

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SUPERCELL OY,
Petitioner,

v.

GREE, INC.,
Patent Owner.

IPR2020-01633
Patent 9,079,107 B2

Before LYNNE H. BROWNE, HYUN J. JUNG, and
RICHARD H. MARSCHALL, *Administrative Patent Judges*.

JUNG, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

A. Background and Summary

Supercell Oy (“Petitioner”) filed a Petition (Paper 1, “Pet.”) requesting institution of an *inter partes* review of claims 1–11 of U.S. Patent No. 9,079,107 B2 (Ex. 1001, “the ’107 patent”). GREE, Inc. (“Patent Owner”) filed a Preliminary Response (Paper 6, “Prelim. Resp.”). With our

authorization, Petitioner filed a Reply to Patent Owner's Preliminary Response Pursuant to 37 C.F.R. § 42.108(c) (Paper 7, "Reply"), and Patent Owner filed a Sur-Reply to Petitioner's Reply to Patent Owner's Preliminary Response (Paper 8, "Sur-reply").

After considering the parties' briefs and the evidence of record, we exercise our discretion under 35 U.S.C. § 314(a) to deny *inter partes* review.

B. Real Parties in Interest

Petitioner identifies only Supercell Oy as a real party in interest. Pet. 2. Patent Owner identifies only GREE, Inc. as a real party in interest. Paper 4, 2.

C. Related Matters

The parties indicate that the '107 patent has been asserted in *GREE, Inc. v. Supercell Oy*, 2:19-cv-00311 (E.D. Tex.). Pet. 2; Paper 4, 3. The parties also indicate that a related patent is at issue in IPR2020-001628. Pet. 2; Paper 4, 2.

D. The '107 patent (Ex. 1001)

The '107 patent issued on July 14, 2015 from an application filed on March 5, 2014 that, in turn, claims priority to foreign applications, the earliest of which was filed on March 12, 2013. Ex. 1001, codes (22), (30), (45), 1:8–11.

According to the '107 patent, it addresses reduced motivation for low level players when playing a social game with guilds or groups of players that may be of higher level. *See id.* at 1:22–24, 1:56–59, 2:14–15, 2:17–22. In one embodiment, while the game is being played, certain game pieces appear based on the level of the user. *See id.* at 21:32–38, 23:50–53. When players in a guild collect all the required game pieces, a reward is given. *See id.* at 23:62–64. Thus, the appearance of some of the required game pieces

to only users of a particular level encourages players to form a guild with high level and low level players. *See id.* at 23:50–57.

E. Illustrative Claim

The '107 patent includes claims 1–11, all of which Petitioner challenges. Of those, claims 1, 9, and 10 are independent, and claim 1 is reproduced below.

1. A game control method carried out by a game control device for providing a game to a plurality of communication terminals respectively used by a plurality of users, the game control device communicating with the plurality of communication terminals and having a storage unit, the method comprising the steps of:

(a) storing skill level information indicative of skill levels of each of the plurality of users of the game, in the storage unit;

(b) grouping the plurality of users into one or more groups;

(c) providing one or more of a plurality of game pieces to a first plurality of users in a first group of said one or more groups, based on the skill level information, while the first plurality of users are at certain events in the game;

(d) storing allocation information indicating which game piece has been provided to which user with a respective skill level, and a number and type of game pieces required to obtain a game item as a reward, in the storage unit;

(e) determining whether all of the game pieces required to obtain said game item have been provided to the first group, based on the allocation information stored in the storage unit; and

(f) allocating in a memory, the game item to the first group or at least one of the first plurality of users, when it is determined that all the required game pieces have been provided.

Ex. 1001, 24:65–25:24.

F. Asserted Prior Art and Proffered Testimonial Evidence

Petitioner identifies the following references as prior art in the asserted grounds of unpatentability:

Name	Reference	Exhibit
Thompson	US 7,824,253 B2, issued Nov. 2, 2010	1007
Schulhof	US 8,376,838 B2, issued Feb. 19, 2013	1006
Englman	US 2011/0300926 A1, published Dec. 8, 2011	1004
Ronen	US 2013/0190094 A1, published July 25, 2013	1005

Pet. 3; *see also id.* at 4 (arguing that the effective filing date is no earlier than March 12, 2013). Petitioner also provides a Declaration of Emmet J. Whitehead, Jr., Ph.D. (Ex. 1003).

