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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
95/000,433	01/29/2009	6904949	038569/340605	9014

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BORGWARNER INC. C/O PATENT CENTRAL LLC  
1401 HOLLYWOOD BOULEVARD  
HOLLYWOOD, FL 33020-5237

EXAMINER

ART UNIT                      PAPER NUMBER

DATE MAILED: 10/27/2009

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



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Date:

**MAILED**

**OCT 27 2009**

CENTRAL REEXAMINATION UNIT

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

REEXAMINATION CONTROL NO. : 95000433

PATENT NO. : 6904949

TECHNOLOGY CENTER : 3999

ART UNIT : 3991

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.



MAILED

OCT 27 2009

CENTRAL REEXAMINATION UNIT

BORGWARNER INC.  
C/O PATENT CENTRAL LLC  
1401 HOLLYWOOD BOULEVARD  
HOLLYWOOD FL 33020-5237

(For Patent Owner)

ALSTON & BIRD LLP.  
101 SOUTH TRYON STREET, SUITE 4000  
CHARLOTTE, NC 2820-4000

(For Third Party Requester)

In re <i>Decker et al.</i>	:	
<i>Inter partes</i> Reexamination Proceeding	:	<b>DECISION DENYING</b>
Control No: 95/000,433	:	<b>PETITION TO SUSPEND</b>
Filing Date: January 29, 2009	:	<b>INTER PARTES PROCEEDING</b>
For: U.S. Patent No.: 6,904,949	:	

This is a decision on the patent owner petition filed on August 18, 2009, entitled "Petition To the Director Under 37 C.F.R. § 1.183 and § 1.987." (the "Petition".) In addition, third party requester filed a paper on September 1, 2009, entitled "Requester's Opposition to Patent Owner's Renewed Petition to Suspend *Inter Partes* Reexamination" (the "Opposition").

The Petition, Opposition, and *inter partes* reexamination control number 95/000,433 are before the Office of Patent Legal Administration for consideration as to whether the relief requested by patent owner is to be granted.

The patent owner's petition is **denied** for the reasons below, and reexamination will continue with special dispatch.

This decision is designated as a final agency action under 5 U.S.C. § 704.

**BACKGROUND**

1. Patent number 6,904,949 (the '949 patent) issued on June 14, 2005, with claims 1-14.
2. The '949 patent is the subject of a concurrent proceeding styled *BorgWarner v. Honeywell International*, Case No. 1:07CV184 MR-DLH (W.D.N.C.). The complaint was filed on May 30, 2007.
3. On January 29, 2009, a third party, Honeywell International, filed a request for *inter partes* reexamination of claims 1-14 that was assigned control no. 95/000,433(the '433 proceeding).

4. On March 18, 2009, reexamination was ordered in the '433 proceeding for claims 1-14 of the '949 patent.
5. On April 13, 2009, patent owner filed a petition under 37 CFR §§ 1.181, 1.182, and 1.183, to suspend the '433 proceeding.
6. On April 23, 2009, third party requester filed a petition entitled "Requester's Opposition to Patent Owner's Petition to Suspend *Inter Partes* Reexamination."
7. On August 7, 2009, the Office issued a decision dismissing patent owner's April 13, 2009 petition to suspend the '433 proceeding.
8. On August 18, 2009, patent owner filed the instant petition, entitled "Petition To the Director Under 37 C.F.R. § 1.183 and § 1.987."
9. On September 1, 2009, third party requester filed a petition entitled "Requester's Opposition to Patent Owner's Renewed Petition to Suspend *Inter Partes* Reexamination."

## DECISION

### I. Pertinent Regulations

#### **37 CFR § 1.183 Suspension of rules.**

In an extraordinary situation, when justice requires, any requirement of the regulations in this part which is not a requirement of the statutes may be suspended or waived by the Director or the Director's designee, *sua sponte*, or on petition of the interested party, subject to such other requirements as may be imposed. Any petition under this section must be accompanied by the petition fee set forth in § 1.17(f).

#### **35 U.S.C. 317 *Inter partes* reexamination prohibited**

(a) ORDER FOR REEXAMINATION. — Notwithstanding any provision of this chapter, once an order for *inter partes* reexamination of a patent has been issued under section 313, neither the third-party requester nor its privies may file a subsequent request for *inter partes* reexamination of the patent until an *inter partes* reexamination certificate is issued and published under section 316, unless authorized by the Director.

