



# 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.
90/006,601	04/15/2003	5816918	BLLYP026.RE01	9274

68635 7590 06/17/2008

TIPS/BALLY  
c/o Intellevate LLC  
P.O. BOX 52050  
Minneapolis, MN 52050

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

COMMISSIONER FOR PATENTS  
UNITED STATES PATENT AND TRADEMARK OFFICE  
P.O. BOX 1450  
ALEXANDRIA, VA 22313-1450  
www.uspto.gov

MAILED

Glenn E. Von Tersch  
TIPS GROUP/BALLY  
PO Box 1639  
Los Altos, CA 94023

For Patent Owner

JUN 17 2008

CENTRAL REEXAMINATION UNIT

Marc S. Kaufman  
Nixon Peabody LLP  
401 9<sup>th</sup> St., NW, Suite 900  
Washington, DC 20004-2128

For Third Party Requester

In re *Ex Parte* Reexamination  
Proceeding 90/006,601  
U.S. Patent No. 5,816,918 to Kelly et al.  
Filed: April 15, 2003  
For: PRIZE REDEMPTION SYSTEM FOR  
GAMES

DECISION ON PETITION  
UNDER 37 CFR 1.181  
FOR DIRECTOR TO INVOKE  
SUPERVISORY AUTHORITY

This is a decision on Patent Owner's petition filed April 7, 2008, under 37 CFR 1.181 requesting that the Director invoke supervisory authority and intervene in the prosecution of the above identified reexamination proceeding to confirm all of the pending claims of the subject patent.

The petition is granted to the extent that the prior decision has been fully reconsidered, and is **denied** as to the underlying relief requested. Thus, the request that the Director intervene in the prosecution of the reexamination proceeding 90/006,601 is **denied**.

**BACKGROUND**

1. On April 15, 2003, a third party requested *ex parte* reexamination of claims 34, 35, and 37-46 of U.S. Patent 5,816,918 (the '918 patent) issued October 6, 1998. The resulting reexamination proceeding was assigned control number 90/006,601 (the '601 proceeding).
2. Reexamination of claims 34, 35, and 39-44 of the '918 patent was ordered on June 3, 2003.

3. Prosecution in the '601 proceeding has progressed to the point where the Office, on February 2, 2008, issued a final Office action rejecting claims 34-45 and 78-82 of the '918 patent. Claims 1-33 and 46-77 of the '918 stand patentable and/or confirmed.
  - a. The rejections of the claims are based on U.S. Patent 5,711,715 to Ringo applied under 35 U.S.C. § 102(e) and under 35 U.S.C. § 103(a) in combination with other prior art references.
  - b. Ringo was filed Nov. 8, 1995, issued on Jan. 27, 1998, and expired due to non-payment of maintenance fees on March 5, 2002.
  - c. A declaration was filed May 14, 2004, and supplemented Dec. 7, 2004, under 37 CFR 1.131 for the purpose of establishing priority of invention to overcome the rejections based on Ringo.
  - d. The declaration was considered by the examiner, but it was not deemed to be effective in overcoming the rejections, because Ringo claims the same invention as in the rejected claims of the '918 patent. The examiner stated that Ringo can only be overcome by establishing priority of invention through interference proceedings (if not commonly owned) or with a declaration under 37 CFR 1.130 (if commonly owned).
4. A petition under 37 CFR §§ 1.181 – 1.183 was filed on Sept. 7, 2007, requesting the Director to invoke supervisory authority and/or to suspend the rules in order to waive the requirements of 37 CFR 1.131 or suspend the rules to allow confirmation of the unconfirmed claims in proceeding '601. A decision on the petition from the Director of Technology Center 3700 was mailed on February 5, 2008, dismissing the request.
5. A notice of appeal of the final rejection was filed April 5, 2008.
6. The subject petition was filed April 7, 2008, along with a petition to the Director under 37 CFR § 1.183 to suspend the rules. On the same date an amendment after final rejection was filed, which has not been entered. A decision on the petition under §1.183 is being mailed concurrently herewith.

### **STATUTE, REGULATION, AND EXAMINING PROCEDURE**

37 CFR 1.181 states:

(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;

(2) In cases in which a statute or the rules specify that the matter is to be determined directly by or reviewed by the Director; and

(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.

