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Paper 17
Date: November 18, 2020

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 proceeding[1] between the parties in which substantially similar issues have been presented. Prelim. Resp. 3–25 (citing *NHK Spring Co. v. Intri-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

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