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MercExchange v. eBay: Should Newsgroup Postings Be Considered Printed Publications as a Matter of Law in Patent Litigation?

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NOTE

MERCEXCHANGE V. EBAY:

SHOULD NEWSGROUP POSTINGS BE CONSIDERED PRINTED PUBLICATIONS AS A MATTER OF LAW IN PATENT LITIGATION?

INTRODUCTION

One person’s junk is another’s treasure. This adage explains a large part of eBay’s success. That success, however, is the result of more than just this simple idea. By implementing an innovative new method of doing business over the internet, eBay tapped into a previously unexploited market. Noting eBay’s enormous success, a company called MercExchange brought a suit claiming that eBay’s innovative method of doing business was not so “innovative.” MercExchange claimed that

2 Id.
4 Id.
eBay's method of doing business blatantly infringed on three of its patents. In response, eBay cried foul, claiming MercExchange's patents were invalid. In particular, with respect to a MercExchange patent pertaining to inter-networked auctions, eBay claimed that MercExchange's patent was invalid because the idea had previously been published on an internet newsgroup.

Section 102 of Title 35 of the United States Code, paragraph (b), provides that "[a] person shall be entitled to a patent unless . . . the invention was . . . described in a printed publication in this or a foreign country more than one year prior to the date of the application for patent in the United States." If an invention were described in a printed publication before the date defined in this statute, this printed publication would constitute a so-called "prior art" reference to any patent applications and issued patents claiming the invention. An alleged patent infringer can invalidate the patent at issue by proving that the disputed patent idea was fully disclosed in a prior printed publication before the date defined in section 102 (b) of the patent statutes. With the advent of the internet and the proliferation of internet-based documents, an issue challenging

Nov. 22, 2004), available at http://pagebox.net/bm5.html#toc6 (last visited Jan. 30, 2005) [hereinafter Grandemangel]: "Another Court could have found that the BidBroker posting had the status of a printed publication."

See MercExchange, Complaint.


See Judge Friedman, July 10, 2002, Order and Opinion.

§ 102 (b) (2004).

DONALD S. CHISUM, 1 CHISUM ON PATENTS, GLOSSARY (Matthew Bender & Company 2004, LEXIS, Library) under "Prior Art."

The prior art constitutes those references which may be used to determine the novelty and nonobviousness of claimed subject matter in a patent application or patent. It includes both documentary sources (patents and publications from anywhere in the world) and nondocumentary sources (things known, used or invented in the United States). A reference must be in the art pertinent to the invention in question or in an analogous art. A reference must be dated prior to the applicant's date of invention or, in the case of statutory bars, more than one year prior to his date of application for a patent. Id.

§ 102 (b).
courts is to what extent those internet-based documents qualify as printed publications.\textsuperscript{12}

In \textit{MercExchange v eBay}, eBay presented the evidence of a prior newsgroup posting that disclosed the invention claimed in a MercExchange patent.\textsuperscript{13} However, MercExchange claimed, and the District Court agreed, that an internet newsgroup posting did not qualify as a prior printed publication.\textsuperscript{14} This conclusion is highly questionable and should be rejected since it conflicts with the trend of the Federal Circuit cases on issues of printed publications.\textsuperscript{15}

Part I of this Note provides a brief background concerning eBay’s method of doing business, its subsequent litigation with MercExchange and the applicable patent law.\textsuperscript{16} Part II presents relevant facts about newsgroups and other types of internet documents.\textsuperscript{17} Part III discusses eBay’s invalidity defense used in its case against MercExchange’s patents.\textsuperscript{18} The legal issue – whether a newsgroup posting should be considered a printed publication within the meaning of the patent statutes – arises from eBay’s invalidity defense.\textsuperscript{19} As it turns out, the district court’s ruling on this issue in \textit{MercExchange v. eBay} conflicts with the relevant policy and practice of the United States Patent and Trademark Office (hereinafter “PTO”) and also seems to contradict the trend of the relevant Federal Circuit cases.\textsuperscript{20} Part IV examines the unresolved issue in light of the patent case law and the unique facts associated with newsgroups.\textsuperscript{21} Part V addresses concerns over the evidentiary competency of newsgroup postings.\textsuperscript{22} Lastly, Part VI concludes that newsgroup postings should be considered printed publications in patent disputes.\textsuperscript{23}


\textsuperscript{13} See infra note 156 and accompanying text.

\textsuperscript{14} Judge Friedman, \textit{July 10, 2002, Order and Opinion}.

\textsuperscript{15} See infra note 178 and accompanying text.

\textsuperscript{16} See infra notes 24-89 and accompanying text.

\textsuperscript{17} See infra notes 90-145 and accompanying text.

\textsuperscript{18} See infra notes 146-174 and accompanying text.

\textsuperscript{19} Id.

\textsuperscript{20} Id.

\textsuperscript{21} See infra notes 175-229 and accompanying text.

\textsuperscript{22} See infra notes 230-239 and accompanying text.

\textsuperscript{23} See infra notes 240-251 and accompanying text.
I. BACKGROUND

A. EBAY'S METHOD OF DOING BUSINESS

To sell an item, there is arguably no place better on the internet – perhaps on earth – than eBay. Essentially, a seller or buyer needs only access to the internet in order to participate in this huge cyberspace marketplace. To become a seller, a one-time registration process must be completed. This registration is accessible through eBay’s Universal Resource Locator (hereinafter “URL”). To register, the seller must provide his or her identity, credit card information, a method of fee deduction, and – if the registrant wants eBay to directly deposit the proceeds of sale – his or her checking account information. The registration process is the same for a buyer, except that a method of fee deduction is not applicable.

Once the seller’s registration is complete, an item may be placed for sale on eBay. The seller simply selects an appropriate category for the item, uploads one or more digital pictures of the item, provides a brief description, and, if desired, specifies a reserve price. eBay’s web server takes the item information provided by the seller and appoints an appropriate end-

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24 See Knox (“More than 2 million new items are added to the eBay marketplace, more than 10 million bids are placed,” and, “[a]t any given moment, eBay is conducting some 19 million auctions[,]”).


27 Id.

28 Id.


30 See eBay's How to Sell Instruction.

31 Id. A reserve price is set so as to gives the seller the right to reject a buyer's offer if the highest bid turns out to be below the reservation price, see eBay, Reserve Price Auction, available at http://pages.ebay.com/help/buy/buyer-reserve.html (last visited Jan. 30, 2005).
At this point, the item’s auction officially begins for all comers in cyberspace.

To locate an item of interest on eBay’s URL, a buyer need only specify one or more keywords in a text box next to the phrase, “What are you looking for?” EBay’s server searches its database and returns a list of items whose categories and descriptions approximately match the specified keywords. By selecting an item from the list, the buyer can view its picture, read the description, and determine the last bid. If the buyer wishes to participate in the auction for this item, he or she may overbid the current or highest offer. When at least one bid is tendered, and the auction period expires, the auction is successfully closed. Once the auction is closed, eBay’s server automatically charges the bidding price – plus any shipping and handling fees – to the highest bidder’s credit card. Ebay customers can make payments through eBay’s subsidiary, PayPal. Confirmation emails containing the buyer’s address are sent to both the seller and the buyer. The seller completes the transaction by delivering the goods to the buyer.

