

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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HIGH 5 GAMES, LLC,  
Petitioner,

v.

KONAMI GAMING, INC.,  
Patent Owner,

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Case IPR2015-01937  
Patent 8,616,955 B2

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Before JOSIAH C. COCKS, MEREDITH C. PETRAVICK and  
MITCHELL G. WEATHERLY, Administrative Patent Judges.

COCKS, *Administrative Patent Judge.*

DECISION

Denying Institution of *Inter Partes* Review  
37 C.F.R. § 42.108

## I. INTRODUCTION

Petitioner, High 5 Games, LLC (“Petitioner”), filed a Petition requesting *inter partes* review of claims 1, 4–10, and 13–19 of U.S. Patent No. 8,616,955 B2 (Ex. 1001, “the ’955 patent”). Paper 1, “Pet.” Patent Owner, Konami Gaming, Inc. (“Patent Owner”), filed a Preliminary Response. Paper 7 (“Prelim. Resp.”).

We have jurisdiction under 35 U.S.C. § 314(a) and 37 C.F.R. § 42.4(a). Pursuant to § 314(a) an *inter partes* review may not be instituted “unless . . . the information presented in the petition . . . shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.”

For the reasons set forth below, we determine that Petitioner has not demonstrated a reasonable likelihood in showing that at least one of the challenged claims is unpatentable. Accordingly, we do not institute an *inter partes* review.

### A. Related Matters

The Petition sets forth that the ’955 patent is the subject of a lawsuit styled *Konami gaming, Inc. v. PTT, LLC, d/b/a High 5 Games*, Case No. 2:14-cv-01483-RFB-NJK (D. Nev.). Pet. 58. Patent Owner represents that the following matters “would affect, or be affected by, a decision in” IPR2015-01937:

1. *Konami Gaming, Inc. v. PTT, LLC*, 2:15-cv-01485 (D. Nev., filed Sept. 12, 2014).
2. *Konami Gaming, Inc. v. Marks Studios, LLC d/b/a Gimmie Games*, 2:15-cv-01485 (D. Nev., filed Sept. 12, 2014).
3. Petition for *Inter Partes* Review of U.S. Patent No. 8,096,869, IPR2015-01935 (P.T.A.B., filed Sept. 21, 2015).
4. Petition for *Inter Partes* Review of U.S. Patent No. 8,366,540, IPR2015-01936 (P.T.A.B., filed Sept. 21, 2015).

5. Petition for *Inter Partes* Review of U.S. Patent No. 8,622,810, IPR2015-01939 (P.T.A.B., filed Sept. 21, 2015).

Paper 6, 2.

*B. The '955 Patent (Ex. 1001)*

The '955 patent is titled “Gaming Machine with Runs of Symbols Populated with Identical Symbols During Spinning of Reels.” Ex. 1001, Title. The '955 patent characterizes its disclosure as follows:

[T]here is provided a gaming machine arranged to display a matrix of symbol containing elements; each column of said matrix comprising a portion of a simulated rotatable reel of said symbol containing elements; and wherein each of said symbol containing elements of at least one consecutive run of said symbol containing elements of at least one said reel is cause to display an identical symbol.

Ex. 1001, 2:9–16.

Figure 1 of the '955 patent is reproduced below:

