portola Packaging* decision, Congress enacted an amendment to the reexamination statute in 2002, which amended 35 U.S.C. §§ 303(a) and 312(a) by adding to each of those Sections this language:

> "The existence of a substantial new question of patentability is not precluded by the fact that a patent or printed publication was previously cited by or to the Office or considered by the Office."

As demonstrated in Section II(B)(2)(b), *supra*, the addition of that sentence to 35 U.S.C §§ 303(a) and 312(a) specifically abrogated the dicta in the *Portola Packaging* decision, thereby permitting the Office to find that a request for reexamination establishes an SNQ based upon the specific technical teachings of prior patents or printed publications that had been merely cited by or to the Office, but had not been considered and discussed by the Office on the record, and to then properly order reexamination of patent claims based solely on that SNQ. Thus, identification of the specific technical teachings in the JP9-117198 Publication and in the S-400 Strip Vent Publication that were considered and discussed on the record in the prior proceedings for the '193 patent is critical to patent owner's position in light of the 2002 amendment to 35 U.S.C § 312(a). However, the records in the prior Office proceedings for the '193 patent that is the subject of the subsequent '185 *inter partes* reexamination do not evidence consideration of any specific technical teachings contained in either the JP9-117198 Publication or the S-400 Strip Vent Publication. Those documents were not of record in the application that issued as the '193 patent. Those documents were cited after allowance in the prior merged proceeding, but the "discussion" of those documents did not indicate consideration of any specific technical teaching(s) in those documents.

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[21] At the time of the interview the record contained claims 2-13.

[22] IFW of application number 10,805,686, now U.S. Reissue Patent No. RE 39,825, Interview Summary form dated March 9, 2007 (hand delivered), at pages 1 and 3.

[23] Id., at pages 1 and 2.

[24] IFW of application number 10,805,686, (now U.S. Reissue Patent No. RE 39,825), Interview Summary form mailed May 21, 2007, at page 1. It appears from page 2 of the Interview Summary form, that the interviews of May 2, 2007 and May 10, 2007 concerned the correction of formal matters.

Due to the absence of any "discussion" of the specific technical teachings of the JP9-117198 Publication and of the S-400 Strip Vent Publication that was considered and discussed on the record in the merged proceeding, it is impossible to ascertain in the present '185 *inter partes* reexamination proceeding, precisely which specific technical teachings of the JP9-117198 Publication and the S-400 Strip Vent Publication were considered by the examiner, if any. It is, therefore, impossible to state that the technical teachings of those two documents that are now relied upon in the '185 *inter partes* reexamination proceeding to establish SNQs are technical teachings that were previously considered by the Office in the merged proceeding. Even assuming, *arguendo*, that specific technical teachings of those two documents relied on to establish the SNQs in the '185 *inter partes* reexamination proceeding were previously considered to some extent in the prior merged proceeding, it is equally impossible to ascertain that those teachings were not properly considered "in a new light" with respect to the manner in which they had been considered in the prior merged proceeding. A technical teaching that had been previously considered and discussed on the record in a prior proceeding for a patent that is now the subject of a request for reexamination may properly establish an SNQ in the reexamination proceeding if the teaching is viewed "in a new light."

4. Patent Owner Has Not Established That the Order Granting *Inter Partes* Reexamination in the '185 *Inter Partes* Reexamination Proceeding is an *Ultra Vires* Action

With respect to the JP9-117198 Publication and the S-400 Strip Vent Publication, the record in the prior proceedings for the '193 patent is limited to the record in the prior merged proceeding that resulted in the '825 reissue patent. However, the record in the prior merged proceeding shows that consideration of those documents consisted of (1) acknowledging receipt of an IDS that included a listing of those documents, wherein the IDS does not concede that those documents are prior art or that those documents are even material to patentability, and (2) a statement in the examiner's Interview Summary form of March 9, 2007 that those documents "were considered." Thus, the record in the prior merged proceeding clearly falls far short of establishing that the SNQs in the '185 *inter partes* reexamination proceeding that are deemed to have been raised by specific technical teachings of the JP9-117198 Publication and the S-400 Strip Vent Publication are not proper SNQs.

Rather, each SNQ found to exist in the '185 *inter partes* reexamination proceeding is based on specifically identified technical teachings set forth in the JP9-117198 Publication and/or the S-400 Strip Vent Publication. On the records of the prior proceedings for the '193 patent, those specifically identified teachings qualify as being new technical teachings that were not previously considered and discussed in the record of a prior proceeding for the '193 patent. Even if the JP9-117198 Publication and the S-400 Strip Vent Publication are considered to be "old art," the examiner was not precluded from establishing an SNQ in the '185 *inter partes* reexamination proceeding based on the teachings in such "old art," because the records of the prior proceedings involving the '193 patent do not contain a discussion of **any specific** technical teaching(s) in those documents that had been discussed and considered by the examiners and/or supervisors in the prior proceedings for the '193 patent. Thus, the examiner in the '185 *inter partes* proceeding could consider such "old art" "in a new light" to find one or more SNQs.

Stated differently, to the extent that patent owner considers that the examiners' Interview Summary form dated March 9, 2007 in the prior merged proceeding is evidence that the technical teachings of the Japanese patent publication and the S-400 Strip Vent publication were "discussed" with the examiner (or a supervisor) with respect to the '193 patent claims, the absence in the record of the prior merged proceeding (and in any prior proceeding involving the '193 patent) of any specifics of the technical teaching(s) that was/were "discussed" means that the specific discussion of these references in the Order granting reexamination in the '185 *inter partes* reexamination proceeding necessarily reflects a consideration of the technical teachings of those documents "in a new light," or in a different way from how they were viewed in the prior merged proceeding.

Accordingly, because patent owner has not established that the order granting reexamination in the '185 *inter partes* reexamination was not properly based on one or more SNQs, patent owner has not established that the *Order Granting Inter Partes Reexamination* in the '185 *inter partes* reexamination proceeding is an *ultra vires* action by the examiner such that the '185 *inter partes* reexamination must be vacated.

ADDITIONAL DISCUSSION

The decision to dismiss the patent owner's petition to vacate the '185 *inter partes* reexamination proceeding is based only upon a consideration of the arguments presented therein, without detailed consideration of the third party requester opposition paper that was untimely filed on March 27, 2008. As the third party opposition paper was not timely filed, it will be sealed. [25]

CONCLUSION

1. The February 29, 2008 patent owner petition to vacate the '185 *inter partes* reexamination proceeding is granted to the extent that the decision on petition dated January 14, 2008 has been fully reconsidered. However, the February 29, 2008 is denied with respect to the relief requested therein.

2. The March 27, 20087 third party requester opposition paper was untimely filed and is dismissed without consideration.

3. Jurisdiction of the '185 *inter partes* reexamination proceeding is being returned to the Central Reexamination Unit for action as may be appropriate.

4. This decision is designated as a final agency action under 5 U.S.C. § 704.

5. Telephone inquires related to this decision should be directed to the undersigned, at (571) 272-7735, or in his absence, to Stephen Marcus, Senior Legal Advisor, at (571) 272 7743.

Robert A Clarke

Robert A. Clarke, Director
Office of Patent Legal Administration

[25] Papers cannot be physically removed from an Image File Wrapper, and so technically cannot be "expunged." Instead papers are "sealed" by being marked "closed" and "non-public." Papers that are sealed do not form any part of the official record of the '185 *inter partes* reexamination proceeding.

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(For Patent Owner)

MAILED

MAY 23 2007

CENTRAL REEXAMINATION UNIT

Charles D. Holland
Morison & Foerster LLP
755 Page Mill Road
Palo Alto, CA 94304-1018

(For Third Party Requester)

[Enclosure - Copy of Patent Owner Petition filed on May 11, 2007 (37 Certificate of Mailing dated May 9, 2007]

In re Polycom, Inc.	:
Inter Partes Reexamination Proceeding	: **DECISION**
Control No.: 95/000,186	: **GRANTING**
Filed: November 16, 2006	: **PETITION**
For: U.S. Patent No. 6,760,749	:
	:

This is a decision on the patent owner petition May 11, 2007 entitled "Combined Petition to Exceed The Page Limit for Patent Owner's Response in an *Inter Partes* Reexamination and Declaration n Support." [1]

The petition and the above-captioned *inter partes* reexamination proceeding are before the Office of Patent Legal Administration for consideration.

For the reasons set forth below, patent owner's petition, taken as a petition under 37 CFR 1.183 to waive the 37 CFR 1.943(b) limit as to the number of pages permitted in a patent owner response.

The petition under 37 CFR 1.183 is granted to the extent that the page limit for the concurrently field patent owner response extended to not exceed 65 pages in length, excluding amendments, appendices of claims, and reference materials such as prior art references.

[1] The patent owner's May 11, 2007 submission is in the form of a verified statement in accordance with 37 CFR 1.68 in that it includes a statement warning declarant that willful false statements and the like are punishable in accordance with 18 U.S.C. § 1001 and may jeopardize the validity of any patent issuing thereon. The patent owner's May 11, 2007 submission will hereinafter be referred to a petition.

PETITION FEE

A petition fee under 37 CFR 1.17(h) of $130.00 was expressly authorized in the patent owner's petition, and has been charged to patent owner's deposit account on May 11, 2007. However, 37 CFR 1.183 requires payment of the petition fee under 37 CFR 1.17(f), which is $400.00. Accordingly, a payment of an additional $270.00 is required for the fee for filing the present 37 CFR 1.183 petition. Therefore, an additional $270.00 will be charged to patent owner's Deposit Account No. 50-1922, as authorized in paragraph 6 of the present petition.

REVIEW OF SALIENT FACTS

1. U.S Patent number 6,760,749 ("the '749 patent") issued to Wayne Dunlop *et al* on July 6, 2004, from an application filed on May 10, 2000, and is assigned to Polycom, Inc.

2. On October 11, 2006, a request for *inter partes* reexamination of the '749 patent was filed by a third party requester, and assigned control number 95/000,186 ("the '186 *inter partes* reexamination proceeding").

3. The '186 *inter partes* reexamination proceeding was subsequently accorded a filing date of November 15, 2006.

4. An Order Granting *Inter Partes* Reexamination was mailed in the '186 *inter partes* reexamination proceeding on January 26, 2007.

5. On March 9, 2007, a non-final Office action was mailed in which claims 1-57 of the '749 patent, *i.e.*, all of the patent claims, were rejected.

6. On May 11, 2007, patent owner timely filed a response to the March 9, 2007 Office action and also concurrently filed the present patent owner petition. [2]

DECISION

I. Applicable Regulatory Provisions

37 CFR 1.183 provides:

> In an extraordinary situation, when justice requires, any requirement of the regulations in this part which is not a requirement of the statutes may be suspended or waived by the Director or the Director's designee, *sua sponte*, or on petition of the interested party, subject to such other requirements as may be imposed. Any petition under this section must be accompanied by the petition fee set forth in § 1.17(f).

37 CFR 1.903 provides:

> The patent owner and the third party requester will be sent copies of Office actions issued during the inter partes reexamination proceeding. After filing of a request for *inter partes* reexamination by a third party requester, any document filed by either the patent owner or the third party requester must be served on every other party in the reexamination proceeding in the manner provided in § 1.248. Any document must reflect service or the document may be refused consideration by the

[2] Both the May 11, 2007 response and the concurrently filed present petition include a 37 CFR 1.8 certificate of mailing executed on May 9, 2007.

Office. The failure of the patent owner or the third party requester to serve documents may result in their being refused consideration. [Emphasis added.]

37 CFR 1.943(b) provides:

Responses by the patent owner and written comments by the third party requester shall not exceed 50 pages in length, excluding amendments, appendices of claims, and reference materials such as prior art references.

37 CFR 10.18(b)(1) provides:

By presenting to the Office (whether by signing, filing, submitting, or later advocating) any paper, the party presenting such paper, whether a practitioner or non-practitioner, is certifying that—

All statements made therein of the party's own knowledge are true, all statements made therein on information and belief are believed to be true, and all statements made therein are made with the knowledge that whoever, in any matter within the jurisdiction of the Patent and Trademark Office, knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be subject to the penalties set forth under 18 U.S.C. 1001, and that violations of this paragraph may jeopardize the validity of the application or document, or the validity or enforceability of any patent, trademark registration, or certificate resulting therefrom; and ...

II. Findings and Analysis

The record shows that on May 11, 2007, the patent owner filed a response to the non-final Office action dated March 9, 2007. The record further shows that on May 11, 2007, patent owner also filed the present petition, in which patent owner requests a waiver of the requirements of 37 CFR 1.943(b) to permit the May 11, 2007 response to exceed the 50-page limitation set by that regulation for a patent owner's response.

Initially, it is noted that the patent owner has not provided a separate certificate of service, stating that the May 11, 2007 patent owner petition was served on the third party requester. Rather, a certificate of service is attached to the concurrently filed May 11, 2007 response. That certificate of service states that "a true and correct copy of the foregoing PATENT OWNER'S RESPONSE filed with the USPTO on May 9, 2007, together with all accompanying papers was served by First Class Mail on May 9, 2007 to" the third party requester.

It is not clear whether "all accompanying papers" includes the May 11, 2007 patent owner petition.[3] Therefore, it is not clear whether the present patent owner petition was served on the third party requester. In this instance, both for the reason that the May 11, 2007 petition is only two pages in length, and in the interest of treating the '186 *inter partes* reexamination proceeding with special dispatch, the Office will undertake to ensure that proper service of the patent owner petition has taken place. This will be accomplished by attaching a copy of the May 11, 2007 petition to the copy of the present decision that is being mailed to third party requester. The parties are cautioned that a future failure to include a certificate of service for any paper filed in this proceeding that unambiguously indicates service of that party on the other party in this proceeding may result in a refusal to consider the paper. See 37 CFR 1.903.

In the present petition, patent owner specifically requests that the 37 CFR 1.943(b) 50-page limitation on the length of a patent owner response be waived. Patent owner states that the non-final Office action dated March 9, 2007 comprises 67 pages and incorporates by reference

[3] With respect to the statement in the certificate of service that the patent owner's response was filed with the USPTO on May 9, 2007, see footnote 2.

substantially the entire request for reexamination. Patent owner further points out that the March 9, 2007 non-final Office action also incorporates by reference claim charts running to a length of 310 pages and includes approximately 1,300 pages of references.

Under the facts and circumstances currently of record in the '186 *inter partes* reexamination proceeding, the present patent owner petition is deemed to establish that a waiver of 37 CFR 1.943(b) to the extent of permitting patent owner's May 11, 2007 response to run 65 pages in length is appropriate in the interest of justice. It is noted that the present petition includes a statement by patent owner that a good faith effort to limit the patent owner's response in accordance with the 50-page limitation of 37 CFR 1.943(b) was unavailing, and that the presentation of a 65 page response to the March 9, 2007 is necessary. This statement is considered to be a verified statement pursuant to the provisions of 37 CFR 10.18(b)(1).

CONCLUSION

1. The petition under 37 CFR 1.183 for waiver of 37 CFR 1.943(b) is granted to the extent that the page limit for the patent owner's May 11, 2007 response is extended to not exceed 65 pages in length, excluding amendments, appendices of claims, and reference materials such as prior art references.

2. Jurisdiction over this proceeding is being returned to the Central Reexamination Unit to await the filing of any party papers, and to process any and all party papers at the point where there is no further time remaining for filing such papers. After the Central Reexamination Unit has processed all party papers, or there are no such papers and the time for filing same has expired, jurisdiction will be transferred to the primary examiner for appropriate action on the proceeding.

3. Telephone inquiries with regard to this decision should be directed to Stephen Marcus, Legal Advisor, at (571) 272-7743, or, in his absence, to the undersigned at (571) 272-7710.

Kenneth M. Schor

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

sm
May 22, 2007

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,186	11/15/2006	6760749	199-0098RX	2494

29855 7590 06/24/2008

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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 06/24/2008

Please find below and/or attached an Office communication concerning this application or proceeding.

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JUN 24 2008

CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester *Inter Partes* Reexamination

REEXAMINATION CONTROL NUMBER *95/000,186*.

PATENT NUMBER *6,760,749*.

TECHNOLOGY CENTER *3999*.

ART UNIT *3992*.

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above-identified reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the *inter partes* reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an *ex parte* reexamination has been merged with the *inter partes* reexamination, no responsive submission by any *ex parte* third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the **Central Reexamination Unit** at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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JUN 24 2008

CENTRAL REEXAMINATION UNIT

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In re Dunlap et al. :
Inter Partes Reexamination Proceeding : **DECISION**
Control No. 95/000,186 : **DISMISSING**
Filed: November 15, 2006 : **PETITION**
For: U.S. Patent No. 6,760,749 :

This is a decision on the April 29, 2008 patent owner petition titled "PETITION TO TERMINATE *INTER PARTES* REEXAMINATION PURSUANT TO 35 U.S.C. § 317(b) AND 37 C.F.R. § 1.907(b)," (the "Petition"). Since the rules do not provide for a petition for termination of a reexamination proceeding, the paper is being treated as a petition under 37 CFR 1.182, and the requisite fee of $400.00 mandated by the 37 CFR 1.17(f) is being charged to Deposit Account 50-1922, referencing attorney docket number 199-0237RX.

The petition and *inter partes* reexamination control number 95/000,186 are before the Office of Patent Legal Administration.

For the reasons set forth below, the patent owner petition is dismissed. In short, the petition seeks to have the Office terminate the *inter partes* reexamination in light of a consent judgment entered in a parallel district court patent litigation. The petition, however, does not demonstrate why the consent judgment should be considered "a final decision . . . entered against a party in a civil action . . . that the party has not sustained its burden of proving the invalidity of any patent claim in suit . . .", pursuant to 35 U.S.C. § 317(b). Moreover, it is unclear from the litigation whether all of the claims of the patent were asserted in the lawsuit. If not, then even if the consent judgment is a section 317(b) "final decision," the petition does not explain why the Office must terminate the *inter partes* reexamination with respect to the patent claims that were not asserted in the litigation. Both parties are invited to show cause whether the Office should continue the *inter partes* reexamination, in whole or in part, given the issues raised above.

BACKGROUND

1. U.S. patent No. 6,760,749 ("the '749 patent") issued to Wayne Dunlap et al. on July 6, 2004, with 57 claims, and it is currently assigned to Polycom, Inc. ("Polycom").

2. On November 15, 2005, patent owner Polycom filed suit against Codian, Ltd. and Codian, Inc. ("Codian") for infringement of the '749 patent in the United States District Court for the Eastern District of Texas. [1]

3. On November 15, 2006, a request for *inter partes* reexamination of the '749 patent, assigned control No. 95/000,186 (the '186 reexamination"), was filed by a third party requester on behalf of real party in interest Codian, Inc. (the "requester").

4. On January 26, 2007, the Office issued an order granting the request for *inter partes* reexamination for claims 1-57 of the '749 patent.

5. On March 9, 2007, the Office issued an Office action rejecting claims 1-57 of the '749 patent and setting a 2-month period for response to the action.

6. On May 11, 2007, the patent owner filed a timely response to the outstanding Office action including a amendments to claims 1, 28, 46 and 50 and the presentation of new claims 58-74.[2] On June 8, 2007 the third party requester filed comments pursuant to 37 CFR 1.947.

7. On February 14, 2008, a Consent Judgment was entered in the District Court litigation in which Codian agreed that the '749 patent is valid and enforceable, and all claims and counterclaims asserted by each party were dismissed *with prejudice*.

8. On April 29, 2008, a petition entitled "PETITION TO TERMINATE *INTER PARTES* REEXAMINATION PURSUANT TO 35 U.S.C. § 317(b) AND 37 C.F.R. § 1.907(b)," was filed by patent owner Polycom. This petition is the subject of the instant decision.

DECISION

I. Patent Owner's Position

Patent owner's petition filed April 29, 2008 contends that the estoppel provisions of 35 U.S.C. § 317(b) attach to the present reexamination proceeding and the Office must not maintain the reexamination proceeding, based upon a Consent Judgment entered February 14, 2008, in the concurrent litigation between the same parties, which Consent Judgment became final by the absence of any appeal to the Federal Circuit within 30 days. Patent owner contends that the § 317(b) estoppel provision applies to the entire proceeding.

II. Relevant Statute, Regulations, and Examining Procedure

The relevant portions of the statute, regulations and MPEP are reproduced here.

35 U.S.C. 317(b) provides:

> Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party has not

[1] *Polycom, Inc. et al. v. Codian Ltd. et al.*, No. 2:05cv520 DF (E.D. Texas November 15, 2005)

[2] The proposed amendment is actually not in compliance with the relevant rules (37 CFR 1.530(d)-(i)) governing the manner of making amendments in a reexamination proceeding

sustained its burden of proving the invalidity of any patent claim in suit or if a final decision in an inter partes reexamination proceeding instituted by a third-party requester is favorable to the patentability of any original or proposed amended or new claim of the patent, then neither that party nor its privies may thereafter request an inter partes reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in such civil action or inter partes reexamination proceeding, and an inter partes reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office, notwithstanding any other provision of this chapter. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

37 CFR 1.907(b) provides:

Once a final decision has been entered against a party in a civil action arising in whole or in part under 28 U.S.C. 1338 that the party has not sustained its burden of proving invalidity of any patent claim-in-suit, then neither that party nor its privies may thereafter request inter partes reexamination of any such patent claim on the basis of issues which that party, or its privies, raised or could have raised in such civil action, and an inter partes reexamination requested by that party, or its privies, on the basis of such issues may not thereafter be maintained by the Office.

MPEP 2686.04 II B provides, in pertinent part (emphasis added):

The Third Party Requester Was a Party to the Litigation.

Final Holding of validity: The provisions of 37 CFR 1.907(b) apply. Where a final decision was entered against a party in a Federal Court civil action (arising in whole or in part under 28 U.S.C. 1338) that the party did not sustain its burden of proving invalidity of a patent claim in suit, that party and its privies may **not** request *inter partes* reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in the civil action. Further, an *inter partes* reexamination already requested by that party, or its privies, on the basis of such issues will not be maintained by the Office, i.e., the proceeding will be concluded.

...

In view of the above, when the examiner is aware that the third party requester was a party to previous Federal Court litigation as to the patent for which *inter partes* reexamination has been requested, the examiner must determine:

(1) Was the Federal Court decision adverse to the third party requester as to at least one claim of the patent?

(2) Was the Federal Court decision a final decision, after all appeals?

(3) Is the issue being raised in the reexamination request the same issue as was raised in the Federal Court during the civil action, or an issue that the third party requester could have raised in the Federal Court during the civil action?

- If the answer to each of questions (1)-(3) is "yes" for all claims for which reexamination was requested in the proceeding, then the *inter partes* reexamination prosecution must be terminated. In such a case, the Central Reexamination Unit (CRU) Director will prepare a decision discussing the above considerations (1)-(3) and vacating the reexamination proceeding.

- **If the answer to all of questions (1)-(3) is "yes" for one or more (but not all) of the claims for which reexamination was requested in the proceeding; those claims will not be treated.** The examiner's action will point out the claims not treated and the reason why, i.e., a discussion of the above considerations (1)-(3). The guidelines set forth above in subsection II.(A) will be used for the claims remaining.

III. Analysis and Findings

A review of the record suggests that, with respect to the '749 patent, Polycom only asserted in the district court litigation that claims 1, 2, 29, 32, 37, 44, and 45 were infringed by products of Codian.[3] In turn, Codian's invalidity defenses were limited to the asserted claims.[4]

The '749 patent issued with 57 claims, of which claims 1, 3, 17, 29, 44, and 46 are independent. The request for reexamination filed on behalf of Codian (as the real party in interest) established a substantial new question of patentability with respect to all the claims of the '749 patent.

Based on the above, it appears that the claims in suit may not be ***identical*** to the claims under reexamination in the '186 proceeding, since only claims 1, 2, 29, 32, 37, 44, and 45 were apparently involved in the litigation, while all the patent claims, i.e., claims 1-57, are subject to reexamination in the present proceeding. 35 U.S.C. § 317(b) provides (emphasis added):

> "Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party **has not sustained its burden of proving the invalidity of any patent claim in suit** ..., then neither that party nor its privies may thereafter request an inter partes reexamination **of any such patent claim** on the basis of issues which that party or its privies raised or could have raised in such civil action or inter partes reexamination proceeding, and an inter partes reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office...."

The statute attaches the estoppel on a claim-by-claim basis. Thus, while the present *inter partes* reexamination of claims 1, 2, 29, 32, 37, 44, and 45 may possibly be barred by statute (if the consent judgment rises to the level of a section 317(b) "final decision"), the reexamination proceeding would continue as to the remainder of the claims.

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[3] See, for Example, Polycom's Disclosure of Asserted Claims and Preliminary Infringement Contentions and Polycom's Final Infringement Contentions

[4] See, for example, Codian's Preliminary Invalidity Contentions

It is also observed with respect to at least the newly added claims 58-74 that there are issues raised in the '186 proceeding, not raised in the litigation. Because no showing has been made by patent owner that the outstanding issues in the reexamination are based on "issues which that party or its privies raised or could have raised in such civil action," it has not been established that the estoppel provisions of 35 U.S.C. 317(b) preclude the maintenance of the '186 proceeding with respect to those issues. Patent owner is advised that cancellation of these newly proposed claims would remove this particular hindrance to termination of the reexamination proceeding

Finally, it has not been established that the consent judgment entered in the civil proceeding constitutes "a final decision ... against a party in a civil action ... that the party has not sustained its burden of proving the invalidity" of the claims in suit.

Accordingly, the petition to terminate the '186 proceeding is dismissed.

IV. Order to Show Cause

If the patent owner believes that the proceeding should be terminated in its entirety or be limited with respect to some of the patent claims and issues, **then patent owner is required, within one month or thirty (30) days of the mail date of this decision, whichever is longer, to show cause why the Office should so terminate or limit prosecution in the present '186 *inter partes* reexamination proceeding.** Patent owner should present the legal basis for its position that a consent judgment qualifies as a "final decision .... that the party ***has not sustained its burden of proving*** the invalidity of any patent claim in suit" within the meaning of 35 U.S.C. 317(b). Furthermore, patent owner's showing must establish, based on specifically pointed out part(s) of the record of the litigation, that the estoppel provisions of 35 U.S.C. 317(b) should apply to all of the claims of the patent and/or issues for which patent owner requests the Office to no longer maintain. This showing should include an analysis of any issues regarding the differences in prior art raised in the civil proceeding and in the '186 *inter partes* reexamination proceeding, as well as a discussion of when the third party requester became aware of any prior art raised in the '186 proceeding but not raised in the civil action and the status of the civil litigation at the time that the third party requester became aware of this prior art, to establish that the issue "could have been raised" by the third party requester in the context of the litigation.

In like manner, if the third party requester believes that the proceeding should not be limited or terminated, **third party requester is required, within one month or thirty (30) days of the mail date of this decision, whichever is longer, to show cause why the Office should not limit prosecution in the '186 *inter partes* reexamination proceeding.**

If the third party requester proposes to show cause as to why prosecution should not be limited and/or terminated, the third party requester should include a detailed analysis of what issues the third party requester raised *or could have raised* in the civil action. This analysis should include an analysis of any issues regarding the differences in prior art raised in the civil proceeding and in the '186 *inter partes* reexamination proceeding, as well as a discussion of when the third party requester became aware of any prior art raised in the '186 proceeding but not raised in the civil action, and the status of the civil litigation at the time that the third party requester became aware of this prior art. The third party requester should provide evidence of what issues, including issues regarding novelty and nonobviousness, were raised in the civil proceeding. Furthermore, third party requester

may choose to present argument and legal basis for the proposition that a consent judgment does not qualify as a "final decision .... that the party ***has not sustained its burden of proving*** the invalidity of any patent claim in suit" to invoke the estoppel provisions of 35 U.S.C. 317(b).

Each party is limited to a single response to this order to show cause. No supplemental submissions or oppositions to another party's submission will be considered without a petition and a showing of extraordinary circumstances. Either party may file a paper stating that they will not respond, or may simply not respond to this order.

CONCLUSION

1. The patent owner petition is dismissed.

2. The patent owner and the third party requester are both invited to **show cause, within one month or thirty (30) days (whichever is longer) from the mail date of this decision,** whether the Office should terminate or continue the prosecution of the '186 *inter partes* reexamination proceeding in whole or in part as outlined in section IV above.

3. Telephone inquires related to this decision should be directed to Pinchus M. Laufer, Legal Advisor, at (571) 272-7726, or in his absence, to the undersigned at (571) 272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,186	11/15/2006	6760749	199-0098RX	2494

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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 07/31/2008

Please find below and/or attached an Office communication concerning this application or proceeding.

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CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester *Inter Partes* Reexamination

REEXAMINATION CONTROL NUMBER *95/000,186*.

PATENT NUMBER *6,760,749*.

TECHNOLOGY CENTER *3999*.

ART UNIT *3992*.

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above-identified reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the *inter partes* reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an *ex parte* reexamination has been merged with the *inter partes* reexamination, no responsive submission by any *ex parte* third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the **Central Reexamination Unit** at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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CENTRAL REEXAMINATION UNIT

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(For Third Party Requester)

In re Dunlap et al.	:
Inter Partes Reexamination Proceeding	: **DECISION**
Control No. 95/000,186	: **DISMISSING**
Filed: November 15, 2006	: **PETITION**
For: U.S. Patent No. 6,760,749	:

This is a decision on the July 24, 2008 patent owner petition titled "PETITION TO SUSPEND AND TRANSFER JURISDICTION," (the "Petition"). Since the rules do not provide for a petition for suspension of a reexamination proceeding, the paper is being treated as a petition under 37 CFR 1.182, and the requisite fee of $400.00 mandated by the 37 CFR 1.17(f) is being charged to Deposit Account 50-1922, referencing attorney docket number 199-0237RX.

The petition and *inter partes* reexamination control number 95/000,186 are before the Office of Patent Legal Administration.

For the reasons set forth below, the patent owner petition is dismissed as moot.

BACKGROUND

1. U.S. patent No. 6,760,749 ("the '749 patent") issued to Wayne Dunlap et al. on July 6, 2004, with 57 claims, and it is currently assigned to Polycom, Inc. ("Polycom").

2. On November 15, 2005, patent owner Polycom filed suit against Codian, Inc. ("Codian") for infringement of the '749 patent in the United States District Court for the Eastern District of Texas. [1]

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3. On November 15, 2006, a request for *inter partes* reexamination of the '749 patent, assigned control No. 95/000,186 (the '186 reexamination"), was filed by a third party requester on behalf of real party in interest Codian, Inc. (the "requester").

[1] *Polycom, Inc. et al. v. Codian Ltd. et al.*, No. 2:05cv520 DF (E.D. Texas November 15, 2005)

4. On January 26, 2007, the Office issued an order granting the request for *inter partes* reexamination for claims 1-57 of the '749 patent.

5. On March 9, 2007, the Office issued an Office action rejecting claims 1-57 of the '749 patent and setting a 2-month period for response to the action.

6. On May 11, 2007, the patent owner filed a timely response to the outstanding Office action including amendments to claims 1, 28, 46 and 50 and the presentation of new claims 58-74.[2] On June 8, 2007 the third party requester filed comments pursuant to 37 CFR 1.947.

7. On February 14, 2008, a Consent Judgment was entered in the District Court litigation in which Codian agreed that the '749 patent is valid and enforceable, and all claims and counterclaims asserted by each party were dismissed *with prejudice*.

8. On April 29, 2008, a petition entitled "PETITION TO TERMINATE *INTER PARTES* REEXAMINATION PURSUANT TO 35 U.S.C. § 317(b) AND 37 C.F.R. § 1.907(b)," was filed by patent owner Polycom.

9. On June 24, 2008, the Office mailed a decision dismissing the April 29, 2008 petition for termination of the reexamination and issued a show cause order to the parties with respect to termination and/or limitation of the '186 proceeding.

10. On July 24, 2008, the patent owner filed the present petition and a response to the June 24, 2008 show cause order.

DECISION

The request for transfer of jurisdiction to OPLA is presumably for the purpose of preventing further action by the examiner until the issue of the scope of the continuing reexamination (if any) is resolved. A review of the record shows that there is no response to an Office action outstanding. In light of the show cause order issued to determine the scope of continuing reexamination, OPLA presently has jurisdiction of the '186 proceeding, and thus the petition to transfer jurisdiction to OPLA is dismissed as moot.

However, petitioner is informed that OPLA **will not relinquish jurisdiction** of the '186 proceeding until such time as a decision is rendered instructing the examiner of any limitations upon the claims or issues to be considered in further examination.

Accordingly, the petition to transfer jurisdiction of the '186 proceeding to OPLA is dismissed as moot.

CONCLUSION

1. The patent owner petition is dismissed as moot.

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[2] The proposed amendment is actually not in compliance with the relevant rules (37 CFR 1.530(d)-(i)) governing the manner of making amendments in a reexamination proceeding

2. The proceeding will remain under the jurisdiction of the Office of Patent Legal Administration to await a decision on the scope of the continuing reexamination.

3. Telephone inquires related to this decision should be directed to Pinchus M. Laufer, Legal Advisor, at (571) 272-7726, or in his absence, to the undersigned at (571) 272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

07-30-08
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95/000,186	11/15/2006	6760749	199-0098RX	2494

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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 09/30/2008

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In re Dunlap et al.	:
Inter Partes Reexamination Proceeding	: **DECISION**
Control No. 95/000,186	: **LIMITING**
Filed: November 17, 2006	: **REEXAMINATION**
For: U.S. Patent No. 6,760,749	:

This is a decision on the July 24, 2008 patent owner paper titled "Show Cause Response To Decision Dismissing Petition To Terminate *Inter Partes* Reexamination." On April 29, 2008, patent owner filed its original petition titled "PETITION TO TERMINATE INTER PARTES REEXAMINATION PURSUANT TO 35 U.S.C. § 317(b) AND 37 C.F.R. § 1.907(b)," (the "Petition")

The petition, the Show Cause Response paper, and *inter partes* reexamination control number 95/000,186 are before the Office of Patent Legal Administration.

For the reasons set forth below, the patent owner petition to terminate the reexamination proceeding is granted to the extent of terminating reexamination of claims 1, 2, 29, 32, 37, 44, and 45, and is dismissed as to terminating reexamination of claims 3-28, 30, 31, 33-36, 38-43, and 46-74. Further prosecution and examination in the '186 proceeding will be limited to claims 3-28, 30, 31, 33-36, 38-43, and 46-74.

BACKGROUND

1. U.S. patent No. 6,760,749 ("the '749 patent") issued to Wayne Dunlap et al. on July 6, 2004, with 57 claims, and it is currently assigned to Polycom, Inc. ("Polycom").

2. On November 15, 2005, patent owner Polycom filed suit against Codian, Ltd. and Codian, Inc. ("Codian") for infringement of the '749 patent in the United States District Court for the Eastern District of Texas. [1]

[1] *Polycom, Inc. et al. v. Codian Ltd. et al.*, No. 2:05cv520 DF (E.D. Texas November 15, 2005).

3. On November 15, 2006, a request for *inter partes* reexamination of the '749 patent, assigned control No. 95/000,186 (the '186 reexamination"), was filed by a third party requester on behalf of real party in interest Codian, Inc. (the "requester").

4. On January 26, 2007, the Office issued an order granting the request for *inter partes* reexamination for claims 1-57 of the '749 patent.

5. On March 9, 2007, the Office issued an Office action rejecting claims 1-57 of the '749 patent and setting a 2-month period for response to the action.

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7. On February 14, 2008, a Consent Judgment was entered in the District Court litigation, in which Consent Judgment Codian agreed that the '749 patent is valid and enforceable, and all claims and counterclaims asserted by each party were dismissed *with prejudice*.

8. On April 29, 2008, a petition entitled "PETITION TO TERMINATE *INTER PARTES* REEXAMINATION PURSUANT TO 35 U.S.C. § 317(b) AND 37 C.F.R. § 1.907(b)" was filed by patent owner Polycom. This petition is the subject of the instant decision.

9. On June 24, 2008, the Office mailed a decision dismissing the April 29, 2008 petition and containing a show cause order to the parties with respect to termination and/or limitation of the '186 proceeding.

10. On July 24, 2008, the patent owner filed a response to the June 24, 2008 show cause order and renewed its requested termination of the '186 proceeding.

11. The third party requester has not filed a response to the June 24, 2008 show cause order.

DECISION

I. The June 24, 2008 Order to Show Cause

As pointed out above, on June 24, 2008, the Office mailed a decision dismissing the April 29, 2008 petition and containing a show cause order to the parties with respect to termination and/or limitation of the '186 proceeding. After review of the statutes and the record of the litigation readily available to the Office, the decision[3] stated:

> The statute attaches the estoppel on a claim-by-claim basis. Thus, while the present *inter partes* reexamination of claims 1, 2, 29, 32, 37, 44, and 45 may possibly be barred by statute (if the consent judgment rises to the level of a

[2] The proposed amendment is actually not in compliance with the relevant rules (37 CFR 1.530(d)-(i)) governing the manner of making amendments in a reexamination proceeding.

[3] "Decision Dismissing Petition" mailed June 24, 2008 at page 4 (Section IIII. Analysis and Findings).

> section 317(b) "final decision"), the reexamination proceeding would continue as to the remainder of the claims.

The Office's decision afforded both parties an opportunity to be heard on the question of whether and to what extent the prosecution of the '186 reexamination proceeding should be limited.

In particular, patent owner, who has now responded, was instructed that:

> If the patent owner believes that the proceeding should be terminated in its entirety or be limited with respect to some of the patent claims and issues, then... patent owner should present the legal basis for its position that a consent judgment qualifies as a "final decision .... that the party ***has not sustained its burden of proving*** the invalidity of any patent claim in suit" within the meaning of 35 U.S.C. 317(b). Furthermore, patent owner's showing must establish, based on specifically pointed out part(s) of the record of the litigation, that the estoppel provisions of 35 U.S.C. 317(b) should apply to all of the claims of the patent and/or issues for which patent owner requests the Office to no longer maintain. This showing should include an analysis of any issues regarding the differences in prior art raised in the civil proceeding and in the '186 *inter partes* reexamination proceeding, as well as a discussion of when the third party requester became aware of any prior art raised in the '186 proceeding but not raised in the civil action and the status of the civil litigation at the time that the third party requester became aware of this prior art, to establish that the issue "could have been raised" by the third party requester in the context of the litigation. [4]

II. Patent Owner's Position [5]

Patent owner's July 24, 2008 submission responding to the show cause order requests termination of the entire '186 proceeding.

Patent owner contends that the estoppel provisions of 35 U.S.C. § 317(b) attach to the entire reexamination proceeding and the Office must not maintain the present reexamination proceeding, based upon a Consent Judgment entered February 14, 2008, in the concurrent litigation between the same parties, which Consent Judgment became final by the absence of any appeal to the Federal Circuit within 30 days.

The July 24, 2008 submission argues that (i) the consent judgment is a final decision; (ii) the Consent Judgment, based on its wording, was adverse to third party requester Codian as to all the claims in the patent; and (iii) every claim was involved in the litigation and Codian failed to carry its burden of proving invalidity. Patent owner asserts that every claim was involved in the litigation because (a) Codian did raise invalidity contentions for each and every claim of the patent, and (b) although patent owner, Polycom, was limited to asserting only 18 claims for the entire 6 patent litigation, Codian was not limited to attacking the invalidity of only those claims. Finally, patent owner argues (iv) that terminating reexamination with respect to a claim as barred by the statutory estoppel, while continuing examination of a claim that depends on the barred claim would lead to inconsistent and

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[4] *id.* at page 5 (Section IV. Order to Show Cause).

[5] Third party requester, Codian, did not file a response to the order to show cause.

illogical results; and "while the statute may direct analysis on a claim by claim basis ... that does not override normal validity rules as to dependent and independent claims." [6]

III. Relevant Statute, Regulations, and Examining Procedure

Relevant portions of the statute, regulations and MPEP are reproduced as follows:

35 U.S.C. 317(b) provides:

> Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party has not sustained its burden of proving the invalidity of any patent claim in suit or if a final decision in an inter partes reexamination proceeding instituted by a third-party requester is favorable to the patentability of any original or proposed amended or new claim of the patent, then neither that party nor its privies may thereafter request an inter partes reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in such civil action or inter partes reexamination proceeding, and an inter partes reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office, notwithstanding any other provision of this chapter. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

37 CFR 1.907(b) provides:

> Once a final decision has been entered against a party in a civil action arising in whole or in part under 28 U.S.C. 1338 that the party has not sustained its burden of proving invalidity of any patent claim-in-suit, then neither that party nor its privies may thereafter request inter partes reexamination of any such patent claim on the basis of issues which that party, or its privies, raised or could have raised in such civil action, and an inter partes reexamination requested by that party, or its privies, on the basis of such issues may not thereafter be maintained by the Office.

MPEP 2686.04 II B provides, in pertinent part (emphasis added):

> The Third Party Requester Was a Party to the Litigation.
>
> Final Holding of validity: The provisions of 37 CFR 1.907(b) apply. Where a final decision was entered against a party in a Federal Court civil action (arising in whole or in part under 28 U.S.C. 1338) that the party did not sustain its burden of proving invalidity of a patent claim in suit, that party and its privies may **not** request *inter partes* reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in the civil action. Further, an *inter partes* reexamination already requested by that party, or its privies, on the basis of such issues will not be maintained by the Office, i.e., the proceeding will be concluded.
>
> ...
>
> In view of the above, when the examiner is aware that the third party requester was a party to previous Federal Court litigation as to the patent for which *inter partes* reexamination has been requested, the examiner must determine:
>
> (1) Was the Federal Court decision adverse to the third party requester as to at least one claim of the patent?
>
> (2) Was the Federal Court decision a final decision, after all appeals?

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[6] Show Cause Response at 9.

(3) Is the issue being raised in the reexamination request the same issue as was raised in the Federal Court during the civil action, or an issue that the third party requester could have raised in the Federal Court during the civil action?

- If the answer to each of questions (1)-(3) is "yes" for all claims for which reexamination was requested in the proceeding, then the *inter partes* reexamination prosecution must be terminated. In such a case, the Central Reexamination Unit (CRU) Director will prepare a decision discussing the above considerations (1)-(3) and vacating the reexamination proceeding.

- If the answer to all of questions (1)-(3) is "yes" for one or more (but not all) of the claims for which reexamination was requested in the proceeding; those claims will not be treated. The examiner's action will point out the claims not treated and the reason why, i.e., a discussion of the above considerations (1)-(3). The guidelines set forth above in subsection II.(A) will be used for the claims remaining.

IV. Analysis and Findings

1) **Finality of the Consent Judgment**: Patent owner's submission has adequately demonstrated that the present consent judgment qualifies as a "final decision" and thus triggers the estoppel provisions of 35 U.S.C. § 317(b) with respect to any claim and issue to which it applies.

2) **Claims in suit for which the third party has not sustained its burden of proving invalidity:** The statute attaches the estoppel on a claim-by-claim basis. The estoppel provisions of 35 U.S.C. § 317(b) attach to any given claim only if (a) that claim was involved in the suit and (b) the defendant did not "sustain its burden" of proving invalidity of the claim.

The order to show cause stated:

> A review of the record suggests that, with respect to the '749 patent, Polycom only asserted in the district court litigation that claims 1, 2, 29, 32, 37, 44, and 45 were infringed by products of Codian.[7] In turn, Codian's invalidity defenses were limited to the asserted claims.[8]
>
> Based on the above, it appears that the claims in suit may not be ***identical*** to the claims under reexamination in the '186 proceeding, since only claims 1, 2, 29, 32, 37, 44, and 45 were apparently involved in the litigation, while all the patent claims, i.e., claims 1-57, are subject to reexamination in the present proceeding.

In an attempt to establish that each and every claim was involved in the suit and that third party had the burden of showing invalidity of said claims, patent owner (in its response to the order to show cause): (i) points out that the Consent Judgment, based on its wording, was adverse to third party requester Codian as to all the patent claims and (ii) contends that every claim was involved in the litigation and Codian failed to carry its burden of proving

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[7] See, for Example, Polycom's Disclosure of Asserted Claims and Preliminary Infringement Contentions and Polycom's Final Infringement Contentions

[8] See, for example, Codian's Preliminary Invalidity Contentions

invalidity, because (a) Codian did raise invalidity contentions for each and every claim of the patent, and (b) although patent owner, Polycom, was limited (by the court) to asserting only 18 claims for the entire 6 patent litigation, Codian was not limited to attacking the invalidity of only those claims.

(i) The Consent Judgment entered February 14, 2008 in *Polycom, Inc. et al. v. Codian Ltd. et al.*, No. 2:05cv520 DF (E.D. Texas November 15, 2005) states that "Codian agrees that United States Patent Nos. 6,496,216, 6,757,005, 6,697,476, 6,760,749, 6,744,460, and 6,633,985 are valid and enforceable." As stated by patent owner, "based on its wording," this order was adverse to Codian as to all the patent claims. Thus, insofar as the burden of proving invalidity of any claim in suit devolved upon Codian, Codian has not sustained its burden. Further, as noted above, patent owner has established that this order has matured into a final decision. What then remains to be established is whether Codian had the burden of proving invalidity with respect to each patent claim for which patent owner requests termination.

(ii) Involved Claims

The order to show cause operates under the assumption that only claims 1, 2, 29, 32, 37, 44, and 45 were asserted against Codian, and that if a claim was not asserted against a defendant then the defendant had no cause to attack the validity of the unasserted claim.

Patent owner (Show Cause Response, at 7-8) asserts that "Codian, in fact, did raise invalidity of each claim" and points to Counterclaim VIII on page 14 of Codian's Amended Answer to Second Amended Complaint. [9] This citation appears to be a section in a general response to a complaint merely preserving all defenses and asserting invalidity of the asserted '749 patent for "failure to meet the conditions of patentability" on any and all possible grounds.

Patent owner further attempts to explain the limited number of claims that Codian provided invalidity charts in the litigation to restrictions placed upon patent owner, Polycom, by the court in the litigation. To this end, patent owner states:

> Polycom was limited to asserting only 18 claims for the entire six patent litigation by Judge's order, of which a copy is attached. Codian was not limited by the scheduling order, just Polycom. Codian limited its invalidity charts to those few claims asserted by Polycom to save money and effort, both of the parties and of the court. (*Id.* at 8.)

Patent owner argues that Codian's choice to preserve resources and not continue to assert invalidity of the remaining claims was a choice to be barred against asserting invalidity of such claims in a future proceeding.

This argument is not persuasive. First, it is not relevant to the estoppel provisions of 35 U.S.C. 317 that Codian could have asserted the invalidity of the remaining claims, even if such were the case (see below); the test is whether the burden of proving invalidity was on Codian (the requester) and that invalidity was not proven. Second, the scheduling order states:

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[9] Note that this paper is of record in the proceeding as reference C3 in the IDS filed April 29, 2008 and received in the Office May 2, 2008.

> Patentee shall limit the number of asserted claims to no more than eighteen (18) and notify the accused infringer and Court; the **claims to be presented at trial** shall be limited to the asserted claims, **unless good cause is shown** to modify this order. [Emphasis added]

The order limits the trial to the asserted claims. Thus, defendant Codian could not have been heard on invalidity charts and arguments on non-asserted claims, and patent owner's contention to the contrary is not convincing. Furthermore, patent owner has provided an incomplete explanation referring to a single portion of a document without providing any context. Note that the order allows for more than 18 claims to be asserted upon a showing of "good cause" by patentee. Note further, that many more than 18 claims were actually asserted and litigated in the district court. There are (by the Office's count) 37 claims asserted in the four patents that are involved in the 95/000,186, 95/000,190, 95/000,192, and 95/000,193 *inter partes* reexamination proceedings. Thus, patent owner's reliance on this scheduling order to establish that all claims of the involved patents are subject to the estoppel provisions of the *inter partes* reexamination statute is not convincing.

3) **Claims depending from a terminated claim:**

Patent owner argues that that terminating reexamination with respect to a claim as barred by the statue while continuing examination of a claim depending therefrom leads to inconsistent and illogical results, because the rejection of a dependent claim inherently rejects the claim from which it depends - yet that claim has been determined to be valid; and "while the statute may direct analysis on a claim by claim basis ... that does not override normal validity rules as to dependent and independent claims." [10]

Patent owner's arguments are not persuasive. First of all, there are circumstances where a prior art rejection applies to a dependent claim while the independent claim from which it depends is allowable over the very same art. For example, the effective filing date (or the date of invention) of the independent claim may be earlier than that of the dependent claim, or the inventorship of the dependent claim might be different than that of the independent claim. Second, the proceedings in the Office are directed to patentability, while in litigation the issue is invalidity. Third, the standard of proof to find unpatentability of a claim in a reexamination proceeding (preponderance of the evidence) is lower than the standard for finding invalidity in the context of litigation (clear and convincing evidence). Fourth, the standard for claim construction in reexamination is that of the broadest reasonable interpretation in light of the specification, while the standard in reexamination is not as expansive. Furthermore, when the Office limits a reexamination proceeding due to the estoppel provisions attaching to particular claims, that limitation of the proceeding is not a determination of patentability or validity with respect to those claims - those claims are simply out of bounds for the requester who file the *inter partes* reexamination request. The same claims are subject to reexamination over the same art in an *ex parte* reexamination filed by the requester (or any other party) or in an *inter partes* reexamination filed by any party not covered by the estoppel provisions.

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[10] Show Cause Response at 9.

