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SCHWEGMAN, LUNDBERG & WOESSNER/EBAY
P.O. BOX 2938
MINNEAPOLIS, MN 55402

EXAMINER

ART UNIT PAPER NUMBER

DATE MAILED: 06/22/2009

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Schwegman, Lundberg & Woessner
PO Box 2938
Minneapolis, MN 55402

(Third Party Requester EBAY,
now Patent Owner)

MAILED

JUN 22 2009

CENTRAL REEXAMINATION UNIT

In re Woolston
Reexamination Proceeding
Control No.: 90/008,362
Filed: April 3, 2007
For: U.S. Patent No.: 6,202,051

:
: **DECISION**
: **ON**
: **PETITION**
:
:

This is a decision on the February 13, 2009 patent owner petition under 37 CFR 1.182 requesting entry and consideration of information submitted both concurrently and previously filed after issuance of a Notice of Intent to Issue a Reexamination Certificate.

The petition is before the Office of Patent Legal Administration (OPLA) for decision.

The \$400 fee required by 37 CFR 1.182 and 37 CFR 1.17(f) for the February 13, 2009 patent owner petition will be charged to Deposit Account no. 14-1437, as authorized by the February 13, 2009 petition.

SUMMARY

The petition is **denied**.

Petitioner EBAY purchased U.S. Patent No. 6,202,051 (the '051 patent) on February 25, 2008, six months after the Office issued a Notice of Intent to Issue a Reexamination Certificate (NIRC). All allegations of inequitable conduct leveled against the previous patent owner, MERCEXCHANGE LLC, were made by EBAY in litigation between EBAY and MERCEXCHANGE LLC regarding the '051 patent. Therefore, patent owner EBAY was fully aware of all patentability issues regarding inequitable conduct on the part of the previous owner of the patent, and their potential impact on the patent, when EBAY purchased the '051 patent from MERCEXCHANGE LLC. Furthermore, EBAY was fully aware that prosecution had been completed in the reexamination proceeding, and was not subject to reopening in the ordinary course of reexamination. EBAY has had over a year since its purchase to properly bring to the Office's attention the need to cure matters of inequitable conduct, and do so pursuant to the only avenue provided for same as outlined in MPEP 2256. Yet, to date, EBAY has failed to submit the matter to the Office in a manner that would permit entry, and minimize the delay running counter to special dispatch. (The failure to comply with Office procedure is set forth below). EBAY has already made a prior non-compliant submission to address the issue. EBAY has been advised on the proper procedure to comply, and has caused significant delay up to this point in time by still not complying in the present petition. Therefore this decision is made a final agency action.

BACKGROUND

1. Patent number 6,202,051 (the '051 patent) issued on March 13, 2001.
2. On March 15, 2001 the Office received and processed a recordation of assignment of the '051 patent, assigning the '051 patent to MERCEXCHANGE LLC.
3. A request for reexamination, assigned control No. 90/008,362 (the '8362 proceeding), was filed on April 3, 2007, by third party requester, EBAY.
4. On June 28, 2007, the Office issued an order granting the '8362 reexamination request.
5. The '8362 proceeding progressed to the point where a Notice of Intent to Issue a Reexamination Certificate (NIRC) issued on August 31, 2007.
6. On February 29, 2008, the Office received, for recordation in its assignment records, assignments of ownership of the '051 patent from patent owner MERCEXCHANGE LLC to the third party requester EBAY executed on February 25, 2008. The assignments were recorded by the Office at real/frame numbers 020609/0318 and 020609/0321.
7. On May 9, 2008, the new patent owner, EBAY, submitted, for the present reexamination proceeding, a revocation and power of attorney, a certificate under 37 CFR 3.73(b) and a change of correspondence address.
8. On May 16, 2008, patent owner submitted an authorization to act in a representative capacity.
9. On July 14, 2008, patent owner submitted an IDS containing several references and petitioned under 37 CFR 1.182, requesting, *inter alia*, post NIRC entry and consideration of the IDS.
10. On August 8, 2008, the Office dismissed patent owner's request for entry and consideration of an IDS submission after NIRC.
11. On November 6, 2008, patent owner submitted a petition requesting withdrawal of the NIRC and a reopening of prosecution in the present proceeding.
12. On January 15, 2009, patent owner's November 6, 2008 petition was expunged from the record as improper.
13. On February 4, 2009, patent owner submitted a petition requesting an emergency stay of the '8362 reexamination proceeding.¹
14. On February 6, 2009, the Office issued a decision granting patent owner's request to stay the proceeding to permit patent owner an opportunity to "cure" matters of inequitable conduct.