If a buyer wants an item but does not want to go through the auction process, a special feature called “Buy it Now!” comes in handy. Located next to a displayed item, this button is shown along with a fixed price. This button connects the buyer to the seller who, for a fixed price, offers an item identi-
cal to the item being auctioned. If the price is agreeable, a buyer can simply complete the purchase of an identical item by clicking this button.

While eBay has achieved a phenomenal commercial success through embracing the electronic commerce over the internet, eBay must still face a potent legal challenge— that is, the accusation of patent infringement— from a tiny company.

B. THE LEGAL BACKGROUND CONCERNING EBAY'S LAWSUIT

The legal challenge facing eBay in MercExchange v. eBay involves "business method patents." As construed from a PTO classification definition, a business method patent pertains to electronic commerce, the internet and data processing in connection with business-related practices. The controversy surrounding business method patents is one of long standing, and the allowance of business method patents under the patent statutes and case law has been relatively recent.

1. The Statutory Basis of United States Patent Law

The United States Constitution authorizes Congress "to promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right

45 Id.
47 See MercExchange, Complaint.
to their respective Writings and Discoveries.\textsuperscript{731} Since 1790, Congress has enacted several major revisions of, and many amendments to, the patent statutes.\textsuperscript{52} The last major revision took place in 1952, re-codifying the patent law under Title 35 of the United States Code.\textsuperscript{53} In 1982, in an effort to promote uniformity in applying the patent law, Congress concentrated appellate jurisdiction for all patent cases in the newly created United States Court of Appeals for the Federal Circuit.\textsuperscript{54}

The power to grant patents is delegated by Congress to the PTO.\textsuperscript{55} The PTO issues patents to whoever makes inventions or discoveries that fall into one of three patent categories: utility, plant or design.\textsuperscript{56} Once an eligible innovation matures into a United States patent, the patent owner is awarded a statutory right to exclude others from making, using or selling the innovation or its equivalents for a limited period.\textsuperscript{57} If an unauthorized use of a patented invention takes place, the patent owner is empowered to bring several causes of action against the unauthorized user within the limited period plus six years.\textsuperscript{58}

2. Business Method Patents

Utility patents are those related to “new and useful inventions or discoveries of process, machine, manufacture, or com-
position of matter, or any improvement thereof.” Business method patents are an important and controversial subset of utility patents. As a practical matter, business method patents frequently occur where an old, manual, method of doing business is enhanced or supplemented with new, automatic computing and communication technologies.

For many years, the PTO, or its predecessor the United States Patent Office, authorized its examiners to reject patent claims if they concluded the claim was directed to a “method of doing business.” This policy was based on dictum in the 1908 case of Hotel Security Checking Co. v. Lorraine, which stated that “a system of transacting business disconnected from the means for carrying out the system is not . . . an art” recognized by patent law, and therefore, such a system is unpatentable. Thus, for the next ninety years, business method claims were considered automatically disqualified for patents.

This view of business method patents changed, however, with the 1998 decision of State Street v. Signature Financial. This decision firmly established the notion that an invention is not unpatentable simply because it is directed to a method of doing business. Repudiating the overbroad view stated in Hotel Security, the court held that claims based on a method of

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60 See, e.g., Kirsch.
61 See, e.g., U.S. Patent No. 5,960,411 (issued Sept. 28, 1999) (hereinafter '411 patent) (this patent, known as the "one-click" patent, is owned by Amazon.com; and claim 1 of this "one-click" patent is an often cited illustration of what a business method patent claim actually looks like: "A method of placing an order for an item comprising: under control of a client system, displaying information identifying the item; and in response to only a single action being performed, sending a request to order the item along with an identifier of a purchaser of the item to a server system; under control of a single-action ordering component of the server system, receiving the request; retrieving additional information previously stored for the purchaser identified by the identifier in the received request; and generating an order to purchase the requested item for the purchaser identified by the identifier in the received request using the retrieved additional information; and fulfilling the generated order to complete purchase of the item whereby the item is ordered without using a shopping cart ordering model." (emphasis added)).
63 Hotel Security Checking Co. v. Lorraine Co., 160 F. 467, 469 (2d Cir. 1908). Similarly, algorithms are also unpatentable as laws of nature. Id.
64 State Street Bank & Trust Co. 149 F.3d at 1377.
65 See, generally, State Street Bank & Trust Co., 149 F.3d 1368.
66 Id.
doing business should be treated like any other process claim.\textsuperscript{67} Since patentable subject matter under the patent statutes includes process, a method of doing business should, therefore, be patentable as long as it meets the other requirements of the statutes.\textsuperscript{66}

A large number of patent applications pertaining to business methods have been filed since the \textit{State Street} decision.\textsuperscript{69} A sizable number of those applications have resulted in issued patents.\textsuperscript{70} A workgroup within the PTO is dedicated to the examination of business method patents.\textsuperscript{71} The group specifically deals with “machines and methods for performing data processing or calculation operations in the: 1) practice, administration or management of an enterprise; 2) processing of financial data; or 3) determination of the charge for goods or services.”\textsuperscript{72} Under this definition, business method patents encompass computer applications in e-commerce and the internet.\textsuperscript{73}

A simple, valid and broad business method patent claim can be a powerful weapon against business foes because it gives a statutory right to the patent owner, thereby allowing the patent owner to exclude others from using the same patented method or its equivalents.\textsuperscript{74} In some situations, companies can be made or broken depending on the successes or failures of their patent cases.\textsuperscript{75}

\begin{itemize}
  \item \textsuperscript{67} Id. at 1377.
  \item \textsuperscript{66} Id.
  \item \textsuperscript{70} See Oblon Spivak, \textit{Business Method Boot Camp}, available at http://www.oblon.com/Pub/display.php?BusMethBootCamp.html (last visited Jan. 30, 2005) [hereinafter Oblon Spivak]. Immediately after State Street, business method patents have increased 7-fold. Id.
  \item \textsuperscript{71} See Love & Coggins.
  \item \textsuperscript{72} Id.
  \item \textsuperscript{74} See Oblon Spivak.
  \item \textsuperscript{75} See, e.g., \textit{Amazon.com, Inc. v. Barnesandnoble.com, Inc.}, 73 F.Supp.2d 1228 (W.D. Wash. 1999); see also Kirsch. The “one-click” patent allowed Amazon.com to win a preliminary injunction against its competitor, Barnesandnoble.com (hereinafter “BN”), at the start of the 1999 Christmas shopping season, prohibiting BN’s use of its own feature called “Express Lane.” Id. The injunction was not lifted until fourteen months later by the United States Court of Appeals for the Federal Circuit, providing a timely boost to Amazon.com in its quest to become a viable internet business. \textit{Ama-}
C. THE PROCEDURAL HISTORY OF MERC EXCHANGE v. E BAY