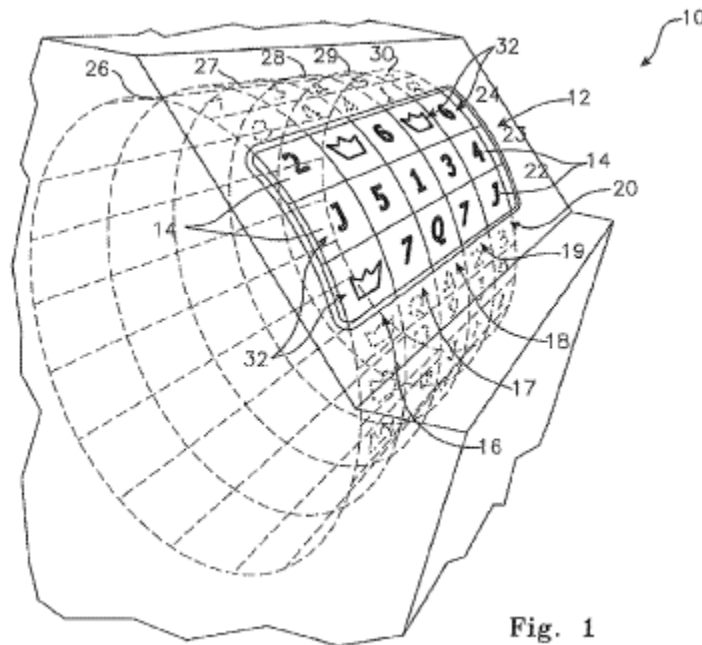


Figure 1 above depicts an embodiment of a gaming machine according to the invention of the '955 patent. Gaming machine 10 includes a display “showing

portions of a number of adjoining simulated rotatable reels 26 to 30.” *Id.* at 4:17–19. Each reel 26 through 30 is divided up into a given number of elements (*e.g.*, 256 elements). The ’955 patent explains the following:

[W]hen rotatable reels 26 to 30 are at rest, the display shows a matrix of elements 14 in five columns, 16 to 20 and three rows, 22 to 24, so that each column comprises a three-element portion of the respective simulated rotatable reel. Each element 14 of simulated rotatable reels 26 to 30 is arranged to display a symbol 32.

*Id.* at 4:21–26.

In one embodiment, the sequence of symbols in the element remains fixed except for, on the first or left-most reel, at least one run of identical symbols in each of a number of consecutive elements. *Id.* at 4:36–39. Figure 2 of the ’955 patent is reproduced below.

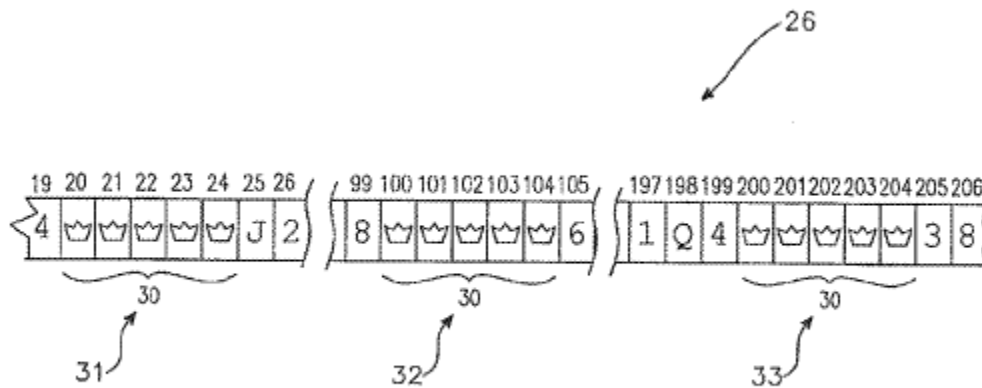


Fig. 2

Figure 2 depicts a schematic representation of the symbols of simulated reel 26. Simulated reel 26 has three runs 31, 32, and 33 of five elements having identical crown symbols. *Id.* at 4:39–51. The selection of the identical symbol is made “through a notional rotation of an ‘inner reel,’” which “is in effect a look-up table and is not displayed.” *Id.* at 4:55–58. The selection of the identical symbol is performed anew for each new play of the game. *Id.* at 5:1–5. The identical symbol is selected from a subset of game symbols that appear on simulated reel 26, and

each symbol in the subset is assigned a probability of selection. *Id.* at 4:61–64, 5:6–12; Fig. 3. As the reels spin during a play of the games, a player will notice the runs of identical symbols passing through the display and have a heightened interest because the odds of a winning arrangement appearing on the display will increase. *Id.* at 5:13–19.

In one alternative embodiment, simulated reels 27–30 of gaming machine 10 may also have at least one run of consecutive identical elements. *Id.* at 5:21–6:5. In another alternative embodiment, a player is made aware of the populating of the one or more consecutive runs on the simulated reels during the course of the spinning of the reels. *Id.* at 6:9–23.