4) Claims of narrower scope than a terminated claim:

With respect to independent claims 3, 17, 46, and 69, Patent owner argues that that terminating reexamination with respect to a claim as barred by the statue while continuing examination of a claim of narrower scope (even if not depending therefrom) "would be inconsistent or illogical by having a broader claim valid but a narrower claim invalid over the prior art." [11]

The reasoning in the preceding section (IV.3) directed to claims depending from a terminated claim applies equally to this situation. It is to be stressed, with respect to the discussion above, that when the Office limits a reexamination proceeding due to the estoppel provisions attaching to particular claims, that limitation of the proceeding is not a determination of patentability or validity with respect to those claims – those claims are simply out of bounds for the requester who file the *inter partes* reexamination request. Thus no issue of consistency of treatment arises.

V. Decision

35 U.S.C. § 317(b) provides (emphasis added):

> "Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party **has not sustained its burden of proving the invalidity of any patent claim in suit** ..., then neither that party nor its privies may thereafter request an inter partes reexamination **of any such patent claim** on the basis of issues which that party or its privies raised or could have raised in such civil action or inter partes reexamination proceeding, and an inter partes reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office...."

Based on 35 U.S.C. § 317(b), the present *inter partes* reexamination of claims 1, 2, 29, 32, 37, 44, and 45 is barred; however, the reexamination proceeding may continue as to the remainder of the pending claims of record, i.e., claims 3-28, 30, 31, 33-36, 38-43, and 46-74.

As noted above, it has not been established that the consent judgment entered in the civil proceeding constitutes "a final decision ... against a party in a civil action ... that the party has not sustained its burden of proving the invalidity" of the claims in suit as to non-asserted claims 3-28, 30, 31, 33-36, 38-43, and 46-57, because it has not been established that Codian had a burden of proving invalidity of any of the non-asserted claims.

In light of the analysis above, the petition to terminate the '186 proceeding in its entirety can not be granted.

Rather, the petition is granted to the extent of terminating reexamination of claims 1, 2, 29, 32, 37, 44, and 45. Reexamination will, however, continue limited to claims 3-28, 30, 31, 33-36, 38-43, and 46-74.

---

[11] Show Cause Response at 10.

CONCLUSION

1. The patent owner petition to terminate the present reexamination proceeding is granted to the extent of terminating reexamination of claims 1, 2, 29, 32, 37, 44, and 45, and is dismissed as to terminating reexamination of claims 3-28, 30, 31, 33-36, 38-43, and 46-74. Further prosecution and examination in the '186 proceeding will be limited to claims 3-28, 30, 31, 33-36, 38-43, and 46-74.

2. Jurisdiction over this reexamination proceeding is being returned to the Central Reexamination Unit.

3. Telephone inquires related to this decision should be directed to Pinchus M. Laufer, Legal Advisor, at (571) 272-7726, or in his absence, to the undersigned at (571) 272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

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In re Dunlap et al.	:
Inter Partes Reexamination Proceeding	: **DECISION**
Control No. 95/000,186	: **TERMINATING**
Filed: November 17, 2006	: **REEXAMINATION**
For: U.S. Patent No. 6,760,749	:

This is a decision on the November 21, 2008 patent owner paper titled "Petition to Reconsider Decision on Petition to Terminate *Inter Partes* Reexamination."

On September 30, 2008, in response to patent owner's July 24, 2008 response to an order to show cause, the Office mailed a decision granting-in-part the April 29, 2008 patent owner petition titled "PETITION TO TERMINATE INTER PARTES REEXAMINATION PURSUANT TO 35 U.S.C. § 317(b) AND 37 C.F.R. § 1.907(b)," (the "Petition"). That decision terminated reexamination of claims 1, 29, 32, 37, and 44, thereby limiting further prosecution, in the '186 proceeding, to claims 3-28, 30, 31, 33-36, 38-43, and 46-74.

The petition paper, and *inter partes* reexamination control number 95/000,186 are before the Office of Patent Legal Administration.

For the reasons set forth below, the patent owner petition to terminate the present reexamination proceeding is granted.

BACKGROUND

1. U.S. patent No. 6,760,749 ("the '749 patent") issued to Wayne Dunlap et al. on July 6, 2004, with 57 claims, and it is currently assigned to Polycom, Inc. ("Polycom").

2. On November 15, 2005, patent owner Polycom filed suit against Codian, Ltd. and Codian, Inc. ("Codian") for infringement of the '749 patent in the United States District Court for the Eastern District of Texas. [1]

[1] *Polycom, Inc. et al. v. Codian Ltd. et al.*, No. 2:05cv520 DF (E.D. Texas November 15, 2005).

3. On November 15, 2006, a request for *inter partes* reexamination of the '749 patent, assigned control No. 95/000,186 (the '186 reexamination"), was filed by a third party requester on behalf of real party in interest Codian, Inc. (the "requester").

4. On January 26, 2007, the Office issued an order granting the request for *inter partes* reexamination for claims 1-57 of the '749 patent.

5. On March 9, 2007, the Office issued an Office action rejecting claims 1-57 of the '749 patent and setting a 2-month period for response to the action.

6. On May 11, 2007, the patent owner filed a timely response to the outstanding Office action including a amendments to claims 1, 28, 46 and 50 and the presentation of new claims 58-74.[2] On June 8, 2007 the third party requester filed comments pursuant to 37 CFR 1.947.

7. On February 14, 2008, a Consent Judgment was entered in the District Court litigation. In the Consent Judgment, Codian (requester) agreed that the '749 patent is valid and enforceable, and all claims and counterclaims asserted by each party were dismissed *with prejudice*.

8. On April 29, 2008, a petition entitled "PETITION TO TERMINATE *INTER PARTES* REEXAMINATION PURSUANT TO 35 U.S.C. § 317(b) AND 37 C.F.R. § 1.907(b)" was filed by patent owner Polycom.

9. On June 24, 2008, the Office mailed a decision dismissing the April 29, 2008 petition and containing a show cause order to the parties with respect to termination and/or limitation of the '186 proceeding.

10. On July 24, 2008, the patent owner filed a response (to the June 24, 2008 decision) providing a showing of cause for the requested termination and renewing its requested termination of the '186 proceeding.

11. The third party requester has not filed a response to the June 24, 2008 show cause order.

12. On September 30, 2008, the Office mailed a decision terminating reexamination of claims 1, 2, 29, 32, 37, 44, and 45, and limiting further prosecution and examination in the '186 proceeding to claims 3-28, 30, 31, 33-36, 38-43, and 46-74.

13. On November 21, 2008, patent owner filed the present petition requesting reconsideration of the decision of September 30, 2008, and renewing its request for complete termination of the '186 proceeding.

14. The third party requester has not filed a response to the September 30, 2008 decision, nor has third party requester filed an opposition to patent owner's petition of November 21, 2008.

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[2] The proposed amendment is actually not in compliance with the relevant rules (37 CFR 1.530(d)-(i)) governing the manner of making amendments in a reexamination proceeding.

15. On February 4, 2009, a request for change of correspondence address of the third party requester was filed. This request was not signed by the representative of record or the requester real party in interest. Accordingly, it is not effective. However, a courtesy copy of this decision is being sent to the correspondence address requested therein and noted below.

DECISION

I. Patent Owner's Position

Patent owner contends that the estoppel provisions of 35 U.S.C. § 317(b) attach to the entire reexamination proceeding and the Office must not maintain the present reexamination proceeding, because of a Consent Judgment entered February 14, 2008, in the concurrent litigation between the same parties, which Consent Judgment became final by the absence of any appeal to the Federal Circuit within 30 days. Specifically, it is patent owner's position that Codian's counterclaim of invalidity of the patent coupled with the consent judgment in which Codian consented that each of the enumerated patents is valid and enforceable establishes all the requisites for the estoppel provisions of 35 U.S.C. § 317(b) to apply to each claim of the patents in suit.

II. Analysis and Findings

(i) The previous decision found:

> [I]nsofar as the burden of proving invalidity of any claim in suit devolved upon Codian, Codian has not sustained its burden. Further, as noted above, patent owner has established that this order has matured into a final decision. What then remains to be established is whether Codian had the burden of proving invalidity with respect to each patent claim for which patent owner requests termination.[3]

(ii) Involved Claims

The order to show cause issued by the Office operated under the assumption that only claims 1, 2, 29, 32, 37, 44, and 45 were asserted against Codian, and that if a claim was not asserted against a defendant, then the defendant had no cause to attack the validity of the unasserted claim.

Patent owner now explains (with reference to Codian's response and counterclaims) that the record of the litigation evidences that all claims were asserted against Codian, and that Codian challenged the validity of the patents in their entirety. The limitation to the aforementioned claims was an artifact of a limitation, imposed by the presiding judge, as to the number of claims that could be dealt with in detail in the trial phase of the civil litigation.

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[3] Decision mailed September 30, 2008 at page 6. See the decision at pages 5-6 for the detailed analysis.

IV. Decision

35 U.S.C. § 317(b) provides (emphasis added):

> "Once a final decision has been **entered against a party** in a civil action arising in whole or in part under section 1338 of title 28, that the party **has not sustained its burden of proving the invalidity of any patent claim in suit** ..., then neither that party nor its privies may thereafter request an inter partes reexamination **of any such patent claim** on the basis of issues which that party or its privies raised or could have raised in such civil action or inter partes reexamination proceeding, and an inter partes reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office...."

In light of the specific facts and circumstances of this proceeding, including a review of the litigation history of the district court case, patent owner's position that all claims of the '749 patent qualify as "claims in suit" for purposes of applying 35 U.S.C. § 317(b) is being accepted.

Accordingly, based on 35 U.S.C. § 317(b), proceeding further with the present *inter partes* reexamination is barred as to all claims in the '749 patent.

The petition to terminate the '186 reexamination proceeding is therefore granted.

Jurisdiction over the '186 inter partes reexamination proceeding is being forwarded to the Central Reexamination Unit (CRU) for conclusion of the proceeding. The CRU will mail the present decision, and process the reexamination file to update the Image File Wrapper (IFW) records for this proceeding. The file will be assigned an 822 status. A copy of the PALM "Application Number Information" screen and the "Contents" screen will be printed, the printed copy will be annotated by adding the comment "PROCEEDING CONCLUDED," and the annotated copy will then be scanned into Image File Wrapper (IFW) using the miscellaneous letter document code.

V. Additional Discussion

Termination of this proceeding due to the estoppel provisions of 35 U.S.C. § 317(b) is not a resolution on the merits of any substantial new question of patentability that gave rise to the '186 proceeding nor is it a determination of the patentability of any of the claims over the rejections of record (whether adopted or non-adopted) in the proceeding.

Accordingly, an *ex parte* reexamination request by any party based upon any substantial new question of patentability (SNQ) raised in this proceeding would not be precluded, i.e., such an could form the basis for instituting a further *ex parte* reexamination. Likewise, any SNQ raised in this proceeding would not be precluded in an *inter partes* reexamination request by a party not subject to the estoppel provisions of 35 U.S.C. § 317(b) and could form the basis for instituting a further *inter partes* reexamination.

CONCLUSION

1. The patent owner petition to terminate the '186 reexamination proceeding is granted.

2. The prosecution of the '186 inter partes reexamination proceeding is hereby terminated, and the '186 proceeding will be concluded.

3. Jurisdiction over the '186 reexamination proceeding is being returned to the Central Reexamination Unit (CRU) for further processing to conclude the '186 proceeding, as set forth above.

4. Telephone inquires related to this decision should be directed to Pinchus M. Laufer, Legal Advisor, at (571) 272-7726, or in his absence, to the undersigned at (571) 272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

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In re Reexamination Proceeding :
B. Marcus et al. :
Control No. 95/000,187 : DECISION GRANTING PETITION
Filed: October 13, 2006 :
U.S. Patent No. 6,739,874 :
Attorney Docket No. EDU.021 :

This is a decision on the petition under 37 CFR 1.137(b) filed by the patent owner on November 16, 2007, for entry of late papers based upon unintentional delay.

The petition is before the Office of Patent Legal Administration (OPLA) for decision.

37 CFR 1.137(b) states, in part:

> "*Unintentional.* If the delay in reply by applicant or patent owner was unintentional, a petition may be filed pursuant to this paragraph to revive an abandoned application, a reexamination proceeding terminated under §§ 1.550(d) or 1.957(b) or (c), or a lapsed patent. A grantable petition pursuant to this paragraph must be accompanied by: (1) The reply required to the outstanding Office action or notice, unless previously filed; (2) The petition fee as set forth in § 1.17(m); (3) A statement that the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to this paragraph was unintentional. The Director may require additional information where there is a question whether the delay was unintentional ...."

The present petition under 37 CFR 1.137(b) includes, inter alia, the requisite response (Response To Non-Final Office Action - item 1), a $770.00 petition fee under 37 CFR 1.17(m) (item 2) and the requisite statement (item 3).

A review of the record reveals that the requisite proof of service on the third party requester was not included with the present petition papers or with its attachments. In a telephone communication on December 4, 2007, Senior Legal Advisor Fred Silverberg was informed that the third party requestor had not been served with the papers filed November 16, 2007, the third

party requester would be provided with a copy of all of the papers submitted with the petition, and that, thereafter, a certificate of service, indicating that all of the papers submitted with the petition have been served on the third party requester, would be forwarded to the Office. In response, on December 4, 2007, by facsimile transmission, a communication including the requested certificate of service was submitted showing that the papers filed on Nov 16, 2007 were served on the third party requester by First-Class Mail on December 4, 2007. It should be noted that any future communications filed by patent owner in this proceeding (including any response to this decision) must include proof of service on the third party requester in accordance with 37 CFR 1.550(f).

The petition for entry of the late papers is granted.

Jurisdiction over the reexamination proceeding is being returned to Central Reexamination Unit (CRU) for consideration of patent owner's Response To Non-Final Office Action filed November 16, 2007, in due course.

The third party requester has **THIRTY (30) days from the mailing date of this decision** to file comments pursuant to 37 CFR1.947, responsive to patent owner's Response To Non-Final Office Action.

Any further communications as to the merits of the reexamination proceeding should be directed to the primary examiner, M. Graham, in CRU Art Unit 3993, who can be reached at 571-272-7116.

Telephone inquiries related to this decision should be directed to Fred A. Silverberg at 571-272-7719.

Fred A. Silverberg

Fred A. Silverberg
Senior Legal Advisor
Office of Patent Legal Administration
Office of the Deputy Commissioner for Patent Examination Policy

UNITED STATES PATENT AND TRADEMARK OFFICE

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,188	11/29/2006	7018213	8100.004RXUS00	2471

28554 7590 01/29/2008

VIERRA MAGEN MARCUS & DENIRO LLP
575 MARKET STREET SUITE 2500
SAN FRANCISCO, CA 94105

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 01/29/2008

Please find below and/or attached an Office communication concerning this application or proceeding.

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DONALD J. QUIGG
NOVAK DRUCE & QUIGG LLP
1000 LOUISIANA AVE.,
WELLS FARGO PLAZA, 53RD FLOOR
HOUSTON, TX 77002

Transmittal of Communication to Third Party Requester *Inter Partes* Reexamination

REEXAMINATION CONTROL NUMBER *95/000,188*.

PATENT NUMBER *7,018,213*.

TECHNOLOGY CENTER *3999*.

ART UNIT *3993*.

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above-identified reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the *inter partes* reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an *ex parte* reexamination has been merged with the *inter partes* reexamination, no responsive submission by any *ex parte* third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the **Central Reexamination Unit** at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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WELLS FARGO PLAZA, 53RD FLOOR
HOUSTON, TX 77002

MAILED
JAN 29 2008
CENTRAL REEXAMINATION UNIT

In re Reexamination Proceeding	:
B. Marcus et al.	:
Control No. 95/000,188	: DECISION GRANTING PETITION
Filed: November 29, 2006	:
U.S. Patent No. 7,018,213	:
Attorney Docket No. 8100.004RXUS00	:

This is a decision on the petition under 37 CFR 1.137(b) filed by the patent owner on January 3, 2008, for entry of late papers based upon unintentional delay.

The petition is before the Office of Patent Legal Administration (OPLA) for decision.

37 CFR 1.137(b) states, in part:

> "*Unintentional.* If the delay in reply by applicant or patent owner was unintentional, a petition may be filed pursuant to this paragraph to revive an abandoned application, a reexamination proceeding terminated under §§ 1.550(d) or 1.957(b) or (c), or a lapsed patent. A grantable petition pursuant to this paragraph must be accompanied by: (1) The reply required to the outstanding Office action or notice, unless previously filed; (2) The petition fee as set forth in § 1.17(m); (3) A statement that the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to this paragraph was unintentional. The Director may require additional information where there is a question whether the delay was unintentional ...."

The present petition under 37 CFR 1.137(b) includes, inter alia, the requisite response (Response To Non-Final Office Action - item 1), a credit card payment of $1,410.00 for the petition fee, a general authorization to charge any underpayment or credit any overpayment to counsel's deposit account No. 501826 (item 2), the requisite statement (item 3) and a Certificate of Service on the Third Party Requester.

The petition for entry of the late papers is granted.

A review of the Office finance records for this application reveals that counsel submitted a credit card payment of $1,410.00 for the petition fee in a separate paper attached to this petition. In the petition cover sheet, counsel stated that applicant claimed small entity status and that the petition fee was $770.00. The correct small entity petition fee is $770.00.

Accordingly, $770.00 has been charged to and $1,410.00 has been credited to counsel's deposit account no. 501826 in accordance with the present petition.

Jurisdiction over the reexamination proceeding is being returned to Central Reexamination Unit (CRU) for consideration of patent owner's Response To Non-Final Office Action filed January 3, 2008, in due course.

The third party requester has **THIRTY (30) days from the mailing date of this decision** to file comments pursuant to 37 CFR1.947, responsive to patent owner's Response To Non-Final Office Action.

Any further communications as to the merits of the reexamination proceeding should be directed to the primary examiner, M. Graham, in CRU Art Unit 3993, who can be reached at 571-272-7116.

Telephone inquiries related to this decision should be directed to Fred A. Silverberg at 571-272-7719.

Fred A. Silverberg

Fred A. Silverberg
Senior Legal Advisor
Office of Patent Legal Administration
Office of the Deputy Commissioner for Patent Examination Policy

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,190	11/17/2006	6496216	604502800200	6427

29855 7590 06/24/2008

WONG, CABELLO, LUTSCH, RUTHERFORD & BRUCCULERI, L.L.P.
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SUITE 600
HOUSTON, TX 77070

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 06/24/2008

Please find below and/or attached an Office communication concerning this application or proceeding.

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(THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS)

Charles D. Holland
MORRISON & FOERSTER LLP
755 Page Mill Road
Palo, Alto, CA 94304-1018

MAILED
JUN 24 2008
CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester *Inter Partes* Reexamination

REEXAMINATION CONTROL NUMBER *95/000190*.

PATENT NUMBER *6,496,216*.

TECHNOLOGY CENTER *3999*.

ART UNIT *3992*.

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above-identified reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the *inter partes* reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an *ex parte* reexamination has been merged with the *inter partes* reexamination, no responsive submission by any *ex parte* third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the **Central Reexamination Unit** at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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Wong, Cabello, Lutsch, Rutherford & Brucceleri, L.L.P.
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Suite 600
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(For Patent Owner)

MAILED

JUN 24 2008

CENTRAL REEXAMINATION UNIT

Charles D. Holland
Morrison & Foerster L.L.P.
755 Page Mill Road
Palo Alto, California 94304-1018

(For Third Party Requester)

In re Feder et al. :
Inter Partes Reexamination Proceeding : **DECISION**
Control No. 95/000,190 : **DISMISSING**
Filed: November 17, 2006 : **PETITION**
For: U.S. Patent No. 6,496,216 :

This is a decision on the April 29, 2008 patent owner petition titled "PETITION TO TERMINATE *INTER PARTES* REEXAMINATION PURSUANT TO 35 U.S.C. § 317(b) AND 37 C.F.R. § 1.907(b)," (the "Petition"). Since the rules do not provide for a petition for termination of a reexamination proceeding, the paper is being treated as a petition under 37 CFR 1.182, and the requisite fee of $400.00 mandated by the 37 CFR 1.17(f) is being charged to Deposit Account 50-1922, referencing attorney docket number 199-0237RX.

The petition and *inter partes* reexamination control number 95/000,190 are before the Office of Patent Legal Administration.

For the reasons set forth below, the patent owner petition is dismissed. In short, the petition seeks to have the Office terminate the *inter partes* reexamination in light of a consent judgment entered in a parallel district court patent litigation. The petition, however, does not demonstrate why the consent judgment should be considered "a final decision . . . entered against a party in a civil action . . . that the party has not sustained its burden of proving the invalidity of any patent claim in suit . . .", pursuant to 35 U.S.C. § 317(b). Moreover, it is unclear from the litigation whether all of the claims of the patent were asserted in the lawsuit. If not, then even if the consent judgment is a section 317(b) "final decision," the petition does not explain why the Office must terminate the *inter partes* reexamination with respect to the patent claims that were not asserted in the litigation. Both parties are invited to show cause whether the Office should continue the *inter partes* reexamination, in whole or in part, given the issues raised above.

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BACKGROUND

1. U.S. patent No. 6,496,216("the '216 patent") issued to Meir Feder et al. on December 17, 2002, with 40 claims, and it is currently assigned to Polycom, Inc. ("Polycom").

2. On November 15, 2005, patent owner Polycom filed suit against Codian, Ltd. and Codian, Inc. ("Codian") for infringement of the '216 patent in the United States District Court for the Eastern District of Texas. [1]

3. On November 17, 2006, a request for *inter partes* reexamination of the '216 patent, assigned control No. 95/000,190 (the '190 reexamination"), was filed by a third party requester on behalf of real party in interest Codian, Inc. (the "requester").

4. On February 3, 2007, the Office issued an order granting the request for *inter partes* reexamination for claims 1-40 of the '216 patent.

5. On February 14, 2008, a Consent Judgment was entered in the District Court litigation in which Codian agreed that the '216 patent is valid and enforceable, and all claims and counterclaims asserted by each party were dismissed *with prejudice*.

6. On April 29, 2008, a petition entitled "PETITION TO TERMINATE *INTER PARTES* REEXAMINATION PURSUANT TO 35 U.S.C. § 317(b) AND 37 C.F.R. § 1.907(b)," was filed by patent owner Polycom. This petition is the subject of the instant decision.

DECISION

I. Patent Owner's Position

Patent owner's petition filed April 29, 2008 contends that the estoppel provisions of 35 U.S.C. § 317(b) attach to the present reexamination proceeding and the Office must not maintain the reexamination proceeding, based upon a Consent Judgment entered February 14, 2008, in the concurrent litigation between the same parties, which Consent Judgment became final by the absence of any appeal to the Federal Circuit within 30 days. Patent owner contends that the § 317(b) estoppel provision applies to the entire proceeding.

II. Relevant Statute, Regulations, and Examining Procedure

The relevant portions of the statute, regulations and MPEP are reproduced here.

35 U.S.C. 317(b) provides:

> Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party has not sustained its burden of proving the invalidity of any patent claim in suit or if a final decision in an inter partes reexamination proceeding instituted by a third-party requester is favorable to the patentability of any original or proposed amended or new claim of the patent, then neither that party nor its privies may thereafter request an inter partes reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in such civil action or inter partes reexamination proceeding, and an inter partes reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office, notwithstanding any other provision of this chapter. This subsection does not prevent the assertion of

[1] *Polycom, Inc. et al. v. Codian Ltd. et al.*, No. 2:05cv520 DF (E.D. Texas November 15, 2005)

invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

37 CFR 1.907(b) provides:

Once a final decision has been entered against a party in a civil action arising in whole or in part under 28 U.S.C. 1338 that the party has not sustained its burden of proving invalidity of any patent claim-in-suit, then neither that party nor its privies may thereafter request inter partes reexamination of any such patent claim on the basis of issues which that party, or its privies, raised or could have raised in such civil action, and an inter partes reexamination requested by that party, or its privies, on the basis of such issues may not thereafter be maintained by the Office.

MPEP 2686.04 II B provides, in pertinent part (emphasis added):

The Third Party Requester Was a Party to the Litigation.

Final Holding of validity: The provisions of 37 CFR 1.907(b) apply. Where a final decision was entered against a party in a Federal Court civil action (arising in whole or in part under 28 U.S.C. 1338) that the party did not sustain its burden of proving invalidity of a patent claim in suit, that party and its privies may **not** request *inter partes* reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in the civil action. Further, an *inter partes* reexamination already requested by that party, or its privies, on the basis of such issues will not be maintained by the Office, i.e., the proceeding will be concluded.

...

In view of the above, when the examiner is aware that the third party requester was a party to previous Federal Court litigation as to the patent for which *inter partes* reexamination has been requested, the examiner must determine:

(1) Was the Federal Court decision adverse to the third party requester as to at least one claim of the patent?

(2) Was the Federal Court decision a final decision, after all appeals?

(3) Is the issue being raised in the reexamination request the same issue as was raised in the Federal Court during the civil action, or an issue that the third party requester could have raised in the Federal Court during the civil action?

- If the answer to each of questions (1)-(3) is "yes" for all claims for which reexamination was requested in the proceeding, then the *inter partes* reexamination prosecution must be terminated. In such a case, the Central Reexamination Unit (CRU) Director will prepare a decision discussing the above considerations (1)-(3) and vacating the reexamination proceeding.

- If the answer to all of questions (1)-(3) is "yes" for one or more (but not all) of the claims for which reexamination was requested in the proceeding; those claims will not be treated. The examiner's action will

point out the claims not treated and the reason why, i.e., a discussion of the above considerations (1)-(3). The guidelines set forth above in subsection II.(A) will be used for the claims remaining.

III. Analysis and Findings

A review of the record suggests that, with respect to the '216 patent, Polycom only asserted in the district court litigation that claims 1, 16-18, 20-22, and 40 were infringed by products of Codian.[2] In turn, Codian's invalidity defenses were limited to the asserted claims.[3]

The '216 patent issued with 40 claims, of which claims 1, 21, 23, and 40 are independent. The request for reexamination filed on behalf of Codian (as the real party in interest) established a substantial new question of patentability with respect to all the claims of the '216 patent.

Based on the above, it appears that the claims in suit may not be ***identical*** to the claims under reexamination in the '190 proceeding, since only claims 1, 16-18, 20-22, and 40 were apparently involved in the litigation, while all the patent claims, i.e., claims 1-40, are subject to reexamination in the present proceeding. 35 U.S.C. § 317(b) provides (emphasis added):

> "Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party **has not sustained its burden of proving the invalidity of any patent claim in suit** ..., then neither that party nor its privies may thereafter request an inter partes reexamination **of any such patent claim** on the basis of issues which that party or its privies raised or could have raised in such civil action or inter partes reexamination proceeding, and an inter partes reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office...."

The statute attaches the estoppel on a claim-by-claim basis. Thus, while the present *inter partes* reexamination of claims 1, 16-18, 20-22, and 40 may possibly be barred by statute (if the consent judgment rises to the level of a section 317(b) "final decision"), the reexamination proceeding would continue as to the remainder of the claims.

Finally, it has not been established that the consent judgment entered in the civil proceeding constitutes "a final decision ... against a party in a civil action ... that the party has not sustained its burden of proving the invalidity" of the claims in suit.

Accordingly, the petition to terminate the '190 proceeding is dismissed.

IV. Order to Show Cause

If the patent owner believes that the proceeding should be terminated in its entirety or be limited with respect to some of the patent claims and issues, **then patent owner is required, within one month or thirty (30) days of the mail date of this decision, whichever is longer, to show cause why the Office should so terminate or limit prosecution in the**

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[2] See, for Example, Polycom's Disclosure of Asserted Claims and Preliminary Infringement Contentions and Polycom's Final Infringement Contentions

[3] See, for example, Codian's Preliminary Invalidity Contentions

present '190 *inter partes* reexamination proceeding. Patent owner should present the legal basis for its position that a consent judgment qualifies as a "final decision .... that the party ***has not sustained its burden of proving*** the invalidity of any patent claim in suit" within the meaning of 35 U.S.C. 317(b). Furthermore, patent owner's showing must establish, based on specifically pointed out part(s) of the record of the litigation, that the estoppel provisions of 35 U.S.C. 317(b) should apply to all of the claims of the patent and/or issues for which patent owner requests the Office to no longer maintain. This showing should include an analysis of any issues regarding the differences in prior art raised in the civil proceeding and in the '190 *inter partes* reexamination proceeding, as well as a discussion of when the third party requester became aware of any prior art raised in the '190 proceeding but not raised in the civil action and the status of the civil litigation at the time that the third party requester became aware of this prior art, to establish that the issue "could have been raised" by the third party requester in the context of the litigation.

In like manner, if the third party requester believes that the proceeding should not be limited or terminated, **third party requester is required, within one month or thirty (30) days of the mail date of this decision, whichever is longer, to show cause why the Office should not limit prosecution in the '190 *inter partes* reexamination proceeding.**

<u>If the third party requester proposes to show cause as to why prosecution should not be limited and/or terminated</u>, the third party requester should include a detailed analysis of what issues the third party requester raised *or could have raised* in the civil action. This analysis should include an analysis of any issues regarding the differences in prior art raised in the civil proceeding and in the '190 *inter partes* reexamination proceeding, as well as a discussion of when the third party requester became aware of any prior art raised in the '190 proceeding but not raised in the civil action, and the status of the civil litigation at the time that the third party requester became aware of this prior art. The third party requester should provide evidence of what issues, including issues regarding novelty and nonobviousness, were raised in the civil proceeding. Furthermore, third party requester may choose to present argument and legal basis for the proposition that a consent judgment does not qualify as a "final decision .... that the party ***has not sustained its burden of proving*** the invalidity of any patent claim in suit" to invoke the estoppel provisions of 35 U.S.C. 317(b).

Each party is limited to a single response to this order to show cause. No supplemental submissions or oppositions to another party's submission will be considered without a petition and a showing of extraordinary circumstances. Either party may file a paper stating that they will not respond, or may simply not respond to this order.

CONCLUSION

1. The patent owner petition is <u>dismissed.</u>

2. The patent owner and the third party requester are both invited to **show cause, within one month or thirty (30) days (whichever is longer) from the mail date of this decision,** whether the Office should terminate or continue the prosecution of the '190 *inter partes* reexamination proceeding in whole or in part as outlined in section IV above.

3. Telephone inquires related to this decision should be directed to Pinchus M. Laufer, Legal Advisor, at (571) 272-7726, or in his absence, to the undersigned at (571) 272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

06-23-08
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,190	11/17/2006	6496216	199-0179RX	6427

29855 7590 07/31/2008

WONG, CABELLO, LUTSCH, RUTHERFORD & BRUCCULERI, L.L.P.
20333 SH 249
SUITE 600
HOUSTON, TX 77070

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 07/31/2008

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Palo, Alto, CA 94304-1018

MAILED

JUL 3 1 2008

CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester *Inter Partes* Reexamination

REEXAMINATION CONTROL NUMBER *95/000190*.

PATENT NUMBER *6,496,216*.

TECHNOLOGY CENTER *3999*.

ART UNIT *3992*.

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above-identified reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the *inter partes* reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an *ex parte* reexamination has been merged with the *inter partes* reexamination, no responsive submission by any *ex parte* third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the **Central Reexamination Unit** at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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JUL 3 1 2008

CENTRAL REEXAMINATION UNIT

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Palo Alto, California 94304-1018

In re Feder et al. :
Inter Partes Reexamination Proceeding : **DECISION**
Control No. 95/000,190 : **DISMISSING**
Filed: November 17, 2006 : **PETITION**
For: U.S. Patent No. 6,496,216 :

This is a decision on the July 24, 2008 patent owner petition titled "PETITION TO SUSPEND AND TRANSFER JURISDICTION," (the "Petition"). Since the rules do not provide for a petition for suspension of a reexamination proceeding, the paper is being treated as a petition under 37 CFR 1.182, and the requisite fee of $400.00 mandated by the 37 CFR 1.17(f) is being charged to Deposit Account 50-1922, referencing attorney docket number 199-0237RX .

The petition and *inter partes* reexamination control number 95/000,190 are before the Office of Patent Legal Administration.

For the reasons set forth below, the patent owner petition is dismissed as moot.

BACKGROUND

1. U.S. patent No. 6,496,216("the '216 patent") issued to Meir Feder et al. on December 17, 2002, with 40 claims, and it is currently assigned to Polycom, Inc. ("Polycom").

2. On November 15, 2005, patent owner Polycom filed suit against Codian Ltd. and Codian, Inc. ("Codian") for infringement of the '216 patent in the United States District Court for the Eastern District of Texas. [1]

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3. On November 17, 2006, a request for *inter partes* reexamination of the '216 patent, assigned control No. 95/000,190 (the '190 reexamination"), was filed by a third party requester on behalf of real party in interest Codian, Inc. (the "requester").

4. On February 3, 2007, the Office issued an order granting the request for *inter partes* reexamination for claims 1-40 of the '216 patent.

[1] *Polycom, Inc. et al. v. Codian Ltd. et al.*, No. 2:05cv520 DF (E.D. Texas November 15, 2005)

5. On February 14, 2008, a Consent Judgment was entered in the District Court litigation in which Codian agreed that the '216 patent is valid and enforceable, and all claims and counterclaims asserted by each party were dismissed *with prejudice*.

6. On April 29, 2008, a petition entitled "PETITION TO TERMINATE *INTER PARTES* REEXAMINATION PURSUANT TO 35 U.S.C. § 317(b) AND 37 C.F.R. § 1.907(b)," was filed by patent owner Polycom.

7. On June 24, 2008, the Office mailed a decision dismissing the April 29, 2008 petition for termination of the reexamination and issued a show cause order to the parties with respect to termination and/or limitation of the '190 proceeding.

8. On July 24, 2008, the patent owner filed the present petition and a response to the June 24, 2008 show cause order.

DECISION

The request for transfer of jurisdiction to OPLA is presumably for the purpose of preventing further action by the examiner until the issue of the scope of the continuing reexamination (if any) is resolved. A review of the record shows that there is no response to an Office action outstanding. In light of the show cause order issued to determine the scope of continuing reexamination, OPLA presently has jurisdiction of the '190 proceeding, and thus the petition to transfer jurisdiction to OPLA is dismissed as moot.

However, petitioner is informed that OPLA **will not relinquish jurisdiction** of the '190 proceeding until such time as a decision is rendered instructing the examiner of any limitations upon the claims or issues to be considered in further examination.

Accordingly, the petition to transfer jurisdiction of the '190 proceeding to OPLA is dismissed as moot.

CONCLUSION

1. The patent owner petition is dismissed as moot.

2. The proceeding will remain under the jurisdiction of the Office of Patent Legal Administration to await a decision on the scope of the continuing reexamination.

3. Telephone inquires related to this decision should be directed to Pinchus M. Laufer, Legal Advisor, at (571) 272-7726, or in his absence, to the undersigned at (571) 272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

07-30-08
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,190	11/17/2006	6496216	199-0179RX	6427

29855 7590 09/30/2008

WONG, CABELLO, LUTSCH, RUTHERFORD & BRUCCULERI, L.L.P.
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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 09/30/2008

Please find below and/or attached an Office communication concerning this application or proceeding.

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MAILED

SEP 30 2008

CENTRAL REEXAMINATION UNIT

Charles D. Holland (For Third Party Requester)
Morrison & Foerster L.L.P.
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Palo Alto, California 94304-1018

In re Feder et al. :
Inter Partes Reexamination Proceeding : **DECISION**
Control No. 95/000,190 : **LIMITING**
Filed: November 17, 2006 : **REEXAMINATION**
For: U.S. Patent No. 6,496,216 :

This is a decision on the July 24, 2008 patent owner paper titled "Show Cause Response To Decision Dismissing Petition To Terminate *Inter Partes* Reexamination." On April 29, 2008, patent owner filed its original petition titled "PETITION TO TERMINATE INTER PARTES REEXAMINATION PURSUANT TO 35 U.S.C. § 317(b) AND 37 C.F.R. § 1.907(b)," (the "Petition")

The petition, the Show Cause Response paper, and *inter partes* reexamination control number 95/000,190 are before the Office of Patent Legal Administration.

For the reasons set forth below, the patent owner petition to terminate the reexamination proceeding is granted to the extent of terminating reexamination of claims 1, 16-18, 20-22, and 40, and is dismissed as to terminating reexamination of claims 2-15, 19, and 23-39. Further prosecution and examination in the '190 proceeding will be limited to claims 2-15, 19, and 23-39.

BACKGROUND

1. U.S. patent No. 6,496,216 ("the '216 patent") issued to Meir Feder et al. on December 17, 2002, with 40 claims, and it is currently assigned to Polycom, Inc. ("Polycom").

2. On November 15, 2005, patent owner Polycom filed suit against Codian, Ltd. and Codian, Inc. ("Codian") for infringement of the '216 patent in the United States District Court for the Eastern District of Texas. [1]

[1] *Polycom, Inc. et al. v. Codian Ltd. et al.*, No. 2:05cv520 DF (E.D. Texas November 15, 2005).

3. On November 17, 2006, a request for *inter partes* reexamination of the '216 patent, assigned control No. 95/000,190 (the '190 reexamination"), was filed by a third party requester on behalf of real party in interest Codian, Inc. (the "requester").

4. On February 3, 2007, the Office issued an order granting the request for *inter partes* reexamination for claims 1-40 of the '216 patent.

5. On February 14, 2008, a Consent Judgment was entered in the District Court litigation, in which Consent Judgment Codian agreed that the '216 patent is valid and enforceable, and all claims and counterclaims asserted by each party were dismissed *with prejudice*.

6. On April 29, 2008, a petition entitled "PETITION TO TERMINATE *INTER PARTES* REEXAMINATION PURSUANT TO 35 U.S.C. § 317(b) AND 37 C.F.R. § 1.907(b)" was filed by patent owner Polycom. This petition is the subject of the instant decision.

7. On June 24, 2008, the Office mailed a decision dismissing the April 29, 2008 petition and containing a show cause order to the parties with respect to termination and/or limitation of the '190 proceeding.

8. On July 24, 2008, the patent owner filed a response to the June 24, 2008 show cause order and renewed its requested termination of the '190 proceeding.

9. The third party requester has not filed a response to the June 24, 2008 show cause order.

DECISION

I. The June 24, 2008 Order to Show Cause

As pointed out above, on June 24, 2008, the Office mailed a decision dismissing the April 29, 2008 petition and containing a show cause order to the parties with respect to termination and/or limitation of the '190 proceeding. After review of the statutes and the record of the litigation readily available to the Office, the decision [2] stated:

> The statute attaches the estoppel on a claim-by-claim basis. Thus, while the present *inter partes* reexamination of claims 1, 16-18, 20-22, and 40 may possibly be barred by statute (if the consent judgment rises to the level of a section 317(b) "final decision"), the reexamination proceeding would continue as to the remainder of the claims.

The Office's decision afforded both parties an opportunity to be heard on the question of whether and to what extent the prosecution of the '190 reexamination proceeding should be limited.

In particular, patent owner, who has now responded, was instructed that:

> If the patent owner believes that the proceeding should be terminated in its entirety or be limited with respect to some of the patent claims and issues,

[2] "Decision Dismissing Petition" mailed June 24, 2008 at page 4 (Section IIII. Analysis and Findings).

then... patent owner should present the legal basis for its position that a consent judgment qualifies as a "final decision .... that the party ***has not sustained its burden of proving*** the invalidity of any patent claim in suit" within the meaning of 35 U.S.C. 317(b). Furthermore, patent owner's showing must establish, based on specifically pointed out part(s) of the record of the litigation, that the estoppel provisions of 35 U.S.C. 317(b) should apply to all of the claims of the patent and/or issues for which patent owner requests the Office to no longer maintain. This showing should include an analysis of any issues regarding the differences in prior art raised in the civil proceeding and in the '190 *inter partes* reexamination proceeding, as well as a discussion of when the third party requester became aware of any prior art raised in the '190 proceeding but not raised in the civil action and the status of the civil litigation at the time that the third party requester became aware of this prior art, to establish that the issue "could have been raised" by the third party requester in the context of the litigation. [3]

II. Patent Owner's Position [4]

Patent owner's July 24, 2008 submission responding to the show cause order requests termination of the entire proceeding, or at least termination as to claims 1-22 and 40 of the '216 patent.

Patent owner contends that the estoppel provisions of 35 U.S.C. § 317(b) attach to the entire reexamination proceeding and the Office must not maintain the present reexamination proceeding, based upon a Consent Judgment entered February 14, 2008, in the concurrent litigation between the same parties, which Consent Judgment became final by the absence of any appeal to the Federal Circuit within 30 days.

The July 24, 2008 submission argues that (i) the consent judgment is a final decision; (ii) the Consent Judgment, based on its wording, was adverse to third party requester Codian as to all the claims in the patent; and (iii) every claim was involved in the litigation and Codian failed to carry its burden of proving invalidity. Patent owner asserts that every claim was involved in the litigation because (a) Codian did raise invalidity contentions for each and every claim of the patent, and (b) although patent owner, Polycom, was limited to asserting only 18 claims for the entire 6 patent litigation, Codian was not limited to attacking the invalidity of only those claims. Finally, patent owner argues (iv) that terminating reexamination with respect to a claim as barred by the statutory estoppel, while continuing examination of a claim that depends on the barred claim would lead to inconsistent and illogical results; and "while the statute may direct analysis on a claim by claim basis ... that does not override normal validity rules as to dependent and independent claims." [5]

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[3] *id.* at pages 4-5 (Section IV. Order to Show Cause).

[4] Third party requester, Codian, did not file a response to the order to show cause.

[5] Show Cause Response at 9

III. Relevant Statute, Regulations, and Examining Procedure

Relevant portions of the statute, regulations and MPEP are reproduced as follows:

35 U.S.C. 317(b) provides:

> Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party has not sustained its burden of proving the invalidity of any patent claim in suit or if a final decision in an inter partes reexamination proceeding instituted by a third-party requester is favorable to the patentability of any original or proposed amended or new claim of the patent, then neither that party nor its privies may thereafter request an inter partes reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in such civil action or inter partes reexamination proceeding, and an inter partes reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office, notwithstanding any other provision of this chapter. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

37 CFR 1.907(b) provides:

> Once a final decision has been entered against a party in a civil action arising in whole or in part under 28 U.S.C. 1338 that the party has not sustained its burden of proving invalidity of any patent claim-in-suit, then neither that party nor its privies may thereafter request inter partes reexamination of any such patent claim on the basis of issues which that party, or its privies, raised or could have raised in such civil action, and an inter partes reexamination requested by that party, or its privies, on the basis of such issues may not thereafter be maintained by the Office.

MPEP 2686.04 II B provides, in pertinent part (emphasis added):

> The Third Party Requester Was a Party to the Litigation.
>
> Final Holding of validity: The provisions of 37 CFR 1.907(b) apply. Where a final decision was entered against a party in a Federal Court civil action (arising in whole or in part under 28 U.S.C. 1338) that the party did not sustain its burden of proving invalidity of a patent claim in suit, that party and its privies may **not** request *inter partes* reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in the civil action. Further, an *inter partes* reexamination already requested by that party, or its privies, on the basis of such issues will not be maintained by the Office, i.e., the proceeding will be concluded.
>
> ...
>
> In view of the above, when the examiner is aware that the third party requester was a party to previous Federal Court litigation as to the patent for which *inter partes* reexamination has been requested, the examiner must determine:
>
> (1) Was the Federal Court decision adverse to the third party requester as to at least one claim of the patent?
>
> (2) Was the Federal Court decision a final decision, after all appeals?
>
> (3) Is the issue being raised in the reexamination request the same issue as was raised in the Federal Court during the civil action, or an issue that the third party requester could have raised in the Federal Court during the civil action?

> - If the answer to each of questions (1)-(3) is "yes" for all claims for which reexamination was requested in the proceeding, then the *inter partes* reexamination prosecution must be terminated. In such a case, the Central Reexamination Unit (CRU) Director will prepare a decision discussing the above considerations (1)-(3) and vacating the reexamination proceeding.
>
> - **If the answer to all of questions (1)-(3) is "yes" for one or more (but not all) of the claims for which reexamination was requested in the proceeding; those claims will not be treated**. The examiner's action will point out the claims not treated and the reason why, i.e., a discussion of the above considerations (1)-(3). The guidelines set forth above in subsection II.(A) will be used for the claims remaining.

IV. Analysis and Findings

1) **Finality of the Consent Judgment**: Patent owner's submission has adequately demonstrated that the present consent judgment qualifies as a "final decision" and thus triggers the estoppel provisions of 35 U.S.C. § 317(b) with respect to any claim and issue to which it applies.

2) **Claims in suit for which the third party has not sustained its burden of proving invalidity:** The statute attaches the estoppel on a claim-by-claim basis. The estoppel provisions of 35 U.S.C. § 317(b) attach to any given claim only if (a) that claim was involved in the suit and (b) the defendant did not "sustain its burden" of proving invalidity of the claim.

The order to show cause stated:

> A review of the record suggests that, with respect to the '216 patent, Polycom only asserted in the district court litigation that claims 1, 16-18, 20-22, and 40 were infringed by products of Codian.[6] In turn, Codian's invalidity defenses were limited to the asserted claims.[7]
>
> Based on the above, it appears that the claims in suit may not be ***identical*** to the claims under reexamination in the '190 proceeding, since only claims 1, 16-18, 20-22, and 40 were apparently involved in the litigation, while all the patent claims, i.e., claims 1-40, are subject to reexamination in the present proceeding.

In an attempt to establish that each and every claim was involved in the suit and that third party had the burden of showing invalidity of said claims, patent owner (in its response to the order to show cause): (i) points out that the Consent Judgment, based on its wording, was adverse to third party requester Codian as to all the patent claims and (ii) contends that every claim was involved in the litigation and Codian failed to carry its burden of proving invalidity, because (a) Codian did raise invalidity contentions for each and every claim of the patent, and (b) although patent owner, Polycom, was limited (by the court) to asserting only 18 claims for the entire 6 patent litigation, Codian was not limited to attacking the invalidity of only those claims.

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[6] See, for Example, Polycom's Disclosure of Asserted Claims and Preliminary Infringement Contentions and Polycom's Final Infringement Contentions

[7] See, for example, Codian's Preliminary Invalidity Contentions

(i) The Consent Judgment entered February 14, 2008 in *Polycom, Inc. et al. v. Codian Ltd. et al.*, No. 2:05cv520 DF (E.D. Texas November 15, 2005) states that "Codian agrees that United States Patent Nos. 6,496,216, 6,757,005, 6,697,476, 6,760,749, 6,744,460, and 6,633,985 are valid and enforceable." As stated by patent owner, "based on its wording," this order was adverse to Codian as to all the patent claims. Thus, insofar as the burden of proving invalidity of any claim in suit devolved upon Codian, Codian has not sustained its burden. Further, as noted above, patent owner has established that this order has matured into a final decision. What then remains to be established is whether Codian had the burden of proving invalidity with respect to each patent claim for which patent owner requests termination.

(ii) Involved Claims

The order to show cause operates under the assumption that only claims 1, 16-18, 20-22, and 40 were asserted against Codian, and that if a claim was not asserted against a defendant then the defendant had no cause to attack the validity of the unasserted claim.

Patent owner (Show Cause Response, at 7-8) asserts that "Codian, in fact, did raise invalidity of each claim" and points to Counterclaim XI on pages 15-16 of Codian's Amended Answer to Second Amended Complaint. [8] This citation appears to be a section in a general response to a complaint merely preserving all defenses and asserting invalidity of the asserted '216 patent for "failure to meet the conditions of patentability" on any and all possible grounds.

Patent owner further attempts to explain the limited number of claims that Codian provided invalidity charts in the litigation to restrictions placed upon patent owner, Polycom, by the court in the litigation. To this end, patent owner states:

> Polycom was limited to asserting only 18 claims for the entire six patent litigation by Judge's order, of which a copy is attached. Codian was not limited by the scheduling order, just Polycom. Codian limited its invalidity charts to those few claims asserted by Polycom to save money and effort, both of the parties and of the court. (*id.* at 8.)

Patent owner argues that Codian's choice to preserve resources and not continue to assert invalidity of the remaining claims was a choice to be barred against asserting invalidity of such claims in a future proceeding.

This argument is not persuasive. First, it is not relevant to the estoppel provisions of 35 U.S.C. 317 that Codian could have asserted the invalidity of the remaining claims, even if such were the case (see below); the test is whether the burden of proving invalidity was on Codian (the requester) and that invalidity was not proven. Second, the scheduling order states:

> Patentee shall limit the number of asserted claims to no more than eighteen (18) and notify the accused infringer and Court; the **claims to be presented at trial** shall be limited to the asserted claims, **unless good cause is shown** to modify this order. [Emphasis added]

[8] Note that this paper is not of the record in the '190 proceeding but is of record in the related '186 proceeding as reference C3 in the IDS filed April 29, 2008.

The order limits the trial to the asserted claims. Thus, defendant Codian could not have been heard on invalidity charts and arguments on non-asserted claims, and patent owner's contention to the contrary is not convincing. Furthermore, patent owner has provided an incomplete explanation referring to a single portion of a document without providing any context. Note that the order allows for more than 18 claims to be asserted upon a showing of "good cause" by patentee. Note further, that many more than 18 claims were actually asserted and litigated in the district court. There are (by the Office's count) 37 claims asserted in the four patents that are involved in the 95/000,186, 95/000,190, 95/000,192, and 95/000,193 *inter partes* reexamination proceedings. Thus, patent owner's reliance on this scheduling order to establish that all claims of the involved patents are subject to the estoppel provisions of the *inter partes* reexamination statute is not convincing.

