

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE
FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE
UNITED STATES PATENT AND TRADEMARK OFFICE

PRIME TIME TOYS LLC, PRIME TIME TOYS LTD.,
and EASEBON SERVICES LTD.,
Petitioner,

v.

SPIN MASTER, INC.,
Patent Owner.

IPR2023-01339 (Patent 8,640,683 B2)
IPR2023-01348 (Patent 8,371,282 B2)
IPR2023-01461 (Patent 8,596,255 B2)¹

Before KATHERINE K. VIDAL, *Under Secretary of Commerce for
Intellectual Property and Director of the United States Patent and
Trademark Office.*

DECISION

Granting Director Review, Reversing the Decision Denying Institution, and
Remanding to the Patent Trial and Appeal Board for
Further Proceedings

¹ This decision applies to each of the above-listed proceedings.

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I. INTRODUCTION

Prime Time Toys LLC, Prime Time Toys Ltd., and Easebon Services Ltd. (“Petitioner”) filed petitions seeking *inter partes* review of certain claims in three related patents: U.S. Patent Nos. 8,640,683 B2 (“the ’683 patent”), 8,371,282 B2 (“the ’282 patent”), and 8,596,255 B2 (“the ’255 patent”). Paper 2 (“Petition” or “Pet.”).² Spin Master, Inc. (“Patent Owner”) does not dispute that the proposed combination of the two main references, Peev³ and Spitballs,⁴ teaches or suggests all limitations of the challenged claims. *See generally* Paper 6 (“Prelim. Resp.”). During each proceeding, Patent Owner filed a Preliminary Response arguing, in part, that the Board should deny institution because Petitioner failed to show a motivation to combine Peev and Spitballs. Prelim. Resp. 26–40. The Board agreed and denied institution of *inter partes* review of each proceeding. Paper 10 (“Decision” or “Dec.” or “Decision Denying Institution”).

Petitioner requested Director Review and argued that the Board: abused its discretion by: (1) completely failing to consider evidence of secondary considerations in the form of simultaneous invention, which evidence supports a finding of motivation to combine; (2) arbitrarily ignoring admissions made by Patent Owner’s expert and other record evidence

² For simplicity, I cite to papers and exhibits in IPR2023-01339 as representative. IPR2023-01348 and IPR2023-01461 include papers and exhibits that have substantially similar content, unless otherwise noted.

³ Bulgarian Patent Application No. BG110343, published July 31, 2009 (Ex. 1003, “Peev”). Petitioner provided a certified English translation of Peev. *Id.* at 21–41. All citations are to the certified translation.

⁴ ThinkGeek Spitballs Internet Archive Webpages, dated Oct. 27, 2009, Nov. 27, 2009, Nov. 30, 2009, Dec. 17, 2009, and Jan. 5, 2010 (Ex. 1002, “Spitballs”).

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which are contrary to the Board’s finding; and (3) relying on the personal experience of Petitioners’ expert without any evidence that such experience was known and practiced by the [person of ordinary skill in the art] defined by the Board.

Paper 11 (“Director Review Request” or “DR Req.”), 1 (emphases omitted).

Having reviewed the record before me, I agree with Petitioner that the Board improperly found that Petitioner failed to demonstrate a sufficient motivation to combine the references by relying on the anecdotal, personal experience of Petitioner’s expert, and not addressing Patent Owner’s expert’s admissions and secondary considerations of obviousness, specifically simultaneous invention evidence. I also respectfully disagree with the Board that a skilled artisan’s desire to use airsoft guns to mimic real firearms would have caused such an artisan to seek to mimic the injury caused by real firearms or to otherwise preserve an airsoft gun’s ability to cause injury. I also find that the Board’s decision puts too high a burden on Petitioner to establish not only an expectation of success, but absolute success.

As a result, I grant Director Review, reverse the Board’s Decisions, and determine that the Petitions demonstrate a reasonable likelihood of prevailing with respect to at least one challenged claim of each patent. For purposes of efficiency, I also address Patent Owner’s discretionary denial arguments, decline to discretionarily deny, and remand to the Board to institute trial and conduct further proceedings consistent with this decision.

II. BACKGROUND

The challenged patents describe “soft-projectile launching devices that launch super absorbent polymer projectiles.” Ex. 1001, 1:14–15.

