

Hall Supplemental
Declaration
Exhibit A
(Part 1 of 3)

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Office of Enrollment and Discipline
Mail Stop OED
Director of the U.S. Patent and Trademark Office
P. O. Box 1450
Alexandria VA 22313-1450

Re: Kevin L. Russell, Reg. No. 38292

Dear OED representative,

My name is Victoria K. Hall, and I am a member of the patent bar. I am writing to follow up on a call that I had with Bill Griffin in late June. I believe that another member of the patent bar, Kevin L. Russell, has violated the code of professional responsibility by committing inequitable conduct. I understand that there are time limits on OED's investigation and write now so as to give OED the option to investigate, since important events relating to inequitable conduct occurred from mid-September 2002 to March 2003. I bring to your attention that one, but not all, of the patents discussed here is the subject of continuing litigation, Jacobsen v. Katzer, of which Mr. Russell was at one point a defendant. The following are facts, which cannot reasonably be disputed. There are other matters which are still open to dispute. We have decided not to include them in this letter, but will in a later letter once the facts are established through litigation.

Some background is in order, and then I will discuss what I have learned. Kevin L. Russell, of Chernoff, Vilhauer, McClung and Stenzel LLP in Portland, Oregon, prosecuted all patent applications for Matthew A. Katzer. All patent applications relate to model train control systems. Attached as Appendix A is a chart of the U.S. patent applications and issued patents. At least one PCT and several foreign applications are not shown. Mr. Russell also handled Mr. Katzer's other litigation, and trademark applications. He may have also represented Mr. Katzer in other negotiations.

Here's what I have learned, to date. Mr. Russell submitted claims that were invalid for double patenting under Sec. 101, but never told the examiners. As a result, one patent, U.S. Patent No. 7,177,733, invalid for Sec. 101 double patenting over U.S. Patent No. 6,909,945, issued. Mr. Russell submitted 5,000 to 6,000 pages of references, some of which were in his or his client's possession for several years, but only after he and his client were accused of inequitable conduct. Mr. Russell never told other examiners about others' rejection, or a reference used to reject claims even though related patents were

still open for prosecution on the merits. In litigation against another party in September 2002, in Mr. Russell took positions in court that were inconsistent with those that he was then advocating before the Office, and never told the Office about them. I first discuss the § 101 issues.

Mr. Russell regularly engaged in a practice of submitting proposed claims that were exactly, word-for-word, the same as claims in previously issued patents, and which thus would be subject to double-patenting rejections under § 101. Although required by MPEP § 2001.06(d), Mr. Russell never told the examiners that the proposed claims were copies of claims in patents that had issued. In many instances, the examiners who have worked on Katzer applications rejected the proposed claims for double-patenting under § 101. However, Mr. Russell continued his practice of submitting these claims – and not telling examiners, despite the requirements in MPEP § 2001.06(d). We cannot say why Mr. Russell continued to submit these claims, but we believe that in the later applications, prosecuted during the Jacobsen v. Katzer litigation, Mr. Russell sought to have these claims examined in light of a massive quantity – 5,000 to 6,000 pages – of prior art that he suddenly produced after being accused of inequitable conduct. This would act as a sort of reexamination without an admission that a substantial new question of patentability existed as to those claims. Here are some examples of proposed claims invalid for § 101 double patenting:

