

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SUPERCELL OY,
Petitioner,

v.

GREE, INC.,
Patent Owner.

PGR2020-00041
Patent 10,307,677 B2

Before MICHAEL W. KIM, LYNNE H. BROWNE, and
AMANDA F. WIEKER, *Administrative Patent Judges*.

BROWNE, *Administrative Patent Judge*.

DECISION

Denying Petitioner's Request for Rehearing of
Decision Denying Institution of Post-Grant Review
37 C.F.R. § 42.71(d)

I. INTRODUCTION

A. Background

Supercell Oy (“Petitioner”) filed a Petition for post-grant review of claims 1–20 (“challenged claims”) of U.S. Patent No. 10,307,677 B2 (Ex. 1001, “the ’677 patent”). Paper 2 (“Pet.”). GREE, Inc. (“Patent Owner”) filed a Preliminary Response. Paper 7 (“Prelim. Resp.”). With our authorization, Petitioner filed a Preliminary Reply (Paper 9, “Prelim. Reply”) and Patent Owner filed a Preliminary Sur-reply (Paper 10, “Prelim. Sur-reply”).

In its papers, Patent Owner requested that the Board exercise discretion under 35 U.S.C. § 324(a) to deny institution of the Petition, due to the advanced state of a district court parallel proceeding¹ between the parties in which substantially similar issues have been presented. Prelim. Resp. 3–25 (citing *NHK Spring Co. v. Intrix-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential); *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv Order*”)); *see also generally* Prelim. Sur-reply. Petitioner disagreed and argued that the public interest in review of patent quality counsels in favor of institution. Prelim. Reply 1–5.

On September 14, 2020, the Board issued a Decision denying institution pursuant to 35 U.S.C. § 324(a). Paper 14 (“Dec.”). The Decision explains that the statutory text of §§ 314(a) and 324(a) provides discretion to deny institution of a petition and consider “events in other proceedings related to the same patent, either at the Office, in district courts, or the ITC.”

¹ *GREE, Inc. v. Supercell OY*, No. 2:19-cv-00200 (E.D. Tex.) (the “parallel proceeding”). Pet. 1; Paper 4, 3.

Dec. 5–8 (citing Consolidated Trial Practice Guide November 2019 (“TPG”)² at 58). The Decision explains that the Board considers several factors when determining whether to institute trial in parallel with a proceeding pending in another forum. *Id.* at 6–7. In the Decision, the Board determined that although *NHK Spring* and the *Fintiv* Order applied discretion under § 314(a)—not § 324(a), the relevant statute that applies to post-grant review (“PGR”) proceedings—“the pertinent statutory language is the same in both section 314(a) and section 324(a)” and “the [overall] policy justifications associated with the exercise of discretion—inefficiency, duplication of effort, and the risk of inconsistent results—apply . . . to post-grant review proceedings under 35 U.S.C. § 324(a).” *Id.* at 7. As such, the Decision weighs the factors set forth in the *Fintiv* Order in determining whether to institute review. *Id.* at 7; *see also id.* at 9–25. Based upon that analysis, the Board exercised discretion to deny institution of post-grant review.

On October 14, 2020, Petitioner filed a Request for Rehearing of the Decision. Paper 16 (“Req. Reh’g”). We have considered Petitioner’s Request for Rehearing and, for the reasons below, determine that Petitioner has not shown that we abused our discretion in denying the Petition. Accordingly, the Request for Rehearing is denied.

B. Request for Rehearing Standards

When rehearing a decision on institution, the Board reviews the decision for an abuse of discretion. 37 C.F.R. § 42.71(c). An abuse of discretion may arise if the decision is based on an erroneous interpretation of

² Available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>.

law, if a factual finding is not supported by substantial evidence, or if an unreasonable judgment is made in weighing relevant factors. *Star Fruits S.N.C. v. U.S.*, 393 F.3d 1277, 1281 (Fed. Cir. 2005); *Arnold P’ship v. Dudas*, 362 F.3d 1338, 1340 (Fed. Cir. 2004); *In re Gartside*, 203 F.3d 1305, 1315–16 (Fed. Cir. 2000).

Additionally, 37 C.F.R. § 42.71(d) further provides that “[t]he burden of showing a decision should be modified lies with the party challenging the decision,” i.e., Petitioner, and “[t]he request must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply.”

C. Petitioner’s Arguments

In its Request, Petitioner makes three main arguments, which we address below:

- (1) “the Board misapprehended facts regarding Factors 2 and 6 [of *Fintiv*] that, when properly considered, tip the balance in favor of institution;”
- (2) “the Board’s reliance on *NHK-Fintiv* is misplaced” because this is a PGR proceeding, not an IPR proceeding; and
- (3) “exercising discretion based on the *NHK-Fintiv* factor is improper” because “the entire *NHK-Fintiv* framework relied on by the Board to deny institution is improper.”