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Claim 4 of the '683 patent is representative of the subject matter at issue in these proceedings⁵ and recites:

1. A projectile launching system, comprising:

ammunition comprising a plurality of substantially spherical soft-projectiles formed from hydrated super absorbent polymer; and

a projectile launcher for launching the ammunition in free flight.

4. The system of claim 1, wherein the projectile launcher is in the shape of a gun.

Ex. 1001, 9:39–43; 10:1–2.

Petitioner challenged at least one claim in all proceedings based on the prior art combination of Peev (Ex. 1003) and Spitballs (Ex. 1002). *See* Pet. 15; IPR2023-01348, Paper 2, 15; IPR2023-01461, Paper 2, 16. Peev is a Bulgarian patent publication titled “Air-Force Electric Rifle” and discloses an “electric airsoft gun [that] finds application in the sporting gun industry and is used for military simulations or training, or for entertainment in airsoft games.” Ex. 1003, 22. Spitballs is a webpage, portions of which were captured by the Internet Archive on various dates, which discloses projectiles that “start off as small hard little spheres” and, when soaked “in water for about 4 hours (or overnight for best results)[,] . . . absorb water and grow up to 200 times their original size,” such that they become “slimy and squishy.” Ex. 1002, 24.

Petitioner argued that it would have been obvious to combine the airsoft gun disclosed by Peev and the softer projectiles disclosed by Spitballs

⁵ Before the Board’s Decision, Patent Owner disclaimed claims 1–3, 10, and 11. Ex. 2014. For the narrow issues to be decided in this decision, I treat claim 4 as representative.

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to create a “safer air gun” and to reduce the risk of injury associated with hard plastic ammunition used in airsoft guns. Pet. 35–42. More specifically, Petitioner argued that, “[p]rior to 2010[,] it was known that while airsoft guns are a lot of fun to play with, they fire hard plastic ammunition, and that ammunition can hurt and even cause injury.” Pet. 36–38 (citing Ex. 1005, 3; Ex. 1016 ¶ 84; Ex. 1004,⁶ 368:18–369:16, 439:16–20, 441:14–442:18; Ex. 1019, 9; Ex. 1020, 3). Petitioner further argued that a person of ordinary skill would have known that “one way to make a hard projectile less likely to cause injury would be to make it softer,” and that “Spitballs were softer projectiles.” *Id.* at 38–39 (citing Ex. 1004, 439:25–440:9; Ex. 1002, 21; Ex. 1016 ¶ 85; Ex. 1004, 387:3–15, 400:13–15). Petitioner contended that a person of ordinary skill in the art would “have been motivated to combine Peev with Spitballs” to make a “safer air gun” and, because there were a finite number of softer ammunition options, this combination would have had a reasonable expectation of success. *Id.* at 38–42.

In its Preliminary Response, Patent Owner disputed Petitioner’s asserted motivation to modify Peev, arguing that a person of skill in the art “would not have been concerned with reducing the injury risk associated with being shot by the hard plastic ammunition” because “airsoft guns are typically designed to replicate real guns.” Prelim. Resp. 28–30. Patent Owner also asserted that Petitioner failed to show that super-absorbent polymer ammunition, such as Spitballs, would reduce a specific injury risk

⁶ The Petition cites to the original page numbers in the top right-hand corner of the pages of Exhibit 1004, and the Decision cites to the page number added by Petitioner in the lower right-hand corner. For consistency, I cite to the page numbers added by Petitioner.

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associated with Peev’s airsoft gun. *Id.* at 30–36. Finally, Patent Owner argued that Spitballs was not an identified solution to any alleged injury problem with airsoft guns. *Id.* at 36–38.

In its Decision, the Board agreed with Patent Owner and found that Petitioner failed to show that a person of ordinary skill in the art would have considered risk of injury to be a known problem with airsoft guns. Dec. 11. The Board relied on testimony that “[airsoft guns] look and behave exactly [l]ike real guns,” combined with the personal practices of Petitioner’s expert, Mr. Delman, to conclude that, “[t]hough there is a risk of injury while using airsoft guns, Petitioner has not established that one of skill in the art would consider this risk a problem with airsoft guns, as opposed to an accepted function.” *Id.* The Board also relied on the fact that there is evidence that “most any projectile launched at somebody else can pose a risk of an eye injury,” to conclude that “Petitioner has not established that the combination of Peev and Spitballs decreases the risk of injury.” *Id.* at 12. Finally, the Board found that Petitioner failed to show that super-absorbent polymer ammunition would solve any injury problem. *Id.* at 12–13.