- 10/340,522, filed Jan. 10, 2003: The original claims are the same as claims 1-20 of the '329 patent. Although required by MPEP § 2001.06(d), Mr. Russell did not identify either the patent or the claims that the '522 application's claims had been copied from. Examiner Hernandez of the Computerized Vehicle Controls and Navigation art group 3661 rejected them for § 101 double patenting in the Apr. 2, 2003 Office Action.
- 10/713,476, filed Nov. 14, 2003: The original claims are the same as claims 1-47 of the '089 patent. Although required by MPEP § 2001.06(d), Mr. Russell did not identify either the patent or the claims that the '476 application's claims had been copied from. Examiner Beaulieu of art group 3661 rejected them for § 101 double patenting in the Apr. 13, 2004 Office Action.
- 11/375,794, filed Mar. 14, 2006: The original claims are the same as claims 1-47 of the '089 patent. Although required by MPEP § 2001.06(d), Mr. Russell did not identify either the patent or the claims that the '794 application's claims had been copied from. Examiner Beaulieu rejected them for § 101 double patenting in the Aug. 4, 2006 Office Action.
- 11/607,233 application, filed Dec. 1, 2006: The original claims are the same as claims 1-47 of the '089 patent. Although required by MPEP § 2001.06(d), Mr. Russell did not identify either the patent or the claims that the '233 application's claims had been copied from. Examiner Beaulieu rejected them for § 101 double patenting in the Apr. 30, 2007 Office Action.
- 11/593,770 application, filed Nov. 11, 2006: The original claims are the same as claims 1-47 of the '089 patent. Although required by MPEP § 2001.06(d), Mr. Russell did not identify either the patent or the claims that the '770 application's claims had been copied from. There have been no office actions yet.
- 10/705,416, filed Nov. 10, 2003: The original claims are the same as claims 1-11 of the '408 patent. Although required by MPEP 2001.06(d), Mr. Russell did not

- identify either the patent or the claims that the '416 application's claims had been copied from. Examiner Le of Railways, Boats and Wheels art group 3617 rejected them for § 101 double patenting in the Apr. 21, 2004 Office Action.
- 10/976,227, filed Oct. 26, 2004: The original claims are the same as claims 1-11 of the '408 patent. Although required by MPEP § 2001.06(d), Mr. Russell did not identify either the patent or the claims that the '227 application's claims had been copied from. Examiner Le rejected them for § 101 double patenting in the Mar. 11, 2005 Office Action.
 - 11/592,784 application, filed Nov. 3, 2006. The original claims are the same as claims 1-11 of the '408 patent. Although required by MPEP § 2001.06(d), Mr. Russell did not identify either the patent or the claims that the '784 application's claims had been copied from. Examiner Le rejected them for § 101 double patenting in the Mar. 26, 2007 Office Action
 - 10/889,995 application, filed Jul. 13, 2004: The original claims are the same as claims 1-20 of the '329 patent. Although required by MPEP § 2001.06(d), Mr. Russell did not identify either the patent or the claims that the '329 application's claims had been copied from. Examiner Hernandez began the examination of this application, and in the Dec. 15, 2004 Office Action, rejected the claims for § 103 obviousness-type double patenting, but not § 101 double patenting. Mr. Russell submitted a terminal disclaimer, but still did not tell Examiner Hernandez that the claims were the same as claims 1-20 of the '329 patent. In the Sept. 22, 2005 Office Action, Examiner Hernandez rejected certain claims over a reference called Lainema. Examiner Hernandez then left the PTO. A new examiner, Nguyen, continued the examination. In the Aug. 7, 2006 Office Action, he rejected all claims over prior art in the 5,000 to 6,000 pages of references that Russell had recently submitted. To overcome the Lainema rejection, Mr. Russell had re-written and submitted claims 2 and 17 in independent form as claims 1 and 16, although they were the same as claims 2 and 17 in the '329 patent, if those claims had been written in independent form. Although he cancelled some claims that were duplicates of claims in the '329 patent, other copies of '329 claims still remained. Again, Mr. Russell never indicated to Examiner Nguyen that he was submitting '329 claims 2 and 17 as the new claims 1 and 16 of the '995 application, nor did he indicate that he was keeping some claims that were duplicates issued in the '329 patent. By the time he had submitted his last set of claims, Mr. Russell had received 5 rejections for § 101 double patenting, so he was aware of that type of rejection. We believe that this act – (1) intentionally changing the claim language to previously issued claims to obtain claims which would be invalid under § 101 and (2) keeping in other claims that were invalid for § 101 double patenting, and (3) not informing the examiner about this – cannot be explained by anything other than an intent to deceive the examiner.
 - 10/989,815 application, filed Nov. 16, 2004, issued as U.S Patent No. 7,177,733 on Feb. 13, 2007: The patent that issued from this application is invalid under § 101 for double patenting. The original claims are the same as claims in U.S. Patent No. 6,909,945, the patent that issued from '815's parent application, which the '815 application was a continuation of. However, buried under 5,000-6,000 pages of references, Examiner Beaulieu did not catch the § 101 rejection, and