### *C. Illustrative Claim*

The '955 patent has three independent claims. Independent claim 1 recites an apparatus, independent claim 10 recites a corresponding method, and independent claim 18 recites a corresponding computer-readable medium. Claim 1 is illustrative of the subject matter at issue, and is reproduced below:

1. A gaming machine for providing a game to a player, comprising:
  - a memory device configured to store data representing a reel having a predetermined number of symbol positions, wherein each symbol position has an associated symbol from a set of symbols, the reel having a run of consecutive symbol positions, wherein each of the symbol positions of the run of consecutive symbol positions is initially populated, prior to initiation of an instance of a game, by one of (i) a symbol from the set of symbols, wherein at least one of the symbol positions in the run of consecutive symbol positions is populated with a symbol that is different than a symbol in one of the other symbol positions in the run of consecutive symbol positions or (ii) each symbol position being populated with an identical symbol from the set of symbols;
  - a display device configured to display a matrix having a plurality of display elements arranged in a column, a number of the display elements in the column being less than the predetermined number of

symbol positions in the reel, the display device being further configured to display a portion of the reel such that the symbols associated with some of the symbol positions of the reel are displayed in the matrix when the reel is in a stop position; and

a game controller configured to initiate the instance of the game using the reel during which the reel is spun at a game speed, and the game controller being further configured to replace each of the symbols associated with the run of consecutive symbol positions with an identical replacement symbol during spinning of the reel;

wherein the display device is configured to indicate to the player that the symbols associated with the run of consecutive symbol positions are being replaced with the identical replacement symbol, while the reel is spinning.

#### *D. The Alleged Grounds of Unpatentability*

Petitioner asserts the following grounds of unpatentability under 35 U.S.C.

§ 103:

| Prior Art                                                            | Claims             |
|----------------------------------------------------------------------|--------------------|
| Nagao <sup>1</sup> , Sekine <sup>2</sup> , and Hawthorn <sup>3</sup> | 1, 4–10, and 13–19 |
| Yoseloff <sup>4</sup> , Sekine, and Hawthorn                         | 1, 4–10, and 13–19 |
| Nagao, Bennett <sup>5</sup> , and Hawthorn                           | 1, 4–10, and 13–19 |
| Yoseloff, Bennett, and Hawthorn                                      | 1, 4–10, and 13–19 |

Petitioner relies on a Declaration of Dr. William Bertram to support its analysis regarding patentability in the Petition. Ex. 1011.

<sup>1</sup> U.S. Patent App. No. 2003/0181240 A1 (published Sept. 25, 2003) (Ex. 1006).

<sup>2</sup> U.S. Patent No. 8,246,047 B1 (issued Aug. 21, 2012) (Ex. 1007).

<sup>3</sup> U.S. Patent App. No. 2006/0014580 A1 (published Jan. 19, 2006) (Ex. 1008).

<sup>4</sup> U.S. Patent No. 6,159,096 (issued Dec. 12, 2000) (Ex. 1009).

<sup>5</sup> U.S. Patent No. 8,360,840 B2 (issued Jan. 29, 2013) (Ex. 1010).

## II. ANALYSIS

### A. Claim Construction

In an *inter partes* review, the Board interprets claim terms in an unexpired patent according to the broadest reasonable construction in light of the specification of the patent in which they appear. 37 C.F.R. § 42.100(b); *In re Cuozzo Speed Techs., LLC*, 793 F.3d 1268, 1278–79 (Fed. Cir. 2015), *cert. granted sub nom. Cuozzo Speed Techs., LLC v. Lee*, 84 U.S.L.W. 3218 (U.S. Jan. 15, 2016) (No. 15-446). Under that standard, and absent any special definitions, we give claim terms their ordinary and customary meaning, as they would be understood by one of ordinary skill in the art at the time of the invention. *In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007).

Petitioner proposes constructions for the following claim terms: “randomly select,” “subset of a said plurality of symbols,” “identical symbol,” “probability of selection,” and “virtual reel.” Pet. 8–10. Patent Owner disputes that Petitioner’s proposed constructions are the broadest reasonable constructions, but does not propose explicit constructions for any claim term. Prelim. Resp. 3–14. Rather, Patent Owner argues that the terms should be given their plain and ordinary meaning and that no explicit construction is required. *Id.*

We give all claims their ordinary meaning as would be understood by a skilled artisan. We need not make explicit the construction of any claim term necessary for the purposes of this Decision.

