Commissioner of Patents and Trademarks
Patent and Trademark Office (P.T.O.)

IN RE BURKNER REEXAMINATION PROCEEDING
Control No. 90/001,098
June 17, 1987
***1** Filed: September 24, 1986

For: U.S. Patent No. Re 30,759

For Patent Owner

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DECISION ON PETITION

The paper filed April 22, 1987, by the patent owner is before the Office of the Assistant Commissioner for Patents. Petitioner requests reconsideration of an earlier petition filed April 2, 1987, which was returned as an improper submission on April 16, 1987. Petitioner alternatively requests the Commissioner to review and reverse the earlier decision in view of its erroneous content and the 'unusual and exceptional circumstances' of this case. The earlier petition was resubmitted as a part of the present request for reconsideration.

REVIEW OF FACTS

1. On September 24, 1986, a request for reexamination of the '759 patent was filed by a third party requester, Mr. Henry L. Brinks, Esq.

2. Reexamination was ordered on November 19, 1986.

3. On December 19, 1986, the patent owner filed a statement under 37 CFR 1.530.

4. On February 18, 1987, the requester filed a reply under 37 CFR 1.535.

5. On April 2, 1987, the patent owner filed a notice of concurrent litigation under 37 CFR 1.565(a) alerting the PTO that the '759 patent is the subject of litigation pending before the United States District Court for the Northern District of Georgia, Atlanta Division, styled Carl Schneck A.G. vs. Siempelkamp Corporation and Siempelkamp GmbH & Co., Civil Action No. C85-1982A. Patent owner states 'on March 6, 1987, the Georgia court effectively stayed the trial on the case before it by granting Defendant's Motion to Extend the Discovery Period in that case until ninety days after the completion of the present reexamination'.

6. On April 16, 1987, the Assistant Commissioner for Patents issued a decision returning, as improper submissions, papers filed by the patent owner on March 31, 1987, and April 2, 1987, and by the requester on April 10, 1987.

7. On April 22, 1987, the examiner issued an Office action on the merits.

8. On April 22, 1987, the patent owner refiled the April 2 petition seeking reconsideration of the April 16 decision. In view of the examiner's April 22 Office action, the petition for reconsideration is a proper submission and will be addressed on the merits. Petitioner requests the Commissioner to:

(1) Vacate the reexamination on the ground that MPEP Sec. 2242, as applied in this case, violates the statutory mandate.

(2) Vacate the reexamination on the ground that, in view of the pleading in pending litigation of the defense of inequitable conduct, any finding of materiality would be contrary to Congressional intent and a violation of patent owner's right to due process.

***2** (3) Vacate the reexamination on the ground that requester has misused and is further attempting to misuse the reexamination procedure to obtain an advantage in the litigation to which he is not entitled and which, if allowed, would contravene the intent of Congress.

(4) Vacate the reexamination on the ground that the request was brought in such a way as to taint the requester and his client with unclean hands sufficient to justify vacation of the reexamination.

DECISION

I. Procedure for Initiating Reexamination

Petitioner challenges the lawfulness of the procedure for initiating reexamination provided for in MPEP 2242, alleging the procedure neither conforms to the statutory mandate of 35 USC 303 nor adequately protects petitioner's constitutional rights (orig. pet., p. 11). Petitioner argues the reexamination procedures must be in strict accordance with

35 USC 303 citing Patlex Corp. v. Mossinghoff, 226 USPQ 985 (Fed. Cir. 1985) (Patlex III). Petitioner states that the court in Patlex III stated that the major purpose of the initial determination of whether or not to order reexamination is to safeguard the patent owner from requests brought for harassment. Petitioner further states that the court concluded that the portions of Section 2240 and 2244 of the MPEP requiring the examiner to resolve doubt in the direction of ordering reexamination are contrary to § 303 and void. Petitioner argues that the second sentence of MPEP 2242 is likewise void because 'it strongly influences the examiner to grant a reexamination request where there is any doubt . . . that the newly cited material is cumulative'. Petitioner argues consideration of the reexamination request under § 2242 deprived patent owner of an important safeguard.

