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PATENT AGENT
ALLEN C. YUN, PH.D.

July 24, 2000

VIA TELEFACSIMILE

CONFIDENTIAL COMMUNICATION - PRIVILEGED LEGAL OPINION

Mr. M. Gocho
PATENT SERVICE CORPORATION
Baba Building 3rd Floor
12-10, Takadanobaba 4-Chome
Shinjuku-ku, Tokyo, 160
JAPAN

Re: Infringement and Validity Study and Opinion
Re: U.S. Patent No. 5,897,168

Dear Mr. Gocho:

Supplementing our letter of July 21, 2000, we have noted some further information which should preferably have been included in our report of July 21, 2000, although it does not change any of the opinions therein. For example, we wish to report that in the course of preparation of this report, we obtained and studied the file history of the '168 patent. However, we learned that the case was allowed on first office action, without the examiner ever having applied any of the cited prior art against the claims. The examiner's statement of reasons for allowance read:

> [T]he claims are allowable over the prior art of record because the prior art fails to show or suggest, either singly or in combination thereof, a frame member for a vehicle seat back that is comprised of a single piece body cast of magnesium alloy having a pair of spaced side members and an upper tie rod, the side members having a profile which is generally Z-shaped with a center web and two flanges extending outwardly therefrom in opposite directions.

Thus, there does not appear to be any kind of prosecution history estoppel that could be used against the patentee in our infringement analysis.

It is very interesting to note that in an information disclosure statement filed by the applicant during the prosecution of the application which issued as the '168 patent, the attorneys cited the four U.S. patents which were cited by the international examiner during the prosecution of the corresponding PCT application. However, the fifth reference cited in the international application was not cited, applicant stating in the IDS:

> The applicant is currently unable to locate a copy of the Japanese reference 5,023,232, Nishiyama, February 2, 1993, which was also cited in the international search report. This reference was also cited as being background information.

We have obtained a copy of this Japanese patent publication, and it is the Japanese application that corresponds to the Nishiyama patent discussed in the present report. Accordingly, the Nishiyama patent was not officially considered by the examiner during the prosecution of the U.S. case. However, the same U.S. examiner, Peter Brown, was the examiner during the International Preliminary Examination for the PCT stage of the application which led to the '168 patent. Mr. Brown cited the Japanese Nishiyama patent publication during the international stage and indicated it to be only category A (general state of the art but not considered to be of particular relevance).

The failure to cite the Nishiyama publication in the IDS has two possible consequences. If the attorneys for the applicant during the prosecution of the application that issued as the '168 patent were aware of the relevance of the Nishiyama patent and intentionally failed to file it in an Information Disclosure Statement because of this relevance, then the patent would be unenforceable for failure to comply with the duty of disclosure. It seems rather strange that the Information Disclosure Statement would state that this patent was not available to applicant as the patent was supplied to applicant by the international examiner either at the time of the International Search Report or at the time of the International Preliminary Examination. Furthermore, a patent family search should have turned up the existence of the corresponding U.S. patent. As we do not have direct evidence that the statement in the Information Disclosure Statement was untruthful or that

anyone connected with the prosecution of the '168 patent was aware of the relevance of the Nishiyama patent, we cannot render an opinion that the patent is unenforceable for this reason. However, if there were to be litigation, we would want to take detailed discovery on the issue of why this patent was not submitted in an Information Disclosure Statement during the prosecution of the patent.

The second ramification of the failure to cite this Japanese patent in the Information Disclosure Statement is that it was not officially considered by the examiner and it did not appear on the face of the issued '168 patent as having been considered by the examiner. If the examiner had considered it as he had during the international examination, but overlooked the relevance of the patent, as he did during the International Preliminary Examination, and he merely cited it of record as being of interest, this would have created a much greater burden on any party trying to invalidate the '168 patent based on the Nishiyama reference. Because it was not considered by the examiner during the prosecution of the U.S. application, the client's burden in overcoming the presumption of validity of a U.S. patent is much smaller.