On September 26, 2001, MercExchange, L.L.C., filed a complaint against eBay, its subsidiary, Half.com, and ReturnBuy for patent infringement under 35 U.S.C. section 271.76 MercExchange is a one-man company formed by Tom J. Woolston.77 Woolston is the inventor of the patents implicated in MercExchange v. eBay.78 The three patents at issue were No. 6,202,051 (hereinafter “'051 patent”), covering a method and apparatus for internetworked auctions; No. 6,085,176 (hereinafter “'176 patent”), covering a method and apparatus using search agents to return a list of matched goods from a plurality of markets; and No. 5,845,265 (hereinafter “'265 patent”), covering a method and apparatus for creating a computerized market for goods for sale or auction.79

MercExchange v. eBay was a high stakes lawsuit, given that the scope of the patents at issue allegedly covered major components of eBay's internet-based business.80 These major components include the auction, fixed price sales, and the searching function linking a buyer's interest to the merchandise databases.81 Subsequent proceedings limited the patent

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76 See MercExchange, Complaint.
78 Id.
79 Judge Friedman, Markman Order. For an introduction of what a software agent is, see Internet FAQ Archives, Client/Server Frequently Asked Questions, available at http://www.faqs.org/faq/ (last visited Jan. 30, 2005). “Agent” is a technical name for a software module that performs a function in response to a request from another software module; and the latter, the requestor to the agent, is often called “manager.” In some contexts, agent is alternatively called “server,” while manager is alternatively called “client.” Id.
80 See Wolverton.
infringement issues to only the '265 and '176 patents. As well, the court limited the defendants to eBay and Half.com.

On May 27, 2003, the jury found that eBay and Half.com had willfully infringed the '176 and '265 patents. This verdict assessed damages of $35 million. On August 6, 2003, the District Judge denied plaintiff's motion for a permanent injunction to enjoin eBay's infringing activities, denied defendants' renewed motions for a new trial and for judgment as a matter of law, and reduced the jury-determined damages to $29.5 million.

Following the district court's final judgment, eBay and Half.com filed an appeal with the United States Court of Appeals for the Federal Circuit. In addition, upon eBay's request, the PTO ordered a reexamination of MercExchange's patents on June 4, 2004. Both proceedings are currently pending.

price in the $100M range for the patents in an informal meeting between the two. Id. In November 2001, the district court denied defendants' joint motion for a transfer of venue from the Eastern District of Virginia to the Northern District of California. See Judge Friedman, Order Denying Motion for Transfer of Venue. Following a Markman Hearing to determine the meaning of the patent claims in the patents at issue, the district court issued an Order and Opinion finalizing the claim interpretation in October 2002. Judge Friedman, Markman Order.

MercExchange, 275 F. Supp. 2d at 722.

Id. See also Ina Steiner, eBay Liquidator Bites the Dust: ReturnBuy Files for Bankruptcy, available at http://www.auctionbytes.com/cablabnly03lm03i28s01 (last visited Jan. 30, 2005) (ReturnBuy was reported to have filed for Chapter 11 bankruptcy before January 28, 2003, and before then, ReturnBuy and MercExchange had reached a settlement).

MercExchange, 275 F. Supp. 2d at 722.

Id.

Id.

Id.


II. FACTS ABOUT NEWSGROUPS

EBay’s lawsuit raised an interesting and unresolved issue as to whether a newsgroup posting constitutes a “printed publication” within the meaning of the patent statutes. Before analyzing this issue, it is important to determine what a newsgroup is, where newsgroups are located, how to access newsgroups, and how they differ from other internet documents.

A. WHAT IS A NEWSGROUP?

A newsgroup is a repository for messages posted from many users at different locations. A message (or posting) is made to a newsgroup, the local news server stores a copy of the message in its own data storage. The local news server also forwards copies of the posting to its pre-configured neighboring news servers. This new posting is eventually propagated to every news server that subscribes to the newsgroups to which the message was posted. After a day or two, a copy of the posting appears in countless news servers. This message propagation process is automatic and, except for the initial configuration by an administrator, happens in the background without manual intervention.

B. WHERE ARE NEWSGROUPS HOSTED?

The appearance of the World Wide Web (hereinafter “the Web”) in the early 1990s has doubtlessly made access to news-
groups much easier than it previously was.\(^9\) Newsgroups, however, do not owe their existence to the current form of the internet. Newsgroups have been in use since the relatively primitive phases of the internet.\(^9\)

The communication medium for newsgroups, Usenet, was invented as early as 1979 or 1980.\(^8\) Since the internet deployment, which occurred in United States universities in 1986, the backbone servers of the internet became news servers, hosting an ever-growing collection of newsgroups.\(^9\) Following the commercialization of the internet, many internet service providers and internet companies, such as Google, have also become news servers.\(^10\) In addition to these public or commercial news servers, many organizations host news servers on their internal networks, also known as intranets.\(^11\) A user can access internet newsgroups through either the internet or an intranet.\(^12\)

C. HOW TO ACCESS NEWSGROUPS

Tools for reading or posting newsgroup messages have been evolving with the prevailing technologies of the times.\(^13\) This evolutionary process can be divided into two different pe-

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\(^8\) See, e.g., Wikipedia, *Usenet*, available at [http://en.wikipedia.org/wiki/Usenet](http://en.wikipedia.org/wiki/Usenet) (last visited Jan. 30, 2005). Usenet was originally created by Steve Bellovin, Jim Ellis, Tom Truscott, and Steve Daniel at Duke University. The messages in newsgroups were exchanged among Unix servers using Unix to Unix Transfer Protocol, also known as UUTP or Network to Network Transfer Protocol, also known as NNTP. Those servers hosting newsgroups were known as news servers. *Id.*


\(^12\) *Id.*

periods: the early period, in which software programs for reading or posting newsgroup messages were archaic command-line based systems; and the current period, in which the same software programs used in the early period are revamped with friendly graphic-user-interfaces.\textsuperscript{104}

To access newsgroups in the early period, a user was required first to log on to a specific computer.\textsuperscript{105} That specific computer had to be one of the interconnected computers hosting newsgroups.\textsuperscript{106} Next, the user had to enter an appropriate command to start the newsgroup software.\textsuperscript{107} After starting the software program, the user could list the newsgroups currently subscribed to and, if the user wanted, an existing subscription could easily be terminated with just a few keystrokes.\textsuperscript{108} Similarly, the user could list the currently unsubscribed-to newsgroups and, if the user wanted, a currently unsubscribed-to newsgroup could be easily subscribed to.\textsuperscript{109} Some functionality, which includes reading or writing newsgroup messages and searching a particular thread or word pattern among the messages, was inherent in the newsgroup access software.\textsuperscript{110}

Since the invention of the Web, a user now has many options for accessing a newsgroup.\textsuperscript{111} He or she can still use the old command-line tools.\textsuperscript{112} More often, however, he or she uses a user-friendly, graphic-based tool to accomplish the same

\textsuperscript{104} Id. See Wikipedia, \textit{Command Line Interface}, available at http://en.wikipedia.org/wiki/Command_line (last visited Jan. 30, 2005) (A command-line based system uses a command line interface or CLI to interact with a computer "by giving it lines of textual commands ... either from keyboard or from a script"). Cf. Wikipedia, \textit{Graphic User Interface}, available at http://en.wikipedia.org/wiki/Graphic_User_Interface (last visited Jan. 30, 2005) ("[a] graphic user interface ... is a method of interacting with a computer through a metaphor of direct manipulation of graphical images and widgets in addition to text"). The terms, "the early period" and "the current period," are author's own creations to facilitate the discussion.