G. Asserted Grounds

Petitioner asserts that claims 1–11 would have been unpatentable on the following grounds:

Claim(s) Challenged	35 U.S.C. §	References/Basis
1–7, 9–11	103(a) ¹	Englman, Ronen, Schulhof
8	103(a)	Englman, Ronen, Schulhof, Thompson

II. 35 U.S.C. § 314(a)

Patent Owner argues that “the Board should exercise its discretion under 35 U.S.C. § 314(a) to deny the Petition because Petitioner raises substantially the same prior art and arguments in a parallel district court proceeding filed more than one year ago and scheduled for trial in approximately two months (March 1, 2021).” Prelim. Resp. 1.

¹ The relevant sections of the Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112–29, 125 Stat. 284 (Sept. 16, 2011), took effect on March 16, 2013. Because the ’107 patent claims priority to an application filed before that date, our citations to 35 U.S.C. § 103 are to its pre-AIA version.

A. Legal Standards

35 U.S.C. § 314(a) states that

[t]he Director may not authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.

The language of § 314(a) expressly provides the Director with discretion to deny institution of a post-grant review. *See Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”); Consolidated Trial Practice Guide November 2019 (“TPG”) at 55 (available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>).

In exercising the Director’s discretion under § 314(a), the Board may consider “events in other proceedings related to the same patent, either at the Office, in district court, or the ITC.” TPG at 58. *NHK Spring* explains that the Board may consider the advanced state of a related district court proceeding, among other considerations, as a “factor that weighs in favor of denying the Petition under § 314(a).” *NHK Spring Co. v. Intrix-Plex Techs., Inc.*, IPR2018-00752, Paper 8 at 20 (PTAB Sept. 12, 2018) (precedential). Additionally, the Board’s precedential order in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5–6 (PTAB Mar. 20, 2020) (precedential) (“the *Fintiv* Order”) identifies several factors for analyzing issues related to the Director’s discretion to deny institution, with the goal of balancing efficiency, fairness, and patent quality.

B. Applying the Fintiv Factors

1. Whether the Court Granted a Stay or Evidence Exists that one may be Granted if a Proceeding is Instituted

Petitioner argues that it “has not yet sought a stay but will do so should the IPR be instituted.” Pet. 65; *see also* Reply 3 (stating that “though no stay has yet been sought, Petitioner stipulates it will seek a stay in the parallel litigation should the IPR be instituted”) (replying to Prelim. Resp. 7).

Patent Owner responds that “Petitioner has not filed any motion to stay the parallel district court proceeding” and “there is little evidence here to suggest that the district court will grant a stay.” Prelim. Resp. 7. Patent Owner argues that a stay is “extremely unlikely” because stays are denied before institution and an institution decision is “not due until *after* the jury trial in the parallel district court proceeding.” *Id.* at 7–8 (citing Ex. 2013, 1). Patent Owner further replies that Petitioner’s stipulation “is *not* sufficient evidence that a stay will, in fact, be granted upon institution.” Sur-reply 1 (citing Prelim. Resp. 7–9; Reply 3).

Because the district court has not yet granted a stay and the record does not include any evidence that a stay, if requested, would be granted, we determine that the facts underlying this factor are neutral.

2. Proximity of the Court’s Trial Date to the Board’s Projected Statutory Deadline for a Final Written Decision

Petitioner argues that “[w]hile the trial date is currently scheduled to occur before the statutory deadline for the [final written decision], this factor should be afforded little weight, as the date is very likely to change.” Pet. 65. Petitioner also argues that trial dates reset when review is instituted and significantly slip after institution has been denied. *Id.* at 65–66 (citing

Ex. 1014, 2; Ex. 1015, 3); *see also* Reply 3–4 (arguing similarly) (citing Ex. 1014, 2; Ex. 1015, 3).

