

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.

IPR2024-00132
Patent 9,731,202 B2

Before DAVID C. McKONE, DANIEL J. GALLIGAN, and
SCOTT B. HOWARD, *Administrative Patent Judges*.

McKONE, *Administrative Patent Judge*.

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

I. INTRODUCTION

PLR Worldwide Sales Limited (“Petitioner”) filed a Petition (Paper 2, “Pet.”) requesting *inter partes* review of claims 1–9 of U.S. Patent No. 9,731,202 B2 (Ex. 1001, “the ’202 patent”). Flip Phone Games, Inc. (“Patent Owner”) filed a Preliminary Response to the Petition. Paper 6 (“Prelim. Resp.”). Petitioner filed a Preliminary Reply to the Preliminary Response (Paper 7, “Prelim. Reply”) and Patent Owner filed a Preliminary Sur-reply to the Preliminary Reply (Paper 8, “Prelim. Sur-reply”).

We have authority to determine whether to institute an *inter partes* review. *See* 35 U.S.C. § 314 (2018); 37 C.F.R. § 42.4(a) (2023). The standard for instituting is set forth in § 314(a), which provides that an *inter partes* review may not be instituted “unless . . . there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” For the reasons explained below, we institute an *inter partes* review of the ’202 patent.

II. BACKGROUND

A. Related Proceedings

The parties identify *Flip Phone Games, Inc. v. PLR Worldwide Sales Limited*, 2:23-cv-00139-JRG (E.D. Tex.) (“the Texas case”) as related to this proceeding. Pet. 61; Paper 4, 1. Patent Owner further identifies *PLR Worldwide Sales Limited v. Flip Phone Games, Inc.*, IPR2024-00133 (PTAB) and *PLR Worldwide Sales Limited v. Flip Phone Games, Inc.*, IPR2024-00171 (PTAB). Paper 4, 1.

B. The '202 Patent

The '202 patent relates generally to systems and methods for providing updated video game content to a mobile communication device.

Ex. 1001, 1:6–8. Figure 1, reproduced below, illustrates an example:

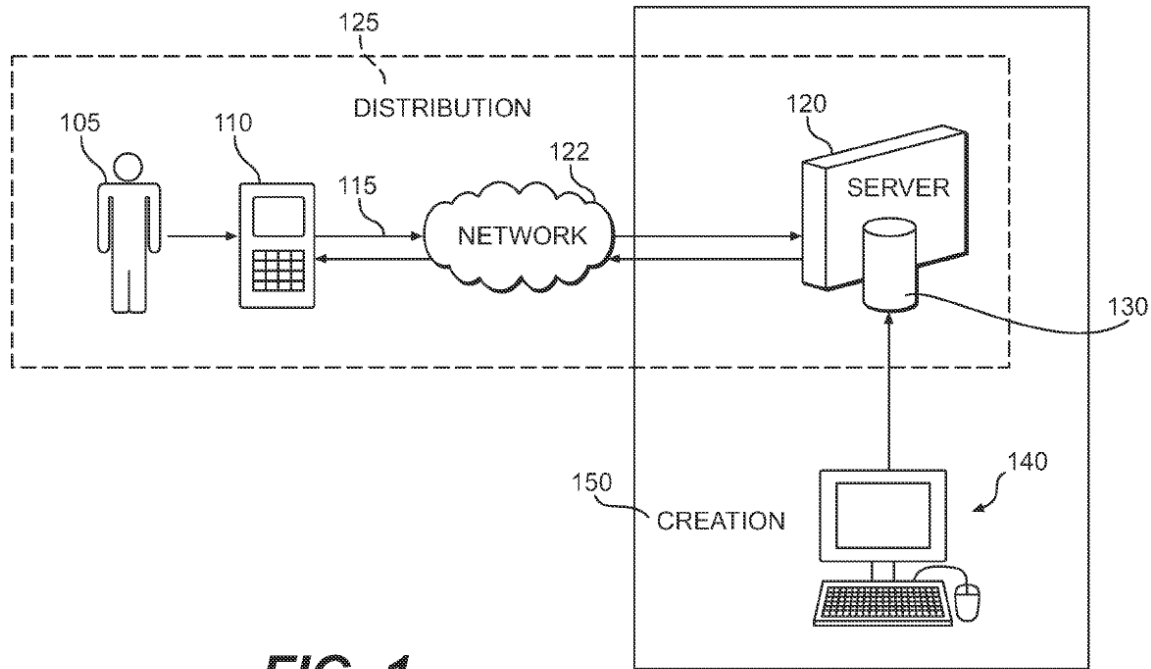


FIG. 1

Figure 1 is an overview block diagram of components used to update in-game content on a mobile communication device. *Id.* at 3:60–63.

In distribution block 125, user 105 plays a mobile video game on mobile communication device 110. *Id.* at 5:16–18. The video game includes instructions 115 to check for updated content stored on data storage medium 130 at server 120. *Id.* at 5:18–20, 5:43–46. Mobile communication device 110 connects to server 120 through network 122 (which can include the Internet, telephone, and data networks) to perform this check. *Id.* at 5:20–22, 5:31–33. “After server 120 receives a communication request from mobile communication device 110, server 120 may check whether updated content is available for one or more mobile video games. If updated content

is available, server 120 may send or provide (i.e., upload) the updated content to mobile communication device 110.” *Id.* at 5:56–61.

Figure 2A, reproduced below, illustrates how updated content might be used in a video game:

