NEW YORK (Reuters) - Online retailer eBay Inc. on Thursday said the U.S. Patent and Trademark Office had upheld an earlier decision that a patent recorded by MercExchange was "obvious" and should not have been issued.

EBay and MercExchange are embroiled in a patent battle that reached the U.S. Supreme Court this week. EBay was found by a district court to have infringed on two e-commerce patents that MercExchange said were key to eBay's "Buy it Now" feature, but instead the court awarded monetary damages in the case instead of issuing an injunction.

The case has thrown a spotlight on complaints by technology companies that the frequent imposition of injunctions in patent-infringement cases leave them at the mercy of the owners of questionable patents who have no plans to actually make a product.

EBay said it learned on March 27 that the Patent Office had dismissed arguments raised by MercExchange to a prior rejection of that company's claims.