

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

PLR WORLDWIDE SALES LIMITED,
Petitioner,

v.

FLIP PHONES GAMES INC.,
Patent Owner.

Case No. IPR2024-00209
U.S. Patent No. 9,427,662

PETITIONER'S REQUEST FOR DIRECTOR REVIEW

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In a split decision, the Board found all the challenged claims of U.S. Patent No. 9,427,662 (“’662 Patent,” Ex. 1001) unpatentable except dependent claims 12 and 20. Paper 28 (the “Decision” or “Dec.”) at 47. The element the majority found missing (a “second hot spot”) merely involves repetition of an existing element (the first “hot spot”) the Board found was disclosed by the prior art. The majority’s decision implicates an abuse of discretion and erroneous finding of material fact: (1) because as AJP Galligan found, the majority failed to consider Jiau’s teachings as a whole and what they fairly suggest (it includes an explicit disclosure of a “plurality of hotspots”), as required by established precedent; and (2) because it did not address all of Petitioner’s arguments. Petitioner respectfully requests Director Review for the reasons set forth herein.

LEGAL STANDARD

A request for Director Review allows the Director to intervene to avoid a Final Written Decision being reversed on appeal by the Federal Circuit. Thus, among other reasons, Director Review may be requested if a Final Written Decision “implicates potential (a) abuse of discretion” or “(c) erroneous findings of material facts.” See Revised Interim Director Review Process, § 5(A).

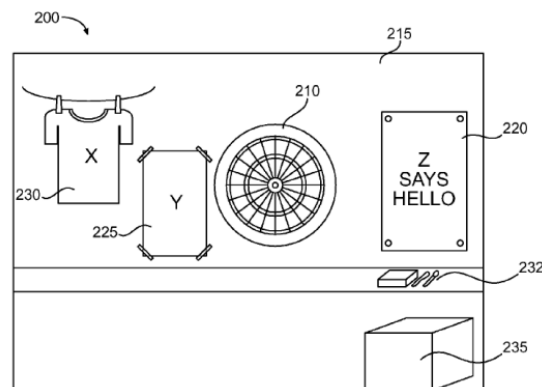
BACKGROUND

A. U.S. Patent No. 9,427,662 (Ex. 1001)

The ’662 Patent is directed to systems and methods that provide “hot spots” in a mobile game. Ex. 1001, 1:6-8. “A hot spot is an in-game feature that includes

an activation element and a content element that is triggered by the activation element.” *Id.*, 2:21-23. “The activation element may comprise an area location or an item, sometimes hidden in the game, that can be triggered by a user or some other in-game element.” *Id.*, 2:27-29. The content element is “displayed when the hot spot is activated” and “may include ... a message, and the message may be promotional.” *Id.*, 2:3:34-37. “[A] promotional message, such as for a window repair company, may be displayed to the user” when a hot spot is activated. *Id.*, 8:16-18.

Figure 2A illustrates “an exemplary scene in a video game” played on a mobile communication device.”



Id., 3:43–45. The ’662 describes Figure 2A and explains that a shirt 230 may be a “hot spot,” such that when a dart hits the shirt a promotional message appears:

Turning now to FIG. 2A, several items 210, 220, 225, 230, and 235 are shown within scene 200. In this example, virtually any of these items may be defined as hot spots on the mobile communication device. For instance, if the user throws a dart that hits shirt 230, a promotional message associated with third party X may pop up on screen.

Id., 6:44-54. The patent includes a conclusory teaching that “the activated content

of a first hot spot may include placing a second hot spot in-game.” *Id.* at 12:21-24.

B. Dependent Claims 12 and 20 of the '662 Patent

Claims 12 and 20 depend on independent Claims 1 and 13, respectively.

Claim 1 is representative of the independent claims and recites “hot spot information comprising: hidden content for presenting to the user when the hot spot is activated”:

1. A method for retrieving and displaying a hot spot associated with a video game operable on a mobile communication device, comprising:

a) contacting a server for hot spot information to download...

b) downloading hot spot information from the server to the mobile communication device, the hot spot information comprising:

1) hidden content for presenting to the user when the hot spot is activated; and

2) coordinate information;

c) designating a non-promotional location in-game associated with activating the hot spot based on the coordinate information;

d) displaying an object at the designated non-promotional location; and

e) displaying the hidden content when the user activates the hot spot.

Claims 12 and 20 involve repetition of an existing element (the first hot spot) and add only the concept of a second hot spot. They recite that the hidden content that is displayed when a first hot spot is activated comprises a second hot spot: “The method of claim [1/13], wherein the hidden content comprises a second hot spot.”

C. Petitioner’s Reliance On Jiau (International Patent Pub. No. WO 2000/070489) (EX1006) For Dependent Claims 12 and 20

Jiau relates to “virtual worlds,” such as three-dimensional worlds that may be presented to a player as part of a video game. Pet. at 37; Ex. 1006, Abstract, 1:7-21.

Jiau broadly teaches that its game may include objects that are associated with "hotspots." Pet. at 37 ("The virtual world may also include "hotspots" that are "assign[ed] [to] a part of an existing object"). "Hot spots are areas of an object (or a whole object) that have an associated link." *Id.*

Activation of a hot spot can "cause an action." *Id.* For instance, Jiau discloses that an object can be defined as an "object with associated action," and that "walking into this type of object will cause the user to view an action, such as a pop-up ad or animation." *Id.* at 12:1-2. Jiau disclose other examples of objects, such as an object that allows a user to enter an interior. Ex. 1006, 11:16-12:14. Jiau also states that an object can have a "plurality of hot spots" associated with it. *Id.*, Claims 8-10.

Petitioner explained that the exemplary scene in Figure 11(e) of Jiau discloses

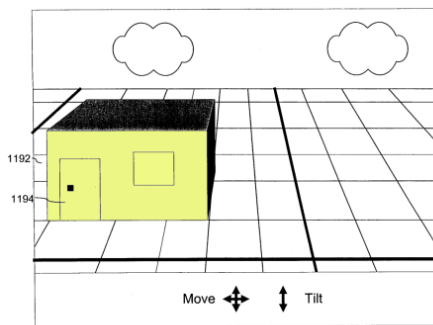


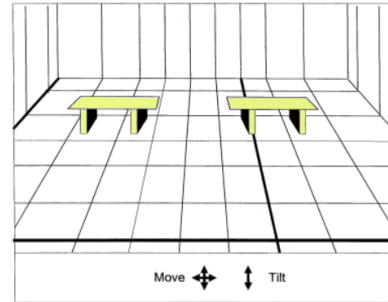
Fig. 11(e)

an object (building 1192) that has a hotspot (door 1194). Pet. at 50 (citing Ex. 1006, Fig. 11(e)) (yellow annotation added). Petitioners identified the door as the first hotspot which reveals hidden content,

namely the interior of the object. *Id.* at 55-56.

Figure 11(f) "shows an example of an interior of object 1192 of Fig. 11(e)" that appears "[w]hen a user activates hotspot 1194 of Fig. 11(e)." Ex. 1006, 15:21–23. Based on Jiau's teaching that an object can have a plurality of hotspots, that Jiau broadly describes that objects can have hotspots associated with them, and based on

Figure 11(f), which illustrates additional objects such as furniture, Petitioner and its expert identified the benches (in yellow) as objects that may be associated with an associated action, such that they would be a second “hot spot.” Pet., 56 (citing Ex. 1006, Fig. 11(f)); Ex. 1003 ¶206; Reply 21.



D. The Final Written Decision

The Board found Claims 1 and 13 – which recite “hot spot information” comprising hidden content for presenting to the user when the hot spot is activated”—unpatentable. In a split decision, however, the Board found that Jiau did not render Claims 12 and 20 unpatentable.

The majority’s decision rests entirely on whether the furniture shown in Figure 11(f) of Jiau is a “second hot spot.” The majority and dissent both agree that an object that displays a pop-up advertisement when activated by a user would be a second “hot spot.” Dec. at 17. Jiau’s furniture is an object and the dissent correctly noted that Jiau teaches, at the very least fairly suggests, that it may be defined to have an “associated action,” such as displaying a pop-up advertisement when activated. *Id.* at 3. Paper 28 (“Dissent”) at 2-3. The claims of Jiau explicitly disclose “a plurality of hotspots.” Ex. 1006, Claims 8-10. The Decision is discussed below.

1. The Majority Opinion

The majority states that in Jiau “[h]ot spots are defined as areas of an object

(or a whole object) that have an associated link.” Dec. at 39 (citing Ex. 1006, 15:31-32). “For example, when the user touches or selects an object, a pop-up advertisement may appear.” *Id.* (citing Ex. 1006, 16:31-32). The majority also confirms that objects that “can display hidden information, such as an advertisement, when activated by a user, []are ‘hot spots’ as used in the ’662 patent.” Dec. at 17.

In its analysis of claims 12 and 20, the majority states that Jiau is “silent” regarding whether the furniture shown in Figure 11(f) may be an object associated with an action (*i.e.*, a second hot spot). Dec. at 41-45. In particular, the majority quotes the discussion of Figures 11(e) and 11(f) in Jiau’s specification and concludes that “[n]othing in Jiau’s specification indicates that the pieces of furniture shown in Jiau Figure 11(f) are either objects or have hotspots associated with them.” Dec. at 44. The majority also dismisses the testimony of Petitioner’s expert—who testified that “[t]he hidden content, for instance, the furniture in the building interior may comprise additional hot spots which are similarly activated when a user ‘collides with or passes sufficiently close’ to them”—for this same reason. *Id.*

Further, the majority did not consider whether Jiau renders Claims 12 and 20 obvious on the basis that the Petition purports to “lack[] any argument as to why a person having ordinary skill in the art would modify Jiau.” Dec. at 45.

2. The Dissenting Opinion

APJ Galligan dissented. Unlike the majority, the dissent found persuasive

Petitioner’s contention “that the interior of object 1192, which Petitioner maps to the recited ‘hidden content,’ ‘may comprise additional hotspots associated with the furniture (yellow) in the building interior that are activated when a user ‘collides with or passes sufficiently close’ to them.’” Dissent at 2.

The dissent states that Jiau teaches actions that may be associated with objects. Dissent at 3. For instance, the dissent explains that Jiau teaches that objects in its game may be defined as, among other things, “an object with associated” action. *Id.* at 3 (Ex. 1006, 12:1–2). The dissent also notes that if the furniture in Figure 11(f) may be defined as an “object with associated action,” it would teach a second “hot spot” because walking into such an object “will cause the user to view an action, such as a pop-up ad.” *Id.* at 3 (Ex. 1006, 12:1–2). Thus, the dispute turns on whether the furniture is an object that may be defined to have an action.

The dissent rightly criticizes the majority’s opinion that “nothing in Jiau’s specification indicates that the pieces of furniture shown in Jiau Figure 11(f) are either objects or have hotspots associated with them” because it fails to consider Jiau for what it fairly suggests. In particular, the dissent explains that “Jiau’s inclusion of benches within the interior of object 1192 suggests, at the very least, that they are objects” that may be associated with actions (*i.e.*, they are hot spots):

I would find that Jiau’s inclusion of benches within the interior of object 1192 suggests, at the very least, that they are objects. *Bradium Techs. LLC v. Iancu*, 923 F.3d 1032, 1049 (Fed. Cir. 2019) (“[A] reference must be considered not only for what it expressly

teaches, but also for what it fairly suggests.” (quotations and citation omitted)). **I further find persuasive Petitioner’s contention and Dr. Zagal’s testimony that the furniture “may” have hot spots (Pet. 56; Ex. 1003 ¶ 206) because it is consistent with Jiau’s disclosure that certain types of objects have hot spots. Ex. 1006, 11:19– 20:12.**

Dissent at 3-4.¹

As the dissent explains, the majority’s reading would restrict Jiau to disclosing that a user enters “a blank room” that is devoid of functionality, which the dissent believes is inconsistent with Jiau’s overall teachings and a “reasonable reading of what Jiau fairly suggests to a person of ordinary skill in the art”:

I believe this reading of Jiau [the dissent’s] is consistent with Jiau’s overall teachings of “allow[ing] users to explore and interact in a multi-owner, three-dimensional virtual world.” Ex. 1006, 1:31–32. Although a game implemented according to the teachings of Jiau could have the user enter a blank room with no further functionality, I believe a reasonable reading of Jiau fairly suggests to a person of ordinary skill in the art including functionality via the disclosed objects in spaces encountered by the user. See Ex. 1006, 11:16–18 (“If the user walks into an object or selects an object though a mouse click or similar means (step 216), the client system takes various actions (step 224), depending on how the object is defined.”).

Dissent at 3-4.

The dissent also criticizes the majority for placing undue emphasis on whether Jiau’s specification expressly refers to the furniture in Figure 11(f) as “objects.” As the dissent explains, one would not expect Jiau to “belabor all of the possibilities

¹ All emphasis have been added unless otherwise noted.

associated with every item” in its figures because it already describes how the objects in the figures may be defined, including as an object with associated actions:

Although Jiau does not expressly describe the benches in Figure 11(f) as “objects,” **I would not expect Jiau or any reference to belabor all of the possibilities associated with every item in a figure once the reference had laid out those possibilities in detail, as Jiau does by specifying types of objects and associated actions.**

Dissent at 4.

Unquestionably, the benches in Figure 11(f) are objects. Judge Howard, while ultimately joining the majority, confirmed at the hearing that there is no other way to describe them: **“if I can’t use the word objects [to describe the benches], I’m not even sure how I would – those things inside Figure 11(f), they look like objects.”** Paper 27 (Transcript) at 37:4-9; *see also id.*, 37:4-9 (**“Looking at the Figure 11(f) that you have there, it does show objects that are in there. There’s two benches.”**). And Jiau broadly discloses that any object in its game may be defined as an “object with associated action,” such that a pop-up appears when a user walks into the object. Ex. 1006, 12:1-2; Reply at 21; Pet. at 55-56. Thus, the dissent correctly found that Jiau discloses, or at least fairly suggests, to a POSITA the additional limitations of Claims 12 and 20.

ARGUMENT

A. The Majority’s Failure To Consider Jiau’s Teachings And What They Fairly Suggest Constitutes An Abuse Of Discretion And Erroneous Finding Of Material Fact

As the dissent found, Petitioner showed that Jiau discloses, or at least fairly

suggested, that “hidden content comprises a second hot spot,” as recited in Claims 12 and 20. *See* Pet. at 55-56; Reply at 21. Specifically, based on Jiau’s explicit teaching that an object can have a “plurality of hotspots,” that Jiau broadly describes that objects can have hotspots associated with them, and based on Figure 11(f), which illustrates objects such as furniture, Petitioner identified the furniture as objects that may be associated with an action (a “second hot spot”). It is undisputed that objects associated with an action are “hot spots.”² Nor is it disputed that Jiau discloses objects may have a “plurality of hot spots.” Ex. 1006, Claim 8-10.

However, the majority concludes that Jiau’s specification is “silent” about the furniture in Figure 11(f), and does not disclose to a POSITA that they are “objects or have hot spots associated with them.” Dec. at 44. This interpretation of Jiau is inconsistent with Jiau’s plain language identifying a “plurality of hotspots,” (Claims 8-10) and, as the dissent correctly found, this conclusion fails to consider Jiau’s teachings as a whole and what they fairly suggest to a person of skill. Dissent at 3-4. The majority’s finding constitutes an abuse of discretion and erroneous finding of material fact because it is contrary to established precedent. *Bradium Techs. LLC v. Iancu*, 923 F.3d 1032, 1049 (Fed. Cir. 2019) (“[A] reference must be considered

² *See* Dissent at 3 (“Walking to an ‘object with associated action,’ however, ‘will cause the user to view an action, such as a pop-up ad or an animation.’ Ex. 1006, 12:1–2. Thus, an ‘**object with associated action**’ would have a hot spot.”); Dec. at 17 (**objects that “display hidden information**, such as an advertisement, when activated [] are ‘hot spots’ as used in the ’662 patent.”).

not only for what it expressly teaches, but also for what it fairly suggests.”); *In re Universal Elec., Inc.*, 2023 WL 39993025, at *1 (Fed. Cir. 2023).

Indeed, a POSITA’s understanding is not limited to the express words used to describe the figures. Figure 11(f), by illustrating two benches, discloses objects. Reply at 21; Paper 27 (Transcript) at 23:1-11. Tellingly, although Judge Howard joined the majority, at the hearing he recognized that “[l]ooking at the Figure 11(f) that you have there, it **does show objects** that are in there. There’s two benches.” Paper 27 (Transcript) at 37:4-9. Judge Howard stated that he would not know how else to describe the benches: “**if I can’t use the word objects [to describe the benches], I’m not even sure how I would** – those things inside Figure 11(f), **they look like objects.**” Paper 27 (Transcript) at 37:4-9; *id.* at 51:17-31:9. And it is undisputed that Jiau teaches that objects may be associated with hot spots. See Paper 27 (Transcript) at 38:21-24 (PO’s counsel: “Jiau has a very general disclosure that objects may have hotspots.”). A POSITA would understand Figure 11(f) to disclose objects that may be associated with hot spots. Reply at 21; Ex. 1003, ¶206.

Even if Figure 11(f) does not constitute an express disclosure that the benches are objects that may be associated with hot spots (it does), “at the very least” it fairly suggests that they are. As the dissent stated: “I would find that Jiau’s inclusion of benches within the interior of object 1192 suggests, at the very least, that they are objects.” Dissent at 3. Indeed, prior to its discussion of Figure 11(f) Jiau discloses

that its game is comprised of objects and provides examples of how objects in the game may be defined. Ex. 1006, 11:16-12:14. For example, it is undisputed that Jiau broadly discloses that an object may be defined as an “object with associated action,” such that a pop-up appears when a user walks into the object. Ex. 1006, 12:1-2; Reply at 21; Pet. at 55-56. As mentioned above, the majority and dissent agree that an “object with associated action” is a “hot spot.”³ Jiau also discloses that an object may be associated with a “plurality of hot spots.” Ex. 1006, Claims 8-10.

Having already disclosed the way objects in its game may be defined, it is not surprising that Jiau does not belabor all those possibilities when discussing Figure 11(f). As the dissent found, a POSITA would understand that Jiau’s prior teaching that objects may be associated with actions discloses—or at least suggests—to a POSITA that the objects (benches) in Figure 11(f) may be defined in this manner:

Although Jiau does not expressly describe the benches in Figure 11(f) as “objects,” **I would not expect Jiau or any reference to belabor all of the possibilities associated with every item in a figure once the reference had laid out those possibilities in detail, as Jiau does by specifying types of objects and associated actions.**

Dissent at 4. Indeed, Jiau does not include any disclosure that restricts how an object may be defined. Paper 27 (Transcript) at 24:25-25:11.

The majority decision imposes on Jiau a requirement that it enumerate how each object in each figure may be defined. But the Federal Circuit has made clear

³ See *supra*, fn. 1.

that “a reference can anticipate, even when it does not expressly recite a claimed limitation, if a person of ordinary skill in the art ‘would reasonably understand or infer from the prior art reference’s teaching that every claim [limitation] was disclosed in that single reference.’” *VirnetX Inc. v. Apple, Inc.*, 2023 WL 6933812, *4 (Oct. 20, 2023). While it is possible for Figure 11(f) to be a “blank room” that is devoid of functionality, restricting Jiau’s teachings to disclosing only a blank room is inconsistent with the references teachings as a whole, and inconsistent with the figure itself that clearly shows objects within the room. As the dissent found, the more “reasonable” reading of Jiau is that the objects in the room (the benches) may be defined to have the functionality described earlier in the specification:

I further find persuasive Petitioner’s contention and Dr. Zagal’s testimony that the furniture “may” have hot spots (Pet. 56; Ex. 1003 ¶ 206) because it is consistent with Jiau’s disclosure that certain types of objects have hot spots. Ex. 1006, 11:19– 20:12. I believe this reading of Jiau is consistent with Jiau’s overall teachings of “allow[ing] users to explore and interact in a multi-owner, three-dimensional virtual world.” Ex. 1006, 1:31–32. **Although a game implemented according to the teachings of Jiau could have the user enter a blank room with no further functionality, I believe a reasonable reading of Jiau fairly suggests to a person of ordinary skill in the art including functionality via the disclosed objects in spaces encountered by the user.** See Ex. 1006, 11:16–18

Dissent at 3-4.

Jiau also discloses that objects in its game may be associated with a “plurality of hot spots.” Dec. at 42-43. The majority states that this disclosure describes how an object—such as the building in Figure 11(e)—may have multiple hotspots, such

as a “door and a button,” on the building exterior. Dec. at 42-43. While this is certainly within the scope of Jiau’s disclosure, the majority errs by limiting Jiau in this manner. As Petitioner’s expert explained, a POSITA would understand this teaching to, at the very minimum, suggest that the building (object) in Figure 11(e) may be associated with additional hot spots located on the building exterior or interior. Ex. 1003, ¶206. The majority provides no rationale for limiting Jiau’s disclosure to hot spots on the building exterior, and once again limits its conclusion to the express words of Jiau—while ignoring what it fairly suggests regarding the benches and their ability to be associated with actions (*i.e.*, a second hot spot).

In short, Petitioner’s showing that the benches in Figure 11(f) may be defined as an “object with associated action”—which, as mentioned above, both the majority and dissent agree would be a second “hot spot”—is not an unfounded assumption, but rather a basic understanding of what would have been evident to a POSITA.

B. The Majority’s Failure To Consider Whether Jiau’s Teachings Render Claims 12 and 20 Obvious Is An Abuse Of Discretion

Petitioner showed that “Jiau discloses and renders obvious the additional limitation of Claim 12.” Pet. at 56; Ex. 1003, ¶206; Reply at 21. The majority did not to consider whether Jiau renders obvious Claims 12 and 20: “the Petition lacks any argument as to why a person having ordinary skill in the art would modify Jiau.” Dec. at 45. This error serves as an independent basis for Director review.

Since *KSR*, the Federal Circuit has explained that the text for obviousness is

“flexible” and one must consider “the knowledge, creativity, and common sense” of a POSITA. *Fleming v. Cirrus Design Corp.*, 28 F.4th 1214, 1223 (Fed. Cir. 2022) (although the reference did not disclose commanding an autopilot to perform the claimed flight maneuvers, it was obvious in view of the references suggestions and the creativity of a POSITA). For instance, in *B/E Aerospace, Inc. v. C&D Zodiac, Inc.*, 962 F.3d 1373, 1378 (Fed. Cir. 2020), the patent required a “second recess” to receive passenger seat supports. The Federal Circuit affirmed the Board’s conclusion that “the challenged claims would have been obvious because ‘it would have been a matter of common sense’ to incorporate a second recess” in the prior art. *Id.* at 1380. The Federal Circuit explained that the “[t]he missing claim limitation (the ‘second recess’” involves repetition of an existing element (the ‘first recess’).” *Id.*

Here, like *B/E*, the additional limitation (a “second hot spot”) merely involves repetition of an existing element (the “first hot spot”). Patent Owner concedes that Jiau discloses that objects may be associated with hot spots. Paper 27 at 38:21-24. Thus, a POSITA would have at least found it obvious to define the benches in Figure 11(f) as an object with associated action, such that they would be a second hot spot. *Id.* A POSITA would define the benches in this way to avoid presenting the user with a “blank room” devoid of functionality. Dissent at 3-4.

CONCLUSION

Petitioner respectfully requests Director Review of the majority’s decision.

Respectfully submitted,

Dated: May 27, 2025

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CERTIFICATE OF SERVICE

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