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| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
|-----------------|-------------|----------------------|---------------------|------------------|
| 95/000,353 | 02/29/2008 | 6985748 | 2187.011REX0 | 5061 |

93344 7590 01/28/2011

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EXAMINER

ART UNIT PAPER NUMBER

DATE MAILED: 01/28/2011

Please find below and/or attached an Office communication concerning this application or proceeding.



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Date:

MAILED

JAN 28 2011

CENTRAL REEXAMINATION UNIT

**Transmittal of Communication to Third Party Requester
Inter Partes Reexamination**

REEXAMINATION CONTROL NO. : 95000353
PATENT NO. : 6985748
TECHNOLOGY CENTER : 3999
ART UNIT : 3992

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.



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MAILED

JAN 28 2011

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(For Third Party Requester)

CENTRAL REEXAMINATION UNIT

In re Chris Knotts :
Inter partes Reexamination Proceeding :
Control No: 95/000,353 :
Filing Date: February 29, 2008 :
For: U.S. Patent No.: 6,985,748 :

**DECISION GRANTING
PETITION TO
TERMINATE *INTER PARTES*
REEXAMINATION PROCEEDING**

This is a decision on the following:

- The patent owner request for reconsideration, filed on August 16, 2010, entitled “Request for Reconsideration of the Petition to Terminate *Inter Partes* Reexamination Proceeding Based on Statutory Estoppel (35 U.S.C. § 317(b); 37 C.F.R. § 1.907(b); 37 C.F.R. § 1.182) (the August 16, 2010 patent owner request for reconsideration); and
- The patent owner petition, filed on September 21, 2010, entitled “Petition Under 37 C.F.R. § 1.182 and 35 U.S.C. § 317(b) to Supplement Petition for Reconsideration and Incorporate Additional Facts Showing the Requester “Could Have Raised” All Prior Art Issues Now Part of This Reexamination” (the September 21, 2010 supplemental patent owner petition).

The August 16, 2010 patent owner request for reconsideration, the September 21, 2010 supplemental patent owner petition, and the record as a whole, are before the Office of Patent Legal Administration for consideration.

The \$400 fee under 37 CFR 1.17(f) for the September 21, 2010 supplemental patent owner petition has been paid.

SUMMARY

The August 16, 2010 patent owner request for reconsideration, and the September 21, 2010 supplemental patent owner petition under 37 CFR 1.182 to terminate *inter partes* reexamination are **granted**. The prosecution of the '353 *inter partes* reexamination proceeding is hereby **terminated**.

DECISION

The patent owner argues that termination of the '353 *inter partes* reexamination proceeding is required by 35 U.S.C. 317(b), which provides, in pertinent part (emphasis added):

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 . . . then . . . an *inter partes* reexamination requested by that party or its privies on the basis of . . . issues [which that party or its privies raised or could have raised in such civil action] may not thereafter be maintained by the Office . . .

The patent owner states that, pursuant to the statute, a final decision has been entered against a defendant in a civil action, that it has not sustained its burden of proving invalidity of any claim in suit, i.e., claims 1, 3-6, 9-14, and 17-19 of the '748 patent, which is the patent under reexamination. The patent owner has provided evidence that the defendant, Mobile 365, is apparently a privy of Sybase, Inc., the real party in interest in the '353 *inter partes* reexamination proceeding, because Mobile 365 is a wholly owned subsidiary of Sybase, Inc.¹ This evidence has not been contested by the requester.

On May 22, 2009, a statutory disclaimer under 37 CFR 1.321(a) of claims 2, 7, 8, 15, and 16 of the '748 patent was filed in the '748 patent file, which is application no. 10/720,343. Accordingly, the pending claims of the '353 reexamination proceeding, i.e., claims 1, 3-6, 9-14, and 17-19 of the '748 patent, are therefore identical to the patent claims in suit.

On March 31, 2009, a judgment was entered against Mobile 365 in the United States District Court for the Eastern District of Virginia (district court), holding that claims 1, 3-6, 9-14, and 17-19 of the '748 patent were not invalid.² On April 28, 2009, this judgment was appealed to the United States Court of Appeals for the Federal Circuit (Federal Circuit).³ On December 23, 2009, the parties to the litigation filed a joint motion in the Federal Circuit to remand jurisdiction to the district court, which was ordered by the Federal Circuit "so that the parties may request the District Court to enter additional orders in aid of their settlement."⁴ On July 21, 2009, the Federal Circuit dismissed the appeal, noting that "[t]he parties having so agreed."⁵ On January 8,

¹ See Exhibit A, a November 8, 2006 press release entitled "Sybase Completes Acquisition of Mobile 365". Exhibit A is attached to the present petition.