Req. Reh’g 2, 9 (heading capitalization omitted), 11 (same).

II. DISCUSSION

A. *Fintiv* Order Factors 2 and 6

1. Factor 2 — *The Trial Date*

Factor 2 considers the “proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision.” *Fintiv* Order, Paper 11 at 5–6. Petitioner contends that “the Board’s willingness to take the court’s schedule at ‘face value’ . . . caused the Board to overlook Petitioner’s evidence that the trial date would change, and to misapprehend the trial date,” which has since changed. Req. Reh’g 3. Petitioner asserts that “[t]he district court delayed the trial less than three weeks after the Board issued its Decision” and that district court trial dates “are often reset once the PTAB hurdle is cleared.” *Id.* at 3–4 (citing Ex. 1025, 2) (emphasis omitted). According to Petitioner, “trial schedules ‘tend[] to slip in significant regard’ “[o]nce the PTAB denies institution based upon a looming district court trial date”” and “delays are only getting worse in light of COVID-19.” *Id.* at 4 (citing Ex. 1026, 3).

We are not persuaded that we abused our discretion in considering this factor or that we misapprehended the trial date. At the time of our Decision, trial was scheduled in the parallel proceeding for December 7, 2020, approximately nine months before our final written decision would have been due, if we were to institute trial. Dec. 10–11. As such, this gap in timing created a cognizable risk of inconsistent results and duplication of efforts, which weighed toward denying institution. *Id.* at 7, 11. Additionally, the Decision notes that some uncertainty exists regarding trial dates, as Petitioner again argues in its Request. *Id.* at 11; Req. Reh’g 4. However, the Decision goes on to determine that *even if* trial in the parallel

proceeding was delayed by two months, consistent with Petitioner's prior requested delay, the proximity of the trial date to our final written decision would *still* favor denying institution. Dec. 12 (citing Ex. 2002, 2). As such, Petitioner has not shown that the Board misapprehended the trial date.

In its Request, Petitioner shows that, in the time since our Decision, the parties jointly requested a trial delay in the prior proceeding, from December 7, 2020, to March 1, 2021, which the district court granted. Ex. 1024, 1. Even considering these post-Decision developments, this three month delay results in a trial date in the parallel proceeding set six months before our final written decision would be due. Similar to the potential delay discussed in our Decision, a jury trial set to begin six months before a final written decision also weighs in favor of denying institution. Dec. 12; *see* Prelim. Resp. 11 (identifying three prior PTAB proceedings in which institution was denied where trial was scheduled to occur six months before a final written decision, including the precedential *NHK Spring* decision).

We decline to speculate, absent case-specific evidence, as to any future additional delay of the parallel proceeding's trial date that may—or may not—be requested by the parties, and that may—or may not—be granted by the district court. *See* Ex. 1024, 1, 4 (indicating that the trial date “cannot be changed without showing good cause,” which “is not shown merely by indicating that the parties agree that the deadline should be changed”) (emphasis omitted). On the current record, a cognizable risk of inconsistent results exists, due to the scheduled date of trial and the statutory due date of a final written decision.³

³ For the same reasons discussed in our Decision, we do not agree that these circumstances are similar to those in *Sand Revolution* in any compelling

In its Reply to the Petition, Petitioner argued that “this [trial date] factor should be afforded little weight, as the date is barely 18 months after the patent *issued*.” Prelim. Reply 3. In its Request, Petitioner spends an additional two pages elaborating on this argument. Req. Reh’g 5–6. Specifically, Petitioner argues that a PGR petition may only be filed upon issuance of a patent and, therefore, “[b]asing the PGR institution decision on the trial date allows patent owners like GREE to self-select out of the PGR process merely by filing a lawsuit in a fast-moving jurisdiction in which invalidity must be proven by a higher standard.” *Id.* at 5; *see also id.* at 5–6 (distinguishing IPR proceedings “in which the [petition] filing deadline is measured relative to service of the complaint in the litigation, not relative to the issue date”). Petitioner argues that “by following the Director’s [*NHK Spring* and *Fintiv* Order] guidance related to *IPRs*, the Board thwarts its own recognized strong public interest in using *PGRs* to evaluate the § 101 ground[] on the merits.” *Id.* at 6.

We are not persuaded that we overlooked or misapprehended the different posture of PGR proceedings, as compared to IPR proceedings, when considering this factor. As explained in the Decision, “insofar as the overall policy goals for considering a parallel proceeding’s trial date apply equally to post-grant reviews, [this factor] is accorded the same weight” as it would be in an IPR. Dec. 12. Indeed, the risk of duplication of effort and inconsistent results is as relevant to PGR proceedings as it is to IPR

manner. Req. Reh’g 4; Dec. 11–12 (noting that, in *Sand Revolution*, the parties jointly sought two trial date extensions (not the case here), and the court “identified a loose date at which trial *might* occur” (also not the case here)); *see, e.g.*, Ex. 1024, 1, 4.

proceedings. *See, e.g., id.* at 20 (“[T]he same discretionary considerations that promote fairness and efficiency in *inter partes* review are relevant to post-grant review.”). Petitioner is correct that a public interest exists in evaluating the § 101 ground on the merits, Req. Reh’g 6, and we considered that fact in regard to *Fintiv* factor 6, and in our holistic analysis of whether to exercise discretion to deny institution. *See, e.g.,* Dec. 20–21, 24–25.

2. Factor 6 — The Merits

This factor considers “other circumstances that impact the Board’s exercise of discretion, including the merits.” *Fintiv* Order, Paper 11 at 6. Petitioner argues that the Board misapprehended or overlooked evidence showing that Mastermind⁴ was publicly accessible. Req. Reh’g 6. Specifically, Petitioner argues that the Board overlooked “time-based distinctions in Dr. Claypool’s testimony” from related litigation. *Id.* at 7. Petitioner also identifies other portions of Dr. Claypool’s testimony, and provides a Supplemental Declaration from Dr. Claypool, captioned for PGR2020-000046, on the issue of Mastermind’s accessibility. *Id.* at 7–8 (citing Ex. 1012 ¶¶ 117–118; Ex. 2009, 2–3; Ex. 1028 ¶ 9).

We are not persuaded that we misapprehended the Petition’s contentions. In our Decision, we relied in part upon Dr. Claypool’s testimony from related litigation between the parties in determining that Petitioner failed to meet its burden of demonstrating that Mastermind was

⁴ “Mastermind’s In-Game Builder Idea (with LOADS of pictures!)” (“Mastermind”), *available at* [https://web.archive.org/web/20130915081112/http://forum.supercell.net:80/s/howthread.php/149687-Mastermind-s-In-Game-BUILDER-Idea-\(with-LOADS-of-pictures!\)](https://web.archive.org/web/20130915081112/http://forum.supercell.net:80/s/howthread.php/149687-Mastermind-s-In-Game-BUILDER-Idea-(with-LOADS-of-pictures!)) (in two parts) (Ex. 1015, “Olesiuk Decl.”).

publicly accessible. Dec. 24–25. Specifically, we relied upon Dr. Claypool’s prior testimony that,

it is my opinion that a diligent, skilled researcher engaged in a reasonable search for prior art *would not have found Mastermind* as a prior art reference even with the benefit of [Patent Owner’s] infringement contentions before the filing of the Petition for Post-Grant Review. *A diligent, skilled researcher would not spend time sifting through the suggestions provided on Internet message boards*, as they would normally not include useful or sufficiently detailed suggestions.

Ex. 2009 ¶ 164 (emphasis added); Dec. 23.

Petitioner was provided an opportunity to respond to this evidence to address any “time-based distinctions in Dr. Claypool’s testimony,” however, Petitioner declined to address this testimony in its Preliminary Reply, despite having the opportunity to do so. Prelim. Reply 5–7. We decline to consider now, on rehearing, arguments that Petitioner failed to make in its pre-institution papers. It is Petitioner’s burden to demonstrate that Mastermind was publicly accessible. As we stated in our Decision, this prior testimony casts serious doubt on Petitioner’s ability to satisfy that burden. Dec. 25. We also decline to consider new testimonial evidence submitted on rehearing on this issue, as Petitioner does not show good cause for admitting this new evidence. *See Huawei Device Co. v. Optics Cellular Tech., LLC*, IPR2018-00816, Paper 19 (PTAB Jan. 8, 2019) (precedential) (showing of “good cause” required prior to filing a rehearing request or in the request itself for new exhibits to be admitted). We could not have misapprehended or overlooked evidence and arguments that were not made before our Decision.

Moreover, although we found Petitioner’s obviousness contentions to be weak we, nonetheless, determined that “the facts underlying Factor 6 weigh slightly in favor of institution.” Dec. 24.

3. *Holistic Analysis*

Petitioner contends that “[t]he Board misapprehended or overlooked the weighing of the factors when conducting the holistic analysis of *Fintiv*” because “[t]he Board did not articulate any actual *weighing* of the various factors in its *Decision*. Rather, the Board stated which factors favored and disfavored institution, and then provided a conclusion without undergoing a substantive analysis or discussion of which factors were weighed more or less heavily and why.” Req. Reh’g 8 (citing Dec. 24–25). Petitioner also contends that the final conclusion to deny institution contradicts the Board’s own conclusion that the merits of the § 101 ground is strong. *Id.* at 8.

We are not persuaded that we misapprehended or overlooked the weighing of factors. The Decision provides sixteen pages of analysis as to the facts underlying each individual factor. Dec. 9–25. With this background, the Decision identifies the factors that weigh in each party’s favor—three in favor of Patent Owner; two in favor of Petitioner—and explains that, on balance, a holistic evaluation of the factors led us to determine that the *Fintiv* factors in Patent Owner’s favor outweigh those in Petitioner’s favor. *Id.* at 24–25. Specifically, we determined “that duplication of efforts here is likely and the potential for inconsistent results exists, where both tribunals would consider substantially identical issues and where the parallel proceeding will reach trial nine months before we would reach a final decision.” *Id.* at 25. Petitioner’s disagreement with our ultimate conclusion does not demonstrate that we abused our discretion, or

overlooked or misapprehended the holistic analysis of factors. *Fintiv* Order, Paper 11 at 6 (considering “whether efficiency and integrity of the system are best served by denying or instituting review”).

B. NHK Spring and the Fintiv Order in Post-Grant Review

Petitioner argues that “the Board’s decision to deny institution is based on application of the *NHK-Fintiv* Factors even though the instant petition is a PGR, not an IPR,” and that reliance on *NHK Spring* and *Fintiv* is misplaced because it is not binding precedent as applied to PGR proceedings. Req. Reh’g 9–11.

We are not persuaded that we overlooked or misapprehended the different posture of PGR proceedings as compared to IPR proceedings, when exercising discretion to deny institution. As summarized above, the Decision discusses that common statutory language exists in § 314(a)—directed toward IPR proceedings—and in § 324(a)—directed to post-grant review proceedings. *See supra* § I.A; Dec. 5–8. The Decision also discusses the common policy justifications implicated when determining whether to institute either an IPR proceeding or a PGR proceeding. Dec. 6–7. The Decision then goes on to recognize and discuss certain differences between PGR proceedings and IPR proceedings. *Id.* at 7–8. Despite these differences, we determined that the Board’s binding precedent set forth in *NHK Spring* and *Fintiv* applies to this PGR proceeding. *Id.* In doing so, we additionally evaluated certain differences between PGR proceedings and IPR proceedings, when considering the *Fintiv* Order factors. *See, e.g., id.* at 12, 15–16, 19–20. Petitioner has not demonstrated that we abused our discretion in doing so.

C. Rulemaking

Finally, Petitioner contends that it is improper for the Board to have relied upon *NHK Spring* and the *Fintiv* Order because this precedent “prescribes a new standard for institution but was not promulgated via the requisite regulation.” Req. Reh’g 12.

The America Invents Act of 2011 (“AIA”), Pub L. No. 112-29, 125 Stat. 28 (Sept. 16, 2011), commits the decision to deny *inter partes* review to the Director’s unreviewable discretion, even if the merits of the petition warrant institution. *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (explaining that the statute contains “no mandate to institute review”); *see also SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1356 (2018) and *Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC*, 138 S. Ct. 1365, 1371 (2018) (interpreting § 314(a) as committing the decision whether to institute *inter partes* review to the Director’s discretion). As we noted in our Decision, § 324(a) contains the same discretionary statutory language as § 314(a). *NHK Spring* and the *Fintiv* Order are precedential decisions that are binding in Board proceedings. As previously discussed, we determine that those precedential decisions also apply in the context of PGR proceedings.

III. CONCLUSION

For the forgoing reasons, Petitioner has not shown that we abused our discretion in denying the Petition. Accordingly, the Request for Rehearing is denied.

IV. ORDER

For the reasons given, it is:

ORDERED that

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Petitioner's Request for Rehearing (Paper 16) is *denied*.

PETITIONER:

Brian Hoffman
Jennifer Bush
Kevin McGann
Gregory A. Hopewell
Eric Zhou
FENWICK & WEST LLP
bhoffman-ptab@fenwick.com
jbush-ptab@fenwick.com
kmcgann-ptab@fenwick.com
ghopewell@fenwick.com
ezhou@fenwick.com

PATENT OWNER:

John Alemanni
Andrew Rinehart
KILPATRICK TOWNSEND & STOCKTON LLP
jalemanni@kilpatricktownsend.com
arinehart@kilpatricktownsend.com