3) **Claims depending from a terminated claim:**

Patent owner argues that that terminating reexamination with respect to a claim as barred by the statue while continuing examination of a claim depending therefrom leads to inconsistent and illogical results, because the rejection of a dependent claim inherently rejects the claim from which it depends - yet that claim has been determined to be valid; and "while the statute may direct analysis on a claim by claim basis ... that does not override normal validity rules as to dependent and independent claims." [9]

Patent owner's arguments are not persuasive. First of all, there are circumstances where a prior art rejection applies to a dependent claim while the independent claim from which it depends is allowable over the very same art. For example, the effective filing date (or the date of invention) of the independent claim may be earlier than that of the dependent claim, or the inventorship of the dependent claim might be different than that of the independent claim. Second, the proceedings in the Office are directed to patentability, while in litigation the issue is invalidity. Third, the standard of proof to find unpatentability of a claim in a reexamination proceeding (preponderance of the evidence) is lower than the standard for finding invalidity in the context of litigation (clear and convincing evidence). Fourth, the standard for claim construction in reexamination is that of the broadest reasonable interpretation in light of the specification, while the standard in reexamination is not as expansive. Furthermore, when the Office limits a reexamination proceeding due to the estoppel provisions attaching to particular claims, that limitation of the proceeding is not a determination of patentability or validity with respect to those claims - those claims are simply out of bounds for the requester who file the *inter partes* reexamination request. The same claims are subject to reexamination over the same art in an *ex parte* reexamination filed by the requester (or any other party) or in an *inter partes* reexamination filed by any party not covered by the estoppel provisions.

V. Decision

35 U.S.C. § 317(b) provides (emphasis added):

> "Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party **has not sustained its burden of proving the invalidity of any patent claim in suit** ..., then neither that

[9] Show Cause Response at 9

> party nor its privies may thereafter request an inter partes reexamination **of any such patent claim** on the basis of issues which that party or its privies raised or could have raised in such civil action or inter partes reexamination proceeding, and an inter partes reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office...."

Based on 35 U.S.C. § 317(b), the present *inter partes* reexamination of claims 1, 16-18, 20-22, and 40 is barred; however, the reexamination proceeding may continue as to the remainder of the pending claims of record, i.e., claims 2-15, 19, and 23-39.

As noted above, it has not been established that the consent judgment entered in the civil proceeding constitutes "a final decision ... against a party in a civil action ... that the party has not sustained its burden of proving the invalidity" of the claims in suit as to non-asserted claims 2-15, 19, and 23-39, because it has not been established that Codian had a burden of proving invalidity of any of the non-asserted claims.

In light of the analysis above, the petition to terminate the '190 proceeding in its entirety can not be granted.

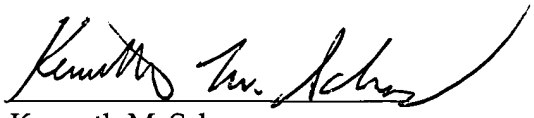
Rather, the petition is granted to the extent of terminating reexamination of claims 1, 16-18, 20-22, and 40. Reexamination will, however, continue limited to claims 2-15, 19, and 23-39.

CONCLUSION

1. The patent owner petition to terminate the present reexamination proceeding is granted to the extent of terminating reexamination of claims 1, 16-18, 20-22, and 40, and is dismissed as to terminating reexamination of claims 2-15, 19, and 23-39. Further prosecution and examination in the '190 proceeding will be limited to claims 2-15, 19, and 23-39.

2. Jurisdiction over this reexamination proceeding is being returned to the Central Reexamination Unit.

3. Telephone inquires related to this decision should be directed to Pinchus M. Laufer, Legal Advisor, at (571) 272-7726, or in his absence, to the undersigned at (571) 272-7710.



Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,192	11/17/2006	6757055	604502800300	6876

29855 7590 06/24/2008

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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 06/24/2008

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(THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS)

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MAILED

JUN 24 2008

CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester *Inter Partes* Reexamination

REEXAMINATION CONTROL NUMBER *95/000,192*.

PATENT NUMBER *6,757005*.

TECHNOLOGY CENTER *3999*.

ART UNIT *3992*.

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above-identified reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the *inter partes* reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an *ex parte* reexamination has been merged with the *inter partes* reexamination, no responsive submission by any *ex parte* third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the **Central Reexamination Unit** at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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JUN 24 2008

CENTRAL REEXAMINATION UNIT

Charles D. Holland
Morrison & Foerster L.L.P.
755 Page Mill Road
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(For Third Party Requester)

In re Elbaz et al. :
Inter Partes Reexamination Proceeding : **DECISION**
Control No. 95/000,192 : **DISMISSING**
Filed: November 17, 2006 : **PETITION**
For: U.S. Patent No. 6,757,005 :

This is a decision on the April 29, 2008 patent owner petition titled "PETITION TO TERMINATE *INTER PARTES* REEXAMINATION PURSUANT TO 35 U.S.C. § 317(b) AND 37 C.F.R. § 1.907(b)," (the "Petition"). Since the rules do not provide for a petition for termination of a reexamination proceeding, the paper is being treated as a petition under 37 CFR 1.182, and the requisite fee of $400.00 mandated by the 37 CFR 1.17(f) is being charged to Deposit Account 50-1922, referencing attorney docket number 199-0237RX.

The petition and *inter partes* reexamination control number 95/000,192 are before the Office of Patent Legal Administration.

For the reasons set forth below, the patent owner petition is dismissed. In short, the petition seeks to have the Office terminate the *inter partes* reexamination in light of a consent judgment entered in a parallel district court patent litigation. The petition, however, does not demonstrate why the consent judgment should be considered "a final decision . . . entered against a party in a civil action . . . that the party has not sustained its burden of proving the invalidity of any patent claim in suit . . .", pursuant to 35 U.S.C. § 317(b). Moreover, it is unclear from the litigation whether all of the claims of the patent were asserted in the lawsuit. If not, then even if the consent judgment is a section 317(b) "final decision," the petition does not explain why the Office must terminate the *inter partes* reexamination with respect to the patent claims that were not asserted in the litigation. Both parties are invited to show cause whether the Office should continue the *inter partes* reexamination, in whole or in part, given the issues raised above.

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BACKGROUND

1. U.S. patent No. 6,757,005("the '005 patent") issued to Moshe Elabaz et al. on June 29, 2004, with 39 claims, and it is currently assigned to Polycom, Inc. ("Polycom").

2. On November 15, 2005, patent owner Polycom filed suit against Codian, Ltd. and Codian, Inc. ("Codian") for infringement of the '005 patent in the United States District Court for the Eastern District of Texas. [1]

3. On November 17, 2006, a request for *inter partes* reexamination of the '005 patent, assigned control No. 95/000,192 (the '192 reexamination"), was filed by a third party requester on behalf of real party in interest Codian, Inc. (the "requester").

4. On February 3, 2007, the Office issued an order granting the request for *inter partes* reexamination for claims 1-39 of the '005 patent.

5. On February 14, 2008, a Consent Judgment was entered in the District Court litigation in which Codian agreed that the '005 patent is valid and enforceable, and all claims and counterclaims asserted by each party were dismissed *with prejudice*.

6. On April 29, 2008, a petition entitled "PETITION TO TERMINATE *INTER PARTES* REEXAMINATION PURSUANT TO 35 U.S.C. § 317(b) AND 37 C.F.R. § 1.907(b)," was filed by patent owner Polycom. This petition is the subject of the instant decision.

DECISION

I. Patent Owner's Position

Patent owner's petition filed April 29, 2008 contends that the estoppel provisions of 35 U.S.C. § 317(b) attach to the present reexamination proceeding and the Office must not maintain the reexamination proceeding, based upon a Consent Judgment entered February 14, 2008, in the concurrent litigation between the same parties, which Consent Judgment became final by the absence of any appeal to the Federal Circuit within 30 days. Patent owner contends that the § 317(b) estoppel provision applies to the entire proceeding.

II. Relevant Statute, Regulations, and Examining Procedure

The relevant portions of the statute, regulations and MPEP are reproduced here.

35 U.S.C. 317(b) provides:

> Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party has not sustained its burden of proving the invalidity of any patent claim in suit or if a final decision in an inter partes reexamination proceeding instituted by a third-party requester is favorable to the patentability of any original or proposed amended or new claim of the patent, then neither that party nor its privies may thereafter request an inter partes reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in such civil action or inter partes reexamination proceeding, and an inter partes reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office, notwithstanding any other provision of this chapter. This subsection does not prevent the assertion of

[1] *Polycom, Inc. et al. v. Codian Ltd. et al.*, No. 2:05cv520 DF (E.D. Texas November 15, 2005)

invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

37 CFR 1.907(b) provides:

Once a final decision has been entered against a party in a civil action arising in whole or in part under 28 U.S.C. 1338 that the party has not sustained its burden of proving invalidity of any patent claim-in-suit, then neither that party nor its privies may thereafter request inter partes reexamination of any such patent claim on the basis of issues which that party, or its privies, raised or could have raised in such civil action, and an inter partes reexamination requested by that party, or its privies, on the basis of such issues may not thereafter be maintained by the Office.

MPEP 2686.04 II B provides, in pertinent part (emphasis added):

The Third Party Requester Was a Party to the Litigation.

Final Holding of validity: The provisions of 37 CFR 1.907(b) apply. Where a final decision was entered against a party in a Federal Court civil action (arising in whole or in part under 28 U.S.C. 1338) that the party did not sustain its burden of proving invalidity of a patent claim in suit, that party and its privies may **not** request *inter partes* reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in the civil action. Further, an *inter partes* reexamination already requested by that party, or its privies, on the basis of such issues will not be maintained by the Office, i.e., the proceeding will be concluded.

...

In view of the above, when the examiner is aware that the third party requester was a party to previous Federal Court litigation as to the patent for which *inter partes* reexamination has been requested, the examiner must determine:

(1) Was the Federal Court decision adverse to the third party requester as to at least one claim of the patent?

(2) Was the Federal Court decision a final decision, after all appeals?

(3) Is the issue being raised in the reexamination request the same issue as was raised in the Federal Court during the civil action, or an issue that the third party requester could have raised in the Federal Court during the civil action?

- If the answer to each of questions (1)-(3) is "yes" for all claims for which reexamination was requested in the proceeding, then the *inter partes* reexamination prosecution must be terminated. In such a case, the Central Reexamination Unit (CRU) Director will prepare a decision discussing the above considerations (1)-(3) and vacating the reexamination proceeding.

- If the answer to all of questions (1)-(3) is "yes" for one or more (but not all) of the claims for which reexamination was requested in the proceeding; those claims will not be treated. The examiner's action will

point out the claims not treated and the reason why, i.e., a discussion of the above considerations (1)-(3). The guidelines set forth above in subsection II.(A) will be used for the claims remaining.

III. Analysis and Findings

A review of the record suggests that, with respect to the '005 patent, Polycom only asserted in the district court litigation that claims 1-7, 14-19, 34-36, and 38 were infringed by products of Codian.[2] In turn, Codian's invalidity defenses were limited to the asserted claims.[3]

The '005 patent issued with 39 claims, of which claims 1, 21, 38, and 39 are independent. The request for reexamination filed on behalf of Codian (as the real party in interest) established a substantial new question of patentability with respect to all the claims of the '005 patent.

Based on the above, it appears that the claims in suit may not be ***identical*** to the claims under reexamination in the '192 proceeding, since only claims 1-7, 14-19, 34-36, and 38 were apparently involved in the litigation, while all the patent claims, i.e., claims 1-40, are subject to reexamination in the present proceeding. 35 U.S.C. § 317(b) provides (emphasis added):

> "Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party **has not sustained its burden of proving the invalidity of any patent claim in suit** ..., then neither that party nor its privies may thereafter request an inter partes reexamination **of any such patent claim** on the basis of issues which that party or its privies raised or could have raised in such civil action or inter partes reexamination proceeding, and an inter partes reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office...."

The statute attaches the estoppel on a claim-by-claim basis. Thus, while the present *inter partes* reexamination of claims 1-7, 14-19, 34-36, and 38 may possibly be barred by statute (if the consent judgment rises to the level of a section 317(b) "final decision"), the reexamination proceeding would continue as to the remainder of the claims.

Finally, it has not been established that the consent judgment entered in the civil proceeding constitutes "a final decision ... against a party in a civil action ... that the party has not sustained its burden of proving the invalidity" of the claims in suit.

Accordingly, the petition to terminate the '192 proceeding is dismissed.

IV. Order to Show Cause

If the patent owner believes that the proceeding should be terminated in its entirety or be limited with respect to some of the patent claims and issues, **then patent owner is required, within one month or thirty (30) days of the mail date of this decision, whichever is longer, to show cause why the Office should so terminate or limit prosecution in the**

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[2] See, for Example, Polycom's Disclosure of Asserted Claims and Preliminary Infringement Contentions and Polycom's Final Infringement Contentions

[3] See, for example, Codian's Preliminary Invalidity Contentions

present '192 *inter partes* reexamination proceeding. Patent owner should present the legal basis for its position that a consent judgment qualifies as a "final decision .... that the party ***has not sustained its burden of proving*** the invalidity of any patent claim in suit" within the meaning of 35 U.S.C. 317(b). Furthermore, patent owner's showing must establish, based on specifically pointed out part(s) of the record of the litigation, that the estoppel provisions of 35 U.S.C. 317(b) should apply to all of the claims of the patent and/or issues for which patent owner requests the Office to no longer maintain. This showing should include an analysis of any issues regarding the differences in prior art raised in the civil proceeding and in the '192 *inter partes* reexamination proceeding, as well as a discussion of when the third party requester became aware of any prior art raised in the '192 proceeding but not raised in the civil action and the status of the civil litigation at the time that the third party requester became aware of this prior art, to establish that the issue "could have been raised" by the third party requester in the context of the litigation.

In like manner, if the third party requester believes that the proceeding should not be limited or terminated, **third party requester is required, within one month or thirty (30) days of the mail date of this decision, whichever is longer, to show cause why the Office should not limit prosecution in the '192 *inter partes* reexamination proceeding.**

<u>If the third party requester proposes to show cause as to why prosecution should not be limited and/or terminated</u>, the third party requester should include a detailed analysis of what issues the third party requester raised *or could have raised* in the civil action. This analysis should include an analysis of any issues regarding the differences in prior art raised in the civil proceeding and in the '192 *inter partes* reexamination proceeding, as well as a discussion of when the third party requester became aware of any prior art raised in the '192 proceeding but not raised in the civil action, and the status of the civil litigation at the time that the third party requester became aware of this prior art. The third party requester should provide evidence of what issues, including issues regarding novelty and nonobviousness, were raised in the civil proceeding. Furthermore, third party requester may choose to present argument and legal basis for the proposition that a consent judgment does not qualify as a "final decision .... that the party ***has not sustained its burden of proving*** the invalidity of any patent claim in suit" to invoke the estoppel provisions of 35 U.S.C. 317(b).

Each party is limited to a single response to this order to show cause. No supplemental submissions or oppositions to another party's submission will be considered without a petition and a showing of extraordinary circumstances. Either party may file a paper stating that they will not respond, or may simply not respond to this order.

CONCLUSION

1. The patent owner petition is <u>dismissed.</u>

2. The patent owner and the third party requester are both invited to **show cause, within one month or thirty (30) days (whichever is longer) from the mail date of this decision,** whether the Office should terminate or continue the prosecution of the '192 *inter partes* reexamination proceeding in whole or in part as outlined in section IV above.

3. Telephone inquires related to this decision should be directed to Pinchus M. Laufer, Legal Advisor, at (571) 272-7726, or in his absence, to the undersigned at (571) 272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,192	11/17/2006	6757055	199-0027RX	6876

29855 7590 07/31/2008

WONG, CABELLO, LUTSCH, RUTHERFORD & BRUCCULERI, L.L.P.
20333 SH 249
SUITE 600
HOUSTON, TX 77070

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 07/31/2008

Please find below and/or attached an Office communication concerning this application or proceeding.

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(THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS)

Charles D. Holland
MORRISON & FOERSTER LLP
755 Page Mill Road
Palo, Alto, CA 94304-1018

MAILED

JUL 3 1 2008

CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester *Inter Partes* Reexamination

REEXAMINATION CONTROL NUMBER *95/000,192*.

PATENT NUMBER *6,757005*.

TECHNOLOGY CENTER *3999*.

ART UNIT *3992*.

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above-identified reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the *inter partes* reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an *ex parte* reexamination has been merged with the *inter partes* reexamination, no responsive submission by any *ex parte* third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the **Central Reexamination Unit** at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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(For Patent Owner)

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JUL 3 1 2008

CENTRAL REEXAMINATION UNIT

Charles D. Holland
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755 Page Mill Road
Palo Alto, California 94304-1018

(For Third Party Requester)

In re Elbaz et al. :
Inter Partes Reexamination Proceeding : **DECISION**
Control No. 95/000,192 : **DISMISSING**
Filed: November 17, 2006 : **PETITION**
For: U.S. Patent No. 6,757,005 :

This is a decision on the July 24, 2008 patent owner petition titled "PETITION TO SUSPEND AND TRANSFER JURISDICTION," (the "Petition"). Since the rules do not provide for a petition for suspension of a reexamination proceeding, the paper is being treated as a petition under 37 CFR 1.182, and the requisite fee of $400.00 mandated by the 37 CFR 1.17(f) is being charged to Deposit Account 50-1922, referencing attorney docket number 199-0237RX.

The petition and *inter partes* reexamination control number 95/000,192 are before the Office of Patent Legal Administration.

For the reasons set forth below, the patent owner petition is dismissed as moot.

BACKGROUND

1. U.S. patent No. 6,757,005("the '005 patent") issued to Moshe Elabaz et al. on June 29, 2004, with 39 claims, and it is currently assigned to Polycom, Inc. ("Polycom").

2. On November 15, 2005, patent owner Polycom filed suit against Codian, Ltd. and Codian, Inc. ("Codian") for infringement of the '005 patent in the United States District Court for the Eastern District of Texas. [1]

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3. On November 17, 2006, a request for *inter partes* reexamination of the '005 patent, assigned control No. 95/000,192 (the '192 reexamination"), was filed by a third party requester on behalf of real party in interest Codian, Inc. (the "requester").

4. On February 3, 2007, the Office issued an order granting the request for *inter partes* reexamination for claims 1-39 of the '005 patent.

[1] *Polycom, Inc. et al. v. Codian Ltd. et al.*, No. 2:05cv520 DF (E.D. Texas November 15, 2005)

5. On February 14, 2008, a Consent Judgment was entered in the District Court litigation in which Codian agreed that the '005 patent is valid and enforceable, and all claims and counterclaims asserted by each party were dismissed *with prejudice*.

6. On April 29, 2008, a petition entitled "PETITION TO TERMINATE *INTER PARTES* REEXAMINATION PURSUANT TO 35 U.S.C. § 317(b) AND 37 C.F.R. § 1.907(b)," was filed by patent owner Polycom.

7. On June 24, 2008, the Office mailed a decision dismissing the April 29, 2008 petition for termination of the reexamination and issued a show cause order to the parties with respect to termination and/or limitation of the '192 proceeding.

8. On July 24, 2008, the patent owner filed the present petition and a response to the June 24, 2008 show cause order.

DECISION

The request for transfer of jurisdiction to OPLA is presumably for the purpose of preventing further action by the examiner until the issue of the scope of the continuing reexamination (if any) is resolved. A review of the record shows that there is no response to an Office action outstanding. In light of the show cause order issued to determine the scope of continuing reexamination, OPLA presently has jurisdiction of the '192 proceeding, and thus the petition to transfer jurisdiction to OPLA is dismissed as moot.

However, petitioner is informed that OPLA **will not relinquish jurisdiction** of the '192 proceeding until such time as a decision is rendered instructing the examiner of any limitations upon the claims or issues to be considered in further examination.

Accordingly, the petition to transfer jurisdiction of the '192 proceeding to OPLA is dismissed as moot.

CONCLUSION

1. The patent owner petition is dismissed as moot.

2. The proceeding will remain under the jurisdiction of the Office of Patent Legal Administration to await a decision on the scope of the continuing reexamination.

3. Telephone inquires related to this decision should be directed to Pinchus M. Laufer, Legal Advisor, at (571) 272-7726, or in his absence, to the undersigned at (571) 272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,193	10/17/2006	6697476	604502800400	9925

29855 7590 06/24/2008

WONG, CABELLO, LUTSCH, RUTHERFORD & BRUCCULERI, L.L.P.
20333 SH 249
SUITE 600
HOUSTON, TX 77070

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 06/24/2008

Please find below and/or attached an Office communication concerning this application or proceeding.

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(THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS)

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755 PAGE MILL ROAD
PALO ALTO, CA 94304-1018

MAILED

JUN 24 2008

CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester *Inter Partes* Reexamination

REEXAMINATION CONTROL NUMBER *95/000,193*.

PATENT NUMBER *6,697,476*.

TECHNOLOGY CENTER *3900*.

ART UNIT *3992*.

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above-identified reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the *inter partes* reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an *ex parte* reexamination has been merged with the *inter partes* reexamination, no responsive submission by any *ex parte* third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the **Central Reexamination Unit** at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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JUN 24 2008

CENTRAL REEXAMINATION UNIT

Charles D. Holland (For Third Party Requester)
Morrison & Foerster L.L.P.
755 Page Mill Road
Palo Alto, California 94304-1018

In re O'Malley et al. :
Inter Partes Reexamination Proceeding : **DECISION**
Control No. 95/000,193 : **DISMISSING**
Filed: October 17, 2006 : **PETITION**
For: U.S. Patent No. 6,697,476 :

This is a decision on the April 29, 2008 patent owner petition titled "PETITION TO TERMINATE *INTER PARTES* REEXAMINATION PURSUANT TO 35 U.S.C. § 317(b) AND 37 C.F.R. § 1.907(b)," (the "Petition"). Since the rules do not provide for a petition for termination of a reexamination proceeding, the paper is being treated as a petition under 37 CFR 1.182, and the requisite fee of $400.00 mandated by the 37 CFR 1.17(f) is being charged to Deposit Account 50-1922, referencing attorney docket number 199-0237RX .

The petition and *inter partes* reexamination control number 95/000,193 are before the Office of Patent Legal Administration.

For the reasons set forth below, the patent owner petition is dismissed. In short, the petition seeks to have the Office terminate the *inter partes* reexamination in light of a consent judgment entered in a parallel district court patent litigation. The petition, however, does not demonstrate why the consent judgment should be considered "a final decision . . . entered against a party in a civil action . . . that the party has not sustained its burden of proving the invalidity of any patent claim in suit . . .", pursuant to 35 U.S.C. § 317(b). Moreover, it is unclear from the litigation whether all of the claims of the patent were asserted in the lawsuit. If not, then even if the consent judgment is a section 317(b) "final decision," the petition does not explain why the Office must terminate the *inter partes* reexamination with respect to the patent claims that were not asserted in the litigation. Both parties are invited to show cause whether the Office should continue the *inter partes* reexamination, in whole or in part, given the issues raised above.

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BACKGROUND

1. U.S. patent No. 6,697,476 ("the '476 patent") issued to William O'Malley and Arthur P. Leondires on February 24, 2004, with 16 claims, and it is currently assigned to Polycom,

Inc. ("Polycom").

2. On November 15, 2005, patent owner Polycom filed suit against Codian, Ltd. and Codian, Inc. ("Codian") for infringement of the '476 patent in the United States District Court for the Eastern District of Texas. [1]

3. On October 17, 2006, a request for *inter partes* reexamination of the '476 patent, assigned control No. 95/000,193 (the '193 reexamination"), was filed by a third party requester on behalf of real party in interest Codian, Inc. (the "requester").

4. On January 10, 2007, the Office issued an order granting the request for *inter partes* reexamination for claims 1-16 of the '476 patent.

5. On February 14, 2008, a Consent Judgment was entered in the District Court litigation in which Codian agreed that the '476 patent is valid and enforceable, and all claims and counterclaims asserted by each party were dismissed *with prejudice*.

6. On April 2, 2008, the Office issued an Office action rejecting claims 1-16 of the '476 patent and setting a 2-month period for response to the action.

7. On April 29, 2008, a petition entitled "PETITION TO TERMINATE *INTER PARTES* REEXAMINATION PURSUANT TO 35 U.S.C. § 317(b) AND 37 C.F.R. § 1.907(b)," was filed by patent owner Polycom. This petition is the subject of the instant decision.

8. On May 2, 2008, patent owner Polycom filed a petition entitled "PETITION FOR EXTENSION OF TIME TO RESPOND TO OFFICE ACTION PURSUANT TO 37 C.F.R. § 1.956."

9. On May 15, 2008, the Office mailed a decision granting the May 2, 2008 petition for an extension time thereby extending the period for response to expire on July 2, 2008.

DECISION

I. Patent Owner's Position

Patent owner's petition filed April 29, 2008 contends that the estoppel provisions of 35 U.S.C. § 317(b) attach to the present reexamination proceeding and the Office must not maintain the reexamination proceeding, based upon a Consent Judgment entered February 14, 2008, in the concurrent litigation between the same parties, which Consent Judgment became final by the absence of any appeal to the Federal Circuit within 30 days. Patent owner contends that the § 317(b) estoppel provision applies to the [illegible]

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II. Relevant Statute, Regulations, and Examining Procedure

The relevant portions of the statute, regulations and MPEP are reproduced here.

35 U.S.C. 317(b) provides:

[1] *Polycom, Inc. et al. v. Codian Ltd. et al.*, No. 2:05cv520 DF (E.D. Texas November 15, 2005)

Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party has not sustained its burden of proving the invalidity of any patent claim in suit or if a final decision in an inter partes reexamination proceeding instituted by a third-party requester is favorable to the patentability of any original or proposed amended or new claim of the patent, then neither that party nor its privies may thereafter request an inter partes reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in such civil action or inter partes reexamination proceeding, and an inter partes reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office, notwithstanding any other provision of this chapter. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

37 CFR 1.907(b) provides:

Once a final decision has been entered against a party in a civil action arising in whole or in part under 28 U.S.C. 1338 that the party has not sustained its burden of proving invalidity of any patent claim-in-suit, then neither that party nor its privies may thereafter request inter partes reexamination of any such patent claim on the basis of issues which that party, or its privies, raised or could have raised in such civil action, and an inter partes reexamination requested by that party, or its privies, on the basis of such issues may not thereafter be maintained by the Office.

MPEP 2686.04 II B provides, in pertinent part (emphasis added):

The Third Party Requester Was a Party to the Litigation.

Final Holding of validity: The provisions of 37 CFR 1.907(b) apply. Where a final decision was entered against a party in a Federal Court civil action (arising in whole or in part under 28 U.S.C. 1338) that the party did not sustain its burden of proving invalidity of a patent claim in suit, that party and its privies may **not** request *inter partes* reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in the civil action. Further, an *inter partes* reexamination already requested by that party, or its privies, on the basis of such issues will not be maintained by the Office, i.e., the proceeding will be concluded.

...

In view of the above, when the examiner is aware that the third party requester was a party to previous Federal Court litigation as to the patent for which *inter partes* reexamination has been requested, the examiner must determine:

(1) Was the Federal Court decision adverse to the third party requester as to at least one claim of the patent?

(2) Was the Federal Court decision a final decision, after all appeals?

(3) Is the issue being raised in the reexamination request the same issue as was raised in the Federal Court during the civil action, or an issue that the

third party requester could have raised in the Federal Court during the civil action?

- If the answer to each of questions (1)-(3) is "yes" for all claims for which reexamination was requested in the proceeding, then the *inter partes* reexamination prosecution must be terminated. In such a case, the Central Reexamination Unit (CRU) Director will prepare a decision discussing the above considerations (1)-(3) and vacating the reexamination proceeding.

- **If the answer to all of questions (1)-(3) is "yes" for one or more (but not all) of the claims for which reexamination was requested in the proceeding; those claims will not be treated**. The examiner's action will point out the claims not treated and the reason why, i.e., a discussion of the above considerations (1)-(3). The guidelines set forth above in subsection II.(A) will be used for the claims remaining.

III. Analysis and Findings

A review of the record suggests that, with respect to the '476 patent, Polycom only asserted in the district court litigation that claims 1, 10, 11, 13, and 16 were infringed by products of Codian.[2] In turn, Codian's invalidity defenses were limited to the asserted claims.[3]

The '476 patent issued with 16 claims, of which claims 1, 2, 10, and 16 are independent. The request for reexamination filed on behalf of Codian (as the real party in interest) established a substantial new question of patentability with respect to all the claims of the '476 patent.

Of the prior art publications cited by requester Codian in the '193 reexamination proceeding, U.S. patent No. 4,550,425 issued to Andersen et al. and U.S. patent No. 5,483,588 issued to Eaton et al. were not relied upon by Codian in the litigation as a basis for invalidating any of the asserted claims of any of the patents-in-suit. These two publications are employed as secondary references in proposed[4] rejections of claim 15 in the '193 proceeding.

Additionally, U.S. patent No. 5,600,646 issued to Polomski was not applied in the litigation against any of the asserted claims of the '476 patent, but it was applied against asserted claims of the other patents-in-suit.

Based on the above, it appears that the claims in suit may not be ***identical*** to the claims under reexamination in the '193 proceeding, since only claims 1, 10, 11, 13, and 16 were apparently involved in the litigation, while all the patent claims, i.e., claims 1-16, are subject to reexamination in the present proceeding. 35 U.S.C. § 317(b) provides (emphasis added):

> "Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party **has not sustained its burden of proving the invalidity of any patent claim in suit** ..., then neither that

[2] See, for Example, Polycom's Disclosure of Asserted Claims and Preliminary Infringement Contentions and Polycom's Final Infringement Contentions

[3] See, for example, Codian's Preliminary Invalidity Contentions

[4] Of the proposed rejections, "issues 14, 15, 22, 23, 25, 26, 28, 29, 31, and 32" were not adopted by the examiner, but "issues 39 and 40" were adopted.

> party nor its privies may thereafter request an inter partes reexamination **of any such patent claim** on the basis of issues which that party or its privies raised or could have raised in such civil action or inter partes reexamination proceeding, and an inter partes reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office...."

The statute attaches the estoppel on a claim-by-claim basis. Thus, while the present *inter partes* reexamination of claims 1, 10, 11, 13, and 16 may possibly be barred by statute (if the consent judgment rises to the level of a section 317(b) "final decision"), the reexamination proceeding would continue as to the remainder of the claims.

It is also observed with respect to at least claim 15 that there are issues raised in the '193 proceeding not raised in the litigation. Because no showing has been made by patent owner that the outstanding issues in the reexamination are based on "issues which that party or its privies raised or could have raised in such civil action," it has not been established that the estoppel provisions of 35 U.S.C. 317(b) preclude the maintenance of the '193 proceeding with respect to those issues.

Finally, it has not been established that the consent judgment entered in the civil proceeding constitutes "a final decision ... against a party in a civil action ... that the party has not sustained its burden of proving the invalidity" of the claims in suit.

Accordingly, the petition to terminate the '193 proceeding is dismissed.

IV. Order to Show Cause

If the patent owner believes that the proceeding should be terminated in its entirety or be limited with respect to some of the patent claims and issues, **then patent owner is required, within one month or thirty (30) days of the mail date of this decision, whichever is longer, to show cause why the Office should so terminate or limit prosecution in the present '193 *inter partes* reexamination proceeding.** Patent owner should present the legal basis for its position that a consent judgment qualifies as a "final decision .... that the party ***has not sustained its burden of proving*** the invalidity of any patent claim in suit" within the meaning of 35 U.S.C. 317(b). Furthermore, patent owner's showing must establish, based on specifically pointed out part(s) of the record of the litigation, that the estoppel provisions of 35 U.S.C. 317(b) should apply to all of the claims of the patent and/or issues for which patent owner requests the Office to no longer maintain. This showing should include an analysis of any issues regarding the differences in prior art raised in the civil proceeding and in the '193 *inter partes* reexamination proceeding, as well as a discussion of when the third party requester became aware of any prior art raised in the '193 proceeding but not raised in the civil action and the status of the civil litigation at the time that the third party requester became aware of this prior art, to establish that the issue "could have been raised" by the third party requester in the context of the litigation.

In like manner, if the third party requester believes that the proceeding should not be limited or terminated, **third party requester is required, within one month or thirty (30) days of the mail date of this decision, whichever is longer, to show cause why the Office should not limit prosecution in the '193 *inter partes* reexamination proceeding.**

If the third party requester proposes to show cause as to why prosecution should not be limited and/or terminated, the third party requester should include a detailed analysis of what issues the third party requester raised *or could have raised* in the civil action. This analysis should include an analysis of any issues regarding the differences in prior art raised in the civil proceeding and in the '193 *inter partes* reexamination proceeding, as well as a discussion of when the third party requester became aware of any prior art raised in the '193 proceeding but not raised in the civil action, and the status of the civil litigation at the time that the third party requester became aware of this prior art. The third party requester should provide evidence of what issues, including issues regarding novelty and nonobviousness, were raised in the civil proceeding. Furthermore, third party requester may choose to present argument and legal basis for the proposition that a consent judgment does not qualify as a "final decision .... that the party ***has not sustained its burden of proving*** the invalidity of any patent claim in suit" to invoke the estoppel provisions of 35 U.S.C. 317(b).

Each party is limited to a single response to this order to show cause. No supplemental submissions or oppositions to another party's submission will be considered without a petition and a showing of extraordinary circumstances. Either party may file a paper stating that they will not respond, or may simply not respond to this order.

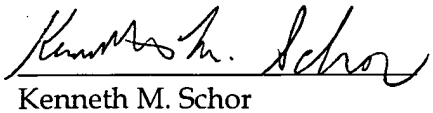
CONCLUSION

1. The patent owner petition is dismissed.

2. The patent owner and the third party requester are both invited to **show cause, within one month or thirty (30) days (whichever is longer) from the mail date of this decision,** whether the Office should terminate or continue the prosecution of the '193 *inter partes* reexamination proceeding in whole or in part as outlined in section IV above.

3. Patent owner's period to respond to the April 2, 2008 Office action is *sua aponte* extended to Monday August 4, 2008.

4. Telephone inquires related to this decision should be directed to Pinchus M. Laufer, Legal Advisor, at (571) 272-7726, or in his absence, to the undersigned at (571) 272-7710.



Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,193	10/17/2006	6697476	199-0237RX	9925

29855 7590 07/31/2008

WONG, CABELLO, LUTSCH, RUTHERFORD & BRUCCULERI, L.L.P.
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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 07/31/2008

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(THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS)

CHARLES D. HOLLAND
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755 PAGE MILL ROAD
PALO ALTO, CA 94304-1018

MAILED

JUL 31 2008

CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester
Inter Partes Reexamination

REEXAMINATION CONTROL NUMBER *95/000,193*.

PATENT NUMBER *6,697,476*.

TECHNOLOGY CENTER *3900*.

ART UNIT *3992*.

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above-identified reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the *inter partes* reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an *ex parte* reexamination has been merged with the *inter partes* reexamination, no responsive submission by any *ex parte* third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the **Central Reexamination Unit** at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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20333 State Highway 249
Suite 600
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MAILED
JUL 31 2008
CENTRAL REEXAMINATION UNIT

Charles D. Holland (For Third Party Requester)
Morrison & Foerster L.L.P.
755 Page Mill Road
Palo Alto, California 94304-1018

In re O'Malley et al.	:
Inter Partes Reexamination Proceeding	: **DECISION**
Control No. 95/000,193	: **DISMISSING**
Filed: October 17, 2006	: **PETITION**
For: U.S. Patent No. 6,697,476	:

This is a decision on the July 24, 2008 patent owner petition titled "PETITION TO SUSPEND AND TRANSFER JURISDICTION," (the "Petition"). Since the rules do not provide for a petition for suspension of a reexamination proceeding, the paper is being treated as a petition under 37 CFR 1.182, and the requisite fee of $400.00 mandated by the 37 CFR 1.17(f) is being charged to Deposit Account 50-1922, referencing attorney docket number 199-0237RX.

The petition and *inter partes* reexamination control number 95/000,193 are before the Office of Patent Legal Administration (OPLA).

BACKGROUND

1. U.S. patent No. 6,697,476 ("the '476 patent") issued to William O'Malley and Arthur P. Leondires on February 24, 2004, with 16 claims, and it is currently assigned to Polycom, Inc. ("Polycom").

2. On November 15, 2005, patent owner Polycom filed suit against Codian, Ltd. and Codian, Inc. ("Codian") for infringement of the '476 patent in the United States District Court for the Eastern District of Texas. [1]

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3. On October 17, 2006, a request for *inter partes* reexamination of the '476 patent, assigned control No. 95/000,193 (the '193 reexamination"), was filed by a third party requester on behalf of real party in interest Codian, Inc. (the "requester").

4. On January 10, 2007, the Office issued an order granting the request for *inter partes* reexamination for claims 1-16 of the '476 patent.

[1] *Polycom, Inc. et al. v. Codian Ltd. et al.*, No. 2:05cv520 DF (E.D. Texas November 15, 2005)

5. On February 14, 2008, a Consent Judgment was entered in the District Court litigation in which Codian agreed that the '476 patent is valid and enforceable, and all claims and counterclaims asserted by each party were dismissed *with prejudice*.

6. On April 2, 2008, the Office issued an Office action rejecting claims 1-16 of the '476 patent and setting a 2-month period for response to the action.

7. On April 29, 2008, a petition entitled "PETITION TO TERMINATE *INTER PARTES* REEXAMINATION PURSUANT TO 35 U.S.C. § 317(b) AND 37 C.F.R. § 1.907(b)," was filed by patent owner Polycom. This petition is the subject of the instant decision.

8. On May 2, 2008, patent owner Polycom filed a petition entitled "PETITION FOR EXTENSION OF TIME TO RESPOND TO OFFICE ACTION PURSUANT TO 37 C.F.R. § 1.956."

9. On May 15, 2008, the Office mailed a decision granting the May 2, 2008 petition for an extension time thereby extending the period for response to expire on July 2, 2008.

10. On June 24, 2008, the Office mailed a decision dismissing the April 29, 2008 petition for termination of the reexamination and *sua sponte* extending the period for response to expire on August 4, 2008.

11. On July 24 2008, patent owner filed a petition requesting the Office to suspend the '193 reexamination proceeding. This petition is the subject of this decision.

DECISION

I. Relevant Statute, Regulations, and Examining Procedure

The relevant portions of the statute, regulations and MPEP are reproduced here.

37 CFR 1.937(a) provides:

> All inter partes reexamination proceedings, including any appeals to the Board of Patent Appeals and Interferences, will be conducted with special dispatch within the Office, unless the Director makes a determination that there is good cause for suspending the reexamination proceeding.

37 CFR 1.987 provides:

> If a patent in the process of inter partes reexamination is or becomes involved in litigation, the Director shall determine whether or not to suspend the inter partes reexamination proceeding.

37 CFR 1.103(a) provides in relevant part:

> *Suspension for cause.* On request of the applicant, the Office may grant a suspension of action by the Office under this paragraph for good and sufficient cause. The Office will not suspend action if a reply by applicant to

an Office action is outstanding. Any petition for suspension of action under this paragraph must specify a period of suspension not exceeding six months.

II. Analysis and Findings

While there is no mechanism for requesting a suspension of action in a reexamination proceeding, 37 CFR 1.103 provides such a mechanism for requesting a suspension of action in an application. Accordingly, the requirements for a suspension in a reexamination proceeding will be applied analogously to the requirements of 37 CFR 1.103(a).

37 CFR 1.103(a) provides that "[t]he Office will not suspend action if a reply by applicant to an Office action is outstanding." Consistent with this, MPEP 2686.01 provides, for a suspension based upon the existence of a proceeding as to the patent being reexamined other than the reexamination, that a "[s]uspension will not be granted when there is an outstanding Office action." In the present instance, the patent owner is requesting suspension to await Office determination whether to terminate or limit the scope of the '093 reexamination as a result of a consent order entered in a litigation proceeding as to the '476 patent.

A review of the record shows that the Office action rejecting claims 1-16 of the '476 patent issued on April 2, 2008, and the decision mailed on June 24, 2008 extended the period to respond to the Office action until August 4, 2008. The patent owner has yet to respond to the April 2, 2008 Office action.

Accordingly, since a response to the April 2, 2008 Office action is still outstanding, the petition to terminate the '193 proceeding is dismissed.

The request for transfer of jurisdiction to OPLA is presumably for the purpose of preventing further action by the examiner until the issue of the scope of the continuing reexamination (if any) is resolved. The examiner can not take any action until such time as the parties file responses to the April 2, 2008 Office action or the time for response expires without any response being filed. Therefore, jurisdiction will not be transferred to OPLA at this time. However, to prevent further Office actions from issuing prior to resolution of which claims are still subject to reexamination, OPLA will take jurisdiction of the '193 proceeding after the parties have filed responses and or comments as appropriate to the outstanding Office action or the time for such submissions has expired without any reply being filed.

It is to be noted that the time period for response to the April 2, 2008 Office action has not been extended by the present decision, and it remains as set at August 4, 2008. In the event that the instant reexamination proceeding ceases to be, or has ceased to be, pending based on a failure to timely respond to the outstanding Office action, relief may be available under 37 CFR 1.137, should the fact situation be appropriate for the same.

CONCLUSION

1. The patent owner petition is dismissed.

2. Patent owner's period to respond to the April 2, 2008 Office action is not extended by this decision and the response is due on or before Monday August 4, 2008.

4. Telephone inquires related to this decision should be directed to Pinchus M. Laufer, Legal Advisor, at (571) 272-7726, or in his absence, to the undersigned at (571) 272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

07-30-08
C:\kiva\kenpet6\IP\UV\95_193 no-suspension-outstanding action

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,193	10/17/2006	6697476	199-0237RX	9925

29855 7590 09/30/2008

WONG, CABELLO, LUTSCH, RUTHERFORD & BRUCCULERI, L.L.P.
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SUITE 600
HOUSTON, TX 77070

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 09/30/2008

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755 PAGE MILL ROAD
PALO ALTO, CA 94304-1018

Date:
MAILED
SEP 30 2008
CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester
Inter Partes Reexamination

REEXAMINATION CONTROL NO. : 95000193
PATENT NO. : 6697476
TECHNOLOGY CENTER : 3999
ART UNIT : 3992

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified Reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the inter partes reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an ex parte reexamination has been merged with the inter partes reexamination, no responsive submission by any ex parte third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the Central Reexamination Unit at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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SEP 30 2008

CENTRAL REEXAMINATION UNIT

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Palo Alto, California 94304-1018

In re O'Malley et al. :
Inter Partes Reexamination Proceeding : **DECISION**
Control No. 95/000,193 : **LIMITING**
Filed: October 17, 2006 : **REEXAMINATION**
For: U.S. Patent No. 6,697,476 :

This is a decision on the July 24, 2008 patent owner paper titled "Show Cause Response To Decision Dismissing Petition To Terminate *Inter Partes* Reexamination." On April 29, 2008, patent owner filed its original petition titled "PETITION TO TERMINATE INTER PARTES REEXAMINATION PURSUANT TO 35 U.S.C. § 317(b) AND 37 C.F.R. § 1.907(b)," (the "Petition")

The petition, the Show Cause Response paper, and *inter partes* reexamination control number 95/000,193 are before the Office of Patent Legal Administration.

For the reasons set forth below, the patent owner petition to terminate the reexamination proceeding is granted to the extent of terminating reexamination of claims 1, 10, 11, 13, and 16, and is dismissed as to terminating reexamination of claims 2-9, 12, 14-15, and 17-18. Further prosecution and examination in the '193 proceeding will be limited to claims 2-9, 12, 14-15, and 17-18.

BACKGROUND

1. U.S. patent No. 6,697,476 ("the '476 patent") issued to William O'Malley and Arthur P. Leondires on February 24, 2004, with 16 claims, and it is currently assigned to Polycom, Inc. ("Polycom").

2. On November 15, 2005, patent owner Polycom filed suit against Codian, Ltd. and Codian, Inc. ("Codian") for infringement of the '476 patent in the United States District Court for the Eastern District of Texas. [1]

[1] *Polycom, Inc. et al. v. Codian Ltd. et al.*, No. 2:05cv520 DF (E.D. Texas November 15, 2005).

3. On October 17, 2006, a request for *inter partes* reexamination of the '476 patent, assigned control No. 95/000,193 (the '193 reexamination"), was filed by a third party requester on behalf of real party in interest Codian, Inc. (the "requester").

4. On January 10, 2007, the Office issued an order granting the request for *inter partes* reexamination for claims 1-16 of the '476 patent.

5. On February 14, 2008, a Consent Judgment was entered in the District Court litigation in which Codian agreed that the '476 patent is valid and enforceable, and all claims and counterclaims asserted by each party were dismissed *with prejudice*.

6. On April 2, 2008, the Office issued an Office action rejecting claims 1-16 of the '476 patent and setting a 2-month period for response to the action.

7. On April 29, 2008, a petition entitled "PETITION TO TERMINATE *INTER PARTES* REEXAMINATION PURSUANT TO 35 U.S.C. § 317(b) AND 37 C.F.R. § 1.907(b)," was filed by patent owner Polycom. This petition is the subject of the instant decision.

8. On May 2, 2008, patent owner Polycom filed a petition entitled "PETITION FOR EXTENSION OF TIME TO RESPOND TO OFFICE ACTION PURSUANT TO 37 C.F.R. § 1.956."

9. On May 15, 2008, the Office mailed a decision granting the May 2, 2008 petition for an extension time thereby extending the period for response to expire on July 2, 2008.

10. On June 24, 2008, the Office mailed a decision dismissing the April 29, 2008 petition, extending the period for response to the April 2, 2008 Office action to expire on August 4, 2008, and containing a show cause order to the parties with respect to termination and/or limitation of the '193 proceeding.

11. On July 24, 2008, the patent owner filed a response to the June 24, 2008 show cause order and renewed its requested termination of the '193 proceeding.

12. On August 4, 2008, the patent owner filed a timely response to the outstanding Office action including an amendment presenting newly proposed dependent claims 17 and 18.

13. The third party requester has not filed a response to the June 24, 2008 show cause order.

DECISION

I. The June 24, 2008 Order to Show Cause

As pointed out above, on June 24, 2008, the Office mailed a decision dismissing the April 29, 2008 petition and containing a show cause order to the parties with respect to termination and/or limitation of the '193 proceeding. After review of the statutes and the record of the litigation readily available to the Office, the decision [2] stated:

[2] "Decision Dismissing Petition" mailed June 24, 2008 at page 4 (Section IIII. Analysis and Findings).

> The statute attaches the estoppel on a claim-by-claim basis. Thus, while the present *inter partes* reexamination of claims 1, 10, 11, 13, and 16 may possibly be barred by statute (if the consent judgment rises to the level of a section 317(b) "final decision"), the reexamination proceeding would continue as to the remainder of the claims.

The Office's decision afforded both parties an opportunity to be heard on the question of whether and to what extent the prosecution of the '193 reexamination proceeding should be limited.

In particular, patent owner, who has now responded, was instructed that:

> If the patent owner believes that the proceeding should be terminated in its entirety or be limited with respect to some of the patent claims and issues, then... patent owner should present the legal basis for its position that a consent judgment qualifies as a "final decision .... that the party ***has not sustained its burden of proving*** the invalidity of any patent claim in suit" within the meaning of 35 U.S.C. 317(b). Furthermore, patent owner's showing must establish, based on specifically pointed out part(s) of the record of the litigation, that the estoppel provisions of 35 U.S.C. 317(b) should apply to all of the claims of the patent and/or issues for which patent owner requests the Office to no longer maintain. This showing should include an analysis of any issues regarding the differences in prior art raised in the civil proceeding and in the '193 *inter partes* reexamination proceeding, as well as a discussion of when the third party requester became aware of any prior art raised in the '193 proceeding but not raised in the civil action and the status of the civil litigation at the time that the third party requester became aware of this prior art, to establish that the issue "could have been raised" by the third party requester in the context of the litigation. [3]

II. Patent Owner's Position [4]

Patent owner's July 24, 2008 submission responding to the show cause order requests termination of the entire '193 proceeding.

Patent owner contends that the estoppel provisions of 35 U.S.C. § 317(b) attach to the entire reexamination proceeding and the Office must not maintain the present reexamination proceeding, based upon a Consent Judgment entered February 14, 2008, in the concurrent litigation between the same parties, which Consent Judgment became final by the absence of any appeal to the Federal Circuit within 30 days.

The July 24, 2008 submission argues that (i) the consent judgment is a final decision; (ii) the Consent Judgment, based on its wording, was adverse to third party requester Codian as to all the claims in the patent; and (iii) every claim was involved in the litigation and Codian failed to carry its burden of proving invalidity. Patent owner asserts that every claim was involved in the litigation because (a) Codian did raise invalidity contentions for each and every claim of the patent, and (b) although patent owner, Polycom, was limited to asserting

[3] *id.* at page 5 (Section IV. Order to Show Cause).