\textsuperscript{106} Id.

\textsuperscript{107} Id.

\textsuperscript{108} Id.

\textsuperscript{109} Id.

\textsuperscript{110} See Soma \& Neudeck at 755.


\textsuperscript{112} Id.
functions that a command-line tool provides. Access to a newsgroup is available on millions of computers that are connected to the internet. A newsgroup server such as Google's is only one URL away. Fast and powerful search capabilities can be invoked on the display page at the newsgroup server's URL to look for messages of interest.

D. COMPARISON WITH OTHER INTERNET DOCUMENTS

There are at least two other sources of online documents – besides newsgroups – that could be considered for the purpose of producing potential prior art references. These are the Bulletin Board System (hereinafter “BBS”) and web pages. It is important to realize, however, that not all internet documents are the same. Although BBS, web pages and newsgroups might all arguably constitute printed publications for purposes of determining the existence of prior art, the three should not be lumped together in such a manner. Due to their inherent qualities, BBS and web pages are not as reliable as newsgroups.

1. BBS

Traditionally, a BBS resembled a little island of information, or an enclosed depository or exchange for topical messages. BBS started out as a system of one or more servers coupled with a bank of modems, maintained by private entities or interest groups, and often supported by paying subscribers. Subscribers to a BBS use their own computers to dial into one

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113 Id. Graphic news reader tools may be Internet Explorer, Netscape Browser, or Firefox.
114 Id.
115 Id.
116 Id.
117 See MPEP § 707.05(e) (8th ed. 1st rev. 2003) under “Electronic Documents.”
118 For an interesting discussion of various documents on the internet, see, e.g., Wright at 747.
119 See generally Wright; Soma & Neudeck (discussion of references on the internet as printed publications).
of the modems via regular phone service. Although a BBS system can be hosted on a single computer with very little overhead, some of the famous BBS systems, like AOL and Prodigy, were made up of many computers in a complex configuration. Since the 1990s, most BBSs have gradually become a part of the internet. Most lost their BBS characteristics in the process and became nearly identical to newsgroups. Thus, elsewhere in this Note, the term BBS has a dual meaning. The first meaning refers to historical BBSs that existed before — they are still conceptually relevant and available as a possible prior art source. The alternative meaning refers to those BBSs that exist today and still retain the private, proprietary nature.

BBSs are not as accessible as newsgroups. Unlike newsgroups, which are routinely replicated to other news servers around the world, messages appearing in a BBS are not replicated elsewhere because of the BBS's private, proprietary nature. Unlike newsgroup subscribers, who can access newsgroups anywhere on the internet, subscribers to a BBS do not generally have any alternative way of accessing a standby BBS. Whether messages on BBSs can be accessed depends on how well those systems are implemented and maintained by their owners. A message or document stored on a commercial BBS may not be accessible if there are problems associated with the machines making up the BBS service or in the data communication path.

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124 See Gorenfeld.
125 Id.
127 Id.
128 Id.
130 Id. It is possible that some web servers like those of large institutions and certain government agencies may be more reliable than others and that a commercial BBS may also be more reliable because a commercial BBS operator like AOL has economic self-interest to keep the service up.
2. **Web Pages**

A web page is a display in an internet browser associated with a specific URL. In the most rudimentary way, a web page is served out from a file that is stored under a document directory on a web server. More sophisticated web pages are generated dynamically, based on the user request in combination with the online data stored in a complex backend server.

The dynamic web pages create an enormous problem of ascribing a sensible creation date, or date of availability, for the information displayed, as the pieces of information on the web page are assembled on the fly. This occurs because of many transient factors carried in the user request, as well as what is actually chosen to be stored in the databases.

Uncertainty in the creation data, or the date of availability, of various information displayed on a dynamic web page would make it problematic to be used as a source for prior art references. After all, a prior art reference must possess a reasonably ascertainable date of availability.

Static web pages, such as those based on PDF, WORD or PowerPoint documents in a specific directory, are better than dynamic web pages for ascertaining the creation date, or a date of availability. But unlike newsgroup postings, a static web page can still be easily altered by privileged users such as a web site administrator, and sometimes by hackers who break into the hosting system. A privileged user or hacker may cre-

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132 Id. Those files stored in the document directory of a web server may be in the format of PDF, WORD or PowerPoint, for examples. See also note 138, infra.


135 Id.

136 See Wright at 747.

137 Id.

ate or destroy an online document. Or he or she can add, delete, or alter the content of the document essentially at will. The only protection against such alterations, whether intentional or not, is often a security scheme employing merely a login name and password. Under this security scheme, a document giving rise to a web page on the internet can be altered without leaving much trace behind.

Web pages are not as accessible as newsgroup postings. Unlike a newsgroup posting, which is replicated onto many news servers, a web page likely exists only at a single location, or URL. The availability of a web page often hinges critically on the reliability of a single communication link, a single web server and a single document storage server. There is generally no alternative way of accessing information on a web page if a site hosting that particular web page is down.