### B. Grounds of Unpatentability

As noted above, Petitioner proposes four grounds of unpatentability to claims 1, 4–10, and 13–19 of the ’955 patent based on obviousness under 35 U.S.C. § 103.

Section 103(a) forbids issuance of a patent when “the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.”

*KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007) (quoting 35 U.S.C. § 103(a)). The question of obviousness is resolved on the basis of underlying factual determinations, including: (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of skill in the art; and (4) objective evidence of nonobviousness, i.e., secondary considerations.<sup>6</sup> See *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966); see also *KSR*, 550 U.S. at 407 (“While the sequence of these questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls.”). Furthermore, a determination of obviousness cannot be based on mere conclusory statements; “instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.” *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006).

Petitioner’s proposed grounds of obviousness are based on either Nagao or Yoseloff taken with either Sekine and Hawthorn, or Bennet and Hawthorn. We consider those references, other evidence, and arguments on which the parties rely in connection with those grounds.

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<sup>6</sup> With respect to this *inter partes* review proceeding, no evidence of secondary considerations of nonobviousness has been offered by the parties for evaluation by the panel at this time.

## 1. Overview of the Prior Art

### a. Nagao

Nagao is a U.S. patent application publication titled “Method of Controlling Gaming Machine, Gaming Machine, and Gaming Machine Control Program.” Ex. 1006, Title. Nagao discloses a gaming machine that displays symbols in symbol display sections 7–9. *Id.* ¶ 83. A player wins the game when a predetermined combination of symbols is displayed on a pay line. *Id.* ¶ 85. Figure 3 of Nagao is reproduced below.

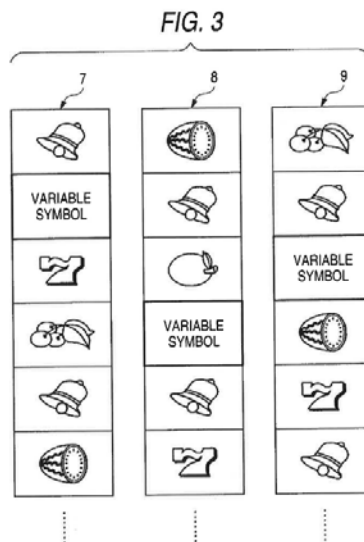


Figure 3 depicts a layout of symbol display sections 7–9. *Id.* ¶ 75. The symbols are selected by a lottery device. *See id.* ¶¶ 53, 125. As can be seen from the figure above, the symbols include a “variable symbol.” *Id.* ¶ 92. When it is the variable symbol that is to be displayed on the pay line for each of display sections 7–9, a computer processing component (CPU 30) in Nagao’s system executes a program employing a random number generating circuit that randomly selects a symbol to appear. *Id.* ¶¶ 92–93.

*b. Yoseloff*

Yoseloff is a U.S. patent titled “Method and Apparatus for Configuring a Slot-type Wagering Game.” Ex. 1009, Title. Yoseloff discloses an electromechanical reel-slot wagering device that has a plurality of mechanical reels rotatable about a central axis and mounted for rotation in a cabinet, a visual display with a pay line, and a microprocessor. *Id.* at 4:21–26; 5:20–26.

“Electromechanical reel-slot machines are equipped with random number generators which select numbers assigned to each angular position on the reel. Electromechanical reel-slot machines include a device to stop the reel at the selected angular position.” *Id.* at 1:66–2:3. Yoseloff’s preferred embodiment has three mechanical reels with twenty physical reel-stop positions and “[t]he microprocessor determines the symbols that will be displayed, and then instructs a braking device to stop the reel at a position corresponding to the selected symbol.” *Id.* at 5:30–35; 12:60–61.

The microprocessor is programmed with a plurality of game outcome templates, which are “a combination of X variables which are defined by the random selection of symbols from a subset of games symbols assigned to the selected template.” *Id.* at 4:29–31, 60–61; 6:38–41. Each outcome template represents one or more possible combinations of symbol, some of which produce a win, from which the microprocessor selects an outcome for a game. *See id.* at 6:41–43; 13:7–9.

