

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NINTENDO OF AMERICA, INC. and NINTENDO CO., LTD.,
Petitioner,

v.

BABBAGE HOLDINGS, LLC,
Patent Owner.

Case IPR2015-00568
Patent 5,561,811

Before MEREDITH C. PETRAVICK, KALYAN K. DESHPANDE, and
MATTHEW R. CLEMENTS, *Administrative Patent Judges*.

CLEMENTS, *Administrative Patent Judge*.

DECISION

Institution of *Inter Partes* Review and Grant of Motion for Joinder
37 C.F.R. § 42.108
37 C.F.R. § 42.122(b)

I. INTRODUCTION

Nintendo of America, Inc. and Nintendo Co., Ltd. (“Nintendo” or “Petitioner”) filed a Corrected Petition requesting *inter partes* review of U.S. Patent No. 5,561,811 (Ex. 1001, “the ’811 patent”). Paper 7 (“Pet.”). Concurrently with its Petition, Petitioner filed a Motion for Joinder. Paper 4 (“Mot.”). The Motion for Joinder seeks to join this proceeding with *505 Games Interactive, Inc. v. Babbage Holdings, LLC*, IPR2014-00954 (hereinafter “954 IPR”). Mot. 4. (“Mot.”). Babbage Holdings, LLC (“Patent Owner”) filed a Preliminary Response (Paper 11, “Prelim. Resp.”) and an Opposition to Petitioner’s Motion for Joinder (Paper 10, “Opp.”). Petitioner in the 954 IPR did not seek authorization to oppose Petitioner’s Motion for Joinder.

For the reasons explained below, we institute an *inter partes* review of claim 7 of the ’811 patent and grant Petitioner’s Motion for Joinder.

II. INSTITUTION OF INTER PARTES REVIEW

The Petition asserts the same ground as that on which we instituted review in the 954 IPR. Pet. 1; Mot. 1. On December 15, 2014, we instituted an *inter partes* review of claim 7 under 35 U.S.C. § 103 as obvious over the combination of Yoshino¹ and Greanias.² 954 IPR, Paper 24, 12.

In view of the challenges in the instant Petition and the petition in the 954 IPR, we institute an *inter partes* review in this proceeding on the same ground on which we instituted in the 954 IPR.

¹ US Patent No. 5,548,304 (Ex. 1002, “Yoshino”)

² US Patent No. 5,157,384 (Ex. 1003, “Greanias”)

III. GRANT OF MOTION FOR JOINDER

The Petition in this proceeding has been accorded a filing date of January 14, 2015, and, thus, satisfies the requirement that joinder be requested no later than one month after the institution date of the 954 IPR. *See* 37 C.F.R. § 42.122(b); Paper 5 (Notice of Filing Date Accorded to Petition).

The Petition in this proceeding sets forth the same ground and combination of prior art, the same expert declaration, and the same arguments considered by the board in instituting trial in the 954 IPR. Mot. 1–2, 8–9. The Petitions differ only in that the Petition in this case applies claim constructions adopted by the Board in the Decision on Institution (“Dec. Inst.”) in the 954 IPR. The differences between the two Petitions do not introduce new issues.

Petitioner represents in its Motion for Joinder that “[u]nless and until all ’954 petitioners settle with the patent owner, Nintendo would take an understudy role; it will not submit any separate filings to the PTO unless it disagrees with the positions of the current petitioners, and in the event of such disagreement it would submit a filing not exceeding seven pages.” Mot. 8. Petitioner represents that it will “adhere to all applicable deadlines set forth by the December 15, 2014 Scheduling Order” (*id.* at 1–2) and “will cooperate on all briefing and discovery” (*id.* at 8). Petitioner represents that Sony, one of the real parties-in-interest identified as Petitioner in the 954 IPR, does not oppose Petitioner’s Motion for Joinder. *Id.*

Patent Owner opposes Petitioner’s Motion for Joinder because “the ‘954 IPR petitioners have now settled out of the underlying district court litigation, and the Patent Owner and those petitioners intend to file a motion

to terminate the ‘954 IPR as soon as the litigation dismissals are finally entered by the district courts.” Opp. 4–5. According to Patent Owner, Petitioner’s “intent to offer (or at least reserve the right to offer) different ‘positions’ from those of the ‘954 IPR petitioners . . . will have unintended consequences (or may well derail) the current trial schedule” because (1) Petitioner “may also need additional briefing (including ‘if the ‘954 IPR is terminated as to all other petitioners’ – which it will be!)”; and (2) Petitioner’s promise to cooperate on briefing and discovery is unpersuasive not accompanied by a reciprocal undertaking by the Petitioner in the 954 IPR. *Id.* at 5–6.

Patent Owner also argues that “[Petitioner] could have joined the original petitioners in IPR2014-00954” and that Petitioner’s decision to wait eight months is “prejudicial to Patent Owner (and perhaps the other petitioners), at the very least because the Patent Owner settled the underlying litigation in part under the assumption that such settlements also would have the effect of disposing of the IPR.” *Id.* at 8. According to Patent Owner, joinder of this proceeding with the 954 IPR “will frustrate the ‘just, speedy, and inexpensive resolution’ of the [954 IPR]” because “if a holdout (to the underlying IPR) litigant like [Petitioner] is permitted to join an IPR despite settlement by the underlying parties, a Patent Owner may never be assured that a given settlement will have its intended consequences.” *Id.* at 8–9.

Upon consideration of the Motion and Opposition, we are persuaded that Petitioner has demonstrated that joinder will not complicate or delay the 954 IPR unduly. We are not persuaded by Patent Owner’s arguments regarding its settlements with the real parties-in-interest identified

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constituting the Petitioner in the 954 IPR because, at the time the Petition and Motion for Joinder were filed in this proceeding, no Motion to Terminate had been filed in the 954 IPR. Moreover, we are not persuaded by Patent Owner's argument that joinder of Petitioner with the 954 IPR will disrupt the schedule of the 954 IPR. The parties in the 954 IPR have now filed Joint Motions to Terminate (954 IPR, Papers 28–37). Because it is unlikely that Petitioner in the 954 IPR will remain involved in the proceeding, it is unlikely that Petitioner will need to coordinate with Petitioner in the 954 IPR and, therefore, unlikely that such coordination will disrupt the schedule set in the 954 IPR. We therefore grant Petitioner's Motion for Joinder to join this proceeding with the 954 IPR.

IV. ORDER

Accordingly, it is

ORDERED that IPR2015-00568 is instituted and joined with IPR2014-00954;

FURTHER ORDERED that the ground on which IPR2014-00954 was instituted is unchanged, and no other grounds are instituted in the joined proceeding;

FURTHER ORDERED that the Scheduling Order in place for IPR2014-00954 (Paper 25) shall govern the joined proceedings;

FURTHER ORDERED that, if Patent Owner requires a Supplemental Response to address the Petition filed in IPR2015-00568, Patent Owner must request a conference call with the Board within five days of this Order;

FURTHER ORDERED that IPR2015-00568 is terminated under 37 C.F.R. § 42.72, and all further filings in the joined proceeding are to be made in IPR2014-00954;

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