

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Application Number : 95/000,020 Confirmation No.: 3141
90/006,495 9470
U.S. Patent Number : 6,317,592
Applicant : Campana, Jr. et al.
Filed : May 29, 2003
December 26, 2002
Title : ELECTRONIC MAIL SYSTEM WITH RF COMMUNICATIONS
TO MOBILE PROCESSORS
TC/Art Unit : 3992
Examiner: : Scott L. Weaver
Docket No. : 49671.000006

**PETITION PURSUANT TO 37 C.F.R. 1.181 TO THE DIRECTOR TO COMPLY WITH
CONGRESSIONAL MANDATE AND DISMISS *INTER PARTES* REEXAMINATION
OR, IN THE ALTERNATIVE, TO TREAT NTP EQUALLY UNDER THE LAW WITH
OTHER SIMILARLY SITUATED PARTIES**

Commissioner For Patents
PO Box 1450
Alexandria, VA 22313-1450

Dear Sir:

Patent Owner, NTP, Inc., by and through the undersigned counsel, hereby petitions the Commissioner of Patents and Trademarks pursuant to 37 C.F.R. 1.181 to stop defying Congress and dismiss *inter partes* reexamination or, in the alternative, to stop treating NTP disparately from other similarly situated parties.

I. STATEMENT OF FACTS

This petition is being submitted in direct response to the PTO's previous refusals to halt the *inter partes* reexamination in the above identified re-examination proceeding as is required by 35 U.S.C. § 317. NTP submitted petitions dated October 10, 2003, July 7, 2005, and October 7, 2005 in the file history and the PTO's responses are dated June 2, 2004, September 16, 2005,

and November 30, 2005. For the reasons stated below and in NTP's previous petitions (herein incorporated by reference), the patentee submits that the PTO may not maintain the *inter partes* reexamination proceeding. The PTO itself acknowledged this principle in its recent actions in other reexaminations and is plainly now discriminating against NTP. Moreover, the Supreme Court's denial of RIM's petition for certiorari eliminates the factual basis for the Offices prior pretextual arguments for defying Congress and violating Section 317.

II. POINT TO REVIEW

The PTO's previous refusals to halt the *inter partes* reexamination in the above identified re-examination proceeding as is required by 35 U.S.C. § 317.

III. REQUESTED ACTION

Accordingly, Patent Owner requests that the proceeding be dismissed and the Office take action to remove the taint of the prior unlawful submissions by Research in Motion.

IV. THE OFFICE'S PRIOR REASONING IS NO LONGER APPLICABLE

NTP disputes that the Office previously analyzed the requirements of Section 317 correctly. However, even under the Office's analysis, the *inter partes* reexamination can no longer be sustained.

A. The Reasoning Previously Cited By The PTO For Ignoring Section 317 Is No Longer Applicable.

The PTO previously cited two reasons for refusing to follow Congress' clear intent in section 317: that Supreme Court had not denied certiorari and/or that additional validity proceedings could be raised in the District Court. Both of these reasons are now foreclosed. On January 23, 2006, the Supreme Court denied RIM's petition for certiorari. See Exhibit A. Thus,

the litigation, with respect to the claims of the '592 patent is completely finalized except for issues unrelated to validity such as damages and injunctive relief.

As for filings in the District Court, The District Court required the parties to raise pertinent issues on which they bore the burden in briefs submitted on January 17, 2006. The Federal Circuit's remand Order contained nothing that would permit the parties to re-open validity. Recognizing that the Federal Circuit remand did not permit the re-opening of any validity issues, even Research in Motion did not raise any validity issues in its January 17, 2006 filing. Exhibit B. Thus, the Office's speculation that validity proceedings could somehow be re-opened is now no longer applicable.

B. The PTO Can No Longer Defy The Clear Statements Of Senator Hatch, Senator Leahy And The Rest Of Congress And Ignore Congress' Clear Statements Limiting Litigants To "One Bite At The Apple."