In its Director Review Request, Petitioner argues that the Board abused its discretion by overlooking prior admissions from Patent Owner’s expert, Dr. Kudrowitz, made during cross examination in a related investigation at the United States International Trade Commission (“ITC”)⁷

⁷ *In the Matter of Certain Soft Projectile Launching Devices, Components Thereof, Ammunition, and Products Containing Same*, Inv. No. 337-TA-1325 (“the ITC proceeding”). *See, e.g.*, Pet. 7. On October 25, 2023, the Administrative Law Judge (“ALJ”) issued a Final Initial Determination in the ITC Proceeding finding, among other things, that

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concerning two of the same patents challenged here. DR Req. 1, 5–7; Pet. 36–38. Petitioner also argues that the Board overlooked objective indicia of obviousness—evidence of simultaneous invention—which was presented in the Petition. DR Req. 1, 4–5; Pet. 57–60. Finally, Petitioner argues that the Board improperly relied on testimony concerning the personal practices of Petitioner’s expert, Mr. Delman, which were not shown to be practiced by all parents and known to a person of ordinary skill in the art. DR Req. 1, 7–8. According to Petitioner, these alleged errors caused the Board to improperly reject Petitioner’s argument that a person of ordinary skill in the art would have modified Peev with the softer projectiles of Spitballs. *Id.* at 1, 15.

III. ANALYSIS

I agree with Petitioner that the Board improperly found that Petitioner failed to demonstrate a sufficient motivation to combine the references by relying on the anecdotal, personal experience of Petitioner’s expert, and not addressing Patent Owner’s expert admissions and secondary considerations of obviousness, specifically simultaneous invention evidence. I also find that the Board’s decision puts too high a burden on Petitioner to establish not only an expectation of success, but absolute success. And, contrary to the record as a whole, the Board reasoned that because a person of ordinary skill might have sought to use airsoft guns to mimic real firearms, such an artisan

Petitioner had failed to show by clear and convincing evidence that claims 8, 19, and 20 of the ’282 patent and claims 5 and 14 of the ’683 patent would have been obvious over Spitballs and Peev. This determination is currently under review at the ITC, and no final determination has yet issued. Ex. 2007, 55–102.

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would not have endeavored to reduce the injury caused by airsoft guns. As discussed below, on the record before me, Petitioner has demonstrated a reasonable likelihood of prevailing in showing that at least one claim of the challenged patents is unpatentable as obvious over the combination of Peev and Spitballs, and I do not find that discretionary denial under 35 U.S.C. § 314(a) is warranted. Thus, I grant Director Review, and reverse the Decision Denying Institution in each of these proceedings.

A. Obviousness

At this stage of the proceeding, Patent Owner does not dispute that the proposed combination teaches or suggests all limitations of the challenged claims. *See generally* Prelim. Resp. 26–41. Accordingly, on the merits, the only issue to resolve is whether the Petition sets forth sufficient motivation to combine the references.

1. Motivation to Combine

“Assessing obviousness is based on an ‘expansive and flexible approach’ that ‘need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ.’” *Janssen Pharms., Inc. v. Teva Pharms. USA, Inc.*, 97 F.4th 915, 925 (Fed. Cir. 2024) (quoting *KSR Int’l Co. v. Teleflex, Inc.*, 550 U.S. 398, 415, 418 (2007)); *cf. Updated Guidance for Making a Proper Determination of Obviousness*, 89 Fed. Reg. 14,449, 14,451 (Feb. 27, 2024) (“*Updated Guidance*”) (“Federal Circuit case law since *KSR* confirms that the flexible approach to obviousness encompasses not only how to understand the scope of prior art, but also how to provide a reasoned explanation to support a conclusion that claims would have been obvious.”); MPEP § 2141. “[A]ny

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need or problem known in the field of endeavor at the time of invention and addressed by the patent can provide a reason for combining the elements in the manner claimed.” *KSR*, 550 U.S. at 420. These include “market forces; design incentives; the ‘interrelated teachings of multiple patents’; ‘any need or problem known in the field of endeavor at the time of invention and addressed by the patent’; and the background knowledge, creativity, and common sense of the person of ordinary skill.” *Plantronics, Inc. v. Aliph, Inc.*, 724 F.3d 1343, 1354 (Fed. Cir. 2013) (quoting *KSR*, 550 U.S. at 418–21). Importantly, “[t]he motivation-to-combine inquiry asks whether a skilled artisan ‘not only could have made but would have been motivated to make the combinations . . . of prior art to arrive at the claimed invention.” *Auris Health, Inc. v. Intuitive Surgical Operations, Inc.*, 32 F.4th 1154, 1158 (Fed. Cir. 2022) (quoting *Belden Inc. v. Berk-Tek LLC*, 805 F.3d 1064, 1073 (Fed. Cir. 2015)).