Patent Owner responds that a “jury trial in the parallel district court proceeding is set to begin on March 1, 2021” and thus, “scheduled to conclude more than *twelve months* before a final written decision would be due in this proceeding.” Prelim. Resp. 9. Patent Owner lists several proceedings where the Board has denied institution based on a smaller gap between trial date and due date for a final written decision. *Id.* at 9–10. Patent Owner also argues that Petitioner does not present any evidence that trial will not proceed as currently scheduled, the trial date should be taken at “face value,” and both fact discovery and expert discovery have closed. *Id.* at 12–14 (citing Ex. 2002, 1; Ex. 2012, 3; Ex. 2013, 4). Patent Owner further argues that, “even if trial is ultimately delayed by a few months, it will still likely conclude well before a final written decision would be due in this proceeding, if the Board were to institute.” *Id.* at 15; *see also* Sur-reply 2 (presenting similar argument).

Petitioner replies the district court has postponed all in-person trials through February 2021 and the “pause is likely to have a downstream impact on the court’s schedule and delay the trial schedule in the parallel litigation.” Reply 4 (citing Ex. 1016, 1; Ex. 1017, 1). Patent Owner replies that the Board has previously rejected arguments that a trial date is uncertain based on articles and the district court did “not modify, let alone, continue the jury trial in the parallel proceeding, which is still scheduled for March 1, 2021.” Sur-reply 1–2 (citing Prelim. Resp. 12 n.3; Reply 4).

The present record shows that, if review were instituted in this proceeding, a final written decision would be due twelve months after the currently scheduled trial date in the parallel district court proceeding.

Ex. 2013, 1 (Eighth Amended Docket Control Order in the parallel district court case setting jury selection for March 1, 2021). Given the considerable overlap in claims, prior art, and arguments as described below, institution would create a potential for the district court proceeding and the review to arrive at inconsistent results spaced approximately one year apart.

As for possible trial date adjustments due to the COVID-19 pandemic, the record shows all in-person trials have been postponed through February 2021. Ex. 1016, 1 (Order continuing all in-person jury trials). The record also shows that the trial date for the parallel district court proceeding is still scheduled for March 2021. Ex. 2013, 1. Even if we accepted that the pause in all in-person trials from December 2020 through February 2021 would delay the related district court proceeding, we agree with Patent Owner that the trial would still finish many months before the due date for a final written decision in this proceeding. *See* Prelim. Resp. 15; Sur-reply 2.

Thus, we determine that this factor weighs in favor of denying institution.

3. *Investment in the Parallel Proceeding by the Court and the Parties*

Petitioner argues that “[t]he district court proceeding . . . is only in its initial stages, and the court has not made any substantial investments in the merits of the invalidity positions.” Pet. 66. Patent Owner responds that the district court has issued its order on claim construction and, by the time institution is considered, will have completed, at least, fact discovery, expert discovery, briefing on dispositive and *Daubert* motions and pretrial conference. Prelim. Resp. 17–18 (citing Ex. 2001, 1; Ex. 2002; Ex. 2012; Ex. 2013, 1–4). Patent Owner, thus, argues that the parallel district court proceeding is at an advanced stage and that the district court and parties will

have invested substantial resources by the time institution is decided. *Id.* at 19.

Patent Owner also argues that Petitioner did not file its Petition until twelve months after the parallel district court proceeding was initiated and contends, with citations to other Board decisions, that the unexplained delay weighs in favor of denying institution. Prelim. Resp. 19–20 (citing Ex. 2004). Patent Owner further argues that the delay shows Petitioner must be using this proceeding “as a second-bite at the apple” to relitigate validity in a different venue, not as an alternative to district court litigation. *Id.* at 20. Patent Owner notes that Petitioner served the same grounds and asserted the same references in the same way more than five months before filing its Petition in this proceeding. *Id.* (citing Exs. 2005–2007).

Petitioner replies that, because of difficulties during fact discovery, “the district court entered a revised schedule extending many of the deadlines by several weeks” and “has yet to substantively address [the challenged claims’] validity.” Reply 4 (citing Ex. 1018). Petitioner also argues that “[b]y the time the Board decides whether to institute, it will have already invested significant resources into considering the validity of the ’107 patent.” *Id.* Petitioner further replies that “the timing of the filing enabled the Petition to take into account GREE’s amended infringement contentions and the court’s tentative claim constructions in the parallel litigation, which resulted in a more focused and thorough petition” and Patent Owner does not identify any unfair costs due to the timing of the filing of the Petition. *Id.* at 4–5 (citing Ex. 1019, Ex. 1020).