Congress, and Senators Hatch and Leahy specifically, unequivocally stated that third parties (such as RIM) **have a choice**: reexamination or litigation. The Office has no legitimate reason for continuing to defy Congress. Third parties are not permitted to harass patentees through *inter partes* reexamination proceedings after having made the choice to litigate and having their day in court. The Senate Judiciary Committee stated:

The net effect of this [estoppel] subsection is to create a situation wherein a party wishing to challenge the validity of a patent will have their day in court, **but will be limited to one bite at the apple**. Such a party would have the **choice** of **either** pursuing a reexamination **or** going directly to Federal court. In either event, the estoppel provisions of this section prevent that party or its privies from raising the same issues or any issues that could have been raised at that time again in the future. Thus, the Committee is confident that this Act ... also **guards closely against abuse of this title as a tool of harassment**. (p. 110)

Symmetrically, if a claim of invalidity is asserted in litigation, reexamination is precluded on the issues raised in that claim of invalidity or any issue that could have been raised. (p. 57).

S. Rep. 105-42 (1997). Although this quote came from a congressional session (105th) before the session that passed the law, the statutory language is the same as was considered during the 105th session. Congressional intent is very clear. RIM had a choice of either: (1) pursuing invalidity in litigation **or** (2) reexamination. RIM chose litigation. The PTO's current position entirely defeats the specific intent of Congress by permitting them to do both.

Furthermore, Senator Leahy, one of the co-sponsors, added the following remarks:

Enhancing the estoppel provisions for re-examination. Although the goal of the original re-examination provisions was laudable, i.e., reducing legal bills for patent applicant, **I was concerned that the legislation protect against harassment by third parties.** The Hatch-Leahy substitute **enhances protection against harassment by strengthening the estoppel provisions** to prevent a party from raising an issue that was raised or could have been raised in one forum from raising it in any other forum in the future. Hence, the re-examination provision in the Hatch-Leahy substitute will provide an alternative to the current costly and time-consuming process of Federal litigation and at the same time, **protect patent applicants against undue harassment.** (p. 122)

S. Rep. 105-42 (1997). Thus, the bill was specifically "strengthened" to prevent harassment by third parties. Other statements made by various members of Congress confirm this interpretation:

Similarly, estoppel provisions similar to those agreed to in the Senate form a key component on the broad-based agreement on patent reexamination reform.

106 Cong. Rec. S13258, (daily ed. Oct. 27, 1999) (statement of Sen. Hatch). Senator Hatch – another co-sponsor – then confirmed that the estoppel provisions should be construed broadly.

Under [the *inter partes* reexamination changes], the third party is afforded an expanded, although still limited, role in the reexamination process through an opportunity to respond, in writing, to an action by a patent examiner when, but only when, the patent owner does so. These expanded rights for third parties are carefully balanced with **incentives to prevent abusive reexamination requests, including broad estoppel provisions** and severe restrictions on appeal.

Id. at S13259.

It was the policy and scheme of Congress to permit “only one bite at the apple” and to create a “broad estoppel” which precludes “harassment” and “abuse” of the patentee.

* * *

In sum, allowing RIM to participate in inter partes proceedings over the last 3 years has been in direct violation of section 317 and in direct defiance to Congress. The excuses offered previously by the Office – Supreme Court finality – distort the statute. In any event, even the pretexts of Supreme Court review and the reopening of validity proceedings in the District Court have been finally and conclusively eliminated.

V. **IN THE ALTERNATIVE, THE OFFICE SHOULD NOT CONTINUE ITS DISPARATE TREATMENT OF NTP AS COMPARED TO OTHER SIMILARLY SITUATED PARTIES.**

The Office is currently treating NTP differently from other similarly situated parties in an arbitrary and capricious manner with no explanation for the different treatment. Despite repeated requests from NTP and a detailed explanation of the abusive behavior of requester Research in Motion’s conduct at the PTO (submission of well over 30 post-trial requests for reexamination), the Office permits this harassment to continue even though it has granted relief to other parties in similar circumstances.