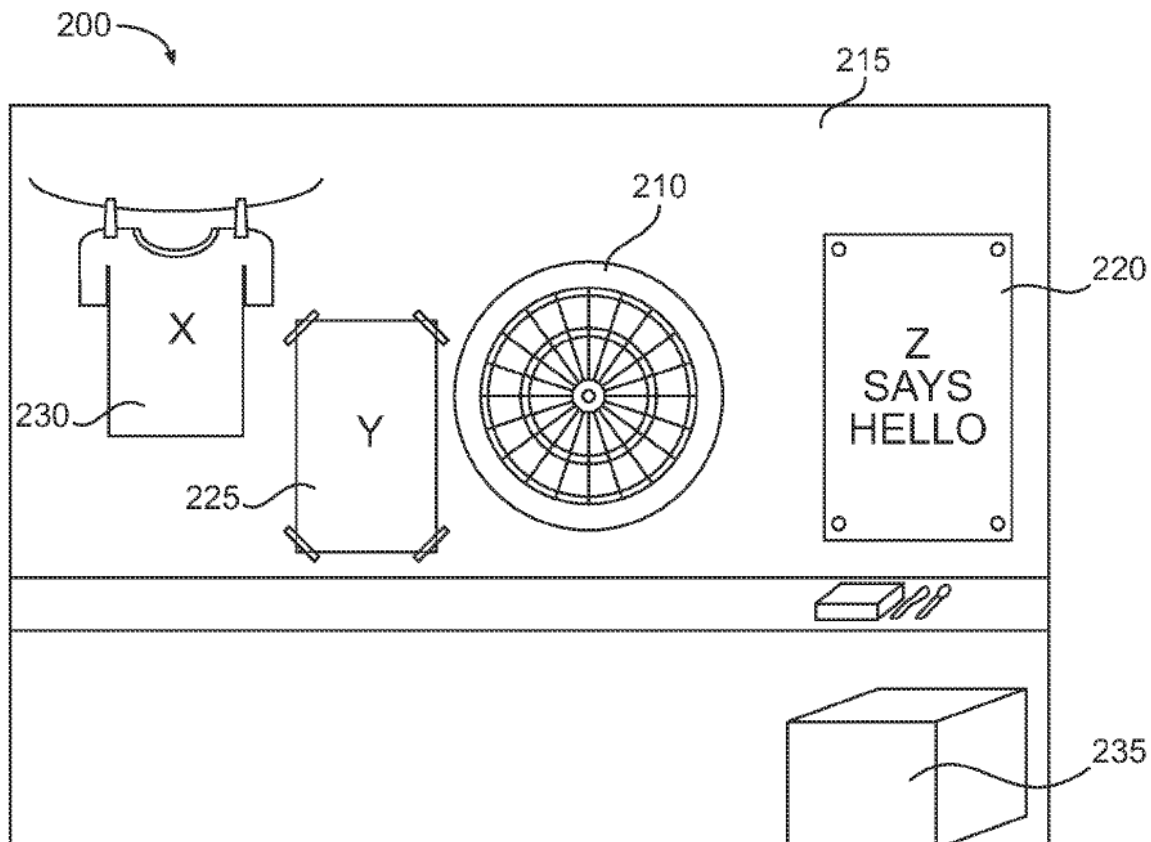


FIG. 2A

Figure 2A is a diagram of a scene of a dart game, with dart board 210, in a video game played on a mobile communication device. *Id.* at 3:64–67, 6:34–38. Items 210, 220, 225, 230, and 235 within scene 200 may be changed by receiving updated content on mobile communication device 110. *Id.* at 6:42–45. In one example, shirt 230 is updated to include a logo associated with third party “X,” poster 225 is updated to advertise an

upcoming movie for third party “Y,” and chalk board 220 is updated to contain a handwritten advertisement for third party “Z.” *Id.* at 6:45–50.

Figure 4B is reproduced below:

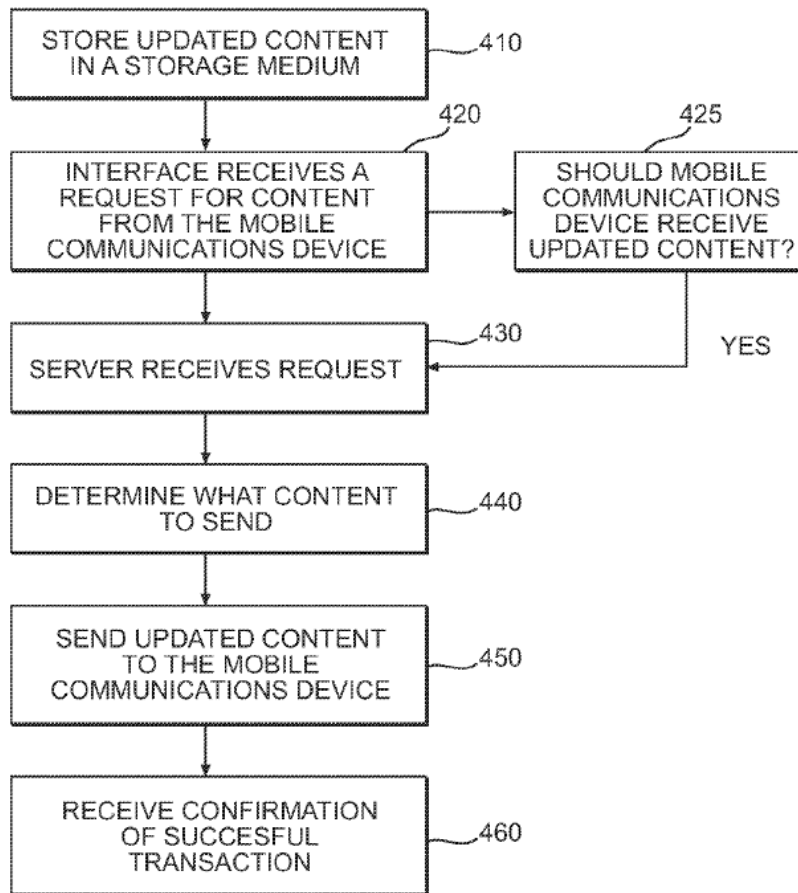


FIG. 4B

Figure 4B is a flow chart of steps taken by a server to update in-game content on a mobile communication device. *Id.* at 4:5–8, 13:1–4. The server stores updated content in a storage medium, such as a relational database (step 410). *Id.* at 13:30–35. An interface receives a request for updated content from the mobile communication device (step 420) and verifies whether the mobile communication device should receive content updates

(step 425). *Id.* at 13:36–40, 13:50–52. In one example, the interface verifies that the mobile communication device belongs to a particular service subscription. *Id.* at 13:53–55. The server receives the request (step 430) and determines what content should be sent to the mobile communication device (step 440). *Id.* at 13:64–67.

For example, the determination may be based on the model type of the mobile communication device, the service plan or subscription to which the mobile device belongs, the service provider that provides the plan to the mobile device, the base location of the mobile device, the current location of the mobile device, which updates the mobile device has already received, and/or other criteria associated with the user or the mobile device.

Id. at 14:1–8.

Claim 1, reproduced below (bracketed numbering added to track that used by Petitioner (Pet. viii)), is illustrative of the subject matter at issue:

1. [pre] A method for providing updated video-game content to a mobile communication device for use in a mobile video game, the method comprising the steps of:

[1a] receiving a request for the updated video-game content from the mobile communication device, the updated video-game content being usable in the video game that already exists on the mobile communication device;

[1b] checking what updated video-game content to send based on one of the factors including a type of the mobile communication device, a telecom service associated with the mobile communication device, and a service provider of the telecom service; and

[1c] uploading updated video-game content to the communications device, the video-game content being usable when the video game operates on the communications device.

C. Evidence

Petitioner relies on the references listed below.

Reference		Date	Exhibit No.
Levkovitz	US 2007/0088801 A1	Pub. Apr. 19, 2007 Filed May 4, 2006	1008
Choi	US 2007/0174490 A1	Pub. July 26, 2007 Filed Jan. 19, 2007	1006
Hays	US 2008/0102947 A1	Pub. May 1, 2008 Filed Mar. 8, 2005	1005
Chu	US 7,698,178 B2	Iss. Apr. 13, 2010 Filed Nov. 22, 2005	1007
van Datta	US 9,129,301 B2	Iss. Sept. 8, 2015 Filed June 13, 2006	1009

Petitioner also relies on the Declaration of José Zagal, Ph.D.
(Ex. 1003).¹

D. The Asserted Grounds of Unpatentability

Petitioner contends that claims 1–9 are unpatentable under the following grounds. Pet. 2.

¹ Patent Owner contends that Dr. Zagal’s Declaration “simply parrots the Petition” and, thus, should not be entitled to any weight. Prelim. Resp. 28–33. The testimony quoted by Patent Owner (Prelim. Resp. 30–32) includes citations to the prior art to support the opinions set forth and, thus, “disclose[s] the underlying facts or data on which the opinion is based” (37 C.F.R. § 42.65(a)). See Ex. 1003 ¶¶ 95, 103, 118, 165–166 (citing Ex. 1005 ¶¶ 25, 51; Ex. 1008 ¶¶ 5, 6, 123, 127). We decline, at this stage of the proceeding, to discount Dr. Zagal’s testimony in its entirety and will give that testimony the appropriate weight on the points for which it is offered.

