

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 Institution of Post-Grant Review
35 U.S.C. § 324

I. INTRODUCTION

A. Background and Summary

On March 3, 2020, Supercell Oy (“Petitioner”) filed a Petition for post-grant review of claims 1–20 of U.S. Patent No. 10,307,677 B2 (“the ’677 patent”) (Ex. 1001). Paper 2 (“Pet.”). On June 17, 2020, GREE, Inc. (“Patent Owner”) filed a Preliminary Response. Paper 7 (“Prelim. Resp.”).

With authorization, on July 6, 2020, Petitioner filed a Petitioner’s Reply to Patent Owner’s Preliminary Response. Paper 9 (“Prelim. Reply”). With authorization, on July 20, 2020, Patent Owner filed a Patent Owner’s Sur-Reply. Paper 10 (“Prelim. Sur-Reply”).

Having considered the arguments and evidence of record, and for the reasons explained below, we exercise our discretion under 35 U.S.C. § 324(a) and deny institution of post-grant review.

B. Real Parties in Interest

Petitioner indicates that it is the real-party-in-interest. Pet. 1. Patent Owner indicates that it is the real-party-in-interest. Paper. 4, 2.

C. Related Matters

Petitioner identifies *GREE, Inc. v. Supercell Oy*, Civil Action No. 2:19-cv-00200-JRG-RSP (E.D. TX.) (“the parallel district court proceeding”), which involves the same patent and parties as the present case, as a related matter. Pet. 2. Patent Owner identifies the same case. Paper 4, 3.

Patent Owner identifies the following post-grant review proceedings as related matters:

- PGR2020-00034 (U.S. Patent No. 10,300,385 B2);
- PGR2020-00038 (U.S. Patent No. 10,307,675 B2);
- PGR2020-00039 (U.S. Patent No. 10,307,676 B2); and
- PGR2020-00042 (U.S. Patent No. 10,307,678 B2).

Paper 4, 2.

D. The ’677 Patent

The ’677 patent “relates to a method for controlling a computer, a recording medium and a computer.” Ex. 1001, 1:21–22. In particular, it relates to city building games “wherein a player builds a city within a virtual

space . . . provided in the game program.” *Id.* at 1:34–36. The method utilizes “a computer that is provided with a storage unit configured to store game contents arranged within a game space, positions of the game contents, and a template defining positions of one or more of game contents.” *Id.* at 2:1–5. The method “progresses a game by arranging the game contents within the game space based on a command by a player.” *Id.* at 2:5–7.

E. Illustrative Claim

The ’677 patent includes 20 claims, all of which Petitioner challenges. Ex. 1001, 26:32–28:65; Pet. 1. Of these, claims 1, 7, 13, and 17 are independent claims. Ex. 1001, 26:32–50, 27:10–25, 27:53–28–6, 28:21–41. Illustrative claim 1 is reproduced below.

1. A method performed by an information processing system the method comprising:

receiving information for reproducing a template for defending an attack initiated by another player, the template defining positions of game contents in a game space and being created by a first terminal executing a game by arranging, based on a player’s command, the game contents within the game space, the game contents including at least a game content for defending from an attack initiated by another player;

storing the received information for reproducing the template;
and

sending, based on the stored information, information for reproducing the template to a second terminal different from the first terminal, the second terminal executing the game by arranging, based on a player’s command, game contents within the game space, the game contents including at least a game content for defending from an attack initiated by another player.

F. Prior Art and Asserted Grounds

Petitioner asserts that claims 1–20 are unpatentable based on the following grounds:

Claim(s) Challenged	35 U.S.C. §	Reference(s)/Basis
1–20	101	Ineligible Subject Matter
1–20	103(a)	Clans, ¹ Mastermind, ² Kim ³

Petitioner also relies on a Declaration of Mark L. Claypool, Ph.D. Ex. 1012.

G. Eligibility for Post Grant Review

The post-grant review (“PGR”) provisions of the Leahy-Smith America Invents Act (“AIA”) 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, 2013. AIA § 3(n)(1). Furthermore, “[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).

Petitioner asserts that the ’677 patent is available for post-grant review. Pet. 2. The ’677 patent was filed on June 30, 2017, and claims

¹ Clash of Clans, version 4.120 (“Clash”) (Ex. 1014, “Takala Dec.”).