¹ The petition was signed by counsel who is not of record in the '8362 proceeding. The petition was signed by a practitioner who set forth their name and registration number. Therefore the petition was accepted as in accordance with 37 CFR 1.34.

15. On February 13, 2009, patent owner submitted a petition under 37 CFR 1.182 requesting entry and consideration of information submitted concurrent with the petition and previously filed, all of which were filed after issuance of a NIRC.² This petition is the subject of the instant decision, which addresses petitioner's request for entry and consider all the information submitted after issuance of the NIRC
16. Also on February 13, 2009, patent owner concurrently submitted another petition under 37 CFR 1.182 requesting a reopening of prosecution and entry of an amendment after NIRC.³
17. On February 14, 2009, patent owner untimely submitted additional information in support of the petitions.

RELEVANT LAW AND PROCEDURE

35 U.S.C. 305 states (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. [Emphasis added.]

MPEP 2256 states (in part):

AFTER THE NOTICE OF INTENT TO ISSUE *EX PARTE* REEXAMINATION CERTIFICATE (NIRC):

.....Once the NIRC has been mailed, the reexamination proceeding must proceed to publication of the Reexamination Certificate as soon as possible. Thus, when the patent owner provides a submission of patents and printed publications, or other information described in 37 CFR 1.98(a), after the NIRC has been mailed, the submission must be accompanied by (A) a **factual accounting providing a sufficient explanation of why the information submitted could not have been submitted earlier, and (B) an explanation of the relevance of the information submitted with respect to the claimed invention in the reexamination proceeding.** This is provided via a petition under 37 CFR 1.182 (with petition fee) for entry and consideration of the information submitted after NIRC. The requirement in item (B) above is for the purpose of facilitating the Office's compliance with the statutory requirement for "special dispatch," when the requirement in item (A) above is satisfied to provide a basis for interrupting the proceeding after the NIRC. [Emphasis added]

Once the reexamination has entered the **Reexamination Certificate printing cycle (452 status)**, pulling the proceeding from that process provides an even greater measure of delay. 37 CFR 1.313 states for an application [Emphasis added]:

"(c) Once the issue fee has been paid, the application will not be withdrawn from issue upon petition by the applicant for any reason except:

(1) Unpatentability of one of more claims, which petition must be accompanied by an unequivocal statement that one or more claims are unpatentable, an amendment to such claim or claims, and an explanation as to how the amendment causes such claim or claims to be patentable;"

The printing cycle for an application occurs after the payment of the issue fee (there is no issue fee in reexamination), and thus 37 CFR 1.313(c) applies during the printing cycle for an application. Based on the statutory requirement for "special dispatch," the requirements for withdrawal of a reexamination

² *Id.*

³ *Id.*

proceeding from its printing cycle are at least as burdensome as those set forth in 37 CFR 1.313(b) and (c). Accordingly, where a submission of patents and printed publications, or other information described in 37 CFR 1.98(a), is made while a proceeding is in its printing cycle, the patent owner must provide an unequivocal statement as to why the art submitted makes at least one claim unpatentable, an amendment to such claim or claims, and an explanation as to how the amendment causes such claim or claims to be patentable. This is in addition to the above-discussed (see item (A) above) factual accounting providing a sufficient explanation of why the information submitted could not have been submitted earlier. The submission of patents and printed publications must be accompanied by a petition under 37 CFR 1.182 (with petition fee) for withdrawal of the reexamination proceeding from the printing cycle for entry and consideration of the information submitted by patent owner. A grantable petition must provide the requisite showing discussed in this paragraph.

MPEP 2282 states (in part):