Claim(s) Challenged	35 U.S.C. §	Reference(s)
1–9	103(a) ²	Hays
1–9	103(a)	Hays, Choi
4	103(a)	Hays, Chu
4	103(a)	Hays, Choi, Chu
6	103(a)	Hays, van Datta
6	103(a)	Hays, Choi, van Datta
1–3, 5–9	103(a)	Levkovitz
4	103(a)	Levkovitz, Chu
6	103(a)	Levkovitz, van Datta

III. ANALYSIS

A. Level of Skill in the Art

Petitioner, relying on the testimony of Dr. Zagal, contends that a person of ordinary skill in the art “would have had an undergraduate degree in game design or development, computer science, computer engineering, or a related field, with at least two years of experience working with computer gaming systems or software application development.” Pet. 2 (citing Ex. 1003 ¶¶ 66–70). According to Petitioner, “[l]ess work experience may be compensated by a higher level of education or vice versa.” *Id.* at 2–3. Patent Owner does not dispute Petitioner’s proposal or propose an alternative. Petitioner’s proposal is consistent with the technology described in the Specification and the cited prior art. For purposes of this Decision, we adopt this level of skill, except that we change “at least” to “about.”

² The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284, 287–88 (2011), amended 35 U.S.C. § 103. Because the ’202 patent was filed before March 16, 2013, for purposes of this Decision, we apply the pre-AIA version of § 103.

B. Claim Construction

We construe claims “using the same claim construction standard that would be used to construe the claim in a civil action under 35 U.S.C. 282(b), including construing the claim in accordance with the ordinary and customary meaning of such claim as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent.” 37 C.F.R. § 42.100(b); *see also Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc).

Petitioner “does not believe any terms require construction to resolve the patentability disputes because the challenged claims are rendered unpatentable by the cited art under any reasonable interpretation of the claims.” Pet. 14. Petitioner “takes no position in this Petition as to whether the claims are indefinite.” *Id.* (citing Ex. 1003 ¶¶ 72–73).

Patent Owner contends that Petitioner has taken inconsistent positions regarding the scope of the challenged claims in this proceeding and the Texas case. Prelim. Resp. 23–28. Patent Owner characterizes this as an “abuse of process” and argues that “Petitioner’s gamesmanship regarding the proper construction of the Challenged Claims is reason alone to deny its Petition.” *Id.* at 27 (citing Katherine K. Vidal, *Interim Procedure for Discretionary Denials in AIA Post-grant Proceedings with Parallel District Court Litigation*, 4, 9 (June 21, 2022) (discussing discretionary denial under *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential)).

In a statement of proposed constructions in the Texas case, Petitioner contended that the terms “the video-game content,” “based on one of the factors,” and “the mobile communication device,” as recited in claim 1, are

indefinite. Ex. 2001, 8–9. This statement of proposed constructions did not provide reasoning. *Id.* Patent Owner contends that Petitioner’s identification of terms as indefinite conflicts with the Petition, in which, “in setting forth its grounds in the Petition, Petitioner necessarily understands the definite meaning of those claims and contends that the asserted prior art references disclose the various claim elements based solely on their plain language, as opposed to any specific construction.” Prelim. Resp. 25. Patent Owner also observes that Dr. Zagal was able to understand these terms well enough to apply them in his testimony. *Id.* at 25–26 (citing Ex. 1003 ¶¶ 72–73). Patent Owner notes that, although Petitioner’s statement had “not yet put forth its full bases for the alleged indefiniteness,” Petitioner did indicate that another expert would “take the *opposite* position from Dr. Zagal and explain to the District Court why, in that venue, the Petitioner believes the claim terms are not reasonably certain.” *Id.* at 26 (citing Ex. 2001, 6–10).

In response, Petitioner states that its initial identification of terms as indefinite was a “placeholder,” that it has since dropped most of its indefiniteness positions in the Texas case, and that it now only asserts indefiniteness as to the term “one of the factors,” as recited in claim 1. Prelim. Reply 4 n.2. As to this term, Petitioner argues that claim 1 expressly identifies three examples of “factors,” but that the full scope of “one of the factors” is undetermined and, thus, the term is indefinite. *Id.* at 4. Petitioner argues that it is sufficient, in this proceeding, to identify in the prior art instances of the examples claim 1 expressly recites and that we need not determine the outer boundaries of claim 1 to decide that the prior art’s disclosure of those examples renders claim 1 obvious. *Id.* at 3–4.

On the current record, we see nothing inconsistent in the positions taken by Petitioner in the Texas case and this proceeding. Petitioner does not appear to be taking the position, in the Texas case, that a skilled artisan would not have understood the language of claim 1, “based on one of the factors including a type of the mobile communication device, a telecom service associated with the mobile communication device, and a service provider of the telecom service.” Rather, Petitioner appears to contend that claim 1 is ambiguous as to whether additional factors, beyond “a type of the mobile communication device, a telecom service associated with the mobile communication device, and a service provider of the telecom service,” and not expressly recited in claim 1, are within the scope of “one of the factors.” We are able to determine, at least on the preliminary record, whether the prior art teaches one or more of the example factors expressly recited in claim 1. *See Intel Corp. v. Qualcomm Inc.*, 21 F.4th 801, 813 (Fed. Cir. 2021) (“The indefiniteness of a limitation . . . precludes a patentability determination only when the indefiniteness renders it logically impossible for the Board to reach such a decision.”). Thus, we find no abuse of process or other reason to deny the Petition based on Petitioner’s identification of a term as indefinite in the Texas case.

Based on the record before us, we do not find it necessary to provide express claim constructions for these or any other remaining terms. *See Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (noting that “we need only construe terms ‘that are in controversy, and only to the extent necessary to resolve the controversy’”) (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999)).

C. Patent Owner's Argument Under 35 U.S.C. § 325(d)

Patent Owner contends that we should deny the Petition under 35 U.S.C. § 325(d) because the Petition presents “the same or substantially the same prior art or arguments previously . . . presented to the Office,” and “because Petitioner failed to meet their burden to show material error with respect to such art or arguments.” Prelim. Resp. 17–18 (quoting 35 U.S.C. § 325(d); citing *Advanced Bionics, LLC v. Med-El Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 (PTAB Feb. 13, 2020) (precedential)).

In evaluating the exercise of discretion to deny institution under Section 325(d), the Board uses the following two-part framework: (1) determining whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office; and (2) if either condition of the first part of the framework is satisfied, determining whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims. *See Advanced Bionics*, Paper 6 at 8.

Within this two-part framework, the Board considers a number of non-exclusive factors in evaluating whether to exercise its discretion under § 325(d). *See Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 (PTAB Dec. 15, 2017) (precedential as to § III.C.5, first para.); *see also Advanced Bionics*, Paper 6 at 9–11. The factors set forth in *Becton, Dickinson* are as follows:

- (a) the similarities and material differences between the asserted art and the prior art involved during examination;
- (b) the cumulative nature of the asserted art and the prior art evaluated during examination;

(c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection;

(d) the extent of the overlap between the arguments made during examination and the manner in which petitioner relies on the prior art or patent owner distinguishes the prior art;

(e) whether petitioner has pointed out sufficiently how the examiner erred in its evaluation of the asserted prior art; and

(f) the extent to which additional evidence and facts presented in the petition warrant reconsideration of the prior art or arguments.

Becton, Dickinson, Paper 8 at 17–18. *Becton, Dickinson* factors (a), (b), and (d) relate to whether the art or arguments presented in the Petition are the same or substantially the same as those previously presented to the Office. *Advanced Bionics*, Paper 6 at 10. Factors (c), (e), and (f) “relate to whether the petitioner has demonstrated a material error by the Office” in its prior consideration of that art or arguments. *Id.* Only if the same or substantially the same art or arguments were previously presented to the Office do we consider whether the petitioner has demonstrated a material error by the Office. *Id.* “At bottom, this framework reflects a commitment to defer to previous Office evaluations of the evidence of record unless material error is shown.” *Id.* at 9.