² “Mastermind’s In-Game Builder Idea (with LOADS of pictures!)” (“Mastermind”), *available at* [https://web.archive.org/web/2013091508111/http://forum.supercell.net:80/showthread.php/149687-Mastermind-s-In-Game-Builder-Idea-\(with-LOADS-of-pictures!\)](https://web.archive.org/web/2013091508111/http://forum.supercell.net:80/showthread.php/149687-Mastermind-s-In-Game-Builder-Idea-(with-LOADS-of-pictures!)) (in two parts) (Ex. 1015, “Olesuik Dec.”).

³ US 9,079,105 B2, issued July 14, 2015 (Ex. 1016, “Kim”).

ultimate priority to a Japanese application filed September 27, 2013, both dates falling after March 16, 2013. Ex. 1001, codes (22), (30); *see also id.*, code (63) (identifying domestic priority claims); Pet. 9. The Petition was filed on March 4, 2020, which is within nine months of the June 4, 2019, issue date of the '677 patent. Ex. 1001, code (45); Pet. 2. On this record, we determine that the '677 patent is eligible for post-grant review.

II. ANALYSIS

A. Discretion Under 35 U.S.C. § 324(a)

Patent Owner urges the Board to exercise discretion to deny institution of post-grant review under 35 U.S.C. § 324(a) “because Petitioner raises the same prior art and arguments in a parallel district court proceeding filed more than one year ago and scheduled for trial in less than six months.” Prelim. Resp. 1 (citing *NHK Spring Co., Ltd. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8, at 19–20 (PTAB Sept. 12, 2018) (precedential)); *accord Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, at 6 (PTAB, Mar. 20, 2020) (precedential) (the “*Fintiv* Order”). Patent Owner asserts that “it would be an inefficient use of Board, party, and judicial resources to institute the present proceeding under these circumstances. Indeed the possibility of duplication of efforts here is high and the potential for inconsistent results due to both tribunals considering overlapping issues is present.” *Id.* at 1–2 (citing *Supercell Oy v. GREE, Inc.*, IPR2020-00215, Paper 10, at 6–19 (PTAB June 10, 2020)). Petitioner disagrees. Prelim. Reply 1–5.

1. 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.

The portion of the statute reading “[t]he Director may not authorize . . . unless” mirrors the language of 35 U.S.C. § 314(a), which concerns *inter partes* review. This language of sections 314(a) and 324(a) provides the Director with discretion to deny institution of a petition. *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”)⁴ at 55.

In exercising the Director’s discretion under 35 U.S.C. §§ 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. The Board’s precedential *NHK Spring* decision 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.*, IPR2018-00752, Paper 8 at 20.

Additionally, the Board’s precedential *Fintiv* Order identifies several factors to be considered when analyzing issues related to the Director’s discretion to deny institution, with the goal of balancing efficiency, fairness, and patent quality. *See Fintiv* Order, IPR2020-00019, Paper 11 at 5–6. These factors include: 1) whether a stay exists or is likely to be granted if a proceeding is instituted; 2) proximity of the court’s trial date to the Board’s projected statutory deadline; 3) investment in the parallel proceeding by the court and parties; 4) overlap between issues raised in the petition and in the

⁴ Available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>.

parallel proceeding; 5) whether the petitioner and the defendant in the parallel proceeding are the same party; and 6) other circumstances and considerations that impact the Board's exercise of discretion, including the merits. *Id.*

We recognize that *NHK Spring* and the *Fintiv* Order apply the Director's discretion pursuant to 35 U.S.C. § 314(a), and do not specifically extend their application to 35 U.S.C. § 324(a), which is the relevant statute that applies to this PGR proceeding. As noted above, however, the pertinent statutory language is the same in both section 314(a) and section 324(a). Moreover, the policy justifications associated with the exercise of discretion—inefficiency, duplication of effort, and the risk of inconsistent results—apply equally to post-grant review proceedings under 35 U.S.C. § 324(a). Accordingly, we weigh the factors set forth in the *Fintiv* Order to the facts here. *See, e.g., Teva Pharms. USA, Inc. v. Corcept Therapeutics, Inc.*, PGR2019-00048, Paper 19 at 11 (Nov. 20, 2019) (analyzing *NHK Spring* and instituting trial); *Stripe, Inc. v. Boom! Payments, Inc.*, CBM2020-00002, Paper 22 (May 19, 2020) (analyzing the *Fintiv* Order and instituting trial); *see also infra* Factor 6 (considering Petitioner's policy arguments).

We, however, recognize that there are differences between *inter partes* review and post grant review, that when relevant to specific *Fintiv* 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, “the 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).