III. THE CONFLICT OVER NEWSGROUP POSTINGS

A. INVALIDITY DEFENSE IN GENERAL

When a patent has allegedly been directly infringed, there are several substantive defenses that the alleged infringer may raise. The invalidity defense is a statutory defense to patent infringement. If upheld, the defense amounts to a judicial

139 See Cert, Step for Recovering.
140 See Wright at 739.
141 Id.
142 Id.
143 Id.
144 See, e.g., APGen Online Documentation, Page Fragment Caching, available at http://www.webgecko.com/products/apgen/docs.asp?page=fragmentcaching.htm (last visited Jan. 31, 2005) (some web pages may be cached by search engines for a brief period. But this caching cannot substitute for a non-newsgroup document, as the cache does not capture everything referenced by the original web page. The purpose of caching is to improve the performance in terms of response time. A search engine serves out a page, or at least part of it, from its cache in order to avoid spending time it needs to get the page again from the source. This caching strategy is extremely useful for popular stable pages where multiple accesses are made within a sufficiently narrow time frame).
145 Cf. Robertson.
reevaluation of the validity of the patent previously endorsed by the PTO.\textsuperscript{146}

Disputes regarding a patent's validity are frequently fought over section 102 of the patent statutes.\textsuperscript{149} Section 102 provides in paragraph (b) that "[a] person shall be entitled to a patent unless . . . the invention was . . . described in a printed publication in this or a foreign country more than one year prior to the date of the application for patent in the United States."\textsuperscript{150} The date specified in the statute -- i.e., one year prior to the application -- is called the "critical date."\textsuperscript{151} If the invention was previously described in a printed publication before the critical date, the printed publication constitutes a so-called "prior art" reference, which may invalidate an issued patent or prevent an application from resulting in the issuance of a patent.\textsuperscript{152}

B. EBAY'S APPLICATION OF THE INVALIDITY DEFENSE

In MercExchange v. eBay, eBay challenged the validity of all the patents at issue.\textsuperscript{153} This challenge was, however, especially pointed at the '051 patent, which pertained to inter-networked auctions.\textsuperscript{154} While eBay challenged the validity of the patent on many fronts, one particular piece of evidence appeared most compelling.\textsuperscript{155} eBay presented evidence that an auction process similar to the one proposed in the '051 patent had been disclosed to an internet newsgroup called "rec.collecting.stamps" on June 17, 1994, more than one year before the '051 application was filed.\textsuperscript{156} eBay argued that this

\textsuperscript{146} Constant v. Advanced Micro-Devices, Inc., 848 F.2d 1560, 1564 (Fed. Cir. 1988). "Nowhere does the Constitution require that the determination of patent validity be vested solely in the PTO (or even that there be a PTO)." Id.

\textsuperscript{149} Kathleen Asher, The Doctrine of Simultaneous Conception and Reduction to Practice: An Argument for its Repudiation, 2003 Syracuse L. & Tech. J. 1 n63 (2003).

\textsuperscript{150} 35 U.S.C. § 102 (b).

\textsuperscript{151} William LaMarca, Reevaluating the Geographical Limitation of 35 U.S.C. 102(b); Policies Considered, 22 Dayton L. Rev. 25 n29 (1996).


\textsuperscript{153} See Judge Friedman, Markman Order.

\textsuperscript{154} Id.

\textsuperscript{155} Id.

\textsuperscript{156} Id. "The posting, made by Choy Heng-Wah, an avid philatelist, read as follows: What would be really nice would be a "bid-broker" software. It might work some-
posting was a printed publication within the meaning of section 102 of the patent statutes.\textsuperscript{157} Thus, the claimed invention in the ‘051 patent was statutorily barred from patentability.\textsuperscript{158} Alternatively, eBay argued that the ‘051 patent was an “obvious” variation of the system described in the newsgroup posting and thus barred from patentability.\textsuperscript{159}

There is no firm statutory basis or judicial precedent on point that addresses the specific issue of whether a posting in a newsgroup should be regarded as a printed publication under the patent law.\textsuperscript{160} The district court in \textit{MercExchange v. eBay} concluded that a posting could not qualify as a prior art against the validity of the ‘051 patent, reasoning that “[t]here was no guarantee that Mr. Woolston would have been granted permission” to the internet newsgroup.\textsuperscript{161} Additionally, “[t]here would have been no possible way that Mr. Woolston would have been aware of the posting,” and the postings in the internet stamp collector newsgroup “were not indexed or cataloged in any way.”\textsuperscript{162} The district court’s reasoning on this issue, however, appears to conflict sharply with the trend of case law and even with the policy of the PTO.

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\textsuperscript{157} 35 U.S.C. § 103 (a) (2004). “A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been \textit{obvious at the time the invention was made} to a person having ordinary skill in the art to which said subject matter pertains.” \textit{Id.} (emphasis added).

\textsuperscript{158} \textit{Id.}

\textsuperscript{159} \textit{Id.}

\textsuperscript{160} \textit{See Judge Friedman, July 10, 2002, Order and Opinion.}

\textsuperscript{161} \textit{Id.}

\textsuperscript{162} \textit{Id.}
C. THE CONTRADISTINCTION

Judge Friedman’s ruling conflicts with a PTO policy that admits electronic documents retrieved from the internet and online databases as sources of prior art references. Under this PTO policy, a patent examiner may accept an entire system of, or contributions to, electronic bulletin boards (a.k.a. BBS), message systems, and discussion lists as prior art references.

BBS and message systems, permitted explicitly by the PTO, and newsgroups are all based on similar communication technologies. Newsgroups are even more accessible than these message systems due to the existence of numerous news servers on the internet. Thus, even though the PTO policy does not explicitly mention newsgroups, newsgroup postings are almost certainly admissible in patent prosecution under the umbrella of internet (electronic) documents.

For example, the PTO recently qualified a newsgroup posting as a prior art when it weighed in in a patent dispute between Microsoft and Eolas Technologies over whether a feature embedded in the Internet Explorer software infringed on an Eolas patent, United States Patent No. 5,838,906 (hereinafter “906 patent”). Although the district court and the Federal Circuit in Eolas Technology v. Microsoft had ruled in favor of Eolas, in a preliminary ruling during the reexamination of the ‘906 patent, Examiner Caldwell invalidated all the claims in the Eolas patent. The patent was invalidated on the ground that it was anticipated by draft specifications published in the form of internet documents by two well-known web pioneers, as well as a newsgroup posting by one of the authors. The Eolas

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163 See supra note 117 and accompanying text.
164 See Examples 8 and 9 in MPEP § 707.05(e), cover electronic bulletin board (BBS) and message systems.
165 See supra note 120 and accompanying text.
166 See supra note 91 and accompanying text.
167 See supra notes 117-145 and accompanying text. See also Black’s Law Dictionary Prosecution (8th ed. 2004) (the term “patent prosecution” refers to the process of applying for patent in the PTO).
169 Id.
170 Id.
patent invalidation makes it clear that the PTO interprets newsgroup postings as printed publications within the meaning of section 102(b) of the patent law.

D. THE UNRESOLVED ISSUE

Does a newsgroup posting constitute a printed publication as a matter of law? This issue was not foreclosed by the district court’s decision in MercExchange v. eBay.171 Although the ‘051 patent was thrown out on other grounds, thereby rendering the issue moot in this instance, this same issue is sure to be raised in other cases.172 And it is likely that the Federal Circuit will visit the issue in the future. Considering that more and more business method patents are issued and more and more patent attorneys look to newsgroup postings as a possible source of prior art references, this issue is almost certain to crop up again.173 Courts should recognize newsgroup postings as valid printed publications.174

IV. NEWSGROUPS CONSTITUTE PRINTED PUBLICATIONS

Whether a document qualifies as a “printed publication” that may constitute a prior art reference is a question of law to be resolved on the basis of the underlying facts.175 The key factors courts look at to determine if a document qualifies as a printed publication are dissemination and accessibility to the public interested in the art.176

Courts have repeatedly taken a broad view as to what qualifies as a printed publication.177 Looking at the underlying facts in many cases, the courts have qualified a variety of ar-

171 For a commentary suggesting that a internet posting qualify as printed document, see, e.g., Neal P. Pierotti, Does Internet Information Count as a Printed Publication, 42 IDEA 249 (2002).
172 See supra note 82 and accompanying text.
174 Cf. Grandemange.
176 In re Cronyn, 890 F.2d 1158, 1160 (Fed. Cir. 1989).
guably questionable materials as printed publications. For instance, a single thesis indexed and shelved in a German university library was deemed to constitute a printed publication. Likewise, information on microfilm laid open for public inspection in the Australian Patent Office was deemed to constitute a printed publication.