Patent Owner contends that “[t]he ten-year examination, including a prior decision from the PTAB reversing the Examiner, weighs heavily against institution of a proceeding based on the Petition here.” Prelim. Resp. 19. Patent Owner, however, does not allege that Hays, Levkovitz, Choi, Chu, or van Datta were cited to or considered by the Examiner or the Board during this examination. Rather, Patent Owner contends that “the Examiner

and the PTAB addressed two references that are similar to the primary references relied upon by the Petition,” i.e., Hays and Levkovitz. *Id.*

In particular, Patent Owner contends that the Examiner and the Board considered Willis (US 2006/0136297 A1) (Ex. 3001). Prelim. Resp. 20. Patent Owner contends that Willis describes inserting advertising content into video games and, in particular, delivering content to mobile platforms based on geographic location. *Id.* (citing Ex. 3001 ¶¶ 2, 39). Similarly, Patent Owner argues, Hays and Levkovitz both relate to providing targeted advertising for mobile video games based in part on geographic location. *Id.* at 20–21 (citing Ex. 1005, code (57); Ex. 1008, code (57), ¶ 6).

Petitioner responds that Patent Owner’s argument does not address Petitioner’s grounds based on Choi, Chu, and van Datta and, thus, denial is inappropriate for that reason alone. Prelim. Reply 1. Petitioner further argues that Hays and Levkovitz disclose the limitations missing from Willis that were the basis for the Board decision reversing the Examiner’s rejection and leading to allowance. *Id.* at 2 (citing Ex. 1002, 42).³

We agree with Petitioner. The prior Board decision observed that Willis discloses sending advertising content based on physical geographic location but does not teach “checking what updated video-game content to send based on one of the factors including a type of the mobile

³ Patent Owner argues that Petitioner’s reply arguments are improper new arguments, beyond the scope of the Petition, and should not be considered. Prelim. Sur-reply 1, 3. We disagree, as Petitioner’s reply arguments are responsive to Patent Owner’s Preliminary Response. *See* 37 C.F.R. § 42.23(b) (“A reply may only respond to arguments raised in the corresponding . . . patent owner preliminary response”). Furthermore, we expressly authorized Petitioner to file a reply addressing Patent Owner’s Section 325(d) arguments.

communication device, a telecom service associated with the mobile communication device, and a service provider of the telecom service.” Ex. 1002, 41–42. As explained in detail below, Petitioner shows persuasively, at least on the current record, that both Hays and Levkovitz teach the limitation the prior Board decision found missing from Willis. Patent Owner does not contend that Willis includes disclosure similar to the disclosure Petitioner cites to in Hays or Levkovitz for this limitation. Accordingly, we conclude that the same or substantially the same art and arguments were not previously presented to the Office, and, accordingly, the first part of *Advanced Bionics* is not satisfied. We need not reach the second part. We are not persuaded that we should exercise our discretion to deny the Petition under Section 325(d).

D. Printed Publication Status of Hays and Choi

In an *inter partes* review, a petitioner “may request to cancel as unpatentable 1 or more claims of a patent only on a ground that could be raised under section 102 or 103 and only on the basis of prior art consisting of patents or printed publications.” 35 U.S.C. § 311(b). Patent Owner argues that “[e]ach of Hays and Choi is only a ‘printed publication’ under § 311(b) as of the date it became available to the public—*i.e.*, after the June 26, 2007, priority date of the ’202 Patent.” Prelim. Resp. 42. Patent Owner argues that a prior art reference under pre-AIA 35 U.S.C. § 102(e) is a printed publication under Section 311(b) only as of its publication date and not as of its filing date. *Id.* at 43–44.

We disagree with Patent Owner’s statutory interpretation. Hays is a printed publication, having been published on May 1, 2008. Ex. 1005, code

(43). Choi is a printed publication, having been published on July 26, 2007. Ex. 1006, code (43). On this record, we are persuaded that Hays and Choi are prior art under 35 U.S.C. § 102(e), having been filed “by another . . . in the United States before the invention by the applicant for patent.” Thus, Petitioner asserts permissible grounds of unpatentability under 35 U.S.C. § 311(b) by arguing that claims 1–9 are unpatentable under 35 U.S.C. § 103(a) on the basis of Hays or Hays and Choi, which are prior art printed publications.

E. Obviousness Grounds Including Hays

Petitioner contends that claims 1–9 would have been obvious over Hays; that claims 1–9 would have been obvious over Hays and Choi; that claim 4 would have been obvious over Hays and Chu or Hays, Choi, and Chu; and that claim 6 would have been obvious over Hays and van Datta or Hays, Choi, and van Datta. Pet. 1. For the reasons explained below, Petitioner has shown that it is reasonably likely to prevail on the Hays ground as to at least one claim.

A claim is unpatentable under 35 U.S.C. § 103 if the differences between the claimed subject matter and the prior art are “such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.” We resolve the question of obviousness on the basis of underlying factual determinations, including (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of skill in the art; and (4) objective evidence of

nonobviousness, i.e., secondary considerations.⁴ *See Graham v. John Deere Co. of Kan. City*, 383 U.S. 1, 17–18 (1966).

1. Overview of Hays

Hays is directed to techniques for displaying advertisements in video games. Ex. 1005 ¶¶ 2–3. Figure 1A of Hays, reproduced below, illustrates an example:

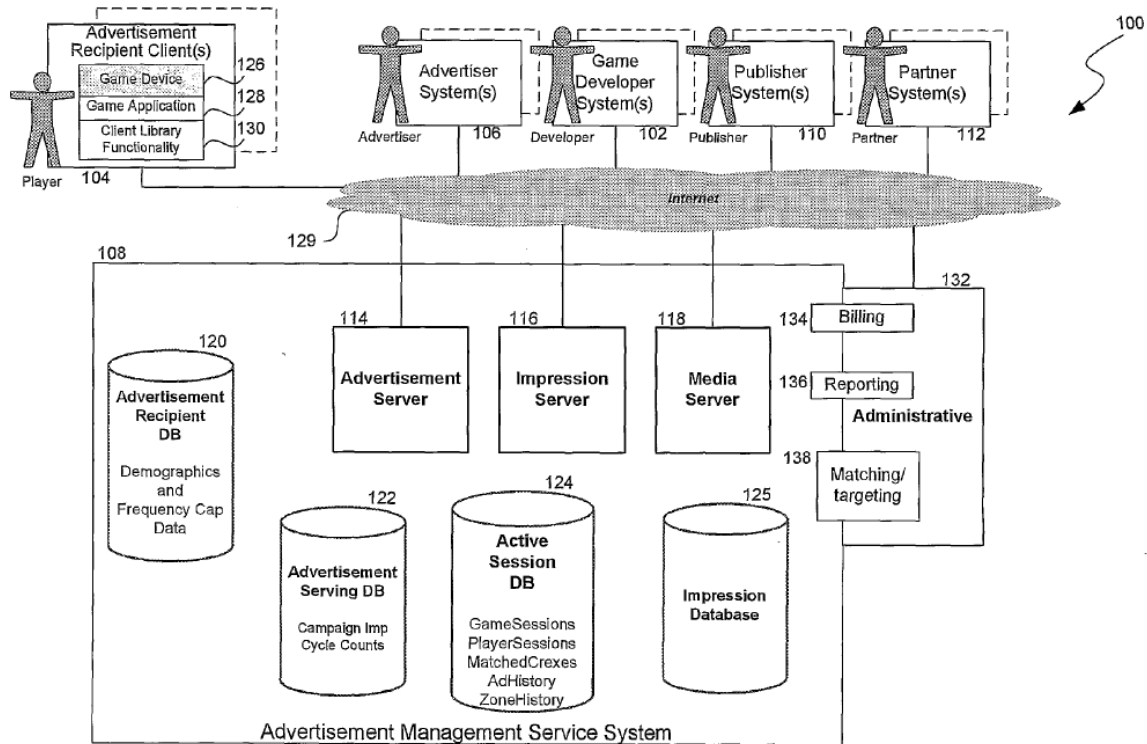


FIG. 1A

Figure 1 A is a block diagram of an environment for implementing an advertisement delivery scheme and associated facility. *Id.* ¶ 6.