Section 2242 of the MPEP provides that reexamination should be ordered if the prior art raises a substantial new question of patentability 'unless it is clear to the examiner that the same question of patentability has already been decided' in a prior proceeding. This section is in accord with § 303 of the statute. The provisions of MPEP 2240 and 2244, held by the court in Patlex III (supra) to be contrary to the statutory mandate, permitted doubt to be present and contained specific instructions that reexamination should be ordered if doubt was present. In contrast, MPEP 2242 contains no such instructions. MPEP 2242 merely provides that the examiner will make a determination that the art is not cumulative. No language is present that permits doubt to be present. The examiner must resolve the question and may not base his decision on doubt. As petitioner has noted, the provisions of MPEP 2240 and 2244 criticized in Patlex III (supra) were changed prior to the granting of the present reexamination request.

In any event, petitioner has not shown that the requested relief is in order. The record fails to show that the determination and reexamination order was based on doubt. Absent evidence of such doubt, vacation or stay of the reexamination would not be appropriate. Compare Patlex III, (supra) at 990.

II. Finding of Materiality in Determination

***3** Petitioner argues the nature of the determination to order reexamination creates a serious risk of impairing the patent owner's right to a full trial on the issue of the materiality of a reference where an inequitable conduct defense has been raised in the related litigation (orig. pet., p. 15). Petitioner further argues the denial of a hearing or an appeal against the finding of materiality 'is a violation of his rights to due process, as well as being contrary to the Congressional intent of not letting the reexamination procedure have any collateral effect on the defense of inequitable conduct' (orig. pet., p. 20). Petitioner's argument is without merit. Congressional intent in adopting the reexamination statute was to permit reexamination to be used to assist the court in expediting the disposition of patent litigation to the extent considered appropriate by the court. The legislative history of the patent reexamination statute notes at page 8 of Report 96-1307, Part I, Committee on the Judiciary, 96th Congress, 2d Session that 'the court may exercise its

equity power by allowing the patent owner to request reexamination later in the trial' in circumstances where new prior art was not promptly revealed to the patent owner. The Court thus has broad power to control the litigation in order that reexamination may be utilized to the fullest extent appropriate. In the present circumstances, petitioner states the Court has stayed the Georgia case 'pending resolution of the reexamination proceeding.' Clearly the Court is expecting the Office to proceed with the reexamination. Under these circumstances, for the Office to proceed with a reexamination proceeding mandated by statute and for which litigation has been stayed cannot be contrary to Congressional intent.

The finding of materiality by the examiner in the determination is also not a violation of due process. A violation of due process in an administrative procedure requires, inter alia, an erroneous deprivation of a property interest through the procedure used. See Patlex III (supra) at 988. No deprivation of patent owner's property rights in the related litigation results from the finding of materiality in the reexamination.

Congress intended that reexamination would be an aid to the trial court in making an informed decision on the patent's validity. See Patlex Corp. v. Mossinghoff, 225 USPQ 225, 248 (Fed. Cir. 1985) (Patlex III). Further, as noted above, the legislative history leaves no doubt that Congress intended reexamination to be instituted during civil litigation and the results thereof be available to the court. As described by then PTO Commissioner Diamond:

'Reexamination can, of course, and frequently will be instituted during civil litigation over patent validity or infringement. By staying procedures in such litigation, a court will be able to obtain the Office's expert judgment about the new prior art.' Industrial Innovation & Patent & Copyright Law Amendments: Hearings on H.R. 6933, 6934, 3806, & 214 Before the Subcomm. on Courts, Civil Liberties and the Administration of Justice of the House Comm. on the Judiciary, 96th Cong., 2d Sess. 593 (1980).

***4** Accordingly, the finding of materiality by the examiner in the reexamination is not contrary to any Congressional intent on the collateral effect of reexamination on litigation merely because the examiner's finding on materiality may, at the court's discretion, be admitted as evidence on other issues before the court.