A literal interpretation of the statutory words “printed” and “publication” is unwarranted. Rather, courts treat “printed publication” as a unitary concept. A reference constitutes a “printed publication” as long as a presumption is raised that the portion of the public concerned with the art would know of the invention, even if accessibility is restricted to this part of the public only. In the German thesis case, the court reasoned that persons interested and ordinarily skilled in the

\[178\] Id. For a variety of materials that courts have qualified as printed publications, see In re Klopfenstein, 380 F.3d 1345 (Fed. Cir. 2004) (a poster board displayed for three days at a conference and a public institution qualified as a printed publication though no copies of it was distributed); Constant v. Advanced Micro-Devices, Inc., 848 F.2d 1560 (Fed. Cir. 1988), cert. denied, 988 U.S. 892 (1988) (a semiconductor chip specification sheet distributed to customers was a printed publication); In re Hall, 781 F.2d 897 (Fed. Cir. 1986) (a single Ph.D. thesis indexed and catalogued in a German University library was a printed publication); Massachusetts Institute of Technology v. AB Foria, 774 F.2d 1104 (Fed. Cir. 1985) (a paper, six copies of which were distributed at a scientific meeting, and an oral presentation of which was made to 50 to 500 people at the meeting, was printed publication); In re Wyer, 655 F.2d 221 (CCPA 1981) (a microfilm open for public inspection at the Australia Patent Office qualified as a printed publication); Garret Corp. v. United States, 422 F.2d 874 (Ct. Cl. 1970) (a report distributed to British government agencies and six commercial companies was a printed publication, not because the distribution was made to government agencies, but rather because the distribution was made to commercial companies without restriction on use). Cf. Northern Telecom Inc. v. Datapoint Corp., 908 F.2d 931 (Fed. Cir. 1990) (four unclassified reports pertain to a military project were not printed publication although distributed to 50 organizations); In re Cronyn, 890 F.2d at 1158 (three undergraduate theses kept in a college library and chemistry department’s files and listed in the alphabetic order of their authors’ name were not printed publications); Regents of the Univ. of Cal. v. Howmedica, Inc., 530 F. Supp. 846, 860 (D.N.J. 1981) (slides presented at a scientific meeting but no printed copy was distributed did not constitute printed publication); In re Bayer, 568 F.2d 1357 (CCPA 1978) (a thesis for a master’s degree submitted to the graduate committee and merely deposited in the university library where it remained uncatalogued and unshelved as of the critical date in question was not a printed publication); In re Tenney, 254 F.2d 619 (CCPA 1958) (a 1943 German patent application along with other German patent applications kept on a microfilm labeled as “German patent applications on aircraft” at the Library of Congress did not qualify as printed publication). See also MPEP § 2128.

\[179\] In re Hall, 781 F.2d at 899-900.
\[180\] In re Wyer, 655 F.2d at 227.
\[181\] Id. at 226.
\[182\] Id.
\[183\] In re Bayer, 568 F.2d at 1361.
subject matter or art, exercising reasonable diligence, could locate the thesis. 184 Likewise, in the Australian microfilm case, the court stated that information in whatever form, be it printed, typewritten, on microfilm, on magnetic disc, or on another medium, constitutes a printed publication, as long as there is sufficient proof of dissemination, availability and accessibility, such that the document at issue can be located by persons skilled in the art. 185

A. NEWSGROUP DISSEMINATION TO THE INTERESTED PUBLIC

Newsgroup postings easily meet the requirement of availability and dissemination. Unlike conventional materials at a library, newsgroup postings are available twenty-four hours a day, seven days a week. As well, a newsgroup can easily be distributed and saved onto other computers by the users. 186 In the early phase of the internet, newsgroup postings were available to a user only if he or she could log on to the computers or terminals directly connected to news servers. 187 Since the Web, however, newsgroup postings are more ubiquitously available through numerous news servers. 188 Apart from newspaper, radio, or TV broadcasts, today’s internet medium is arguably the most efficient means to disseminate a potential prior art reference to the interested public. 189

B. A NEWSGROUP IS ACCESSIBLE TO THE INTERESTED PUBLIC

Whether a document is accessible to a person of ordinary skills in the art at a given time must be evaluated on a case-by-case basis. 190 Just as the term “printed publication” is interpreted broadly, the Federal Circuit also interprets accessibility quite expansively. In this evaluation, courts look not only at whether the document is catalogued and indexed in a library but also at other relevant factors. 191

184 In re Hall, 781 F.2d at 899-900.
185 In re Bayer, 568 F.2d at 1361.
187 See supra note 111 and accompanying text.
188 Id.
189 See Soma & Neudeck at 786.
190 In re Hall, 781 F.2d at 899.
191 In re Klopfenstein, 380 F.3d at 1348.
1. Klopfenstein Factors

In a recent case, *In re Klopfenstein*, the reference in question was a visual display of a poster board at an American Association of Cereal Chemists (hereinafter “AACC”) meeting and an Agriculture Experiment Station (hereinafter “AES”) at Kansas State University. The visual display lasted two and a half days at AACC and one day at AES, and otherwise, no copies of it were distributed to the public. Nevertheless, the court noted that the participants at those events could readily appreciate the distinct concept of the invention and easily take appropriate notes from such a display; consequently, the court held that such a visual display, exhibited over an extended period without any disclaimer or other measures to protect a proprietary interest, fell under the rubric of “printed publication.”

In reaching this conclusion, the *Klopfenstein* court considered and balanced a number of factors such as 1) length of time the material was made available, 2) the expertise of the target audience, 3) the existence or lack of reasonable expectations that the material displayed would not be copied, and 4) the simplicity or ease with which the material displayed could have been copied. Two and a half days at a professional convention and half a day at a public institution were deemed to be a sufficient length of time for a display to expose the unprotected material to the workers in the field of the invention. Participants at the professional convention and passers-by at the public institution were deemed to possess adequate expertise to appreciate the inventive idea. Lack of proprietary protection for the material displayed was deemed to raise no expectation that the display would not be copied. The invention summary in the form of a few slides that constituted the poster board was deemed to be simplistic enough to be copied.