In this case, I respectfully disagree with the Board’s determination that Petitioner failed to demonstrate a reasonable likelihood of prevailing on the issue of motivation to combine. More particularly, I determine that the Board improperly evaluated certain evidence of record and otherwise applied a higher standard than is required for a showing of a motivation to combine and likelihood of success.

Petitioner cited evidence showing it was known that airsoft guns could cause harm, and that such harm could occur even at low muzzle velocities. *See* Pet. 36–38 (citing Ex. 1004, 369:6–16, 439:16–20, 441:14–442:18; Ex. 1019, 9; Ex. 1020, 3). Petitioner also presented evidence that using softer projectiles in airsoft guns was one known way to make a projectile less likely to cause injury, *see id.* at 38–39 (citing Ex. 1004, 439:25–440:9),

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and that Spitballs were softer projectiles, *see id.* at 39 (citing Ex. 1002, 21; Ex. 1016 ¶ 85; Ex. 1004, 387:3–15, 400:13–15). Despite this evidence, the Board concluded that, “[t]hough there is a risk of injury while using airsoft guns, Petitioner has not established that one of skill in the art would consider this risk [to be] a problem with airsoft guns, as opposed to an accepted function.” Dec. 11. In support of this conclusion, the Board cited cross examination testimony from Petitioner’s expert, Mr. Delman, whose testimony included a discussion of how he modified other types of “toy projectile launchers . . . to make them more powerful to improve the firing qualities —power and accuracy” for use by his sons. *Id.* (citing Ex. 1016 ¶ 20). The Board also relied upon Mr. Delman’s statement on cross examination that “he trusted that [his children] would use [airsoft guns] safely and was not concerned about their safety, or the risk of injury.” *Id.* at 12 (citing Ex. 1004, 232:1–15).

As I held in *Xerox Corp. v. Bytemark, Inc.*, expert declarations that merely offer conclusory assertions without underlying factual support are entitled to little weight. *Xerox Corp. v. Bytemark, Inc.*, IPR2022-00624, Paper 12 (Vidal Feb. 10, 2023) (citing *In re Ethicon, Inc.*, 844 F.3d 1344, 1348, 1352 (Fed. Cir. 2017) (concluding that the Board properly gave “little weight” to conclusory expert testimony of objective indicia)). Indeed, because “conclusory expert testimony is inadequate to support an obviousness determination on substantial evidence review,” *TQ Delta, LLC v. Cisco Sys.*, 942 F.3d 1352, 1359 (Fed. Cir. 2019), it is inadequate for the Board to rely on such evidence.

Expert testimony supported only by personal, anecdotal stories fares no better. *See Kyocera Senco Indus. Tools Inc. v. Int’l Trade Comm’n*, 22

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F.4th 1369, 1376–77 (Fed. Cir. 2022) (noting invalidity testimony must be from the perspective of a person of ordinary skill in the art); *see also United States v. Frazier*, 387 F.3d 1244, 1261 (11th Cir. 2004) (“Of course, the unremarkable observation that an expert may be qualified by experience does not mean that experience, standing alone, is a sufficient foundation rendering reliable *any* conceivable opinion the expert may express.”); Fed. R. Evid. 702 advisory committee’s note (2000 amends) (“If the witness is relying solely or primarily on experience, then the witness must explain *how* that experience leads to the conclusion reached, why that experience is a sufficient basis for the opinion, and how that experience is reliably applied to the facts.”) (emphasis added). Here, Mr. Delman made clear in his cross-examination testimony that he was relying on his own practices and personal regard for safety. Such personal opinions do not inform our understanding of a person of ordinary skill in the art. I agree with Petitioner that Mr. Delman’s lack of concern for airsoft gun injuries to his trained, protectively clothed children should not be given weight in the obviousness analysis. *See* DR Req. 7–8; Ex. 1004, 231:8–233:2.