III. Finding of Materiality in Reply Under 37 CFR 1.535

Petitioner argues the provisions of 37 CFR 1.535 (reply by requester) which permit requester to cite additional prior art for initial consideration by the examiner in the first Office action without any input from the patent owner create a sufficiently serious risk that patent owner would be denied his right to a full trial, rendering the reexamination unconstitutional and contrary any Congressional intent (orig. pet., p. 21). Petitioner further argues that any art rejection based on the additional prior art would include a finding of materiality, which finding patent owner would not be able to appeal. Petitioner contends 'the way that result came about violates the applicant's constitutional rights of due process' (Orig. pet., p. 22).

Petitioner's argument is in error. As noted above, a violation of due process in an administrative procedure requires a deprivation of a property interest through the procedure used. See Patlex III (supra) at 988. No deprivation of patent owner's property interest results in the litigation as a result of the newly cited prior art being applied in an art rejecting in the reexamination. The reexamination proceeding and the litigation are separate proceedings. The extent to which the reexamination assists the Court in thelitigation as intended by Congress, will depend on the outcome of the reexamination and the Court. However, no violation of due process is present simply because the Office proceeds with the reexamination.

Congress intended reexamination to be an aid to litigation, Patlex III (supra) at 248, with the expect judgment of the PTO being available to the court, Diamond testimony (supra). The fact that the examiner's decision in the reexamination may assist the court does not render the procedure of § 1.535 outside the scope of Congressional intent. Further, 35 USC 305 specifically provides that 'reexamination will be conducted according to the procedures established for initial examination under the provisions of sections 132 and 133 of this title.' Clearly the examiner would not be precluded from considering additional prior art during an 'initial examination.' Accordingly, the examiner likewise would not be precluded from considering additional prior art during a reexamination proceeding.

IV. Misuse of Reexamination Procedure

Petitioner argues the requester has misused the reexamination proceeding to obtain an advantage in the related civil litigation and that such misuse 'rides roughshod over the patent owner--applicant's rights of due process and the intent of Congress' (Orig. pet., p. 26). Petitioner's arguments are untenable. While Congress did intend that reexamination be conducted so as to protect patent owner from reexamination proceedings brought for harassment or spite, Patlex III (supra), the present proceeding is not seen as a violation of this mandate. A review of the record shows the initial request papers alert the PTO of the related litigation and present patents and printed publications for consideration. In the reply requester addresses the patent owner's statement and cites additional prior art. This procedure is specifically provided for by the rules. The issue of patentability has been raised by requester and is being addressed in the reexamination. The mere fact that decisions made during the reexamination have the potential to influence the related litigation on other issues before the court, does not render the present reexamination outside the intent of Congress nor a harassment of the patent owner. No abuse of the reexamination procedure by the requester is seen in the present proceeding.

V. Conduct of Requester

***5** Petitioner argues the requester has abused the reexamination and has not complied with the duty of candor and the requirements of the

PTO disciplinary rules. Petitioner alleges a violation of 37 CFR 10.89(b)(2) because requester failed to disclose the identity of the client he represents. Petitioner's argument has no merit. The identity of requester's client has no bearing on the issues in the reexamination and is irrelevant to the proceeding. In this regard it is noted that neither the statute nor the rules require the identity of the requester and MPEP 2212 expressly provides that a reexamination request may be filed by 'attorneys without identification of their real client in interest.'

Petitioner alleges the following violations of the duty of candor and the disciplinary rules:

(1). Failure to disclose known contrary facts.
(2). Stating known irrelevant facts.
(3). Failing to cite controlling contrary authority.
(4). False and misleading statements.

Petitioner argues the above alleged violations warrant vacation of the reexamination proceeding. Such issues are not a basis for vacating the reexamination proceeding. Patent owner has the opportunity during the proceeding to address the merits and correct any incorrect statements or facts.

VI. Personal Review By Commissioner

Petitioner's request that this petition be considered by the Commissioner 'in person' has been considered. However, the authority to decide petitions of the nature presently under consideration has been delegated to the Assistant Commissioner for Patents and the instant case does not appear to present such unusual and exceptional circumstances as to justify review by the Commissioner in person. See Corrigan v. Alexeevsky, et al., 200 USPQ 368 (1978). The petition for reconsideration has been fully considered as set forth herein.

Petition denied.

3 U.S.P.Q.2d 1630

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