It is important for the Office to be aware of any prior or concurrent proceedings in which a patent undergoing *ex parte* reexamination is or was involved, such as interferences, reissues, *inter partes* reexaminations, other *ex parte* reexaminations or litigations, and any results of such proceedings. In accordance with 37 CFR 1.565(a), the patent owner is required to provide the Office with information regarding the existence of any such proceedings, and the results thereof, if known. **Ordinarily, no submissions of any kind by third parties filed after the date of the order are entered into the reexamination or patent file while the reexamination proceeding is pending. However, in order to ensure a complete file, with updated status information regarding prior or concurrent proceedings regarding the patent under reexamination, the Office will, at any time, accept from any parties, for entry into the reexamination file, copies of notices of suits and other proceedings involving the patent and copies of decisions or papers filed in the court from litigations or other proceedings involving the patent.** Such decisions include final court decisions (even if the decision is still appealable), decisions to vacate, decisions to remand, and decisions as to the merits of the patent claims. Non-merit decisions on motions such as for a new venue, a new trial/discovery date, or sanctions will not be entered into the patent file, and will be expunged from the patent file by closing the appropriate paper if they were entered before discovery of their nature. Further, papers filed in the court from litigations or other proceedings involving the patent will not be entered into the record (and will be expunged if already entered) if they provide a party's arguments, such as a memorandum in support of summary judgment. If the argument has an entry right in the reexamination proceeding, it must be submitted via the vehicle (provision(s) of the rules) that provides for that entry right. It is not required nor is it permitted that parties submit copies of copending reexamination proceedings and applications (which copies can be mistaken for a new request/filing); rather, submitters may provide a notice identifying the application/proceeding number and its status. . . . [Emphasis added]

DECISION

I. Untimely Submissions

Patent owner was given until NO LATER THAN close of official business on Friday, February 13, 2009, at 5:00 P.M. Eastern Standard Time to submit a petition to cure issues of inequitable conduct. A petition was received, as evidenced by the EFS-web time and date stamp, by the Office on Friday, February 13, 2009 at 11:50 PM EST. Additionally, information in support of the petition was also untimely received, as evidenced by the EFS-web time and date stamp, by the Office on Friday, February 13, 2009 at 11:59 PM EST. Therefore the submissions are untimely. However, while jurisdiction had technically transferred to the Central Reexamination Unit, such transfer had not occurred as it was after business hours. As the Office of Patent Legal Administration retained actual jurisdiction and the submissions were received on the last day of the response period, and in the interest of the equities of the situation, the petition purporting to be a filing to cure issues of inequitable conduct has been considered.

II. Applicability of MPEP §§ 2256, 2282 and 2287.01

1. Petitioner has failed to satisfy the requirements for submission of an IDS after NIRC.

Petitioner has alleged that, by virtue of the Office granting patent owner's February 4, 2009 petition requesting an emergency stay of the present proceeding, the additional requirements pertaining to submission of an IDS when a reexamination proceeding is in the print cycle do not apply. To the extent that the stay kept the present proceeding from entering a "452 print cycle status" with special dispatch, patent owner is correct. However, petitioner must still meet the requirements for entry of an IDS after NIRC, which are provided in MPEP 2256 for the purpose of furthering the statutorily mandated requirement of special dispatch in resolving reexamination proceedings: Patent owner still must make: **(A) a factual accounting providing a sufficient explanation of why the information submitted could not have been submitted earlier, and (B) an explanation of the relevance of the information submitted with respect to the claimed invention in the reexamination proceeding.** As set forth below in sections II.2 and II.3 of this decision petitioner has failed to satisfy the requirements of both criterion (A) and (B) of MPEP 2256 for entry and consideration of all the information submitted after issuance of a NIRC. Accordingly, the information will not be entered for consideration by the examiner.

Petitioner, concurrent with its petition, submitted eight documents contained in an appendix labeled "Appendix A" with a listing and brief discussion contained on a cover sheet to the appendix.⁴ Petitioner also submitted patent and non-patent literature references on February 13, 2009. Petitioner requests entry and consideration of all the information submitted on February 13, 2009, and additionally requests entry and consideration of the references submitted on July 14, 2008 (and resubmitted on November 6, 2008).

In a reexamination proceeding, there is no 37 CFR 1.313 withdrawal of the proceeding from the publication process for consideration of an Information Disclosure Statement (IDS), because 37 CFR 1.313(a) applies to applications, and not to reexamination proceedings. Accordingly, in this instance, the petition for withdrawal of the present proceeding from the publication process, for consideration of the accompanying IDS papers, has been appropriately filed under 37 CFR 1.182. While there is no regulatory provision for withdrawal of a reexamination proceeding from the publication process for consideration of an IDS, the policy for the withdrawal from the publication process after the NIRC has been mailed, but before the proceeding has actually entered the printing cycle, is explicitly set forth in MPEP 2256 as noted above. Such withdrawals are rare, because a reexamination proceeding is required *by statute* to proceed to publication with special dispatch as pointed out above.