[4] Third party requester, Codian, did not file a response to the order to show cause.

only 18 claims for the entire 6 patent litigation, Codian was not limited to attacking the invalidity of only those claims. Finally, patent owner argues (iv) that terminating reexamination with respect to a claim as barred by the statutory estoppel, while continuing examination of a claim that depends on the barred claim would lead to inconsistent and illogical results; and "while the statute may direct analysis on a claim by claim basis ... that does not override normal validity rules as to dependent and independent claims." [5]

III. Relevant Statute, Regulations, and Examining Procedure

Relevant portions of the statute, regulations and MPEP are reproduced as follows:

35 U.S.C. 317(b) provides:

> Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party has not sustained its burden of proving the invalidity of any patent claim in suit or if a final decision in an inter partes reexamination proceeding instituted by a third-party requester is favorable to the patentability of any original or proposed amended or new claim of the patent, then neither that party nor its privies may thereafter request an inter partes reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in such civil action or inter partes reexamination proceeding, and an inter partes reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office, notwithstanding any other provision of this chapter. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

37 CFR 1.907(b) provides:

> Once a final decision has been entered against a party in a civil action arising in whole or in part under 28 U.S.C. 1338 that the party has not sustained its burden of proving invalidity of any patent claim-in-suit, then neither that party nor its privies may thereafter request inter partes reexamination of any such patent claim on the basis of issues which that party, or its privies, raised or could have raised in such civil action, and an inter partes reexamination requested by that party, or its privies, on the basis of such issues may not thereafter be maintained by the Office.

MPEP 2686.04 II B provides, in pertinent part (emphasis added):

> The Third Party Requester Was a Party to the Litigation.
>
> Final Holding of validity: The provisions of 37 CFR 1.907(b) apply. Where a final decision was entered against a party in a Federal Court civil action (arising in whole or in part under 28 U.S.C. 1338) that the party did not sustain its burden of proving invalidity of a patent claim in suit, that party and its privies may **not** request *inter partes* reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in the civil action. Further, an *inter partes* reexamination already requested by that party, or its privies, on the basis of such issues will not be maintained by the Office, i.e., the proceeding will be concluded.
>
> ...
>
> In view of the above, when the examiner is aware that the third party requester was a party to previous Federal Court litigation as to the patent for which *inter partes* reexamination has been requested, the examiner must determine:

[5] Show Cause Response at 9.

(1) Was the Federal Court decision adverse to the third party requester as to at least one claim of the patent?

(2) Was the Federal Court decision a final decision, after all appeals?

(3) Is the issue being raised in the reexamination request the same issue as was raised in the Federal Court during the civil action, or an issue that the third party requester could have raised in the Federal Court during the civil action?

- If the answer to each of questions (1)-(3) is "yes" for all claims for which reexamination was requested in the proceeding, then the *inter partes* reexamination prosecution must be terminated. In such a case, the Central Reexamination Unit (CRU) Director will prepare a decision discussing the above considerations (1)-(3) and vacating the reexamination proceeding.

- If the answer to all of questions (1)-(3) is "yes" for one or more (but not all) of the claims for which reexamination was requested in the proceeding; those claims will not be treated. The examiner's action will point out the claims not treated and the reason why, i.e., a discussion of the above considerations (1)-(3). The guidelines set forth above in subsection II.(A) will be used for the claims remaining.

IV. Analysis and Findings

1) **Finality of the Consent Judgment**: Patent owner's submission has adequately demonstrated that the present consent judgment qualifies as a "final decision" and thus triggers the estoppel provisions of 35 U.S.C. § 317(b) with respect to any claim and issue to which it applies.

2) **Claims in suit for which the third party has not sustained its burden of proving invalidity:** The statute attaches the estoppel on a claim-by-claim basis. The estoppel provisions of 35 U.S.C. § 317(b) attach to any given claim only if (a) that claim was involved in the suit and (b) the defendant did not "sustain its burden" of proving invalidity of the claim.

The order to show cause stated:

> A review of the record suggests that, with respect to the '476 patent, Polycom only asserted in the district court litigation that claims 1, 10, 11, 13, and 16 were infringed by products of Codian.[6] In turn, Codian's invalidity defenses were limited to the asserted claims.[7]
>
> Based on the above, it appears that the claims in suit may not be ***identical*** to the claims under reexamination in the '193 proceeding, since only claims 1, 10, 11, 13, and 16 were apparently involved in the litigation, while all the patent claims, i.e., claims 1-16, are subject to reexamination in the present proceeding.

---

[6] See, for Example, Polycom's Disclosure of Asserted Claims and Preliminary Infringement Contentions and Polycom's Final Infringement Contentions

[7] See, for example, Codian's Preliminary Invalidity Contentions

In an attempt to establish that each and every claim was involved in the suit and that third party had the burden of showing invalidity of said claims, patent owner (in its response to the order to show cause): (i) points out that the Consent Judgment, based on its wording, was adverse to third party requester Codian as to all the patent claims and (ii) contends that every claim was involved in the litigation and Codian failed to carry its burden of proving invalidity, because (a) Codian did raise invalidity contentions for each and every claim of the patent, and (b) although patent owner, Polycom, was limited (by the court) to asserting only 18 claims for the entire 6 patent litigation, Codian was not limited to attacking the invalidity of only those claims.

(i) The Consent Judgment entered February 14, 2008 in *Polycom, Inc. et al. v. Codian Ltd. et al.*, No. 2:05cv520 DF (E.D. Texas November 15, 2005) states that "Codian agrees that United States Patent Nos. 6,496,216, 6,757,005, 6,697,476, 6,760,749, 6,744,460, and 6,633,985 are valid and enforceable." As stated by patent owner, "based on its wording," this order was adverse to Codian as to all the patent claims. Thus, insofar as the burden of proving invalidity of any claim in suit devolved upon Codian, Codian has not sustained its burden. Further, as noted above, patent owner has established that this order has matured into a final decision. What then remains to be established is whether Codian had the burden of proving invalidity with respect to each patent claim for which patent owner requests termination.

(ii) Involved Claims

The order to show cause operates under the assumption that only claims 1, 10, 11, 13, and 16 were asserted against Codian, and that if a claim was not asserted against a defendant then the defendant had no cause to attack the validity of the unasserted claim.

Patent owner (Show Cause Response, at 7-8) asserts that "Codian, in fact, did raise invalidity of each claim" and points to Counterclaim VII on pages 13-14 of Codian's Amended Answer to Second Amended Complaint. [8] This citation appears to be a section in a general response to a complaint merely preserving all defenses and asserting invalidity of the asserted '476 patent for "failure to meet the conditions of patentability" on any and all possible grounds.

Patent owner further attempts to explain the limited number of claims that Codian provided invalidity charts in the litigation to restrictions placed upon patent owner, Polycom, by the court in the litigation. To this end, patent owner states:

> Polycom was limited to asserting only 18 claims for the entire six patent litigation by Judge's order, of which a copy is attached. Codian was not limited by the scheduling order, just Polycom. Codian limited its invalidity charts to those few claims asserted by Polycom to save money and effort, both of the parties and of the court. (*Id.* at 8.)

Patent owner argues that Codian's choice to preserve resources and not continue to assert invalidity of the remaining claims was a choice to be barred against asserting invalidity of such claims in a future proceeding.

---

[8] Note that this paper is of record in the proceeding as reference C3 in the IDS filed April 29, 2008 and received in the Office May 2, 2008.

This argument is not persuasive. First, it is not relevant to the estoppel provisions of 35 U.S.C. 317 that Codian could have asserted the invalidity of the remaining claims, even if such were the case (see below); the test is whether the burden of proving invalidity was on Codian (the requester) and that invalidity was not proven. Second, the scheduling order states:

> Patentee shall limit the number of asserted claims to no more than eighteen (18) and notify the accused infringer and Court; the **claims to be presented at trial** shall be limited to the asserted claims, **unless good cause is shown** to modify this order. [Emphasis added]

The order limits the trial to the asserted claims. Thus, defendant Codian could not have been heard on invalidity charts and arguments on non-asserted claims, and patent owner's contention to the contrary is not convincing. Furthermore, patent owner has provided an incomplete explanation referring to a single portion of a document without providing any context. Note that the order allows for more than 18 claims to be asserted upon a showing of "good cause" by patentee. Note further, that many more than 18 claims were actually asserted and litigated in the district court. There are (by the Office's count) 37 claims asserted in the four patents that are involved in the 95/000,193, 95/000,190, 95/000,192, and 95/000,193 *inter partes* reexamination proceedings. Thus, patent owner's reliance on this scheduling order to establish that all claims of the involved patents are subject to the estoppel provisions of the *inter partes* reexamination statute is not convincing.

3) **Claims depending from a terminated claim:**

Patent owner argues that that terminating reexamination with respect to a claim as barred by the statue while continuing examination of a claim depending therefrom leads to inconsistent and illogical results, because the rejection of a dependent claim inherently rejects the claim from which it depends - yet that claim has been determined to be valid; and "while the statute may direct analysis on a claim by claim basis ... that does not override normal validity rules as to dependent and independent claims." [9]

Patent owner's arguments are not persuasive. First of all, there are circumstances where a prior art rejection applies to a dependent claim while the independent claim from which it depends is allowable over the very same art. For example, the effective filing date (or the date of invention) of the independent claim may be earlier than that of the dependent claim, or the inventorship of the dependent claim might be different than that of the independent claim. Second, the proceedings in the Office are directed to patentability, while in litigation the issue is invalidity. Third, the standard of proof to find unpatentability of a claim in a reexamination proceeding (preponderance of the evidence) is lower than the standard for finding invalidity in the context of litigation (clear and convincing evidence). Fourth, the standard for claim construction in reexamination is that of the broadest reasonable interpretation in light of the specification, while the standard in reexamination is not as expansive. Furthermore, when the Office limits a reexamination proceeding due to the estoppel provisions attaching to particular claims, that limitation of the proceeding is not a determination of patentability or validity with respect to those claims - those claims are simply out of bounds for the requester who file the *inter partes* reexamination request. The same claims are subject to reexamination over the same art in an *ex parte* reexamination filed

[9] Show Cause Response at 9.

by the requester (or any other party) or in an *inter partes* reexamination filed by any party not covered by the estoppel provisions.

4) **Claims of narrower scope than a terminated claim:**

With respect to independent claim 2, Patent owner argues that that terminating reexamination with respect to a claim as barred by the statue while continuing examination of a claim of narrower scope (even if not depending therefrom) "would be inconsistent or illogical by having a broader claim valid but a narrower claim invalid over the prior art." [10]

The reasoning in the preceding section (IV.3) directed to claims depending from a terminated claim applies equally to this situation. It is to be stressed, with respect to the discussion above, that when the Office limits a reexamination proceeding due to the estoppel provisions attaching to particular claims, that limitation of the proceeding is not a determination of patentability or validity with respect to those claims - those claims are simply out of bounds for the requester who file the *inter partes* reexamination request. Thus no issue of consistency of treatment arises.

V. Decision

35 U.S.C. § 317(b) provides (emphasis added):

> "Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party **has not sustained its burden of proving the invalidity of any patent claim in suit** ..., then neither that party nor its privies may thereafter request an inter partes reexamination **of any such patent claim** on the basis of issues which that party or its privies raised or could have raised in such civil action or inter partes reexamination proceeding, and an inter partes reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office...."

Based on 35 U.S.C. § 317(b), the present *inter partes* reexamination of claims 1, 10, 11, 13, and 16 is barred; however, the reexamination proceeding may continue as to the remainder of the pending claims of record, i.e., claims 2-9, 12, 14, 15, 17, and 18.

As noted above, it has not been established that the consent judgment entered in the civil proceeding constitutes "a final decision ... against a party in a civil action ... that the party has not sustained its burden of proving the invalidity" of the claims in suit as to non-asserted claims 2-9, 12, 14, and 15, because it has not been established that Codian had a burden of proving invalidity of any of the non-asserted claims.

In light of the analysis above, the petition to terminate the '193 proceeding in its entirety can not be granted.

Rather, the petition is granted to the extent of terminating reexamination of claims 1, 10, 11, 13, and 16. Reexamination will, however, continue limited to claims 2-9, 12, 14, 15, 17, and 18.

---

[10] Show Cause Response at 10.

CONCLUSION

1. The patent owner petition to terminate the present reexamination proceeding is granted to the extent of terminating reexamination of claims 1, 10, 11, 13, and 16, and is dismissed as to terminating reexamination of claims 2-9, 12, 14, 15, 17, and 18. Further prosecution and examination in the '193 proceeding will be limited to claims 2-9, 12, 14, 15, 17, and 18.

2. Jurisdiction over this reexamination proceeding is being returned to the Central Reexamination Unit.

3. Telephone inquires related to this decision should be directed to Pinchus M. Laufer, Legal Advisor, at (571) 272-7726, or in his absence, to the undersigned at (571) 272-7710.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

09-29-08
C:\kiva\kenpet6\IP\UV\95_0193 consent decree-petition_limit-reexam-estoppel.doc

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UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
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Alexandria, Virginia 22313-1450
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,193	10/17/2006	6697476	199-0237RX	9925

29855 7590 01/05/2009

WONG, CABELLO, LUTSCH, RUTHERFORD & BRUCCULERI, L.L.P.
20333 SH 249
SUITE 600
HOUSTON, TX 77070

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 01/05/2009

Please find below and/or attached an Office communication concerning this application or proceeding.

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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
CHARLES D. HOLLAND
MORRISON & FOERSTER LLP
755 PAGE MILL ROAD
PALO ALTO, CA 94304-1018

Date:
MAILED
JAN 05 2009
CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester
Inter Partes Reexamination

REEXAMINATION CONTROL NO. : 95000193
PATENT NO. : 6697476
TECHNOLOGY CENTER : 3999
ART UNIT : 3992

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified Reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the inter partes reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an ex parte reexamination has been merged with the inter partes reexamination, no responsive submission by any ex parte third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the Central Reexamination Unit at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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Keith Lutsch
WONG, CABELLO, LUTSCH, RUTHERFORD
& BRUCCULERI, L.L.P.
20333 SH 249
SUITE 600
HOUSTON TX 77070

(For Patent Owner)

MAILED

JAN 05 2009

CENTRAL REEXAMINATION UNIT

Charles D Holland
MORRISON & FOERSTER LLP
755 PAGE MILL RD
PALO ALTO, CA 94304-1018

(For Third Party Requester)

DECISION DISMISSING AS MOOT PETITION FOR EXTENSION OF TIME [37 CFR § 1.956]

In re: O'Malley *et alia*
Inter Partes Reexamination Proceeding
Control No. 95/000,193
Deposited on: 17 October 2006
For: US Patent No. 6,697,476

This is a decision on the 29 July 2008, patent owner "Petition for Extension of Time To Respond To Office Action Pursuant to 37 CFR § 1.956," requesting that the time for responding to the Office action mailed 2 April 2008 to be further extended by two (2) months.

The petition is before the Director of the Central Reexamination Unit for consideration.

The petition is dismissed as moot for the reasons set forth below.

Statement of Relevant Facts

1. On 24 February 2008 UAS patent No. 6,697,476 was granted.

2. On 17 October 2006 a request for reexamination was filed by a third party requester for *Inter Parte* Reexamination with the Office.

3. On 10 January 2007 an Order Granting Request for *Inter Partes* Reexamination was mailed.

4. On 2 April 2008 a non-final Office action was mailed.

5. On 2 May 2008 a petition for a one (1) month extension of time was received.

6. On 15 May 2008 the one (1) month extension of time was granted extending the date for response to 2 July2008.

7. On 29 July 2008 a second petition for two (2) months additional time was received.

Discussion

The Patent Owner requests a second extension of time in which to file a response to the non-final Office action was mailed 2 April 2008. The non-final Office action provides two (2) month period for response. The first extension of time was granted for one (1) month extending the period for response to 2 July 2008. The present petition for extension of time was filed on 29 July 2008 which is not timely. The petition request authorizes payment for the $200 petition fee under 37 CFR §1.17 (g).

> ***37 CFR § 1.956. Patent owner extensions of time in inter partes reexamination.*** *The time for taking any action by a patent owner in an inter partes reexamination proceeding will be extended only for sufficient cause and for a reasonable time specified. Any request for such extension must be filed on or before the day on which action by the patent owner is due, but in no case will the mere filing of a request effect any extension. Any request for such extension must be accompanied by the petition set forth in § 1.17(g). See § 1.304(a) for extensions of time for filing a notice of appeal to the U.S. Court of Appeals for the Federal Circuit.*

Addressing the requirement of 37 CFR § 1.956 to make a showing of "sufficient cause" to grant an extension request, MPEP § 2665 states, in pertinent part:

> As noted above, a request for extension of time under 37 CFR § 1.956 will be granted only for sufficient cause, ...
>
> Evaluation of whether "sufficient cause" has been shown for an extension must be made by **balancing** the desire to provide the patent owner with a fair opportunity to respond, **against** the requirement of the statute, 35 U.S.C. § 314(c), that the proceedings be conducted with special dispatch. ...

Any petition request must include the required petition fee as set forth according to 37 CFR § 1.17 (g) and 37 CFR § 1.956.

37 CFR § 1.137 Revival of abandoned application, terminated or limited reexamination prosecution, or lapsed patent.

(a) Unavoidable . If the delay in reply by applicant or patent owner was unavoidable, a petition may be filed pursuant to this paragraph to revive an abandoned application, a reexamination prosecution terminated under §§ 1.550(d) or 1.957(b) or limited under § 1.957(c), or a lapsed patent. A grantable petition pursuant to this paragraph must be accompanied by:

(1) The reply required to the outstanding Office action or notice, unless previously filed;

(2) The petition fee as set forth in § 1.17(l);

(3) A showing to the satisfaction of the Director that the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to this paragraph was unavoidable; and

(4) Any terminal disclaimer (and fee as set forth in § 1.20(d)) required pursuant to paragraph (d) of this section.

(b) Unintentional . If the delay in reply by applicant or patent owner was unintentional, a petition may be filed pursuant to this paragraph to revive an abandoned application, a reexamination prosecution terminated under §§ 1.550(d) or 1.957(b) or limited under § 1.957(c), or a lapsed patent. A grantable petition pursuant to this paragraph must be accompanied by:

(1) The reply required to the outstanding Office action or notice, unless previously filed;

(2) The petition fee as set forth in § 1.17(m);

(3) A statement that the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to this paragraph was unintentional. The Director may require additional information where there is a question whether the delay was unintentional; and

(4) Any terminal disclaimer (and fee as set forth in § 1.20(d)) required pursuant to paragraph (d) of this section.

Decision

As noted in 37 CFR § 1.956 "Any request for such extension must be filed on or before the day on which action by the patent owner is due." This petition was received on 29 July 2008 when the due date for which action was required by the patent owner was 2 July 2008.

If the response lapse in response for being timely was unavoidable or unintentional as defined by 37 CFR § 1.137, the patent owner may seek remedy pursuant to 37 CFRR § 1.137.

The petition for extension of time is hereby dismissed as moot.

Conclusion

1. The Patent Owner's second petition for extension of time filed on 29 July 2008 is **dismissed as moot**.

2. The period for response is not extended beyond the period for response set by the petition decision of 15 May 2008 granting a one (1) month extension of time.

3. The response was due 2 July 2008.

4. All correspondence involving this proceeding may be addressed to the following:

By Mail to: Mail Stop *Ex Parte* Reexam
Central Reexamination Unit
Commissioner for Patents
United States Patent & Trademark Office
P. O. Box 1450
Alexandria, VA 22313-1450

By Fax to: (571) 273-9900
Central Reexamination Unit

By Hand: Customer Service Window
Randolph Building
401 Dulany Street
Alexandria, VA 22314

By EFS: Registered users of EFS-Web may alternatively submit such correspondence via the electronic filing system EFS-Web, at https://sportal.uspto.gov/authenticate/authenticateuserlocalepf.html. EFS-Web offers the benefit of quick submission to the particular area of the Office that needs to act on the correspondence. Also, EFS-Web submissions are "soft scanned" (i.e., electronically uploaded) directly into the official file for the reexamination proceeding, which offers parties the opportunity to review the content of their submissions after the "soft scanning" process is complete.

4. Telephone inquiries with regard to this decision should be directed to Mark Reinhart, at (571) 272-1611, Supervisory Patent Examiner, in the absence of Mark Reinhart calls may be directed to Eric Keasel, at (571) 272-4929, or Jessica Harrison, at (571) 272-4449, Supervisory Patent Examiners in the Central Reexamination Unit, Art Unit 3992.

/Mark Reinhart/
for

_____
Gregory Morse,
Director,
Central Reexamination Unit

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AUZVILLE JACKSON, JR. 8652 RIO GRANDE ROAD RICHMOND VA 23229	:	For Patent Owner
Arthur T. Fattibene FATTIBENE & FATTIBENE 2480 Post Road Southport, CT 06890	:	For Requester
	:	DECISION GRANTING PETITION FOR EXTENSION OF TIME [37 CFR 1.956]
In re: Gretz *Inter Partes* Reexamination Proceeding Control No. 95/000,196 Filed: January 26, 2007 For: US Patent No. 6,521,831	:	

MAILED
7 pm
JUN ~~25~~ 2007
CENTRAL REEXAMINATION UNIT

This is a decision on the May 29, 2007, patent owner "Petition for Extension of Time Under 37 CFR 1.956," and the June 6, 2007 "Supplemental Discussion of the Need for the Grant of an Extension of Time Under 37 CFR 1.956," requesting that the time for responding to the Non-Final Office action mailed April 13, 2007, be extended by one month.

The petition is before the Director of the Central Reexamination Unit for consideration.

The petition is granted for the reasons set forth below.

Decision

The Patent Owner requests an extension of time in which to file a response to the the Non-Final Office action mailed April 13, 2007, which set a one month date for filing a response thereto. The request for extension is the first request for an extension of time with respect to the Non-Final Office action. The petition for extension of time was timely filed on May 29, 2007, together with the petition fee.

37 CFR § 1.956 Patent owner extensions of time in inter partes reexamination.

> "The time for taking any action by a patent owner in an inter partes reexamination proceeding will be extended only for sufficient cause and for a reasonable time specified. Any request for such extension must be filed on or before the day on which action by the patent owner is due, but in no case will the mere filing of a request effect any extension. Any request for such extension must be accompanied by the petition fee as set forth in § 1.17(g). See § 1.304(a) for extensions of time for filing a notice of appeal to the U.S. Court of Appeals for the Federal Circuit."

MPEP 2665 Extension of Time for Patent Owner Response
States in part.

> "Evaluation of whether "sufficient cause" has been shown for an extension must be made by balancing the desire to provide the patent owner with a fair opportunity to respond, against the requirement of the statute, 35 U.S.C. 314(c), that the proceedings be conducted with special dispatch.
>
> Any request for an extension of time in a reexamination proceeding must fully state the reasons therefor. The reasons must include (A) a statement of what action the patent owner has taken to provide a response, to date as of the date the request for extension is submitted, and (B) why, in spite of the action taken thus far, the requested additional time is needed. The statement of (A) must provide a factual accounting of reasonably diligent behavior by all those responsible for preparing a response to the outstanding Office action within the statutory time period."

Patent Owner's Showing of Sufficient Cause to Grant an Extension of Time

The patent owner's unavoidable prior plans to be out of the country, response to numerous rejections, gathering of evidence for commercial success, declarations with signatures and appropriate claim charts for the numerous rejections could not have been anticipated and as such is considered to be sufficient cause for granting the one-month extension of time.

Analysis and Findings

On balance, it is considered that the petition explains the "sufficient cause" for why the extension of time should be granted. It is only reasonable to presume that patent owner is indicating that patent owner has, and will continue to, behave as a prudent individual concerned with his most important business, and will begin formalizing and engaging alternative contingencies well in advance of the deadline for filing a response to the outstanding Office action, as extended by one month.

Conclusion

1. The patent owner's petition for extension of time in which to file a response to the non-final office action dated April 13, 2007 is **granted**.

2. The Patent Owner's response is due ~~May~~ July 13, 2007.

3. Response may be submitted as follows:

By Mail to: Mail Stop *Inter Partes* Reexam
Central Reexamination Unit
Commissioner for Patents
United States Patent & Trademark Office
P. O. Box 1450
Alexandria, VA 22313-1450

By Fax to: (571) 273-9900
Central Reexamination Unit

By Hand: Customer Service Window
Randolph Building
401 Dulany Street
Alexandria, VA 22314

4. Telephone inquiries with regard to this decision should be directed to Mark Reinhart, Special Program Examiner in the Central Reexamination Unit, Art Unit 3992, at (571) 272-1611

MARK J. REINHART
SPRE-AU 3992
CENTRAL REEXAMINATION UNIT

for

Lissi Mojica Marquis,
Director,
Central Reexamination Unit

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(THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS)

Anthony M. Gutowski
Finnegan Henderson Farabow, et. al.
901 New York Avenue N. W.
Washington DC 20001-4413

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DEC 02 2009

CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester *Inter Partes* Reexamination

REEXAMINATION CONTROL NUMBER *95/000,197*.

PATENT NUMBER *6,366,522*.

TECHNOLOGY CENTER *3999*.

ART UNIT *3992*.

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above-identified reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the *inter partes* reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an *ex parte* reexamination has been merged with the *inter partes* reexamination, no responsive submission by any *ex parte* third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the **Central Reexamination Unit** at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,197	11/22/2006	6,366,522	09786.0004	4303

89320 7590 12/02/2009

Polansky & Associates, P.L.L.C.
1250 Capital of Texas Hwy. South
Building 3, Suite 400
Austin, TX 78746

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 12/02/2009

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CONTROL NO.	FILING DATE	PATENT IN REEXAMINATION	ATTORNEY DOCKET NO.
95/000,197	11/22/06	6366522	09786.0004

EXAMINER
TON, MY-TRANG

ART UNIT	PAPER
3992	

LARSON NEWMAN & ABEL LLP
5914 WEST COURTYARD DRIVE
SUITE 200
AUSTIN, TX 78730

DATE MAILED:

12/02/09

INTER PARTES REEXAMINATION COMMUNICATION

BELOW/ATTACHED YOU WILL FIND A COMMUNICATION FROM THE UNITED STATES PATENT AND TRADEMARK OFFICE OFFICIAL(S) IN CHARGE OF THE PRESENT REEXAMINATION PROCEEDING.

All correspondence relating to this *inter partes* reexamination proceeding should be directed to the **Central Reexamination Unit** at the mail, FAX, or hand-carry addresses given at the end of this communication.

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CONTROL NO.	FILING DATE	PATENT IN REEXAMINATION	ATTORNEY DOCKET NO.
95/000,197	11/22/06	6366522	09786.0004

LARSON NEWMAN & ABEL LLP
5914 WEST COURTYARD DRIVE
SUITE 200
AUSTIN, TX 78730

EXAMINER
TON, MY-TRANG

ART UNIT	PAPER
3992	

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CONTROL NO.	FILING DATE	PATENT IN REEXAMINATION	ATTORNEY DOCKET NO.
95/000,197	11/22/06	6366522	09786.0004

EXAMINER
TON, MY-TRANG

ART UNIT	PAPER
3992	

FINNEGAN, HENDERSON, FARABOW
GARRETT & DUNNER, LLP
901 NEW YORK AVENUE, NW
WASHINGTON, DC 20001-4413

DATE MAILED:

INTER PARTES REEXAMINATION COMMUNICATION

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Finnegan, Henderson, Farabow, (For Requester)
Garrett & Dunner, L.L.P.
901 New York Avenue, N.W.
Washington, D.C. 20001-4413

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CENTRAL REEXAMINATION UNIT

Polansky & Associates, P.L.L.C. (Courtesy Copy)
1250 Capital of Texas Hwy. South
Building 3, Suite 400
Austin, TX 78746

In re Marcus W. May et al.	:
Inter Partes Reexamination Proceeding	: **DECISION**
Control No. 95/000,197	: **GRANTING**
Filed: November 22, 2006	: **PETITION UNDER**
For: U.S. Patent No. 6,366,522	: **37 CFR 1.137(b)**

This is a decision on the October 5, 2009 patent owner petition under 37 CFR 1.137(b) to accept an unintentionally delayed response in the above-identified reexamination proceeding ("the October 5, 2009 patent owner petition").

The October 5, 2009 patent owner petition is before the Office of Patent Legal Administration (OPLA) for consideration.

The petition fee of $1,620.00 set forth in 37 CFR 1.17(m) for the October 5, 2009 patent owner petition has been paid.

The October 5, 2009 patent owner petition is **granted**.

The September 25, 2009 Right of Appeal Notice is **withdrawn**.

STATUTES, REGULATIONS, AND PATENT EXAMINING PROCEDURES

35 U.S.C. 41(a)(7) provides, in pertinent part:

REVIVAL FEES. — On filing each petition ... for an unintentionally delayed response by the patent owner in any reexamination proceeding ...

35 U.S.C. 133 provides:

Upon failure of the applicant to prosecute the application within six months after any action therein, of which notice has been given or mailed to the applicant, or within such shorter time, not less than thirty days, as fixed by the Director in such action, the application shall be regarded as abandoned by the parties thereto, unless it be shown to the satisfaction of the Director that such delay was unavoidable.

35 U.S.C. 314(a) provides, in pertinent part:

IN GENERAL. — Except as otherwise provided in this section, reexamination shall be conducted according to the procedures established for initial examination under the provisions of sections 132 and 133 of this title.

37 CFR 1.137 provides, in pertinent part:

(b) *Unintentional.* If the delay in reply by ... patent owner was unintentional, a petition may be filed pursuant to this paragraph to revive ... a reexamination prosecution terminated under §§ 1.550(d) or 1.957(b) or limited under § 1.957(c) .... A grantable petition pursuant to this paragraph must be accompanied by:

(1) The reply required to the outstanding Office action or notice, unless previously filed;
(2) The petition fee as set forth in § 1.17(m);
(3) A statement that the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to this paragraph was unintentional. The Director may require additional information where there is a question whether the delay was unintentional ....

*
*

(d) *Terminal disclaimer.*

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*

(3) The provisions of paragraph (d)(1) of this section do not apply to ... reexamination proceedings.

37 CFR 1.945(a) provides, in pertinent part:

The patent owner will be given at least thirty days to file a response to any Office action on the merits of the *inter partes* reexamination.

37 CFR 1.957(c) provides, in pertinent part:

If claims are found patentable and the patent owner fails to file a timely and appropriate response to any Office action in an *inter partes* reexamination proceeding, further prosecution will be limited to the claims found patentable at the time of the failure to respond, and to any claims added thereafter which do not expand the scope of the claims which were found patentable at that time.

37 CFR 1.958(b) provides, in pertinent part:

Any response by the patent owner not timely filed in the Office may be accepted if the delay was unintentional. A grantable petition to accept an unintentionally delayed response must be filed in compliance with § 1.137(b).

MPEP 2668 provides, in pertinent part:

II. PETITION BASED ON UNINTENTIONAL DELAY

The unintentional delay fee provisions of 35 U.S.C. 41(a)(7) are imported into, and are applicable to, any reexamination proceeding by Sec. 4605(a) of the American Inventors Protection Act of 1999. Accordingly, the Office will consider, in appropriate circumstances, a petition showing unintentional delay under 37 CFR 1.137(b) where untimely papers are filed by the patent owner subsequent to the order for reexamination. Any such petition must provide a verified statement that the delay was unintentional, a proposed response to continue prosecution (unless it has been previously filed), and the petition fee required by 37 CFR 1.17(m).
*
*

IV. FURTHER DISCUSSION OF THE PETITION REQUIREMENTS

See also MPEP § 711.03(c), subsection III, for a detailed discussion of the requirements of petitions filed under 37 CFR 1.137(a) and (b).

DECISION

The Petition Under 37 CFR 1.137(b) is Granted

A grantable petition under 37 CFR 1.137(b) for a reexamination proceeding must be accompanied by: (1) a response to the outstanding Office action; (2) the petition fee set forth in 37 CFR 1.17(m); and (3) a proper statement under 37 CFR 1.137(b)(3) that the entire delay in filing the required response from the due date of the response to the filing of a grantable petition was unintentional.

Regarding item (1), this reexamination proceeding prosecution was limited under 37 CFR 1.957(c) due to patent owner's failure to timely submit a response to the

June 19, 2009 Notice Re Defective Paper In Inter Partes Reexamination.[1] MPEP 2666.60 states that the patent owner will be given a time period of one month or thirty days, whichever is longer, from the mailing date of the notice of defective paper or the time remaining in the response period set in the last Office action, to respond to the notice. A response to the June 19, 2009 Notice was not filed until October 5, 2009, which was untimely. However, for the purpose of evaluating whether the October 5, 2009 patent owner petition is a grantable petition, the submission of the October 5, 2009 response satisfies item (1).[2]

A petition fee and a proper statement under 37 CFR 1.137(b)(3) have been submitted with the October 5, 2009 patent owner petition, which satisfy items (2) and (3), respectively.

Accordingly, the October 5, 2009 patent owner petition is **granted**.

The September 25, 2009 Right of Appeal Notice is **withdrawn**.

PATENT OWNER'S CORRESPONDENCE ADDRESS

The current correspondence address of record for the patent file is the proper patent owner address for reexamination mailings, pursuant to 37 CFR 1.33(c). The current correspondence address of record for the 6,366,522 patent file is that of Larson Newman & Abel, LLP, 5914 West Courtyard Drive, Suite 200, Austin, TX 78730.

As a courtesy, this decision is being mailed to the address of Polansky & Associates, P.L.L.C., 1250 Capital of Texas Hwy. South, Building 3, Suite 400, Austin, TX 78746, in view of the October 5, 2009 Power of Attorney present in the file of the '197 reexamination proceeding.

The address of Larson Newman & Abel, LLP, 5914 West Courtyard Drive, Suite 200, Austin, TX 78730, will be the sole patent owner correspondence address used in future correspondence, until a change in correspondence address in the '522 patent file is made in accordance with 37 CFR 1.33(c).

CONCLUSION

1. The October 5, 2009 patent owner petition under 37 CFR 1.137(b) to accept an unintentionally delayed response is **granted**.

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[1] *See*: MPEP 2666.60.

[2] This decision is not directed to the persuasiveness and propriety of the arguments presented in the October 5, 2009 response as to either each of the rejections set forth in the May 16, 2008 Office action or each of the defects set forth in the June 19, 2009 Notice; such is the examiner's province.

2. The September 25, 2009 Right of Appeal Notice is **withdrawn**.

3. Patent owner's response to the June 19, 2009 Notice Re Defective Paper In Inter Partes Reexamination is hereby entered in the record, thus triggering a comment right for third party requester under 37 CFR 1.947.[3] Accordingly, third party requester may file comments to patent owner's response as per 37 CFR 1.947 within 30 days of the mailing date of this decision.

4. Jurisdiction over this reexamination proceeding is being returned to the Central Reexamination Unit, Art Unit 3992, to await requester's comments under 37 CFR 1.947, or the expiration of the time to file such comments, after which the examiner will treat the October 5, 2009 response as an amendment after first Office action and issue a new Office action appropriate for the circumstances to replace the withdrawn September 25, 2009 Right of Appeal Notice.

5. The address of Larson Newman & Abel, LLP, 5914 West Courtyard Drive, Suite 200, Austin, TX 78730, will be the sole patent owner correspondence address used in future correspondence, until a change in correspondence address in the '522 patent file is made in accordance with 37 CFR 1.33(c).

6. Any inquiry concerning the examination of the reexamination proceeding should be directed to the primary examiner, My-Trang Ton, of CRU Art Unit 3992, at (571) 272-1754.

7. Any inquiry concerning this decision should be directed to Raul Tamayo, Legal Advisor, at (571) 272-7728.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

[3] *See*: MPEP 2666.60.

UNITED STATES PATENT AND TRADEMARK OFFICE

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,199	12/01/2006	6988138		7245

20277 7590 03/17/2008

MCDERMOTT WILL & EMERY LLP
600 13TH STREET, N.W.
WASHINGTON, DC 20005-3096

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 03/17/2008

Please find below and/or attached an Office communication concerning this application or proceeding.

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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
SOFTWARE FREEDOM LAW CENTER
1995 BROADWAY
17TH FLOOR
NEW YORK, NY 10023-5882

Date:
MAILED
MAR 17 2008
CENTRAL REEXAMINATION UNIT

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. : 90008330
PATENT NO. : 6988138
ART UNIT : 3900

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified ex parte reexamination proceeding (37 CFR 1.550(f)).

Where this copy is supplied after the reply by requester, 37 CFR 1.535, or the time for filing a reply has passed, no submission on behalf of the ex parte reexamination requester will be acknowledged or considered (37 CFR 1.550(g)).

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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
FOLEY AND LARDNER LLP
3000 K STREET NW
SUITE 500
WASHINGTON, DC 20007

Date:

MAILED

MAR 17 2008

CENTRAL REEXAMINATION UNIT

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. : 95000199
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James Rizzo, Esq.
Michael S. Nadel, Esq.
McDermott Will & Emery LLP
600 13th Street, N.W.
Washington, DC 20005-3096

(For Patent Owner)

MAILED

MAR 17 2008

CENTRAL REEXAMINATION UNIT

Software Freedom Law Center
1995 Broadway
17th Floor
New York, NY 10023-5882

(For *Ex Parte* Requester)

Foley and Lardner LLP
3000 K Street NW
Suite 500
Washington, DC 20007

(For *Inter Partes* Requester)

Ex parte Reexamination Proceeding Control No. 90/008,330 Filed: November 17, 2006 For: U.S. Patent No. 6,988,138	**DECISION, *SUA SPONTE*, TO MERGE REEXAMINATION PROCEEDINGS**
Inter Partes Reexamination Proceeding Control No. 95/000,199 Filed: December 1, 2006 For: U.S. Patent No. 6,988,138	

The above-captioned reexamination proceedings are before the Office of Patent Legal Administration for *sua sponte* consideration of whether the proceedings should be merged under 37 CFR 1.989 at this time.

REVIEW OF FACTS

1. U.S. Patent No. 6,988,138 (the '138 patent) issued to Robert L. Alcorn *et al.* on January 17, 2006, and was assigned to Blackboard Inc.

2. A request for *ex parte* reexamination of claims 1-44 of the '138 patent was filed on November 17, 2006, by third party requester Richard E. Fontana, and the request was assigned control number 90/008,330 (the '8330 *ex parte* reexamination proceeding).

3. On January 25, 2007, *ex parte* reexamination was ordered for claims 1-44 of the '138 patent, based upon the examiner's determination that the request for *ex parte* reexamination raised a substantial new question of patentability affecting these claims.

4. A request for *inter partes* reexamination of claims 1-44 of the '138 patent was filed on December 1, 2006, by third party requester Desire2Learn, Inc., who is also the real party in interest. The request was assigned control number 95/000,199 (the '0199 *inter partes* reexamination proceeding).

5. On February 26, 2007, *inter partes* reexamination was ordered based on the examiner's determination that the request for *inter partes* reexamination raised a substantial new question of patentability affecting claims 1-44 of the '138 patent.

6. The time for filing a patent owner's statement pursuant to 37 CFR 1.530 in the '8330 *ex parte* reexamination expired after March 25, 2007.[1]

DECISION

I. MERGER OF PROCEEDINGS

Reexamination has been ordered in two proceedings for the same claims of the same patent. One of the proceedings (the '0199 proceeding) is an *inter partes* proceeding. Both proceedings are still pending, and have not been terminated. Therefore, consideration of merger pursuant to 37 CFR 1.989 is ripe at this point in time.

37 CFR 1.989 provides:

> (a) If any reexamination is ordered while a prior *inter partes* reexamination proceeding is pending for the same patent and prosecution in the prior *inter partes* reexamination proceeding has not been terminated, a decision may be made to merge the two proceedings or to suspend one of the two proceedings. Where merger is ordered, the merged examination will normally result in the issuance of a single reexamination certificate under § 1.997.
>
> (b) An *inter partes* reexamination proceeding filed under § 1.913 which is merged with an *ex parte* reexamination proceeding filed under § 1.510 will result in the merged proceeding being governed by §§ 1.902 through 1.997, except that the rights of any third party requester of the *ex parte* reexamination shall be governed by §§ 1.510 through 1.560.

[1] There is no provision for filing a patent owner's statement in *inter partes* reexamination; rather, an Office action is issued prior to any input from parties.

In accordance with 37 CFR 1.989(a), the 90/008,330 and 95/000,199 reexamination proceedings are merged. The merged proceeding will be conducted in accordance with the guidelines and requirements that follow.

II. THE SAME CLAIMS MUST BE MAINTAINED IN BOTH PROCEEDINGS

Patent owner is required to maintain the same claims (and specification) in both files throughout the merged proceeding. Since the claims are the same in both files, a "housekeeping amendment" is NOT needed in this instance.

III. CONDUCT OF MERGED PROCEEDING

A. Governing regulations for the merged proceeding:

The present decision merges an *ex parte* reexamination proceeding with an *inter partes* reexamination. Pursuant to 37 CFR 1.989(b), the merged proceeding is governed by 37 CFR 1.902 through 1.997, except that the rights of the third party requester of the *ex parte* reexamination are governed by 37 CFR 1.510 through 1.560.

B. Papers mailed/filed:

All papers mailed by the Office throughout the merged proceeding will take the form of a single action which applies to both proceedings. All papers issued by the Office, or filed by the patent owner and the third party requester(s), will contain the identifying data for both files and will be physically entered in each reexamination file. All papers filed by the patent owner and the third party requester(s) must consist of a single paper, filed in duplicate, each bearing a signature and identifying data for both files, for entry into each file.

All papers filed by the patent owner and the third party requester(s) should be directed:

by Mail to: Attn: Mail Stop "*Inter Partes* Reexam"
Central Reexamination Unit
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

by FAX to: (571) 273-9900
Central Reexamination Unit

by Hand to: Customer Service Window
Attn: Central Reexamination Unit
Randolph Building, Lobby Level
401 Dulany Street
Alexandria, VA 22314

Patent owner and requester(s) are reminded that every paper filed in the merged proceeding subsequent to this Decision must be served on the other parties (including papers filed *via* facsimile transmission), and every paper filed must reflect that such paper was served on the other parties, pursuant to 37 CFR 1.903. All papers are to be addressed to the Central Reexamination Unit as provided above.

C. Amendments:

The filing of any amendments to the drawings, specification or claims must comply with 37 CFR 1.943, which incorporates the provisions of 37 CFR 1.530, and the guidelines of MPEP § 2666.01, which in turn references the guidelines of MPEP § 2250.

37 CFR 1.121 does not apply to amendments in reexamination. Accordingly, clean copies of the amended claims are not required and are not to be submitted; rather amendments are to be presented via markings pursuant to paragraph 37 CFR 1.530(f), except that a claim should be canceled by a statement canceling the claim, without presentation of the text of the claim.

Pursuant to 37 CFR 1.530(i), all amendments must be made relative to the patent specification, including the claims, and drawings, which are in effect as of the date of filing the request for reexamination. *Amendments are not to be made relative to previous amendments.* Thus, for all amendments, all words not appearing in the patent are always underlined, and only words being deleted from the patent appear in brackets.

D. Fees:

Where a paper is filed that requires payment of a fee (*e.g.*, petition fee, excess claims fee, extension of time fee, appeal fee, brief fee, oral hearing fee), only a single fee need be paid. For example, only one fee need be paid for any patent owner's appellant brief (or that of the *inter partes* reexamination requester) which may be filed, even though the brief relates to merged multiple proceedings, and copies must be filed (as pointed out above) for each file in the merged proceeding.

E. Citation of Patents and Printed Publications:

Upon return of the present merged proceeding to the examiner, the examiner will review the files to insure that each file contains identical citations of prior patents and printed publications, and will cite such documents as are necessary as part of the next action in order to place the files in that condition.

CONCLUSION

1. *Inter partes* Reexamination Control No. 95/000,199 and *ex parte* Reexamination Control No. 90/008,330 are merged into a single proceeding, to be conducted in accordance with the procedure set forth above.

2. Jurisdiction over the merged reexamination files is being forwarded via the Director of the Central Reexamination Unit (CRU) to the examiner, for the preparation of an Office action, to be issued in due course.

3. Any questions concerning this communication should be directed to Nicole D. Dretar, Legal Advisor, at 571-272-7717.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

Mar. 14, 2008
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,199	12/01/2006	6988138		7245

20277 7590 08/18/2008

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EXAMINER

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/008,330	11/17/2006	6988138		3192

20277 7590 08/18/2008

MCDERMOTT WILL & EMERY LLP
600 13TH STREET, N.W.
WASHINGTON, DC 20005-3096

EXAMINER

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UNITED STATES PATENT AND TRADEMARK OFFICE

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(For Patent Owner)

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1995 Broadway
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New York, NY 10023-5882

(For *Ex Parte* Requester)

Foley and Lardner LLP
3000 K Street NW
Suite 500
Washington, DC 20007

(For *Inter Partes* Requester)

Inter Partes Reexamination Proceeding
Control No. 95/000,199
Filed: November 17, 2006
For: U.S. Patent No. 6,988,138

Ex Parte Reexamination Proceeding
Control No. 90/008,330
Filed: November 17, 2006
For: U.S. Patent No. 6,988,138

DECISION DISMISSING PETITION

This is a decision on the May 29, 2008 patent owner petition entitled "PETITION TO SUSPEND *INTER PARTES* REEXAMINATION UNDER 35 U.S.C. § 314(c)" (hereinafter "petition to suspend") for suspension of *inter partes* reexamination proceeding control number 95/000,199 due to existing concurrent litigation of the patent being reexamined.

In addition, the *inter partes* third party requester filed a paper on June 10, 2008 entitled "REQUEST TO SUBMIT RESPONSE TO PETITION TO SUSPEND *INTER PARTES* REEXAMINATION PROCEEDING" (hereinafter "request to submit opposition paper"), and subsequently filed a paper on June 19, 2008 entitled "THIRD-PARTY REQUESTOR'S RESPONSE TO PATENT OWNER'S PETITION TO SUSPEND *INTER PARTES* REEXAMINATION PROCEEDING" (hereinafter "opposition paper").

The patent owner's petition to suspend, the *inter partes* third party requester's request to submit opposition paper, the requester's opposition paper, and the merged reexamination proceeding are before the Office of Patent Legal Administration for consideration of the petitioned matters.

Because the rules do not provide for the filing of a petition requesting that an *inter partes* reexamination proceeding be suspended, the patent owner's petition to suspend is taken as a petition under 37 C.F.R. § 1.182 for suspension of reexamination proceeding control number 95/000,199.

Inter partes third party requester's request to submit opposition paper is taken as a petition under 37 C.F.R. § 1.183 for waiver of 37 C.F.R. § 1.939 and the opposition paper is taken as a petition under 37 C.F.R. § 1.182 to oppose the patent owner's petition to suspend.

FEES

The petition fee of $400.00 pursuant to 37 C.F.R. § 1.17(f) for the petition under 37 C.F.R. § 1.182 was charged to patent owner's Deposit Account No. 50-2624, as authorized by the patent owner on the transmittal letter that accompanied the instant petition, in which patent owner instructed that a fee of $200.00 be charged to the patent owner's deposit account, as well as any additional fees associated with the instant petition. [1]

The petition fee of $400.00 pursuant to 37 C.F.R. § 1.17(f) for the petitions under 37 C.F.R. §§ 1.182 and 1.1823 was charged to the *inter partes* third party requester's Deposit Account No. 19-0741, as authorized by the *inter partes* third party requester in the request to submit the opposition paper, instructing that a fee of $130.00 be charged to the *inter partes* third party requester's deposit account, as well as any deficiency associated with the request, and as further authorized in the opposition paper, instructing that any deficiency associated with the opposition paper be charged to the *inter partes* third party requester's deposit account. [2]

SUMMARY

The patent owner's petition under 37 C.F.R. § 1.182 to suspend the present merged reexamination proceeding is dismissed.

The *inter partes* third party requester's petition under 37 C.F.R. § 1.183 to permit entry and consideration of the requester's opposition paper is granted. Accordingly, the requester's opposition paper has been considered.

---

[1] 37 C.F.R. § 1.182 requires a petition fee as set forth in 37 C.F.R. § 1.17(f). Effective September 30, 2007, the fee pursuant to 37 C.F.R. § 1.17(f) is $400.00.

[2] 37 C.F.R. §§ 1.182 and 1.183 each require a petition fee as set forth in 37 C.F.R. § 1.17(f). Effective September 30, 2007, the fee pursuant to 37 C.F.R. § 1.17(f) is $400.00. *See inter partes* third party requester's request to submit opposition paper at page 2 and opposition paper at page 1.

REVIEW OF FACTS

1. U.S. Patent No. 6,988,138 (the '138 patent) issued to Robert L. Alcorn *et al.* on January 17, 2006, and was assigned to Blackboard Inc. (hereinafter "patent owner").

2. A request for *ex parte* reexamination of claims 1-44 of the '138 patent was filed on November 17, 2006, by third party requester Richard E. Fontana, and the request was assigned control number 90/008,330 (the '8330 *ex parte* reexamination proceeding).

3. On January 25, 2007, *ex parte* reexamination was ordered for claims 1-44 of the '138 patent, based upon the examiner's determination that the request for *ex parte* reexamination raised a substantial new question of patentability affecting claims 1-44 of the '138 patent.

4. A request for *inter partes* reexamination of claims 1-44 of the '138 patent was filed on December 1, 2006, by third party requester Desire2Learn, Inc., which is also the real party in interest (hereinafter "*inter partes* third party requester"). The request was assigned control number 95/000,199 (the '0199 *inter partes* reexamination proceeding).

5. On February 26, 2007, *inter partes* reexamination was ordered based on the examiner's determination that the request for *inter partes* reexamination raised a substantial new question of patentability affecting claims 1-44 of the '138 patent.

6. On March 17, 2008, a Decision, *Sua Sponte*, to Merge Reexamination Proceedings was issued, merging the '8330 *ex parte* and '0199 *inter partes* reexamination proceedings into a single proceeding (the merged reexamination proceeding) governed by 37 C.F.R. §§ 1.902 through 1.997.

7. On March 25, 2008, a first Office action rejecting claims 1-44 of the '138 patent was mailed for the merged reexamination proceeding.