2. *Factual Background*

The record before us presents the following facts related to the parallel proceeding, which are pertinent to discretion under 35 U.S.C. § 324(a):

“Patent Owner initiated the parallel district court proceeding on May 28, 2019, and amended the complaint to assert the ’677 Patent on June 4, 2019, the day the ’677 Patent issued.” Prelim. Resp. 15 (citing Ex. 2003; Ex. 1001).

On November 13, 2019, Petitioner served ineligibility contentions in the parallel proceeding. Ex. 2004; Prelim. Resp. 16.

On December 6, 2019, Petitioner served invalidity contentions in the parallel proceeding. Ex. 2005–2007; Prelim. Resp. 16.

On March 3, 2020, Petitioner filed its Petition in this proceeding. Paper 2.

Throughout February and March 2020, the parties submitted claim construction briefing in the parallel proceeding. *See* Ex. 1021, 1 (briefing between February 25, 2020 and March 17, 2020). On April 14, 2020, a *Markman* hearing was conducted. *Id.* On May 14, 2020, the Magistrate Judge issued a Claim Construction Memorandum Opinion and Order. *Id.*

On April 23, 2020, Petitioner filed a motion in the parallel proceeding to continue all case deadlines for 45 to 60 days, “in view of the extraordinary impact caused by the COVID-19 virus on the Parties.” Ex. 2002, 1–2; Prelim. Resp. 11. In response, the district court issued an amended docket control order, extending the trial date from October 5, 2020, to December 7, 2020. Ex. 2001; Prelim. Resp. 11.

Subsequently, on July 29, 2020, the district court in the parallel proceeding issued a third docket control order that maintained the trial date of December 7, 2020, but extended by approximately two to three weeks several due dates for expert disclosures and discovery, dispositive motions, and briefing on motions to strike and *Daubert* motions. Ex. 2011.

And, on August 21, 2020, the district court in the parallel proceeding issued a fourth docket control order that, again, maintained the trial date of December 7, 2020, but extended by approximately two weeks several due dates for fact discovery, expert disclosures and discovery, dispositive motions, and briefing on motions to strike and *Daubert* motions. Ex. 2012.

3. *Fintiv* Order Factors

In determining whether to institute trial in this proceeding, we consider each of the factors set forth in the *Fintiv* Order below.

a. Factor 1: whether a stay exists or is likely to be granted if a proceeding is instituted

Patent Owner asserts that Petitioner has not moved to stay the parallel proceeding. Prelim. Resp. 9. Petitioner does not dispute this assertion, but argues that the district court typically denies such motions when they are made before the Board has determined whether to institute review. Prelim. Reply 3. Petitioner stipulates that “it will seek a stay,” if this proceeding is instituted. *Id.* (emphasis omitted). Patent Owner indicates it would oppose such a motion, and argues that the “late stage” of the parallel proceeding weighs against Petitioner’s intended motion. Prelim. Sur-reply 3.

We recognize that many legitimate reasons may lead a party not to file a motion to stay a parallel proceeding prior to the Board’s institution decision, including because such a motion may be viewed as premature. Be that as it may, our precedential guidance instructs us to consider whether the

court has granted a stay of the parallel proceeding, or whether evidence exists that a stay may be granted upon institution. *Fintiv* Order, Paper 11 at 5–6. As it stands, the record lacks any evidence to suggest that a stay has been granted, or may be granted in the future.

For these reasons, we determine that the facts underlying this factor are neutral.

b. Factor 2: proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision

Patent Owner states that a jury trial is scheduled to begin in the parallel proceeding on December 7, 2020, which is approximately nine months before a final written decision would issue in this proceeding. Prelim. Resp. 10. According to Patent Owner, the Board has consistently denied institution with even smaller periods of time between trial and a final written decision. *Id.* at 10–11 (identifying denials with gaps of six to ten months). Patent Owner also explains that the district court already moved the trial date from October to December, per Petitioner’s request. *Id.* at 11. Patent Owner contends there is no reason to believe any further adjustment would be necessary. *Id.*

Petitioner argues that the trial date in the parallel proceeding should receive little weight because trial is scheduled to occur only 18-months after the ’677 patent issued. Pet Reply 3. Petitioner also argues that the trial date in the parallel proceeding is uncertain due to travel restrictions associated with the COVID-19 pandemic, which leaves Petitioner “unable to take discovery of [Patent Owner]’s Japan-based witnesses.” *Id.* Petitioner explains that trial was delayed once already to accommodate these discovery difficulties and argues that “[it appears] unlikely that Japan’s travel ban will be lifted in time for a December trial.” *Id.* at 4.