allowed the claims, which issued as the '773 patent on Feb. 13, 2007. Appendix B is a comparison of the claims of the '945 and '773 patents – as you can see, they are exactly the same. When he filed the application on Nov. 15, 2004, Mr. Russell submitted the exact same claims as claims 1-47 of the '089 patent. However, apparently the same day, Mr. Russell filed a preliminary amendment, canceling those claims “without prejudice” and submitting the same claims as those in the co-pending 10/713,476 application, '815's parent application. He re-numbered the newly proposed claims as claims 48-94. He made a typo in the first new claim, Claim 48, listing two steps “(e)”. Although required by MPEP § 2001.06(b), Mr. Russell did not tell Examiner Beaulieu, who was also examining the co-pending '476 application, that the claims in the '815 application were the same as those in the '476 application and thus would be subject to a provisional §101 rejection. When the '476 application issued as the '945 patent on June 21, 2005, Mr. Russell did not inform Examiner Beaulieu that the proposed claims in the '815 were the exact same as those in an issued patent, although he was required to by MPEP § 2001.06(d). By the time that the '815 application issued as the '773 patent, Mr. Russell had received no less than 5 rejections for § 101 double patenting. These actions of re-typing the claims that he had submitted, and later got issued, in the prior application, coupled with withholding information that the claims were invalid under § 101 and his awareness of § 101 rejections, shows that Mr. Russell knew he was submitting the invalid claims - that it was no mistake.

Mr. Russell may have submitted other claims invalid for § 101 double patenting during the prosecution of other patent applications. We believe that, by itself, repeatedly filing previously issued claims, in the face of § 101 rejections, combined with the failure to inform the examiners that the proposed claims had previously issued, demonstrates intent to deceive the Office. Mr. Russell's actions during the prosecution of the '995 application and the '815 application merely confirm the intent to deceive.

Examiners never learned about each other's rejections in co-pending related applications because Mr. Russell, although required by MPEP § 2001.06(b), never told them about the rejections. In examining the '995 application, Examiner Nguyen rejected in the Aug. 7, 2006 Office Action all claims as unpatentable over the recently submitted 5,000 to 6,000 pages of references. In the Dec. 21, 2006 Office Action, Examiner Nguyen rejected all claims as obvious in light of applicant-admitted prior art, including the DigiToys reference. The DigiToys reference has further significance, as I will discuss later in this letter. Examiner Beaulieu was examining the '815 and '794 applications, which are continuations of the '461 application that the '995 application was also a continuation of. See Appendix A. Examiner Le was examining the '227 application, whose ancestral application has a terminal disclaimer to the patent, '406, that issued from the '461 application. A large portion of the '227 application has language that is identical to the '461 application. The '329 patent, whose claims were copied in the '995 application, has a terminal disclaimer to the '406 patent. Mr. Russell never told Examiner Beaulieu or Examiner Le of Nguyen's rejections, nor did Mr. Russell file RCEs to continue prosecution of applications pending before these other examiners, in light of these rejections. These actions evidence an intent to deceive.

Separately, in examining the '227 application, Examiner Le also made rejections based on the Ames reference in a July 28, 2005 Office Action. Examiners Hernandez and Nguyen were examining the '995 application. Examiner Beaulieu was examining the '815 and '794 applications. Ames is a book, "Digital Command Control", on the subject of model train control systems. Katzer, the applicant, signed the Foreward, which states: "The manufacturers and DCC Working Group volunteers listed below and on the next page have reviewed the contents of this book, and affix their signatures as indication of their support for the information provided." Attached as Appendix C is the cover page of a first edition of the Ames reference, a page which one of the authors autographed to Mr. Katzer, and the signature page which Mr. Katzer signed. Note that only after claims were rejected on the basis for the Ames reference – and after being accused of inequitable conduct – did Mr. Russell finally submit a first edition copy of this reference, among the 5,000-6,000 pages of submissions. To overcome Examiner Le's rejection, Mr. Russell argued on Sept. 27, 2006, that the Ames reference did not suggest the claimed subject matter, specifically commands that are received in a sequence, but are transmitted in a different sequence, or as Mr. Russell described, "not first-in first-out prioritization." However, in the lawsuit he had filed in mid-September 2002, discussed in further detail below, Mr. Russell had charged DigiToys with infringing that very subject matter. Buried in the 5,000 to 6,000 pages of references is the Katzer v. Tanner lawsuit which showed that Mr. Russell had previously taken a position in direct contradiction of the position he was now advocating to Examiner Le. But Mr. Russell never told Examiner Le. Other than listing it with dozens of other references on IDSs, Mr. Russell also never brought the Ames reference to the attention of Examiners Beaulieu and Nguyen. He also never brought Examiner Le's rejection to their attention. And he never told any examiner that he had in court taken a position inconsistent with what he was arguing before the Office. These actions evidence an intent to deceive.