(b) 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 *Inter partes* reexamination prohibited.**

(a) Once an order to reexamine has been issued under § 1.931, neither the third party requester, nor its privies, may file a subsequent request for *inter partes* reexamination of the patent until an *inter partes* reexamination certificate is issued under § 1.997, unless authorized by the Director.

(b) 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.

(c) If a final decision in an *inter partes* reexamination proceeding instituted by a third party requester is favorable to patentability of any original, proposed amended, or new claims of the patent, then neither that party nor its privies may thereafter request *inter partes* reexamination of any such patent claims on the basis of issues which that party, or its privies, raised or could have raised in such *inter partes* reexamination proceeding.

**37 CFR § 1.987 Suspension of *inter partes* reexamination proceeding due to litigation.**

If a patent in the process of *inter partes* reexamination is or becomes involved in litigation, the Director shall determine whether or not to suspend the *inter partes* reexamination proceeding.

**37 CFR § 1.937 Conduct of *inter partes* reexamination.**

(a) All *inter partes* reexamination proceedings, including any appeals to the Board of Patent Appeals and Interferences, will be conducted with special dispatch within the Office, unless the Director makes a determination that there is good cause for suspending the reexamination proceeding.

(b) The *inter partes* reexamination proceeding will be conducted in accordance with §§ 1.104 through 1.116, the sections governing the application examination process, and will result in the issuance of an *inter partes* reexamination certificate under § 1.997, except as otherwise provided.

(c) All communications between the Office and the parties to the *inter partes* reexamination which are directed to the merits of the proceeding must be in writing and filed with the Office for entry into the record of the proceeding.

## II. Findings and Analysis

Pursuant to 37 CFR 1.985, patent owner has advised the Office of a concurrent proceeding addressing the '949 patent, being conducted in the U.S. District Court for the Western District of Northern Carolina. Petitioner patent owner requests that this *inter partes* reexamination proceeding be suspended pending completion of the concurrent proceeding. The action at the district court remains open, with discovery and a Markman hearing completed, and the deadline for pretrial motions having been set at November 2, 2009. Patent owner petition, exhibit B, at 2-3.

In *Ethicon v. Quigg*<sup>1</sup> the Federal Circuit addressed the propriety of the Office suspending reexamination proceedings. The court considered whether the Commissioner had "authority to stay reexamination pending the outcome of district court litigation."<sup>2</sup>

The Federal Circuit held that an indefinite suspension, granted under the authority of 37 CFR 1.565(b) was not consistent with the statutory requirement of 35 U.S.C. 305 of conducting reexamination proceedings in the Office with special dispatch.

"Special dispatch" is not defined in the statute. However, "a fundamental canon of statutory construction is that, unless otherwise defined, words will be interpreted as taking their ordinary, contemporary, common meaning." *Perrin v. United States*, 444 U.S. 37, 42, 62 L. Ed. 2d 199, 100 S. Ct. 311 (1979); see *LSI Computer Systems, Inc. v. United States Int'l Trade Comm'n*, 832 F.2d 588, 590, 4 USPQ2d 1705, 1707 (Fed. Cir. 1987). According to Webster's New World Dictionary, special means distinctive, unique, exceptional, or extraordinary, and dispatch means to finish quickly or promptly. Consequently, the ordinary, contemporary, and common meaning of special dispatch envisions some type of unique, extraordinary, or accelerated movement. In fact, the PTO itself has interpreted special dispatch to require that "reexamination proceedings will be 'special' throughout their pendency" in the office, and provides for an accelerated schedule. MPEP § 2261. ***Whatever else special dispatch means, it does not admit of an indefinite suspension of reexamination proceedings pending conclusion of litigation.*** If it did, one would expect to find some intimation to that effect in the statute, for it would suggest the opposite of the ordinary meaning. But there is none. [Emphasis added] (*Ethicon*, at 1426.)

Petitioner has requested an indefinite suspension in this *inter partes* reexamination proceeding, which also must be conducted with special dispatch in the same manner as *ex parte* reexamination proceedings. The *inter partes* reexamination statute (35 U.S.C. 314(c)) does provide an exception to the special dispatch mandate where "otherwise provided by the Director for good cause"; thus, a suspension may be granted for "good cause." In the present case, however, good cause has not been shown; accordingly, the requested relief will not be granted.