Patent Owner replies that Petitioner cannot dispute the substantial resources expended in the parallel district court proceeding. Sur-reply 3 (citing Prelim. Resp. 16–19). Patent Owner also argues that the due dates

that were extended have passed and “[f]orcing Patent Owner to re-litigate Petitioner’s same invalidity challenges . . . in this forum necessarily imposes unfair costs to Patent Owner.” *Id.* (citing Reply 4).

In the parallel district court proceeding, a Claim Construction Memorandum Opinion and Order has been issued and by this time, the parties have, *inter alia*, completed expert discovery, filed dispositive motions and motions to strike expert testimony, served pretrial disclosures, and attended a pretrial conference. Ex. 2011; Ex. 2013, 1–4. The district court and the parties have made substantial investments in the parallel proceeding. The parties still have to expend significant resources to conduct the trial itself, as well as potential post-trial proceedings.

Based on the record, weighing the investments thus far made and yet to be made, we determine that substantial investments have been made in the parallel proceeding, and thus, this factor weighs in favor of denying institution.

4. Overlap Between Issues Raised in the Petition and in the Parallel Proceeding

Petitioner argues that the Petition asserts a combination of references that includes a reference not raised in the parallel district court litigation, raises a ground not before the district court, and brings forth significant issues related to the claims that would be unaddressed if institution is denied. Pet. 66.² Petitioner, thus, argues there are no significant concerns regarding duplicative efforts or potentially conflicting outcomes. *Id.*

² Petitioner also argues that the “patent ineligibility standard” at the Office “is different” from the standard for jury trials. Pet. 66. However, because patent ineligibility has not and cannot be asserted in the present Petition, we do not need to address this argument.

Patent Owner responds that “[t]here is substantial overlap between the claims, grounds, arguments, and evidence presented in the Petition and what has been, and continues to be, litigated in the parallel district court proceeding.” Prelim. Resp. 21; *see also* Sur-reply 3 (arguing similarly). According to Patent Owner, Petitioner asserts the same prior art against the same claims with substantially the same arguments in the district court proceeding; Petitioner challenges one additional dependent claim in this proceeding that would not preclude finding substantial overlap; and any additionally cited prior art is immaterial to this factor. Prelim. Resp. 22–26 (citing Pet. 1, 3, 20–28, 30–57; Ex. 2005, 1, 3, 8–9, 12; Ex. 2006; Ex. 2007; Ex. 2008 ¶¶ 221–228, 283–292, 404–471). Patent Owner argues the inclusion of another reference (Schulhof) that is not asserted in the district court proceeding does not differentiate meaningfully the arguments in this proceeding from the arguments in district court. *Id.* at 28–30 (citing Pet. 34–37, 47–51, 66; Ex. 2005, 8–9; Ex. 2006; Ex. 2007; Ex. 2008).

Petitioner replies that the Board has declined to exercise discretion when a reference asserted in the Petition is not at issue in the related litigation. Reply 1 (citing, *inter alia*, *Snap, Inc. v. SRK Technology LLC*, IPR2020-00820, Paper 15 at 15 (PTAB Oct. 21, 2020) (precedential)). Petitioner contends that Patent Owner minimizes a crucial distinction between this proceeding and the parallel district court litigation because Schulhof is cited for teaching the purported solution of the ’107 patent. *Id.* at 1–2 (citing Pet. 25–27, 36–37, 47–51, 56–60; Prelim. Resp. 29). Petitioner also argues that including Schulhof and Thompson in this proceeding obviates concerns of duplicative efforts and potentially conflicting decisions and denying institution would leave claim 8 unaddressed. *Id.* at 2–3. Petitioner further “stipulates that, should IPR be

instituted, Petitioner will not pursue the same grounds in the litigation.” *Id.* at 3.

Patent Owner replies that “[t]his factor expressly does **not** require complete duplication of grounds and evidence.” Sur-reply 3 (citing Prelim. Resp. 29–30). Patent Owner asserts that Petitioner’s challenges are substantially similar to those in district court. *Id.* at 3–4 (citing Prelim. Resp. 28–30; Reply 1–2). Patent Owner also argues that, in *Snap*, the district court proceeding was stayed, and that “Petitioner’s stipulation is meaningless, as the parties will likely have **completed a jury trial** by the time this Board decides whether to institute a trial” and does not extend to any ground raised or that could have reasonably been raised in this proceeding. *Id.* at 4–5 (citing Prelim. Resp. 17; Reply 2–3).