8. Patent owner filed a Patent Owner's Response under 37 C.F.R. § 1.945 on May 29, 2008.

9. Also on May 29, 2008, patent owner filed the instant petition to suspend, requesting suspension of the '0199 reexamination proceeding.

10. On June 10, 2008, *inter partes* third party requester filed the instant request to submit an opposition paper, and subsequently filed the opposition paper on June 19, 2008.

11. On June 26, 2008, *inter partes* third party requester filed Third Party Requester's Comments after the Patent Owner Response under 37 C.F.R. § 1.947.

12. The '138 patent is currently the subject of litigation between patent owner and *inter partes* third party requester styled *Blackboard Inc. v. Desire2Learn Inc.*, No. 9:06CV155 (E.D. Tex. filed July 26, 2006), which is currently on appeal before the U.S. Court of Appeals for the Federal Circuit as appeal No. 2008-1368 (filed May 21, 2008).

DECISION

The present patent owner petition for suspension of the '0199 reexamination proceeding, and the *inter partes* third party requester's opposition paper have been fully considered.

I. RELEVANT STATUTES, REGULATIONS, AND EXAMINING PROCEDURE

35 U.S.C. 314 (c) states:

> SPECIAL DISPATCH.- Unless otherwise provided by the Director for good cause, all inter partes reexamination proceedings under this section, including any appeal to the Board of Patent Appeals and Interferences, shall be conducted with special dispatch within the Office.

35 U.S.C. 317(b) states:

> FINAL DECISION.- Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party has not sustained its burden of proving the invalidity of any patent claim in suit or if a final decision in an inter partes reexamination proceeding instituted by a third-party requester is favorable to the patentability of any original or proposed amended or new claim of the patent, then neither that party nor its privies may thereafter request an inter partes reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in such civil action or inter partes reexamination proceeding, and an inter partes reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office, notwithstanding any other provision of this chapter. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

37 C.F.R. § 1.182 states (in part):

> All situations not specifically provided for in the regulations of this part will be decided in accordance with the merits of each situation by or under the authority of the Director, subject to such other requirements as may be imposed, and such decision will be communicated to the interested parties in writing. Any petition seeking a decision under this section must be accompanied by the petition fee set forth in § 1.17(f).

37 C.F.R. § 1.987 states:

> If a patent in the process of inter partes reexamination is or becomes involved in litigation, the Director shall determine whether or not to suspend the inter partes reexamination proceeding.

The Manual of Patent Examining Procedure (MPEP) § 2686.01 states (in part):

> It may also be desirable in certain situations to suspend one of the proceedings for a short and specified period of time. For example, a suspension of a first reexamination proceeding may be issued to allow time for the decision on the second request. Further, after the second proceeding has been ordered, it may be desirable to suspend the second proceeding prior to merging, where the first proceeding is presently on appeal before a Federal court to await the court's decision prior to merging. A suspension will only be granted in exceptional (extraordinary) instances because of the statutory requirements that examination proceed with "special dispatch", and the express written approval by the OPLA must be obtained. Suspension will not be granted when there is an outstanding Office action.

With respect to suspension of *inter partes* reexamination, MPEP § 2684.04(III) provides that:

> ... "good cause" might be present, for example, where there is an issue that cannot be decided in the reexamination proceeding but affects the resolution of the proceeding. Another example is where there is an issue common to the litigation and the reexamination that can best be decided in court due to the availability in court of discovery and subpoena power (e.g., an issue heavily dependent on presentation of conflicting/contested evidence by the two parties).

II. DISCUSSION

A. "Good Cause"

The merged reexamination proceeding is governed by the *inter partes* reexamination rules set forth in 37 C.F.R. §§ 1.902 through 1.997. 35 U.S.C. § 314(c) expressly allows for the suspension of an *inter partes* reexamination proceeding within the Office "for good cause," notwithstanding that *inter partes* reexamination proceedings are to be conducted with "special dispatch." Pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 1.987, which implements the statutory provision, the USPTO Director has authority to determine circumstances amounting to "good cause" for suspension of an *inter partes* reexamination proceeding, and to do so on a case-by-case basis.

Looking to the precedent, in *inter partes* reexamination proceedings control numbers 95/000,093 and 95/000,094 (collectively referred to hereinafter as "the Immersion-Sony *inter partes* reexamination proceedings"), the Office granted patent owner Immersion's petition to suspend the *inter partes* reexamination proceedings due to existing concurrent litigation of the patents that were the subject of the two reexamination proceedings. [3] The Office decision granting suspension acknowledged that MPEP § 2684.04 sets forth certain criteria as indicia of "good cause" for suspension of an *inter partes* reexamination proceeding, but pointed out that these criteria were

[3] See the '093 and '094 proceedings, "Decision Granting Petitions To Suspend," November 17, 2005.

merely exemplary.[4] The criteria relied upon by the Office in the Immersion-Sony *inter partes* reexamination proceedings to support a finding of "good cause" to suspend were upheld by the U.S. District Court, Eastern District of Virginia, *Sony Computer Entertainment America Inc., et al. v. Jon W. Dudas*, Civil Action No. 1:05CV1447 (E.D.Va. May 22, 2006), Slip Copy, 2006 WL 1472462. Using these criteria, the facts and circumstances of record in a given *inter partes* reexamination proceeding can be analyzed to determine whether there is "good cause" to suspend that *inter partes* reexamination proceeding due to existing concurrent litigation of the patent being reexamined.

In *Sony*, the Office denied patent owner Immersion's first petition to suspend the *inter partes* reexamination proceedings, noting that even if the proceedings were suspended in the Office and judgment was rendered adverse to requester Sony in the concurrent litigation, that would not dispose of all claims in the existing *inter partes* reexamination proceedings, thus leading to a piecemeal reexamination, and a delay in reexamination of the non-litigated claims.[5] The patent owner then disclaimed the non-litigated claims of the two patents for which reexamination had been requested in the two proceedings, whereby identical patent claims were the subject of both the *inter partes* reexamination proceedings and the concurrent litigation. The Office then granted patent owner Immersion's second petition to suspend the *inter partes* reexamination proceedings.

At the point in time that the Immersion-Sony *inter partes* reexamination proceedings were suspended, the two reexamination proceedings were at an early stage; the Office's work had been limited only to a finding that the requests for reexamination had raised a substantial new question of patentability. The concurrent litigation, on the other hand, was at an advanced stage: (a) A District Court had issued a decision adverse to requester Sony, holding the litigated patent claims to be valid, (b) an appeal of the District Court had been filed in the Court of Appeals for the Federal Circuit ("the Federal Circuit"), and (c) the matter had already been briefed. Thus, there was a substantial likelihood that suspension of the reexamination proceedings would serve to conserve Office resources, since a final holding of claim validity would statutorily require termination of the Immersion-Sony *inter partes* reexamination prosecutions with respect to all of the claims subject to the litigation, which was all of the claims subject to reexamination in those proceedings. It was not in the Office's and parties' interests to engage resources in administrative proceedings that ultimately could be mooted by the concurrent litigation *which was soon to be finally resolved*. The substantial likelihood that the reexamination prosecutions would terminate and the proceedings be concluded, taken together with the identity of claims in the litigation and the *inter partes* reexamination proceedings and the close proximity to final resolution of the matter, led the Office to conclude that, on balance, there was "good cause" to suspend the Immersion-Sony *inter partes* reexamination proceedings to await the decision by the Federal Circuit.

B. Analysis and Findings

The facts and circumstances in the present merged reexamination proceeding differ significantly from those present in the Immersion-Sony *inter partes* reexamination proceedings. For example, petitioner patent owner has not established that the merged reexamination proceeding is at an

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[4] *Id.*, "Decision Granting Petitions To Suspend," November 17, 2005, at footnote 6.
[5] *Id.*, "Decision Denying Petitions," August 23, 2005, at page 6.

early stage. In contrast to the Immersion-Sony *inter partes* reexamination proceedings, which were just at their beginning stages (e.g., the Office's work had been limited only to a finding that the requests for reexamination had raised a substantial new question of patentability), the merged reexamination proceeding has advanced significantly beyond the beginning stage. In this instance, the Office has issued a non-final Office action, in response to which the patent owner has filed a Patent Owner's Response and the *inter partes* third party requester has filed Third Party Requester's Comments on the Patent Owner's Response. Thus, patentability issues have been defined and argued by parties, and the Office's work in the merged reexamination proceeding has not been limited to merely finding that the requests for reexamination raised a substantial new question of patentability (at which point a patentability determination has not yet been made).

Further, petitioner patent owner has not established that concurrent litigation is at an advanced stage, in which a final decision can be expected shortly. Patent owner informs the Office that trial proceedings in federal district court have concluded in concurrent litigation between patent owner and the *inter partes* third party requester ("the '0199 concurrent litigation"). [6] Patent owner further point out that, in the '0199 concurrent litigation, both parties have filed appeals to the U.S. Court of Appeals for the Federal Circuit (the "Federal Circuit"), and that the *inter partes* third party requester's initial brief was due on July 21, 2008. [7] Petitioner patent owner has not established, however, nor does it appear from the Federal Circuit's docket records, that the matter has already been briefed before the Federal Circuit. [8]

Moreover, petitioner patent owner has not established a substantial likelihood that the merged reexamination prosecution would terminate and the proceedings be concluded upon resolution of the '0199 concurrent litigation. The appeal before the Federal Circuit in the '0199 concurrent litigation is at a preliminary stage such that it can not be determined when the appeal will reach a final holding on claim validity and what that decision is likely to be.

Additionally, unlike in the Sony-Immersion *inter partes* reexamination proceedings, where a final holding of claim validity would statutorily require termination of the Immersion-Sony *inter partes* reexamination prosecutions with respect to all of the claims subject to the litigation, which was all of the claims subject to reexamination in those proceedings, a final holding of claim validity upon resolution of the '0199 concurrent litigation would not have the same effect on the present merged reexamination proceeding due to the merger of the '8330 *ex parte* and '0199 *inter partes* reexamination proceedings. Even if all of the claims of the '138 patent are found valid upon resolution of the '0199 concurrent litigation, only the participation rights of the *inter partes* third party requester would be terminated immediately; the merged reexamination proceeding would be severed, and prosecution and examination would continue as the '8330 *ex parte* reexamination proceeding with respect to *all of the issues* present in the previously merged proceeding. It is only if all of the claims of the '138 patent are found invalid upon resolution of the '0199 concurrent litigation would the merged reexamination prosecution be terminated and the proceeding be concluded. In short, unlike in *Sony*, there would be no

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[6] *Blackboard Inc. v. Desire2Learn Inc.*, No. 9:06CV155 (E.D. Tex. filed July 26, 2006).

[7] *See* petition at page 5. The Federal Circuit appeal was docketed as No. 2008-1368 (filed May 21, 2008).

[8] As of August 14, 2008, Appellant's Unopposed Motion for Second Extension of Time to File Principal Brief, filed on August 4, 2008, is pending before the Federal Circuit.

waste of Office resources that might not need to be expended, since the consideration of the issues must continue, even if all claims are found to be valid on appeal.

Further, contrary to the patent owner's assertion regarding the simplifications that might result from suspension, suspension in this situation would not "[leave] only one alleged prior art reference for the Office to consider." [9] Rather, the severed '8330 *ex parte* reexamination proceeding would continue on the merits as to the *full scope* of the art before the Office. [10]

In summary, the absence of a substantial likelihood that the reexamination prosecution of the issues would be concluded upon resolution of the '0199 concurrent litigation, taken together with the preliminary stage of the appeal before the Federal Circuit in the '0199 concurrent litigation and the advancement of the merged reexamination proceeding beyond the beginning stage, on balance, do not establish "good cause" to suspend the '0199 reexamination proceeding to await a decision by the Federal Circuit on claim validity. Accordingly, the patent owner petition to suspend, requesting suspension of the '0199 reexamination proceeding, is **dismissed**.

CONCLUSION

1. The patent owner petition to suspend, filed on May 29, 2008, is dismissed.

2. Jurisdiction over this proceeding is returned to the Central Reexamination Unit for appropriate action.

3. Any questions concerning this communication should be directed to Nicole D. Dretar, Legal Advisor, at 571-272-7717.

Kenneth M. Schor

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

08-15-08
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[9] *See* petition at pages 11-12.
[10] *See*, e.g., MPEP § 2256 regarding prior art patents and printed publications reviewed by examiner in reexamination.

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,199	12/01/2006	6988138		7245

20277 7590 11/18/2008

MCDERMOTT WILL & EMERY LLP
600 13TH STREET, N.W.
WASHINGTON, DC 20005-3096

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 11/18/2008

Please find below and/or attached an Office communication concerning this application or proceeding.

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/008,330	11/17/2006	6988138		3192

20277 7590 11/18/2008

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600 13TH STREET, N.W.
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(For Patent Owner)

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CENTRAL REEXAMINATION UNIT

Software Freedom Law Center
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New York, NY 10023-5882

(For *Ex Parte* Requester)

Foley and Lardner LLP
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(For *Inter Partes* Requester)

Inter Partes Reexamination Proceeding
Control No. 95/000,199
Filed: November 17, 2006
For: U.S. Patent No. 6,988,138

Ex Parte Reexamination Proceeding
Control No. 90/008,330
Filed: November 17, 2006
For: U.S. Patent No. 6,988,138

DECISION DISMISSING PETITION

This is a decision on the September 3, 2008 patent owner petition entitled "PETITION TO PARTIALLY TERMINATE INTER PARTIES REEXAMINATION UNDER 35 C.F.R. § 1.182(b)" (petition for partial termination), requesting termination of *inter partes* reexamination proceeding control number 95/000,199 with respect to claims 36, 37 and 38 of U.S. Patent No. 6,988,138.

In addition, *inter partes* third party requester filed a paper on October 15, 2008 entitled "REQUEST TO SUBMIT RESPONSE TO PETITION TO TERMINATE *INTER PARTES* REEXAMINATION PROCEEDING" (request to submit opposition paper), concurrently with a paper entitled "THIRD-PARTY REQUESTOR'S RESPONSE TO PATENT OWNER'S PETITION TO TERMINATE *INTER PARTES* REEXAMINATION PROCEEDING" (opposition paper).

Patent owner's petition for partial termination, requester's request to submit opposition paper, requester's opposition paper, and the merged reexamination proceeding are before the Office of Patent Legal Administration for consideration of the petitioned matters.

Because the rules do not provide for the filing of a petition requesting that an *inter partes* reexamination proceeding be partially terminated, patent owner's petition for partial termination is taken as a petition under 37 CFR 1.182 for partial termination of reexamination proceeding control number 95/000,199.

Inter partes third party requester's request to submit opposition paper is taken as a petition under 37 CFR 1.183 for waiver of 37 CFR 1.939 and requester's opposition paper is taken as a petition under 37 CFR 1.182 to oppose patent owner's petition for partial termination.

FEES

The petition fee of $400.00 pursuant to 37 CFR 1.17(f) for the petition under 37 CFR 1.182 was charged to patent owner's Deposit Account No. 50-2624, as authorized by patent owner in the transmittal letter that accompanied the petition for partial termination.

The fee of $130.00 was charged to *inter partes* third party requester's credit card, as authorized on page two of the request to submit opposition paper, which was accompanied by a credit card authorization form for payment of the fee of $130.00. Because a petition fee of $400.00 pursuant to 37 CFR 1.17(f)[1] is required for *inter partes* third party requester's petitions under 37 CFR 1.182 and 1.183, the $130.00 fee was credited back to *inter partes* third party requester's credit card and the fee of $400.00 was charged to *inter partes* third party requester's Deposit Account No. 19-0741 as authorized on page two of the request to submit opposition paper, and as further authorized on page one of the opposition paper, instructing the Commissioner to charge any deficiency for the request to *inter partes* third party requester's deposit account.

SUMMARY

Patent owner's petition under 37 CFR 1.182 for partial termination of reexamination proceeding control number 95/000,199 is dismissed.

Inter partes third party requester's petition under 37 CFR 1.183 requesting waiver of 37 CFR 1.939 for entry and consideration of requester's opposition paper is granted. Accordingly, third party requester's opposition paper has been considered.

REVIEW OF FACTS

1. U.S. Patent No. 6,988,138 (the '138 patent) issued to Robert L. Alcorn *et al.* on January 17, 2006, and was assigned to Blackboard Inc. (hereinafter "patent owner").

2. A request for *ex parte* reexamination of claims 1-44 of the '138 patent was filed on November 17, 2006, by third party requester Richard E. Fontana, and the request was assigned control number 90/008,330 (the '8330 proceeding).

[1] 37 CFR 1.182 and 1.183 both require the petition fee set forth in 37 CFR 1.17(f). Effective October 2, 2008, the petition fee set forth in 37 CFR 1.17(f) is $400.00.

3. A request for *inter partes* reexamination of claims 1-44 of the '138 patent was filed on December 1, 2006, by third party requester Desire2Learn, Inc., which is also the real party in interest (hereinafter "*inter partes* third party requester"). The request was assigned control number 95/000,199 (the '0199 proceeding).

4. On January 25, 2007, *ex parte* reexamination was ordered based upon the examiner's determination that the request for *ex parte* reexamination raised a substantial new question of patentability affecting claims 1-44 of the '138 patent.

5. On February 26, 2007, *inter partes* reexamination was ordered based on the examiner's determination that the request for *inter partes* reexamination raised a substantial new question of patentability affecting claims 1-44 of the '138 patent.

6. On March 17, 2008, a Decision, *Sua Sponte*, to Merge Reexamination Proceedings was issued, merging the '8330 *ex parte* and '0199 *inter partes* reexamination proceedings into a single proceeding (the merged reexamination proceeding) governed by 37 CFR 1.902 through 1.997.

7. On March 25, 2008, a first Office action rejecting claims 1-44 of the '138 patent was mailed for the merged reexamination proceeding.

8. Patent owner filed a Patent Owner's Response under 37 CFR 1.945 on May 29, 2008.

9. On September 3, 2008, patent owner filed the instant petition entitled "PETITION TO PARTIALLY TERMINATE INTER PARTIES REEXAMINATION UNDER 35 C.F.R. § 1.182(b)," requesting partial termination of the '0199 proceeding.

10. On October 15, 2008, *inter partes* third party requester filed the instant "REQUEST TO SUBMIT RESPONSE TO PETITION TO TERMINATE *INTER PARTES* REEXAMINATION PROCEEDING," concurrently with the instant opposition paper entitled "THIRD-PARTY REQUESTOR'S RESPONSE TO PATENT OWNER'S PETITION TO TERMINATE *INTER PARTES* REEXAMINATION PROCEEDING."

11. The '138 patent is the subject of litigation between patent owner and *inter partes* third party requester styled *Blackboard Inc. v. Desire2Learn Inc.*, No. 9:06CV155 (E.D. Tex. filed July 26, 2006), which is currently on appeal before the U.S. Court of Appeals for the Federal Circuit as appeal No. 2008-1368 (filed May 21, 2008).

DECISION

Patent owner's petition for partial termination of the '0199 proceeding and *inter partes* third party requester's opposition paper have been fully considered. The instant merged reexamination proceeding is governed by the *inter partes* reexamination rules set forth in 37 CFR 1.902 through 1.997.

I. RELEVANT STATUTES, REGULATIONS, AND EXAMINING PROCEDURE

35 U.S.C. § 315(c) states:

> CIVIL ACTION.— A third-party requester whose request for an inter partes reexamination results in an order under section 313 is estopped from asserting at a later time, in any civil action arising in whole or in part under section 1338 of title 28, the invalidity of any claim finally determined to be valid and patentable on any ground which the third-party requester raised or could have raised during the inter partes reexamination proceedings. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

35 U.S.C. § 317(b) states:

> FINAL DECISION.— Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party has not sustained its burden of proving the invalidity of any patent claim in suit or if a final decision in an inter partes reexamination proceeding instituted by a third-party requester is favorable to the patentability of any original or proposed amended or new claim of the patent, then neither that party nor its privies may thereafter request an inter partes reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in such civil action or inter partes reexamination proceeding, and an inter partes reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office, notwithstanding any other provision of this chapter. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

37 CFR 1.182 states:

> All situations not specifically provided for in the regulations of this part will be decided in accordance with the merits of each situation by or under the authority of the Director, subject to such other requirements as may be imposed, and such decision will be communicated to the interested parties in writing. Any petition seeking a decision under this section must be accompanied by the petition fee set forth in § 1.17(f).

37 CFR 1.183 states:

> In an extraordinary situation, when justice requires, any requirement of the regulations in this part which is not a requirement of the statutes may be suspended or waived by the Director or the Director's designee, sua sponte, or on petition of the interested party, subject to such other requirements as may be

> imposed. Any petition under this section must be accompanied by the petition fee set forth in § 1.17(f).

37 CFR 1.907(b) states:

> Once a final decision has been entered against a party in a civil action arising in whole or in part under 28 U.S.C. 1338 that the party has not sustained its burden of proving invalidity of any patent claim-in-suit, then neither that party nor its privies may thereafter request inter partes reexamination of any such patent claim on the basis of issues which that party, or its privies, raised or could have raised in such civil action, and an inter partes reexamination requested by that party, or its privies, on the basis of such issues may not thereafter be maintained by the Office.

37 CFR 1.939(a) states:

> If an unauthorized paper is filed by any party at any time during the inter partes reexamination proceeding it will not be considered and may be returned.

II. DISCUSSION

A. Background

The '138 patent is the subject of litigation between patent owner and *inter partes* third party requester styled *Blackboard Inc. v. Desire2Learn Inc.*, No. 9:06CV155 (E.D. Tex. filed July 26, 2006). The case was tried to a jury. The jury found for plaintiff patent owner and against defendant *inter partes* third party requester on the issues of infringement of claims 36, 37 and 38 of the '138 patent and did not find any of these claims invalid. On March 11, 2008, in accordance with the jury verdict, the U.S. District Court for the Eastern District of Texas (district court) entered judgment for patent owner and against *inter partes* third party requester on *inter partes* third party requester's counterclaims of invalidity of claims 36, 37 and 38 of the '138 patent. On May 5, 2008, the district court issued an order, denying *inter partes* third party requester's renewed motion for judgment as a matter of law with respect to its counterclaims of invalidity of claims 36, 37 and 38 of the '138 patent. On May 7, 2008, the district court entered a final judgment in accordance with the rulings set out in its May 5, 2008 order. On May 12, 2008, *inter partes* third party requester gave notice of its appeal to the U.S. Court of Appeals for the Federal Circuit (Federal Circuit) from the May 7, 2008 final judgment.

In its September 3, 2008 petition, patent owner asserts that the '0199 proceeding should be terminated with respect to claims 36, 37 and 38 of the '138 patent because the district court entered a final judgment against *inter partes* third party requester's counterclaim that claims 36, 37 and 38 of the '138 patent are invalid. Pet. at 1. Patent owner's position is that 35 U.S.C. § 317(b) does not permit an *inter partes* reexamination of claims as to which final judgment has been entered against the requester by a district court; therefore, patent owner asserts that if the district court's May 7, 2008 final judgment constitutes a "final decision" under 35 U.S.C. § 317(b), no *inter partes* reexamination of claims 36, 37 and 38 requested by *inter partes* third party requester can be maintained. Pet. at 7.

B. The Reciprocal Estoppel Provisions Apply After a "Final Decision," Which Does Not Occur Until After All Appeals are Over

After a "final decision", issues that were raised or could have been raised in a civil action or a prior *inter partes* reexamination cannot be raised in another *inter partes* reexamination as to the same claims nor maintained in an *inter partes* reexamination requested on the basis of such issues. 35 U.S.C. § 317(b). Similarly, after a "final decision" of an ordered *inter partes* reexamination finding a claim valid, issues raised (or that could have been raised) regarding that claim's validity cannot be raised in a civil action. 35 U.S.C. § 315(c).

Patent owner asserts, "[t]he the settled meaning of the term 'final decision' refers to a final appealable decision of a subordinate tribunal, such as a district court judgment." Pet. at 5. In its October 15, 2008 opposition paper, *inter partes* third party requester asserts that "final decision" in 35 U.S.C. § 317(b) "must be interpreted as occurring ***after*** all appeals to the Federal Circuit have occurred." Opp. at 3-4.

Since the *inter partes* reexamination statute was enacted in 1999, the Office has interpreted "final decision" as occurring after all appeals are over. That is, after a Federal Circuit decision (or after the time to appeal expires, *e.g.*, after the time to file a petition for certiorari expires following a Federal Circuit decision), and not simply after a district court (or Board of Patent Appeals and Interferences) decision as patent owner argues. *See* MPEP § 2686. The Office's interpretation is based on several factors including the plain language of the statute, the symmetry between the two estoppel provisions, the legislative history, and the policy underlying the whole statutory scheme.

Section 317(b) of Title 35, in pertinent part, states:

> Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party has not sustained its burden of proving the invalidity of any patent claim in suit or if a final decision in an *inter partes* reexamination proceeding instituted by a third-party requester is favorable to the patentability of any original or proposed amended or new claim of the patent, then neither that party nor its privies may thereafter request an *inter partes* reexamination of any such patent claim on the basis of issues which the parties raised or could have raised in such civil action or *inter partes* reexamination proceeding, and an *inter partes* reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office, . . .

35 U.S.C. § 317(b) (emphasis added). Thus, estoppel does not take effect until a "final decision ... in a civil action" has been entered or alternatively, a "final decision" in an earlier *inter partes* reexamination has occurred. The Office interprets the term "final decision" for either proceeding[2] as "after all appeals." *See* MPEP § 2686. The Office's interpretation is correct for a number of reasons.

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[2] The estoppel provisions are applied reciprocally for *inter partes* reexamination and civil proceedings.

It is well settled that "in determining the meaning of [a] statute, we look not only to the particular statutory language, but to the design of the statute as a whole and to its object and policy." *Crandon v. United States*, 494 U.S. 152, 158 (1990). Further, when interpreting terms in a statute, we "must find that interpretation which can most fairly be said to be imbedded in the statute, in the sense of being most harmonious with its scheme and with the general purposes that Congress manifested." *NLRB v. Lion Oil Co.*, 352 U.S. 282, 297 (1957).

1. "Final decisions" typically only bind the Office after all appeals are exhausted

"Final decisions" typically only bind the Office after all appeals are exhausted. In other words, the Office's interpretation of "final decision" as "after all appeals" is consistent with existing law that holds that all other Office proceedings, whether *inter partes* or *ex parte*, do not terminate until the mandate is issued by the appellate tribunal (if an appeal is filed). For example, a patent application proceeding will not terminate within the Office until the Federal Circuit issues its mandate or the time for appeal has expired. *See* 37 CFR 1.197(b)(2). *See also In re Jones*, 542 F.2d 65 (CCPA 1976) ("that petitioners did not know that receipt of mandate [by PTO] . . . terminated [the] proceedings in case was an inadequate excuse for delay in filing continuation application before mandate issued"). Similarly, an *inter partes* interference proceeding within the Office will not terminate until the Federal Circuit mandate is issued or the time to file an appeal has expired. 37 CFR 41.205(a).

In response to this argument, as set forth by the Office in its August 23, 2005 "DECISION DENYING PETITIONS," issued in reexamination proceeding control numbers 95/000,093 and 95/000,094 (*In re Tremblay*), patent owner contends that Congress used the term "final decision" in 35 U.S.C. § 317(b) which has plain meaning and "[t]he Office is not free to alter that meaning to make it consistent with other policies - certainly not policies that are themselves established by the Office and not Congress." Pet. at 12. Patent owner also contends that 37 CFR 1.197(b)(2) does not contain the term "final decision," but 37 CFR 1.197(b)(1) provides that "[p]roceedings on an application are considered terminated by the dismissal of an appeal or the failure to timely file an appeal to the court or a civil action;" therefore, Congress could have included similar language in 35 U.S.C. § 317(b) but chose not to do so. Pet. at 12. Patent owner further contends that under 37 CFR 41.205(a), "a final decision is one that is subject to appeal, rather than the result of the appeal."

While the term "final decision" may, in some instances, refer to a decision that is subject to appeal, in 35 U.S.C. § 317(b) Congress did not use the term "final decision" alone. Rather, Congress used the terms "final decision ... in a civil action" and "final decision in an *inter partes* reexamination proceeding." Thus, it is reasonable to interpret 35 U.S.C. § 317(b) as requiring the *inter partes* reexamination of a claim (requested by a party) be terminated once a final decision upholding the validity of that claim (challenged by the same party) has issued "after any appeals" <u>in the civil action</u>, not simply just after a district court decision which is still pending on appeal. As noted by *inter partes* third party requester, the Office's interpretation of 35 U.S.C. § 317(b) is consistent with how the Office is bound by a prior *inter partes* reexamination or *ex parte* reexamination only after all appeals have been heard pursuant to 37 CFR 1.197(b)(2), and how the Office is bound by a prior interference proceeding only after all appeals have been heard pursuant to 37 CFR 41.205(a). Opp. at 4.

Moreover, the Office's interpretation of 35 U.S.C. § 317(b) was at least implicitly supported by the language of the district court in its opinion in *Sony v. Dudas*, 2006 U.S. Dist. LEXIS 36856 (E.D. Va. 2006). In *Sony*, the district court explained that the "AIPA's reciprocal estoppel provisions make clear that parties challenging patent validity determinations are free to pursue *inter partes* review from the PTO and litigation simultaneously; however, the completion of either process will estop any parallel proceedings. *See* 35 U.S.C. 317(b); 35 U.S.C. 315(c)." *Id.* at *19 (emphasis added). Thus, in interpreting the AIPA's reciprocal estoppel provisions, the district court noted that completion of the litigation process, not merely a final district court decision, would estop any parallel proceedings. [3]

2. Plain language of statute reflects intent to provide estoppel effect in reciprocal fashion

The plain language of the statute reflects Congress' intent to provide estoppel effect in a reciprocal fashion between court and *inter partes* reexamination proceedings. For example, an *inter partes* reexamination will bar a civil action validity challenge on the same claims only after any appeals. *See* 35 U.S.C. § 315(c) (barring invalidity from being raised in a civil action if previously "finally" held valid in a *inter partes* reexamination); *see also* 35 U.S.C. § 316(a) (mandating that an *inter partes* reexamination certificate cannot be issued until the time for appeal has expired or any appeal proceeding has terminated). Similarly, a "final decision" in an *inter partes* reexamination proceeding will bar a subsequent *inter partes* reexamination on the same claims, and a "final decision . . . in a civil action" will bar a subsequent reexamination on the same claims. 35 U.S.C. § 317(b). Looking at the plain language of the statute, it is easy to see that the term "final decision" is symmetrically applied to both civil actions in court and *inter partes* reexamination proceedings within the Office throughout §§ 317(b) and 315(c). Further, there is no reason from the reading of the statute that the same term used twice in the same provision, *i.e.*, "final decision," should have two different meanings. Since an *inter partes* reexamination proceeding does not become a "final decision" holding claims valid until "after all appeals," a similar interpretation should be reciprocally applied to a civil action in court. Thus, just like a Board of Patent Appeals and Interferences decision pending appeal is not a final decision and does not estop a civil action, a district court decision on appeal to the Federal Circuit does not estop an *inter partes* reexamination proceeding from continuing within the Office.

In response to this argument, as set forth by the Office in its August 23, 2005 *In re Tremblay* decision, patent owner contends the Office's position is "precisely wrong." Pet. at 13. Patent owner states that "[u]nder Section 315(b), a 'final decision' favorable to patentability is appealable. First, there is a final decision. Then, it is appealed. The Office's position with respect to Section 317(b) is inconsistent with the statutory scheme. There is no 'plain language' in either statute that supports the Office's position." Pet. at 13.

Patent owner's arguments are not persuasive. Interpreting "final decision" in 35 U.S.C. § 317(b) as occurring after all appeals to the Federal Circuit (or after the time for all appeals has expired) is consistent with the plain language of the statute because, as discussed previously, 35 U.S.C. §

[3] It is evident the district court deemed the "litigation process" as more than just proceedings at the district court and as encompassing any appeals. *See Sony* at *19 (explaining that "While the PTO conceded the possibility that the Federal Circuit would reverse the district court and remand for a new trial—thereby potentially effectively starting *the litigation process* anew—it nonetheless implicitly determined that on balance this possibility did not outweigh the good cause favoring suspension.") (emphasis added).

317(b) does not refer to a "final decision" alone but rather to a "final decision ... in a civil action." Thus, just as a decision in an *inter partes* reexamination proceeding does not become a "final decision in an *inter partes* reexamination proceeding" holding claims valid until "after all appeals," a district court decision may not become a "final decision ... in a civil action" holding claims valid until "after all appeals." [4]

3. Legislative history of 35 U.S.C. § 317 confirms "final decision" must be "after all appeals"

The legislative history of 35 U.S.C. § 317 confirms that the term "final decision" must be "after all appeals." In pertinent part, the legislative history states:

> Sec. 4604. Optional inter partes Reexamination Procedure *****
> . . . if a third-party requester asserts patent invalidity in a **civil action** and a **final decision** is entered that the party failed to prove the assertion of invalidity, or if a **final decision** in an *inter partes* reexamination instituted by the requester is favorable to patentability, **after any appeals**, that third-party requester cannot thereafter request *inter partes* reexamination on the basis of issues which were or which could have been raised . . . .

145 Cong. Rec. S14720, (Nov. 17, 1999) (emphasis added). Consistent with the plain language of the statute, the legislative history confirms that a "final decision" is "after any appeals." A simple reading of the legislative history reveals that Congress contemplated that a "final decision" of either a prior *inter partes* reexamination or a civil action has estoppel effect only "after any appeals." As earlier explained, the statutory scheme creates a reciprocal estoppel effect, and the term "final decision," is used equally in reciprocal fashion in the same statutory clause applied to both *inter partes* reexamination proceedings and civil actions. Accordingly, the legislative history confirms, rather than detracts from, the Office's interpretation of "final decision" as "after all appeals."

In response to this argument, as set forth by the Office in its August 23, 2005 *In re Tremblay* decision, patent owner notes that "[t]he petitioner in *Tremblay* pointed out that the phrase 'after any appeals' [in the legislative history of Section 317] modifies only the second clause - 'or if a final decision in an *inter partes* reexamination instituted by the requester is favorable to patentability' - but not the first clause, which deals with a civil action," and that "[t]hat is the grammatically correct reading." Pet. at 13-14.

Patent owner's arguments are not persuasive. An *inter partes* reexamination is only binding on a pending civil action under 35 U.S.C. § 315(c) after the reexamination certificate has issued, which occurs after all appeals have been decided pursuant 35 U.S.C. § 316(a); therefore, a reasonable interpretation of 35 U.S.C. § 317(b) is that a civil action is only binding on a pending *inter partes* reexamination after all appeals have been decided. [5] This interpretation is supported by the legislative history of 35 U.S.C. § 317(b), which identifies final decisions in two types of proceedings (a "final decision ... in a civil action" and a "final decision a prior *inter partes* reexamination"), modified by the phrase "after any appeals." It would not be grammatically incorrect to interpret the phrase "after any appeals" as modifying both final decisions, thereby

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[4] *See also* Opp. at 4.
[5] *See also* Opp. at 4.

clarifying that either a "final decision ... in a civil action" or a "final decision in a prior *inter partes* reexamination" has estoppel effect only "after any appeals."

4. Logic supports construing the term "final decision" as "after all appeals"

Logic supports construing the term "final decision" as "after all appeals," as any other construction would not only be inconsistent with the underlying policy of *inter partes* reexamination, it would make the statutory scheme unworkable. For example, if a district court enters a decision holding all claims in a patent not invalid, and later on appeal is reversed (or modified), then the conclusion of an *inter partes* proceeding prior to exhaustion of appeals would have been premature. If the *inter partes* reexamination proceeding is prematurely terminated, there is no way to "un-terminate" or re-start the reexamination proceeding. A completely new request for reexamination would have to be made in a redundant fashion. Clearly, such redundancy is a result Congress did not intend in light of the fact that it provided the PTO Director with the discretion to suspend parallel proceedings for "good cause." 35 U.S.C. § 314(c); 37 CFR 1.987. Accordingly, a "final decision" as articulated in § 317 cannot occur until "after all appeals" in order for the statutory scheme to work properly.

Patent owner argues that this position, as articulated by the Office in its August 23, 2005 *In re Tremblay* decision, reflects policy that the Office is not entitled to set. Pet. at 14. Patent owner argues that "Congress has enacted a system in which final judgments do have effect prior to the completion of appeals - not just with respect to the patent system but throughout the federal courts," and "[t]he Office's position is that even though a final judgment for money has immediate effect, and even though an injunction has immediate effect, and even [though] a final judgment triggers res judicata regardless of any appeal, with respect to reexamination, an appeal to the Federal Circuit effectively operates as a stay of the final judgment." Pet. at 14.

Patent owner's arguments are not persuasive. The Office does not set forth such a position. Rather, the Office's position is that pursuant to 35 U.S.C. § 317(b), "a final decision ... in a civil action" is reasonably interpreted to mean a "final decision after all appeals" in view of the fact that once terminated, there is no mechanism for "un-terminating" an *inter partes* reexamination proceeding. Thus, it would be illogical to terminate an *inter partes* reexamination on the basis of a district court's validity decision that is on appeal before the Federal Circuit because the Federal Circuit might reverse or modify the district court's decision, thereby rendering premature the termination of the *inter partes* reexamination proceeding which cannot be "un-terminated."

C. The term "final decision" is interpreted with different meanings depending on the context within the statute from which it emanates

Patent owner argues that in the AIPA "the term 'final decision' expressly refers to an appealable decision, rather than a decision with respect to which all appeals have been exhausted." Pet. at 5-6. To support this position, patent owner points to 35 U.S.C. § 315(b)(1), providing that "the request '*may appeal* under the provisions of sections 141 and 144, with respect to any *final decision* favorable to' the patentee" and to 35 U.S.C. § 134(c), providing that "a requester '*may appeal* to the Board of Patent Appeals and Interferences from the *final decision* of the primary examiner favorable to' the patentee." Pet. at 6. Patent owner also argues that "[o]ther provisions of the U.S. Code further demonstrate that the term 'final decision' refers to

appealable decisions, specifically including district court judgments." Pet. at 6. To support this position, patent owner points to 28 U.S.C. § 1291, providing that "the Courts of Appeals 'have jurisdiction of appeals from all *final decisions* of the district courts of the United States'" and to 28 U.S.C. § 1295, providing that "in cases arising in whole or in part under the patent statute, the Federal Circuit has 'exclusive jurisdiction of an appeal from a *final decision* of a district court of the United States ....'" Pet. at 6-7.

Additionally, patent owner cites case law that "confirms this meaning," such as *California Indus. Prods. v. United* States, 436 F.3d 1341, 1343 (Fed. Cir. 2006) (providing that "The United States appeals from the final decision of the United States Court of International Trade ...."); *Apotex, Inc. v. Thompson*, 347 F.3d 1335, 1342 (Fed. Cir. 2003) (stating that the Federal Circuit "has exclusive jurisdiction over an appeal from a final decision of a district court" in a patent case); and *PPG Indus. v. Celanese Polymer Specialties Co.*, 840 F.2d 1565, 1567 (Fed. Cir. 1988) (stating that "[T]he district court's order is a *final decision* over which we may exercise appellate review") (emphasis added). Pet. at 7.

The meaning of the term "final decision" is interpreted differently based on the context within the particular statute from which it emanates. In the statutes cited by patent owner, the term "final decision" means different things based on the context within those statutes. For example, as noted by *inter partes* third party requester in its opposition paper, 35 U.S.C. § 134(c) "expressly identifies the decision of the primary examiner as being the final decision" in that statute, 28 U.S.C. § 1291 "expressly identifies the district court decision as being the final decision" in that statute, and 28 U.S.C. § 1295(a) "expressly identifies the district court decision as being the final decision" in that statute. Opp. at 6. Similarly, in the cases cited by patent owner, the term "final decision" means different things based on the context within those cases. For example, *California Indus Pros v. U.S.* refers to a "final decision of the United States Court of International Trade" and *Apotex, Inc. v. Thompson* refers to "a final decision of a district court." *See* Opp. at 7. In these examples, modifiers identify the body (e.g., district court, Court of International Trade) with respect to which the decision is final.

A "final decision" can occur at many stages and is interpreted with different meanings depending on the context within the statute from which it emanates, - at the agency level, the district court level and the appellate court level. *See e.g.*, 5 U.S.C. § 704 (final agency decision required prior to judicial review); 28 U.S.C. § 1295(a) (only "final decisions" of district courts are ripe for appeal); and Fed. R. App. P. 41(b) (1998 advisory committee notes explain "a court of appeals judgment or order is not <u>final</u> until issuance of its mandate; at that time the parties obligations become fixed"). Accordingly, the term "final decision" must be read in the context of the particular statute in which it is embodied. 35 U.S.C. § 317(b) expressly identifies a "final decision ... in a civil action" and a "final decision in an *inter partes* reexamination proceeding" as the final decisions for purposes of that statute. In this context, "final decision" in 35 U.S.C. § 317(b) is reasonably interpreted to mean "after all appeals." [6]

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[6] In its opposition paper, third party *inter partes* requester relies on *Timken Co. v. United States*, 893 F.2d 337 (Fed. Cir. 1990) for the general proposition that "Congress can and does in some statutes use the words 'final decision' to mean after all appeals." Opp. at 7. While *Timken* is factually distinguishable from the present matter because it flows from a different statute and refers to a "final decision" from an agency rather than a civil action in a court, it nevertheless shows that Congress is free to use the term "final decision" and define it to mean "after appeals" if Congress so chooses. Accordingly, *Timken* confirms that when interpreting the term "final decision," the specific statutory scheme from which it is embodied must be consulted. *Timken*, 893 F. 2d at 339. *Timken* shows that the

D. Res Judicata

Patent owner contends that "Section 317 imported the common law doctrine of res judicata into inter partes reexamination" and that the "policy underlying the common law doctrine of res judicata" of preventing parties from getting "two bites at the apple" is mirrored in the legislative history of Section 317(b). [7] Pet. at 9-10. Patent owner further contends that "[w]ell-established res judicata principles confirm that the term 'final decision' in Section 317(b) refers to a district court judgment. It is settled that a district court judgment is binding when entered and that res judicata takes effect as soon as a district court enters judgment." [8] Pet. at 11. Thus, patent owner argues that "regardless of [*inter partes* third party requester's] pending appeal to the Federal Circuit, the district court's judgment is a binding final decision now and bars the Office from maintaining the *inter partes* reexamination of claims 36, 37, and 38." Pet. at 11.

Patent owner's arguments are not persuasive. Common law res judicata doctrine need not be considered in view of the statutory estoppel provisions of 35 U.S.C. 317(b). 35 U.S.C. 317(b) is a statutory estoppel scheme enacted by Congress and its terms are clear on its face. Pursuant to these provisions, a "final decision ... in a civil action" or a "final decision in an *inter partes* reexamination" create an estoppel. As already set forth in this decision, the Office interprets that a "final decision ... in a civil action" or a "final decision in an *inter partes* reexamination" occurs "after all appeals." This interpretation comports with the policy of limiting the parties to "one bite at the apple" because once a final decision (in a civil action or in an *inter partes* reexamination) after all appeals occurs, issues that were raised or could have been raised in the civil action or the *inter partes* reexamination cannot be raised in another *inter partes* reexamination as to the same claims nor maintained in an *inter partes* reexamination requested on the basis of such issues.

E. Summary

For all of the reasons set forth above, pursuant to 35 U.S.C. § 317(b), estoppel does not take effect until a final decision after all appeals is entered in a civil action or until a final decision after all appeals occurs in an *inter partes* reexamination. Accordingly, in view of *inter partes* third party requester's pending appeal before the Federal Circuit from the district court's judgment against its counterclaim that claims 36, 37 and 38 of the '138 patent are invalid, patent owner's September 3, 2008 petition, requesting termination of the '0199 proceeding with respect to claims 36, 37 and 38 of the '138 patent, is **dismissed**. [9]

Federal Circuit has interpreted the language "final decision . . . in an action" as "after all appeals" in the past, and supports the proposition that the Office is reasonable in interpreting similar language in a similar manner in this instance (*i.e.*, "final decision . . . in a civil action"). Finally, applying a similar analysis as in *Timken*, the Office's construction of the term "final decision . . . in a civil action" with respect to 35 U.S.C. § 317 is consistent with language in its respective legislative history (i.e., "after any appeals").

[7] Citing S. Rep. No. 105-42 at 42 (1997) ("To prevent abuse, parties are prohibited from filing the same claim more than once. Whether it be in a reexamination or a civil action [in] Federal Court, they are limited to one bite at the apple.")

[8] Citing *Pharmacia & Upjohn Co. v. Mylan Pharma.*, 170 F.3d 1373, 1381 (Fed. Cir. 1999) ("the Federal Circuit observed that every federal court to have addressed this issue has concluded that 'a final judgment retains all of its res judicata consequences pending decision of the appeal.'")

[9] *See* Appeal No. 2008-1368 (filed May 21, 2008).

III. ADDITIONAL DISCUSSION

A. Conduct of Merged Proceeding

It is noted that patent owner's petition paper and *inter partes* third party requester's request to submit opposition paper and concurrently filed opposition paper do not comply with the requirements set forth in the March 17, 2008 "DECISION, *SUA SPONTE*, TO MERGE REEXAMINATION PROCEEDINGS" (merger decision). In particular, section III(B) of the merger decision indicates (emphasis added):

> All papers mailed by the Office throughout the merged proceeding will take the form of a single action which applies to both proceedings. All papers issued by the Office, or filed by the patent owner and the third party requesters, will contain the identifying data for both files and will be entered in each reexamination file. **All papers filed by the patent owner and the third party requester(s) <u>must</u> consist of a single paper, filed in duplicate, each bearing a signature and identifying data for both files, for entry into each file.**
>
> ****
>
> Patent owner and requesters are reminded that **<u>every</u> paper filed in the merged proceeding subsequent to this Decision must be served on the other parties** (including papers filed *via* facsimile transmission), **and every paper filed must reflect that such paper was served on the other parties, pursuant to 37 CFR 1.903.** All papers are to be addressed to the Central Reexamination Unit as provided above.

In this instance, patent owner's September 3, 2008 petition paper was not filed in accordance with the March 17, 2008 merger decision because patent owner's petition paper (1) was not filed in duplicate (the petition paper was only filed in the '0199 proceeding) and (2) does not contain identifying data for both files (the petition paper only contain identifying data for the '0199 proceeding).

Inter partes third party requester's October 15, 2008 request to submit opposition paper and concurrently filed opposition paper were also not filed in accordance with the March 17, 2008 merger decision because the request and concurrently filed opposition paper (1) were not filed in duplicate (the request and opposition paper were only filed in the '0199 proceeding), (2) do not contain identifying data for both files (the request and opposition paper only contain identifying data for the '0199 proceeding), and (3) do not reflect that the request and opposition paper were served on <u>all</u> of the other parties (the certificate of service accompanying the request and opposition paper reflects only that the patent owner was served, but not the *ex parte* third party requester).

Any papers filed by the parties subsequent to this decision <u>will not be entered</u> if the papers are not filed in accordance with the March 17, 2008 merger decision.

B. The '0199 and '8330 Proceedings Remain Merged

Patent owner asserts that the granting of its petition for partial termination would necessitate the Office's reversal of its March 17, 2008 decision to merge the '0199 and '8330 proceedings. Pet. at 2. On the other hand, *inter partes* third party requester asserts that should the Office partially terminate the *inter partes* reexamination, there is no reason for the Office to reconsider its decision to merge the '0199 and '8330 proceeding. Opp. at 8.

In view of the instant decision not to partially terminate the '0199 proceeding with respect to claims 36, 37 and 38 of the '168 patent, the '0199 and the '8330 proceedings will continue to be treated as a merged proceeding, as set forth in the March 17, 2008 merger decision.

CONCLUSION

1. Patent owner's petition for partial termination of the '0199 proceeding, filed on September 3, 2008, is dismissed.

2. Jurisdiction over this proceeding is returned to the Central Reexamination Unit for appropriate action.

3. Any questions concerning this communication should be directed to Nicole D. Dretar, Legal Advisor, at 571-272-7717.

Kenneth M. Schor

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

UNITED STATES PATENT AND TRADEMARK OFFICE

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,199	12/01/2006	6988138		7245

20277 7590 04/08/2009

MCDERMOTT WILL & EMERY LLP
600 13TH STREET, N.W.
WASHINGTON, DC 20005-3096

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 04/08/2009

Please find below and/or attached an Office communication concerning this application or proceeding.

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/008,330	11/17/2006	6988138		3192

20277 7590 04/08/2009

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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 04/08/2009

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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
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SUITE 500
WASHINGTON, DC 20007

Date:

MAILED

APR 0 8 2009

CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester
Inter Partes Reexamination

REEXAMINATION CONTROL NO. : 95000199
PATENT NO. : 6988138
TECHNOLOGY CENTER : 3999
ART UNIT : 3900

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified Reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the inter partes reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an ex parte reexamination has been merged with the inter partes reexamination, no responsive submission by any ex parte third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the Central Reexamination Unit at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

UNITED STATES PATENT AND TRADEMARK OFFICE

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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
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Date: MAILED
APR 0 8 2009
CENTRAL REEXAMINATION UNIT

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. : 90008330
PATENT NO. : 6988138
ART UNIT : 3900

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified ex parte reexamination proceeding (37 CFR 1.550(f)).

Where this copy is supplied after the reply by requester, 37 CFR 1.535, or the time for filing a reply has passed, no submission on behalf of the ex parte reexamination requester will be acknowledged or considered (37 CFR 1.550(g)).

