

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

PLR WORLDWIDE SALES LIMITED,
Petitioner

v.

FLIP PHONE GAMES, INC.,
Patent Owner

IPR No. IPR2024-00132

Patent No. 9,731,202

PATENT OWNER'S SUR-REPLY

EXHIBIT LIST

Ex.	Description
2001	Playrix's Exchange of Proposed Terms and Claim Elements for Construction, served January 30, 2024
2002	Joint Claim Construction Statement in <i>Flip Phone Games Inc. v. PLR Worldwide Sales Limited</i> , No. 2:23-cv-00139-JRG (E.D. Tex.), Dkt. 71.
2003	Declaration of Henry H. Houh, Ph.D., in Support of Playrix's Proposed Claim Constructions

Rather than relying on the Petition's analysis of § 325(d), Petitioner's Reply flouts the Board's rules regarding new argument by including an entirely new position on discretionary denial. But, at bottom, similar art was considered during the '202 Patent's ten-year prosecution history, and the Board found the claims patentable on appeal. On the claim construction issue, Petitioner newly urges that its litigation positions were merely "placeholders," but ignores that its expert at the district court has made plain his opinion that "it is unclear what the scope of claim 1 [of the '202 Patent] is meant to cover." Ex. 2003, ¶ 60. This calls into question Dr. Zagal's contrary opinion, which is nothing more than a parrot of the Petition.

I. Discretionary Denial is Warranted Under § 325(d)

Petitioner's Reply argument regarding § 325(d) is improper new argument, which should not be considered. *See* Consolidated Trial Practice Guide ("TPG") at 73 ("Petitioner may not submit new evidence or argument in reply that it could have presented earlier...."). That this is a new argument is evidenced by the fact that the Petition included a section addressing § 325(d). *See* Petition at 60–61. Therein, Petitioner urged against denial because none of the references addressed during prosecution "contain a substantially similar disclosure of a mobile game with dynamically updated hot spots represented in-game as non-promotional background objects, as is disclosed in the combinations described in the Grounds presented herein." Petition at 60. The Petition did not address the relevant prior art or claim

language in its analysis of § 325(d), and the argument it presented is irrelevant to the '202 Patent. Nonetheless, Petitioner should be limited to that argument and cannot replace it with entirely new argument on reply. TPG at 73.

Petitioner newly suggests that FPG's § 325(d) arguments regarding Hays and Levkovitz apply to only Grounds 1 and 5. This is wrong. Of the three remaining references used in Grounds 2–4 and 6–7, only one, Choi, is used to address an element of an independent claim (element 1[b]) and there only in combination with Hays. Otherwise, the secondary references are used only to address dependent Claim 8 (combination of Hays and Choi), Claim 4 (Chu), and Claim 6 (van Datta). The use of secondary references does not foreclose discretionary denial. *See Ziegmann v. Stephens*, No. IPR2015-01860, Paper 11 at 9 (P.T.A.B. Feb. 24, 2016) (denying institution where a primary reference “was substantively presented to and considered by the Office,” but was presented in the petition “in view of several secondary references.”). Indeed, in *Juniper Networks, Inc. v. Finjan, Inc.*, the Petitioner argued that denial was not appropriate because “notwithstanding the use of Hanson, the Petition asserts prior art ... that has never been considered by the Office.” No. IPR2019-00060, Paper 7 at 13 (P.T.A.B. Apr. 29, 2019). As the Board explained, “the reliance on Hanson and previously presented arguments [is] a factor that strongly weighs in favor of denial of this Petition”—regardless of the newly added references. *Id.* at 15. The same is true here, where the primary references—Hays and

Levkovitz—are used for nearly every claim element and are substantially the same as the art previously considered by the Examiner and the Board during prosecution.

As explained, Hays, Levkovitz, and Willis all describe providing advertising to mobile devices based on location. *See* POPR at 20–22. Petitioner recognizes this in its own Petition, stating that “Hays discloses that ‘the advertisement server 114 may select advertisements [i.e. video-game content] based upon ... location’” and claiming that, with respect to Levkovitz, “an advertisement is selected to be displayed based on the location of the mobile device, specifically its proximity to a particular shop.” Petition at 29, 50–51 (alteration in original).