And, regardless of whether a person of ordinary skill might have sought to “mimic real firearms,” as Patent Owner contends (Prelim. Resp. 29), it does not necessarily follow, and there is no record evidence to support, that such an artisan would have endeavored to mimic the injury caused by real firearms or to otherwise preserve an airsoft gun’s ability to cause injury. In fact, the record evidence here counsels to the contrary. *See KSR*, 550 U.S. at 421 (the flexible approach to the obviousness inquiry disallows “[r]igid preventative rules that deny factfinders recourse to common sense”). Indeed, the current record includes detailed articles and

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reports documenting the danger of injuries, as well as admissions by Patent Owner’s expert, Dr. Kudrowitz, that persuasively point to the opposite conclusion—that safety *was* a concern for airsoft guns such as Peev’s that were used for “military simulations or training” and “games.” *See* Ex. 1003, 22 (Peev’s uses); Ex. 1004, 433:18–434:15 (testimony regarding Peev’s uses), 439:16–20 (testimony that “you could be harmed by the ammunition” used in airsoft guns), 441:14–442:18 (testimony that injury, such as bruising, black and blue marks, and welts, is possible with plastic ammunition fired at muzzle velocities below 350 feet per second); Ex. 1005, 2–3 (describing injuries from airsoft guns fired at up to 450 feet per second, which may be “enough to crack the skin and cause minor bleeding. Some airsoft guns can even cause more damage than their brethren, paintball guns—which have to shoot at higher velocities because of the greater size of their rounds.”); Ex. 1019, 9 (noting “damage to the human eye” can occur at a muzzle velocity of 130 feet per second); Ex. 1020, 3 (noting penetration of the skin can occur at a muzzle velocity of 300 to 400 feet per second).

As to the Board’s reliance on evidence that reduced muzzle velocity also reduces the chance of injury, Petitioner need not show that softer ammunition is the best option to increase safety, but merely needs to demonstrate that it a suitable option to a person of ordinary skill. *See Intel Corp. v. PACT XPP Schweiz AG*, 61 F.4th 1373, 1380 (Fed. Cir. 2023) (noting “[i]t’s not necessary to show that a combination is the *best* option, only that it [is] a *suitable* option”).

I also respectfully disagree with the Board’s conclusion that Petitioner failed to establish that the proposed combination “decreases the risk of injury.” Dec. 12. The mere fact that “risk of eye injury is still present” in

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the proposed combination of Peev and Spitballs, because “most any projectile launched at somebody else can pose a risk of an eye injury,” *id.* (quoting Ex. 1004, 216:22–23), does not speak to whether the combination of references *decreases* the risk of injury.⁸ Moreover, the Board’s conclusion overlooks admissions from Patent Owner’s expert Dr. Kudrowitz that the risk of bruises, welts, and other injuries was present even at muzzle velocities lower than 350 feet per second and that softer ammunition would be seen as a way to potentially reduce injuries. *See* DR Req. 5–6 (citing Pet. 36–38), 8–10 (citing Pet. 38–39); *see also* Ex. 1004, 439:13–20; 369:6–16, 368:18–369:5, 439:25–440:9, 441:14–442:18.

The rest of the Board’s decision puts too high a burden on Petitioner to establish not only an expectation of success, but absolute success. *See Pfizer, Inc. v. Apotex, Inc.*, 480 F.3d 1348, 1364 (Fed. Cir. 2007) (noting that, to show obviousness, “the expectation of success need only be reasonable, not absolute”). Petitioner demonstrates sufficiently that a person with ordinary skill in the art would have had reason to combine Peev and Spitballs to achieve a suitable solution to mitigating the safety risk associated with airsoft guns. Thus, contrary to the Board’s finding, the current record, including the admissions by Dr. Kudrowitz, supports Petitioner’s contention that a person of ordinary skill would have had a reasonable expectation of success that using softer ammunition would decrease the risk of injury. *See* Ex. 1004, 387:3–15, 400:13–15, 439:25–440:9.

⁸ Indeed, Petitioner did not allege that the combination completely eliminated the risk of injury (*see* Pet. 38 (“[O]ne way to make a hard projectile less likely to cause injury would be to make it softer.”)).

