

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Playtika Ltd. and Playtika Holding Corp.,

Petitioners,

v.

NEXRF Corp.,

The Patent Owner.

Case No. IPR2021-00951
U.S. Patent No. 8,747,229

**PETITIONERS' PRE-INSTITUTION REPLY IN RESPONSE TO THE
PATENT OWNER'S PRELIMINARY RESPONSE**

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LIST OF EXHIBITS

Exhibit	Description
Ex-1001	U.S. Patent No. 8,747,229 (the '229 patent)
Ex-1002	Prosecution File History of U.S. Patent No. 8,747,229
Ex-1003	Declaration of Stacy A. Friedman
Ex-1004	Curriculum Vitae of Stacy A. Friedman
Ex-1005	U.S. Patent No. 7,470,196 B1 ("Joshi")
Ex-1006	European Patent Application No. EP 0 934 765 A1 ("Agasse")
Ex-1007	U.S. Patent No. 5,918,013 ("Mighdoll")
Ex-1008	<i>Reserved</i>
Ex-1009	Australian Patent No. 721645 ("Finlayson")
Ex-1010	David Ohlson, Lasseters On-Line, "Internet Gambling" (May 6-7, 1999).
Ex-1011	Access Systems PTY Ltd., Submission to The Productivity Commission Inquiry into Australia's Gambling Industries (Oct. 1998).
Ex-1012	U.S. Patent No. 6,874,084 ("Dobner").
Ex-1013	John R. Smith et al., Content-Based Transcoding of Images in the Internet (1998).
Ex-1014	<i>Reserved</i>
Ex-1015	Complained Filed in <i>NEXRF Corp. v. Playtika Ltd.</i> , Case No. 3:20-cv-604-MMD-CLB (D. Nev.)
Ex-1016	Henrik Frystyk Nielson, et al., Network Performance Effects of HTTP/1.1, CSS1, and PNG, note 24-June 1997 ("Neilson").
Ex-1017	U.S. Patent No. 6,409,602 ("Wiltshire")
Ex-1018	As-filed Application of U.S. Patent Application No. 09/688,501
Ex-1019	E-mail Correspondence
Ex-1020	Playtika's Motion to Dismiss Filed on Feb. 18, 2021
Ex-1021	<i>Reserved</i>
Ex-1022	NEXRF's Notice of Appeal

I. Collateral Estoppel Does Not Apply to Playtika's Petitions¹

The collateral estoppel argument in the preliminary responses should be rejected because none of the required elements of collateral estoppel are met. Collateral estoppel requires a showing of the following elements: “(1) the issue at stake must be identical to the one involved in the prior litigation; (2) the issue must have been *actually litigated* in the prior suit; (3) the determination of the issue in the prior litigation must have been a critical and necessary part of the judgment in that action; and (4) the party against whom the earlier decision is asserted must have had a full and fair opportunity to litigate the issue in the earlier proceeding.” *Voter Verified, Inc. v. Election Sys. & Software LLC*, 887 F.3d 1376, 1382-83 (Fed. Cir. 2018) (emphasis in original). Here, the issue decided by the district court (eligibility under 35 U.S.C. § 101) and the issues before the Board (anticipation and obviousness under 35 U.S.C. § 102 and 103) are different.

A. Summary of Facts

On May 26, 2021, Petitioners Playitka Ltd. and Playtika Holding Corp. (“Playtika”) filed three *inter partes* review petitions (IPR2021-00951, 00952, and 00953) against the Patent Owner, NEXRF Corp. NEXRF was at the same time

¹ The Board authorized, via e-mail, a five-page brief responding to the collateral estoppel arguments raised in Patent Owner's preliminary responses. Ex-1019.

asserting the same patents against Playtika in a parallel district court proceeding, and Playtika filed a motion to dismiss the complaint under Fed. R. Civ. P. 12(b)(6), arguing *inter alia* that the asserted patents are invalid under 35 U.S.C. § 101. Ex-1020. No other invalidity issues were briefed. *See id.* On July 7, 2021, the district court issued an order granting Playtika's motion to dismiss, holding that the asserted patents are invalid under § 101. Ex-2006. The order did not address any other issues of invalidity. *See id.* On July 13, 2021, The Patent Owner appealed the district court's judgment to the Federal Circuit. Ex-1022.

B. Element 1: The Petitions' §§ 102 and 103 Grounds Are Not Identical to the District Court's § 101 Ground

Collateral estoppel should not apply because the § 101 issues decided in the district court's order are not identical to the anticipation and obviousness arguments raised in Playtika's IPR petitions. *See Voter Verified*, 887 F.3d at 1379-80 (refusing to apply collateral estoppel to § 101 arguments even though invalidity under §§ 102, 103, and 112 was adjudicated in the prior proceeding on summary judgment). The IPR petitions only address anticipation and obviousness arguments pursuant to 35 U.S.C. § 311(b). On the other hand, Playtika's motion to dismiss and the district court's order only addressed invalidity under § 101. *See Ex-1020, Ex-2006.* Invalidity issues under § 101 are different from anticipation and obviousness issues under §§ 102 and 103, involving different legal and factual analyses. Moreover, unlike § 101 analysis, which can be decided as a matter of law

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