Environment 100 includes several interconnected systems, including game developer system 102, advertisement recipient client 104 (e.g., a game

⁴ The record does not include allegations or evidence of objective indicia of nonobviousness.

player system), advertiser system 106, advertisement management service system 108, and game publisher system 110. *Id.* ¶ 27. Advertisement management service system 108 includes components and services, including advertisement server 114, advertisement recipient database 120, and advertisement serving database 122, to facilitate the management and dissemination of advertisements into games. *Id.* ¶ 28.

“[A]dvertisement server 114 may select advertisements based upon a variety of factors, including location, time of day, game player demographics, game play data, etc.” *Id.* ¶ 30. “The advertisement server 114 may also retrieve records from the advertisement recipient database 120 (e.g., demographic and login information for specific players) to select appropriate advertisements to serve to current available ad units that the game player will see in the video game.” *Id.* Figure 2, reproduced below, illustrates advertisement server 114 in more detail:

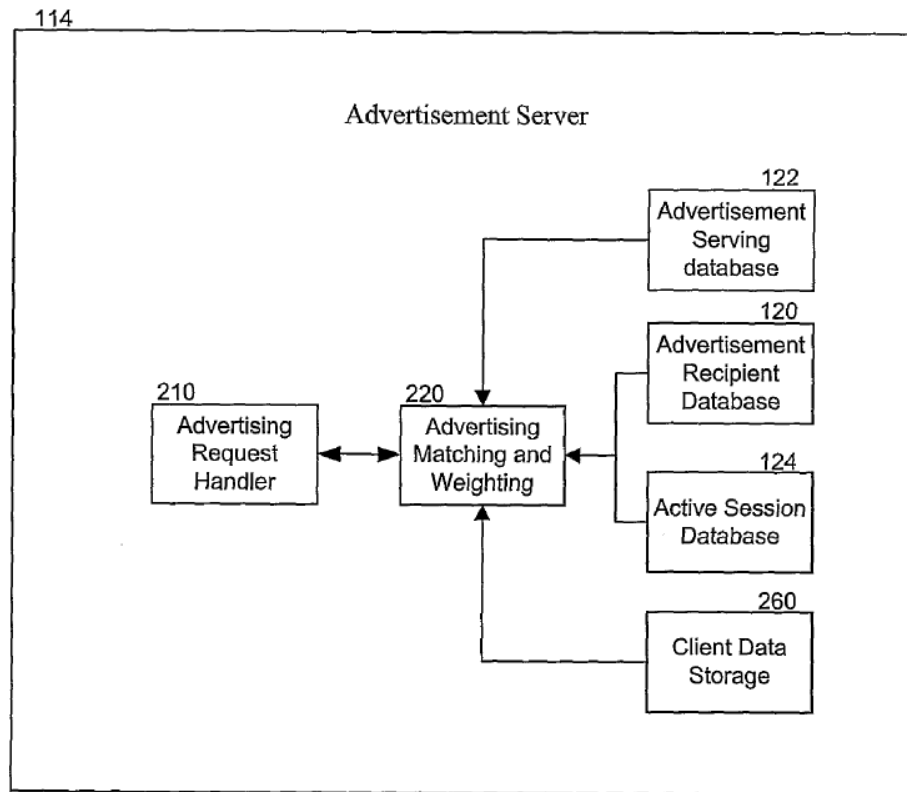


FIG. 2

Figure 2 is a block diagram showing the flow of data through the components depicted in Figure 1A in association with advertisement server 114. *Id.* ¶¶ 8, 37.

In Figure 2, advertisement recipient client 104 communicates with advertising request handler 210 associated with advertisement server 114 to enable the matching of advertisement campaigns to video game titles.

Id. ¶ 37. For example,

advertisement recipient client 104 requests advertisements for delivery to one or more available ad units within the client software application. This request contains a data structure that includes a unique identifier to indicate the client type, another unique identifier for the specific game player, the session ID and the list of advertising units for which advertisements are being requested. The client type can effectively be a [stock

keeping unit (SKU)], which includes a type of game console, game, language, etc.

Id. ¶ 40. Advertising request handler 210 forwards this request to advertising matching and weighting system 220, which processes the request and retrieves from advertisement recipient database 122 a set of one or more matched advertisements to be displayed. *Id.* ¶¶ 40, 43.

Specifically, advertising matching and weighting system 220 calculates the weight of each advertisement based on several factors, including information regarding the specific client type from advertisement recipient database 120, and selects one or more advertisements, where the probability of an advertisement being selected is directly derived from the advertisement's assigned weight, relative to other advertisements in the set.

Id. ¶ 43. The selected advertisements are sent back to requesting advertising request handler 210 and transmitted back to advertisement recipient client 104 for display. In an example,

the advertisement management service system may send bots or electronic agents into the game as advertising units or real characters in the game, which advertise or promote a product (e.g., a game character may move around a screen holding a can of Pepsi and ask player if they would like a drink).

Id. ¶ 79.

2. Overview of Choi

Choi “relates to methods and techniques for modifying existing mobile applications to permit either of both insertion of content adapted for operation on the target device, and retrieval of appropriate user and usage information from the device.” Ex. 1006 ¶ 2. Choi describes a distribution path of an application from an application publisher to an application

distributor through a wireless carrier network and, ultimately, to an end user's mobile device. *Id.* ¶ 3. In one embodiment, an ad manager module can use GPS location information to request location-specific advertising content from a network server. *Id.* ¶ 43. Choi also describes ad targeting based on demographic information. *Id.* ¶¶ 83–84.

3. Overview of Chu

Chu relates to “an architecture for enabling the definition, sales, distribution, and management of interactive advertisements, sponsorships, and placements that appear within an online video game as part of the game experience or during idle load, wait, and pause screens.” Ex. 1007, 1:24–28. “In one embodiment, [Chu] provides a unique method for online games to request advertising metadata and schedules that determine what advertisements are to display in specified locations within the game during specified times and according to specific display rules previously determined by an administrative user.” *Id.* at 14:20–26.

4. Overview of van Datta

Van Datta “relates to placing advertisements for products, services and/or advertisers that may be of interest to a particular consumer in a digital medium, such as an interactive video game, based in part upon the consumer's preferences, and tracking the advertisements that are selected and how often those advertisements are viewed by the consumer.” Ex. 1009, 1:23–29. In one example, objects (e.g., the face of a billboard) in a video game may be tagged to indicate that an advertisement may be embedded in that location. *Id.* at 2:59–64.