2. Entry criterion (A): Factual Accounting Sufficient to Explain Why the Information could not have been submitted Earlier

(a) The July 14, 2008 IDS– satisfies entry criterion (A)

The explanation filed concurrent with the July 14, 2008 submission satisfied entry criterion A - petitioner EBAY was precluded from filing the information previously as a third party requester, and petitioner did not become the patent owner until February 2008; thus, petitioner was

⁴ Appendix A contains several court papers submitted by EBAY from related proceedings regarding the '051 patent. The term "Appendix A" will be used throughout the decision when referring to this information submitted by EBAY with their petition requesting entry of the Appendix A information.

prevented by rule⁵ from submitting an IDS that could be entered into the reexamination proceeding record.

(b) The February 13, 2009 Related Proceeding Submission (Appendix A) – does not satisfy entry criterion (A)

No explanation is given as to why this information could not have been submitted earlier. The documents listed in Appendix A are all documents that were submitted in related proceedings. MPEP 2282 permits entry of court documents by a third party requester during a reexamination proceeding. Furthermore, petitioner has not provided a factual accounting as to why these court documents could not have been submitted to the Office earlier, in light of MPEP 2282, as EBAY's prior status as a third party requester did not preclude them from submitting the related proceeding documents. Therefore, petitioner has not made a sufficient factual accounting to satisfy entry criterion (A) for entry and consideration of the related proceeding papers at this late stage in the proceeding.

(c) The February 13, 2009 IDS – does not satisfy entry criterion (A)

No explanation is given as to why the information could not have been submitted earlier. Even though petitioner was precluded from submitting the information when petitioner was a third party requester, petitioner has owned the '051 patent for more than a year; yet petitioner has not explained why the references cited in the February 13, 2009 IDS were not cited earlier during the past year of ownership of the '051 patent. Accordingly, petitioner has not made a sufficient factual accounting to satisfy entry criterion (A) for entry and consideration of the related information submitted in the February 13, 2009 IDS.

3. Entry criterion (B): An Explanation of the Relevance of the Information Submitted with Respect to the *Claimed Invention* in the Reexamination Proceeding

Petitioner has not provided any explanation as to the **relevance of the July 14, 2008 and February 13, 2009 information submissions with respect to the *claimed invention* in the reexamination proceeding, except that "the third document"**⁶ listed in Appendix A is asserted to provide a factual basis for curing acts of inequitable conduct set forth in allegations 6, 10-12, 14, 20, 23-33 and 40 of "the third document".⁷ Otherwise petitioner only broadly states that the information will be used to ensure that the examiner is apprised of the previous patent owner's and the current patent owner's positions taken in related proceedings, and to discuss the substance of various unidentified declarations. Petitioner also expresses in the petition an intent to bring in additional prior art that patent owner EBAY was aware of as a third party requester, but could not introduce into the proceeding because of EBAY's status as a third party requester.⁸

⁵ 37 CFR 1.530(c) which states:

(c) Any statement filed by the patent owner shall clearly point out why the subject matter as claimed is not anticipated or rendered obvious by the prior art patents or printed publications, either alone or in any reasonable combinations. Where the reexamination request was filed by a third party requester, any statement filed by the patent owner must be served upon the ex parte reexamination requester in accordance with § 1.248.

⁶ The third document from the top of the unnumbered listing of eight documents in Appendix A, the term "Appendix A's third document" or "the third document" will be used throughout the decision when referring this document from Appendix A.

⁷ A detailed discussion and analysis of patent owner's allegations of inequitable conduct and attempt to cure is discussed in section III of this decision.

⁸ As noted in section II(2)(c) patent owner is referring to prior art that patent owner could have submitted over a year ago upon purchase of the '051 patent.

Finally, petitioner states that it will refer to various litigation documents submitted, to ensure that a full and complete record is established.⁹

The requirement, however, is not a future discussion of establishing the relevance of the documents to the claimed invention, but for a contemporaneous explanation of the relevance of **all** the submitted documents with respect to the claimed invention in the petition submission, to justify entry at the post NIRC stage of reexamination. Entry of an information submission after NIRC does not necessarily result in a reopening for further prosecution; therefore it is not a means for re-prosecution of the proceeding. A statement that the relevancy will be developed at some indeterminate future time on the record in the proceeding does not meet the requirement for a present statement of relevancy. The statement of relevancy contemporaneously with the post NIRC information submission is necessary to determine if the delay caused by the late entry of information is justified, and permit minimizing any further extension of the prosecution process. Thus, the explanation of the relevance of the documents with respect to the claimed invention must be made at the time of their submission in order to justify entry of the documents and to facilitate special dispatch in terms of their consideration by the examiner.