(b) Any such petition must contain a statement of the facts involved and the point or points to be reviewed and the action requested. Briefs or memoranda, if any, in support thereof should accompany or be embodied in the petition; and where facts are to be proven, the proof in the form of affidavits or declarations (and exhibits, if any) must accompany the petition.

(c) When a petition is taken from an action or requirement of an examiner in the *ex parte* prosecution of an application, or in the *ex parte* or *inter partes* prosecution of a reexamination proceeding, it may be required that there have been a proper request for reconsideration (§ 1.111) and a repeated action by the examiner. The examiner may be directed by the Director to furnish a written statement, within a specified time, setting forth the reasons for his or her decision upon the matters averred in the petition, supplying a copy to the petitioner.

(d) Where a fee is required for a petition to the Director the appropriate section of this part will so indicate. If any required fee does not accompany the petition, the petition will be dismissed.

(e) Oral hearing will not be granted except when considered necessary by the Director.

(f) The mere filing of a petition will not stay any period for reply that may be running against the application, nor act as a stay of other proceedings. Any 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, except as otherwise provided. This two-month period is not extendable.

(g) The Director may delegate to appropriate Patent and Trademark Office officials the determination of petitions.

37 CFR 1.131 states:

(a) When any claim of an application or a patent under reexamination is rejected, the inventor of the subject matter of the rejected claim, the owner of the patent under reexamination, or the party qualified under §§ 1.42, 1.43, or 1.47, may submit an appropriate oath or declaration to establish invention of the subject matter of the rejected claim prior to the effective date of the reference or activity on which the rejection is based. The effective date of a U.S. patent, U.S. patent application publication, or international application publication under PCT Article 21(2) is the earlier of its publication date or date that it is effective as a reference under 35 U.S.C. 102(e). Prior invention may not be established under this section in any country other than the United States, a NAFTA country, or a WTO member country. Prior invention may not be established under this section before December 8, 1993, in a NAFTA country other than the United States, or before January 1, 1996, in a WTO member country other than a NAFTA country. Prior invention may not be established under this section if either:

(1) The rejection is based upon a U.S. patent or U.S. patent application publication of a pending or patented application to another or others which claims the same patentable invention as defined in § 41.203(a) of this title, in which case an applicant may suggest an interference pursuant to § 41.202(a) of this title; or

(2) The rejection is based upon a statutory bar.

(b) The showing of facts shall be such, in character and weight, as to establish reduction to practice prior to the effective date of the reference, or conception of the invention prior to the effective date of the reference coupled with due diligence from prior to said date to a subsequent reduction to practice or to the filing of the application. Original exhibits of drawings or records, or photocopies thereof, must accompany and form part of the affidavit or declaration or their absence must be satisfactorily explained.

MPEP § 1201 Appeal Introduction states (in part):

The United States Patent and Trademark Office (Office) in administering the Patent Laws makes many decisions of a substantive nature which the applicant may feel deny him or her the patent protection to which he or she is entitled. The differences of opinion on such matters can be justly resolved only by prescribing and following judicial procedures. Where the differences of opinion concern the denial of patent claims because of prior art or other patentability issues, the questions thereby raised are said to relate to the merits, and appeal procedure within the Office and to the courts has long been provided by statute (35 U.S.C. 134).

The line of demarcation between appealable matters for the Board of Patent Appeals and Interferences (Board) and petitionable matters for the Director of the U.S. Patent and Trademark Office (Director) should be carefully observed. The Board will not ordinarily hear a question that should be decided by the Director on petition, and the Director will not ordinarily entertain a petition where the question presented is a matter appealable to the Board.

MPEP § 2284 Copending *Ex Parte* Reexamination and Interference Proceedings states:

Although a *patent* being reexamined via a reexamination proceeding may become involved in an interference proceeding, the reexamination proceeding itself can never be involved in an interference proceeding. See 35 U.S.C. 135 subsection (a) which states that "[w]henever an application is made for a patent which, in the opinion of the Director, would interfere with any pending *application*, or with any unexpired *patent*, an interference may be declared" (emphasis added). The reexamination proceeding is neither an application nor a patent.