*c. Sekine*

Sekine is a U.S. patent titled “Display for Game and Gaming Machine.” Ex. 1007, Title. Sekine discloses a gaming machine, such as a pachinko gaming machine or a slot machine. *Id.* at 1:7–9. The gaming machine has three rotatable reels 4L, 4C, 4R in a cabinet and attached to the three reels are reel sheets 100L,

100C, and 100R. *Id.* at 5:26–28, 6:20–26. The gaming machine also has display window 3 having a plurality of winning lines 5. *Id.* at 6:8–10, Fig. 2. Figure 1 of Sekine is reproduced below.

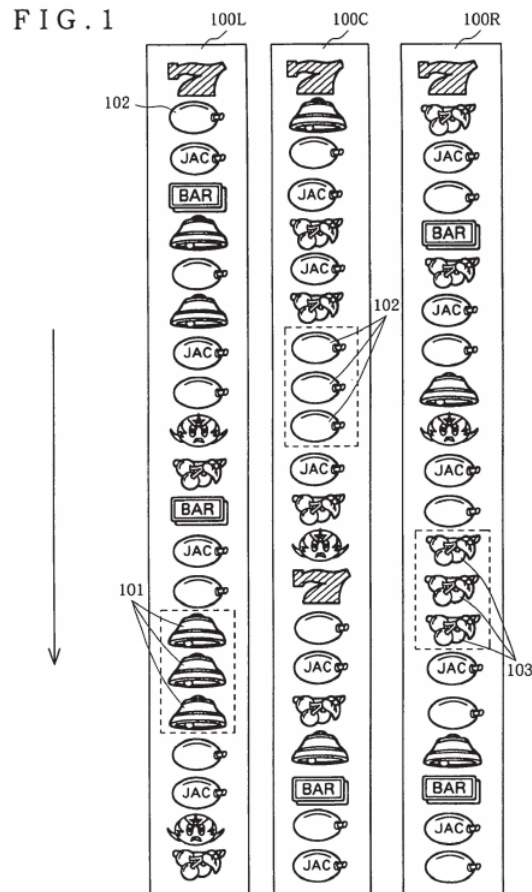


Figure 1 depicts reel sheets 100L, 100C, and 100R. Arranged on the reel sheets are a predetermined sequence of a plurality of symbols. *Id.* at 5:28–33. As can be seen from the figure above, the sequence includes a set of sequential identical symbols, such as a bell, plum, or cherry. *Id.* at 3:36–49, 5:60–58.

A player can sequentially stop the three reels from rotating using three stop buttons 6L, 6C, and 6R. *Id.* at 6:43–46. For example, a player may first push button 6L and stop reel 4L at a time when a plum symbol appears in a winning line of display window 3. *Id.* at 6:54, Fig. 3. The player next attempts to push button

6C to stop reel 4C at a time when one of the three plum symbols of reel 4C appears on the winning line. *Id.* at 6:62–7:4, Fig. 4. The player then attempts to win by pushing button 6R so that reel 4R stops at a time when a plum symbols again appears on the winning line. *Id.* at 7:15–17, Fig. 5.

Recognition of symbols becomes easy for a player by the sequential placement of a plurality of identical symbols. *Id.* at 8:27–30. A player can either try to stop or avoid stopping on the symbols as needed to form a winning combination. *See id.* at 8:33–52.

*d. Bennett*

Bennett is a U.S. patent titled “Gaming Machine with Enhanced Feature Indicator.” Ex. 1010, Title. Bennett discloses a gaming machine with a display and gamming controller that controls images of symbols on the display during games. *Id.* at 1:43–46. A base game may be a spinning reel game, which simulates the rotation of a number of spinning reels, with a bonus feature. *Id.* at 2:15–16, 3:48–49. The bonus feature may be a series of free spinning reel games with a special symbol substituted for an existing symbol on a reel. *Id.* at 2:15–26. The substitute symbol may be “positioned adjacent a prior occurrence of the substitute symbol on the reel strip so that it becomes, visually, readily apparent to the player that at least one further substitute symbol has been added.” *Id.* at 2:33–37. An example of a bonus feature is depicted in Figure 4, reproduced below.