Petitioner did not provide any explanation as to how any of the prior art references or the court documents provided in the submissions are relevant to the claimed invention. In light of the very late stage at which the present proceeding stands, it is unduly burdensome and contrary to the requirements of special dispatch to call upon the examiner to sift through all the materials and ascertain how petitioner believes this very late submission of documents may be relevant to the claimed invention. Accordingly, petitioner has not made a sufficient contemporaneous explanation of the relevance of **all** the submitted documents with respect to the claimed invention to satisfy entry criterion (B) for entry and consideration of the all the information submitted post NIRC.

III. Petitioner's Alleged "Cure" of Inequitable Conduct¹⁰

With respect to the matter of curing acts of inequitable conduct in the present proceeding, petitioner has failed to make an adequate showing that the submission would accomplish the stated purpose to "cure" any issues of inequitable conduct that might exist on the record. Petitioner relies upon *Rohm & Haas*¹¹ for the proposition that inequitable conduct can be cured by taking adequate corrective measures while the proceeding is still pending. *Rohm & Haas* sets out the following three requirements that **must** be met to effect a cure of an issue of inequitable conduct when a factual misrepresentation is made during examination:

- (1) The applicant must expressly advise the USPTO of the existence of a prior misrepresentation, stating specifically wherein it resides; and
- (2) The applicant must advise the USPTO of the actual facts, if the prior misrepresentation was factual, and must indicate that further examination may be required; and
- (3) The applicant must establish the patentability of the claimed subject matter.¹²

⁹ As noted in section II (2)(b) patent owner is referring to court documents that patent owner could have submitted, even as a third party requester, during the reexamination proceeding in accordance with MPEP 2282.

¹⁰ Inequitable conduct is not an issue within the scope of reexamination, only the matter of cure is being addressed.

¹¹ *Rohm & Haas Co. v. Crystal Chem. Co.*, 722 F.2d 1556 (Fed. Cir. 1983), cert. denied, 469 U.S. 851 (1984).

¹² *Id.*

Petitioner correctly articulates that any attempt to cure matters of inequitable conduct must occur in the present proceeding.¹³ An attempt to cure, in a subsequent proceeding, acts of inequitable conduct in a prior related proceeding has been held to be ineffective.¹⁴ Providing material information to the examiner in time to act on the information has been held to satisfy the duty of disclosure.¹⁵

Petitioner has not satisfied the threshold requirements of *Rohm & Haas* as to the information that is to be submitted for the purpose of curing acts of inequitable conduct. Petitioner, while expressly advising the Office about the *possible existence of prior misrepresentations*, has not stated specifically where in the record of the present proceeding the misrepresentations reside. Petitioner's submission attempting to cure includes Appendix A, which lists eight documents and a cursory statement regarding the content of the third document.¹⁶ Appendix A's third document contains a listing of forty-nine (49) allegations of inequitable conduct. Petitioner asserts that allegations 6, 10-12, 14, 20, 23-33 and 40 are pertinent to the current reexamination. As explained below, however, none of the asserted allegations provides the required information that needs to be submitted for the purpose of effecting "cure".

(a). Lack of Specificity (Allegations 6, 10, 11, 14, 23-33, and 40)

With respect to allegations 6, 14 and 29, patent owner has redacted substantially all of the text of allegations 6 and 14, and all of the text of allegation 29; thus, there is a lack of specificity as to where the acts of inequitable conduct reside in the present proceeding. Accordingly, patent owner has not satisfied the first requirement of *Rohm & Haas* by failing to state specifically where the alleged inequitable conduct resides in the record of the present proceeding.

With respect to allegations 10-11, 14, 23-28, 30-33 and 40, petitioner has alleged acts of inequitable conduct on the part of the previous patent owner MERCEXCHANGE LLC in the '051 "reexamination".¹⁷ Petitioner fails to provide sufficient specificity as required by *Rohm & Haas* by not properly citing the specific reexamination proceeding and the specific papers within the specific reexamination proceeding wherein the alleged act(s) of inequitable conduct occurred. The allegations as made in the third document of Appendix A cite to a multitude of documents in order to establish the existence of inequitable conduct, but not all of the documents are in the present proceeding. Furthermore, usage of Appendix A's third document creates confusion and a lack of clarity on the record, because it was drafted for a different purpose and for a different forum and cites to documents that are not of record in the present proceeding. Thus petitioner's asserted allegations of inequitable conduct lack sufficient specificity as to where the acts of inequitable conduct reside in the present proceeding. Accordingly, petitioner has not satisfied the first requirement of *Rohm & Haas* by failing to state specifically where the misrepresentation resides in the record of the present proceeding.