Patent owner asserts that termination or suspension of this proceeding is proper because the

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<sup>1</sup> *Ethicon v. Quigg*, 849 F.2d 1422 (Fed. Cir. 1988)

<sup>2</sup> *Id.* at 1425

reexamination request was filed nearly twenty months after suit was filed for infringement of the '949 patent. As phrased by patent owner, "Honeywell chose its horse to ride well before filing the Request [for *inter partes* reexamination]." Patent owner petition at 5.

There has been no final decision on all of the claims under reexamination. A final decision comes into being after all appeals have been exhausted. The trial information set forth in the petition show that the discovery phase has just been completed, and the pretrial motions will be due on November 2, 2009. There has been no decision on the claims, let alone a final decision following exhaustion of all appeals. Even further, any final decision that could be rendered would not bear on all of the claims that are under reexamination in this proceeding, which include claims 1-14 of the '949 patent, since invalidity is contended only for claims 1, 2, 3, 4, 5, 7, 10, 12, 13, and 14 of the '949 patent.<sup>3</sup> Regardless of the outcome of the court proceedings on claims 1, 2, 3, 4, 5, 7, 10, 12, 13, and 14, reexamination will continue for claims 6, 8, 9, and 11.

Good cause for suspension has not been shown. For *inter partes* reexamination, 35 U.S.C. 314 states: "Unless otherwise provided by the Director for good cause, all *inter partes* reexamination proceedings under this section, including any appeal to the Board of Patent Appeals and Interferences, shall be conducted with special dispatch within the Office." Good cause has not been shown as to why this proceeding should not be continued with special dispatch in accordance with § 314. The related court proceeding is still in the pretrial motions phase. As the court proceeding has not resulted in a final decision, no estoppel can attach that bars the third party from making an *inter partes* reexamination request or mandates termination of the proceeding. And, as pointed out above, a final decision that would bear on the validity of claims 1, 2, 3, 4, 5, 7, 10, 12, 13, and 14 of the '949 patent is far off in the future. In addition, estoppel cannot attach to the claims that were not subject to the litigation. Thus, the proceeding must go forward regardless of the outcome of the court proceeding, and there is no good cause to suspend it.

Stated another way, the fact that estoppel could attach as to some of the patent claims at some uncertain point in the future, as argued by patent owner, is not a sufficient showing of good cause for suspension. Further, the likelihood that the district court will stay the lawsuit is not relevant to this proceeding, and, in any case, the district court has stated that a previous motion for stay of the lawsuit was denied "without prejudice to refileing it in the event that the USPTO takes action which indicates a high likelihood that the claims . . . will be invalidated or substantially modified." Patent owner's petition, exhibit C, page 6. Patent owner compares the facts of this situation to those in *Sony Computer Entertainment America, Inc. v. Dudas*, 2006 WL 1472462 (E.D. Va. 2006) in support of showing good cause for suspending these proceedings. However, the facts in *Sony* are distinguishable from this proceeding. Unlike this proceeding, in *Sony*, reexamination was limited to the claims that were being litigated. Further, a District Court decision had issued in favor of patent owner, and a final decision on appeal was on the horizon in the *Sony* fact situation, which is far from the case here. As stated in *Sony*, "a party can choose to run horses in both races," and, in the instant case, the race is far from over in the litigation.

In view of the above, the petition is denied, and the reexamination proceeding will be continued

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<sup>3</sup> Requester's Amended Invalidity Contentions (redacted), filed with the Information Disclosure Statement of August 31, 2009, at 1.

with special dispatch within the Office.

### CONCLUSION

1. The patent owner petition for suspension filed on August 18, 2009 is denied.
2. Jurisdiction over the proceeding is returned to the Central Reexamination Unit to take appropriate action on the proceeding.
3. This decision is designated as a final agency action under 5 U.S.C. § 704.
4. Any further correspondence with respect to this matter should be addressed as follows:

By mail: Mail Stop  
Commissioner for Patents  
Post Office Box 1450  
Alexandria, VA 22313-1450

5. Telephone inquiries related to this decision should be directed to Michael Cygan, Legal Advisor, at (571) 272-7700, or in his absence, Pinchus M. Laufer, Legal Advisor, at (571) 272-7726.



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

10-26-09  
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