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APR 0 8 2009

CENTRAL REEXAMINATION UNIT

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Ex Parte Reexamination Proceeding Control No. 90/008,330 Filed: November 17, 2006 For: U.S. Patent No. 6,988,138 B1	:	DECISION ON PETITION
Inter Partes Reexamination Proceeding Control No. 95/000,199 Filed: December 1, 2006 For: U.S. Patent No. 6,988,138 B1	:	

This is a decision addressing the *Inter Partes* third party requester's "PETITION UNDER 37 C.F.R. § 1.183," to Waive the Page Limit Requirements of 37 C.F.R. § 1.943(b) submitted on January 22, 2009.

The petition is before the Office of Patent Legal Administration of the United States Patent and Trademark Office.

SUMMARY

The petition to waive the page limit requirement of 37 CFR 1.943(b) is **dismissed**.

The proceeding is **remanded** to the Central Reexamination Unit, for consideration set forth in this decision.

BACKGROUND FOR PETITION

1. On January 17, 2006, U.S. Patent No. 6,988,138 issued to Alcorn *et al.* (the '138 patent) and was assigned to Blackboard Inc. (hereinafter "patent owner").

2. On November 17, 2006, a request for *ex parte* reexamination was filed by third party requester Richard E. Fontana, which was assigned reexamination control number 90/008,330 (the '8330 proceeding).

3. On December 1, 2006, a request for *inter partes* reexamination was filed by third party requester Desire2Learn, Inc. (hereinafter "*inter partes* requester"), which was assigned reexamination control number 95/000,199 (the '199 proceeding).

4. On January 25, 2007 the Office ordered reexamination in the '8330 proceeding.

5. On February 26, 2007, the Office ordered reexamination in the '199 proceeding.

6. On February 16, 2006, the Office issued a decision *sua sponte* merging the '8330 and '199 reexamination proceedings into a single merged proceeding (the merged proceeding).

7. On March 25, 2008, the Office mailed a first Office action on the merits in the merged proceeding.

8. On May 29, 2008, patent owner filed a response to the first Office action on the merits.

9. On June 26, 2008, inter *partes* requester filed comments to patent owner's response.

10. On December 9, 2008, the Office issued a Notice of Defective Paper finding patent owner's May 29, 2008 improper in accordance with 37 CFR 1.943(b) and setting aside *inter partes* requester's June 26, 2008 comments as they were responding to an improper paper. The examiner advised *inter partes* requester to insure that any resubmitted comments be compliant with 37 CFR 1.943(b). Patent owner was given 15 days to submit a proper response.

11. On December 29, 2008, patent filed a revised response to the first Office action on the merits.

12. On January 22, 2009, *inter partes* requester filed revised comments to patent owner's response.

13. Concurrent with the January 22, 2009 revised comments the *inter partes* requester filed the present petition requesting waiver of the page limit Requirements of 37 CFR 1.943(b).

14. On February 2, 2009, petitioner/patent owner filed a response on the *inter partes* requester's January 22, 2009 petition concurrent with a petition under 37 CFR 1.183 to permit Office consideration of the response. This filing is being addressed in a separate decision.

RELEVANT RULES AND GUIDANCE

37 CFR 1.183 provides:

> In an extraordinary situation, when justice re-quires, any requirement of the regulations in this part which is not a requirement of the statutes may be suspended or waived by the Director or the

> Director's designee, *sua sponte*, or on petition of the interested party, subject to such other requirements as may be imposed. Any petition under this section must be accompanied by the petition fee set forth in§ 1.17(f).

37 CFR 1.943(b) provides:

> Responses by the patent owner and written comments by the third party requester shall not exceed 50 pages in length, excluding amendments, appendices of claims, and reference materials such as prior art references.

MPEP 2667(I)(A)(2) states in part:

> With respect to the length of the papers, the following additional information is to be noted. Similar to the Federal Rules of Appellate Procedure, the provisions of 37 CFR 1.943(c) are waived to the extent that the table of contents pages, the table of case law pages, and the pages of the claims (but not claim charts applying the art to the claims) are excluded from the thirty (30) page limit required by 37 CFR 1.943(c).
>
> *Any affidavit or declaration (or a clearly defined portion thereof) that contains opinion(s) of the affiant/declarant, or argument(s) that the art either does or does not anticipate or render obvious the claims, or specific claim elements,* ***of the patent under reexamination, is considered to be part of the comments*** *submitted by the patent owner,* ***or by the third party requester****, and is subject to the page limit requirements of 37 CFR 1.943. Affidavits or declarations that are excluded from the page limit requirements include, for example, declarations attempting to swear behind (antedate) the filing date of a reference, or to establish the date of a printed publication, or declarations that provide comparative test data and an analysis of same.* However, if the patent owner's affidavit or declaration includes any argument as to how an outstanding/proposed rejection is overcome, then the page(s) of the affidavit or declaration upon which the argument appears would be included against of the page limit count. *Likewise, if a* ***third party requester*** *affidavit or declaration includes any argument as to how a rejection is supported, then the page(s) of the affidavit or declaration upon which the argument appears would be included against of the page limit count.* Similarly, attached exhibits presenting data or drawings are not included against the page limit count, unless an exhibit or drawing includes argument as to how the outstanding rejection is overcome. Any page(s) of the exhibit or sheet(s) of drawings that include such argument would be included against the page limit count.

DECISION

Petitioner is seeking relief in the form of waiving the page limit requirements of 37 CFR 1.943(b). Currently, no official notice of non-compliance from the Office is of record. **Facially, the third party comments submission appears compliant,** [1] and the Office has not issued a Notice of Defective Paper finding that the January 22, 2009 revised comments paper is too long. As the need for the grant of waiver relief requested is premature at this time, a decision granting such relief is **dismissed.** The petition to waive 37 CFR 1.943(b) is subject to renewal once a determination is made that such relief is necessary.

The proceeding is **remanded** to the Central Reexamination Unit to review the propriety of the *inter partes* requester's revised January 22, 2009 comments paper, including the length thereof.

---

[1] The remarks section is only 29 pages long, which is in compliance with the rule. The affidavit has never been evaluated in accordance with MPEP 2667(I)(A)(2).

The above noted guidance from the MPEP should be followed, and the computation of the January 22, 2009 *inter partes* requester's revised comments paper length should be articulated on the record for communication to all parties.

If the *inter partes* requester's revised comments submission is found to comply with 37 CFR 1.943(b), then the issue is moot and reexamination can continue in accordance with special dispatch.

If the *inter partes* requester's revised comments submission is not found to comply with 37 CFR 1.943(b), as set forth in an appropriate examiner's notice/action, then the *inter partes* requester may submit a paper renewing the January 22, 2009 petition requesting waiver of the page limit requirements of 37 CFR 1.943(b). Any paper submitted by the *inter partes* requester renewing the January 22, 2009 petition must be clearly captioned as a "renewed petition" in order to facilitate the special dispatch of a decision on the merits regarding any such renewed petition for waiver of 37 CFR 1.943(b).

CONCLUSION

1. The petition to waive the page limit requirement of 37 CFR 1.943(b) is **dismissed**.

2. The proceeding is **remanded** to the Central Reexamination Unit (CRU) for a determination as to whether or not the *inter partes* requester's revised comments to patent owner's response filed on January 22, 2009 comply with 37 CFR 1.943(b) in light of MPEP 2667(I)(A)(2).

3. The *inter partes* requester's January 22, 2009 petition requesting waiver of the page limit requirement is subject to renewal by the *inter partes* requester, if the Office determines the revised comments do not comply with 37 CFR 1.943(b).

4. Telephone inquiries with regard to this decision should be directed to Joseph F. Weiss, Jr., Office of Patent Legal Administration, at (571) 272-7759.

Kenneth M. Schor

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration
Office of the Deputy Commissioner
for Patent Examining Policy

4/7/09
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,199	12/01/2006	6988138		7245

20277 7590 04/08/2009

MCDERMOTT WILL & EMERY LLP
600 13TH STREET, N.W.
WASHINGTON, DC 20005-3096

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 04/08/2009

Please find below and/or attached an Office communication concerning this application or proceeding.

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United States Patent and Trademark Office
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/008,330	11/17/2006	6988138		3192

20277 7590 04/08/2009

MCDERMOTT WILL & EMERY LLP
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EXAMINER

ART UNIT	PAPER NUMBER

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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
SOFTWARE FREEDOM LAW CENTER
1995 BROADWAY
17TH FLOOR
NEW YORK, NY 10023-5882

Date:

MAILED
APR 0 8 2009
CENTRAL REEXAMINATION UNIT

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. : 90008330
PATENT NO. : 6988138
ART UNIT : 3900

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified ex parte reexamination proceeding (37 CFR 1.550(f)).

Where this copy is supplied after the reply by requester, 37 CFR 1.535, or the time for filing a reply has passed, no submission on behalf of the ex parte reexamination requester will be acknowledged or considered (37 CFR 1.550(g)).

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United States Patents and Trademark Office
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Date: APR 0 8 2009

CENTRAL REEXAMINATION UNIT

THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
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SUITE 500
WASHINGTON, DC 20007

Transmittal of Communication to Third Party Requester
Inter Partes Reexamination

REEXAMINATION CONTROL NO. : 95000199
PATENT NO. : 6988138
TECHNOLOGY CENTER : 3999
ART UNIT : 3900

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified Reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the inter partes reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an ex parte reexamination has been merged with the inter partes reexamination, no responsive submission by any ex parte third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the Central Reexamination Unit at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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Foley & Lardner LLP (For *Inter Partes* Requester)
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MAILED
APR 0 8 2009
CENTRAL REEXAMINATION UNIT

Ex Parte Reexamination Proceeding Control No. 90/008,330 Filed: November 17, 2006 For: U.S. Patent No. 6,988,138 B1 *Inter Partes* Reexamination Proceeding Control No. 95/000,199 Filed: December 1, 2006 For: U.S. Patent No. 6,988,138 B1	DECISION ON PETITION

This is a decision addressing patent owner's papers, filed on February 2, 2009, entitled "REQUEST FOR LEAVE TO SUBMIT A RESPONSE TO DESIRE2LEARN'S PETITION," and "RESPONSE TO PETITION UNDER 37 C.F.R. § 1.183."

The petition is before the Office of Patent Legal Administration of the United States Patent and Trademark Office.

SUMMARY

The petition requesting leave to respond to *inter partes* requester's petition is **dismissed**.

The petition requesting leave to respond and response to the 37 CFR 1.183 petition are **expunged.**

BACKGROUND FOR PETITION

1. On January 17, 2006, U.S. Patent No. 6,988,138 issued to Alcorn *et al.* (the '138 patent) and was assigned to Blackboard Inc. (Hereinafter "patent owner").

2. On November 17, 2006, a request for *ex parte* reexamination was filed by third party requester Richard E. Fontana, which was assigned reexamination control number 90/008,330 (the '8330 proceeding).

3. On December 1, 2006, a request for *inter partes* reexamination was filed by third party requester Desire2Learn, Inc. (hereinafter "*inter partes* requester"), which was assigned reexamination control number 95/000,199 (the '199 proceeding).

4. On January 25, 2007 the Office ordered reexamination in the '8330 proceeding.

5. On February 26, 2007, the Office ordered reexamination in the '199 proceeding.

6. On February 16, 2006, the Office issued a decision *sua sponte* merging the '8330 and '199 reexamination proceedings into a single merged proceeding (the merged proceeding).

7. On March 25, 2008, the Office mailed a first Office action on the merits in the merged proceeding.

8. On May 29, 2008, patent owner filed a response to the first Office action on the merits.

9. On June 26, 2008, inter *partes* requester filed comments to patent owner's response.

10. On December 9, 2008, the Office issued a Notice of Defective Paper finding patent owner's May 29, 2008 improper in accordance with 37 CFR 1.943(b) and setting aside *inter partes* requester's June 26, 2008 comments as they were responding to an improper paper. The examiner advised *inter partes* requester to insure that any resubmitted comments be compliant with 37 CFR 1.943(b). Patent owner was given 15 days to submit a proper response.

11. On December 29, 2008, patent filed a revised response to the first Office action on the merits.

12. On January 22, 2009, *inter partes* requester filed revised comments to patent owner's response.

13. Concurrent with the January 22, 2009 revised comments the *inter partes* requester filed a petition requesting waiver of the page limit Requirements of 37 C.F.R. § 1.943(b). This filing is being addressed in a separate decision.

14. On February 2, 2009, petitioner/patent owner filed a response to the *inter partes* requester's January 22, 2009 petition concurrent with the presently addressed petition under 37 CFR 1.183 to permit Office consideration of the response.

PETITION FEE

37 CFR 1.183 requires payment of the petition fee under 37 CFR 1.17(f), which is $400.00. Patent owner only authorized payment of $130.oo by credit card upon filing of the petition. Therefore, $270.00 has been charged to patent owner's Deposit Account No. 50-2624, as authorized in concluding paragraph of the present petition.

RELEVANT STATUTES, REGULATIONS, AND EXAMINING PROCEDURE

35 U.S.C. § 314(b)(2) states:

> Each time that the patent owner files a response to an action on the merits from the Patent and Trademark Office, the third-party requester shall have one opportunity to file written comments addressing issues raised by the action of the Office or the patent owner's response thereto, if those written comments are received by the Office within 30 days after the date of service of the patent owner's response.

37 CFR 1.939(a) states:

> If an unauthorized paper is filed by any party at any time during the *inter partes* reexamination proceeding it will not be considered and may be returned.

37 CFR 1.945 states:

> (a) The patent owner will be given at least thirty days to file a response to any Office action on the merits of the *inter partes* reexamination.
>
> (b) Any supplemental response to the Office action will be entered only where the supplemental response is accompanied by a showing of sufficient cause why the supplemental response should be entered. The showing of sufficient cause must include:
>
> (1) An explanation of how the requirements of § 1.111(a)(2)(i) are satisfied;
>
> (2) An explanation of why the supplemental response was not presented together with the original response to the Office action; and
>
> (3) A compelling reason to enter the supplemental response.

37 CFR 1.183 provides:

> In an extraordinary situation, when justice requires, any requirement of the regulations in this part which is not a requirement of the statutes may be suspended or waived by the Director or the Director's designee, sua sponte, or on petition of the interested party, subject to such other requirements as may be imposed. Any petition under this section must be accompanied by the petition fee set forth in § 1.17(f).

DECISION

For the reasons set forth below, the February 2, 2009 patent owner response to requester's January 22, 2009 petition and petition to enter such response, do not have a right of entry in the merged proceeding.

A. Patent Owner's response to an *inter partes* requester's petition is not permitted for procedural/formal matters in an *inter partes* reexamination

Pursuant to 35 U.S.C. § 314(b)(2), patent owner, in an ordered *inter partes* reexamination proceeding, has a statutory right to file a response to an Office action on the merits. This right is implemented by 37 CFR 1.945, which provides that a patent owner may file written

comments within 30 days from date of an Office action on the merits. Patent owner may supplement their written comments if the patent owner persuasively states: (1) how the supplemental comments satisfy the requirements of 37 CFR 1.111(a)(2)(i); (2) why the supplemental response was not presented together with the original response to the Office action; and (3) a compelling reason to enter the supplemental response.

Inter partes requester's petition under 37 CFR 1.183, requesting suspension of 37 CFR 1.943(b) for an increase of page limit, however, is **not** an Office action on the merits. [1] 35 U.S.C. § 314(b)(2) does not provide any right for the patent owner to file a response to an *inter partes* requester's petition under 37 CFR 1.183 for suspension of the rules governing response page limits.

Patent owner's response to *inter partes* requester's petition to waive the page limit set out in 37 CFR 1.943(b) is a paper that is not permitted by the statute governing *inter partes* reexamination proceedings, and accordingly was not provided for (i.e., was not permitted) in the regulations that implemented the *inter partes* reexamination statute. Patent owner's February 2, 2009 response to the *inter partes* requester's petition under 37 CFR 1.183, therefore, is not enterable into the record.

Pursuant to 37 CFR 1.939(a), "[i]f an unauthorized paper is filed by any party at any time during the *inter partes* reexamination proceeding it will not be considered and may be returned." For the reasons discussed above, the patent owner's February 2, 2009 response to the *inter partes* requester's January 22, 2009 petition under 37 CFR 1.183 does not have a right of entry into the record of the present proceeding and, as such, is not an authorized paper. Because the patent owner's February 2, 2009 paper was scanned into the electronic Image File Wrapper (IFW), the paper is being expunged by marking it "closed" and "non-public" in the IFW, and will not constitute part of the record of the merged proceeding. [2]

B. The Office Lacks Statutory Authority to Consider the Substance of the Petition

Patent owner, notes that the Code of Federal Regulations does not provide for a patent owner response to an *inter partes* requester's petition to waive the page limit under 37 CFR 1.943(b), and, thus, has filed a petition on February 2, 2009 under 37 CFR 1.183 to waive any rules precluding such response. However, the rules cannot be waived to provide patent owner the right to file the requested paper (response to petition).

Pursuant to 35 U.S.C. § 314(b)(2), the patent owner in an ordered *inter partes* reexamination proceeding has a statutory right to file a response to an Office action on the merits.

Whether *inter partes* requester's petition under 37 CFR 1.183 for suspension of the rules is grantable is an issue that goes to procedure and a showing of equities, rather than to the merits of the proceeding. While enactment of the *inter partes* reexamination statute was for the purpose of expanding reexamination participation as to the merits of the proceeding,

[1] Pursuant to 37 CFR 1.937, an *inter partes* reexamination proceeding is to be conducted in accordance with 37 CFR 1.104 - 1.116. The term "response" is used in reexamination proceedings to avoid confusion with the word "reply," a term used in the context of *ex parte* reexamination proceedings in connection with the right of a third party requester to file a "reply" under 37 CFR 1.535 to a patent owner's statement. Thus, MPEP § 2666, entitled "Patent Owner Response to an Office Action," discusses the requirements for a patent owner's "response" to an Office action on the merits in terms of 37 CFR 1.111, a regulation which governs the filing of "reply" to an Office action.

[2] *See* MPEP 2267.

there is no indication whatsoever in the legislative history of the *inter partes* reexamination statute that the patent owner was granted any right to challenge the granting of a petition under 1.183 for suspension of the rules in an *inter partes* reexamination proceeding, where the Office's decision whether or not to exercise discretion is made based on the equities of the situation. Such a right was not provided in the enactment of the *inter partes* reexamination statute (or in any of its precursor bills), and there is no evidence to indicate that enacting such a right was ever contemplated by Congress.

37 CFR 1.183 permits waiver of the regulations in an extraordinary situation when justice requires. Patent owner's February 2, 2009 petition, however, seeks to add to the statutory provision that a patent owner response is permitted only in response to an Office action on the merits, as set forth in 35 U.S.C. § 314(b)(2). Accordingly, the Office is without statutory authority to consider the substance of patent owner's February 2, 2009 petition. In this respect, patent owner's standing is no different from that of any member of the public who wishes to challenge a procedural action taken by the Office in a proceeding. The patent statute does not provide for such intervention.

Patent owner's petition includes comments, extraneous to the merits of the proceeding, relating to the propriety of *inter partes* requester's petition for waiver of 37 CFR 1.943(b). For this reason, the petition paper filed by patent owner will be excluded from the record of the proceeding. Because patent owner's non-statutory February 2, 2009 petition has been scanned into the electronic Image File Wrapper (IFW), the paper is being expunged by marking it "closed" and "non-public" in the IFW, and will not constitute part of the record of the merged proceeding. [3]

CONCLUSION

1. Patent owner's February 2, 2009 response to the requester's January 22, 2009 petition under 37 CFR 1.183 is refused entry as an improper paper.

2. Because the February 2, 2009 response paper was previously incorporated into the IFW, the paper is being expunged from the record by marking it "closed" and "non-public" in the IFW of the merged proceeding. No copy of the February 2, 2009 paper will be maintained of record in the Office.

3. Patent owner's February 2, 2009 petition, filed in response to the requester's January 22, 2009 petition under 37 CFR 1.183, is dismissed.

4. The patent owner petition paper filed on February 2, 2009 is expunged from the record for including material not having an entry right. This will be carried out by closing the petition paper (document) in the Office's Image File Wrapper (IFW) file of the merged proceeding and marking the paper "closed" and "not public.

5. A copy of this decision will be made of record in the IFW record of the merged proceeding.

---

[3] *See* MPEP 2267.

6. Telephone inquiries with regard to this decision should be directed to Joseph F. Weiss, Jr., Legal Advisor, at (571) 272-7759.

Kenneth M. Schor

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

4-7-09
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United States Patent and Trademark Office
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,199 · 90/008,330	12/01/2006	6988138		7245

20277 7590 06/15/2009

MCDERMOTT WILL & EMERY LLP
600 13TH STREET, N.W.
WASHINGTON, DC 20005-3096

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 06/15/2009

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/008,330; 95/000,199	11/17/2006	6988138		3192

20277 7590 06/15/2009

MCDERMOTT WILL & EMERY LLP
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WASHINGTON, DC 20005-3096

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 06/15/2009

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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
FOLEY AND LARDNER LLP
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SUITE 500
WASHINGTON, DC 20007

Date: MAILED

JUN 15 2009

CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester
Inter Partes Reexamination

REEXAMINATION CONTROL NO. : 95000199, 90/008,330
PATENT NO. : 6988138
TECHNOLOGY CENTER : 3999
ART UNIT : 3900

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified Reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the inter partes reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an ex parte reexamination has been merged with the inter partes reexamination, no responsive submission by any ex parte third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the Central Reexamination Unit at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS

Date:

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EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. : 90008330; 95/000,199
PATENT NO. : 6988138
ART UNIT : 3900

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified ex parte reexamination proceeding (37 CFR 1.550(f)).

Where this copy is supplied after the reply by requester, 37 CFR 1.535, or the time for filing a reply has passed, no submission on behalf of the ex parte reexamination requester will be acknowledged or considered (37 CFR 1.550(g)).

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MAILED
JUN 15 2009
CENTRAL REEXAMINATION UNIT

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Inter Partes Reexamination Proceeding	:	
Control No. 95/000,199	:	
Filed: December 1, 2006	:	
For: U.S. Patent No. 6,988,138	:	**DECISION**
	:	**DENYING**
Ex Parte Reexamination Proceeding	:	**PETITION**
Control No. 90/008,330	:	
Filed: November 17, 2006	:	
For: U.S. Patent No. 6,988,138	:	

This is a decision on the December 18, 2008 patent owner petition entitled "PETITION TO RECONSIDER DISMISSAL OF PETITION TO PARTIALLY TERMINATE INTER PARTIES REEXAMINATION UNDER 35 C.F.R. § 1.182(b)," requesting reconsideration of the dismissal of patent owner's September 3, 2008 petition for termination of *inter partes* reexamination proceeding control number 95/000,199 with respect to claims 36, 37 and 38 of U.S. Patent No. 6,988,138.

Patent owner's petition for reconsideration is before the Office of Patent Legal Administration.

Patent owner's petition for reconsideration is granted to the extent that the prior decision has been reconsidered, but is denied as to the underlying relief requested for the reasons set forth below. The present *inter partes* reexamination proceeding will not be terminated with respect to claims 36, 37 and 38 of U.S. Patent No. 6,988,138.

This decision is a final agency action within the meaning of 5 U.S.C. § 704.

REVIEW OF FACTS

1. U.S. Patent No. 6,988,138 (the '138 patent) issued to Robert L. Alcorn *et al.* on January 17, 2006, and was assigned to patent owner Blackboard Inc. (hereinafter "Blackboard").

2. The '138 patent is the subject of litigation between Blackboard and Desire2Learn, Inc. styled *Blackboard Inc. v. Desire2Learn Inc.*, No. 9:06CV155 (E.D. Tex. filed July 26, 2006), which is currently on appeal before the U.S. Court of Appeals for the Federal Circuit as appeal no. 2008-1368 (filed May 12, 2008). Oral argument was held on March 31, 2009.

3. A request for *ex parte* reexamination of claims 1-44 of the '138 patent was filed on November 17, 2006, by third party requester Richard E. Fontana, and the request was assigned control number 90/008,330 ("the '8330 proceeding").

4. A request for *inter partes* reexamination of claims 1-44 of the '138 patent was filed on December 1, 2006, by third party requester Desire2Learn, Inc., which is also the real party in interest (hereinafter "Desire2Learn"). The request was assigned control number 95/000,199 ("the '0199 proceeding").

5. On January 25, 2007, *ex parte* reexamination was ordered for the '8330 proceeding, based upon the examiner's determination that the request for *ex parte* reexamination raised a substantial new question of patentability affecting claims 1-44 of the '138 patent.

6. On February 26, 2007, *inter partes* reexamination was ordered for the '0199 proceeding, based on the examiner's determination that the request for *inter partes* reexamination raised a substantial new question of patentability affecting claims 1-44 of the '138 patent.

7. On March 17, 2008, a Decision, *Sua Sponte*, to Merge Reexamination Proceedings was issued, merging the '8330 *ex parte* and '0199 *inter partes* reexamination proceedings into a single proceeding ("the merged reexamination proceeding").

8. On March 25, 2008, a first Office action rejecting claims 1-44 of the '138 patent was mailed for the merged reexamination proceeding.

9. On May 29, 2008, Blackboard filed a Patent Owner's Response under 37 CFR 1.945 concurrently with a petition entitled, "PETITION TO SUSPEND INTER PARTES REEXAMINATION UNDER 35 U.S.C §314(c)" ("petition to suspend").

10. On August 18, 2008, the Office dismissed Blackboard's petition to suspend.

11. On September 3, 2008, Blackboard filed a petition entitled "PETITION TO PARTIALLY TERMINATE INTER PARTIES REEXAMINATION UNDER 35 C.F.R. § 1.182(b)" ("petition for partial termination"), requesting termination of the '0199 proceeding with respect to claims 36, 37 and 38 of the '138 patent.

12. On October 15, 2008, Deisre2Learn filed a "REQUEST TO SUBMIT RESPONSE TO PETITION TO TERMINATE *INTER PARTES* REEXAMINATION PROCEEDING," concurrently with an opposition paper entitled "THIRD-PARTY REQUESTOR'S RESPONSE TO PATENT OWNER'S PETITION TO TERMINATE *INTER PARTES* REEXAMINATION PROCEEDING."

13. On November 18, 2008, the Office dismissed Blackboard's petition for partial termination.

14. On November 21, 2008, Blackboard filed a complaint in the U.S. District Court for the Eastern District of Virginia, styled *Blackboard Inc. v. Dudas*, No. 1:08CV1216-GBL/TCB (E.D. Va.), seeking review of the Office's November 18, 2008 dismissal of the petition for partial termination.

15. On December 18, 2008, Blackboard filed the instant "PETITION TO RECONSIDER DISMISSAL OF PETITION TO PARTIALLY TERMINATE INTER PARTIES REEXAMINATION UNDER 35 C.F.R. § 1.182(b)" ("petition for reconsideration"), requesting reconsideration of the Office's November 18, 2008 dismissal of the petition for partial termination.

16. On December 24, 2008, Blackboard filed a "NOTICE OF VOLUNTARY DISMISSAL" in the U.S. District Court for the Eastern District of Virginia, voluntarily dismissing the action filed on November 21, 2008.

DECISION

I. RELEVANT STATUTES, REGULATIONS, AND EXAMINING PROCEDURES

35 U.S.C. § 315(c) states:

> CIVIL ACTION.— A third-party requester whose request for an inter partes reexamination results in an order under section 313 is estopped from asserting at a later time, in any civil action arising in whole or in part under section 1338 of title 28, the invalidity of any claim finally determined to be valid and patentable on any ground which the third-party requester raised or could have raised during the inter partes reexamination proceedings. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

35 U.S.C. § 317(b) states:

> FINAL DECISION.— Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party has not sustained its burden of proving the invalidity of any patent claim in suit or if a final decision in an inter partes reexamination proceeding instituted by a third-

> party requester is favorable to the patentability of any original or proposed amended or new claim of the patent, then neither that party nor its privies may thereafter request an inter partes reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in such civil action or inter partes reexamination proceeding, and an inter partes reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office, notwithstanding any other provision of this chapter. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

37 CFR 1.907(b) states:

> Once a final decision has been entered against a party in a civil action arising in whole or in part under 28 U.S.C. 1338 that the party has not sustained its burden of proving invalidity of any patent claim-in-suit, then neither that party nor its privies may thereafter request inter partes reexamination of any such patent claim on the basis of issues which that party, or its privies, raised or could have raised in such civil action, and an inter partes reexamination requested by that party, or its privies, on the basis of such issues may not thereafter be maintained by the Office.

37 CFR 1.939(a) states:

> If an unauthorized paper is filed by any party at any time during the inter partes reexamination proceeding it will not be considered and may be returned.

II. DISCUSSION

A. Background

The '138 patent is the subject of litigation, between patent owner Blackboard and *inter partes* third party requester Desire2Learn, styled *Blackboard Inc. v. Desire2Learn Inc.*, No. 9:06CV155 (E.D. Tex. filed July 26, 2006). The case was tried to a jury. The jury found for plaintiff Blackboard and against defendant Desire2Learn on the issues of infringement of claims 36, 37 and 38 of the '138 patent, and did not find any of these claims invalid. On March 11, 2008, in accordance with the jury verdict, the U.S. District Court for the Eastern District of Texas ("district court") entered judgment for Blackboard on Desire2Learn's counterclaims of invalidity of claims 36, 37 and 38 of the '138 patent. On May 5, 2008, the district court issued an order, denying Desire2Learn's renewed motion for judgment as a matter of law with respect to its counterclaims of invalidity of claims 36, 37 and 38 of the '138 patent. On May 7, 2008, the district court entered a final judgment in accordance with the rulings set out in its May 5, 2008 order.

On May 12, 2008, Desire2Learn gave notice of its appeal to the U.S. Court of Appeals for the Federal Circuit ("Federal Circuit") from the district court's May 7, 2008 final judgment. The appeal was docketed as appeal no. 2008-1368. Appellant Desire2Learn filed its principal brief on August 29, 2008 and cross-appellant Blackboard filed its principal brief on October 14, 2008. The parties subsequently filed their reply briefs on November 26, 2008 and December 15, 2008, respectively. Oral argument was held on March 31, 2009.

B. Patent Owner's Position in the September 3, 2008 Petition for Partial Termination

In its September 3, 2008 petition for partial termination, patent owner Blackboard asserts that the '0199 proceeding should be terminated with respect to claims 36, 37 and 38 of the '138 patent, because the district court entered a final judgment against *inter partes* requester Desire2Learn's counterclaim that claims 36, 37 and 38 of the '138 patent are invalid.[1] Blackboard's position is that 35 U.S.C. § 317(b) does not permit an *inter partes* reexamination of claims as to which final judgment has been entered against the requester by a district court. In particular, Blackboard's position is that the settled meaning of the term "final decision" pursuant to 35 U.S.C. § 317(b) is a final appealable decision of a subordinate tribunal, such as a district court judgment.[2] Thus, Blackboard asserts that if the district court's May 7, 2008 final judgment constitutes a "final decision" under 35 U.S.C. § 317(b), no *inter partes* reexamination of claims 36, 37 and 38 requested by Desire2Learn can be maintained by the Office.[3]

C. November 18, 2008 Dismissal of Petition for Partial Termination

In the November 18, 2008 dismissal of patent owner Blackboard's petition for partial termination, the Office set forth its position that since the *inter partes* reexamination statute was enacted in 1999, the Office has understood the phrase "final decision" pursuant to 35 U.S.C. § 317(b) as occurring <u>after all appeals are over</u>. That is, a final decision does not occur until after a Federal Circuit decision (or after the time to appeal expires, *e.g.*, after the time to file a petition for *certiorari* expires following a Federal Circuit decision, or after the time for appeal of a district court decision expires with no appeal taken), and not simply after a district court (or Board of Patent Appeals and Interferences) decision as patent owner argues.[4] The Office's understanding that a "final decision ... in a civil action" or a "final decision in an *inter partes* reexamination" occurs "after all appeals" pursuant to 35 U.S.C. § 317(b) is based on, among other factors, the plain language of the statute, the symmetry between the two estoppel provisions, the legislative history, and the policy underlying the whole statutory scheme.

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[1] Petition for partial termination at page 1.
[2] Petition for partial termination at page 5.
[3] Petition for partial termination at page 7.
[4] *See* MPEP § 2686.

D. Voluntary Dismissal of Blackboard's Action in the District Court Seeking Termination

On November 21, 2008, patent owner Blackboard filed a complaint in the U.S. District Court for the Eastern District of Virginia seeking a declaratory judgment that the November 18, 2008 dismissal of Blackboard's petition for partial termination "is contrary to law" and seeking an injunction "enjoining the PTO from maintaining the *inter parties* reexamination of claims 36, 37, and 38 of the '138 patent...."[5] On December 24, 2008, Blackboard voluntarily dismissed the action filed on November 21, 2008 in view of the Office's position that the November 18, 2008 dismissal of Blackboard's petition for partial termination did not constitute a final agency action under 5 U.S.C. § 704.[6] In order to obtain a denial which is deemed a final agency action under 5 U.S.C. § 704, Blackboard filed the present petition for reconsideration.[7]

E. Patent Owner's Petition for Reconsideration of the November 18, 2008 Dismissal

In the present petition for reconsideration, patent owner Blackboard maintains that the district court final judgment is a "final decision ... in a civil action arising in whole or in part under section 1338 of title 28," regardless of the appeal from the district court final judgment which is pending before the Federal Circuit, and that 35 U.S.C. § 317(b) "bars the Office from maintaining the *inter partes* reexamination of claims 36, 37, and 38."[8] Blackboard reiterates its position that it is plain from § 317(b) itself, the statutory language of the act authorizing *inter partes* reexamination, and other federal statutes that § 317(b) "applies to an appealable district court decision, not a decision 'after all appeals.'"[9]

Blackboard further asserts:

> The district court action, not the appeal, is the "civil action arising in whole or in part under section 1338 of title 28," which grants jurisdiction to district courts, not courts of appeals. The district court's appealable final judgment is its final decision in that civil action. Appealable final judgments for money can be executed upon, unless they are stayed. Appealable final judgments that include injunctions may be enforced. Final judgments have preclusive effect for res judicata and collateral estoppel regardless of any appeal. Congress knows how to depart from this general scheme, and Congress knows how to require appellate exhaustion. But with respect to 35 U.S.C. § 317(b), Congress has done neither.[10]

Accordingly, Blackboard contends that the Office should reconsider the dismissal of Blackboard's petition for partial termination.[11]

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[5] Complaint at page 1.
[6] Petition for reconsideration at page 4.
[7] *Id.*
[8] Petition for reconsideration at page 5.
[9] Petition for reconsideration at page 4.
[10] Petition for reconsideration at page 5.
[11] *Id.*

III. Analysis and Findings

Summary

This decision is being made based on the Office's position that a "final decision ... in a civil action arising in whole or in part under section 1338 of title 28" and a "final decision in an *inter partes* reexamination proceeding" under 35 U.S.C. § 317(b) do not occur until after any/all appeals are exhausted or the time for same expires. Patent owner Blackboard asserts that a final decision of a district court upholding the validity of any patent claim in suit immediately prevents the Office from maintaining an *inter partes* reexamination of such claim, despite the pendency of an appeal of that district court decision. Blackboard's position appears to be predicated on its interpretation of the American Inventor's Protection Action Act (AIPA), conventional usage of the term "final decision," and common law *res judicata.*

The Office's understanding of a "final decision" under 35 U.S.C. § 317(b) as occurring after any/all appeals is predicated on, among other bases, the plain language of the statute, as discussed in section III(A) of this decision, the reciprocal estoppel provisions of the AIPA, as discussed in section III(B) of this decision, and the context of the statute, as discussed in section III(C) of this decision. Additionally, as discussed in sections III(A)(3) and III(B)(1) of this decision, the decision of the U.S. District Court for the Eastern District of Virginia (the court before which Blackboard is likely to bring any challenge to this decision)[12] in *Sony Computer Entertainment America, Inc. v. Dudas*, 2006 U.S. Dist. LEXIS 36856, 85 U.S.P.Q.2d (BNA) 1594 (E.D. Va. May 22, 2006) is consistent with the Office's position that a "final decision" pursuant to 35 U.S.C. § 317(b) occurs after any/all appeals. Finally, as discussed in section III(B)(3) of this decision, post-enactment legislative history pertaining to 35 U.S.C. § 317(b) explicitly recognizes that the existing law does not prohibit *inter partes* reexamination after a district court decision has been entered.

The remainder of section III of this decision will supply the detailed reasoning for the Office's position and respond to Blackboard's arguments.

A. Under the Plain Language of the Statute a Final Decision Occurs After Any/All Appeals

35 U.S.C. § 317(b) states, in pertinent part:

> Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party has not sustained its burden of proving the invalidity of any patent claim in suit or if a final decision in an *inter partes* reexamination proceeding instituted by a third-party requester is favorable to the patentability of any original or proposed amended or new claim of the patent, then neither that party nor its privies may thereafter request an *inter partes* reexamination of any such patent claim on the basis of issues which the

[12] The U.S. District Court for the Eastern District of Virginia is where Blackboard filed the now dismissed action against the Office, and is at least one court that would have jurisdiction to hear such an action. *See* section II(D) of this decision.

> parties raised or could have raised in such civil action or *inter partes* reexamination proceeding, and an *inter partes* reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office . . . .

In the petition for reconsideration, patent owner Blackboard's position is that the language "a final decision ... in a civil action arising in whole or in part under section 1338 of title 28" in 35 U.S.C. § 317(b) "expressly excludes the resolution of an appeal" and "describes a final judgment, regardless of any appeals."[13] In support of its position, Blackboard notes that "appeals in the U.S. Court of Appeals for the Federal Circuit do *not* arise from 28 U.S.C. § 1338. They arise from 28 U.S.C. § 1295, which grants the Federal Circuit exclusive jurisdiction over appeals from the final decision of a district court if the district court's jurisdiction was based on 28 U.S.C. § 1338. They can also arise from 28 U.S.C. § 1292(c)(2), which grants the Federal Circuit exclusive jurisdiction 'of an appeal *from a judgment in a civil action for patent infringement* which would otherwise be appealable' to the Federal Circuit and is final except for an accounting."[14]

Blackboard's argument is not persuasive in view of the plain language of the statute, and the decision of the U.S. District Court for the Eastern District of Virginia (hereinafter "the Virginia district court") in *Sony*, which is consistent with the Office's understanding that "final decision" pursuant to 35 U.S.C. § 317(b) includes any/all appeals.

(1) *Plain Language of the Statute does not Refer to a "Final Decision of a District Court of the United States"*

Blackboard's argument that "appeals in the U.S. Court of Appeals for the Federal Circuit do *not* arise from 28 U.S.C. § 1338" is not persuasive. The plain language of 28 U.S.C. § 1295 states that the Federal Circuit shall have exclusive jurisdiction "of an appeal from a final decision of a district court of the United States ... if the jurisdiction of that court was based, in whole or in part, on section 1338 of this title." Thus, the Federal Circuit has jurisdiction over appeals in civil actions that originally arose under 28 U.S.C. § 1338. The fact that 28 U.S.C. § 1295 is the statute under which Federal Circuit jurisdiction over such appeals is established does not mean that the civil action in which the appeal is taken arose under 28 U.S.C. § 1295, rather, the civil action still arose under 28 U.S.C. § 1338 even when it advances to the appeal stage. Thus, it is the Office's understanding that the phrase "final decision" pursuant to 35 U.S.C. § 317(b) includes any/all appeals in civil actions arising under 28 U.S.C. § 1338.

Moreover, the plain language of 28 U.S.C. § 1295 refers to a "final decision <u>of a district court of the United States</u>." The plain language of 35 U.S.C. § 317(b), on the other hand, refers to a "final decision ... in a civil action arising in whole or in part under section 1338 of title 28." Thus, the Office's understanding that the phrase "final decision" pursuant to 35 U.S.C. § 317(b) includes any/all appeals in the civil action is consistent with the plain language of the statute, which does not include the language "final decision of a district court of the United States." In

[13] Petition for reconsideration at page 6, 9.
[14] Petition for reconsideration at page 6-7.

fact, as discussed in section III(B)(3) of this decision, the Senate Report on The Patent Reform Act of 2009, S. Rep. No. 111-18 (May 12, 2009), explicitly recognizes that the existing law does not prohibit *inter partes* reexamination after a district court decision has been entered, and the Committee on the Judiciary, to which the patent reform bill (S.515) was referred, proposed amending 35 U.S.C. § 317(b) to replace the phrase "final decision" with the phrases "district court decision" and "judgement of the district court."[15]

The Federal Circuit noted the distinction in *In re Princo Corp.*, 478 F.3d 1345 (Fed. Cir. 2007), *reh'g denied*, 486 F.3d 1365 (Fed. Cir. 2007) between statutes that refer to finality in the first instance as opposed to finality including judicial review. In *Princo*, the Federal Circuit determined that the phrase "until the determination of the Commission becomes final" in 28 U.S.C. § 1659 refers to finality including judicial review (*i.e.*, includes any subsequent appeal periods) as opposed to finality at the Commission level.[16] The Federal Circuit explained that the "becomes final" language of § 1659 is "materially different from the language used in other statutes to denote finality in the first instance."[17] 28 U.S.C. § 1291, which establishes jurisdiction of the courts of appeals (other than the Federal Circuit) over appeals from "all final decisions of the district courts," and 28 U.S.C. § 1295(a), which establishes Federal Circuit exclusive jurisdiction over "an appeal from a final decision of a district court," were identified by the Federal Circuit as examples of such "other statutes" using language "denoting finality at the trial level."[18] The Federal Circuit suggested that "[t]his difference in language is significant because, as the Supreme Court has stated, '[t]his Court presumes that, where words differ . . . , Congress has acted intentionally and purposely.'"[19] Thus, like the "becomes final" language in 28 U.S.C. § 1659, the "final decision ... in a civil action arising in whole or in part under section 1338 of title 28" language in 35 U.S.C. § 317(b) is materially different from language used in other statutes to denote finality in the first instance and the Office's understanding is that the phrase "final decision" pursuant to 35 U.S.C. § 317(b) refers to finality including judicial review, as opposed to finality in the first instance.

(2) *Plain Language of the Statute Reflects Intent to Provide Estoppel Effect in Reciprocal Fashion*

The plain language of the statute further reflects Congress' intent to provide an estoppel result in a reciprocal fashion between civil actions and *inter partes* reexamination proceedings. Pursuant to 35 U.S.C. § 315(c), an *inter partes* reexamination will bar a civil action validity challenge on the same claims only after any appeals (*i.e.*, after the time for appeal of the reexamination proceeding has expired or any appeal proceeding has terminated).[20] Likewise, pursuant to 35 U.S.C. § 317(b), a "final decision" in an *inter partes* reexamination proceeding and a "final decision" in a civil action will bar a subsequent *inter partes* reexamination on the same claims

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[15] *See* Senate Report No. 111-18 at Section I, page 17 and Section VIII, page 99.
[16] *See Princo*, 478 F.3d at 1355. *See also Princo*, 486 F.3d at 1367.
[17] *Princo*, 478 F.3d at 1355 (emphasis added).
[18] *Id.*
[19] *Id.* (citing *Burlington N. & Santa Fe Ry. Co. v. White*, 126 S. Ct. 2405, 2407 (2006)).
[20] *See* 35 U.S.C. § 315(c) (barring invalidity from being raised in a civil action if previously "finally" held valid in a *inter partes* reexamination); *see also* 35 U.S.C. § 316(a) (mandating that an *inter partes* reexamination certificate cannot be issued until the time for appeal has expired or any appeal proceeding has terminated).

only after any appeals (*again*, after the time for appeal has expired or any appeal proceeding has terminated).

As evidenced from the plain language of § 317(b), the phrase "final decision" is symmetrically applied to both civil actions in court and *inter partes* reexamination proceedings within the Office. That is, the same phrase "final decision" is used twice in the same provision, and there is no reason evident from a reading of § 317(b) that would dictate application of two different meanings to that phrase. Thus, because an *inter partes* reexamination proceeding does not become a "final decision" holding claims valid until after all appeals, in a reciprocal fashion, there is no "final decision" in a civil action until after all appeals. Accordingly, a district court decision on appeal to the Federal Circuit does not estop an *inter partes* reexamination proceeding from continuing within the Office.

(3) *Sony v. Dudas* is Consistent with the Office's Understanding that a "Final Decision" Occurs After Any/All Appeals

The Virginia district court's decision in *Sony* is consistent with the Office's understanding of a "final decision" under 35 U.S.C. § 317(b) as occurring after any/all appeals. In *Sony*, *inter partes* requester Sony filed an action against the Office challenging the Office's decision to suspend *inter partes* reexamination of U.S. Patent Nos. 6,275,213 ("the '213 patent") and 6,424,333 ("the '333 patent") pending resolution of Sony's appeal to the U.S. Court of Appeals for the Federal Circuit ("the Federal Circuit") in a concurrent infringement litigation between Sony and the patent owner with respect to claims of the '213 and '333 patents. In the concurrent litigation in the U.S. District Court for the Northern District of California (hereinafter "the California district court"), a jury found that Sony infringed claims 7, 41-46, 49, 50, 53 and 54 of the '213 patent and claims 14-18 of the '333 patent (hereinafter "the litigated claims") and that Sony failed to prove that the litigated claims were invalid.[21] After the California district court entered a final judgment against Sony, Sony filed post-verdict motions and, after the motions were denied, Sony filed the appeal to the Federal Circuit.[22]

In describing these undisputed material facts in *Sony*, the Virginia district court noted:

> On the very day that the California district court entered its order denying Sony's post-verdict motions, Sony filed a request with the PTO for *inter partes* reexamination of the litigated claims of the '333 patent, plus one additional unlitigated claim from that patent. Two days later, Sony filed with the PTO a request for *inter partes* reexamination of the litigated claims of the '213 patent, plus one additional claim from that patent, as well.[23]

Although the issue of whether the California district court decision is a "final decision" under 35 U.S.C. § 317(b) was not explicitly addressed in the *Sony* opinion, it is implicit that the Virginia district court considered this jurisdictional issue. Had the Virginia district court determined that

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[21] *Sony*, 2006 U.S. Dist. LEXIS at *3, 85 U.S.P.Q.2d (BNA) at 1596.
[22] *Sony*, 2006 U.S. Dist. LEXIS at *4, 85 U.S.P.Q.2d (BNA) at 1596.
[23] *Id.*

the California district court decision was a "final decision" pursuant to 35 U.S.C. § 317(b), preventing the Office from maintaining the *inter partes* reexaminations of the litigated claims, the court would have directed the Office to terminate the *inter partes* reexamination proceedings for lack of jurisdiction. Instead, the Virginia district court stated that "Sony was undoubtedly within its rights to seek *inter partes* review" and proceeded to consider the merits of Sony's action against the Office for abuse of discretion in suspending the *inter partes* reexamination proceedings.[24] Thus, consistent with the Office's practice of continuing to conduct *inter partes* reexamination following a district court decision, the Virginia district court in *Sony* at least implicitly recognized that the final decision of the California district court upholding the validity of the litigated claims did not operate to estop Sony from requesting, or the Office from maintaining, *inter partes* reexamination of the validity of those claims pending resolution of the appeal to the Federal Circuit.

Furthermore, the finding that "Sony was undoubtedly within its rights to seek *inter partes* review" **after** the denial of all post verdict motions necessarily includes a finding that 35 U.S.C. § 317 does not prohibit the Office from instituting and maintaining such a proceeding following a district court decision on validity. Accordingly, the Office maintains that in the instant merged reexamination proceeding, as in the *inter partes* reexamination proceedings in *Sony*, the Office is not estopped from maintaining the *inter partes* reexamination of the litigated claims until after resolution of all avenues of appeal.

B. Pursuant to the Reciprocal Estoppel Provisions of the AIPA, a "Final Decision" with Respect to Either a Civil Action or Reexamination Proceeding Occurs After Any/All Appeals

In the present petition for reconsideration, patent owner Blackboard asserts that, in enacting the AIPA, "Congress consistently used the phrase 'final decision' to refer to an appealable decision of [a] subordinate tribunal. Congress *never* employed the phrase to mandate appellate exhaustion."[25] Blackboard identifies three instances where Congress used the phrase "final decision" outside of § 317(b): (1) § 134(c), providing that a third party requester in an *inter partes* proceeding may appeal to the Board of Patent Appeals and Interferences (BPAI) from the final decision of the primary examiner favorable to patentability, (2) § 141, providing that a patent owner, or a third party requester in an *inter partes* reexamination proceeding, dissatisfied with the final decision in an appeal to the BPAI may appeal the decision only to the Federal Circuit, and (3) § 315(b), providing that a third party requester may appeal under the provisions of § 134 and may appeal under the provisions of §§ 141 through 144, with respect to any final decision favorable to the patentability.[26]

Blackboard's argument is not persuasive in that the sections of the AIPA relied upon by Blackboard use the phrase "final decision" with respect to jurisdictional aspects of appeal, that is, to describe at what point *appeal* is appropriate and which tribunal has jurisdiction over an appeal from a final decision. A final decision of the primary examiner and a final decision in an appeal

[24] *Sony*, 2006 U.S. Dist. LEXIS at *23, 85 U.S.P.Q.2d (BNA) at 1601 (emphasis added).
[25] Petition for reconsideration at page 9.
[26] *See* Petition for reconsideration at page 9-10.

to the BPAI are required to appeal to the next level, in the same manner that a final district court decision is needed to appeal to the next level. How the phrase "final decision" is used in these jurisdictional provisions of the AIPA has no bearing on how the phrase "final decision" is used in the estoppel provisions of the AIPA. The phrase "final decision" is not being used in the context of § 317(b) to describe at what point appeal to the next level is appropriate or which tribunal has jurisdiction over an appeal from a final decision, but rather to describe at what point estoppel occurs.