5. Analysis of Claims 1–9

Regarding claim 1, Petitioner contends that Hays’s advertisement delivery scheme teaches a “method for providing updated video-game content to a mobile communication device for use in a mobile video game,” as recited in the preamble of claim 1.⁵ Pet. 15–16. Specifically, Petitioner argues that campaign messages from advertisers are “updated video-game content,” Hays’s game titles are “mobile video games,” and Hays’s platform, e.g., a mobile phone embodiment of client 104, is a “mobile communication device.” *Id.* at 15–16 (citing Ex. 1005 ¶¶ 17, 21, 51; Ex. 1003 ¶¶ 92–95).

As to claim limitation 1[a], Petitioner contends that Hays’s client 104 (a mobile device) requests and receives advertisements (updated video-game content) from advertisement management service system 108. *Id.* at 16 (citing Ex. 1005 ¶ 32; Ex. 1003 ¶¶ 96–98). Petitioner contends that the advertisement is usable in Hays’s video game, e.g., a game character might move around the screen holding a can of Pepsi. *Id.* at 16–17 (citing Ex. 1005 ¶¶ 21, 79; Ex. 1003 ¶ 98).

As to claim limitation 1[c], Petitioner contends that Hays teaches that the advertisements selected by advertisement management service system 108 are uploaded, via advertising request handler 200, to client 104 for display. *Id.* at 20 (citing Ex. 1005 ¶ 43; Ex. 1003 ¶¶ 105–106). As Petitioner observes (Pet. 21), Hays’s “specific advertisements may be

⁵ Neither party takes a position as to whether claim 1’s preamble is a limitation. Pet. 15 (“[t]o the extent the preamble is limiting”); *see* Prelim. Resp. For purposes of this Decision, we need not determine whether the preamble is limiting, as Petitioner’s evidence, at least at this stage, is sufficient to show that Hays teaches the preamble.

presented in the appropriate available ad units at the appropriate time during game play.” Ex. 1005 ¶ 21.

Patent Owner does not offer argument or evidence, at this stage of the proceeding, disputing that Hays teaches the preamble and limitations 1[a] and 1[c] of claim 1. Petitioner’s evidence is sufficient, on the current record, to show that Hays teaches the preamble and limitations 1[a] and 1[c] of claim 1.

The parties dispute whether Hays teaches claim limitation 1[b], “checking what updated video-game content to send based on one of the factors including a type of the mobile communication device, a telecom service associated with the mobile communication device, and a service provider of the telecom service.”

Petitioner points to Hays’s description of client 104 transmitting a data structure including a client type (e.g., a SKU) including a type of game console) to advertising request handler 210, which forwards the request to advertising matching and weighting system 220. Pet. 17 (citing Ex. 1005 ¶ 40). Petitioner contends that this client type corresponds to “a type of the mobile communication device,” as recited in claim limitation 1[b]. *Id.* at 17–19 (citing Ex. 1005 ¶¶ 23, 40, 51; Ex. 1003 ¶ 102). Petitioner further contends that the client can send demographic information, including an IP address. *Id.* at 17–18 (citing Ex. 1005 ¶ 44). Dr. Zagal testifies that the IP address for a mobile communication device connected to a cellular network would be associated with a particular cellular service provider. Ex. 1003 ¶ 100. Petitioner contends that this corresponds to “a service provider of the telecom service,” as recited in claim limitation 1[b]. Pet. 18.

According to Hays,

The advertising matching and weighting system 220 may calculate the weight of each advertisement based on several factors including campaign goal and completion data from the advertisement serving database 122 and information regarding the specific client type from the advertisement recipient database 120. The advertising matching and weighting system 220 then selects one or more advertisements from the weighted advertisement set, where the probability of an advertisement being selected is directly derived from the advertisements assigned weight, relative to other advertisements in the set.

Ex. 1005 ¶ 43. Petitioner contends that this “discloses checking which advertisement (*i.e.* ***updated video-game content***) to send using weights assigned to advertisements based on the ‘type of game console’ and demographic information associated with the service provider.” Pet. 18 (citing Ex. 1003 ¶ 101).

In response, Patent Owner argues that Hays performs its matching using weights assigned to advertisements based on factors associated with the advertisements themselves, and not any of the factors recited in claim limitation 1[b]. Prelim. Resp. 36 (citing Ex. 1004 ¶ 43). According to Patent Owner,

regardless of what data a client device sends to the advertising matching system 220, Hays simply describes creating a weighted set of advertisements based on “several factors,” and then checking for updated advertisements to select based on an assigned weight, rather than any of the factors required to be used for the “checking” step in element 1(b).

Id.

At this stage of the proceeding, we are persuaded by Petitioner. Hays describes an advertising matching and weighting system that selects advertisements based on weights derived from factors that include the

client's device type. Ex. 1005 ¶43. The weights, and the ultimate selection, are, thus, based on the factors including device type. We disagree with Patent Owner's argument that Hays does not base its selection on client type. Hays's system checks what updated video-game content to send based, at least in part, on a type of mobile communication device because the weights are based on client type. Accordingly, Petitioner shows sufficiently that Hays teaches claim limitation 1[b].

In sum, Petitioner shows sufficiently, on the current record, that claim 1 would have been obvious over Hays.

Regarding claim 2, Petitioner contends that Hays's example of a game character holding a can of Pepsi teaches that "the updated video game content is promotional content." Pet. 21 (citing Ex. 1005 ¶ 79; Ex. 1005 ¶ 107).

Regarding claim 3, Petitioner contends that Hays's system includes information about the technical media formats accepted by each client and checks whether an advertisement is specifically approved for the client. *Id.* at 21–22 (citing Ex. 1005 ¶¶ 42–43; Ex. 1005 ¶¶ 108–110).

Regarding claim 4, Petitioner argues that Hays's advertisement server identifies and sends to the client pre-designated geometry within a game (e.g., billboards and storefront signs) and advertisements to place in those locations. *Id.* at 23–24 (citing Ex. 1005 ¶¶ 18, 29; Ex. 1003 ¶¶ 111–113).

Regarding claim 5, Petitioner contends that Hays describes an active session database that tracks and records all communications and data sent to and received from the client. *Id.* at 25–26 (citing Ex. 1005 ¶¶ 38, 45; Ex. 1003 ¶¶ 116–117).

Regarding claim 6, Petitioner cites to several examples in Hays, including Hays's description of mini games associated with specific advertised products, which are triggered and displayed when the user completes a level. *Id.* at 26–27 (citing Ex. 1005 ¶ 78; Ex. 1003 ¶ 120).

Regarding claim 7, Petitioner cites to examples in Hays of advertisement campaigns based on seasons, specific dates, and specific times of day. *Id.* at 28 (citing Ex. 1005 ¶¶ 23, 57; Ex. 1003 ¶ 124).

Regarding claim 8, Petitioner cites to examples in Hays of advertising targeted based on the geographic location (e.g., GPS coordinates) of the client. *Id.* at 29–30 (citing Ex. 1005 ¶ 30; Ex. 1003 ¶¶ 125–126).

Regarding claim 9, Petitioner argues that Hays teaches targeting advertisements based on demographic characteristics of the player, such as age, sex, geographic location, and purchasing habits. *Id.* at 30 (citing Ex. 1005 ¶ 44; Ex. 1003 ¶ 127).

Patent Owner does not offer argument or evidence, at this stage of the proceeding, disputing that Hays teaches the additional limitations of claims 2–9. Petitioner's evidence is sufficient, on the current record, to show that Hays teaches the additional limitations of claims 2–9.