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Here, considering the evidence of record, I find that Petitioner has shown a reasonable likelihood of prevailing with respect to one or more challenged claims based on its contention that a person of ordinary skill in the art would have had a reason to modify Peev in view of Spitballs. In particular, Petitioner has shown sufficiently that safety concerns with airsoft guns, such as Peev's, would have provided a motivation for a person of ordinary skill in the art to look to solutions, such as softer ammunition like Spitballs, to decrease the risk of injury. *See* Pet. 36–39. I further find that, on the current record, Petitioner has shown sufficiently that a person of ordinary skill in the art would have made the combination with a reasonable expectation of success. *See id.* Thus, on this record, Petitioner has shown a reasonable likelihood of prevailing with respect to one or more challenged claims in each of the patents based on its contention that a person of ordinary skill in the art would have had a motivation to combine Peev and Spitballs in the manner claimed.

2. *Evidence of Simultaneous Invention*

I also agree with Petitioner that it was error for the Board to fail to consider Petitioner's evidence of secondary considerations of obviousness, specifically its evidence of simultaneous invention. As provided in the *Updated Guidance*, when evidence of secondary considerations has been made of record, "the decision-maker is not free to ignore" it. 89 Fed. Reg. at 14452 (citing *In re Huai-Hung Kao*, 639 F.3d 1057, 1067 (Fed. Cir. 2011) ("[W]hen secondary considerations are present, though they are not always dispositive, it is error not to consider them."); *Kinetic Concepts, Inc. v. Smith & Nephew, Inc.*, 688 F.3d 1342, 1360 (Fed. Cir. 2012) ("This court has

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explained, moreover, that the obviousness inquiry requires examination of all four *Graham* factors.”)).

“[S]imultaneous invention may bear upon the obviousness analysis in two ways. . . . First, it is evidence of the level of skill in the art. . . . Second, it constitutes objective evidence that persons of ordinary skill in the art understood the problem and a solution to that problem.” *See Regents of the Univ. of Cal. v. Broad Instit., Inc.*, 903 F.3d 1286, 1295 (Fed. Cir. 2018) (citations omitted); *see also* MPEP §§ 2141.03, subsection I, and 2124 (“References which do not qualify as prior art because they postdate the claimed invention may be relied upon to show the level of ordinary skill in the art **at or around the time** the invention was made.” (emphasis added)).

In *Ecolochem, Inc. v. S. Cal. Edison Co.*, the Federal Circuit stated:

“The fact of near-simultaneous invention, though not determinative of statutory obviousness, is strong evidence of what constitutes the level of ordinary skill in the art.” [*Int’l Glass Co. v. United States*, 408 F.2d 395, 405 (Ct. Cl. 1969)]. “[T]he possibility of near simultaneous invention by two or more equally talented inventors working independently, . . . may or may not be an indication of obviousness when considered in light of all the circumstances.” [*Lindemann Maschinenfabrik GMBH v. Am, Hoist and Derrick Co.*, 730 F.2d 1452, 1460 (Fed. Cir. 1984)].

227 F.3d 1361, 1379 (Fed. Cir. 2000). “Independently made, simultaneous inventions, made ‘within a comparatively short space of time,’ are persuasive evidence that the claimed apparatus ‘was the product only of ordinary mechanical or engineering skill.’” *Geo. M. Martin Co. v. Alliance Mach. Sys. Int’l LLC*, 618 F.3d 1294, 1305 (Fed. Cir. 2010) (quoting *Concrete Appliances Co. v. Gomery*, 269 U.S. 177, 184 (1925)).

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Here, to further support its motivation to combine, Petitioner offered two pieces of simultaneous invention evidence—Kim⁹ and Vat19.¹⁰ Pet. 57–59. Kim is a Korean Patent Application, filed on November 1, 2008 and published on May 11, 2010—one day after the earliest filing date of the challenged patents.¹¹ *See* Ex. 1022, 7. Kim is entitled “Toy Bullets Formed of Gel or Gel Material” and explains that its “invention is to improve the bullet of a toy gun to prevent injury to the human body.” *Id.* Kim explains that its improved “toy bullet [is] formed of gel” and, when fired by a gun using air pressure from a cylinder, is “safer to use than a bullet of a conventional rigid material structure and does not cause injury to the human body.” *Id.* Thus, Kim speaks directly to the modification and rationale proposed by Petitioner, i.e., modifying an airsoft gun to employ softer ammunition to improve safety.