As I have discussed above, Mr. Russell took positions inconsistent with those he advocated before the Office, and failed to tell the Office about them. Here are the details. By mid-2002, Mr. Russell obtained three patents on Mr. Katzer's behalf, and filed several continuations, one of which later issued as the patent-in-suit in Jacobsen v. Katzer. In the first application, 09/104,461 filed on June 24, 1998, Mr. Russell described a DigiToys reference in state of the prior art section of the Background of the Invention. See Appendix D (relevant pages of '406 patent). Thus, this reference is applicant-admitted prior art. As will be shown, the DigiToys reference is a software program called WinLok. Mr. Russell never produced to the examiner any DigiToys/WinLok reference manuals nor the software program itself – until he was accused of inequitable conduct in 2006 when he included it with the 5,000 to 6,000 pages of references. In the '461 application, Mr. Russell also described advantages relating to a resident external controlling interface, and asynchronous communication, as advances over the prior art. This application later issued as the U.S. Patent No. 6,065,406. In the 10/124,878 application, one of '461's great-grandchild continuation applications, Mr. Russell removed those limitations. The '878 application later issued as the '329 patent. A comparison between two sets of claims from the '406 patent and the '329 patent shows the differences. Claim 1 of the '329 patent is being litigated in Jacobsen v. Katzer. Claim 27 of the '406 patent was one of the claims that were the subject of litigation in Katzer v. Tanner. This comparison is

included in Appendix E. Thus, the '406 patent claims were within the scope of the claims of the '878 application. A timeline of events is in Appendix F.

In September 2002, while he was prosecuting the '878 application, Mr. Russell filed suit against DigiToys, Inc., which produced and sold the DigiToys program, WinLok, described in the state of the prior art. Mr. Russell accused DigiToys of infringing the '406, '040 and '061 patents through its sale and distribution of WinLok 2.1. Russell also sent a cease and desist letter to DigiToys, in which Russell accused DigiToys of infringing claim 27 of the '406 patent, among other claims and patents. A copy of the certified lawsuit is in Appendix G. A copy of the cease and desist letter is in Appendix H. 1 focus on claim 27.

Claim 27 is directed to "[a] method of operating a digitally controlled model railroad comprising the steps of:

- (a) transmitting a first command from a first client program to a resident external controlling interface through a first communications transport;
- (b) receiving said first command at said resident external controlling interface; and
- (c) said resident external controlling interface selectively sending a second command representative of said first command to one of a plurality of digital command stations for execution on said digitally controlled model railroad based upon information contained within at least one of said first and second commands.

Key to this claim is sending commands to a "plurality of digital command stations". WinLok has a feature, called MultiDrive, which allows the program to send commands to more than one digital command station. The MultiDrive feature acts as an interface between the WinLok program and a digitally controlled model railroad, and uses configurable rules to determine which of two or more command stations should be sent any given command. We do not yet have an exact date when WinLok was first offered for sale, however, WinLok 1.5 was reviewed in a magazine article in March 1995, which states that it was available for \$139.95. See Appendix I. MultiDrive is discussed in the second column of the first page. (Engine Commander, the other software that the first paragraph of the article mentions, belongs to Mr. Russell's client, Katzer, and Katzer's company KAM Industries.) We cannot locate any other feature in WinLok that performs this function, and Mr. Russell has neither accused another WinLok feature of infringing this claim nor denied that MultiDrive wasn't the accused feature.