Patent Owner responds that Petitioner’s argument about continued travel restrictions is speculative and “fails to contemplate the numerous alternatives to in-person depositions Patent Owner has offered.” Prelim. Sur-Reply 4–5. Additionally, Patent Owner responds that “even if trial is ultimately delayed by a few months, it will still likely conclude well before a final written decision would be due in this proceeding.” *Id.* at 4.

If we were to institute post-grant review in this proceeding, our Final Written Decision would be due in September of 2021—nine months after trial in the parallel proceeding. These facts create a cognizable risk of inconsistent results across the proceedings. *See also infra* Factor 4 (overlap in statutory grounds, prior art, and arguments). We recognize that some uncertainty exists, in theory, due to the COVID-19 pandemic. However, the record lacks specific, non-speculative evidence to suggest that further delay of the trial date is likely in the parallel proceeding at issue here. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 (PTAB May 13, 2020) (informative) (“We generally take courts’ trial schedules at face value absent some strong evidence to the contrary.”).

These facts are unlike *Sand Revolution*. Prelim. Reply 3–4 (citing *Sand Revolution II, LLC v. Cont’l Intermodal Grp.*, IPR2019-01393, Paper 24 (PTAB June 16, 2020) (informative)). In *Sand Revolution*, the parties jointly sought two extensions of the trial date in a related proceeding, which the district court granted. *Sand Revolution*, Paper 24 at 8. The district court identified a loose date at which trial *might* occur: “Nov. 9, 2020 (or as available),” which the Board found “indicates a continuing degree of recognized uncertainty of the court’s schedule by the court.” *Id.* at 9. By contrast, here, the district court’s docket control order indicates a firm date for trial, which “cannot be changed without showing good cause. Good

cause is not shown merely by indicating that the parties agree that the deadline should be changed.” Ex. 2011, 1, 4; Ex. 2012, 1, 4.

Moreover, *even if* the district court in the parallel proceeding were to grant an additional continuance of the trial date, akin to that previously requested by Petitioner, trial in the parallel proceeding would still occur approximately seven months before our Final Written Decision is due. Prelim. Sur-Reply 4; Ex. 2002, 2 (“[Petitioner] thus respectfully moves for a 45- to 60-day continuance of the remaining case deadlines, including the pretrial and trial dates.”). In keeping with precedent, a jury trial set to begin seven months before our statutory deadline would weigh in favor of denying institution. *See, e.g.*, Prelim. Resp. 10–11.

Petitioner argues that the trial date in the parallel proceeding should receive little weight, given its proximity to the patent’s issuance. Prelim. Reply 3. We, however, do not agree that we can afford it little weight. 35 U.S.C. § 324(a) affords the Director discretion in determining whether to institute trial. The Director has shaped some contours of that discretion through the precedential guidance offered in *NHK Spring* and the *Fintiv* Order and, insofar as the overall policy goals for considering a parallel proceeding’s trial date apply equally to post grant reviews, it is accord the same weight. Petitioner does not explain why the timing of the patent’s issuance is pertinent. Regardless of when the ’677 patent issued, a jury trial is scheduled to begin on December 7, 2020, to determine whether it is infringed and is valid. Ex. 2012, 1.

For these reasons, where trial in the parallel proceeding is scheduled to occur nine months prior to our Final Written Decision, we determine that the facts underlying this factor weigh strongly toward denying institution.

c. Factor 3: investment in the parallel proceeding by the court and the parties

Patent Owner contends that “the parties and the district court have each already invested, and will have invested even more, substantial resources in the parallel proceeding by the time this Board decides whether to institute a trial in late September 2020.” Prelim. Resp. 13. Patent Owner explains that claim construction briefing and argument is complete, and the district court has issued its claim construction order. *Id.* Patent Owner also argues that fact and expert discovery, as well as the filing of dispositive and *Daubert* motions, will be complete before our institution decision. *Id.* at 13–14; Ex. 2001.⁵ Further, Patent Owner alleges that Petitioner delayed in filing the Petition and “was undisputedly aware of the grounds asserted in the Petition months before the filing of the instant Petition.” Prelim. Resp. 15–16.

Petitioner does not dispute the investments in the parallel proceeding identified by Patent Owner but argues that the *Board itself* has invested substantial resources related to this matter, by virtue of the completed trial in PGR2018-00008, which concerns a patent from which the ’677 patent claims priority as a continuation. Prelim. Reply 4; *see also* Pet. 7–8 (priority claim), 21–23 (discussing PGR2018-00008). Petitioner contends that the Board “is already familiar with the claimed subject matter, construed terms, and *reached a decision* regarding the unpatentability of claims that the

⁵ Subsequent to the parties’ briefing, the district court extended these deadlines. Paper 12 (submitting Ex. 2011); Paper 13 (submitting Ex. 2012). Accordingly, fact discovery closed September 3, 2020, expert discovery closes October 2, 2020, and dispositive and *Daubert* motions are due on October 5, 2020. Ex. 2012.