The record shows that the same statutory grounds, substantially the same arguments, and substantially the same prior art evidence are at issue with respect to claims 1–7 and 9–11. “[I]f the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial” because “concerns of inefficiency and the possibility of conflicting decisions [are] particularly strong.” *Fintiv* Order, Paper 11 at 12. We agree with Patent Owner that Petitioner’s stipulation does not address effectively concerns about duplicative efforts and potentially conflicting decisions because the stipulation may have no effect until the parties complete nearly all work on these issues in the parallel proceeding, including a potential jury trial. Sur-reply 4–5.

On this record, we determine that this factor slightly weighs in favor of denying institution.

5. *Whether Petitioner and the Defendant in the Parallel Proceeding are the Same Party*

Patent Owner argues that “Petitioner and Patent Owner are the defendant and plaintiff, respectively, in the parallel district court proceeding.” Prelim. Resp. 31 (citing Pet. 2; Exs. 2001–2005, 2012, 2013). Petitioner replies that “[t]he ‘same party’ factor should be given little weight, as the petitioner-defendant is the party most motivated to challenge the patent.” Reply 5. Patent Owner replies that this argument has been rejected as inconsistent with *Fintiv*. Sur-reply 5.

The record shows that Petitioner and defendant in the parallel proceeding are the same. Thus, this factor weighs in favor of denying institution.

6. *Other Circumstances that Impact the Board’s Exercise of Discretion, Including the Merits*

Regarding the merits, Petitioner challenges claims 1–7 and 9–11 as unpatentable over Engلمان, Ronen, and Schulhof with citations to the asserted references and declarant testimony. Pet. 29–60. Petitioner relies on Thompson to teach the limitations of claim 8. *Id.* at 60–61. Petitioner also asserts a rationale for combining these references. *Id.* at 62–64.

Based on the present record, Petitioner adequately makes an initial showing that these references teach or suggest the limitations of the challenged claims and that one of ordinary skill in the art would have combined the asserted references. The record indicates sufficient argument and evidence for instituting trial, but the merits do not appear overwhelmingly strong on this preliminary record.

Patent Owner argues that Petitioner's reason for combining the references is insufficient. Prelim. Resp. 36–44. The dispute would be best decided on a full record, not the preliminary record before us.

For at least the foregoing reasons, based on the incomplete record before us, an initial review of the merits of Petitioner's two grounds suggests that the merits are neither weak nor strong. Thus, we determine that this factor is neutral.

7. *Holistic Analysis of Fintiv Order Factors*

We undertake a holistic analysis of the *Fintiv* Order factors, considering “whether efficiency and integrity of the system are best served by denying or instituting review.” *Fintiv* Order, Paper 11 at 6. As discussed above, factors 1 and 6 are neutral, but factors 2–5 weigh toward denying institution.

The evidence in the record indicates that duplication of efforts and potential for inconsistent results exist, because both the district court and the Board would consider substantially identical issues and the district court will reach trial many months before we would reach a final decision. We determine that the facts underlying factors 2–5 collectively outweigh the facts underlying factors 1 and 6. Accordingly, we determine that the circumstances presented weigh in favor of denying institution under 35 U.S.C. § 314(a).

III. CONCLUSION

Based on our application of the precedential *Fintiv* Order factors to the record before us, we exercise our discretion under 35 U.S.C. § 314(a) and deny institution of *inter partes* review.

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petition is *denied* as to all challenged claims, and no trial is instituted.

FOR PETITIONER:

Rajiv P. Patel
Brian Hoffman
Jennifer R. Bush
Kevin X. McGann
FENWICK & WEST LLP
RPatel-ptab@fenwick.com

FOR PATENT OWNER:

John C. Alemanni
Andrew Rinehart
Joshua H. Lee
KILPATRICK TOWNSEND & STOCKTON LLP
jalemanni@kilpatricktownsend.com
arinehart@kilpatricktownsend.com
jlee@kilpatricktownsend.com

Scott A. McKeown
ROPES & GRAY
Scott.McKeown@ropesgray.com