Also, as discussed in section III(A)(2) of this decision, the Office's position is that the estoppel provisions of the AIPA are applied reciprocally for civil actions and *inter partes* reexamination proceedings. That is, pursuant to §§ 315(c) and 316(a), an *inter partes* reexamination will bar a civil action validity challenge on the same claims only after all appeals.[27] Likewise, a final decision in a civil action or in a prior *inter partes* reexamination proceeding will bar a subsequent *inter partes* reexamination on the same claims pursuant to § 317(b) only after all appeals. The Office understands the phrase "final decision" with respect to either a civil action or a reexamination proceeding as occurring after any/all appeals. *See* MPEP § 2686.04(V). And, as discussed in the next section of this decision, the Office's understanding of the AIPA's reciprocal estoppel provisions was at least implicitly supported by the Virginia district court in *Sony*.

(1) *Sony v. Dudas* Acknowledged the Reciprocal Estoppel Provisions of the AIPA

The Virginia district court in *Sony* explicitly acknowledged the reciprocal estoppel provisions of the AIPA and its decision is consistent with the Office's position that a "final decision ... in a civil action" and a "final decision in an *inter partes* reexamination proceeding" pursuant to § 317(b) occur after any/all appeals. In interpreting the statute in *Sony*, the Virginia district court noted that "importantly, AIPA's reciprocal estoppel provisions make clear that parties challenging patent validity determinations are free to pursue *inter partes* review from the PTO and litigation simultaneously; however, the completion of either process will estop any parallel proceedings. *See* 35 U.S.C. 317(b); 35 U.S.C. 315(c)."[28] And, the Virginia district court in *Sony* at least implicitly recognized that, pursuant to the AIPA's reciprocal estoppel provisions, the "litigation process" did not conclude with the final decision of the California district court, but rather included the ongoing appeal before the Federal Circuit.

The Virginia district court in *Sony* expressly acknowledged that there were ongoing appellate litigation proceedings in the Court of Appeals for the Federal Circuit that were parallel to the *inter partes* reexamination proceedings in the Office; thus, the court's statement that parallel proceedings will be estopped after the "completion" of the litigation process refers to the stage after appeals are exhausted.[29] It is evident that the Virginia district court deemed the "litigation process" as more than just proceedings at the district court and as encompassing any appeals, consistent with the Office's understanding that a "final decision" pursuant to § 317(b) occurs

[27] Pursuant to § 316(a), an *inter partes* reexamination certificate cannot be issued until after any/all appeals, that is, after "the time for appeal has expired or any appeal proceeding has terminated."
[28] *Sony*, 2006 U.S. Dist. LEXIS at *19, 85 U.S.P.Q.2d (BNA) at 1599 (emphasis added).
[29] *Id.*

after any/all appeals.[30] Otherwise, the Virginia district court would have determined that the Office was estopped from maintaining the parallel *inter partes* reexamination proceedings. Accordingly, in the present instance, as in the *inter partes* reexamination proceedings in *Sony*, the Office is not estopped from maintaining the *inter partes* reexamination of the litigated claims until completion of the entire civil litigation process.

(2) *Legislative History of 35 U.S.C. § 317 Reflects Congressional Intent for Estoppel to Apply Only After a "Final Decision" Including Any/All Appeals*

Moreover, the legislative history of § 317 reveals that Congress contemplated that a "final decision" of either a civil action or prior *inter partes* reexamination has estoppel effect only "after any appeals." In pertinent part, the legislative history of 35 U.S.C. § 317, 145 Cong. Rec. S14720 (Nov. 17, 1999), states (emphasis added):

> Subtitle F creates a new section 317 which sets forth certain conditions by which inter partes reexamination is prohibited to guard against harassment of a patent holder. In general, once an order for inter partes reexamination has been issued, neither a third-party requester nor the patent owner may file a subsequent request for inter partes reexamination until an inter partes reexamination certificate is issued and published, unless authorized by the Director. Further, if a third-party requester asserts patent invalidity in a civil action and a final decision is entered that the party failed to prove the assertion of invalidity, or if a final decision in an inter partes reexamination instituted by the requester is favorable to patentability, <u>after any appeals</u>, that third-party requester cannot thereafter request inter partes reexamination on the basis of issues which were or which could have been raised.

The Office maintains that the phrase "after any appeals" in the legislative history, by virtue of both its placement and of the commas, modifies both a final decision in a civil action and a final decision in an *inter partes* reexamination. Blackboard, in the petition for reconsideration, added its own formatting to the legislative history to argue its position that the phrase "after any appeals" modifies only a final decision in an *inter partes* reexamination;[31] however that formatting is simply not present in the legislative history. Rather, the legislative history of 35 U.S.C. § 317 reflects Congressional intent for estoppel to apply to at least some final decisions "after any appeals."

In the present petition for reconsideration, Blackboard asserts that "had Congress intended Section 317(b) to apply only to decisions 'after all appeals,' it would have said so, just as it did in Sections 316, 315, and 317(a)."[32] Blackboard's argument is not persuasive as Blackboard's argument is internally inconsistent. On the one hand, Blackboard appears to recognize that

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[30] *See id.* (explaining that "While the PTO conceded the possibility that the Federal Circuit would reverse the district court and remand for a new trial—thereby potentially effectively starting <u>the litigation process</u> anew—it nonetheless implicitly determined that on balance this possibility did not outweigh the good cause favoring suspension.") (emphasis added).

[31] Petition for reconsideration at page 12.

[32] Petition for reconsideration at page 12.

Congress expressed intent in the legislative history of § 317 for estoppel to apply "after any appeals," at least with respect to a final decision in an *inter partes* reexamination;[33] yet, Blackboard maintains that because "[Congress] did not say so in Section 317 demonstrates that no appellate exhaustion is required for that statute,"[34] which would bar a further *inter partes* reexamination after a final examiner decision and prior to appeal of that examiner decision (per the statute, using Blackboard's logic). Rather, the legislative history reveals Congress' intent for estoppel pursuant to § 317 to apply only "after any appeals" despite the absence of express language to that effect in the statute itself.

(3) *Post-Enactment Legislative History Explicitly Recognizes that Existing Law Does Not Prohibit Inter Partes Reexamination After a District Court Decision has been Entered*

The Senate Report on The Patent Reform Act of 2009, S. Rep. No. 111-18 (May 12, 2009), states in Section I, page 17 (emphasis added), "The Act amends and improves the current inter partes reexamination process in a number of respects: ... an inter partes reexamination will no longer be able to be brought after a district court decision has been entered." Thus, the Report explicitly recognizes that the existing law does not prohibit *inter partes* reexamination after a district court decision has been entered.

Further, the stated objective of prohibiting an *inter partes* reexamination after a district court decision has been entered is explicitly treated in the proposed amendment to 35 U.S.C. § 317(b). The Report proposes, in Section VIII, page 99, amending 35 U.S.C. § 317(b) to replace the phrase "final decision" with the phrases "district court decision" and "judgement of the district court" as follows:

> [Final Decision] District Court Decision.-[Once a final decision has been entered] Once the judgement of the district court has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28....

Accordingly, the Senate Report provides post-enactment legislative history consistent with the Office's understanding that the phrase "final decision" pursuant to the existing 35 U.S.C. § 317(b) does not refer to a district court decision but, rather, includes any/all appeals. If the Committee on the Judiciary, to which the patent reform bill (S.515) was referred, interpreted the statute as Blackboard asserts (*i.e.*, that the phrase "final decision" pursuant to U.S.C. § 317(b) refers to a final district court decision), the Committee would not have proposed amending 35 U.S.C. § 317(b) to replace the phrase "final decision" with the phrases "district court decision" and "judgement of the district court." Thus, it appears that, until the patent reform bill is passed, the Office's practice of continuing to conduct *inter partes* reexamination following a district court decision is not prohibited by the statute.

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[33] Blackboard is compelled to take this position to avoid absurd implications that would result from a reading of "final decision in an inter partes reexamination" as not including the appeals process.

[34] Petition for reconsideration at page 11.

C. Meaning of the Phrase "Final Decision" is Based upon the Context Within the Particular Statute from which the Phrase "Final Decision" Emanates

(1) *Language Relating to Finality Must be Construed in the Context of the Particular Statute*

In *Princo*, discussed in section III(A)(1) of this decision, the Federal Circuit determined that the phrase "until the determination of the Commission becomes final" in 28 U.S.C. § 1659 refers to finality including judicial review (*i.e.*, includes any subsequent appeal periods) as opposed to finality at the Commission level.[35] In making its determination, the Federal Circuit noted that the Supreme Court, in *Clay v. United States*, 537 U.S. 522, 527 (2003), advised "that language concerning finality must be construed in the context of the individual statute."[36] For example, in *Clay*, the Supreme Court considered the limitations period for filing a motion for post conviction relief under 28 U.S.C. § 2255, which provides that the one-year limitations period runs from "the date on which the judgment of conviction becomes final."[37] The Court in that case noted, in the context of collateral review of criminal convictions, "it has consistently understood finality to mean that the time for appellate review has expired."[38]

In *Princo*, the Federal Circuit examined the context of two statutes that use the "becomes final" language, 19 U.S.C. § 1337 and 28 U.S.C. § 1659, and determined that because the statutes have different purposes, it is appropriate to interpret the "becomes final" language in 19 U.S.C. § 1337 and 28 U.S.C. § 1659 differently.[39] The Federal Circuit determined that the purpose of 19 U.S.C. § 1337 is to allow judicial review after final Commission action, and that "'[b]ecomes final' thus necessarily refers to finality *before* judicial review."[40] On the other hand, the Federal Circuit determined that the purpose of 28 U.S.C. § 1659 is to avoid duplicative proceedings, and that "'[b]ecomes final' in that context refers to finality *after* judicial review" because "the purpose of avoiding duplicative proceedings cannot be achieved if the stay does not extend to proceedings on appeal."[41]

As discussed above in section III(A)(2) of this decision, the plain language of 35 U.S.C. § 317(b) reflects Congress' intent to provide an estoppel result in a reciprocal fashion between civil actions and *inter partes* reexamination proceedings. In this context, and further in the context of 35 U.S.C. § 315(c), which provides that an *inter partes* reexamination will bar a civil action validity challenge on the same claims only after any appeals (*i.e.*, after the time for appeal of the reexamination proceeding has expired or any appeal proceeding has terminated), it is appropriate to interpret the phrase "final decision" in § 317(b) as referring to - finality including judicial review (*i.e.*, includes any subsequent appeal periods) as opposed to finality at the district court level.

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[35] *Princo*, 478 F.3d at 1355. *See also Princo*, 486 F.3d at 1367.
[36] *Princo*, 478 F.3d at 1354 (emphasis added). *See also, Princo*, 486 F.3d at 1367 (explaining that, as the Supreme Court held in *Clay*, 537 U.S. at 527, "language relating to finality must be construed in the context of the particular statute: '[f]inality is variously defined; like many legal terms, its precise meaning depends on context.'") (emphasis added).
[37] *Princo*, 478 F.3d at 1354.
[38] *Id.* (citing *Clay*, 537 U.S. at 527).
[39] *Princo*, 486 F.3d at 1367-68.
[40] *Id.* at 1368.
[41] *Id.*

Moreover, it is well settled that "in determining the meaning of [a] statute, we look not only to the particular statutory language, but to the design of the statute as a whole and to its object and policy." *Crandon v. United States*, 494 U.S. 152, 158 (1990). Further, when interpreting terms in a statute, we "must find that interpretation which can most fairly be said to be imbedded in the statute, in the sense of being most harmonious with its scheme and with the general purposes that Congress manifested." *NLRB v. Lion Oil Co.*, 352 U.S. 282, 297 (1957).

"Final decisions" typically only bind the Office after all appeals are exhausted. In other words, the Office's interpretation of "final decision" as "after all appeals" is consistent with existing law that holds that all other Office proceedings, whether *inter partes* or *ex parte*, do not terminate until the mandate is issued by the appellate tribunal (if an appeal is filed). For example, a patent application proceeding will not terminate within the Office until the Federal Circuit issues its mandate or the time for appeal has expired. *See* 37 CFR 1.197(b)(2). *See also In re Jones*, 542 F.2d 65 (CCPA 1976) ("that petitioners did not know that receipt of mandate [by PTO]... terminated [the] proceedings in case was an inadequate excuse for delay in filing continuation application before mandate issued"). Similarly, an *inter partes* interference proceeding within the Office will not terminate until the Federal Circuit mandate is issued or the time to file an appeal has expired. 37 CFR 41.205(a).

(2) *Green Tree* has No Bearing on the Meaning of "Final Decision" within the Context of the Estoppel Provisions of 35 U.S.C. § 317(b)

In the present petition for reconsideration, patent owner Blackboard asserts that "Congress and the courts have given 'final decision' a consistent meaning through other statutes and judicial interpretation" and relies on the Supreme Court decision *Green Tree Fin. Corp. v. Randolph*, 531 U.S. 79 (2000) to support its position that the "well-accepted meaning of 'final decision' refers to an appealable judgment – the word 'final' does not connote 'after exhaustion of all possible appeals.'"[42] The Office disagrees, and maintains its position that the meaning of the phrase "final decision" is understood differently based on the context within the particular statute from which the phrase emanates:

In *Green Tree*, the Supreme Court affirmed the U.S. Court of Appeals for the Eleventh Circuit in its interpretation of 9 U.S.C. § 16 (§ 16(a)(3) of the Federal Arbitration Act), which provides that "[a]n appeal may be taken from ... a final decision with respect to an arbitration that is subject to this title."[43] In particular, the Supreme Court concluded that the District Court's order compelling arbitration and dismissing all the claims before it was a "final decision with respect to arbitration" within the meaning of 9 U.S.C. § 16 that is immediately appealable pursuant to the Act.[44] Thus, *Green Tree* identifies specific circumstances where a decision of a subordinate tribunal is appealable pursuant to the Federal Arbitration Act, but has no bearing on the meaning of "final decision" within the context of the estoppel provisions of 35 U.S.C. § 317(b). Moreover, in *Timken Co. v. United States*, 893 F.2d 337, 339 (Fed. Cir. 1990), the Federal

[42] Petition for reconsideration at page 13.
[43] *Green Tree*, 531 U.S. at 84-85.
[44] *Id.* at 86-87.

Circuit explained that "[t]he term 'final decision' can mean different things in different situations. Specifically, a court decision can be 'final' in the sense that a court is done with the action and has entered final judgment. ... Alternatively, a court decision can be final in the sense that the court has conclusively decided the controversy and the decision can no longer be attacked, either collaterally or by appeal." As discussed in the next section of this decision, the Federal Circuit continued to follow the *Timken* line of reasoning in decisions that were issued *subsequent* to *Green Tree*. Thus, in these later issued decisions, the Federal Circuit did not view *Green Tree* as Blackboard views it.[45]

In addition to § 16(a)(3) of the Federal Arbitration Act, Blackboard cites several statutes on pages 14-15 of the petition for reconsideration, including 2 U.S.C. § 437h(a)(3), 5 U.S.C. § 7703, 10 U.S.C. § 801, 11 U.S.C. § 111(b)(5), 12 U.S.C. § 3500.17(n)(6), 15 U.S.C. § 1070, 28 U.S.C. § 1295(a)(3), and 28 U.S.C. § 1295(a)(5) to support its position that, throughout the United States Code, Congress repeatedly uses "final decision" to mean an appealable decision.[46] The statutes cited by Blackboard identify certain tribunals that have jurisdiction over appeals from final decisions of certain subordinate tribunals. Thus, it would not make sense, in these situations, for the phrase "final decision" to mean a final decision after any/all appeals, and within the context of these jurisdictional statutes it is logical for the phrase "final decision" to mean an appealable judgment of a subordinate tribunal (*i.e.*, these statutes refer to "finality in the first instance" as discussed in section III(A)(1) of this decision).

The "well-accepted" meaning of the phrase "final decision" within the context of such jurisdictional statutes, however, has no bearing on the meaning of the phrase "final decision" within the context of the estoppel provisions of 35 U.S.C. § 317(b). Blackboard's examples of statutes are only examples of jurisdictional statutes. Blackboard did not provide any examples of statutes comprising estoppel provisions that include the phrase "final decision," or any examples of cases interpreting the meaning of the phrase "final decision" within the context of such estoppel provisions. As discussed in section III(E) of this decision, within the context of the estoppel provisions of § 317(b), it is logical for the phrase "final decision" to mean a decision after any/all appeals as opposed to an appealable judgment of a subordinate tribunal. Moreover, despite the existence of the jurisdictional statutes (containing "final decision") and prior court construction of such statutes, the Virginia district court in *Sony* explicitly acknowledged the reciprocal estoppel provisions of the AIPA for § 317(b), and at least implicitly supported the Office's position that a "final decision ... in a civil action" and a "final decision in an *inter partes* reexamination proceeding" pursuant to the reciprocal estoppel provisions of § 317(b) occur after any/all appeals (see above discussion, section III(B)(1) of this decision).

(3) *<u>Green Tree</u> Would Not Dictate a Different Result in <u>Timken</u> - "Final Decision" Can Mean Different Things in Different Situations, such as a "Conclusive" Decision That Can No Longer Be Attacked, Either Collaterally or by Appeal*

[45] *See Fujitsu Gen. America, Inc. v. United States*, 283 F.3d 1364, 1379 (Fed. Cir. 2002) and *Yancheng Baolong Biochemical Prods. Co. v. United States*, 406 F.3d 1377, 1381-82 (Fed. Cir. 2005).
[46] Petition for reconsideration at page 14-15.

The Office does not find persuasive Blackboard's position that *Green Tree* would dictate a different result in *Timken Co. v. United States*, 893 F.2d 337, 339 (Fed. Cir. 1990) (explaining that pursuant to 19 U.S.C.S. § 1561a(e) "the term 'final court decision' must be read together with the words that follow, specifically, 'in the action'" and that "[a]n 'action' does not end when one court renders a decision, but continues through the appeal process"). *Timken* explains that "[t]he term 'final decision' can mean different things in different situations. Specifically, a court decision can be 'final' in the sense that a court is done with the action and has entered final judgment. ... Alternatively, a court decision can be final in the sense that the court has conclusively decided the controversy and the decision can no longer be attacked, either collaterally or by appeal."[47] Subsequent to the Supreme Court's *Green Tree* decision, the Federal Circuit has continued to follow the *Timken* line of reasoning in finding that 19 U.S.C. § 1516a(e) requires a "final decision" be conclusive, where all appeals or possibility of appeals are foreclosed.[48] The fact that the Supreme Court in *Green Tree* interpreted the phrase "final decision" as an appealable decision of a subordinate tribunal for purposes of § 16(a)(3) of the Federal Arbitration Act and the Federal Circuit continues to interpret the phrase "final decision" as a "conclusive" decision that can no longer be attacked for purposes of § 1561a(e) of the Tariff Act underscores the Office's position that the phrase "final decision" is understood to mean different things based upon the context within the particular statute from which the phrase "final decision" emanates.

D. The Office's Decision Does Not Conflict with General Principles of *Res Judicata*

In the present petition for reconsideration, patent owner Blackboard asserts that the Office's decision conflicts with general principles of *res judicata*, and that, on its face, 35 U.S.C. § 317(b) "invokes *res judicata* principles, through its use of language that closely tracks the conventional explanation of the doctrine."[49] To support its position, Blackboard cites as a rule of construction that when "Congress borrows terms of art ... it presumably knows and adopts the cluster of ideas that were attached to each borrowed word in the body of learning from which it was taken and the meaning its use will convey to the judicial mind unless otherwise instructed."[50]

Contrary to Blackboard's assertion, however, Congress <u>did not</u> import precise terms of art of the common law doctrine of *res judicata* into § 317(b). That is, Congress did not expressly use the words "estoppel" or "res judicata" in § 317(b), but rather used the words "may not thereafter be maintained by the Office." Accordingly, while Congress' purpose may have been to craft a <u>statutory</u> estoppel scheme, there is no indication that Congress intended to adopt a scheme identical to that of <u>common law</u> *res judicata*. To the contrary, the fact that Congress avoided importing precise terms of art of the common law doctrine of *res judicata* into § 317(b) may be construed as evidence that they did not intend to invoke the common law *res judicata* doctrine.

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[47] *Timken*, 893 F.2d at 339.
[48] *Yancheng Baolong Biochemical Prods. Co. v. United States*, 406 F.3d 1377, 1381-82 (Fed. Cir. 2005) (noting the line of precedent in which the Federal Circuit considered this issue, beginning with *Timken* in 1990, then *Hosiden Corp. v. Advanced Display Mfrs. Of America*, 85 F.3d 589 (Fed. Cir. 1996), and followed by *Fujitsu Gen. America, Inc. v. United States*, 283 F.3d 1364 (Fed. Cir. 2002)).
[49] Petition for reconsideration at page 17.
[50] *Id.*

Further, common law *res judicata* doctrine need not be considered in view of the statutory estoppel provisions of § 317(b). 35 U.S.C. § 317(b) is a statutory estoppel scheme enacted by Congress and its terms are clear on its face. Pursuant to these provisions, a "final decision ... in a civil action" or a "final decision in an *inter partes* reexamination" create an estoppel. For the reasons already set forth in this decision, the Office understands that a "final decision ... in a civil action" or a "final decision in an *inter partes* reexamination" occurs only after any/all appeals.

E. Logic Supports the Office's Understanding of "Final Decision" as Occurring After Any/All Appeals

The Office maintains its position that "a final decision ... in a civil action" pursuant to 35 U.S.C. § 317(b) is reasonably understood to mean a "final decision after all appeals" in view of the fact that, once terminated, there is no mechanism for "un-terminating" an *inter partes* reexamination proceeding. It would be illogical to terminate an *inter partes* reexamination on the basis of a district court's validity decision that is on appeal before the Federal Circuit, because the Federal Circuit might reverse or modify the district court's decision, thereby rendering premature the termination of the *inter partes* reexamination proceeding which cannot be "un-terminated."

Patent owner Blackboard argues that such basis for the Office's understanding of 35 U.S.C. § 317(b) as meaning a "final decision after all appeals" illustrates improper policy making on the part of the Office.[51] In particular, Blackboard asserts that "[i]t is not the province of the Office to make an end-run around [Congress'] decision [not to create a mechanism to 'un-terminate' an *inter partes* reexamination] on the basis of 'logic.'"[52] Blackboard's argument is not persuasive, as the lack of a statutory scheme for un-terminating an *inter partes* reexamination proceeding once terminated is merely context for understanding the statutory language of the 35 U.S.C. § 317(b) and does not represent improper policy-making by the Office.

IV. Decision

For the reasons set forth above, pursuant to 35 U.S.C. § 317(b), estoppel is found not to take effect until all appeals of a decision entered in a civil action are exhausted or the time for taking appeal has expired.

Accordingly, in view of Desire2Learn's pending appeal before the U.S. Court of Appeals for the Federal Circuit from the district court's judgment against its counterclaim that claims 36, 37 and 38 of the '138 patent are invalid,[53] Blackboard's December 23, 2008 petition, requesting reconsideration of the dismissal of the September 3, 2008 petition for termination of the '0199 proceeding with respect to claims 36, 37 and 38 of the '138 patent, is **denied** as to the underlying relief requested. This decision is designated a **final agency action** within the meaning of 5 U.S.C. § 704.

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[51] Petition for reconsideration at pages 18-19.
[52] Petition for reconsideration at pages 19-20.
[53] *See* Appeal No. 2008-1368 (filed May 21, 2008).

CONCLUSION

1. Patent owner Blackboard's December 23, 2008 petition for reconsideration of the decision not to partially terminate the '199 proceeding is granted to the extent that the prior decision has been reconsidered, but is denied as to the underlying relief requested. *Inter partes* reexamination proceeding control number 95/000,199 will not be terminated with respect to claims 36, 37 and 38 of U.S. Patent No. 6,988,138.

2. This decision is a final agency action within the meaning of 5 U.S.C. § 704.

   Further correspondence with respect to this matter should be addressed as follows:

   By mail: Mail Stop
   Commissioner for Patents
   Post Office Box 1450
   Alexandria, VA 22313-1450

3. Jurisdiction over this merged proceeding is returned to the Central Reexamination Unit for appropriate action.

4. Any questions concerning this communication should be directed to Nicole D. Dretar, Legal Advisor, at (571) 272-7717 or Pinchus M. Laufer, Legal Advisor at (571) 272-7726.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

06-15-09
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,199	12/01/2006	6988138		7245

20277 7590 08/21/2009

MCDERMOTT WILL & EMERY LLP
600 13TH STREET, N.W.
WASHINGTON, DC 20005-3096

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 08/21/2009

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/008,330	11/17/2006	6988138		3192

20277 7590 08/21/2009

MCDERMOTT WILL & EMERY LLP
600 13TH STREET, N.W.
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EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 08/21/2009

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NEW YORK, NY 10023-5882

Date:

MAILED

AUG 2 1 2009

CENTRAL REEXAMINATION UNIT

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. : 90008330
PATENT NO. : 6988138
ART UNIT : 3900

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified ex parte reexamination proceeding (37 CFR 1.550(f)).

Where this copy is supplied after the reply by requester, 37 CFR 1.535, or the time for filing a reply has passed, no submission on behalf of the ex parte reexamination requester will be acknowledged or considered (37 CFR 1.550(g)).

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United States Patents and Trademark Office
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3000 K STREET NW
SUITE 500
WASHINGTON, DC 20007

Date:

MAILED

AUG 21 2009

CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester
Inter Partes Reexamination

REEXAMINATION CONTROL NO. : 95000199
PATENT NO. : 6988138
TECHNOLOGY CENTER : 3999
ART UNIT : 3900

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified Reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the inter partes reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an ex parte reexamination has been merged with the inter partes reexamination, no responsive submission by any ex parte third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the Central Reexamination Unit at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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MAILED

AUG 21 2009

CENTRAL REEXAMINATION UNIT

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In re Alcorn *et al.*	:	
U.S. Patent No. 6,988,138: Merged Proceedings	:	
Ex parte Reexamination Proceeding	:	**DECISION**
Control No.: 90/008,330	:	**GRANTING**
Filed: Nov. 17, 2006	:	**PETITION**
Inter Partes Reexamination Proceeding	:	
Control No.: 95/000,199	:	
Filed: Dec. 1, 2006	:	

This is a decision on the patent owner's "PETITION TO SUSPEND RULE 37 C.F.R. § 1.52(e) PURSUANT TO THE PROVISIONS OF 37 C.F.R. § 1.183" filed on June 15, 2009, requesting that the provisions of Rule 1.52(e) be suspended regarding the formalities of submission of a computer program on compact disc.

The merged 90/008,330 and 95/000,199 proceedings, and the petition, are before the Office of Patent Legal Administration for consideration.

The petition fee of $400.00 pursuant to 37 CFR 1.17(f) for the petition under 37 CFR 1.183 was received.

The petition is granted.

REVIEW OF FACTS

1. U.S. Patent No. 6,988,138 ("the '138 patent") issued on Jan. 17, 2006 with 44 claims.

2. On Nov. 17, 2006, a third party requester, Software Freedom Law Center, filed a request for *ex parte* reexamination, which proceeding was assigned Control No. 90/008,330 ("the '8330 proceeding") requesting re-examination of claims 1-44. On Jan. 25, 2007, re-examination was ordered in the '8330 proceeding.

3. On Dec. 1, 2006, a third party requester, Desire2Learn, filed a request for *inter partes* re-examination, which proceeding was assigned Control No. 95/000,199 ("the '199 proceeding") requesting re-examination of claims 1-44. On Feb. 26, 2007, re-examination was ordered in the '199 proceeding.

4. A concurrent civil litigation is being conducted in the U.S. District Court for the Eastern District of Texas, captioned *Blackboard, Inc. v. Desire2Learn, Inc.*, Civil Action No. 9:06-CV-00155.

5. On March 17, 2008, the '8330 proceeding and the '199 proceeding were merged.

6. On March 25, 2008, an office action in the merged proceeding was mailed. Patent owner responded on May 29, 2008, with an amendment, comments and several declarations. Third party requester responded June 26, 2008.

7. On April 15, 2009, an action closing prosecution was mailed. Patent owner responded on June 15, 2009, with comments and an additional declaration. Third party requester responded July 15, 2009.

8. The subject petition was filed June 15, 2009 with patent owner's response.

DECISION

I. RELEVANT STATUTES, REGULATIONS, AND EXAMINING PROCEDURE

A. Relief Requested

37 CFR 1.183 provides:

> In an extraordinary situation, when justice requires, any requirement of the regulations in this part which is not a requirement of the statutes may be suspended or waived by the Director or the Director's designee, *sua sponte*, or on petition of the interested party, subject to such other requirements as may be imposed. Any petition under this section must be accompanied by the petition fee set forth in § 1.17(f).

B. Electronic Documents

A CD is an electronic document. Submission of electronic documents is governed by 37 CFR 1.52(e).

37 CFR 1.52(e) provides in pertinent part:

(e) *Electronic documents that are to become part of the permanent United States Patent and Trademark Office records in the file of a patent application or reexamination proceeding.*

(1) The following documents may be submitted to the Office on a compact disc in compliance with this paragraph:

(i) A computer program listing (see § 1.96);

(ii) A "Sequence Listing" (submitted under § 1.821(c)); or

(iii) Any individual table (see § 1.58) if the table is more than 50 pages in length, or if the total number of pages of all of the tables in an application exceeds 100 pages in length, where a table page is a page printed on paper in conformance with paragraph (b) of this section and § 1.58(c).

(2) A compact disc as used in this part means a Compact Disc-Read Only Memory (CD-ROM) or a Compact Disc-Recordable (CD-R) in compliance with this paragraph. A CD-ROM is a "read-only" medium on which the data is pressed into the disc so that it cannot be changed or erased. A CD-R is a "write once" medium on which once the data is recorded, it is permanent and cannot be changed or erased.

(3)(i) Each compact disc must conform to the International Standards Organization (ISO) 9660 standard, and the contents of each compact disc must be in compliance with the American Standard Code for Information Interchange (ASCII). CD-R discs must be finalized so that they are closed to further writing to the CD-R.

(ii) Each compact disc must be enclosed in a hard compact disc case within an unsealed padded and protective mailing envelope and accompanied by a transmittal letter on paper in accordance with paragraph (a) of this section. The transmittal letter must list for each compact disc the machine format (e.g., IBM-PC, Macintosh), the operating system compatibility (e.g., MS-DOS, MS-Windows, Macintosh, Unix), a list of files contained on the compact disc including their names, sizes in bytes, and dates of creation, plus any other special information that is necessary to identify, maintain, and interpret (e.g., tables in landscape orientation should be identified as landscape orientation or be identified when inquired about) the information on the compact disc. Compact discs submitted to the Office will not be returned to the applicant.

(4) Any compact disc must be submitted in duplicate unless it contains only the "Sequence Listing" in computer readable form required by § 1.821(e). The compact disc and duplicate copy must be labeled "Copy 1" and "Copy 2," respectively. The transmittal letter which accompanies the compact disc must include a statement that the two compact discs are identical. In the event that the two compact discs are not identical, the Office will use the compact disc labeled "Copy 1" for further processing. Any amendment to the information on a compact disc must be by way of a replacement compact disc in compliance with this paragraph containing the substitute information, and must be accompanied by a statement that the replacement compact disc contains no new matter. The compact disc and copy must be labeled "COPY 1 REPLACEMENT MM/DD/YYYY" (with the month, day and year of creation indicated), and "COPY 2 REPLACEMENT MM/DD/YYYY," respectively.

(5) The specification must contain an incorporation-by-reference of the material on the compact disc in a separate paragraph (§ 1.77(b)(5)), identifying each compact disc by the names of the files contained on each of the compact discs, their date of creation and their sizes in bytes. The Office may require applicant to amend the specification to include in the paper portion any part of the specification previously submitted on compact disc.

(6) A compact disc must also be labeled with the following information:

(i) The name of each inventor (if known);

(ii) Title of the invention;

(iii) The docket number, or application number if known, used by the person filing the application to identify the application; and

(iv) A creation date of the compact disc.

(v) If multiple compact discs are submitted, the label shall indicate their order (e.g. "1 of X").

(vi) An indication that the disk is "Copy 1" or "Copy 2" of the submission. See paragraph (b)(4) of this section.

(7) If a file is unreadable on both copies of the disc, the unreadable file will be treated as not having been submitted. A file is unreadable if, for example, it is of a format that does not comply with the requirements of paragraph (e)(3) of this section, it is corrupted by a computer virus, or it is written onto a defective compact disc.

II. FINDINGS AND ANALYSIS

Petitioner patent owner requests that the requirements of 37 CFR 1.52(e) be waived to allow submission of a compact disc (CD) containing a computer program without an accessible computer program listing. The CD was submitted for the purpose of accompanying a declaration under 37 C.F.R. 1.131 to predate a reference by showing prior conception and reduction to practice.

Patent owner petitioner argues that the requirements under Rule 1.52(e) are meant for submissions related to the disclosure in an application and not to evidence to predate a reference. Patent owner petitioner also argues that it is not possible to comply with the rules requiring the computer program to be in ASCII format because the CD submission is actual evidence of a program that was on sale prior to the dates of certain references. The program, called CourseInfo, is submitted in CGI language called PERL written in ASCII and then compiled into a DLL (binary). It is not possible to provide the ASCII source code. A declaration by Daniel E. Cane was submitted on June 15, 2009 stating that the source code for the program was written approximately 10 years ago and cannot be located.

In filing a petition under 37 CFR 1.183, the petitioner must show that the present situation should be deemed an "extraordinary" situation where "justice requires" that the rules be waived to permit entry of a CD-ROM that does not comply with the requirements of Rule 1.52(e). It is noted that the requirements of Rule 1.52(e) apply to all electronic documents that are to become part of the permanent record in the file, not merely to original application papers as argued by patent owner petitioner. Thus, the fact that the CD is evidence in support of the declaration does not render this situation extraordinary. However, patent owner petitioner also asserts that this situation is extraordinary because it is not possible to comply with the requirement that the program be submitted in ASCII format. Petitioner further asserts that entry of the CD is necessary to provide evidence of conception to predate a reference. In view of these facts, waiver of the rule is appropriate to permit the CD to be entered for consideration of the evidence during this merged proceeding. Therefore, the petition requesting such waiver is granted, and the CD submitted as Exhibit A to the Declaration filed by the inventors on May 29, 2008 (and resubmitted on June 15, 2009) will be entered.

For the reasons stated above, patent owner has demonstrated an entitlement to relief under 37 CFR 1.183. Accordingly, waiver of the rule is appropriate. The petition is granted.

CONTENTS OF CD ARE INACCESSIBLE

The Examiner does not have the ability to access the contents of the CD. Therefore, despite granting entry of the CD, the evidence contained on the CD cannot be demonstrated to or considered by the examiner.

It is suggested that patent owner file a petition requesting that 37 C.F.R. 1.955 be waived to permit a personal interview with the examiner during which the contents of the CD may be demonstrated. Such petition would need to establish that patent owner can and will provide stand-alone equipment upon which the CD contents can be accessed and demonstrated to the examiner. The request would additionally need to comply with the provisions of 37 C.F.R. 1.560(a) governing the conduct of interviews.

If such a petition is filed and granted, the office will *sua sponte* permit both third party requesters to attend the interview, **with no right of participation**. Any interview will be strictly limited to a demonstration of the contents of the CD to the examiner.

PATENT OWNER'S ADDRESS

The patent owner is reminded to update the correspondence address in both the patent file and this proceeding based on any change in power of attorney and change of correspondence address. The correspondence address for the patent is the correct address for patent owners in reexamination proceedings. The Office will not engage in double correspondence with more than one attorney or agent. See 37 CFR 1.33(c).

CONCLUSION

1. For the reasons set forth above, the instant petition is granted.

2. The CD submitted with the petition will be entered into the record of the merged proceedings.

3. Jurisdiction of the merged proceedings is being returned to the Central Reexamination Unit for further handling consistent with this decision.

4. Telephone inquiries related to this decision should be directed to Caroline Dennison, Legal Advisor, at (571) 272-7729.

Hiram Bernstein
Senior Legal Advisor
Office of Patent Legal Administration

8/20/09

UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,199	12/01/2006	6988138		7245

20277 7590 10/09/2009

MCDERMOTT WILL & EMERY LLP
600 13TH STREET, N.W.
WASHINGTON, DC 20005-3096

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 10/09/2009

Please find below and/or attached an Office communication concerning this application or proceeding.

UNITED STATES PATENT AND TRADEMARK OFFICE

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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
FOLEY AND LARDNER LLP
3000 K STREET NW
SUITE 500
WASHINGTON, DC 20007

Date:

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OCT 0 9 2009

CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester
Inter Partes Reexamination

REEXAMINATION CONTROL NO. : 95000199
PATENT NO. : 6988138
TECHNOLOGY CENTER : 3999
ART UNIT : 3900

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified Reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the inter partes reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an ex parte reexamination has been merged with the inter partes reexamination, no responsive submission by any ex parte third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the Central Reexamination Unit at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/008,330	11/17/2006	6988138		3192

20277 7590 10/09/2009

MCDERMOTT WILL & EMERY LLP
600 13TH STREET, N.W.
WASHINGTON, DC 20005-3096

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 10/09/2009

Please find below and/or attached an Office communication concerning this application or proceeding.

UNITED STATES PATENT AND TRADEMARK OFFICE

Commissioner for Patents
United States Patents and Trademark Office
P.O.Box 1450
Alexandria, VA 22313-1450
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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
SOFTWARE FREEDOM LAW CENTER
1995 BROADWAY
17TH FLOOR
NEW YORK, NY 10023-5882

Date:
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OCT 0 9 2009
CENTRAL REEXAMINATION UNIT

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. : 90008330
PATENT NO. : 6988138
ART UNIT : 3900

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified ex parte reexamination proceeding (37 CFR 1.550(f)).

Where this copy is supplied after the reply by requester, 37 CFR 1.535, or the time for filing a reply has passed, no submission on behalf of the ex parte reexamination requester will be acknowledged or considered (37 CFR 1.550(g)).

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CENTRAL REEXAMINATION UNIT

McDermott, Will & Emery LLP
60013th Street, N.W.
Washington, DC 20005-3096

(For Patent Owner)

Software Freedom Law Center
1995 Broadway, 17th Floor
New York, NY 10023-5882

(For *Ex Parte* Requester)

Foley & Lardner LLP
3000 K Street, N.W. Suite 500
Washington, DC 20007

(For *Inter Partes* Requester)

Ex Parte Reexamination Proceeding
Control No. 90/008,330
Filed: November 17, 2006
For: U.S. Patent No. 6,988,138 B1

Inter Partes Reexamination Proceeding
Control No. 95/000,199
Filed: December 1, 2006
For: U.S. Patent No. 6,988,138 B1

DECISION
DISMISSED
PETITION

This is a decision addressing the patent owner "PETITION TO SUSPEND RULE 37 C.F.R. § 1.943(b) PURSUANT TO THE PROVISIONS OF 37 C.F.R. § 1.183," to Waive the Page Limit Requirements of 37 C.F.R. § 1.943(b) submitted on January 22, 2009.

The petition is before the Office of Patent Legal Administration of the United States Patent and Trademark Office.

SUMMARY

The petition to waive the page limit requirement of 37 CFR 1.943(b) is **dismissed as moot**.

FEE

The petition fee of $400 set forth in 37 CFR 1.17(f) for the present petition under 37 CFR 1.183 was charged to Deposit account No. 50-2624 in accordance with petitioner's April 21, 2009 authorization on page 5 of the petition.

BACKGROUND FOR PETITION

1. On January 17, 2006, U.S. Patent No. 6,988,138 issued to Alcorn *et al.* (the '138 patent) and was assigned to Blackboard Inc. (hereinafter "patent owner").

2. On November 17, 2006, a request for *ex parte* reexamination was filed by third party requester Richard E. Fontana, which was assigned reexamination control number 90/008,330 (the '8330 proceeding).

3. On December 1, 2006, a request for *inter partes* reexamination was filed by third party requester Desire2Learn, Inc. (hereinafter "*inter partes* requester"), which was assigned reexamination control number 95/000,199 (the '199 proceeding).

4. On January 25, 2007, the Office ordered reexamination in the '8330 proceeding.

5. On February 26, 2007, the Office ordered reexamination in the '199 proceeding.

6. On February 16, 2006, the Office issued a decision *sua sponte* merging the '8330 and '199 reexamination proceedings into a single merged proceeding (the merged proceeding).

7. On March 25, 2008, the Office mailed a first Office action on the merits in the merged proceeding.

8. On May 29, 2008, patent owner filed a response to the first Office action on the merits.

9. On June 26, 2008, *inter partes* requester filed comments to patent owner's response.

10. On December 9, 2008, the Office issued a Notice of Defective Paper finding patent owner's May 29, 2008 response improper in accordance with 37 CFR 1.943(b), and setting aside *inter partes* requester's June 26, 2008 comments as they were responding to an improper paper. The examiner advised *inter partes* requester to ensure that any resubmitted comments be compliant with 37 CFR 1.943(b). Patent owner was given 15 days to submit a proper response.

11. On December 29, 2008, patent owner filed a revised response to the first Office action on the merits.

12. On January 22, 2009, *inter partes* requester filed revised comments to patent owner's response.

13. Concurrent with the January 22, 2009 revised comments, the *inter partes* requester filed a petition requesting waiver of the page limit Requirements of 37 CFR 1.943(b).

14. On April 8, 2009, the Office issued a decision dismissing the January 22, 2009 petition, as the *inter partes* requester's January 22, 2009 response was facially compliant with 37 CFR 1.943(b).

15. On April 15, 2009, the Office issued an Action Closing Prosecution (ACP), sixty-four (64) in total length.

16. On April 21, 2009, patent owner submitted the present petition requesting waiver of the page limit requirement of 37 CFR 1.943(b) to the extent of permitting fifty (50) additional pages, or 100 pages in total.

17. On June 15, 2009, patent owner submitted a response to the April 21, 2009 ACP.[1] The submission included, *inter alia*, a forty-seven page patent owner comments document and a three page declaration.

DECISION

37 CFR 1.183 provides:

> In an extraordinary situation, when justice re-quires, any requirement of the regulations in this part which is not a requirement of the statutes may be suspended or waived by the Director or the Director's designee, *sua sponte*, or on petition of the interested party, subject to such other requirements as may be imposed. Any petition under this section must be accompanied by the petition fee set forth in§ 1.17(f).

37 CFR 1.943(b) provides:

> Responses by the patent owner and written comments by the third party requester shall not exceed 50 pages in length, excluding amendments, appendices of claims, and reference materials such as prior art references.

I. PATENT OWNER'S PETITION OF APRIL 21, 2009

In the instant petition, patent owner requests suspension of 37 CFR 1.943(b), which limits patent owner responses to 50 pages in length, to increase the page limit for patent owner's response to the April 15, 2009 ACP to 100 pages.[2] In support of waiver of the rule, patent owner asserts that the April 15, 2009 ACP is 64 pages long, includes 18 separate grounds of rejection using 16 different prior art references, and is alleged to incorporate by reference "hundreds" pages of the Request for Reexamination.[3]

II. PATENT OWNER'S JUNE 15, 2009 SUBMISSION

On June 15, 2009, patent owner timely submitted comments in response to the April 15, 2009 ACP. The patent owner comments document was forty-seven pages in total length, consisting of a cover sheet, a signature page, a five page listing of the claims and forty pages of substantive comments. In addition to the comments, patent owner submitted a three page declaration,

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[1] The response is timely as patent owner was granted a one month extension of time.

[2] Petition at page 4 (patent owner noting that a 100 page limit is reasonable in light of the facts and circumstances of the present proceeding, but without the provision of the specific facts and circumstances to justify the doubling of the page limit.).

[3] Petition at page 2.

consisting of a two page declaration and a certificate of service page for the declaration. The submission facially complies with the requirements of 37 CFR 1.943(b).

Accordingly, the petition is **dismissed as moot**.

CONCLUSION

1. The petition to waive the page limit requirement of 37 CFR 1.943(b) is **dismissed as moot**.

2. Jurisdiction over this proceeding is being returned to the Central Reexamination Unit.

3. Telephone inquiries with regard to this decision should be directed to Joseph F. Weiss, Jr., Office of Patent Legal Administration, at (571) 272-7759.

Kenneth M. Schor

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration
Office of the Deputy Commissioner
for Patent Examining Policy

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CENTRAL REEXAMINATION UNIT

THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
FOLEY AND LARDNER LLP
3000 K STREET NW
SUITE 500
WASHINGTON, DC 20007

Transmittal of Communication to Third Party Requester
Inter Partes Reexamination

REEXAMINATION CONTROL NO. : 95000199
PATENT NO. : 6988138
TECHNOLOGY CENTER : 3999
ART UNIT : 3900

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified Reexamination proceeding. 37 CFR 1.903.

Prior to the filing of a Notice of Appeal, each time the patent owner responds to this communication, the third party requester of the inter partes reexamination may once file written comments within a period of 30 days from the date of service of the patent owner's response. This 30-day time period is statutory (35 U.S.C. 314(b)(2)), and, as such, it cannot be extended. See also 37 CFR 1.947.

If an ex parte reexamination has been merged with the inter partes reexamination, no responsive submission by any ex parte third party requester is permitted.

All correspondence relating to this inter partes reexamination proceeding should be directed to the Central Reexamination Unit at the mail, FAX, or hand-carry addresses given at the end of the communication enclosed with this transmittal.

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CENTRAL REEXAMINATION UNIT

THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
SOFTWARE FREEDOM LAW CENTER
1995 BROADWAY
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NEW YORK, NY 10023-5882

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. : 90008330
PATENT NO. : 6988138
ART UNIT : 3900

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified ex parte reexamination proceeding (37 CFR 1.550(f)).

Where this copy is supplied after the reply by requester, 37 CFR 1.535, or the time for filing a reply has passed, no submission on behalf of the ex parte reexamination requester will be acknowledged or considered (37 CFR 1.550(g)).

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/008,330	11/17/2006	6988138		3192

20277 7590 10/28/2009

MCDERMOTT WILL & EMERY LLP
600 13TH STREET, N.W.
WASHINGTON, DC 20005-3096

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 10/28/2009

Please find below and/or attached an Office communication concerning this application or proceeding.

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UNITED STATES DEPARTMENT OF COMMERCE
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,199	12/01/2006	6988138		7245

20277 7590 10/28/2009

MCDERMOTT WILL & EMERY LLP
600 13TH STREET, N.W.
WASHINGTON, DC 20005-3096

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 10/28/2009

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OCT 28 2009

CENTRAL REEXAMINATION UNIT

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Hale and Dorr LLP
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Boston MA 02109

(For Patent Owner)

Richard E. Fontana
Software Freedom Law Center
1995 Broadway, 17th Floor
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(For *Ex Parte* Third Party Requester)

George C. Beck
Foley & Lardner LLP
3000 K. Street, N.W., Suite 500
Washington, D.C. 2007-5109

(For *Inter Partes* Third Party Requester)

In re Alcorn *et al.*
Ex parte Reexamination Proceeding
Control No. 90/008,330
Filed: November 17, 2006
For: U.S. Patent No. 6,988,138

In re Alcorn *et al.*
Inter Partes Reexamination Proceeding
Control No. 95/000,199
Filed: December 1, 2006
For: U.S. Patent No. 6,988,138

DECISION GRANTING PETITION

This is a decision on the patent owner's "PETITION TO WAIVE 37 C.F.R. § 1.955 PURSUANT TO THE PROVISIONS OF 37 C.F.R. § 1.183" filed on October 13, 2009, requesting that the provisions of 37 C.F.R. 1.955 be waived to permit a personal interview with the Examiner in order to demonstrate the contents of a CD, the entry of which has been permitted.

The merged 90/008,330 and 95/000,199 proceeding, and the petition, are before the Office of Patent Legal Administration for consideration.

The petition fee of $400.00 pursuant to 37 CFR 1.17(f) for the petition under 37 CFR 1.183 was received.

The petition is granted to waive 37 CFR 1.955 to the extent set forth below.

REVIEW OF FACTS

1. U.S. Patent No. 6,988,138 ("the '138 patent") issued on Jan. 17, 2006 with 44 claims.

2. On Nov. 17, 2006, a third party requester, Software Freedom Law Center, filed a request for *ex parte* reexamination, which proceeding was assigned Control No. 90/008,330 ("the '8330 proceeding") requesting reexamination of claims 1-44. On Jan. 25, 2007, reexamination was ordered in the '8330 proceeding.

3. On Dec. 1, 2006, a third party requester, Desire2Learn, filed a request for *inter partes* re-examination, which proceeding was assigned Control No. 95/000,199 ("the '199 proceeding") requesting reexamination of claims 1-44. On Feb. 26, 2007, reexamination was ordered in the '199 proceeding.

4. A concurrent civil litigation is being conducted in the U.S. District Court for the Eastern District of Texas, captioned *Blackboard, Inc. v. Desire2Learn, Inc.*, Civil Action No. 9:06-CV-00155.

5. On March 17, 2008, the '8330 proceeding and the '199 proceeding were merged.

6. On March 25, 2008, an Office action in the merged proceeding was mailed. Patent owner responded on May 29, 2008, with an amendment, comments and several declarations. Third party requester filed its comments on June 26, 2008.

7. On April 15, 2009, an action closing prosecution was mailed. Patent owner filed, on June 15, 2009, comments and an additional declaration. Third party requester filed its comments on July 15, 2009.