² See Exhibit C, *Telecommunications Systems, Inc. v. Mobile 365, Inc.*, U.S. District Court for the Eastern District of Virginia, Civil Action No. 3:06CV485, final judgment, March 31, 2009. Exhibit C is attached to the present petition.

³ See Exhibit D, attached to the present petition.

⁴ See Exhibit J, attached to the present petition. Each party was ordered to bear its own costs.

⁵ See *Telecommunications Systems, Inc. v. Mobile 365, Inc.*, 2009 U.S. App. LEXIS 21015 (Fed. Cir. 2009).

2010, the district court entered a stipulated order of dismissal dismissing, with prejudice, “the parties’ respective claims and counterclaims”, and ordering each party to bear its own attorney fees and costs.⁶ The Federal Circuit and the district court did not state, or otherwise indicate, that the March 31, 2009 holding of the district court was vacated. In view of the specific facts and circumstances of the present case, the March 31, 2009 district court judgment is deemed to be a final decision within the meaning of the statute.⁷ Thus, a final decision has been entered against a defendant (Mobile 365) in a civil action, who is apparently in privity with the requester (Sybase, Inc.) of the present reexamination proceeding. The final decision held that the defendant/requester has not sustained its burden of proving the invalidity of claims 1, 3-6, 9-14, and 17-19 of the ‘748 patent.

Furthermore, in the September 21, 2010 supplemental patent owner petition, the patent owner now provides an adequate showing that the defendant/requester “could have raised”, in the earlier litigation, the prior art which was later raised by the requester in the request for *inter partes* reexamination, because the litigation was still ongoing at the time the request for *inter partes* reexamination was filed.⁸

For the reasons given above, the August 16, 2010 patent owner request for reconsideration, and the September 21, 2010 supplemental patent owner petition under 37 CFR 1.182 to terminate *inter partes* reexamination are **granted**.

In the August 16, 2010 patent owner request for reconsideration, the patent owner again argues that the application of the estoppel provisions of the statute is not precluded by the last sentence of 35 U.S.C. 317(b), which permits “the assertion of invalidity based on newly discovered prior art unavailable to the third party requester . . . at the time of the inter partes proceedings”. However, it is not necessary to address the last sentence of 35 U.S.C. 317(b). In granting the present request for reconsideration and supplemental petition, the Office is relying upon the provision, in the first sentence of 35 U.S.C. 317(b), that “an inter partes reexamination requested by that party or its privies on the basis of . . . issues [which that party or its privies raised or could have raised in such civil action] may not thereafter be maintained by the Office”. In its September 21, 2010 supplemental petition, the patent owner newly provides an adequate showing that the defendant/requester “could have raised”, in the earlier litigation, the prior art which was later raised by the requester in the request for *inter partes* reexamination, as discussed *supra*.

Accordingly, based upon 35 U.S.C. 317(b), the prosecution of the ‘353 *inter partes* reexamination proceeding is hereby **terminated**.

The ‘353 *inter partes* reexamination proceeding is being forwarded to the Central Reexamination Unit (CRU) for conclusion of the proceeding. The CRU will mail the present decision, and

⁶ See Exhibit L, attached to the present petition.

⁷ The Federal Circuit, in its remand to the district court and in its dismissal of the appeal, was silent regarding the March 31, 2009 holding of the district court that claims 1, 3-6, 9-14, and 17-19 of the ‘748 patent were not invalid. The district court, in its stipulated order of dismissal, stated only that the parties’ respective claims and counterclaims were dismissed with prejudice.

⁸ See, particularly, page 4 of the September 21, 2010 patent owner petition.

process the reexamination file to update the Image File Wrapper (IFW) records for this proceeding. The file will be assigned an 822 status. A copy of the PALM "Application Number Information" screen and the "Contents" screen will be printed, the printed copy will be annotated by adding the comment "PROCEEDING CONCLUDED," and the annotated copy will then be scanned into Image File Wrapper (IFW) using the miscellaneous letter document code.

CONCLUSION

1. The August 16, 2010 patent owner request for reconsideration, and the September 21, 2010 supplemental patent owner petition under 37 CFR 1.182 to terminate *inter partes* reexamination, are **granted**.
2. The prosecution of the '353 *inter partes* reexamination proceeding is hereby **terminated**, and will be concluded.
3. The '353 *inter partes* reexamination proceeding is being forwarded to the Central Reexamination Unit (CRU) for further processing to conclude the '353 proceeding, as set forth above.
4. Any inquiry concerning this communication should be directed to Cynthia Nessler, Senior Legal Advisor, at (571) 272-7724, or in her absence, to the undersigned at (571) 272-7710.

/Kenneth M. Schor/

Kenneth M. Schor
Senior Legal Advisor
Office of Patent Legal Administration

1-26-2011
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