Vat19 is a YouTube video posted in December 2010 that demonstrates using Spitballs as projectiles and shows them exploding on contact with a person and without causing harm. Pet. 57–60; Ex. 1023;

⁹ Korean Patent Publication No. 20-2010-0004855, filed Nov. 1, 2008, published May 11, 2010 (Ex. 1022, “Kim Publication”). Petitioner provided a certified English translation of Kim. *Id.* at 6–11. All citations are to the certified translation.

¹⁰ “Spitballs Grow up to 200 times their original Size,” YouTube (2010), available at www.youtube.com/watch?v=n-Wje1G1wBA (Ex. 1023, “Vat19”). Petitioner also provides screenshots of the video. *See* Ex. 1024.

¹¹ Because Kim did not publish until after the filing date for the challenged patents, it is not prior art under the pre-AIA version of 35 U.S.C. § 102 that applies to the challenged patents.

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Ex. 1024. Vat19 demonstrates that persons of ordinary skill in the art at the relevant time recognized the need for softer projectile ammunition.

I agree with Petitioner that this evidence of simultaneous invention further supports the conclusion that persons of ordinary skill in the art at the time of the invention understood the safety problem posed by hard ammunition in airsoft guns and that softer ammunition was a possible solution.

3. *Conclusion as to Obviousness*

For the reasons given above, I determine that Petitioner has shown a reasonable likelihood of prevailing in showing that at least one of the claims challenged in each of the petitions would have been obvious over Peev and Spitballs. This decision is not a final decision as to the patentability of any claim. *See TriVascular, Inc. v. Samuels*, 812 F.3d 1056, 1068 (Fed. Cir. 2016) (noting that “there is a significant difference between a petitioner’s burden to establish a ‘reasonable likelihood of success’ at institution, and actually proving invalidity by a preponderance of the evidence at trial”).

*B. Discretionary Denial Arguments*¹²

For purposes of efficiency, I also address Patent Owner’s discretionary denial arguments that were raised in its Patent Owner Preliminary Response, but were not reached in the Board’s Decision Denying Institution. In particular, Patent Owner argued that the Board should exercise discretion to deny institution under 35 U.S.C. § 314(a), following the principles set forth in *General Plastic Industries Co., Ltd. v.*

¹² This section only applies to IPR2023-01339 and IPR2023-01348 where these arguments were raised. Patent Owner did not raise discretionary denial arguments in IPR2023-01461.

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Canon Kabushiki Kaisha, IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017) (precedential as to § II.B.4.i) (“*General Plastic*”). Prelim. Resp. 2–20. With Board authorization, Petitioner filed a Reply addressing Patent Owner’s discretionary denial arguments (Paper 7), and Patent Owner filed a Sur-reply (Paper 8).

Patent Owner’s *General Plastic* argument relates to prior *inter partes* review petitions filed by other entities that, like Petitioner, were accused of importing certain, and different, products in ITC Investigation Number 337-TA-1325. In the ITC, Patent Owner named three groups of respondents: the Gel Blaster respondents; the Splat-R-Ball respondents; and the Prime Time Toys respondents (the current Petitioner). Prelim. Resp. 2. Patent Owner acknowledged that the respondents’ products differ, but argued that these differences are “immaterial” to the challenged patents. *Id.* at 4. Patent Owner further argued that the Gel Blaster respondents and Petitioner “collaborated extensively throughout the ITC investigation [by] submitting joint contentions, briefs, and expert reports from the start.” *Id.*

Patent Owner noted that the Gel Blaster respondents and Splat-R-Ball respondents each filed petitions for *inter partes* review asserting some of the same art at issue in these proceedings.¹³ Prelim. Resp. 6. However, as

¹³ The ’683 patent was also the subject of *Gel Blaster, Inc. v. Spin Master, Inc.*, IPR2023-00302, filed December 5, 2022, and terminated on June 5, 2023, and *Splat-R-Ball, LLC, Daisy Manufacturing Company, and S-Beam Precision Products Ltd. v. Spin Master, Inc.*, IPR2023-00773, filed March 24, 2023, and terminated on July 17, 2023. Pet. 8. The ’282 patent was also the subject of *Gel Blaster, Inc. v. Spin Master, Inc.*, IPR2023-00301, filed December 5, 2022, and terminated on June 5, 2023, and *Splat-R-Ball, LLC, Daisy Manufacturing Company, and SBeam Precision Products Ltd. v. Spin*