Examiner found — and GREE argued — were *not patentably distinct* from those at issue here.” Prelim. Reply 4.

Patent Owner argues that due to Petitioner’s delay, “Patent Owner faces the prospect of—after resolving Petitioner’s invalidity challenge at the district court in December—having to re-litigate Petitioner’s same invalidity challenge in front of this Board almost a year later.” Prelim. Sur-Reply 6. Patent Owner also disagrees with Petitioner’s focus on the Board’s prior investments because the *Fintiv* Order identifies only the investments made in the parallel proceeding. *Id.* at 5.

First, as instructed by the *Fintiv* Order, we consider the investments made in the parallel proceeding. In the parallel proceeding, claim construction is complete. Ex. 1021. Additionally, we understand that fact discovery closed on September 3, 2020, and expert discovery is schedule to close on October 2, 2020. Ex. 2012, 3–4. These activities demonstrate that the district court and the parties have made some investments in the parallel proceeding, which weighs in favor of denying institution. However, we do not find those investments to be substantial, especially when considered against the activity that remains and appears to be ongoing, despite any restrictions against travel to Japan. *Contra* Prelim. Reply 4. For example, activity appears ongoing related to expert discovery (scheduled to close on October 2, 2020); filing and responding to dispositive motions and motions to strike expert testimony (due October 5, 2020, and October 15, 2020, respectively); and various pretrial actions (scheduled to occur between October 15, 2020 and November 12, 2020). Ex. 2012, 1–3. Moreover, we are cognizant that there are significant resources associated with conducting the trial itself, as well as potential post-trial proceedings. As such, the

investments related to the parallel proceeding to date weigh minimally in favor of denying institution.

Next, we consider Patent Owner’s argument that Petitioner delayed in filing its 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 filed its Petition on the eve of the nine month window, and complied with 35 U.S.C. § 321(c). Although Petitioner filed its Petition late within the statutory filing window, the evidence before us demonstrates that only minimal investments have been made in the parallel proceeding. Thus, we are not persuaded that Petitioner’s “delay” is a compelling reason to exercise discretion to deny institution.

Finally, we address Petitioner’s argument that we should consider the Board’s investments related to the ’677 patent. Post-grant review is an efficient mechanism by which a petitioner may bring a timely challenge to a newly-issued patent that may be related, e.g., as a continuation, continuation-in-part, or divisional, to a patent previously considered by the Board.⁶ *See, e.g.*, H.R. Rep. No. 112-98, pt. 1, 47–48 (2011) (“The 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.”). In the context of post-grant review, in which a patent must be challenged within nine months of issuance, and where a post-grant review petition may be filed substantially after the filing of an *inter partes* review petition challenging a related patent,

⁶ By contrast, a petitioner typically files *inter partes* review petitions against related patents at or around the same time.

we agree that it may be pertinent to consider any prior investments by the Board that are related to the challenged patent.

This is such a case. In PGR2018-00008, the Board considered patentability challenges directed to a parent of the '677 patent that is now challenged here. *See, e.g.*, Pet. 7–8, 21. Thus, we agree with Petitioner that the Board is familiar with the claimed subject matter, and we determine that this fact weighs in favor of institution. We note, however, the claims at issue in PGR2018-00008 differ from the challenged claims here. Although similarities certainly exist across the two proceedings, there are notable differences in claim scope. Nonetheless, we agree with Petitioner that, at least in the context of a post-grant review, the Board's prior investments in related proceedings may be pertinent to our analysis of the *Fintiv* factors. In this case, those investments weigh moderately in favor of institution.

Considering the foregoing, we find that, despite filing the Petition late within the statutory filing window, only minimal investments have been made in the parallel proceeding. Moreover, we find that that some investments related to this proceeding have been made by the Board. Accordingly, we determine that the facts underlying this factor weigh moderately in favor of institution.

d. Factor 4: overlap between issues raised in the petition and in the parallel proceeding

Patent Owner argues that “[t]here is substantial overlap between the claims, grounds, arguments, and evidence presented in the Petition” and in the parallel proceeding. Prelim. Resp. 17 (citing *Supercell*, IPR2020-00215, Paper 10, at 16; *Vizio v. Polaris PowerLED Technologies, LLC*, IPR2020-00043, Paper 30, 10 (PTAB May 4, 2020)). For example, Patent Owner argues that the same prior art asserted in the Petition is also asserted in the

parallel proceeding (*id.* at 17–18) and that substantially the same arguments are made regarding both the prior art (*id.* at 18) and ineligibility under 35 U.S.C. § 101 (*id.* at 20).