We also omitted from our report of July 21, 2000, a more detailed report of the result of our validity search of the U.S. and international patent art. This search included a computer search, as well as a search at the U.S. Patent and Trademark Office. Of those patents reviewed, the following were considered to be the most pertinent:

Country	No.	First Inventor	Issue/Pub. Date
U.S.	5,412,860	Miyauchi	May 9, 1995
U.S.	5,382,083	Fecteau	January 17, 1995
Germany	DE 42 38 549	Hauser	May 19, 1994
Europe	EP 0 744 315	Aufrere	November 27, 1996

The German patent is of greatest interest as it discloses a backrest frame made of a single part in the form of a ductile light metal pressure die-casting. It appears to give an example of "GD-MgA12" (column 2, line 50). This would appear to be a magnesium alloy. Viewing the figure, it would appear that, at least the bottom half of the side panels where parts 6 appear, have a cross-section that would appear to have two Z cross-sections, the web of the Z comprising each of the two laterally extending sides of the part 6. Thus, this patent would also be of interest with respect to issues of anticipation.

European patent '315 explicitly states that the side panels are Z-shaped. However, the date of publication is after the effective filing date of the '168 patent. We note, however, that the French priority date is prior to the German priority date of the '168 patent. This would only be of interest if there were an interference in the U.S. between the two patents. Even if a U.S. equivalent patent to the European patent were to issue, it would not have an early enough 35 U.S.C. §102(e) date to be a reference against the '168 patent.

Miyauchi discloses a seat frame made of a lightweight alloy disclosed as being aluminum. It is not formed by die-casting, however, but apparently by extrusion and then bending.

Fecteau discloses a lightweight vehicle seat frame made of magnesium. However, this is a frame for the seat and not for the seat back.

The references cited by the examiner as being of interest in either or both of the corresponding PCT application (other than Nishiyama) and U.S. application which issued as the '168 patent were also studied, and it is agreed that these are not sufficiently pertinent to warrant their application against the claims. The French patent to Aufrere was cited during the prosecution of the corresponding European application.

Copies of the references discussed above, along with a copy of the file history of the '168 patent are attached to the confirmation copy of this letter. Please advise if you wish for this supplemental report to be incorporated into the report of July 21, 2000, so as to have a single comprehensive report. If so, we can revise our report of July 21, 2000, and provide you with such a comprehensive report by Federal Express, leaving the United States on Tuesday, July 25, 2000.

Please note that the debit memorandum for services attached hereto is for the maximum amount that you authorized for this report, notwithstanding the fact that the total amount of time spent for this search and report was greater than authorized.

Sincerely,

Roger L. Browdy

RLB:rd
Enclosure
F:\,p\pate\miscellaneous\Infringement2.doc

July 24, 2000

Mr. M. Gocho
PATENT SERVICE CORPORATION
Baba Building 3rd Fl.
12-10, Takadanobaba 4-chome
Shinjuku-ku, Tokyo, 160
JAPAN

Re: Infringement and Validity Study and Opinion
Re: U.S. Patent No. 5,897,168

To:	Consideration of your letter of June 21, 2000, and subsequent reminders; consideration of your letter of June 23, 2000; careful study of attachments to your letter; obtaining and studying file history of '168 patent; computer search in U.S. and international data bases; and report re do, including our main report of July 21, 2000, and our supplemental report of July 24, 2000	$3,735.00
To:	Out-of-pocket expenses, including copying, Federal Express, patents and file history, fax, and miscellaneous expenses	$ 265.00
	TOTAL:	$4,000.00

RLB:rd

NJL: 4 x 225 = 900.00 = 15% = 560
MAK: 16 x 60 = 960.00 = 16% = 598
RLB: 16 x 265 = 4240.00 = 69% = 2577

mi: 10.00
co: 56.50
fa: 57.00
FEx: 34.50
AutoPat:
107.00

Confirmation Report – Memory Send

Time : Jul-24-2000 05:33pm
Tel line : 2027373528
Name : BROWDY NEIMARK

Job number	:	119
Date	:	Jul-24 05:30pm
To	:	011813336259 50#
Document pages	:	004
Start time	:	Jul-24 05:30pm
End time	:	Jul-24 05:33pm
Pages sent	:	004
Status	:	OK

Job number : 119 *** SEND SUCCESSFUL ***

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