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Patent Owner acknowledged, the Gel Blaster and Spat-R-Ball IPRs terminated due to settlement before the Board issued a decision on institution. *Id.* at 7. Patent Owner admitted that Petitioner and Gel Blaster are “distinct business entities,” but contended that “they have a ‘significant relationship’ regarding the [challenged patents] that favors denial under the Board’s precedent.” *Id.* at 10 (citing *Valve Corp. v. Electronic Scripting Products, Inc.*, IPR2019-00062, Paper 11 at 10 (PTAB Apr. 2, 2019) (precedential) (“*Valve I*”); *Valve Corp. v. Electronic Scripting Products, Inc.*, IPR2019-00064, Paper 10 at 11 (PTAB May 1, 2019) (precedential) (“*Valve II*”). Patent Owner argued that “[i]n the precedential *Valve* cases, the Board found a ‘significant relationship’ where the first petitioner (HTC) and the second petitioner (Valve) were co-defendants accused of patent infringement based on the same products,” and that “[t]he operative facts here are substantially the same.” *Id.*

The circumstances here are similar to those I considered in *Ford Motor Co. v. Neo Wireless LLC*, IPR2023-00763, Paper 28 (Vidal Mar. 22, 2024) (“*Neo Wireless*”). In that case, I determined that the alleged serial petitioners did not “have a ‘significant relationship’ vis-à-vis the challenged patent that justifies application of a *General Plastic* analysis” because the parties had different accused products and merely engaged in court-ordered pretrial coordination. *Neo Wireless*, at 9. Just as in *Neo Wireless*, any relationship between Prime Time Toys, the current Petitioner, and any prior petitioner is premised on the allegation that they infringe the same patent,

Master, Inc., IPR2023-00772, filed March 24, 2023, and terminated on June, 14, 2023. The ’255 patent was not subject to any other proceeding.

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but with different allegedly infringing products. *Id.* at 10. Moreover, there is no evidence that the current Petitioner and the prior petitioners “had any interactions or agreements regarding [the accused products].” *Id.*

The parties’ collaboration as co-respondents in the ITC investigation does not by itself support a finding of a “significant relationship.” For example, the ALJ’s Scheduling Order in the ITC Proceeding directed all respondents to identify limited prior art on a per-patent basis, with expected further limits on the art ultimately relied upon. *See* Ex. 2002 (referencing filing of notice of prior art pursuant to ALJ Order No. 6); *In the Matter of Certain Soft Projectile Launching Devices, Components Thereof, Ammunition, and Products Containing Same*, Inv. No. 337-TA-1325, ALJ Order No. 6 Adopted Procedural Schedule, 2022 WL 4398101 (USITC Sept. 21, 2022) (ordering “Respondents” to file a notice of prior art)). The resultant type of co-respondent collaboration here does not “by itself create the type of ‘significant relationship’ contemplated by *Valve*.” *Neo Wireless*, Paper 28 at 10. Indeed, Patent Owner’s arguments are belied by the fact that the other respondents have settled at the ITC with Patent Owner, and only the current Petitioner remains in the ITC investigation—demonstrating that the parties’ relationship was product of the exigencies and limitations of being named as co-respondents in a single ITC investigation, and not the type of relationship that *General Plastic* and *Valve* address. *See* Pet. 8 (discussing related petitions and noting settlements). Accordingly, where “the first and second petitioners are neither the same party, nor possess a significant relationship under *Valve*, *General Plastic* factor one necessarily outweighs the other *General Plastic* factors” and “exercising discretion to

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deny the Petition is not justified.” *Videndum Prod. Sols., Inc. v. Rotolight Ltd.*, IPR2023-01218, Paper 12, 6–7 (Vidal April 19, 2024).

IV. CONCLUSION

For the reasons detailed above, I find that Petitioner has shown a reasonable likelihood of prevailing in showing that at least one of the challenged claims is unpatentable as obvious. I further decline to exercise my discretion under § 314(a) to deny institution of *inter partes* review in these proceedings. As a result, I reverse the Board’s Decision Denying Institution and remand to the Board to institute trial and to conduct further proceedings consistent with this decision.

V. ORDER

Accordingly, based on the foregoing, it is hereby:

ORDERED that Director Review is *granted*;

FURTHER ORDERED that the Decision Denying Institution (Paper 10) in each of the above-referenced proceedings is *reversed*; and

FURTHER ORDERED that these proceedings are remanded to the Board to institute trial and conduct further proceedings consistent with this decision.

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