Petitioner does not dispute the identified overlap but argues that Patent Owner will likely reduce the number of claims it asserts in the parallel litigation, whereas all claims are challenged in the Petition. Prelim. Reply 4. Thus, Petitioner contends that “significant issues related to the unasserted claims would be left unaddressed by the litigation, forever insulating those claims from PGR.” *Id.* at 4–5. Petitioner also argues that the different patent eligibility standards between district court and this proceeding “result[s] in different issues between the two forums.” *Id.* at 5.

Under the *Fintiv* Order, “if 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. In this case, the same statutory grounds,⁷ the same arguments, and the same prior art evidence are at issue. As to Petitioner’s argument that Patent Owner may reduce the number of asserted claims at issue in the parallel proceeding, we find this argument to be speculative. Finally, we recognize Petitioner’s policy arguments against this factor but we are constrained by binding Board precedent, which dictates that we consider this factor.

⁷ Despite Petitioner’s argument that the “patent ineligibility standard[s]” are “different,” the fact remains that ineligibility under 35 U.S.C. § 101, as asserted in this Petition, overlaps with that issue in the parallel proceeding. *Contra* Prelim. Reply 5.

On this record, we determine that the facts underlying this factor weigh moderately in favor of denying institution. *Id.*

e. Factor 5: whether the Petitioner and the defendant in the parallel proceeding are the same party

The parties do not dispute that Petitioner is the defendant in the parallel proceeding. Prelim. Resp. 22; Prelim. Reply 5. However, Petitioner argues that this factor “should be given little weight in the PGR context, as the petitioner-defendant will always be the party most motivated to challenge a patent. No other party can file a PGR at this point.” *Id.*

Petitioner is correct that—as of March 4, 2020 (nine months after the ’677 patent issued)—no other party can file a post-grant review petition. *See* 35 U.S.C. § 321(c). And Petitioner may be correct that a district court defendant is the party most motivated to file a petition. Nonetheless, *Fintiv* Factor 5 instructs that we consider whether Petitioner and the parallel proceeding defendant are the same party and, here, they are. Thus, the fact that Petitioner here is the defendant in the parallel proceeding, when viewed in the context of the other facts in this case, weighs in favor of denying institution.

f. Factor 6: other circumstances that impact the Board’s exercise of discretion, including the merits

When considering whether to exercise discretion to deny a petition, we undertake a balanced assessment of all relevant circumstances in the case, including the merits. *Fintiv* Order, Paper 11 at 14. Although we need not undertake a full merits analysis when evaluating *Fintiv* Factor 6, we consider the strengths and weaknesses of the merits, where stronger merits may favor institution and weaker merits may favor exercising discretion to

deny institution. *Id.* at 15–16. We also consider the other circumstances identified by the parties as pertinent to exercise of discretion.

i. Post -Grant Review Specific Considerations

As additional circumstances relevant to this factor, Petitioner argues that the intent of the post-grant review process is to enable early challenges to patents and to improve patent quality. Prelim. Reply 1. Petitioner argues that it contravenes the public interest to exercise discretion to deny institution in this case, where the Board has already found claims of the parent patent to be unpatentable under 35 U.S.C. § 101. *Id.* at 1–2, 5.

Petitioner also argues that, to the extent the *Fintiv* Factors apply to post-grant reviews, “the balancing should be tilted against discretionary denial” because post-grant reviews are time-limited and because the AIA contemplates concurrent litigation in district court and the PTAB. Prelim. Reply 2. According to Petitioner, “[d]enying institution based on a district court setting a trial date before the FWD deadline effectively prevents the patent from ever being subject to a PGR, allowing patent owners to sidestep PGRs altogether by filing in fast-moving jurisdictions.” *Id.*

To some extent, we agree with Petitioner. Petitioner is correct that the post-grant review process enables early challenges to newly-issued patents. To that end, some facts pertinent to this proceeding’s status as a post-grant review challenge have been considered. For example, the fact that the Board has previously considered related subject matter weighs in Petitioner’s favor (*see supra* Factor 3). Likewise, the fact that Petitioner’s challenge under 35 U.S.C. § 101 may not be brought in future *inter partes* review challenges also weighs in Petitioner’s favor (*see infra* Factor 6). Furthermore, we consider that the standard for instituting *inter partes* review (“reasonable

likelihood”) is different from that of a post grant review (“more likely than not”). *See* 35 U.S.C §§ 314(a), 324(a).

