

Filed on behalf of Game Show Network, LLC and WorldWinner.com, Inc.

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Game Show Network, LLC and WorldWinner.com, Inc.,

Petitioners,

v.

Patent Owner of

U.S. Patent 6,174,237 to Stephenson

Case IPR2013-00289

**PETITIONERS' MOTION TO TERMINATE, OR TO ALTERNATIVELY
STAY, THE *EX PARTE* REEXAMINATION OF THE '237 PATENT**

I. RELIEF REQUESTED

Petitioner requests that the PTAB terminate, or, in the alternative, stay, *ex parte* reexamination no. 90/013,148, pursuant to 35 U.S.C. § 315(d).

II. STATEMENT OF REASONS FOR RELIEF REQUESTED

A. Congress intended for a single IPR proceeding to resolve the parties' patentability dispute based on printed prior art

Congress established IPR to create an “inexpensive substitute for district court litigation.” Ex. 1008 at S5319. Thus, the IPR statute includes several mechanisms to ensure that a *single IPR* would expeditiously resolve the parties' *entire* patentability dispute based on printed prior art. For example, the PTAB issues a patentability decision within a year of instituting trial. Further, the estoppel provisions ensure that the parties' patentability dispute over printed prior art will be determined in this IPR, not in other parallel and/or later proceedings.

Similarly, the statute's substitute claim provision contemplates that the patentability of substitute claims will be determined in this IPR, not in another proceeding. This ensures a fair *inter partes* process in which *both* parties participate, and promotes finality and efficiency. These advantages lead many petitioners to choose the IPR process to challenge patents. Here, Petitioners spent nearly \$25,000 in filing fees to petition for IPR, with the expectation that the IPR process would be fair and would lead to a prompt, efficient, and final determination of the patentability of the '237 Patent based on printed prior art. The *ex parte* reexamination will undermine this fairness, efficiency, and finality. It will exclude Petitioners, will likely take years to complete, and will result in a non-final determination that will likely be challenged in a subsequent litigation and/or IPR.

B. Stephenson seeks to obtain, in *ex parte* reexamination, claims that he should have submitted as substitute claims in this IPR

The eight proposed claims that Stephenson seeks in the *ex parte* reexamination are nearly identical to the original claims of the '237 Patent. Indeed, Stephenson admits that proposed independent Claim 20 “is *largely identical* to Claim 1 of the '237 patent.” Ex. 1009 at 17. The only difference is that Claim 20 recites “the single player and host computer playing against each other.” *Id.* Proposed Claims 21-28 make similarly minor changes. *Id.* at 18-19.

Stephenson could have – and should have – submitted these same claims as substitute claims in *this* IPR. Stephenson contemplated this very amendment long before the February 3 deadline, even spending considerable time on this issue in cross-examining GSN’s expert. Indeed, after specifically discussing a claim amendment like that in Claim 20, this Panel authorized Stephenson to file a motion to amend. And Stephenson could have – and should have – submitted each of the seven dependent claims as a substitute for one of the existing dependent claims of the '237 Patent. Stephenson’s proposed claims fall squarely within the PTAB’s *Idle Free* guidance for appropriate substitute claims in this IPR.

Stephenson’s purely strategic decision to instead pursue the proposed claims through *ex parte* reexamination is inconsistent with the Panel’s guidance. While the Panel indicated that a “complete remodeling of [] claim structure according to a different strategy” may be pursued in *ex parte* reexamination, this IPR is the proper proceeding for minor claim amendments. But while Stephenson assured the Panel that he did not intend to pursue minor claim amendments in a parallel *ex parte* reexamination, his proposed claims are just that – minor amendments to the claims.

C. Stephenson's attempt to obtain substitute claims through *ex parte* reexamination undermines IPR as an effective litigation substitute

Stephenson's attempt to obtain substitute claims through *ex parte* reexamination is a transparent attempted end-run around the *inter partes* process. Stephenson clearly hopes to obtain substitute claims in an *ex parte* process which is less rigorous than the claims would be subjected to in this IPR. If this attempted end-run succeeds, it will undermine IPR as an effective substitute for litigation.

A concurrent *ex parte* reexamination would cause duplicated USPTO effort and inefficiency. The PTAB and CRU (even before granting the *ex parte* request) would be evaluating and applying the same prior art (Walker) and nearly identical claims and patentability issues. Further, the PTAB and CRU could set forth inconsistent analyses, including prior art evaluations, claim constructions, and patentability determinations. Even the CRU's initial analysis granting or denying the requested re-examination, which could issue within weeks given the "special dispatch" nature of reexaminations, could be used by Stephenson in this IPR. And if the CRU later determines that the proposed amended claims are patentable, Stephenson would inevitably pursue subsequent litigation, and Petitioners would then file a second IPR, addressing the same claims that Stephenson could have sought here. By contrast, had Stephenson timely submitted the substitute claims in this IPR, this panel would have determined the patentability of the original ***and the substitute claims*** in this proceeding, avoiding a potential second round dispute.

In addition, allowing the *ex parte* reexamination to proceed would inevitably incentivize many patent owners to adopt the same strategy of seeking minor claim amendments via *ex parte* reexamination and altogether avoid the more rigorous

inter partes review. In addition to potentially creating a veritable flood of *ex parte* reexaminations for the CRU, this “IPR end-run” strategy would likely spawn subsequent litigation for the District Courts and follow-on future IPRs for the PTAB upon the allowance of the slightly amended claims, thereby undermining Congress’ goal of resolving printed prior art validity challenges in one IPR.

D. Termination of the *ex parte* reexamination is the proper remedy

Here, termination of the *ex parte* reexamination is an appropriate remedy. Stephenson seeks to use *ex parte* reexamination as a sort of “safety net” to obtain “largely identical” new claims to assert against Petitioners even after the original claims are likely to be deemed unpatentable in this IPR. Stephenson revealed this strategy by conceding that he opposes an immediate stay of the *ex parte* reexamination so that “no matter what happened in the IPR there would be at least some claims surviving.” Ex. 1010 at 28:4-5. The *ex parte* reexamination process should not be used as a placeholder for minor IPR-induced claim amendments.

The PTAB should terminate the *ex parte* reexamination to prevent Stephenson’s attempted end-run of the IPR process. Stephenson had a fair chance to submit substitute claims in this IPR, but voluntarily gave up that opportunity. The deadline for Stephenson to submit its minor claim amendments in this IPR was February 3, and, thus, the February 10 amendments would have been untimely here. Stephenson should not be permitted to *belatedly* seek the same claims in an *ex parte* process that should have been sought here. The PTAB should not allow Stephenson to pursue substitute claims in the *ex parte* reexamination to save him from his decision to not pursue those claims in this IPR.

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