Please find below and/or attached an Office communication concerning this application or proceeding.
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<th>APPLICATION NO.</th>
<th>FILING DATE</th>
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<th>ATTORNEY DOCKET NO.</th>
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EXAMINER
MCDERMOTT WILL & EMERY LLP
600 13TH STREET, N.W.
WASHINGTON, DC 20005-3096

DATE MAILED: 06/15/2009

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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
JUN 15 2009
CENTRAL REEXAMINATION UNIT

Transmittal of Communication to Third Party Requester
Inter Partes Reexamination

REEXAMINATION CONTROL NO.: 95000199; 90/083,330
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.
THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS
SOFTWARE FREEDOM LAW CENTER
1995 BROADWAY
17TH FLOOR
NEW YORK, NY 10023-5882

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)).
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.


10. On August 18, 2008, the Office dismissed Blackboard’s petition to suspend.

12. On October 15, 2008, Desire2Learn 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.


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.


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 after all appeals are over. 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.

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 partes 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) 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.” 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.”

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 of a district court of the United States.” 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.”

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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.”

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

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 an 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. 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.

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.

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

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


\(^{25}\) 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

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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.”


²⁹ Id.
after any/all appeals. 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, 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.

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; 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).” 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 the litigation process 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, yet, Blackboard maintains that because “[Congress] did not say so in Section 317 demonstrates that no appellate exhaustion is required for that statute,” 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 Constrained 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. 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.” 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.” 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.”

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. 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.” 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.”

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.

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.’” 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.” 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. 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 "the 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) *Green Tree Would Not Dictate a Different Result in Timken* - “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

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 “[i]n the 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.” 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” to be conclusive, where all appeals or possibility of appeals are foreclosed. 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.” 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.”

Contrary to Blackboard’s assertion, however, Congress did not 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 statutory estoppel scheme, there is no indication that Congress intended to adopt a scheme identical to that of common law 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.

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. 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.’” 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, 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.

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