However, institution under 35 U.S.C. § 324(a) is discretionary and the contours of that discretion are shaped by precedential guidance in *NHK Spring* and the *Fintiv* Order. Namely, the goal of exercising discretion to deny institution by weighing the *Fintiv* Factors is to promote fairness and efficiency. *Fintiv*, Paper 11 at 6. As such, insofar as Petitioner is asserting that post grant reviews generally should be tilted against discretionary denial overall as a policy matter, we are constrained from making such a determination. Rather, we determine that the differences between a post grant review and *inter partes* review can be accounted for in the *Fintiv* Factors. Accordingly, we determine the same discretionary considerations that promote fairness and efficiency in *inter partes* review are relevant to post grant reviews, and we apply the precedential *NHK Spring* decision and *Fintiv* Order to this proceeding.

ii. 35 U.S.C. § 101

Petitioner’s first asserted ground of unpatentability alleges that claims 1–20 of the ’677 patent are directed toward patent-ineligible subject matter, i.e., “the abstract idea of managing and playing a game involving receiving, storing, and sending a template defining positions of game contents in a game space.” Pet. 14. Petitioner contends that this is a mental process that can be carried out by a human, either mentally, with pen and paper, or with a physical game pieces, and is also a longstanding method of organizing human activity. *Id.* at 23–28. According to Petitioner, the claims simply utilize generic computer equipment to automate a manual process. *Id.* at 31–32. Petitioner contends that the only additional elements in the claims relate to generic computer components, and that the claims do not

improve the functioning of the computer. *Id.* at 32–35. According to Petitioner, these generic recitations are insufficient to create an inventive concept. *Id.* at 35–39.

We find preliminarily that Petitioner’s contentions, considered in light of Patent Owner’s arguments, appear strong including when considered in light of the Office’s 2019 Revised Patent Subject Matter Eligibility Guidance, 84 Fed. Reg. 50 (Jan. 7, 2019). We also recognize a strong public interest in providing a mechanism for early evaluation of Petitioner’s § 101 ground on the merits, as later challenges through *inter partes* review are unavailable. *See, e.g.*, H.R. Rep. No. 112-98, pt. 1, 47–48 (2011); 35 U.S.C. § 311(b).

Patent Owner does not identify any compelling weaknesses in Petitioner’s contentions. Patent Owner contends that Petitioner’s analysis is based in large part on the Board’s decision in PGR2018-00008, where those claims differ from the challenged claims here. Prelim. Resp. 32–33. However, although Petitioner references and briefly analogizes to that decision, *see* Pet. 19–23, the majority of Petitioner’s contentions address the ’677 patent directly, and Patent Owner does not identify deficiencies in that regard. *Id.* at 23–40.

For the foregoing reasons, an initial review of the merits of Petitioner’s ineligibility ground suggests that the merits are strong, which weighs in favor of institution.

iii. 35 U.S.C. § 103

Petitioner’s obviousness ground turns on the combination of the teachings of Clans v. 4.120, Mastermind, and Kim. Pet. 41–72. Patent Owner presents several arguments including that Petitioner has not established that Clans v. 4.120 is prior art (Prelim. Resp. 35–40) or that

Mastermind was sufficiently publicly accessible (*id.* at 40–50), and that Petitioner’s alleged motivation to combine is insufficient (*id.* at 50–55). We find preliminarily that Patent Owner identifies valid weaknesses with respect to the public accessibility of Mastermind.

Petitioner contends that Mastermind was “published to the Clash of Clans community forum on September 11, 2013 . . . [and] was archived by the Internet Archive on September 15, 2013.” Pet. 42. Patent Owner argues that Petitioner shows only that Mastermind was technically available on the Internet, but does not show that it was “publicly accessible.” Prelim. Resp. 40–50. For example, Patent Owner argues that the Petition lacks evidence of indexing or cataloguing and does not demonstrate that a skilled artisan “would have independently been aware of, or directed to, the Mastermind forum posts prior to that date absent such indexing.” *Id.* at 42. In fact, Patent Owner identifies prior statements by Petitioner and Dr. Claypool, which allegedly demonstrate the inaccessibility of Mastermind. *Id.* at 49–50 (citing Ex. 2009 ¶ 164); Ex. 2010, 13.