¹³ *Id.*; See also *In re Clark*, 522 F.2d 623 (CCPA 1975)

¹⁴ *Molins PLC v. Textron, Inc.*, 48 F.3d 1172, 1183 (Fed. Cir. 1995)(Subsequent citation of a reference during the reexamination proceeding does not cure the failure to cite a reference during the original prosecution).

¹⁵ *Young v. Lumenis, Inc.*, 492 F.3d 1336, 1349 (Fed. Cir. 2007).

¹⁶ An "addendum" prepared during litigation involving the '051 patent in support of a motion filed by defendant eBay which was prior to eBay's purchase of the '051 patent.

¹⁷ No such proceeding designation exists in the Office. Currently before the Office two different reexamination proceedings are pending in regards to the '051 patent, the '6984 and the '8362 proceedings. Usage of the phrase '051 reexamination is an inaccurate statement that embraces two separate and distinct reexamination proceedings, thus lacking specificity.

Finally, with respect to allegation 30, petitioner states, "MercExchange similarly argued that . . ." apparently referring to a previously presented allegation, presumably to refrain from being repetitive and to build upon the argument stated in allegation 29 that immediately preceded allegation 30. As was previously noted, allegation 29 is redacted *in toto*. Thus, there is a further lack of specificity as to where the acts of inequitable conduct reside in the present proceeding with respect to allegation 30. Accordingly, petitioner has not satisfied the first requirement of *Rohm & Haas*, because petitioner has failed to specifically identify where the misrepresentation resides in the record of the proceeding.

(b). Failure to Advise the PTO of the Actual Facts (Allegations 6, 14, 20, 23-33 and 40)

Petitioner has implicitly alleged that *Rohm & Haas* is applicable to all the asserted allegations of inequitable conduct, allegations 6, 10-12, 14, 20, 23-33 and 40. *Rohm & Haas* dealt with issues of inequitable conduct when the prior misrepresentation was factual. Petitioner has failed to provide the actual facts for allegations 6, 10-12, 14, 20, 23-33 and 40. Appendix A's third document is a bullet point summary of allegations of inequitable conduct, and despite petitioner's assertion, it is not a listing or compilation of the actual facts which were stated to be previously misrepresented, as required by *Rohm & Haas*. The body of the petition does not supplement Appendix A's documents with the actual facts nor point to where, in Appendix A's documents, the actual facts (alleged to be misrepresented by patent owner during prosecution in the present proceeding) reside. Furthermore, allegations 10-12 are not allegations of misrepresentation of actual facts, but instead are allegations of a withholding of material information in the form of documents from related proceedings and a withholding of prior art references. Accordingly, petitioner has not satisfied the second requirement of *Rohm & Haas*, because petitioner failed to advise the Office of the actual facts that were previously misrepresented during prosecution in the present proceeding.

(c). Failure to Establish Patentability

Petitioner has not established on the record patentability of the claimed subject matter. Petitioner presumes that by alleging the existence of inequitable conduct at this late stage of reexamination that reopening of prosecution will occur, with prosecution starting anew in order to establish patentability of the claims. Such a presumption is in error, and is contrary to the mandate of special dispatch and the relevant case law. Federal Circuit case law provides that "the essence of the duty of disclosure is to get relevant information before an examiner in time for him to act on it, . . ." ¹⁸ The ability of a party to establish patentability before the Office is still governed by the stage of prosecution, regardless of the fact that petitioner states that it is attempting to "cure" concerns regarding inequitable conduct. In the present proceeding, prosecution is closed, a NIRC has been issued, and the proceeding is ready for entry into the printing cycle. Petitioner was granted an exigency petition to stay the proceeding based upon a representation of the need to cure issues of inequitable conduct. Instead of effectuating such cure, however, petitioner's efforts appears to be merely directed to reopening prosecution to explore possibilities, e.g. the consideration of belatedly submitted references, without adherence to the relevant statutes, rules, guidance and procedure. A review of the record, engendered by the petitions that followed the exigency based petitions to stay, raises serious doubts as to the judiciousness of the granting of the stay based on petitioner's previously alleged exigency. Petitioner has been intimately involved in the progress of the proceeding by dint of being the third party requester that initiated the proceeding and asserted the various inequitable conduct allegations in the petition, specifically in Appendix A's third document. Petitioner has conceded in the instant petition to

¹⁸ *Young* at 1349.

being aware of the references, currently being submitted, for at least one year, by stating that patent owner could not previously cite them as a third party requester. Petitioner has owned the '051 patent for over a year, is represented by registered practitioners, is on MPEP notice regarding the appropriate procedure to follow, and is on specific notice as outlined in the previous decisions as to the appropriate procedure to follow regarding entry of information after NIRC. Therefore, petitioner at the time of filing the present petition was or should have been fully aware of the necessary actions to properly present the information before the examiner for consideration at such a late stage of a reexamination proceeding and to cure any alleged acts of inequitable conduct while also furthering the statutory mandate of special dispatch. Accordingly, petitioner has not satisfied the third requirement of *Rohm & Haas*.

(d). Not in the Present Proceeding (Allegations 6, 20, and 40)

A predicate for petitioner's request for relief, as set forth by the relevant case law and an aspect of petitioner's exigency petition showing, is that cure must occur in the same proceeding within which the alleged acts of inequitable conduct took place. With respect to allegations 6, 20 and 40, petitioner alleges the existence of acts of inequitable conduct in the original prosecution of the '051 patent. Acts of inequitable conduct that occurred in the original prosecution of the '051 patent cannot be cured in the present reexamination proceeding. The case law precludes attempts to cure acts of inequitable conduct in a subsequent reexamination proceeding that occurred during the original prosecution of a patent.¹⁹ Therefore, petitioner's assertion of acts of inequitable conduct regarding allegations 6, 20 and 40 cannot be cured in the present proceeding. This, by itself, warrants dismissal of the petition and non-entry of the IDS submissions.

(e). Failure to Timely and Properly Provide the Relevant Documents (Allegations 10-12)

With respect to allegation 10, petitioner alleges inequitable conduct because patent owner MERCEXCHANGE LLC failed to disclose material information from a related proceeding by not citing the appeal brief from U.S. Patent Application Serial No. 09/166,779 (The '779 application) in the present reexamination proceeding.²⁰ The record of the present proceeding indicates that the '779 application's appeal brief²¹ is currently not of record in the present proceeding, including all IDS submissions made by new patent owner, EBAY, for which entry is now being requested. The case law provides that failure to submit material information from related proceedings can be cured if the information is supplied to the examiner in time for him or her to act.²² In this instance, and contrary to petitioner EBAY's assertions, both a patent owner and a third party requester are permitted to submit documents from related proceedings during a reexamination proceeding.²³ Accordingly, petitioner could have cured allegation 10 by

¹⁹ *Molins* at 1183.

²⁰ Specifically, EBAY alleges inequitable conduct by patent owner MERCEXCHANGE LLC, because of inconsistent positions regarding the claim term "account verification" patent owner MERCEXCHANGE LLC has taken between the '779 appeal brief filed and the present proceeding. EBAY alleges that a failure to challenge an Official notice position taken by the examiner regarding the claim limitation "account verification" in the '779 application appeal brief has created this inconsistency, which is material to patentability and that the failure to cite the '779 application's brief rises to an act of inequitable conduct.

²¹ The '779 application actually has two appeal briefs on record from patent owner to the Board of Patent Appeals and Interferences (BPAI), dated July 22, 2002 and November 19, 2002. Patent owner does not identify in which appeal brief the alleged inequitable conduct occurred. However, both appeal briefs are related to the same appeal before the BPAI and the later brief was a replacement brief for the earlier on a formal matter, so presumably both briefs evidence the alleged inequitable conduct, an inconsistent taking of positions between the '779 application and the present proceeding.

²² *Young* at 1348-50.

²³ MPEP 2282

submitting the appeal brief in a notification of concurrent proceeding in accordance with MPEP 2282 as the requester or as the patent owner; however to date petitioner has failed to do so.

With respect to allegations 11 & 12, petitioner alleges in the petition, in conjunction with petitioner comments in Appendix A, an omission of material prior art references, "Seat on the Exchange" and "NetBill" respectively, by the previous patent owner MERCEXCHANGE LLC in the present proceeding as acts of inequitable conduct. Neither reference was submitted for the present proceeding via the IDS submissions made by new patent owner, EBAY. Inequitable conduct due to the failure to cite a material reference maybe cured by submitting the reference to the Office in a proceeding, as the examiner can independently assess the veracity of any alleged misstatements by examining the prior art.^{24,25} Neither reference "Seat on the Exchange" or "Netbill" is listed as one of the documents being submitted in any of the information submissions by petitioner in support of their attempt to cure. Accordingly, petitioner could have cured allegations 11-12 by submitting the "Seat on the Exchange" or "Netbill" references in an IDS after NIRC with a petition that complies with requirements (A) and (B) of MPEP 2256, and also with 37 CFR 1.313 if the proceeding had entered the print cycle; however to date petitioner has failed to do so.

IV. Summation of Decision

A review of the record shows that the examiner terminated prosecution on the merits by issuing a NIRC on August 31, 2007, and the proceeding is ready for entry into the printing cycle. The proceeding is clearly not scheduled to come up for further action on the merits. The requested relief would significantly regress the present proceeding from its current processing stage. This runs contrary to the statutory requirement of 35 U.S.C. 305 that "[a]ll reexamination proceedings under this section...will be conducted with special dispatch within the Office." The statutory mandate of special dispatch is based upon the public interest in providing certainty and finality as to the question of patentability raised by a request for reexamination. In view of the submission of the information after termination of the prosecution in this reexamination proceeding, and the failure to provide the requisite discussion of the submitted information, the present reexamination proceeding will not be reopened at this late date to consider the proffered information. Further, the proceeding must be immediately forwarded to the printing cycle to comply with the statutory mandate for special dispatch.

To the extent that petitioner EBAY may be prejudiced by this decision, that prejudice must be balanced by the degree of prejudice the public will suffer by delaying the proceeding any further in contravention of 35 U.S.C. 305. In this instance, patent owner EBAY was fully aware of all issues of inequitable conduct on the part of the previous owner of the patent, and their potential impact on the patent, when EBAY purchased the '051 patent from MERCEXCHANGE LLC.²⁶ Furthermore, EBAY was fully aware that prosecution had been completed in the reexamination proceedings which were requested in April 3, 2007, and was not subject to reopening in the ordinary course of reexamination. In spite of this, the Office gave EBAY two opportunities to address the matter. EBAY has had over a year since its purchase to properly bring to the Office's attention the need to cure matters of inequitable conduct, and do it pursuant to the only avenue provided for same (MPEP 2256). Yet, to date, EBAY has failed to submit the matter to the

²⁴ *Applied Materials Inc. v. Advanced Semiconductor Materials America Inc.*, 30 USPQ2d 1967, 1969 (N.D. Calif. 1994).

²⁵ *But see, Ethicon Inc., v. United States Surgical Corp.*, 921 F. Supp. 901, 904 (Conn. 1995) (No cure is available when a patentee fails to cite material prior art with an intent to deceive.).

²⁶ All allegations of inequitable conduct leveled against the previous patent owner, MERCEXCHANGE LLC, were made by EBAY in litigation between EBAY and MERCEXCHANGE LLC regarding the '051 patent.

Office in a manner that would permit entry, and minimize the delay running counter to special dispatch.²⁷ The Office cannot wait any longer; therefore this decision is made a final agency action.

The information submitted by petitioner will be placed in the file, and will remain of record. However, because prosecution has been terminated for this reexamination proceeding, the information will not be considered by the examiner. If petitioner in fact believes that any reference submitted raises a substantial question of patentability as to at least one claim of the patent *different* than raised in this proceeding, the petitioner can always file a new request for reexamination for consideration of such reference(s).

CONCLUSION

1. The petition is denied.
2. This decision is designated as a final agency action under 5 U.S.C. § 704.
3. Any 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

4. Jurisdiction over the proceeding is transferred to the Central Reexamination Unit (CRU) for immediate forwarding to Publications Branch for reentry into the printing cycle and issuance of a reexamination certificate in accordance with the statutory mandate of special dispatch.

5. Telephone inquiries related to this decision should be directed to Joseph F. Weiss, Jr., Legal Advisor Office of Patent Legal Administration at (571) 272-7759 or in his absence Pinchus M. Laufer, Legal Advisor Office of Patent Legal Administration 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

²⁷ It is observed that petitioner, even at this stage, failed to include a PROPER and complete factual and legal basis for its stated attempt to cure any possible incidences of inequitable conduct in the present proceeding, as part of the rationale or basis for granting the petition. The patent owner failed to draft a document tailored for the present forum and matter to support any effort to cure potential issues of inequitable conduct. Use of Appendix A's third document creates confusion and a lack of clarity on the record, because it was drafted for a different purpose and for a different forum, and it is both over and under inclusive as to information necessary to establish petitioner's position regarding the need to cure acts of inequitable conduct. Despite the fact that petitioner is only attempting to "cure" acts of inequitable conduct in allegations 6, 10-12, 14, 20, 23-33 and 40, it is noted that inequitable conduct allegations 41-49 also implicate the '051 "reexamination" proceedings, and the petitioner failed to address them in attempting to cure acts of inequitable conduct as part of the basis for the entry and consideration of information after NIRC.