Petitioner newly urges that § 325(d) denial is improper because it claims that Hays and Levkovitz disclose providing advertising based on device type. *Compare* Petition at 60–61 *with* Reply at 2–3. This argument is beyond the scope of both the Petition and authorized Reply, which is limited to “***Patent Owner’s arguments*** under 35 U.S.C. 325(d).” In any event, FPG demonstrated that the Petition fails to establish that this element is shown by those references. POPR at 35–41.

Finally, Petitioner attempts to distinguish the Board’s decision in *Juniper*, suggesting that the length of prosecution is only a factor where the same reference was submitted during prosecution. Reply at 3. This is wrong. *Juniper* stated that the § 325(d) factors are “non-exclusive,” and that “additional circumstances, not fitting within any of the listed factors, may be relevant to our exercise of discretion under

§ 325(d) in the context of examination.” *Juniper Networks, Inc. v. Mobile Telecoms. Techs., LLC*, IPR2017-00642, Paper 31 at 10 (P.T.A.B. Mar. 14, 2018). *Juniper* further explained that “11 years of prosecution history, which included multiple appeals to the Board,” would be one of those factors. *Id.* at n.5. In an informative decision, the Board has also explained that while “length of prosecution and the numbers of Office Actions and Board Decisions do not, by themselves, definitively mandate for or against institution on a particular ground, on these facts, ... they do weigh heavily against institution of the prior art grounds proffered by Petitioner.” *Kayak Software Corp. v. IBM Corp.*, No. CBM2016-00075, Paper 16 at 12–13 (P.T.A.B. Dec. 15, 2016) (*informative*). The Board should decline to review this patent, which it has already considered and found patentable over similar art during an appeal and ten years of prosecution. *See* POPR at 17–23.

II. Inconsistent Claim Construction Positions Doom the Petition

The Reply admits that Petitioner’s claim construction positions are inconsistent, but brushes that off by saying the indefiniteness arguments were simply “a placeholder position.” Reply at 4 n.2. Petitioner cites to no authority to support the novel theory that calling something a “placeholder” inoculates against an inconsistent position. Far from being “placeholder[s],” Petitioner’s positions were articulated in pleadings (Ex. 2001) signed months *after* Petitioner represented to the Board that it “does not believe any terms require construction.” Petition at 14.

Further, Petitioner still contends that the language “based on one of the factors” in claim 1 of the ’202 Patent is indefinite. *See* Ex. 2002 at 13. And Petitioner’s expert at the District Court, Henry Hough, claims that the use of “based on one of the factors” in claim 1 means that, in his expert opinion, “it is unclear what the scope of claim 1 is meant to cover....” Ex. 2003, ¶ 60. This position is plainly inconsistent with Petitioner’s and Dr. Zagal’s prior statements to the Board. Ex. 1003, ¶¶ 72-73. More critically, it demonstrates that the Petition cannot shoulder its burden with respect to element 1[b], which as discussed above, is the only claim element Petitioner relies upon to urge that Section 325(d) denial is improper.

Petitioner’s cited authority does not support its inconsistent positions. In *Western Digital Corp. v. SPEX Techs., Inc.*, the petition was based on the claim constructions urged by the **patent owner** in related district court litigation. IPR2018-00082, Paper 11 at 12 (Apr. 25, 2018). Similarly, in *Philip Morris Products, S.A. v. Rai Strategic Holdings, Inc.*, the petitioner relied on the **patent owner’s** constructions to argue the claims were unpatentable. IPR2020-00921, Paper 13 at 42 (Aug. 5, 2021). In contrast, here **Petitioner** has expressly stated to the district court—including in expert testimony—that “it is unclear what the scope of claim 1 [of the ’202 Patent] is meant to cover.” Ex. 2003, ¶ 60.

III. Conclusion

Petitioner fails to carry its burden, and no proceeding should be instituted.

Dated: March 12, 2024

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing **PATENT OWNER'S SUR-REPLY** has been served electronically via email upon the following:

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Dated: March 12, 2024

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