8. A petition was filed June 15, 2009, with patent owner's response requesting that the provisions of 37 CFR 1.52(e) be suspended regarding the formalities of submission of a computer program on a compact disc. A decision granting the requested suspension (waiver) was mailed Aug. 21, 2009.

9. A petition was filed Oct. 13, 2009, requesting waiver of 37 CFR.1.955 to permit a personal interview to demonstrate the computer program submitted on the compact disc granted entry in the Aug. 21, 2009 decision. This petition is the subject of the present decision.

DECISION

I. RELEVANT STATUTES, REGULATIONS, AND EXAMINING PROCEDURE

A. Relief Requested

37 CFR 1.183 provides:

> In an extraordinary situation, when justice requires, any requirement of the regulations in this part which is not a requirement of the statutes may be suspended or waived by the Director or the Director's designee, *sua sponte*, or on petition of the interested party, subject to such other requirements as may be imposed. Any petition under this section must be accompanied by the petition fee set forth in § 1.17(f).

B. Interviews

> § 1.955 Interviews prohibited in inter partes reexamination proceedings. There will be no interviews in an inter partes reexamination proceeding which discuss the merits of the proceeding.

II. FINDINGS AND ANALYSIS

Patent owner requests waiver of 37 CFR 1.955 to permit a personal interview with the Examiner during which the contents of a CD may be demonstrated. The patent owner will provide stand-alone equipment in which the CD contents can be accessed and demonstrated to the Examiner. The CD has already been entered into the record in accordance with the decision mailed Aug. 21, 2009.

The examiner is unable to access the contents of the CD without a demonstration by the patent owner on patent owner's stand alone equipment, and therefore this is deemed an extraordinary situation that warrants granting waiver of the rule to permit an interview. However, keeping in spirit with 37 CFR 1.955, which prohibits interviews in which the merits of the proceedings are discussed, the interview will be <u>strictly limited</u> to a demonstration of the contents of the CD. No discussion of the merits of the proceeding will be permitted. A reexamination supervisor is to be in attendance to ensure compliance with these requirements. Permission to conduct a limited interview under these circumstances is granted.

By this decision, the Office also *sua sponte* grants permission for the third parties to attend the interview and view the demonstration. There is no right of participation by the third parties, and there will be no opportunity provided to the third parties to participate in the proceedings in any manner apart from being in attendance.

The patent owner will provide a summary of the interview and the *inter partes* requester will have the option of responding to the patent owner remarks within fifteen (15) days of the filing. The summary and response will be strictly limited to the demonstration that occurs at the interview. Neither the patent owner's summary not the optional third party response will be permitted to address the merits of the proceeding.

It is patent owner's responsibility to coordinate an amenable date and time for the interview for the examiner, a supervisor, and the third parties if the third parties wish to attend. The interview will take place at the U.S. Patent & Trademark Office at the Carlyle campus in Alexandria, VA during normal business hours.

PATENT OWNER'S ADDRESS

The patent owner is reminded to update the correspondence address in both the patent file and this proceeding based on any change in power of attorney and change of correspondence address. The correspondence address for the patent is the correct address for the patent owner in reexamination proceedings. The Office will not engage in double correspondence with more than one attorney or agent. See 37 CFR 1.33(c). As patent owner has been reminded of this previously, yet no change of address has been received in the patent file, no additional courtesy copies to petitioner will be sent with this decision, or with future correspondence.

CONCLUSION

1. The petition is granted to waive 37 CFR 1.955 to the extent set forth above.

2. It is patent owner's responsibility to coordinate a mutually agreeable time and date for the interview with the examiner, a supervisor, and the third party requesters.

3. Jurisdiction of the merged proceedings is being returned to the Central Reexamination Unit for further handling consistent with this decision.

4. Telephone inquiries related to this decision should be directed to Caroline Dennison, Acting Deputy Director, at (571) 272-7729.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

10/25/09
keninterview

UNITED STATES PATENT AND TRADEMARK OFFICE

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105 West Adams Street
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Chicago, IL 60603-6299

(For Patent Owner)

MAILED

FEB 08 2008

CENTRAL REEXAMINATION UNIT

Tracy Druce
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(NDQ Reexamination Group)
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Houston, TX 77002

(For Third Party Requester)[1]

In re Premier International Associates, LLC
Inter Partes Reexamination Proceeding
Control No.: 95/000,201
Filed: December 8, 2006
For: U.S. Patent No.: 6,763,345 B1

DECISION DISMISSING "FOURTH PARTY" PETITION AND SEALING PAPERS

This is a decision on the December 5, 2007 petition filed by YAHOO! Inc., (hereinafter "YAHOO!"), entitled "PETITION TO ALLOW PARTICPATION OF YAHOO! INC. AS THIRD PARTY REQUESTER."

The petition and the 95/000,201 *inter partes* reexamination proceeding are before the Office of Patent Legal Administration for consideration of the above petition.

Summary: The petition is granted to the extent that it has been considered. However, the petition is dismissed for the reasons set forth below. In addition, the petition and all accompanying papers filed therewith are sealed so that they will not form a part of the active Image File Wrapper (IFW) record.

FEES

Although submitted pursuant to both 37 CFR 1.182 and 1.183, only a single petition fee is required. The petition fee of $ 400.00 (37 CFR 1.17(f)) has been charged to Deposit Account No. 14-1437 as authorized in the fourth party YAHOO!'s petition.

[1] It is noted that the registered practitioner who signed the present petition paper on behalf of YAHOO! Inc. is also counsel of record for third party requester Apple Computer, Inc. Accordingly, a single copy of this decision will be mailed to counsel for YAHOO!, Inc. at the address of the Novak Druce & Quigg firm.

REVIEW OF SALIENT FACTS

1. Patent number 6,763,345 ("the '345 patent") issued on July 13, 2004.

2. On December 8, 2006, third party requester Apple Computer Inc. (hereinafter "Apple"), filed a request for *inter partes* reexamination of the '345 patent in which Apple was identified as the real party in interest.

3. The request was assigned control No. 95/000,201 (the '201 *inter partes* reexamination proceeding).

4. An Order Granting *Inter Partes* Reexamination in the '201 *inter partes* reexamination proceeding was mailed on March 1, 2007.

5. On October 3, 2007, a non-final Office action on the patentability of the claims for which reexamination was ordered was mailed in the '201 *inter partes* reexamination proceeding.

6. On November 2, 2007, patent owner filed a timely response to the October 3, 2007 Office action, as provided for by 37 CFR 1.945, and a supplemental response with properly formatted claims on November 5, 2007.

7. The '345 patent is the subject of litigation in which patent owner named a number of defendants as infringers of the '345 patent, including petitioner YAHOO! and third party requester Apple.

8. On September 18, 2007, an order dismissing the litigation as to defendant Apple was signed, apparently as the result of a stipulation by patent owner and Apple.

9. On December 11, 2007, the present petition and exhibits thereto was filed by YAHOO!, which is also named as a defendant in the litigation mentioned in fact #7.

DECISION

I. Relevant Authority and Procedure

35 U.S.C. § 301 provides:

> Any person at any time may cite to the Office in writing prior art consisting of patents or printed publications which that person believes to have a bearing If the person explains in writing the pertinency and manner of applying such prior art to at least one claim of the patent, the citation of such prior art and the explanation thereof will become a part of the official file of the patent. At the written request of the person citing the prior art, his or her identity will be excluded from the patent file and kept confidential.

35 U.S.C. § 302 provides:

> Any person at any time may file a request for reexamination by the Office of any claim of a patent on the basis of any prior art cited under the provisions of section 301 of this title. [Emphasis added.]

35 U.S.C. § 303(a) provides:

Within three months following the filing of a request for reexamination under the provisions of section 302 of this title, the Director will determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request, with or without consideration of other patents or printed publications. On his own initiative, and any time, the Director may determine whether a substantial new question of patentability is raised by patents and publications discovered by him or cited under the provisions of section 301 of this title. The existence of a substantial new question of patentability is not precluded by the fact that a patent or printed publication was previously cited by or to the Office or considered by the Office.

35 U.S.C. § 304 provides:

If, in a determination made under the provisions of subsection 303(a) of this title, the Director finds that a substantial new question of patentability affecting any claim of a patent is raised, the determination will include an order for reexamination of the patent for resolution of the question.

35 U.S.C. § 305 provides, in part:

After the times for filing the statement and reply provided for by section 304 of this title have expired, reexamination will be conducted according to the procedures established for initial examination under the provisions of sections 132 and 133 of this title.

35 U.S.C. § 311(a) provides:

IN GENERAL.— Any third-party requester at any time may file a request for inter partes reexamination by the Office of a patent on the basis of any prior art cited under the provisions of section 301. [Emphasis added.]

35 U.S.C. § 312(a) provides:

REEXAMINATION.— Not later than 3 months after the filing of a request for inter partes reexamination under section 311, the Director shall determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request, with or without consideration of other patents or printed publications. The existence of a substantial new question of patentability is not precluded by the fact that a patent or printed publication was previously cited by or to the Office or considered by the Office.

35 U.S.C. § 313 provides, in part:

If, in a determination made under section 312(a), the Director finds that a substantial new question of patentability affecting a claim of a patent is raised, the determination shall include an order for inter partes reexamination of the patent for resolution of the question.

35 U.S.C. § 314(a) provides, in part:

IN GENERAL.— Except as otherwise provided in this section, reexamination shall be conducted according to the procedures established for initial examination under the provisions of sections 132 and 133.

35 U.S.C. §315(c) provides:

CIVIL ACTION.– A third-party requester whose request for an inter partes reexamination results in an order under section 313 is estopped from asserting at a later time, in any civil action arising in whole or in part under section 1338 of title 28, the invalidity of any claim finally determined to be valid and patentable on any ground which the third-party requester raised or could have raised during the inter partes reexamination proceedings. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

35 U.S.C. § 317(b) provides:

FINAL DECISION.– Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party has not sustained its burden of proving the invalidity of any patent claim in suit or if a final decision in an inter partes reexamination proceeding instituted by a third-party requester is favorable to the patentability of any original or proposed amended or new claim of the patent, then neither that party nor its privies may thereafter request an inter partes reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in such civil action or inter partes reexamination proceeding, and an inter partes reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office, notwithstanding any other provision of this chapter. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

37 CFR 1.182 provides:

All situations not specifically provided for in the regulations of this part will be decided in accordance with the merits of each situation by or under the authority of the Director, subject to such other requirements as may be imposed, and such decision will be communicated to the interested parties in writing. Any petition seeking a decision under this section must be accompanied by the petition fee set forth in § 1.17(f).

37 CFR 1.183 provides:

In an extraordinary situation, when justice requires, any requirement of the regulations in this part which is not a requirement of the statutes may be suspended or waived by the Director or the Director's designee, *sua sponte*, or on petition of the interested party, subject to such other requirements as may be imposed. Any petition under this section must be accompanied by the petition fee set forth in § 1.17(f).

37 CFR 1.989 provides

(a) If any reexamination is ordered while a prior *inter partes* reexamination proceeding is pending for the same patent and prosecution in the prior *inter partes* reexamination proceeding has not been terminated, a decision <u>may</u> be made to merge the two proceedings or to suspend one of the two proceedings. Where merger is ordered, the merged examination will normally result in the issuance of a single reexamination certificate under § 1.997.

(b) An *inter partes* reexamination proceeding filed under § 1.913 which is merged with an *ex parte* reexamination proceeding filed under § 1.510 will result in the merged proceeding being governed by §§ 1.902 through 1.997, except that the rights of any third party requester of the *ex parte* reexamination shall be governed by §§ 1.510 through 1.560. [Emphasis added.]

MPEP § 2640, subsection II. provides, in part:

> If a second or subsequent request for reexamination is filed (by any party permitted to do so) while a first reexamination is pending, the presence of a substantial new question of patentability depends on the art (patents and printed publications) cited by the second or subsequent request. The cited art will be reviewed for a substantial new question of patentability based on the following guidelines: ... If the art cited in the subsequent request raises the same substantial new question of patentability as that raised in the earlier pending reexamination, the subsequent request should be denied. Where the request raises a different substantial new question of patentability as to some patent claims, but not as to others, the request would be granted in part; see the order issued in reexamination control number 90/007,843 and 90/007,844. If the subsequent request does not include the art which raised the substantial new question of patentability in the earlier pending reexamination, reexamination may or may not be ordered, depending on whether the different art cited raises a substantial new question of patentability." [Emphasis added.]

MPEP § 2686.01 provides, in part:

> In order for the second or subsequent request to be granted, a substantial new question of patentability must be raised by the art (patents and/or printed publications) cited in the second or subsequent request for reexamination. See MPEP § 2640 regarding whether a substantial new question of patentability is raised by the art cited in a second or subsequent request filed while a first reexamination proceeding is pending.

II. Background and Relief Requested

A review of the record shows that the patent owner is involved in litigation in which the '345 patent is asserted against a plurality of accused infringers. Third party requester and real party in interest Apple was one of the accused infringers. It now appears that Apple has settled the matter with patent owner, and the litigation has been dismissed as to Apple by a court order resulting from a stipulation of dismissal. Petitioner YAHOO! is also a named defendant in the litigation, and has filed the present petition and exhibits to request that YAHOO! be substituted for third party requester in the present '201 *inter partes* reexamination proceeding. YAHOO! also requests that if it is so substituted, that its comments on patent owner's response to the Office action of October 3, 2007, attached as Exhibit 5 to the present petition, be admitted on the record.

III. Analysis and Findings

a. Petitioner's Position [2]

The petition filed by YAHOO! is styled as a petition under 37 CFR 1.182 and/or 37 CFR 1.183. 37 CFR 1.182 provides that a petitioner may request relief in "[A]ll situations not specifically provided for in the regulations of this part," and that a petition requesting such relief "will be decided in accordance with the merits of each situation by or under the authority of the Director." 37 CFR 1.183 provides that a suspension (i.e., a waiver) of the regulations may be obtained "[I]n an extraordinary situation, when justice requires."

Petitioner YAHOO! asserts that it should be allowed to "take over" the position of third party requester in the present proceeding because the absence of a third party requester in an *inter partes* reexamination proceeding would frustrate the intended purpose of *inter partes*

[2] Petitioner's position has been carefully and completely considered. The failure to expressly mention any particular point raised by petitioner is not to be taken as an indication otherwise.

reexamination. [3] Petitioner also asserts that the situation in which a third party requester stops being an active participant in an *inter partes* reexamination proceeding does not appear to have been a situation contemplated by Congress, [4] although the legislative history of the *inter partes* reexamination statute describes participation by the third party requester to be "vital because they have the most relevant prior art available and incentive to seek to invalidate an allegedly defective patent." [5] YAHOO! opines that participation by a third party requester would facilitate the Office to take action with "special dispatch" as required by the *inter partes* reexamination statute [6] and that Office regulations and procedures, such as 37 CFR 1.989(a), contemplate merger of two reexamination proceedings so that a party could file a second reexamination proceeding and have it merged with a prior filed reexamination proceeding, but that YAHOO! should be permitted to join the instant proceeding rather than having to file its own reexamination proceeding. [7] Petitioner YAHOO! also relies upon various procedures available in the Federal Rules of Civil Procedure, such as in one instance was relied upon by a district court to permit intervention in a *de novo* review of patentability, and in a procedure available in trademark proceedings within the Office that permit substitution in an *inter partes* trademark proceeding when there has been an assignment of rights. [8]

b. Petitioner's Position is Not Persuasive

Petitioner's arguments in support of the relief requested neglects several important points:

(1) While it is true that any third party requester may file a request for *inter partes* reexamination of a patent at any time, [9] and that any party (whether patent owner or third party requester) may file a request for *ex parte* reexamination of a patent at any time, [10] the mere filing of a request for reexamination does not create a viable reexamination proceeding *per se*. Rather, a request for reexamination must be based on one or more substantial new questions of patentability (SNQ). [11] The second or subsequent request for reexamination must establish a SNQ before the second or subsequent reexamination will be ordered. [12] As pointed out in MPEP § 2686.01, "[I]n order for the second or subsequent request to be granted, a substantial new question of patentability must be raised by the art (patents and/or printed publications) cited in the second or subsequent request for reexamination. As pointed out in MPEP § 2640, subsection II., the second or subsequent request cannot present the same substantial new question of patentability that was presented in the existing, ordered reexamination proceeding. Thus, YAHOO! is, in effect, asking to enter into the '201 *inter partes* reexamination without having filed a request for reexamination that raises a "new" substantial new question of patentability with respect to the substantial new question of patentability raised in the present '201 *inter partes* reexamination proceeding. Permitting YAHOO! to enter into and participate in the '201 *inter partes* proceeding as a third party requester merely because YAHOO! could attempt to participate by filing its own request for reexamination that might be ordered, would effectively circumvent the statutory requirements that the third party requester in a reexamination proceeding must have raised

[3] "Petition to Allow Participation of Yahoo! ...", December 5, 2007, pages 4
[4] *Id.*, at page 6.
[5] *Id.*, at page 5, quoting H.R. REP. 107-120, at page 4.
[6] *Id.*, at page7.
[7] *Id.*, at page 8.
[8] *Id.*, at pages 8-10.
[9] 35 U.S.C. § 312(a)
[10] 35 U.S.C. § 302
[11] 35 U.S.C. §§ 312 and 313; 35 U.S.C. §§ 303(a) and 304
[12] MPEP §§ 2640 subsection II. and 2686.01

a substantial new question of patentability, *i.e.*, must add something new to what has come before.

(2) Petitioner YAHOO! appears to assume that the relief requested in the present petition something is something that petitioner could necessarily achieve by filing a new request for reexamination, which would then be merged with the '201 *inter partes* reexamination proceeding, thereby permitting petitioner YAHOO! the right to participate in the '201 *inter partes* reexamination proceeding. YAHOO! requests that rather than following such procedures, YAHOO! should simply be permitted to substitute for Apple as third party requester, without explaining why such substitution is preferred over following such procedures.

However, 37 CFR 1.989(a), the provision governing merger of a second or subsequent reexamination proceeding for a given patent with a pending *inter partes* reexamination proceeding for the same patent, clearly states that a decision to merge multiple reexamination proceedings <u>may</u> be made. Thus, merger is <u>not</u> a matter of right. As discussed at some length in MPEP § 2686.01, the decision to merge multiple reexamination proceedings directed to the same patent is made by the Office on a case-by-case basis. If YAHOO!, or any party, were to now file a request for reexamination of the '345 patent, it is speculative, at best, to state that the relief requested by petitioner YAHOO! should be granted because YAHOO! will necessarily be able to achieve the same result in any event. That premise is simply not true. Thus, even it were assumed, *arguendo*, that the relief requested by YAHOO! would not circumvent the statutory requirement that a third party requester must establish a substantial new question of patentability in order to enter into a participant in a reexamination proceeding, it is nevertheless speculative as to whether the requested relief would be equivalent to that which YAHOO! could accomplish by filing its owner request for reexamination, because it is not clear that such request would be granted, and would necessarily be merged with the '201 *inter partes* reexamination proceeding.

(3) Petitioner has cited the legislative history of the *inter partes* reexamination statute to establish that the requested relief should be granted because Congress regarded third party participation in an *inter partes* reexamination proceeding as being necessary, or even vital. However, the cited portion of the legislative history states that a third party requester is vital, because a third party requester has the best prior art and an incentive to seek invalidity. Third party requester Apple has already provided the prior art of which it was aware. Any additional prior art provided by YAHOO! would, again, need to comply with the statutory requirement that a third party requester must establish the existence of a substantial new question of patentability, which determination is made after a new reexamination request is filed.

Further, whether or not a third party participates in a reexamination proceeding, the Office has a duty to represent the public, by conducting patentability determinations in accordance with the patentability statutes. This duty provides sufficient incentive for the Office to seek an accurate resolution of the question of claim patentability, whether a third party requester participates in a reexamination proceeding or not. Indeed, the Office routinely conducts *ex parte* reexamination proceedings filed by a patent owner, in which there is no third party requester. Further, the Office has conducted at least one *inter partes* reexamination proceeding in circumstances that are essentially parallel to the circumstances in the '201 *inter*

partes reexamination proceeding. In *inter partes* reexamination proceeding 95/000,020, [13] the third party requester of the *inter partes* reexamination proceeding no longer participates in the proceeding in accordance with an agreement settling an infringement litigation in which the third party requester was the defendant/accused infringer. Notwithstanding the absence of participation by the third party requester subsequent to the settlement agreement, the 95/000,020 *inter partes* reexamination proceeding is currently on appeal to the Patent and Trademark Office Board of Patent Appeals and Interferences from the rejection of all pending claims.

(4) Petitioner argues that participation by YAHOO! as a third party would facilitate treatment of the present '201 *inter partes* reexamination proceeding with special dispatch. This argument is not well taken. Although allowing YAHOO! to participate as third party requester would theoretically eliminate the need for YAHOO! to file its own request for reexamination of the '345 patent and the need for the Office to consider merger with the '201 *inter partes* reexamination proceeding if reexamination were ordered on such a request, it is again pointed out that such would effectively contravene the statutory requirement that a third party must establish a substantial new question of patentability in order to participate in a reexamination proceeding. Further, if any party, including YAHOO!, were to file its own request for reexamination of the '345 patent, that would not mean that the prosecution in the '201 *inter partes* reexamination would be impeded. Rather, prosecution in the '201 *inter partes* reexamination proceeding would continue, while the Office simultaneously considered any newly filed request for reexamination of the '345 patent, and any question of merger that might arise in the event that the newly filed request for reexamination was granted. Indeed, it appears that continued prosecution in the '201 *inter partes* reexamination will be expedited if the Office does not need to await filing of papers by a third party requester and does not need to consider third party papers.

(5) Petitioner's attempt to draw analogies to procedures permitted in court, or in matters conducted in the Office that are other than reexamination proceedings, neglects the fact that reexamination proceedings must be conducted in accordance with the reexamination statutes and regulations. Neither provides for substitution of a new third party requester for an existing third party requester, which is presumably the reason that the present petition seeks relief not provided for by the reexamination regulations, and/or waiver of the regulations.

(6) YAHOO! points out that the regulations themselves provide a mechanism whereby petitioner may achieve relief equivalent to the relief requested in the present petition by filing its own request for reexamination. Thus, it does not appear that the present petition requests relief not otherwise provided for by the regulations or which requires waiver of the regulations, except to the extent necessary to obtain consideration of the petition, and to the extent that the requested substitution of YAHOO! for Apple as third party requester appears to be outside of the statutory requirement that a third party requester must demonstrate a substantial new question of patentability.

For the foregoing reasons, the third party requester is not entitled to the relief requested in the present 37 CFR 1.182/37 CFR 1.183 petition. The papers concurrently filed with the present petition, (YAHOO!'s proposed comments to patent owner's November5, 2007 response and exhibits attached thereto), will not be entered into the active Image File Wrapper record, with

[13] *Inter partes* reexamination proceeding 95/000,020 is merged with *ex parte* reexamination proceeding 90/006,495, a proceeding ordered by the USPTO Director, *sua sponte*. The merged proceeding is currently on appeal to the Patent and Trademark Office Board of Patent Appeals and Interferences from the rejection of all pending claims.

the exception of the Order of Dismissal which is marked as Exhibit 1 and is deemed to be integral to the petition. All other papers filed with the present petition will be sealed by being marked "closed" and "non-public," because they cannot be physically expunged from the Image File Wrapper record.

CONCLUSION

1. The petition requesting that YAHOO! be permitted to substitute for Apple as third party requester is dismissed.

2. The petition and Exhibit 1 thereto will be entered into the Image File Wrapper record, but all other papers filed with the petition are sealed.

3. Jurisdiction of the '201 *inter partes* reexamination proceeding will be returned to the Central Reexamination Unit for appropriate action on the patent owner response filed on November 3, 2007, as supplemented by the patent owner response filed on November 5, 2007.

4. Telephone inquiries related to this decision should be directed to Stephen Marcus, Legal Advisor, at (571) 272-7743.

Kenneth M. Schor,
Senior Legal Advisor
Office of Patent Legal Administration

sm
January 30, 2008

2-6-08
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UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,201	12/08/2006	6763345	1482-0001.04	7081

70653 7590 05/20/2008

EUGENE M. CUMMINGS, P.C.
ONE NORTH WACKER DRIVE
SUITE 4130
CHICAGO, IL 60606

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 05/20/2008

Please find below and/or attached an Office communication concerning this application or proceeding.

UNITED STATES PATENT AND TRADEMARK OFFICE

Commissioner for Patents
United States Patents and Trademark Office
P.O.Box 1450
Alexandria, VA 22313-1450
www.uspto.gov

THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
TRACY DRUCE
NOVAK, DRUCE & QUIGG, LLP
1000 LOUISIANA AVE. WELLS FARGO PLAZA 53RD FLOOR
HOUSTON, TX 77002

Date:
MAILED

MAY 20 2008

CENTRAL REEXAMINATION UNIT

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. : 95000201
PATENT NO. : 6763345
ART UNIT : 3992

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified ex parte reexamination proceeding (37 CFR 1.550(f)).

Where this copy is supplied after the reply by requester, 37 CFR 1.535, or the time for filing a reply has passed, no submission on behalf of the ex parte reexamination requester will be acknowledged or considered (37 CFR 1.550(g)).

UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,354	03/07/2008	6763345	1482-0001.16	4824

70653 7590 05/20/2008

EUGENE M. CUMMINGS, P.C.
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CHICAGO, IL 60606

EXAMINER

ART UNIT	PAPER NUMBER

DATE MAILED: 05/20/2008

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Commissioner for Patents
United States Patents and Trademark Office
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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
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HOUSTON, TX 77002

Date:
MAILED
MAY 20 2008
CENTRAL REEXAMINATION UNIT

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. : 95000354
PATENT NO. : 6763345
ART UNIT : 3992

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United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450
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MAILED

MAY 20 2008

CENTRAL REEXAMINATION UNIT

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(For 95/000,354 Requester)

In re James D. Hempleman et al.
Inter partes Reexamination Proceeding
Control No. 95/000,201
Filed: December 8, 2006
For: U.S. Patent No. 6,763,345

In re James D. Hempleman et al.
Inter partes Reexamination Proceeding
Control No. 95/000,354
Filed: March 7, 2008
For: U.S. Patent No. 6,763,345

DECISION, *SUA SPONTE*, TO MERGE REEXAMINATION PROCEEDINGS

The above-captioned reexamination proceedings are before the Office of Patent Legal Administration for *sua sponte* consideration of whether the proceedings should be merged under 37 CFR 1.989 at this time.

REVIEW OF SALIENT FACTS

1. United States Patent Number 6,763,345 (the '345 patent) issued to James D. Hempleman et al. on July 13, 2004, with 96 claims.

2. A request for *inter partes* reexamination of claims 1-96 of the '345 patent, assigned Reexamination Control No. 95/000,201 ('201), was filed December 8, 2006, by third party requester APPLE Computer, Incorporated.

3. An order granting reexamination of claims 1-96 of the '345 patent was mailed for the '201 reexamination proceeding on March 1, 2007.

4. An Office action containing at least one rejection of each of claims 1-96 of the '345 patent was mailed for the '201 reexamination proceeding on October 3, 2007.

5. Patent owner filed a timely response on November 3, 2007, including an amendment [1] canceling claims 2, 3, 5, 6, 9, 10, 13-18, 20, 22-25, 29-30, 38-40, 49-56, 63-65, 74-81, and 83-96; amending claims 4, 7, 8, 11, 12, 19, 21, 26-28, 32-37, 41-48, 57-62, 66-73, and 82; adding new claims 97-107; and leaving original patent claims 1 and 31 unamended.

6. A request for *inter partes* reexamination of claims 1, 31, 32, 57, 90, 92, and 95 of the '345 patent, assigned Reexamination Control No. 95/000,354 ('354), was filed March 7, 2008, by third party requester YAHOO! Incorporated.

7. An order granting reexamination of claim 31of the '345 patent was mailed for the '354 reexamination proceeding on May 14, 2008.

DECISION

I. MERGER OF PROCEEDINGS

Under 37 CFR 1.989(a):

> If any reexamination is ordered while a prior *inter partes* reexamination proceeding is pending for the same patent and prosecution in the prior *inter partes* reexamination proceeding has not been terminated, a decision may be made to merge the two proceedings or to suspend one of the two proceedings. Where merger is ordered, the merged examination will normally result in the issuance of a single reexamination certificate under § 1.997.

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[1] The November 3, 2007 amendment did not comply with the proper format for claim amendment in reexamination proceedings. A supplemental paper was filed November 5, 2007, to present the claims in proper format.

As evidenced by the above review of facts, both the '201 and the '354 reexamination proceedings are currently pending. The order to reexamine has been mailed for both reexamination proceedings, and a decision under 37 CFR 1.989(a) is timely.

The general policy of the Office is that two reexamination proceedings will not be conducted separately, and at the same time, as to a particular patent. The rationale for this policy is (1) to prevent inconsistent, and possibly conflicting, amendments from being introduced into the two proceedings on behalf of the patent owner, (2) to provide a comprehensive examination of the patent based on the issues raised in both of the proceedings, and (3) to expedite the prosecution of both proceedings. In the present instance, merger of the 95/000,201 and 95/000,354 reexamination proceedings would address these considerations. Thus, pursuant to 37 CFR 1.989(a), the 95/000,201 and 95/000,354 reexamination proceedings are hereby merged. The merged proceeding will be conducted in accordance with the guidelines and requirements which follow.

II. THE SAME CLAIMS MUST BE MAINTAINED IN BOTH PROCEEDINGS

1. The patent owner is required to maintain the same claims (and specification) in both files *throughout the merged proceeding*. On November 3, 2007 patent owner filed an amendment in reexamination proceeding control number 95/000,201. The patent owner has not amended the claims in reexamination proceeding control number 95/000,354. As a result, the claims are not the same in the two proceedings that are being merged. Accordingly an appropriate housekeeping amendment is required within ONE (1) MONTH of this decision placing the same amendments in both cases, specifically, *inter partes* reexamination Control Nos. 95/000,201 and 95/000,354. (This can be accomplished by amending the '354 proceeding to conform with the '201 proceeding.).

2. The response to the requirement must be strictly limited to placing the same amendments in both cases (so that the specification, claims and drawings are identical in both cases). The patent owner must not address any issues otherwise present in either of the proceedings in the housekeeping amendment. Any discussion of the merits or issues of either proceeding would be improper and would result in the return of the paper as an improper submission under 37 CFR 1.939, or expungement of the paper, if it is entered prior to discovery of the defect.

3. In the event that the required housekeeping amendment (to place identical amendments in all files) is not timely submitted, any claim that does not contain identical text in both of the merged proceedings is to be rejected under 35 U.S.C. 112, paragraph 2, as being indefinite as to the content of the claim, and thus failing to particularly point out the invention.

4. It should be noted that submission of such an appropriate housekeeping amendment (i.e., limited to the bare presentation of claims) will not create a comment right for third party requester. The regulations governing the filing of requester written comments, 37 CFR 1.947 and 1.951(b) (which are grounded on 35 U.S.C. § 314(b)(2)), provide for the filing of requester comments only if the written comments are directed to a patent owner paper filed in response to "an Office action." A merger

decision is not an Office action on the merits of patentability. [2] Any comments paper filed by third party requester in response to any such housekeeping amendment would be improper, and would result in the return of the paper as an improper submission under 37 CFR 1.939, or expungement of the paper, if it is entered prior to discovery of the defect.

III. CONDUCT OF MERGED PROCEEDING

A. Governing regulations for the merged proceeding:

The present decision merges an *inter partes* reexamination proceeding with another *inter partes* reexamination proceeding. Pursuant to 37 CFR 1.989(b), the merged proceeding is governed by 37 CFR 1.902 through 1.997.

B. Papers mailed/filed:

All papers mailed by the Office throughout the merged proceeding will take the form of a single action which applies to both proceedings. All papers issued by the Office or filed by the patent owner and the third party requesters will contain the identifying data for both proceedings and will be entered in each reexamination file. All papers filed by the patent owner and the third party requesters must consist of a single paper, **filed in duplicate**, each bearing a signature and identifying data for both proceedings, for entry into the file for each proceeding.

All papers that are filed by the patent owner and the third party requesters should be directed:

By U.S. Postal Service Mail:

Mail Stop *Inter Partes* Reexam
Central Reexamination Unit
Commissioner for Patents
United States Patent & Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

By FAX to:

(571) 273-9900
Central Reexamination Unit

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[2] If the patent owner files a response to the next Office action, the requester will then have an opportunity to comment on the claims, as amended by the housekeeping amendment, as to issues within the scope of reexamination, because the inter partes reexamination regulations provide for the third party requester to file such comments whenever a patent owner files a response to an Office action. If patent owner does not file any response to an Office action and claims added or amended by the housekeeping amendment have been indicated as patentable, the third party requester may appeal on issues that the examiner decides in favor of the patent owner.

By hand (or delivery service):

Customer Service Window
Attn: Central Reexamination Unit
Randolph Building
401 Dulany St.
Alexandria, VA 22314

The patent owner and the requesters are reminded that every paper filed in the merged proceeding subsequent to this Decision must be served on the other two parties, including papers filed *via* facsimile transmission.

C. Amendments:

The filing of any amendments to the specification, claims, and drawings must comply with the provisions of 37 CFR 1.530 and the guidelines of MPEP § 2666. 37 CFR 1.121 does not apply to amendments in a reexamination proceeding. Accordingly, clean copies of the amended claims are not required and are not to be submitted; rather amendments are to be presented via markings pursuant to 37 CFR 1.530(f), except that a claim should be canceled by a statement canceling the claim, without presentation of the text of the claim.

Pursuant to 37 CFR 1.530(I), all amendments must be made relative to the patent specification, including the claims, and drawings, which are in effect as of the date of filing the request for reexamination. Amendments are not to be made relative to previous amendments. Thus, for all amendments, all words not appearing in the patent are always underlined, and only words being deleted from the patent appear in brackets.

D. Fees:

Where a paper is filed which requires payment of a fee (e.g., extension of time fee, excess claims fee, petition fee, appeal fee, brief fee, oral hearing fee), only a single fee need be paid. For example, only one fee need be paid for a patent owner appellant brief (or that of one of the *inter partes* reexamination requesters), even though the brief relates to merged multiple proceedings and even though copies must be filed (as pointed out above) for each file in the merged proceeding.

E. Citation of Patents and Printed Publications:

Upon return of the present merged proceeding to the examiner, the examiner will review the files to ensure that each file contains identical citations of prior patents and printed publications, and will cite such documents as are necessary as part of the next action in order to place the files in that condition.

CONCLUSION

1. *Inter partes* Reexamination Control No. 95/000,201 and *inter partes* Reexamination Control No. 95/000,354 are merged into a single proceeding, to be conducted in accordance with the procedure set forth above.

2. Pursuant to Part II of this decision, **a housekeeping amendment is required within one month of this decision**, placing the same amendments in both cases of the present merged proceeding.

3. Jurisdiction over the merged reexamination is being forwarded via the Central Reexamination Unit Director to the examiner for the preparation of an Office action for the present merged proceeding, to be issued in due course. The examiner should not, however, issue an Office action until after the earlier of :(a) the submission of the required housekeeping amendment to place the same amendments in both cases, or (b) the expiration of the ONE MONTH period from the mailing of this decision for filing the amendment.

4. Any questions concerning this communication should be directed to Pinchus M. Laufer in the Office of Patent Legal Administration, at (571)272-7726.

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

May 16, 2008
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UNITED STATES PATENT AND TRADEMARK OFFICE

Commissioner for Patents
United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450
www.uspto.gov

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CENTRAL REEXAMINATION UNIT

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For Patent Owner

Paul J. Wilson
Paul Hasting Janofsky & Walker LLP
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Washington DC 20005

For Requester

Ex Parte Reexamination Proceeding
Control No. 95/000,202
Filed: January 17, 2007
For: US Patent No. 6,329,636

DECISION GRANTING
PETITION FOR
EXTENSION OF TIME
[37 CFR 1.956]

This is a decision on the petition filed May 14, 2007 to request a sixty (60) day extension of time pursuant to 37 CFR 1.956 for filing a response to the Office action mailed April 10, 2007.

The petition is before the Director of the Central Reexamination Unit for consideration.

The petition is granted for two months for the reasons set forth below.

Decision

The Patent Owner requests an extension of time in which to file a response to the Office action dated April 10, 2007, which set a two-month date for filing a response thereto. The Office action is a non-final Office action. The request is timely filed and includes authorization to debit a deposit account for the $200.00 petition fee as required by 37 CFR 1.17(g).

37 CFR 1.956 (c) states:

> (c) The time for taking any action by a patent owner in an *inter parte* reexamination proceeding will be extended only for sufficient cause and for a reasonable time specified. Any request for such extension must be filed on or before the day on which action by the patent owner is due, but in no case will the mere filing of a request effect any extension. Any request for such extension must be accompanied by the petition fee set forth in § 1.17(g). See § 1.304(a) for extensions of time for filing a notice of appeal to the U.S. Court of Appeals for the Federal Circuit or for commencing a civil action.

Addressing the requirement of 37 CFR 1.956 to make a showing of "sufficient cause" to grant an extension of time request, MPEP 2665 states, in pertinent part:

> Evaluation of whether "sufficient cause" has been shown for an extension must be made by **balancing** the desire to provide a fair opportunity to respond, **against** the requirement of the statute, 35 U.S.C. 314 (c), that the proceedings be conducted with special dispatch.
>
> Any request for an extension of time in a reexamination proceeding must fully state the reasons therefor.

Patent Owner's Showing of Sufficient Cause to Grant an Extension of Time

The petition for extension of time states that to date, Patent Owner and counsel have been coordinating and reviewing the materials at issue. The present reexamination is one of five (5) requests for reexamination on five separate patents for which reexamination was ordered on April 10, 2007. This has resulted in a large volume of materials to review. Additional time is necessary in order to undertake the required analysis of the cited art references and formulate and draft responses for each of the patents at issue. It is anticipated that Patent Owner will be unable to fully and completely respond to the instant Office action by the current due date. An extension of time for sixty (60) days is requested to provide Patent Owner with a fair opportunity to respond to the outstanding Office action.

Analysis and Findings

On balance, it is considered that the petition explains the "sufficient cause" for why an extension of time should be granted. Patent Owner has set forth a factual accounting that is deemed to establish reasonably diligent behavior by all those responsible for preparing a response within the statutory period. When balanced against the requirement of 35 USC 314(c) that this proceeding be handled with special dispatch, Owner's showing is adequate to justify the grant of a two-month extension of time in which to file a response to the Office action. Accordingly, the response is due August 9, 2007. Patent Owner should expect that future requests for extensions will not be granted absent strong and compelling reasons that establish the existence of an extraordinary situation necessitating the additional time.

Conclusion

1. The Patent Owner's petition for extension of time in which to file a response to the Office action of April 10, 2007 is **granted**.

2. The Patent Owner's response is due August 9, 2007.

3. Response may be submitted as follows:

By Mail to: Mail Stop *Ex Parte* Reexam
Central Reexamination Unit
Commissioner for Patents
United States Patent & Trademark Office
P. O. Box 1450
Alexandria, VA 22313-1450

By Fax to: (571) 273-9900
Central Reexamination Unit

By Hand: Customer Service Window
Randolph Building
401 Dulany Street
Alexandria, VA 22314

4. Telephone inquiries with regard to this decision should be directed to Deborah Jones, Special Program Examiner in the Central Reexamination Unit, Art Unit 3991, at (571) 272-1535.

for Deborah Jones
Lissi M. Marquis,
Director,
Central Reexamination Unit

United States Patent and Trademark Office

Commissioner for Patent
United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450
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CENTRAL REEXAMINATION UNIT

Corrigan Law Office
5 Briarcliff CT
Appleton, WI 54915

(For Patent Owner)

Jordan M. Becker
P.O. Box 1208
Seattle, WA 98111-1208

(For Third Party Requester)

In re: Geissler
Inter Partes Reexamination Proceeding
Control No. 95/000,202
Filed: January 17, 2007
For: U.S. Patent No. 6,329,636

: DECISION GRANTING
: PETITION
: UNDER 37 CFR 1.182 AND
: 37 CFR 1.183

This is a decision on the October 5, 2009 patent owner petition entitled "PETITION PERSUANT TO 37 CFR 1.182 AND 1.183". The petition requests that the complete version of the declaration under 37 CFR 1.131 by the inventor be allowed entry as evidence. All but one page of the declaration is attached to the appeal brief of October 5, 2009.

The patent owner petition paper is before the Office of Patent Legal Administration.

The petition fee of $400.00 pursuant to 37 CFR 1.17(f) for the petition under 37 CFR 1.182 will be charged to patent owner's Deposit Account No. 50-0599 pursuant to the authorization on page 1 of the petition.

The patent owner request to allow entry as evidence the complete version of the 37 CFR 1.131 declaration, pursuant 37 CFR 1.182 and 1.183, is **granted** for the reasons set forth below.

REVIEW OF THE RELEVANT FACTS

1. On 11 December 2001, U.S. Patent No. 6,329,636 was granted to Geissler (the '636 patent).

2. On 13 December 2006, a request for *inter partes* reexamination was submitted by a third party requester, which request was assigned control number 95/000,202 ('202 proceeding).

3. On 10 April 2007, an Order granting *inter parte* reexamination in the '202 proceeding was issued.

4. Also on 10 April 2007, the Office issued an Office action rejecting all claims of the '636 patent in view of U.S. Patent 6,365,868 (the '868 patent).

5. On 10 August 2007, the Patent Owner filed a *Response to the First Office Action for U.S. Patent 6329636* to the 10 April 2007 Office action. The response included an appendix containing a copy of a 37 CFR 1.131 declaration submitted to remove the '868 patent as prior art. The declaration was obtained from U.S. application 09/969,535 which had been expressly abandoned on October 27, 2003. Application 09/969,535 is a continuation of application 09/540,567, and application 09/540,567 was granted as U.S. Patent 6,329,636 - the subject of the instant reexamination proceeding.

6. On 7 September 2007, the Third Party Requester submitted *Comments to Patent Owner's Response Submitted Pursuant to 37 CFR 1.947 and 1.948.* The Third Party Requester addressed, in part, the 37 CFR 1.131 declaration (see Item #5 supra), arguing that the declaration did not overcome the '868 reference. The examiner adopted the Third Party Requester's position and issued an Action Closing Prosecution (ACP) on 20 February 2009.

7. On 24 March 2009, the Patent Owner filed an *Amendment and Response After ACP* and included a copy of the 37 CFR 1.131 declaration previously filed on 10 August 2007.

8. On 17 April 2009, the Third Party Requester filed *Comments to Patent Owner's Amendment and Response After ACP.* The Third Party requester asserted that the information in the declaration germane to the claims was not included in the 37 CFR 1.131 declaration provided and that information was missing from the declaration.

9. On 02 July 2009, the Office issued a Right of Appeal Notice (RAN).

10. On 5 October 2009, the Patent Owner filed the instant petition, along with an appellant brief under 37 CFR 41.67, attaching a complete version of the 37 CFR 1.131 declaration. In the instant petition, the Patent Owner, having reviewed the declaration in PAIR, affirms the Third Party Requester's assertion of 17 April 2009 (see Item #7 supra) that material is missing from the 37 CFR 1.131 declaration. The Patent Owner contends that all but one page of the declaration is included in the 10 August 2007 version of the declaration. It is noted that the entire declaration is of record in the 09/969,535 application.

11. On 5 November 2009, the Third Party requester submitted, under 37 CFR 41.68, a respondent brief.

RELEVANT AUTHORITY

37 CFR 1.182 provides:

All situations not specifically provided for in the regulations of this part will be decided in accordance with the merits of each situation by or under the authority of the Director, subject to such other requirements as may be imposed, and such decision will be

communicated to the interested parties in writing. Any petition seeking a decision under this section must be accompanied by the petition fee set forth in § 1.17(f).

37 CFR 1.183 provides:

In an extraordinary situation, when justice requires, any requirement of the regulations in This part which is not a requirement of the statutes may be suspended or waived by the Director or the Director's designee, *sua sponte*, or on petition of the interested party, subject to such other requirements as may be imposed. Any petition under this section must be accompanied by the petition fee set forth in § 1.17(f).

37 CFR 1.951, Options after Office action closing prosecution in *inter partes* reexamination, provides:

(a) After an Office action closing prosecution in an *inter partes* reexamination, the patent owner may once file comments limited to the issues raised in the Office action closing prosecution. The comments can include a proposed amendment to the claims, which amendment will be subject to the criteria of § 1.116 as to whether or not it shall be admitted. The comments must be filed within the time set for response in the Office action closing prosecution.

(b) When the patent owner does file comments, a third party requester may once file comments responsive to the patent owner's comments within 30 days from the date of service of patent owner's comments on the third party requester.

MPEP § 2672 II. OPTIONS AS TO WHICH ACTION TO ISSUE

(A) Right of Appeal Notice - Where no 37 CFR 1.951(a) submission has been filed by the patent owner, or where a submission under 37 CFR 1.951(a) (and 37 CFR 1.951(b)) has been filed and the examiner will not modify his/her position; the Examiner should issue a Right of Appeal Notice (RAN). See MPEP § 2673.02. If the patent owner 's submission included a proposed amendment, the RAN will indicate whether or not it was entered. Where a submission has been filed under 37 CFR 1.951(a) (or 37 CFR 1.951(b)) and that submission is incomplete or is defective, the examiner should notify the parties, in the RAN, that the submission has not been considered, and that no additional opportunity is available to correct the defect(s) in the submission, because 37 CFR 1.951(a) and (b) provide that comments may only be filed "once."

DECISION

I. Patent Owner's Petition of 05 October 2009

Petitioner requests waiver of the rules to allow the complete 37 CFR 1.131 declaration to be entered as evidence after the issuance of the RAN. (Pet. at p.1) Petitioner asserts that the

declaration has been publicly available throughout the prosecution of the '202 proceeding.[1] Moreover, entering the missing page of the declaration is asserted to give the Board of Appeals the complete evidentiary record necessary to grant a decision. (Pet. at p.1). Petitioner further asserts that justice requires entry of the omitted page to provide a complete record. (Pet. at p.3). Petitioner states that it is not an undue burden or hardship to enter the complete declaration and for the Board of Appeals to consider the declaration in its entirety, as both the examiner and Third Party Requester have considered the merits of the declaration. (Pet at p.4).

II. Analysis and findings

The petition under 37 CFR 1.182 and 1.183 has been fully considered. The crux of the issue is whether the missing page of the § 131 declaration should be permitted entry even though the ACP and RAN have been issued by the Office. Petitioner states that entry of the declaration is warranted (even though the request for entry is being submitted after the ACP and RAN were issued) because the entire declaration has been publicly available since its initial filing on March 26, 2003 in application 09/969,535 (Pet. at p.2) A review of the record shows that the complete 37 CFR 1.131 declaration was filed in application 09/969,535, which was expressly abandoned on October 27, 2003. Application 09/969,535 is a continuation of application 09/540,567 which was granted as U.S. Patent 6,329,636, which is the subject of the instant reexamination proceeding. It is noted that the § 131 declaration was originally submitted to ante-date prior art reference U.S. Patent 6,365,868 cited during prosecution of the '535 application. The Third Party Requester relied on the same reference in this proceeding. Patent Owner filed the § 131 declaration from the '535 application to respond to the examiner's rejection relying on the '868 reference. During the proceeding and up to the ACP, the Third Party Requester discussed the merits of the § 131 declaration. After the ACP, the Third Party Requester argued the merits of the declaration and pointed out the omission of a page (Pet at p.2).

MPEP 2672 states that: "no additional opportunity is available to correct the defect(s) in the submission, because 37 CFR 1.951(a) and (b) provide that comments may only be filed "once."" In the instant situation, however, the § 131 declaration was timely filed in the reexamination, albeit with a missing page. The record shows that neither the Third Party Requester nor the examiner pointed out the defect during the proceeding, until after the ACP was issued. At that time, the Third Party Requester pointed out the missing page of the declaration. The complete declaration has been available to the public in the continuation application, 09/969,535, of the '636 patent since March 26, 2003.

When the competing interests are compared, and based on the specific facts and circumstances of this case, justice is best served by allowing the entry of the complete declaration into evidence. Patent Owner's submission of the declaration, without a page, appears to be an unintentional omission. Neither the Third Party Requester nor the examiner pointed out the omission in the earlier stages of the proceeding. No other avenue is open to the Patent Owner

[1] The instant inter partes reexamination is one of three reexaminations from a single patent family. US Patent 6,329,636, US Patent 6,987,242 and US Patent 6,815,639 comprise the patent family. US Patent 6,987,242 is a continuation of 6,815,639 which is continuation of 09/969,535 (now abandoned), which is a continuation of US Patent 6,329,636.

at this stage of the proceeding for resubmission of the entire declaration, other than via the relief requested in the instant petition. Allowing the entire declaration into evidence affords the Board of Appeals the complete record, as the § 131 declaration is a germane piece of evidence to the outcome of the proceeding.

Accordingly, Patent Owner's petition under 37 CFR 1.182 and 1.183 is **granted**.

CONCLUSION

1. The Patent Owner petition under 37 CFR 1.182 and 1.183 is **granted**.

2. Requester is provided with a time period of 15 days from the mailing of this decision to supplement its respondent brief, solely directed to the added page of declaration evidence.

3. Jurisdiction over the present reexamination proceeding is being forwarded the Central Reexamination Unit.

4. Any questions concerning this communication should be directed to Maria Nuzzolillo, Legal Advisor, at 571-272-8150.

Kenneth M. Schor

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration