

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SUPERCCELL OY,
Petitioner,

v.

GREE INC.,
Patent Owner.

PGR2021-00034
Patent 10,610,771 B2

Before LYNNE H. BROWNE, HYUN J. JUNG, and
AMANDA F. WIEKER, *Administrative Patent Judges*.

JUNG, *Administrative Patent Judge*.

DECISION

Denying Institution of Post-Grant Review

35 U.S.C. § 324, 37 C.F.R. § 42.4

Dismissing Petitioner's Motion to Seal

37 C.F.R. §§ 42.14, 42.54

I. INTRODUCTION

A. *Background and Summary*

Supercell Oy ("Petitioner") filed a Petition (Paper 2, "Pet.") requesting institution of a post-grant review of claims 1–18 of U.S. Patent No. 10,610,771 B2 (Ex. 1001, "the '771 patent"). Petitioner also

filed a Motion to Seal Exhibit 1007 and for Entry of Protective Order.

Paper 3. GREE, Inc. (“Patent Owner”) filed a Preliminary Response (Paper 7, “Prelim. Resp.”). With our authorization, Petitioner filed a Reply to Patent Owner’s Preliminary Response (Paper 8, “Reply”), and Patent Owner filed a Sur-reply to Petitioner’s Reply to Patent Owner’s Preliminary Response (Paper 9, “Sur-reply”).

Upon consideration of the parties’ briefs and the evidence of record and for the reasons explained below, we exercise our discretion under 35 U.S.C. § 324(a) to deny institution of a post-grant review. We also dismiss as moot Petitioner’s Motion to Seal.

B. Real Parties in Interest

Petitioner states that “[t]he sole real party-in-interest for this Petition is Supercell Oy.” Pet. 1. Patent Owner states that “the real party-in-interest is GREE, Inc.” Paper 4, 2.

C. Related Matters

The parties indicate that the ’771 patent is involved in *GREE, Inc. v. Supercell Oy*, No. 2:20-cv-00113-JRG-RSP (E.D. Tex.). Pet. 1; Paper 4, 2. Trial is set for August 2, 2021, in the parallel district court proceeding. Ex. 2001, 1 (Fifth Amended Docket Control Order entered Apr. 12, 2021); Ex. 2011, 1 (Seventh Amended Docket Control Order entered May 14, 2021).

D. The ’771 Patent (Ex. 1001)

The ’771 patent issued on April 7, 2020, from an application filed on July 10, 2019, that is a continuation of an application filed on July 29, 2014, and claims priority to a foreign application filed on July 30, 2013. Ex. 1001, codes (22), (30), (45), (63), 1:6–9.

The '771 patent relates to “a technology in which messages are transmitted or received using an information processing terminal.”
Ex. 1001, 1:14–16. If “a message from a first user terminal of user terminals belonging to a chat group” is a “normal message,” the message is transmitted to each of the user terminals.” *Id.* at code (57). If, however, the message is a “selection of the game icon,” a controller generates a game message according to logic corresponding to the game icon and transmits the game message to each of the user terminals.” *Id.*

For example, in embodiment, the game icon corresponds to a “grouping game” for grouping users of a chat group into two groups.
Ex. 1001, 17:11–19:33. Figure 22 of the '771 patent is reproduced below.

FIG.22

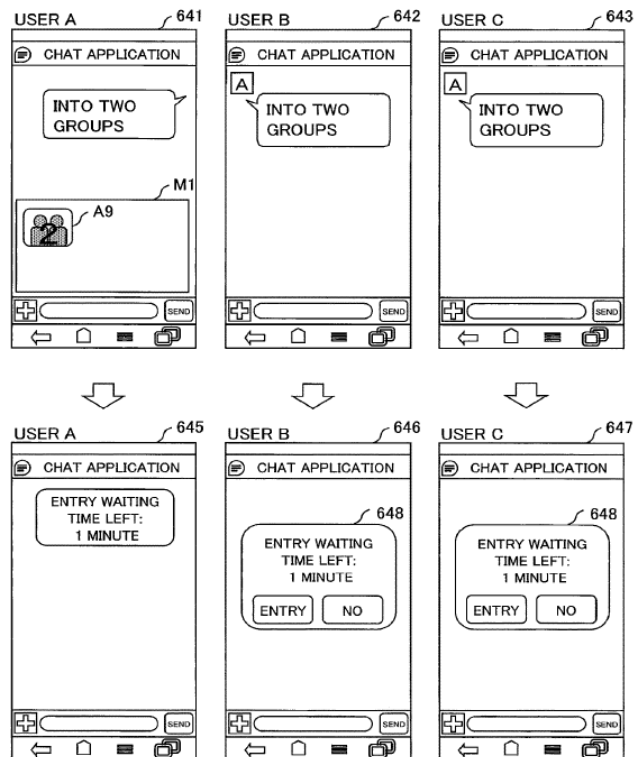


Figure 22 shows exemplary views 641–643, 645–647 of touch panel displays of user terminals. Ex. 1001, 17:34–38. In view 641, the touch

panel of User A has icon menu M1 with game icon A9. *Id.* at 17:39–41. Game icon A9 corresponds to an icon for “Grouping.” *Id.* at 17:41. When User A selects game icon A9, views 645–647 with standby messages 648 with time left for entry are outputted. *Id.* at 17:41–49. Figure 23 of the ’771 patent is reproduced below.

FIG.23

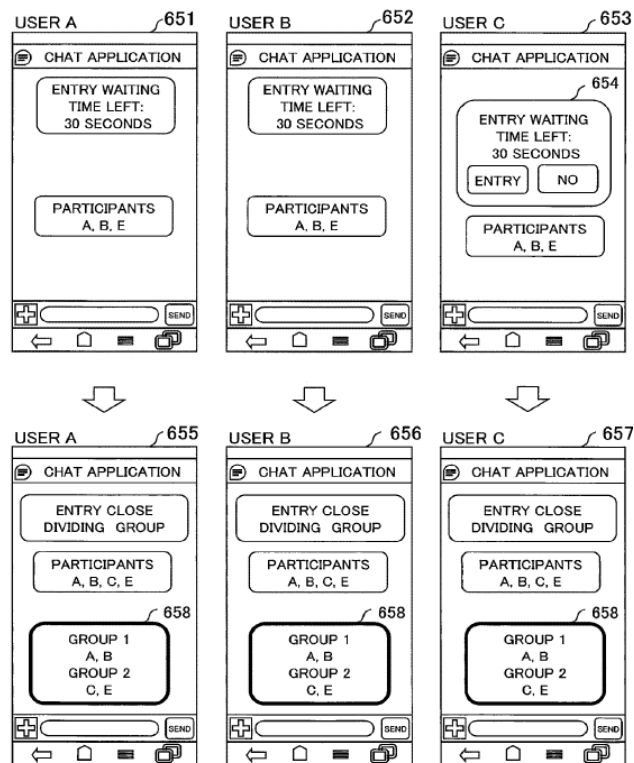


Figure 23 shows exemplary views 651–653, 655–657 of touch panel displays of user terminals. Ex. 1001, 17:34–38. After users indicate entry, “the chat management section 21 performs the determination process on whether it is possible to generate a group” and “acquires the number of user IDs associated with ‘Participation’ . . . , and compares the number of users (the number of entries) expressing ‘Participation’ with the number of groups.” *Id.* at 18:6–17. When “the number of entries is equal to or larger than two times the number of groups, the chat management section 21

determines that it is possible to generate a group.” *Id.* at 18:17-20. The groups are generated, and the grouping result is displayed to the users in the chat as shown in Figure 23. *Id.* at 18:29–47.

E. Illustrative Claim

The ’771 patent has 18 claims, all of which Petitioner challenges. Claims 1, 7, and 13 are independent, and claim 1 is reproduced below.

1. A game control method comprising:
 - transmitting, to terminals of a plurality of users, data for displaying a chat screen comprising a game icon for entry to a game and one or more messages sent from at least a part of the plurality of users;
 - causing display of the game icon in the chat screen on a terminal of a first user of the plurality of users;
 - in response to selection of the game icon by the first user,
 - transmitting, to the terminal of the first user, data for displaying a waiting message indicating waiting for an entry of another user to the game in the chat screen, and
 - transmitting, to terminals other than the terminal of the first user, data for displaying an icon for the entry to the game in the chat screen;
 - in response to the icon for the entry to the game being selected by a second user other than the first user, receiving the entry of the second user;
 - when a number of a group associated with the game icon and a number of users who have entered the game satisfy a first relationship, transmitting, to at least a part of the terminals of the plurality of users, data for displaying a player group including at least the first user and the second user who has entered the game in the chat screen;
 - conducting a battle by the player group; and
 - transmitting, to at least part of the terminals of the plurality of users, data for displaying a result of the battle in the chat screen.

Ex. 1001, 19:36–64.

F. Asserted Prior Art and Proffered Testimonial Evidence

Petitioner relies upon the following evidence:

Christie et al., U.S. Patent No. 8,458,278 B2, filed Mar. 20, 2007, issued June 4, 2013 (Ex. 1011, “Christie”);

Balahura et al., U.S. Patent Application Publication No. 2005/0026697 A1, filed July 30, 2004, published Feb. 3, 2005 (Ex. 1010, “Balahura”);

Ping Pals Instruction Booklet, THQ Inc. (2005) (Ex. 1009, “Ping Pals Manual”);

Nintendo DS, Wikipedia (May 21, 2005), https://web.archive.org/web/20050521010206/https://en.wikipedia.org/wiki/Nintendo_DS (Ex. 1013, “Nintendo DS Wikipedia”);

Nintendo Official Magazine UK, issue 151 (2005) (Ex. 1016, “Nintendo Official Magazine”);

Ping Pals, Amazon (Dec. 11, 2008), <https://web.archive.org/web/20081211031417/http://www.amazon.com/Ping-Pals-Nintendo-DS/dp/B00069NVWE> (Ex. 1014, “Ping Pals Amazon Product Page”);

Ping Pals, Metacritic (Sept. 3, 2011), <https://web.archive.org/web/20110903171850/http://www.metacritic.com/game/ds/ping-pals/critic-reviews> (Ex. 1015, “Ping Pals Metacritic”);

Ping Pals, Wikipedia (Dec. 1, 2011), https://web.archive.org/web/20111201214914/https://en.wikipedia.org/wiki/Ping_Pals (Ex. 1012, “Ping Pals Wikipedia”); and

Ping Pals Gameplay Video File (Ex. 1008, “Ping Pals Gameplay Video”).

See Pet. xi–xii, 14; *see also id.* at 13 (arguing that the earliest effective filing date is July 30, 2013). Petitioner also provides a Declaration of José P. Zagal, Ph.D. in Support of Petition for Post Grant Review of U.S. Patent No. 10,610,771 (Ex. 1005).

According to Petitioner, “Ping Pals is a video game published by THQ for the Nintendo DS and was released on December 8, 2004 in North America.” Pet. 47. Petitioner relies upon certain pieces of evidence identified above—namely, the Zagal Declaration (Ex. 1005), the Ping Pals Manual (Ex. 1009), the Nintendo DS Wikipedia (Ex. 1013), the Nintendo Official Magazine (Ex. 1016), the Ping Pals Amazon Product Page (Ex. 1014), the Ping Pals Metacritic (Ex. 1015), the Ping Pals Wikipedia (Ex. 1012), and the Ping Pals Gameplay Video (Ex. 1008)—to describe the Ping Pals game that Petitioner contends was sold to the public and “constitutes prior art under 35 U.S.C. § 102(a).” Pet. 48; *see id.* at 47–50.

G. Asserted Grounds

Petitioner asserts that claims 1–18 would have been unpatentable on the following grounds:

Claims Challenged	35 U.S.C. §	References/Basis
1–18	101	Eligibility
1–18	112(a)	Written Description
1–18	112(b)	Indefiniteness
1–4, 6–10, 12–16, 18	103	Ping Pals, Balahura
5, 11, 17	103	Ping Pals, Balahura, Christie

Pet. 13–14.

H. Eligibility for Post-Grant Review

The post-grant review (“PGR”) provisions of the Leahy-Smith America Invents Act (“AIA”)¹ apply only to patents subject to the first inventor to file provisions of the AIA. AIA § 6(f)(2)(A). Specifically, the first inventor to file provisions apply to any application for patent, and to any patent issuing thereon, that contains or contained at any time a claim to a claimed invention that has an effective filing date on or after March 16,

¹ Pub L. No. 112-29, 125 Stat. 284 (2011).

2013. AIA § 3(n)(1). Because the application from which the '771 patent issued was filed on July 10, 2019, and claims priority to a foreign application filed on July 30, 2013, the '771 patent is subject to the first inventor to file provisions of the AIA. Ex. 1001, codes (22), (30), 1:6–9.

Also, “[a] petition for a post-grant review may only be filed not later than the date that is 9 months after the date of the grant of the patent or of the issuance of a reissue patent (as the case may be).” 35 U.S.C. § 321(c); *see also* 37 C.F.R. § 42.202(a) (setting forth the same). The Petition was filed on January 7, 2021, which is within nine months of April 7, 2020, the issue date of the '771 patent. Ex. 1001, code (45); *see also* Pet. 2 (arguing that the Petition is timely filed); Paper 6 (according a filing date of January 7, 2021). On this record, the '771 patent is eligible for post-grant review.

II. 35 U.S.C. § 324(a)

Patent Owner argues that “the Board should exercise its discretion under 35 U.S.C. § 324(a) to deny the Petition because Petitioner raises the same grounds, arguments, and prior art in a parallel district court proceeding filed more than one year ago and scheduled for trial in three months (August 2, 2021).” Prelim. Resp. 1.

A. *Legal Standards*

35 U.S.C. § 324(a) states that

[t]he Director may not authorize a post-grant review to be instituted unless the Director determines that the information presented in the petition filed under section 321, if such information is not rebutted, would demonstrate that it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable.

Like 35 U.S.C. § 314(a) that applies to *inter partes* reviews, the language of § 324(a) expressly provides the Director with discretion to deny institution of a post-grant review. *See Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”); Consolidated Trial Practice Guide November 2019 (“TPG”)² at 55.

In exercising the Director’s discretion under §§ 314(a) and 324(a), the Board may consider “events in other proceedings related to the same patent, either at the Office, in district courts, or the ITC.” TPG at 58. *NHK Spring* explains that the Board may consider the advanced state of a related district court proceeding, among other considerations, as a “factor that weighs in favor of denying the Petition under § 314(a).” *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 at 20 (PTAB Sept. 12, 2018) (precedential). Additionally, the Board’s precedential order in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5–6 (PTAB Mar. 20, 2020) (precedential) (“the *Fintiv* Order”) identifies several factors for analyzing issues related to the Director’s discretion to deny institution, with the goal of balancing efficiency, fairness, and patent quality.

NHK Spring and the *Fintiv* Order apply the Director’s discretion pursuant to § 314(a), and do not specifically extend their application to § 324(a). The statutory language of both §§ 314(a) and 324(a), however, provides the Director with discretion to deny institution of review.

Moreover, the overall policy justifications associated with exercising discretion under § 314(a)—inefficiency, duplication of effort, and the risk of inconsistent results—apply to exercising discretion under § 324(a). Thus, as

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

shown below, we weigh the factors set forth in the *Fintiv* Order to this proceeding. *See, e.g., Supercell Oy v. GREE, Inc.*, PGR2020-00034, Paper 13 at 5–7 (PTAB Sept. 3, 2020) and PGR2020-00038, Paper 14 at 6–8 (Sept. 3, 2020) (applying the *Fintiv* Order factors to post-grant reviews and denying trial).

Also, as discussed below, there are differences between *inter partes* reviews and post-grant reviews that, when relevant to specific *Fintiv* Order factors, must be considered. Those differences include the fact that the window for filing a petition for post-grant review is open only for nine months from the date of issuance. *See* 35 U.S.C. § 321(c). Furthermore, “[t]he intent of the post-grant review process is to enable early challenges to patents, while still protecting the rights of inventors and patent owners against new patent challenges unbounded in time and scope.” H.R. Rep. No. 112-98, pt. 1, 47–48 (2011).

B. Applying the Fintiv Factors

1. Whether the Court Granted a Stay or Evidence Exists that one may be Granted if a Proceeding is Instituted

Patent Owner argues that “Petitioner has not filed any motion to stay the parallel district court proceeding” and “there is little evidence here to suggest that the district court will grant a stay.” Prelim. Resp. 8. Patent Owner also argues that a stay is “extremely unlikely” because stays are denied before institution and an institution decision is “not due until a few days before the jury trial in the parallel district court proceeding.” *Id.* at 9. Petitioner replies that “Factor 1 (Likelihood of Stay) requires speculation.” Reply 5. Patent Owner does not further address this factor. *See generally* Sur-reply.

Because the district court has not yet granted a stay and the record does not include any evidence that a stay, if requested, would be granted, we determine that the facts underlying this factor are neutral.

2. *Proximity of the Court’s Trial Date to the Board’s Projected Statutory Deadline for a Final Written Decision*

Patent Owner argues that a “jury trial in the parallel district court proceeding is set to begin on August 2, 2021” and thus, “scheduled to conclude more than *eleven months* before a final written decision would be due in this proceeding.” Prelim. Resp. 10 (citing Ex. 2001, 1). Patent Owner lists several proceedings where the Board has denied institution when there was a smaller gap between the trial date and the due date for a final written decision. *Id.* at 10–11. Patent Owner also argues that the trial date should be taken at “face value” and that “Petitioner fails to present any specific evidence that the jury trial in in the parallel proceeding will not proceed on August 2, 2021, as scheduled.” *Id.* at 11–12. Patent Owner further argues that there is no order modifying or continuing the jury trial in the parallel proceeding, like one for earlier trials due to the COVID-19 pandemic. *Id.* at 13 (citing Ex. 2001, 1; Ex. 2008). Patent Owner additionally argues that generalized speculation should be outweighed by the jury trial scheduled to occur in the related parallel proceeding many months before a final written decision would be due. *Id.* at 13–14 (citing Ex. 2001, 1).

Regarding any possible delay of the trial date, Patent Owner contends that “any such delay is not likely to impact the Board exercising its discretion to deny institution under § 324(a)” because a delayed trial “will still conclude well before a final written decision would be due in this proceeding.” Prelim. Resp. 14. Patent Owner also contends that “any such

(speculative and hypothetical) delay does not ‘materially alter’ the weighing of this factor given the significant amount of time before a final written decision would be due in this proceeding,” and “[t]his factor thus weighs in favor of the Board exercising its discretion to deny institution.” *Id.* at 15–16.

Petitioner replies that “Factor 2 is impacted by the minimal overlap between the issues” and “should be afforded little weight because the trial will address different art.” Reply 4. Petitioner also argues that “determining the true trial date requires speculation.” *Id.*

Patent Owner replies that “the district court confirmed that trial in the parallel district court proceeding will proceed on August 2, 2021” and “Petitioner’s cursory claim that trial may not so proceed is based entirely on Petitioner’s own speculation.” Sur-reply 1 (citing Ex. 2011, 1). Patent Owner also argues that this factor weighs in favor of denying institution “regardless of the scope of overlap of prior art.” *Id.* at 2 (citing Reply 4). Patent Owner further argues that “substantial overlap exists here beyond solely the asserted prior art.” *Id.*

The record clearly shows that, if post-grant review were instituted in this proceeding, a final written decision would be due more than eleven months after the trial date in the parallel district court proceeding. Ex. 2011, 1. Given the overlap in claims, prior art, and arguments as described below, institution would create a potential for the district court proceeding and the post-grant review to arrive at inconsistent results spaced months apart.

As for possible trial date adjustments, the record does not contain any evidence for such adjustments and, even if the district court moves the trial date, the trial would still occur several months before the due date for a final written decision in this proceeding. Ex. 2011, 1. Therefore, we agree with

Patent Owner that this factor weighs in favor of denying institution. *See* Prelim. Resp. 10–16; Sur-reply 1–2.

For the reasons above, because a jury trial is set to begin more than eleven months before the statutory due date for a final written decision in this proceeding should review be instituted in this proceeding, we determine that this factor weighs in favor of denying institution.

3. *Investment in the Parallel Proceeding by the Court and the Parties*

Patent Owner argues that the district court and the parties have invested substantial resources, such as shown by an order on claim construction, and by the time institution is considered, “will be on the eve of a jury trial” and thus, likely will have completed fact and expert discovery, briefing on dispositive and *Daubert* motions, pre-trial disclosures, and pretrial conference. Prelim. Resp. 17–18 (citing Ex. 2001, 2–3; Ex. 2009). Patent Owner also argues that, “based on past and future deadlines . . . , the parallel district court proceeding regarding the subject ’771 Patent is at an ‘advanced’ stage” and that the district court and parties will have invested more resources by the time institution is decided. *Id.* at 19 (citing Ex. 2001).

Patent Owner also argues that it initiated the parallel district court proceeding shortly after the ’771 patent issued, but Petitioner did not file its Petition until nine months after issuance. Prelim. Resp. 20 (citing Ex. 1001; Ex. 2002). According to Patent Owner, there is an unexplained delay and Petitioner must be using this proceeding “as a second-bite at the apple” to litigate validity again in a different venue, not as an alternative to district court litigation. *Id.* at 19–21. Patent Owner also contends that Petitioner served the same grounds and asserted the same references in the same way

seven months before filing its Petition in this proceeding. *Id.* at 21 (citing Exs. 2003, 2005–2007).

Petitioner replies that the “court’s and parties’ investments at the district court concerns issues not present here,” and, thus, “the court in this parallel litigation has made no investment with respect to the validity of the ’771 patent in view of the references asserted in this PGR, nor will any further investment be made.” Reply 4.

Patent Owner replies that the investments at the district court relate to issues in this proceeding. Sur-reply 2–3 (citing Prelim. Resp. 17–19; Reply 4). According to Patent Owner, the district court through its claim construction order rejected the indefiniteness and written description arguments made in the Petition and the district court’s construction of “chat screen” precludes the prior art challenges based on Ping Pals. *Id.* at 3 (citing Prelim. Resp. 23, 24, 50–56, 61–64). Patent Owner also argues that Petitioner’s stipulation acknowledges that these challenges did not survive claim construction at the district court. *Id.* Patent Owner further argues that Petitioner presented the § 101 challenge in a motion for summary judgment of invalidity under § 101, and related briefing and pretrial conference will be completed by the time institution is decided. *Id.* (citing Prelim. Resp. 22–23; Ex. 2011,1; Ex. 2012; Ex. 2013). Patent Owner, thus, argues the district court and the parties have invested substantially in issues presented in this proceeding. *Id.* (citing Reply 4).

In the parallel proceeding, the district court and the parties have completed claim construction, fact discovery, expert discovery, filing and responding to dispositive motions and motions to strike expert testimony, filing motions *in limine*, filing of a joint pretrial order, and attending a pretrial conference. Ex. 2009 (Claim Construction Memorandum Opinion

and Order); Ex. 2001, 2–3; Ex. 2011, 1–3. The record shows that the district court and the parties have made substantial investments in the parallel proceeding, even though the parties still have to expend significant resources associated with conducting the trial itself, as well as potential post-trial proceedings. *See id.* at 1–3. We also agree with Patent Owner that the investments made relate to invalidity positions presented in the Petition. *See* Sur-reply 3; Ex. 2012. Therefore, the present investment related to the parallel proceeding weigh in favor of denying institution.

As for the filing date of the Petition, 35 U.S.C. § 321(c) affords petitioner up to nine months after issuance of the patent to file a petition for post-grant review. Petitioner complied with 35 U.S.C. § 321(c), even though the Petition was filed just before the end of the nine-month window. Patent Owner does not make clear what effect filing late in the allowed window has on the investments made in the parallel proceeding by the parties and the court. *See* Prelim. Resp. 20–21; Sur-reply 1–5. Thus, we are not persuaded that the timing of the Petition’s filing supports denying institution under this *Fintiv* Order factor.

Based on the record, we determine that substantial investments have been made so far in the parallel proceeding, and thus, this factor weighs in favor of denying institution.

4. *Overlap Between Issues Raised in the Petition and in the Parallel Proceeding*

Petitioner contends that “Ping Pals was presented in the related litigation in Petitioner’s amended invalidity contentions,” but “[i]f the Board institutes, Petitioner stipulates that it will withdraw this reference in the related litigation.” Pet. 79. Petitioner, thus, argues that the references in the

obviousness challenges would not be at issue in the related litigation and there would be no overlap. *Id.*

Patent Owner argues that “[t]here is substantial overlap between the claims, grounds, arguments, and evidence presented in the Petition and what has been, and continues to be, litigated in the parallel district court proceeding.” Prelim. Resp. 22. According to Patent Owner, Petitioner asserts the same grounds in the district court proceeding. *Id.* (citing Exs. 2003–2007). Patent Owner also argues that Petitioner relies on the same arguments for challenges under §§ 101, 112(a), and 112(b). *Id.* at 22–24 (citing Pet. 27, 34, 35, 41–46; Ex. 2004, 2–6; Ex. 2005, 23, 24; Ex. 2009, 32–37). Patent Owner notes that the district court already rejected the § 112(b) arguments. *Id.* at 24 (citing Ex. 2009, 32–37).

For the § 103 challenge, Patent Owner argues that Petitioner relies on Ping Pals in both the related litigation and the present proceeding and any additionally cited prior art is immaterial to this factor. Prelim. Resp. 25 n.3, 25–26 (citing Pet. 14, 47–50; Ex. 2006, 1; Ex. 2007); *see also id.* at 31 (asserting that Petitioner incorrectly argues that, because the secondary references relied upon in the Petition are not asserted in the parallel proceeding, this factor favors institution and complete duplication of asserted prior art is not required). Patent Owner also argues that substantially the same arguments regarding Ping Pals have been presented in district court and this proceeding. *Id.* at 26 (citing Pet. 47–50, 53–67; Ex. 2007). Patent Owner further argues that the claims challenged here are the same ones asserted in district court. Prelim. Resp. 27 (citing Pet. 13–14; Ex. 2005, 1, 3).

Patent Owner also responds that Petitioner’s stipulation is too narrow because Petitioner fails to stipulate that it will not pursue in the related

litigation any ground raised or any ground that could have been raised in this proceeding. Prelim. Resp. 28–29 (citing Pet. 79). Patent Owner argues that “Petitioner’s narrow stipulation does not sufficiently mitigate the concerns of duplicative efforts between the district court and the Board, as well as concerns of potentially conflicting decisions.” *Id.* at 29. Patent Owner also argues that Petitioner’s stipulation is especially ineffective because institution will be decided days before trial begins in district court and that the stipulation does not address the identical §§ 101 and 112 challenges asserted there and here. *Id.* at 29–30. Patent Owner further argues that the outcome of this factor should turn on the overlapping grounds and arguments, instead of one reference. *Id.* at 30.

Patent Owner further responds that (1) Petitioner speculates that the claims asserted in district court will be narrowed prior to trial, (2) complete identity of claims at issue is not required, and (3) the Board has found this factor to weigh towards denying institution when claims at issue in the district court and the Board are not completely identical. Prelim. Resp. 32–33. Patent Owner also contends that the district court will resolve key issues even if the asserted claims are narrowed because, for example, same claim limitations are at issue. *Id.* at 34 (citing Pet. 27–46, 70–72).

Petitioner replies that, because the secondary references are absent from the related litigation, there are minimal concerns of inefficiency and possibility of conflicting decisions. Reply 1. Petitioner argues that it will stipulate not to pursue in district court the obviousness challenges presented in the Petition, if institution is granted, so the two proceedings will not be directly duplicative. *Id.* at 1–2. Petitioner also argues that, if the Petition’s obviousness challenges are not presented in district court, then the district court will not resolve key issues of the Petition. *Id.* at 2.

Petitioner also replies that Patent Owner speculates that the number of asserted claims will not be reduced, even though Patent Owner “has a history of reducing the number of asserted claims as the trial date draws near as is standard in the Eastern District of Texas” and “demonstrated willingness to mislead the Board as to this fact.” Reply 2–3. Petitioner notes that Patent Owner “makes no commitments, stipulations, or other binding statements regarding which claims it will *actually assert* at trial,” and therefore, “determining overlap of the claims asserted requires speculation and weighs against discretionary denial.” *Id.* at 3. Petitioner further replies that public interest in early evaluation overcomes the concern regarding overlap in the § 101 challenge. *Id.*

Patent Owner replies that Petitioner cannot dispute that the same grounds and arguments have been presented for the §§ 101 and 112 challenges. Sur-reply 4 (citing Prelim. Resp. 22–24). Patent Owner also argues that Petitioner’s public interest argument has been rejected previously. *Id.* (citing Reply 3). Patent Owner further argues that Petitioner’s stipulation does not mitigate concerns of duplicative efforts and potentially conflicting decisions and Petitioner should have, but has not, expressly waived in district court any overlapping invalidity challenges. *Id.* at 4–5 (citing Prelim. Resp. 30; Reply 1). Patent Owner additionally argues that Petitioner speculates that the asserted claims will have to be reduced and that the district court will still resolve key issues on a smaller set of claims because the same arguments are presented for all the independent claims of the ’771 patent. *Id.* at 5 (citing Prelim. Resp. 32–35).

The record shows that presently claims 1–18 are at issue in both proceedings. Ex. 2004, 2; Ex. 2005, 1; Ex. 2007, 2–44. Based on the record in front of us, Petitioner’s argument that Patent Owner may reduce the

number of asserted claims at issue in the parallel proceeding is speculative. The record also shows that the same statutory grounds are at issue in this proceeding and the related litigation. Ex. 2004 (Preliminary Ineligibility Contentions for the '771 patent), 1–32; Ex. 2005 (Preliminary Invalidity Contentions under § 112 for the '771 patent), 8, 22–24; Ex. 2007 (Preliminary Invalidity Contentions based on Ping Pals). The record further shows that similar arguments have been presented in both proceedings, and that Ping Pals is at issue in both proceedings. *Compare* Pet. 20–77, with Exs. 2004, 2005, 2007.

“[I]f the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial” because “concerns of inefficiency and the possibility of conflicting decisions [are] particularly strong.” *Fintiv* Order, Paper 11 at 12.

We agree with Patent Owner that Petitioner’s narrow stipulation to withdraw the § 103 challenges, if review is instituted, “is especially ineffective here given that it is dependent on the Board’s institution decision and that decision will likely not be issued until mere days before the August 2, 2021 trial in the parallel district court proceeding,” and, therefore, “fails to meaningfully mitigate the concerns of duplicative efforts between the district court and the Board.” Prelim. Resp. 29. As discussed *supra* regarding *Fintiv* Order factor 3, the parties already have completed *all* pretrial work regarding these grounds, including the Ping Pals reference.

Based on the present record, we determine that this factor weighs in favor of denying institution.

5. *Whether Petitioner and the Defendant in the Parallel Proceeding are the Same Party*

Patent Owner argues that “Petitioner and Patent Owner are the defendant and plaintiff, respectively, in the parallel district court proceeding,” and “this factor weighs in favor of the Board exercising its discretion to deny institution.” Prelim. Resp. 35 (citing Ex. 2002). Petitioner replies that “Factor 5 (Same Parties) should be given little weight” and is not dispositive. Reply 5. Patent Owner does not provide a reply for this factor. *See generally* Sur-reply.

The record shows that Petitioner and Defendant in the parallel proceeding are the same. Ex. 2002. Thus, this factor weighs in favor of denying institution.

6. *Other Circumstances that Impact the Board’s Exercise of Discretion, Including the Merits*

Patent Owner argues that “no other circumstances” “impact the Board’s exercise of discretion under § 324(a)” and “the merits of the grounds asserted in the instant Petition are far from strong.” Prelim. Resp. 36. Patent Owner cites sixteen Board decisions between the same parties discretionarily denying institution based on similar circumstances. *Id.* at 36–37. Patent Owner also argues that the Board has previously rejected Petitioner’s arguments based on policy and that “there is no need for the Board to unnecessarily duplicate the district court’s efforts at the expense of the Board’s time and resources.” *Id.* at 37–38. Patent Owner preemptively addresses other arguments previously made by the same Petitioner in other proceedings before the Board. *Id.* at 38–39.

In its responsive arguments regarding the § 101 challenge, Patent Owner contends that arguments similar to Petitioner’s assertions were

overcome after applying the latest patent eligibility guidance. Prelim. Resp. 44–50.³ For the § 112 challenges, Patent Owner argues that the claim language at issue was in the originally filed claims, the disclosure supports the claims, the district court rejected similar indefiniteness arguments, and Petitioner relies on conclusory declaratory testimony. *Id.* at 50–56. Regarding the § 103 challenges, Patent Owner asserts that Petitioner has not established that Ping Pals is prior art because, *inter alia*, it is unclear what version is being played in the Ping Pals Gameplay Video and if it corresponds to the Ping Pals Manual. *Id.* at 57–61.

Petitioner replies that “[e]ach ground in the petition presents a strong case on the merits,” as illustrated by Patent Owner’s responsive arguments. Reply 4–5 (citing Prelim. Resp. 57–60). Petitioner also argues that this factor can be definitive regardless of the other factors. *Id.* at 5. Petitioner further argues that Ping Pals comes in the form of a cartridge and thus, necessarily corresponds to the one described in the Ping Pals Manual. *Id.* at 6–7. Petitioner additionally argues that Patent Owner fails to provide any evidence that Ping Pals had a later version cartridge and fails to address that a cartridge existed before the earliest possible priority date. *Id.* at 7–8.

Patent Owner replies that Ping Pals fails to disclose certain claim limitations. Sur-reply 5 (citing Prelim. Resp. 61–67). Patent Owner also argues that Petitioner does not address the district court’s claim constructions and rejection of same § 112 challenges. *Id.* (citing Prelim. Resp. 50–56; Reply 5). Patent Owner further argues that even a strong case

³ Patent Owner also argues we should avoid “second-guess[ing] this issue of patentability,” in accordance with 35 U.S.C. § 325(d). Prelim. Resp. 45. Because we deny institution based on 35 U.S.C. § 324(a), we do not reach this issue.

on the merits can be outweighed by the other *Fintiv* Order factors. *Id.* Patent Owner additionally argues that Petitioner provides insufficient evidence to show that Ping Pals is prior art. *Id.* at 6–7.

Upon our initial review of the merits based on a preliminary record, we determine that Petitioner’s challenges based on §§ 101 and 103 have merit, and that Petitioner’s challenges based on §§ 112(a) and 112(b) are weak. Accordingly, the facts underlying this factor are neutral.

7. *Holistic Analysis of Fintiv Order Factors*

We undertake a holistic analysis of the *Fintiv* factors, considering “whether efficiency and integrity of the system are best served by denying or instituting review.” *Fintiv*, Paper 11 at 6.

The evidence in the record indicates that there would be duplication of efforts and potential for inconsistent results. We determine that the facts favoring exercising discretion collectively outweigh those against discretion. Accordingly, we exercise our discretion to deny institution under 35 U.S.C. § 324(a).

III. PETITIONER’S MOTION TO SEAL

Petitioner moves to seal Exhibit 1007. Paper 3. Because we did not rely on Exhibit 1007 for our decision, we dismiss as moot Petitioner’s Motion to Seal Exhibit 1007 and for Entry of Protective Order.

IV. CONCLUSION

Based on our application of the precedential *Fintiv* Order factors to the record before us, we exercise our discretion under 35 U.S.C. § 324(a) and deny institution of post-grant review.

V. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petition is *denied* as to all challenged claims, and no trial is instituted;

FURTHER ORDERED that Petitioner's Motion to Seal Exhibit 1007 and for Entry of Protective Order is *dismissed* as moot; and

FURTHER ORDERED that Petitioner is authorized to file a motion to expunge Exhibit 1007 within 90 days after the date of entry of this Decision or, if a request for rehearing is filed, within 90 days after the date of entry of a decision on the request.

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FOR PETITIONER:

Brian M. Hoffman
Jennifer R. Bush
Kevin X. McGann
Gregory A. Hopewell
Dmitry Kagan
FENWICK & WEST LLP
bhoffman-PTAB@fenwick.com
jbush-PTAB@fenwick.com
kmcgann-PTAB@fenwick.com
ghopewell@fenwick.com
dkagan@fenwick.com

FOR PATENT OWNER:

John C. Alemanni
Andrew Rinehart
Joshua H. Lee
KILPATRICK TOWNSEND LLP
jalemanni@kilpatricktownsend.com
arinehart@kilpatricktownsend.com
jlee@kilpatricktownsend.com

Scott A. McKeown
ROPES & GRAY
Scott.McKeown@ropesgray.com