

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BUNGIE, INC.,
Petitioner

v.

WORLDS INC.,
Patent Owner

Case IPR2015-01319
Patent 8,082,501

**PATENT OWNER'S MOTION TO EXCLUDE
PETITIONER'S EVIDENCE UNDER 37 C.F.R. § 42.64(c)**

Under 35 U.S.C. § 311(b), the scope of an *inter partes* reivew entitles a petitioner to challenge patent claims “only on a ground that could be raised under section 102 or 103 and only on the basis of prior art consisting of patents or printed publications.” Despite these restrictions, Petitioner here has embarked on what can only be referred to as a litigation-style “smear campaign,” with character attacks designed to tanish the reputations of Patent Owner Worlds Inc., its CEO Thom Kidrin, and its technical expert Mark Pesce before the Board. Of the five exhibits subject to this motion to exclude, four are directed to character “evidence” that falls outside the scope of any *inter partes* review and has no bearing on the question of whether Patent Owner’s claims are patentable “only on a ground that could be raised under section 102 or 103 and only on the basis of prior art consisting of patents or printed publications.” 35 U.S.C. § 311(b).

The Office Patent Trial Practice Guide explains that “the Office’s goal is to conduct the proceedings in a timely, *fair*, and efficient manner.” Office Patent Trial Practice Guide, 77 Fed. Reg. 48756 (Aug. 14, 2012) (emphasis added). The Board has consistently embraced this goal of fairness, not only in procedures designed to ensure fair outcomes but also in the manner in which cases are carried out. But here, Bungie infects the proceedings with exhibits having no bearing on the facts of this proceeding, or any other proceeding for that matter. The fair and

legally correct action with respect to these exhibits is for the Board to exclude them from the record.

Accordingly, Patent Owner timely moves to exclude the following five of Petitioner's Exhibits as set forth below:

Exhibit 1033 – Business Wire Article

1. Identity of the exhibit and portion thereof sought to be excluded: Website article: “Worlds.com Sues NCSOFT for Infringing Key Virtual Worlds Patent,” published on Business Wire, December 31, 2008, <http://www.businesswire.com/news/home/20081231005197/en/Worlds.com-Sues-NCSOFT-Infringing-Key-Virtual-Worlds#.VczjsWfjDTs>; Patent Owner moves for exclusion of the full exhibit.
2. Objection: Fed. R. Evid. 402/403.
3. Timely objection was made in Patent Owner's Objections filed December 14, 2015. (Paper 16 at 5).
4. In Petitioner's Opposition to Patent Owner's Motion for Routine or Additional Discovery (Paper 10 at 2), Petitioner relies upon Ex. 1033 for its unsupported allegation that Patent Owner is a “notorious patent assertion entity, known in the videogame industry for aggressively threatening and asserting through litigation the patents at issue in the

current IPRs.” *Id.* Namely, Petitioner is attacking the character of the Patent Owner through this evidence and argument. Neither is relevant to the proceeding.

5. Exhibit 1033 has no probative weight on any “fact that is of consequence to the determination” in this proceeding. *See* Fed. R. Evid. 401.

Specifically, Ex. 1033 is not relevant to content of the claims being challenged, to the content of the prior art, or to any other issue to be decided by the Board. Petitioner’s only use of this evidence is in support of its attack of Patent Owner’s character, which is not relevant to the outcome or to any underlying issue in this proceeding. The existence of a prior lawsuit brought by Patent Owner on a valid U.S. Patent has no bearing on whether claim 1 of the ‘856 patent is patentable. Irrelevant evidence is inadmissible. Fed. R. Evid. 402. Exhibit 1033’s irrelevance is further supported by Fed. R. Evid. 405. In that rule, specific instances of conduct are only admissible where character of a person “is an essential element of a charge, claim, or defense” The character of Patent Owner as an entity (or the character of its CEO) is not an essential element to this proceeding, and indeed has no bearing on the outcome.

6. Even if the Board believes that Ex. 1033 is relevant to any issue in this proceeding (which Patent Owner denies), Ex. 1033 should be excluded

under Fed. R. Evid. 403 since the risk of unfair prejudice due to Ex. 1033 substantially outweighs any probative value. Patent Owner’s decision to file suit against NCSOFT on a valid and issued U.S. Patent No. 7,181,690 in 2008 does not justify Petitioner’s hyperbole in characterizing Patent Owner as “notorious” and “aggressively threatening.” The unfair prejudice that may spring from these unfounded characterizations—namely, the unfair prejudice that the Board would conclude that Patent Owner or its CEO is a “bad actor” as a result of its prior lawsuit to enforce a patent—substantially outweighs any probative value of Ex. 1033.

7. Accordingly, Ex. 1033 should be excluded under Fed. R. Evid. 402, or at minimum under Fed. R. Evid. 403.

Exhibit 1034 – Business Insider

1. Identity of the exhibit and portion thereof sought to be excluded: Website article by Krangel, Eric, published on Business Insider, December 31, 2008, <http://www.businessinsider.com/worldscom-ceo-were-absolutely-going-to-sue-second-life-and-world-of-warcraft-2009-3>; Patent Owner moves for exclusion of the full exhibit.
2. Objection: Fed. R. Evid. 402, 403, 801.

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