NTP respectfully requests the same treatment provided to the patentee as the Office recently granted in reexamination numbers 95/000,093 and 95/000,094 regarding patentee Immersion and requester Sony. In those reexaminations, the PTO suspended the proceedings. The reasoning for suspension is identical to those that NTP has previously explained exist in this case.

Taking the above positions into account, it is determined that “good cause” exists to wait for the outcome of the Federal Circuit appeal, because the reexamination proceedings are

at just their beginning stages, while the concurrent litigation is potentially near its final resolution. It bears noting that [Requester] chose to permit the District Court litigation to proceed for three years before filing its requests for reexamination in May of 2005, only after judgment was entered in Immersion's favor in the litigation. Had [Requester] filed its requests for reexamination earlier, the reexamination proceedings would now have been much farther along in the process, and may likely have been completed at the Office before the district court issued its decision. Moreover, had [Requester] filed its reexamination requests earlier in the litigation, the district court might have stayed the litigation to await the Office's decisions in the two reexamination proceedings. After choosing to go years through the entire district court litigation proceeding without asking for the Office's input, [Requester] cannot complain that a suspension of the present reexamination proceedings will deprive [Requester] of a chance to obtain the Office's decision, when there is a strong possibility that the Federal Circuit's decision will estop the Office from issuing any decision at all. In short, [Requester] cannot have it both ways. [Requester] waited three years after the district court case began, and waited until after the district court issued a final decision, such that its district court litigation can in no way be affected by any decision on its reexamination requests. [Requester]'s delay is the reason that the current reexaminations may very well be mooted before any decision issues. [Requester] chose its route and must now deal with the consequences of its decision.

Office Action, dated 11-15-05.

There is simply no reason for the PTO to treat similarly situated litigants/patent owners in such a disparate fashion. Indeed such actions are the height of arbitrary and capricious behavior. It has long been the law that "an agency must provide adequate explanation before it treats similarly situated parties differently." *Petroleum Communications, Inc. v. FCC*, 22 F.3d 1164, 1172 (D.C. Cir. 1994). That explanation must "do more than enumerate factual differences, if any . . . it must explain the relevance of those differences to the purposes of the" action. *Adams Telcom, Inc. v. FCC*, 38 F.3d 576, 581 (D.C. Cir. 1994) (quoting *Melody Music, Inc. v. FCC*, 345 F.2d 730, 733 (D.C. Cir. 1965)).

Moreover, the highlighted section essentially states that Federal Circuit action will estop the Office from any further action – exactly as is required by Section 317, as Congress demanded, and as NTP has argued for many years. There is no reason why the Office takes such widely disparate interpretations of the same statute for parties that are identically situated.

**VI. THE PTO NEEDS TO CLEANSE THE RECORD OF INFORMATION
RESULTING FROM UNLAWFUL CONTACTS AND SUBMISSIONS BY
RESEARCH IN MOTION**

As part of its action ending the *inter partes* reexamination, the Office needs to take steps to cleanse the taint of the unlawful contacts and submissions that the Office has permitted to occur in violation of the statute as part of the *inter partes* proceedings. Research in Motion has submitted numerous papers that are now null and void and cannot be considered by the Office. Moreover, Research in Motion has had numerous other contacts with Office personnel. The substance of all such contacts must be revealed and fully set forth on the public record. The Office must devise a plan to ensure that the Office eliminates the taint and prejudice caused by these previous contacts between the Office and Research in Motion (including its counsel and other representatives/lobbyists) – with such contacts to be remedied including any assurances that were communicated by Office personnel to Research in Motion regarding the timing and ultimate outcome of Office activities.

Please charge any fee(s) required under 37 C.F.R. § 1.17(g), or any other statute or rule, due in connection with the filing of this communication to Deposit Account No. 50-0206.

Respectfully submitted,

HUNTON & WILLIAMS

By:



Brian M. Buroker
Registration No. 39,125

1900 K Street, N.W., Suite 1200
Washington, D.C. 20006-1109
(202) 955-1500 (Telephone)
(202) 778-2201 (Facsimile)
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