Petitioner cites additional references in support of additional obviousness theories for claims 1–9. Specifically, Petitioner cites Choi for claim limitation 1[b] and claim 8 (Pet. 30–36); Chu for claim 4 (*id.* at 36–40); and van Datta for claim 6 (*id.* at 40–44). Because Petitioner's showing is sufficient for Hays alone, we need not, at this stage of the proceeding, address further Petitioner's additional contentions for Choi, Chu, and van Datta. Because we institute a trial as to the Hays ground, we institute on the additional grounds as well. *See* 37 C.F.R. § 42.108(a) (“When instituting

inter partes review, the Board will authorize the review to proceed on all of the challenged claims and on all grounds of unpatentability asserted for each claim.”).

F. Obviousness Grounds Including Levkovitz

Petitioner contends that claims 1–3 and 5–9 would have been obvious over Levkovitz; that claim 4 would have been obvious over Levkovitz and Chu; and that claim 6 would have been obvious over Levkovitz and van Datta. Pet. 1. For the reasons explained below, Petitioner has shown that it is reasonably likely to prevail on the Levkovitz ground as to at least one claim.

1. Overview of Levkovitz

Levkovitz is related to contextual and/or non-contextual placement of advertisements or banners within an application (e.g., a video game) executed by a cellular phone, a mobile phone, or other wireless communication device. Ex. 1008 ¶¶ 5, 6. In one example, an “ad server may selectively serve content items to [a] content client, based on parameters related to the mobile phone, e.g., manufacturer identifier, model identifier, available memory, presentation capabilities, or the like.” *Id.* ¶ 6. Figure 1 of Levkovitz, reproduced below, illustrates an example:

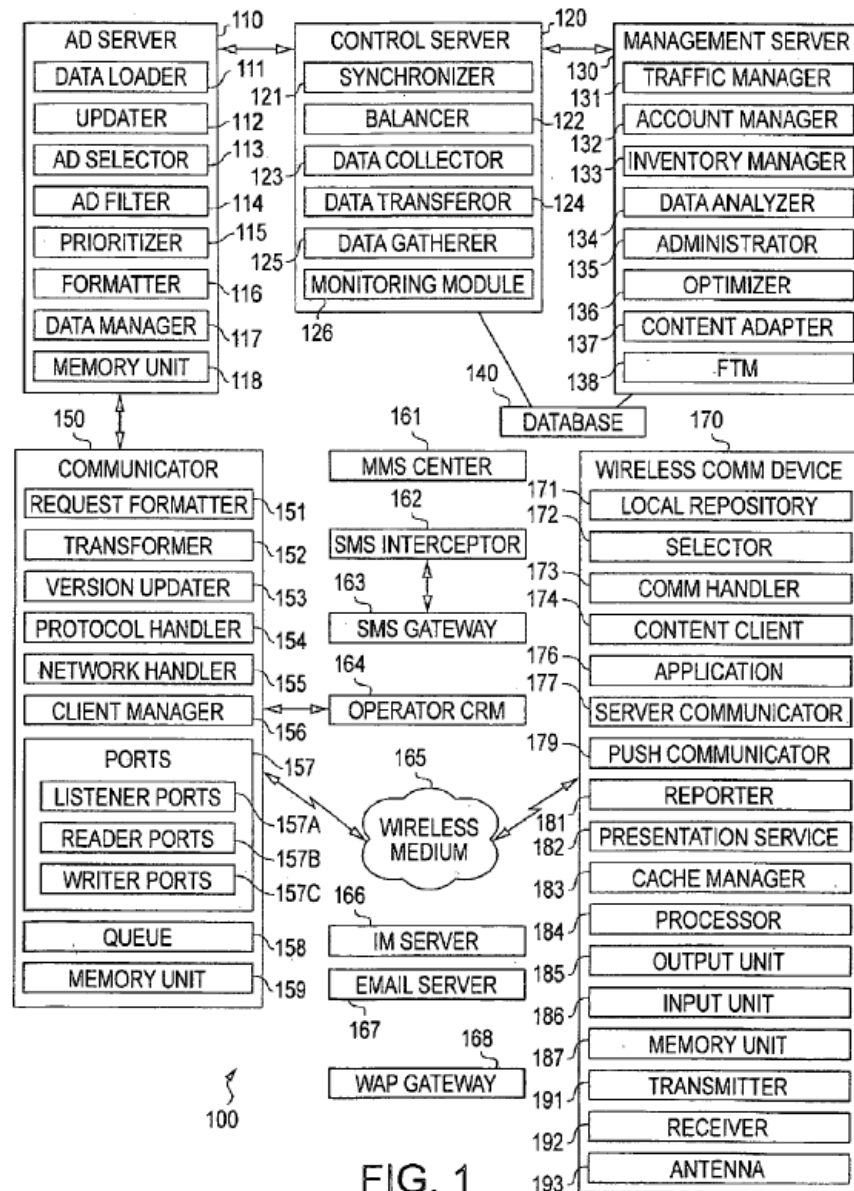


FIG. 1

Figure 1 is a schematic block diagram of a wireless communication system. *Id.* ¶ 105.

Wireless communication system 100 includes ad server 110, control server 120, management server 130, database 140, communicator 150, and wireless communication device 170. *Id.* ¶ 122. Wireless communication device 170 includes application 176 (e.g., a game or software application) having content client 174. *Id.* ¶ 123. Levkovitz gives the example of a

chess game. *Id.* ¶ 127. Content client 174 sends to communicator 150 a content request to receive a content item, such as an advertisement. *Id.* ¶¶ 123, 125. The content request can include data indicating properties of wireless communication device 170, including handset manufacturer and handset model. *Id.* ¶ 123.

Ad server 110, connected to communicator 150, processes content requests and selectively determines which content items match the content requests. *Id.* ¶ 126. Ad server 110 selects content items that can be adequately presented by device 170 based on properties of wireless communication device 170, e.g., handset model. *Id.* Ad server 110 transmits the selected content items to communicator 150, which transmits the content items to wireless communication device 170. *Id.* ¶¶ 128, 129. Content items can be presented within application 176, during or together with the execution of application 176. *Id.* ¶ 131.

2. Analysis of Claims 1–9

As to the preamble of claim 1, Petitioner contends that Levkovitz teaches placement of advertising content within an application, such as a game, for a cellular phone or other wireless communication device. Pet. 45 (citing Ex. 1008 ¶¶ 5, 123, 127; Ex. 1003 ¶¶ 164–166).

As to claim limitation 1[a], Petitioner argues that Levkovitz's device 170, including application 176 (e.g., a video game), requests content items from an ad server to receive content items (e.g., advertisements). *Id.* at 45–46 (citing Ex. 1008 ¶¶ 6, 124, 175; Ex. 1003 ¶¶ 167–169).

As to claim limitation 1[c], Petitioner points to Levkovitz's description of the ad server serving content items (alleged updated video-

game content) to the cellular phone for presentation using application 176. *Id.* at 47 (citing Ex. 1008 ¶¶ 127, 131, 320; Ex. 1003 ¶ 172). Dr. Zagal testifies that the presentation of the advertisement within a game shows that the content is usable when the video game is operating on the cellular phone. Ex. 1003 ¶ 172.

Patent Owner does not offer argument or evidence, at this stage of the proceeding, disputing that Levkovitz teaches the preamble and limitations 1[a] and 1[c] of claim 1. Petitioner’s evidence is sufficient, on the current record, to show that Levkovitz teaches the preamble and limitations 1[a] and 1[c] of claim 1.

As with Hays, the parties dispute whether Levkovitz teaches claim limitation 1[b], “checking what updated video-game content to send based on one of the factors including a type of the mobile communication device, a telecom service associated with the mobile communication device, and a service provider of the telecom service.”