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192 *In re Klopfenstein*, 380 F.3d at 1347.
193 *Id.*
194 *Id.* at 1352.
195 *Id.* at 1350.
196 *Id.* at 1350-51
197 *Id.* at 1351.
198 *Id.*
199 *Id.*
Newsgroup postings compare favorably with the display in *Klopfenstein* in terms of the accessibility factors listed by the *Klopfenstein* court. A newsgroup posting describing an invention, once posted, potentially lasts forever in cyberspace and is exposed to anyone, whether he or she is a worker in the field of the invention or not. Readers of a newsgroup almost certainly include those in possession of adequate expertise to appreciate the inventive idea, and, as will be discussed later, newsgroups are reasonable places for persons skilled in the art to search the prior art. Posting an inventive idea to an open forum such as a newsgroup before the critical date almost certainly relinquishes any protection of proprietary interest in any patent right for what is publicly disclosed. Last, a newsgroup posting can be easily copied. Applying an analysis of the *Klopfenstein* factors to newsgroup postings suggests that newsgroup postings deserve to be classified as printed publications, perhaps even more so than the visual display disputed in *Klopfenstein*.

2. Other Factors Specific to Newsgroups

In addition to the *Klopfenstein* factors, there are other accessibility factors to be considered that are unique to newsgroups. It is true that the internet is inherently an unruly place where no one knows for sure the full scope of the available information and misinformation. Due to the fluid nature of cyberspace, there simply is no single reliable scheme to index or categorize all the documents on the internet. With the advent of powerful search engines and portals on the Web, however, a huge number of documents can now be searched in a variety of effective ways by average internet users. Even before the Web, less user-friendly--but still very functional--tools were available to help an internet user locate documents.

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200 See infra notes 219-225 and accompanying text.
203 Id. at 765.
204 Id. at 766.
205 Id.
206 See Wikipedia, Gopher Protocol, available at http://en.wikipedia.org/wiki/Gopher_protocol (last visited Jan. 31, 2005). "Gopher" is an example of such a tool alluded in the accompanying text to this footnote. It was created by Paul Lindner and Mark McCahill in 1991. Id.
Moreover, software programs other than search tools frequently possess searching ability. The accessibility of an internet document should be assessed, therefore, by considering several relevant factors existing at the time of the invention, such as the location of the document, the manner of storing the document, the state of available search tools, and the internet-literacy of a person of ordinary skills in the art.

a. Location of the Document

One does not have to visit a news server physically to locate a posting on a newsgroup. Unlike a conventional library with limited open hours, the internet, which encompasses newsgroups, is accessible twenty-four hours a day, seven days a week. To access a desired posting, one can go to a news server of one’s own choosing on an intranet or the internet. Because newsgroups are duplicated in the background on all the subscribing news servers, it makes no difference where the document is picked up from.

As a result of their distributive nature, newsgroups are inherently more accessible than other types of internet documents. For a non-newsgroup document that is posted at a single hosting website, availability critically hinges on the reliability of the communication link, the web server and the document storage server. Likewise, a non-newsgroup document stored on a commercial BBS might not be accessible if there are problems associated with the machines making up the BBS service.

207 For instance, tools such as “rn” or “trn,” a news reader for newsgroup posting, contain search function, see Wikipedia, Rn (newsreader), available at http://en.wikipedia.org/wiki/TRN (last visited Jan. 31, 2005).
208 Of course no one knows when the internet may freeze up, for example, due to a virus. But, as a matter of common experience, catastrophic crashes of the internet rarely happen.
209 See supra note 101 and accompanying text.
210 Id.
b. Manner of Storing the Document

In addition to the widespread accessibility of newsgroup postings, the content of a newsgroup posting is better preserved than conventional materials in a library. A document in a conventional library may be damaged or lost over time. A newsgroup posting, on the other hand, is a digitized file that is faithfully reproduced automatically onto many servers. The diversity in the countless news server locations maintains the integrity of newsgroups no matter where and what disaster may strike any individual news server.

c. The State of Search Tools

Although the internet can sometimes be a confusing place to look for information, it does not follow that searching ability on internet documents is necessarily weaker than the search available in a conventional library. It is true that a library’s collection can be searched by call number, author, title, subject or keywords, based on a set of catalogued information that is pre-generated by a librarian. While a newsgroup cannot be searched in quite the same way, a newsgroup can be easily searched by keywords. A newsgroup keyword search goes deep into the actual content of a document. This ability is unmatched by the keyword search in a library catalog or index system. Consequently, simply because a newsgroup document cannot be searched in the same way as in a conventional library, one cannot conclude that a document in a newsgroup is less accessible.

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211 Soma & Neudeck at 755.
214 See, e.g., Gray. This is a simple statistical conclusion: if a machine has a propensity to fail of 10%, then the propensity to have two machines fail at precisely the same time is 10% times 10%, i.e., 1%, assuming the failures are independent from each other. This conclusion can be further generalized to any number of machines, e.g., the likelihood of a three-machine failure is 10% times 10% times 10%, i.e., .1%. Id.
216 Id.
217 Id.
218 See Wright at 742 (citations omitted).
d. Person Skilled in the Art

In determining whether a relevant posting may be considered a printed publication of prior art, an inventor's actual knowledge is irrelevant. The inquiry, instead, focuses on whether a person having ordinary skills in the art, also known as a PHOSITA, has access to the newsgroup and knows where and how to use timely software tools to search for a posting.

Where are presumably reasonable places for a PHOSITA to look for relevant art? A German university library that includes a singularly relevant thesis in its collection has been presumed by a court as a reasonable place for a PHOSITA's prior art search. Likewise, the Australian patent office, which includes singularly relevant microfilm records in its collection, has also been presumed by a court as a reasonable place for a PHOSITA's prior art search.

In the case that is the subject of this Note, MercExchange v. eBay, while a specific inventor might not be as interested as an avid philatelist in a newsgroup like "rec.collecting.stamps," a PHOSITA may well investigate with due diligence what has been proposed by those collectors in "rec.collecting.stamps," "rec.collecting.coins," or other similarly titled newsgroups, in order to invent a new auction mechanism for collectible markets. Given that subscribing to newsgroups is a relatively easy matter, and that searching for relevant information in newsgroups is greatly aided by the built-in capability of newsgroup access tools, courts may well consider it reasonable to presume that a PHOSITA is able to search quite a large set of newsgroups for relevant prior art.

Assuming newsgroups are the right places to search for prior art, the next question will be whether a PHOSITA should be considered technologically capable of accessing the relevant art in the newsgroups. Recall that the art, to which business

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219 Instead, the inquiry should be on whether a PHOSITA has been acquainted with the prior art, see In re Carlson, 983 F.2d 1032 (Fed. Cir. 1992). "[A]ctual knowledge is not required for the disclosure to be considered prior art. To determine patentability, a hypothetical person is presumed to know all he pertinent prior art, whether or not the applicant is actually aware of its existence." Id.