Dr. Hans Tanner, the owner of DigiToys, wrote Mr. Russell back in early October 2002. See Appendix J for the letter without its appendices. He stated that the accused features in WinLok 2.1 were present in WinLok 1.5 and WinLok 2.0, which has first been offered for sale and sold, with their help manuals, in 1993 and 1995, respectively. Dr. Tanner produced the magazine article referred to above, and sales receipts. He also described other software programs that he said were § 102(b) art. He also accused Katzer of inequitable conduct. Tanner said that the DigiToys program referred to in the Katzer specifications could only be WinLok. Appendix J at 3. The letters and appendices were also sent to the file wrappers of the '406, '040, and '061 patents as citations to art. Neither these nor any WinLok reference manual was given to the examiners until Mr.

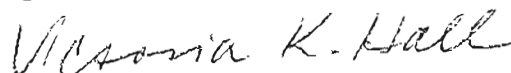
Russell produced the 5,000 to 6,000 pages of references in May and June 2006. The significance of these references was never explained – they were merely produced and listed on two IDSs the Office received May 25, 2006 and June 26, 2006.

As you know, a basic principle of patent law is, that which infringes if later, anticipates if earlier. In filing the lawsuit against Tanner, Russell and Katzer admitted they believed that WinLok infringed. When they learned – if they didn't know earlier since WinLok is applicant-admitted prior art – that WinLok predated the '406 patent by more than 1 year, Russell must have known that, under their own reasoning, WinLok 1.5 and 2.0 would have been 102(b) art. (Although not mentioned in Tanner's letter, WinLok 2.1 itself was first offered for download in December 1997, and thus was 102(a) art. See Appendix K for a DigiToys webpage captured by Internet Archive. One may still download the reference from that webpage.) At this same time, Mr. Russell was prosecuting the '878 application, in which claim 10, as shown in Appendix E, was pending. As seen in Appendix E, claim 27 asserted against Tanner is within the scope of Claim 10. Prosecution closed in early November 2002. Mr. Russell responded to Dr. Tanner's letter, but he never did produce to the examiner any of the references that Dr. Tanner identified, nor did he ever file an RCE to continue prosecution of the '878 application. Instead, faced with evidence that he had taken positions in court inconsistent with those he argued before the PTO – that is, that the claims in the applications were advances over WinLok – Mr. Russell never brought the information to the attention of the examiner. Instead, he did nothing – except drop the lawsuit against DigiToys. See Appendix I for the dismissal.

On Mar. 11, 2003, the '878 application with its Claim 10 issued as the '329 patent, now the patent-in-suit in Jacobsen v. Katzer. We have not had depositions yet in Jacobsen v. Katzer, but we believe that Mr. Russell intended to deceive the examiner, as bringing this information to the examiner's attention might dry up his lucrative representation of Mr. Katzer, and put a halt to keeping alive a chain of continuation applications.

This is the summary of the evidence that we have to date regarding Mr. Russell's actions in the PTO. Other information is developing in the litigation which will likely be subject of a follow-up letter, once more information is known. If you have any questions, please contact me at the address above. In the meantime, we ask the PTO to consider reassigning the pending applications to Examiner Nguyen.

Regards,



Victoria K. Hall

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G	Complaint for Patent Infringement, Katzer v. Tanner, No. 02-cv-01293-ST (D. Or., Sept. 18, 2002)
H	Cease and desist letter from K. Russell to DigiToys, dated Sept. 18, 2002
I	Larry Puckett, "WinLok 1.5 Brings Your Computer Into the Train Room", Model Railroading 50-51 (March 1995)
J	Letter from H. Tanner to K. Russell, dated Oct. 3, 2002.
K	WinLok 2.1e webpage, DigiToys website, from Internet Archive, recorded on Dec. 21, 1997.
L	Plaintiffs' Notice of Dismissal without Prejudice, Katzer v. Tanner, No. 02-cv-01293-ST (D. Or. Dec. 20, 2002)