### DECISION

Petitioner requests that the Director intervene in the prosecution of the '601 proceeding to confirm all of the pending claims of the '918 patent. Petitioner states that there is no regulatory remedy for the prosecution situation in the '601 proceeding, because the Office asserts that a declaration under 37 CFR § 1.131 cannot be used to show priority of invention over the Ringo reference because the patent and the Ringo reference claim the same invention, yet the Ringo reference cannot be shown to interfere with the '918 patent as it is expired.

Petitioner requests that the Ringo reference be applied only as a publication and not as a patent, since it is expired, or that an interference be declared between the claims of Ringo and the '918 patent claims at issue. Petitioner also asserts that Ringo is an improper reference under 35 U.S.C. § 102(e) as it does not anticipate the claims as evidenced by the addition of other prior art references under the obviousness rejections also present in the '601 proceeding. Additionally, petitioner argues that the Office may not require patent owners to police the issuance of potentially interfering patents.

For the Director to intervene, petitioner must show that the February 5, 2008 decision by the Group Director, mailed in response to the last petition on this ground, was made in clear error. Petitioner has not provided a showing of clear error. A petition under 37 CFR 1.181, requesting that the Director of the USPTO exercise his or her supervisory authority and vacate the examiner's decision, will not be entertained except where there is a showing of clear error. See

*Ex parte Hartley*, 1908 C.D. 224, 136 O.G. 1767 (Comm'r Pat. 1908). The Technology Center Director's ultimate decision is entitled to an administrative presumption of correctness in the absence of a convincing showing of error. A review of the record indicates that the Technology Center Director did not abuse her discretion, or act in an arbitrary and capricious manner, in the petition decision of February 5, 2008. The record establishes that the Technology Center Director had a reasonable basis to support her findings and conclusion.

Specifically, the February 5, 2008 decision appropriately responds to petitioner's arguments, noting that the propriety of the Ringo reference as it is applied under 35 U.S.C. § 102(e) and/or § 103 is an issue that should be addressed by appeal and is inappropriate for a petition. See MPEP § 1201. The propriety of the proffered declaration under 37 CFR 1.131 depends on the resolution of that appealable issue. As for the possibility of declaring an interference, a reexamination proceeding may never be involved in an interference, as it is neither an application nor a patent. See MPEP § 2284. Moreover, the Office does not have jurisdiction to declare an interference between issued patents. The owner of an interfering patent may request relief against the owner of another patent by civil action. 35 U.S.C. § 291.

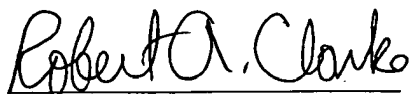
Finally, the February 5, 2008 decision notes that petitioner patent owner has had several remedies for relief to which patent owner did not avail itself. The petitioner states that the Office is requiring that a patent owner police the issuance of potentially interfering patents. However, this is not the case. The prior decision merely notes that any patent owner **may**, up to one year after issuance of a conflicting patent to another, seek relief by filing a reissue application in order to provoke an interference. This is a remedy that was clearly available to patent owner. The present situation in which an interference cannot be declared by the Office due in the present reexamination proceeding and the lack of jurisdiction over interfering issued patents is the consequence of patent owner's failure to avail itself of the reissue remedy noted above. The decision also points out that another remedy for this situation could be to amend the claims in the '601 proceeding to overcome the rejections based on Ringo; no error is found with respect to that point.

For the reasons set forth above, the petition will not be granted as to the request that the Director invoke supervisory authority and confirm the patent claims.

### CONCLUSION

1. The petition under 37 CFR 1.181 is granted to the extent that the prior decision has been fully reconsidered, and is **denied** as to the underlying relief requested. The Director will not intervene in the prosecution of the reexamination proceeding 90/006,601.
2. Jurisdiction over this proceeding is being returned to the Central Reexamination Unit for further handling and examination not inconsistent with this decision.

3. This decision may be viewed as a final agency action within the meaning of 5 U.S.C. § 704 for purposes of seeking judicial review. See MPEP § 1002.02.
4. Telephone inquiries concerning this decision should be directed to Caroline Dennison at (571) 272-7729 or in her absence, Kenneth Schor at 571-272-7710.



Robert Clarke  
Director, Office of Patent Legal Administration

June 13, 2008

C:\kiva\kenpet 7\CRU+TC\6601\_181 deny supr authority -131 re interfering claims