220 See Wright at 744.

221 See In re Hall, 781 F.2d at 899-900.

222 See In re Wyer, 656 F.2d at 227.

223 See U.S. Patent No. 6,202,051 (issued March 13, 2001), under the section titled "Summary of the Invention" (coins, stamps, and baseball cards are recited as examples of items to be auctioned in MercExchange's patent description).
method patents pertain, as defined by the PTO, deals with "machines and methods for performing data processing or calculation operations." Under this definition, computer and internet technology is arguably an integral part of any modern business method innovation; a PHOSITA interested in business method patents should be considered reasonably familiar with the state of art in computer and internet technology. This includes technology that specifically deals with how to access internet newsgroups and other types of internet information sources.

Consequently, if an inventive concept about online auctions is disclosed in a newsgroup having a significant affinity with the auction market, the portion of the public skilled in the art — i.e., the people who are reasonably versed in internet technologies and interested in making online auction a reality — should be regarded as capable of accessing such a newsgroup posting.

The newsgroup posting in MercExchange v. eBay should have been considered a printed publication, since the newsgroup "rec.collecting.stamps" was a reasonable place for a PHOSITA to search for online auction references, and a PHOSITA interested in the patents at issue would have been capable of accessing the posting.

C. USE OF NEWSGROUP POSTINGS AS PRIOR ART REFERENCES SERVES THE PUBLIC INTEREST

An expansive definition of "printed publication" serves the public interest. While a number of business method patents doubtless have merit, others do not and seem to have merely jumped on the State Street bandwagon. Since the duration of patent protection is relatively long compared with the rapid pace of digital technology, the economic costs of monopolies created by speculative patents place an undue burden on soci-
ety and must be limited to the extent possible. One way to lessen this burden is to use newsgroup postings as prior art references to filter out unworthy business method patents.

V. NEWSGROUP POSTINGS ARE COMPETENT EVIDENCE

Assuming the dissemination and accessibility requirements for printed publications are met by newsgroup postings, can they serve as competent evidence? The answer is probably yes, but this is by no means a foregone conclusion in view of the previously discussed difficulty in ascribing a sensible date of availability associated with some internet documents. This question can be considered in terms of relevancy, prejudicial effect and authenticity associated with newsgroup postings.

*MercExchange v. eBay* and *Eolas v. Microsoft* demonstrate that the probative value of internet documents is high, since the references cited therein did go to the ultimate issue of whether the patents in question possessed genuine novelty and were not otherwise barred by the patent statutes. Technical people tend to disseminate relevant information through internet documents or postings. As a result of this tendency, highly relevant technical information concerning patent disputes is often located in these types of documents.

The use of newsgroup references as a source of prior art causes little, if any, prejudicial effect. This is so because, as long as the prior art predates the critical dates, patent law strictly imputes the knowledge of the prior art to a PHOSITA. As stated, an inventor is regarded as a PHOSITA regardless of the actual knowledge he or she possesses.

Mutability of documents posted on the internet – or in other words, authentication of the internet document – may be the biggest problem affecting the credibility of most internet

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229 See Pierotti at 251.
230 See Wright at 735.
231 Id. at 747.
233 See O'Reilly.
234 See *supra* note 219 and accompanying text.
235 Id.
documents as prior art. Many internet documents can conceivably be tampered with more easily than traditional printed publications.

Looking at newsgroups alone, however, the problems plaguing other types of internet documents become much less prominent. While a non-newsgroup internet document is controlled by one administrative organization, newsgroups are controlled by many administrative organizations without a central authority. Unlike a non-newsgroup posting at a given internet address, which can be changed easily, a posting in a newsgroup cannot be changed without overcoming seemingly insurmountable obstacles. For example, such tampering would require coordinating a collusion among countless news servers. As stated above, the immutability of a newsgroup posting is also ensured by a distributive system that works automatically in the background with little or no human intervention.

The comparison between newsgroup postings and non-newsgroup internet documents leads to a logical conclusion. Newsgroup references can serve as competent evidence because they do not share the potentially fatal weaknesses of non-newsgroup references.

VI. CONCLUSION

The issue in MercExchange v. eBay regarding whether a newsgroup posting should be considered a printed publication within the meaning of the patent statutes remains unresolved. The PTO recognized a newsgroup posting as a printed publication in its administrative ruling in the reexamination of the Eolas patent; the district court in MercExchange ruled otherwise. Who is right on this issue? Although there is no firm statutory or case law on point, the policy adopted by the PTO

236 Wright at 747. “Authentication is the key to solving the credibility problem created by internet references.” Id.
237 Id. at 739.
238 See Daniel W. McDonald et al., Intellectual Property and the internet, 13 No. 12 Computer Law 8, 12 (Westlaw 1996). The proposition that usenet postings, also know as newsgroup postings be treated as a valid source of prior art under the rubric of "printed publication" was put forward in no later than 1996 (but no analytical rationale for the proposition was presented). Id.
239 See Soma & Neudeck at 772-73.
240 See supra notes 171-174 and accompanying text.
241 See supra notes 160-162 and accompanying text.
seems consistent with the trend of the Federal Circuit decisions that interpret the patent statutes.242

In fact, newsgroup postings compare favorably with the visual display in Klopfenstein, which was accorded printed publication status based on the accessibility factors considered by the Federal Circuit.243 The period of availability for a newsgroup posting is much longer than a visual display at a professional convention or a public institution.244 Like the convention or the public institution in Klopfenstein, newsgroups are reasonable places for a prior art search.245 Like the display in Klopfenstein, a newsgroup posting does not adequately protect any proprietary interest that might be involved.246 Further, a newsgroup posting is much easier to copy than the visual display.247 Thus, one may reasonably conclude that a newsgroup posting is more qualified to be a printed publication than the visual display in Klopfenstein.248 As the latter was accorded such status, so, too, should newsgroup postings.

Further, the unique facts about newsgroups support this relatively liberal view that a newsgroup posting constitutes a printed publication under the patent law.249 To describe just a few of these facts, newsgroups are hosted by a system that is not easily tampered with, the internet as a newsgroup medium is at least as capable of disseminating a newsgroup posting to the relevant public as traditional print media, and the search capability provided by newsgroup access software is at least as capable of locating relevant material as traditional library search methods.250 Additionally, a person having ordinary skill in the art to which business method patents pertain should be reasonably familiar with the relevant computer and internet technology, which includes internet newsgroups.251

Thus, despite the well-known shortcomings associated with other types of internet documents, and in keeping with

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242 See supra notes 192-202 and accompanying text.
243 Id.
244 Id.
245 Id.
246 Id.
247 Id.
248 Id.
249 See supra notes 203-225 and accompanying text.
250 Id.
251 Id.
the trend of case law interpreting the statutory term “printed publication,” courts should recognize the uniqueness of newsgroups and qualify newsgroup postings as printed publications as a matter of law, or at least apply a rebuttable presumption that they qualify as printed publications.

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