

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MASTERCARD INTERNATIONAL INCORPORATED
Petitioner

v.

D'AGOSTINO, JOHN
Patent Owner

Case IPR2014-00543
Patent 8,036,988

**PATENT OWNER'S RESPONSE IN OPPOSITION TO PETITIONER'S
MOTION TO STAY EX PARTE REEXAMINATION PROCEEDING 90/012517**

1. Introduction

Patent Owner respectfully requests that the Board deny Petitioner's motion to stay Ex Parte Reexamination Proceeding 90/012,517 ("the Reexamination") of U.S. Patent 8,036,988 ("the '988 patent"). The Board should deny Petitioner's motion because (1) staying the Reexamination at its current progress would be directly opposite of the Board's policy; (2) denying the stay would not prejudice Petitioner; and (3) Patent Owner would be highly prejudiced by an eleventh hour stay that would only serve to stop publication of a Reexamination Certificate.

2. Argument

A. **Staying the Reexamination at its current progress would be directly opposite of the Board's policy.**

The Board's underlying policy to stay a reexamination running parallel with an *inter partes* review is (1) to prevent duplicate efforts by the Patent Office, (2) to simplify issues in the reexamination proceeding, (3) to avoid complicating the *inter partes* review by reexamination claim amendments, and (4) to prevent inconsistent results between the two proceedings. IPR2013-00033, paper 15, at 2-3 (Nov. 6, 2013); IPR2013-00110, paper 10, at 2-3 (May 13, 2013); IPR2013-00122, paper 15, at 2 (Apr. 2, 2013). Absent these factors, the Board will not ordinarily stay a reexamination because reexaminations are conducted with special dispatch. *Id.*; 35 U.S.C. § 305.

Here, the first three factors simply do not exist because the Reexamination has been terminated. Staying the Reexamination at its late stage will not prevent duplicate efforts because the only step remaining in the Reexamination is publication of the Reexamination Certificate. Further, since the Reexamination has been closed, there cannot be any reexamination claim amendments, and whatever issues that might have been simplified by the instant *inter partes* review are now moot.

Turning to the fourth factor, in *Toshiba Corporation v. Intellectual Ventures II LLC*,¹ the Board addressed the issue of inconsistencies between an *inter partes* review and a reexamination where a Notice of Intent to Issue a Reexamination Certificate (“NIRC”) was issued. In *Toshiba*, the Petitioner requested authorization to file a motion to stay the reexamination after the CRU had issued a NIRC and argued the stay was necessary to prevent inconsistencies between the two proceedings. *Id.* at 2. Unpersuaded by the Petitioner, the Board denied the Petitioner’s request because “[t]he results of the Examiner’s decision [were] already known and public.” *Id.* at 3. The Board concluded “...granting [the] stay would not change the publicly disclosed Examiner’s decision and any potential inconsistency with a decision on institution in the instant proceeding would still be evident.” *Id.*

¹ IPR2014-00317, paper 10 (May 6, 2014).

Here, similar to *Toshiba*, the CRU has issued a NIRC and the Examiner's results are known and public. And, as the Board concluded in *Toshiba*, any inconsistencies between the two proceedings here are already evident and this would not be changed by staying the Reexamination.

B. Denying the stay would not prejudice Petitioner.

Petitioner would not be prejudiced by denying its request to stay the Reexamination because Petitioner has a pending validity challenge on all claims of the '988 patent in the instant *inter partes* review. Petitioner urges this Board to accept that it will be prejudiced by publication of a Reexamination Certificate because Petitioner is unable to appeal the CRU's issuance of the NIRC and because of inconsistencies between the instant *inter partes* review and the Reexamination. Petitioner Mot. at 3. Petitioner further argues that the NIRC would not have issued if the CRU had the benefit of the Board's Decision to institute *inter partes* review. *Id.* The Board should not accept these arguments.

First, the Reexamination was initiated by Petitioner. *See Ex. 2002, Civil Action No. 1:13-cv-00738 (D. Del.), Def.'s Answer to Am. Compl. & Countercl.*, ¶47, at p. 8. And Petitioner took the risk of not being able to appeal a final decision when it filed the Reexamination. The Board should not allow Petitioner to use this *inter partes* review as a means to circumvent that risk and stop the publication of the Reexamination Certificate because the results are unfavorable to Petitioner.

Second, as discussed above, the Board has held that inconsistencies between a NIRC in a reexamination and a decision on institution in an *inter partes* review is not sufficient cause to stay the reexamination to stop the Office from publishing a Reexamination Certificate. IPR2014-00317, paper 10, at 3.

Finally, it is pure speculation that the CRU did not consider the Board's Decision to institute *inter partes* review before issuing the NIRC. This is especially true since the Patent Owner notified the CRU of the related *inter partes* review when he filed his Appeal Brief and the NIRC was issued after the CRU considered that brief. Ex. 2003, Appeal Brief, at 4.

C. Patent Owner would be highly prejudiced by an eleventh hour stay that would only serve to stop the Office from publishing a Reexamination Certificate.

For the past two years Patent Owner has expended considerable resources in prosecuting the Reexamination to conclusion. Contrary to Petitioner's portrayal of the Reexamination, the CRU has thoroughly reexamined the '988 patent including the originally assigned patent examiner and conferees denying the initial reexamination request, the CRU Director ordering reexamination, two thorough office actions issued by a second patent examiner and new conferees, and an appeal brief. Finally, after considering the extensive appeal brief, the second patent examiner and the new conferees withdrew all of the rejections and issued the NIRC. *See* Ex. 1021.

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