Petitioner contends that, after receiving a content request from a cellular phone, Levkovitz’s ad server selectively serves content items to the content client of the mobile phone based on parameters related to the mobile phone, including manufacturer and model identifiers. Pet. 46–47 (citing Ex. 1008 ¶¶ 6, 126; Ex. 1003 ¶¶ 170–171). Dr. Zagal testifies that manufacturer and model identifiers are “factors” including “a type of the mobile communication device,” as recited in claim limitation 1[b]. Ex. 1003 ¶ 171.

Patent Owner responds that Petitioner’s analysis of claim 1, especially limitation 1[b], is “largely conclusory” and “spans just *ten lines*.” Prelim. Resp. 39–40. Patent Owner argues that Petitioner’s citations to Levkovitz

for limitation 1[b], Exhibit 1008 ¶¶ 6 and 126, are separated by 120 intervening paragraphs and Petitioner does not adequately explain why the embodiments of those paragraphs would have been combined. *Id.* at 40. Patent Owner contends that showing that Levkovitz’s server selectively serves content items to a content client does not adequately teach the “checking” requirement of claim limitation 1[b]. *Id.*

At this stage of the proceeding, we are persuaded by Petitioner. Levkovitz states that content client 174 of device 170 sends to communicator 150 a request to receive one or more content items, for example, an advertisement, and that the content request includes data indicating properties of device 170, for example, handset manufacturer and handset model. Ex. 1008 ¶¶ 123, 125. Ad server 110, connected to communicator 150, obtains the content request and searches content items repository 118 for content items that match the content request’s requirements. *Id.* ¶ 126.

In some embodiments, ad server 110 may selectively determine which content items, which may be previously stored in the content items repository 118, match the content request being processed, e.g., using queries, filters, selection rules, capping rules, or other conditions or criteria. In one embodiment, for example, ad server 110 may select one or more content items which may be adequately presented by device 170 based on properties of device 170, e.g., handset model

Id. We find this to be a sufficient description of ad server 110 checking what updated video-game content to send to device 170 based on factors including device 170’s type of mobile communication device, at least at this stage of the proceeding. Patent Owner expresses concern that Petitioner’s analysis is too short and too conclusory, but otherwise does not identify error in Petitioner’s analysis. Patent Owner’s argument regarding the gap

between paragraphs 6 and 126 of Levkovitz is misplaced. Paragraph 6, in Levkovitz’s “Summary of the Invention,” summarizes the more detailed description of the embodiment described in paragraph 126 and does not describe a different embodiment that Petitioner seeks to combine with paragraph 126. Accordingly, Petitioner shows sufficiently that Levkovitz teaches claim limitation 1[b].

In sum, Petitioner shows sufficiently, on the current record, that claim 1 would have been obvious over Levkovitz.

Regarding claim 2, Petitioner contends that Levkovitz’s advertisements are “promotional content.” Pet. 48 (citing Ex. 1003 ¶ 173).

As to claim 3, Petitioner contends that the examples in paragraph 126 of Levkovitz show “checking whether the communications device should receive the updated video-game content before uploading the updated video-game content to the communications device.” *Id.* (citing Ex. 1008 ¶¶ 22, 126; Ex. 1003 ¶¶ 174–175).

Regarding claim 5, Petitioner contends that Levkovitz’s device 170 logs information including data indicating the content items that it has presented. *Id.* at 49 (citing Ex. 1008 ¶ 132; Ex. 1003 ¶ 176). Petitioner contends that, by logging what it has presented, device 170 logs what has been uploaded to it. *Id.*

As to claim 6, Petitioner points to Levkovitz’s description of presenting a content item only when a pre-defined period of inactivity elapses, which Petitioner contends is presenting based on a period from the user’s last interaction. *Id.* at 49–50 (citing Ex. 1008 ¶¶ 129, 187; Ex. 1003 ¶¶ 177–178). Petitioner also cites to Levkovitz’s description of presenting an advertisement in response to a triggering event such as a completion of a

level, goal, or score in the game. *Id.* at 50 (citing Ex. 1008 ¶ 318; Ex. 1003 ¶ 179).

As to claim 7, Petitioner points to Levkovitz’s description of presenting advertisements for a pre-defined time period. *Id.* at 50 (citing Ex. 1008 ¶¶ 129, 187; Ex. 1003 ¶ 181).

For claim 8, Petitioner cites to Levkovitz’s description of presenting an advertisement based on where device 170 is geographically located. *Id.* at 50–51 (citing Ex. 1008 ¶¶ 129, 187; Ex. 1003 ¶ 181).

As to claim 9, Petitioner points to Levkovitz’s description of ad server 110 serving content items based on parameters such as age, age group, gender, and marital status. *Id.* at 51 (citing Ex. 1008 ¶ 6; Ex. 1003 ¶ 182).

Patent Owner does not offer argument or evidence, at this stage of the proceeding, disputing that Levkovitz teaches the additional limitations of claims 2, 3, and 5–9. Petitioner’s evidence is sufficient, on the current record, to show that Levkovitz teaches the additional limitations of claims 2, 3, and 5–9.

Patent Owner cites van Datta for an additional obviousness theory as to claim 6. Pet. 55–59. Because Petitioner’s showing is sufficient for Levkovitz alone, we need not, at this stage of the proceeding, address further Petitioner’s additional contention based on van Datta. Because we institute a trial as to the Levkovitz ground, we institute on the ground based on Levkovitz and van Datta as well. *See* 37 C.F.R. § 42.108(a).

Petitioner contends that claim 4 (“sending information to the mobile communication device as part of the updated content, the information providing an in-game placement location associated with the updated video-game content”) would have been obvious over Levkovitz and Chu. Pet. 51–

54. Specifically, Petitioner proposes modifying Levkovitz's system to incorporate Chu's teachings of requesting and receiving advertising metadata and schedules that determine what advertisements are displayed in specified locations within a game. *Id.* at 51–52 (citing Ex. 1007, 14:20–15:5), 54 (citing Ex. 1003 ¶ 190). Dr. Zagal testifies that a skilled artisan would have been motivated to combine these teachings to increase advertising sales. Ex. 1003 ¶ 186 (citing Ex. 1007, 9:6–10:1). He further testifies that the combination would have been the application of Chu's known technique to Levkovitz's system, and would have yielded predictable results. *Id.* ¶ 187 (citing Ex. 1008 ¶ 186). He further testifies that a skilled artisan would have had a reasonable expectation of success as the modifications to Levkovitz's system would have been straightforward. *Id.* ¶ 188. On the current record, Petitioner has shown sufficiently that Chu teaches the additional limitation of claim 4 and that a skilled artisan would have had reasons, with rational underpinning, to combine the teachings of Levkovitz and Chu, with a reasonable expectation of success.

IV. CONCLUSION

Petitioner has established a reasonable likelihood that it would prevail with respect to at least one claim of the '202 patent.

Our factual findings, conclusions of law, and determinations at this stage of the proceeding are preliminary, and based on the evidentiary record developed thus far. This is not a final decision as to the patentability of claims for which *inter partes* review is instituted. Our final decision will be based on the record as fully developed during trial.

V. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that pursuant to 35 U.S.C. § 314(a), an *inter partes* review is instituted as to claims 1–9 of the '202 patent on all of the grounds set forth in the Petition; and

FURTHER ORDERED that pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4, notice is given of the institution of a trial; the trial will commence on the entry date of this Decision.

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