

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. IPR2024-00133

Patent No. 8,688,089

PATENT OWNER'S PRELIMINARY SUR-REPLY

EXHIBIT LIST

Exhibit	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 new arguments on discretionary denial. But, at bottom, similar art was considered during the ’089 Patent’s prosecution history, including with respect to the “non-promotional background object” limitation. 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 the claims of the ’089 Patent is meant to cover. Moreover, Petitioner’s Reply wholly ignores the lengthy constructions Petitioner proposes at the district court for multiple terms, which the Petition does not address—thus dooming its analysis.

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 already included a section addressing § 325(d). *See* Petition at 65–66. Therein, Petitioner asserted, in mere boilerplate, that “[n]one of the cited references 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 66. The Petition fails to set forth any specific evidence or other facts to demonstrate that the prior art asserted in the Petition (*e.g.*, Ho, Jiau, Sturman) is materially different from the art cited during prosecution of the '089 Patent (*e.g.*, Chu, Lauper). Petitioner should be limited to its boilerplate argument and cannot replace it with entirely new argument on reply. TPG at 73.

Petitioner newly suggests that FPG's § 325(d) arguments regarding Ho, Jiau, and Sturman apply to only Ground 3. This is wrong. Of the two remaining references used in Grounds 1–2 (Choi and Ellis), only one, Choi, is used to address an element of an independent claim (element 1[d]) and there only in combination with Ho. Otherwise, the secondary references are used only to address dependent Claims 3, 7 and 8 (Choi) and dependent Claims 4–5 and 9–10 (Ellis). Such 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—Ho, Jiau, and Sturman—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 (*e.g.*, Chu, Lauper).

Just like Chu and Lauper, none of Ho, Jiau, or Sturman discloses the claimed “non-promotional background object.” Petitioner’s new argument otherwise is based on a new contention that the Patent Owner “defined” the term as something other than its plain meaning. Reply at 2. In fact, however, there is no such lexicography, as the Petition itself concedes that no terms “require construction.” Petition at 14.

Like the “game components” in Chu (*e.g.*, “game character”), Ho describes that its “interactive information element” (*e.g.*, “character 52”) is prominently presented in the forefront of Ho’s game for *user engagement*—and thus is not a “non-promotional **background** object.” See POPR at 14–16, 30–33. And like the “advertising placards” disclosed in Lauper, each of Sturman and Jiau undisputedly describes “sign[s]” containing “advertisement[s],” such as “billboards” and “storefront signs,” See POPR at 16–19. Contrary to the Reply, the Petition never specifically identifies “clothing on characters” in Sturman as satisfying the “non-promotional background object” limitation. See Petition at 57. In any event, Sturman equates “T-shirts on a game character” with promotional objects, such as “billboards, storefront signs, [etc.],” akin to Lauper’s “advertising placards.” Ex.

1006, [0019]. Similarly, and contrary to the Reply, the Petition never identifies Jiau’s “object with pass-through” as satisfying the “non-promotional background object” limitation. *See* Petition at 32. Nor could the Petition do so, because Jiau makes clear it “does not [] have any links” (*i.e.*, “hot spots”). Ex. 1005, 11:29–31, 15:31–32.

II. Inconsistent Claim Construction Positions Doom the Petition

The Reply implicitly concedes that Petitioner’s claim construction positions are inconsistent, but attempts to brush that off by saying Petitioner’s indefiniteness arguments were simply “a placeholder position,” and that it has now “dropped most of those positions.” Reply at 4 n.2. Petitioner cites no authority to support the novel theory that calling something a “placeholder” inoculates against an inconsistent position. And 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 13.

Further, Petitioner *still* contends that the term “non-promotional” in the claims of the ’089 Patent is indefinite. *See* Ex. 2002 at 14. And Petitioner’s expert at the district court, Henry Hough, claims that the use of “non-promotional” in the claims means that a POSITA “would not understand the scope” of the claims. Ex. 2003, ¶ 48. This position is plainly inconsistent with Petitioner’s and Dr. Zagal’s statements to the Board. Petition at 13; Ex. 1003, ¶¶ 73–74. More critically, it demonstrates that

Petitioner cannot shoulder its burden with respect to element 1[d][i], which is the only element Petitioner argues forecloses denial under § 325(d).

Additionally, at the district court, Petitioner *still* contends that each of the claim terms “hot spot” and “background object” should be construed according to Petitioner’s *lengthy* proposed constructions. *See* Ex. 2002 at 13, 15. Those express constructions are plainly inconsistent with Petitioner’s and Dr. Zagal’s statements to the Board. Petition at 13; Ex. 1003, ¶¶ 73–74. And tellingly, Petitioner’s Reply fails to address these undisputed inconsistencies in any way. More critically, the Petition fails to demonstrate that any cited prior art reference discloses either claim term according to Petitioner’s proposed constructions. POPR, at 26–28, 33.

Petitioner’s cited authority does not support its inconsistent positions. In *Western Digital Corp. v. SPEX Techs., Inc.*, the petition was based on constructions urged by the patent owner in related district court litigation. IPR2018-00082, Paper 11 at 12 (P.T.A.B. 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 (P.T.A.B. Aug. 5, 2021). In contrast, the Petition never refers to, let alone relies on, any constructions urged by the Patent Owner in any related district court litigation. Rather, here, Petitioner *alone* is the source of each inconsistency. *E.g.*, Ex. 2002 at 13, 14, 15.

Dated: April 1, 2024

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Patent Owner's Preliminary Sur-Reply has been served electronically via email upon the following:

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