In its Reply, Petitioner contends that comments shown on Mastermind itself demonstrate that it was publicly accessible before the critical date and that interested persons actually accessed it. Prelim. Reply 6 (citing Ex. 1015, 28–30). Petitioner also argues that the Declaration submitted by Mr. Olesiuk—the author of Mastermind—provides independent verification that Mastermind was publicly available. *Id.* (citing Ex. 1015, 2–8). Finally, Petitioner argues that Mastermind was indexed in the “Ideas & Features Requests” section of the Clash of Clans forum. *Id.* at 7 (citing Ex. 1015, 13) (also arguing that lack of indexing is not dispositive).

In its Reply, Petitioner does not respond to Patent Owner’s arguments regarding prior statements made by Petitioner and Dr. Claypool concerning

the purposed inaccessibility of Mastermind. *See* Prelim. Reply 8. We find these prior statements to be probative. For example, in an expert report submitted by Dr. Claypool in related litigation between the parties, Dr. Claypool stated:

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). In that same litigation, in response to an interrogatory, Petitioner responded that “[Petitioner] agrees with [Patent Owner's] counsel that the Mastermind's In-Game Builder Post is *obscure* and believes that *a diligent skilled searcher engaged in a reasonable search would not have located it.*” Ex. 2020, 13 (emphasis added).

It is Petitioner's burden to demonstrate that Mastermind was publicly accessible. These prior admissions cast serious doubt on Petitioner's ability to satisfy that burden. We recognize that these exhibits are redacted and, perhaps, the import of Petitioner's prior admissions could be altered by the surrounded, redacted text. However, Petitioner did not address these admissions identified by Patent Owner. Prelim. Reply 5–8.

For at least the foregoing reasons, an initial review of the merits of Petitioner's obviousness ground suggests that the merits are not strong, which weighs in favor of denying institution.

iv. Summary

For the reasons detailed above, we find that the merits of Petitioner's 35 U.S.C. § 101 ground is strong and accounts for all claims, and the merits

of Petitioner’s 35 U.S.C. § 103 ground is weak. We also find Petitioner’s remaining policy arguments to be misplaced, in view of binding precedent. Taken together, the facts underlying Factor 6 weigh slightly in favor of institution.

v. *Holistic Analysis of Fintiv Factors*

We undertake a holistic analysis of these factors, considering “whether efficiency and integrity of the system are best served by denying or instituting review.” *Fintiv* Order, Paper 11 at 6. In this case, certain factors weigh in Patent Owner’s favor while others weigh in Petitioner’s favor. Further, the facts underlying Factor 1 are neutral.

Weighing in Patent Owner’s favor, we find that a jury trial is scheduled to begin nine months before the statutory deadline for our final written decision, and the record lacks any case-specific evidence to cast doubt on that date (Factor 2).⁸ We find that the challenged claims, statutory grounds, arguments, and prior art evidence raised in the Petition and in the parallel proceeding are substantially identical (Factor 4) and that the parallel proceeding involves the same parties (Factor 5).

On the other hand, weighing in Petitioner’s favor, the level of investment in the parallel proceeding to date is minimal, and the Board has invested resources of its own related to this proceeding (Factor 3). Also, Petitioner’s asserted ground based on 35 U.S.C. § 101 is strong and accounts for all of the claims. Although Petitioner’s asserted ground under 35 U.S.C. § 103 is weak, we find that the strength of the Petitioner’s § 101 ground outweighs this weaker ground (Factor 6). The other policy issues raised by

⁸ At best, there is some speculation the date could be moved by 45- to 60-days, which would not change our overall analysis.

Petitioner are not within our purview to consider, in light of binding precedent.

A balancing of the facts and circumstances discussed above leads us to conclude, on this record, 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. Accordingly, we determine that the circumstances presented weigh in favor of denying institution under 35 U.S.C. § 324(a).

III. OTHER DISCRETIONARY DENIAL CONSIDERATIONS

Patent Owner also alleges that during prosecution of the application that issued as the '677 patent, the Examiner considered the Board's decision in PGR2018-00008 and chose not to reject the claims under 35 U.S.C. § 101. Prelim. Resp. 28. Patent Owner urges this panel to avoid "second-guess[ing] this issue of patentability," in accordance with 35 U.S.C. § 325(d). *Id.* However, as we deny institution based on 35 U.S.C. § 324(a), we need not reach this issue.

IV. CONCLUSION

Taking account of the information presented in the Petition and the Preliminary Response, and the evidence of record, we exercise our discretion under § 324(a) and deny institution. Accordingly, the Petition is denied, and no trial is instituted.

V. ORDER

In consideration of the foregoing, it is hereby:
ORDERED that,
the Petition is denied, and no trial is instituted.

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