

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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MICROSOFT CORPORATION,  
Petitioner,

v.

WORLDS INC.,  
Patent Owner.

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Case IPR2021-00277  
Patent 8,082,501

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**PATENT OWNER'S REQUEST FOR REHEARING UNDER  
37 C.F.R. § 42.71(d) ON THE TIME BAR UNDER 35 U.S.C. § 315(b)**

## IPR2021-00277 Patent Owner's Request for Rehearing

Patent Owner timely and respectfully seeks rehearing under 37 C.F.R. § 42.71(d) of the Board's decision to institute this proceeding. Patent Owner is simultaneously requesting a Precedential Opinion Panel by contacting the appropriate e-mail address, as instructed in the relevant Standard Operating Procedure.

This request seeks rehearing to address the proper application of the one-year time bar under 35 U.S.C. § 315(b). The statutory time bar in this case is triggered by Petitioner's substantial use of challenges and an expert declaration authored and funded by a prior petitioner for use in a petition that was itself dismissed as time-barred under § 315(b). The proper application of the one-year time bar under § 315(b) is of such extraordinary and recurring importance to the PTAB and its participants that a precedential panel is requested to correct the Institution Decision here, and to supply uniform guidance for future cases.

### **I. LEGAL STANDARD FOR REHEARING**

Pursuant to 37 C.F.R. § 42.71(d), a party may request rehearing of an institution decision by the Board. The movant has the burden of showing that the institution decision should be modified, 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.” See 37 C.F.R. § 42.71(d); *Apple Inc., et al. v. Uniloc Luxembourg S.A.*, IPR2017-00225, Paper 31 at 2 (P.T.A.B. Sept. 6, 2018).

Patent Owner respectfully submits that the Board overlooked certain evidence in deciding that this Petition was not subject to the time bar of § 315(b). Properly considered in view of the record evidence, Patent Owner respectfully submits that § 315(b) requires denial where, as here, the petitioner asserts challenges and submits an expert declaration prepared and funded by a prior petitioner for a petition that was established to be time-barred under that statute.

## **II. THE PETITION SHOULD HAVE BEEN DENIED AS TIME BARRED UNDER § 315(b)**

Petitioner Microsoft openly admits that its Petition against the '501 Patent copies grounds from a prior petition filed by Bungie Inc. in IPR2015-01319, and Microsoft resubmitted the very same expert declaration prepared—and paid for—by Bungie in 2015 to support that prior petition. Further, there is no dispute that at the time Bungie filed its prior petition, Activision Publishing, Inc. (“Activision”) was time-barred from filing its own IPR under 35 U.S.C. § 315(b). In IPR2015-01319, Worlds presented evidence in the form of an agreement that provided Activision with contractual rights of oversight and budgetary review over Bungie’s prior petition. As a result of that evidence, the Federal Circuit confirmed that Worlds provided sufficient evidence to dispute Bungie’s identification of RPIs to its petition. *Worlds Inc. v. Bungie, Inc.*, 903 F.3d 1237, 1246-47 (Fed. Cir. 2018).

## IPR2021-00277 Patent Owner's Request for Rehearing

Bungie presented no evidence to the contrary on remand before the Board, and its petition was denied and terminated by the Board. *See* IPR2015-01319, Papers 62-64. Further confirming that Worlds' evidence of Activision's RPI status was correct, Activision recently conceded it was an RPI to Bungie's IPRs. This background for the current Petition was addressed in Patent Owner's Preliminary Response ("POPR" or Paper 6) at pp. 3-7.

Bungie's petition in IPR2015-01319 was terminated because Activision was treated as an RPI, and because Activision had been served with a complaint asserting infringement of the '501 Patent more than one year before Bungie's petition was filed. *See* POPR, 6-7 ("Because of Activision's contractually ability to orchestrate the substance of Bungie's IPR petition, and because Bungie offered no evidence to disprove Activision's involvement, Bungie's petition against the '501 patent was dismissed as time-barred, and the Board terminated the *inter partes* review without rendering a final written decision.") (citing IPR2015-01319, Paper 62 at 45). However, despite Microsoft's decision to copy grounds from the time-barred petition in IPR2015-01319 and to submit the very same expert declaration prepared and funded by Bungie for that case, Microsoft named neither Bungie nor Activision as RPIs to its Petition.

The question presented in this Request is whether 35 U.S.C. § 315(b) requires denial where Microsoft's Petition asserts challenges and submits an expert

## IPR2021-00277 Patent Owner's Request for Rehearing

declaration prepared and funded by Bungie—with Activision's right to review and approve Bungie's work—for use in a petition that was previously terminated as time-barred under § 315(b). Patent Owner respectfully submits that under those facts, Bungie and Activision must be named as RPIs to Microsoft's Petition, which therefore must also be denied under § 315(b).

As Worlds argued in the POPR, the test for RPI is “flexible.” *See* POPR at 13 (citing *Applications in Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336, 1351 (Fed. Cir. 2018)); *see also* Paper 8 at 2. The Consolidated Trial Practice Guide of Nov. 2019 (<https://www.uspto.gov/TrialPracticeGuideConsolidated>) confirms that the RPI determination includes the non-petitioner's “relationship to the petition itself, including the nature and/or degree of involvement in the filing.” *Id.* at 17. This point was also raised in Patent Owner's authorized sur-reply. *See* Paper 8 at 2. The Board's Institution Decision recognized that a party funding an IPR is an RPI. Paper 11 at 13 (citing Trial Practice Guide, 17); *see also* Paper 8 at 2.

Here, the strategic decisions behind Microsoft's Petition were not made by Microsoft. Instead, as Patent Owner argued, they are attributed to Bungie and, through the Activision-Bungie agreement presented by Worlds, to Activision. *See* POPR, 8. Indeed, the underlying prior art searches and review, the formulation of the asserted challenges, preparation of Dr. Zyda's declaration, and authorship of the Petition itself are also attributed to Bungie and Activision. *Id.* Moreover, the

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