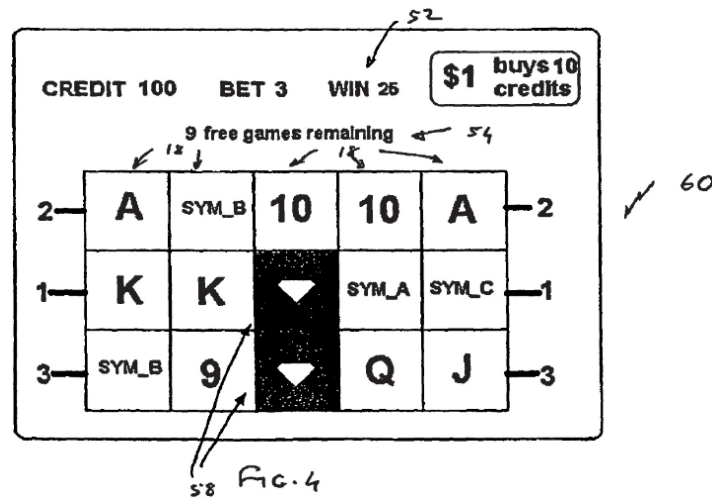


Figure 4 depicts a display screen after a first bonus game following a base game. *Id.* at 3:33–34. As can be seen from the above, the display screen show two consecutive substitute diamond symbols 58. *Id.* at 4:36–37; 5:39–41. For successive bonus games, more consecutive substitute symbols may be added to the reel to increase the chances of winning. *Id.* at 6:14–59.

*e. Hawthorn*

Hawthorn is a U.S. patent titled “Method for Providing Gaming and a Gaming Device with Electronically Modifiable Electro-Mechanical Reel Displays.” Ex. 1008, Title. Hawthorn describes generally that gaming devices may each have multiple reels displaying various symbols. *Id.* at ¶ 14. Hawthorn sets forth that an embodiment of its invention includes electro-mechanical reel 50 displaying symbols that may be “dynamically modified.” *Id.* at ¶¶ 18–20. More particularly, Hawthorn describes that such dynamic modification may include animating a given symbol (e.g. “a rocket taking off or a symbol may rotate”) or moving a symbol from one reel to another. *Id.* at ¶ 21.

*2. Alleged Unpatentability of Claims 1, 4–10, and 13–19 over Nagao, Sekine, and Hawthorn*

In urging the unpatentability of claims 1, 4–10, and 13–19, Petitioner relies generally on Nagao as disclosing a gaming machine configured with a memory device operable to store data representing a reel having a predetermined number of symbol positions. *See* Pet. 15, 20, 23–24. That is a requirement of each of independent claims 1, 10, and 19.

Each of claims 1, 10, and 19 also requires that the reel includes a “run of consecutive symbol positions” that are “initially populated” before a game begins based on two alternative criteria, one of which being that the populated consecutive symbols are identical to one another. Each claim also requires: (1) a game controller configured to initiate a game by spinning the reel and to “replace” the symbols of the run of consecutive symbol positions with an identical replacement symbol during spinning; and (2) a display device configured to indicate to a player that the symbol positions are so replaced as the wheel spins. In accounting for those requirements, Petitioner points generally to Sekine and Hawthorn. *See id.* at 16–18, 20–22, 24–26.

Petitioner states the following as the reasoning for combining the teachings of Nagao, Sekine, and Hawthorn:

It would have been obvious to a [person of ordinary skill in the art] to use the express suggestion in Nagao to combine its random selection lottery system, performed by a microprocessor, with a machine that allows for the stoppage of symbols in a column by displaying rows of those symbols, like Sekine, and the express teaching in Hawthorn that it can improve mechanical slot machines, like Sekine, to arrive at the claimed invention in the ‘955 Patent.

Pet. 14 (citing Ex. 1011 ¶¶ 45–60, 75–80, *KSR* 550 U.S. at 404).

Petitioner also states the following with respect to the proposed reference combination: “it would have been obvious to apply the randomized generation of symbols in Nagao with the displaying of sequential identical symbols in Sekine and changing symbols during reel spinning in Hawthorn with a reasonable expectation of successfully increasing player interest.” *Id.* at 14–15 (citing Ex. 1011 ¶¶ 45–60, 75–80, *KSR*, 550 U.S. at 421).

Although the Supreme court recognized that “[w]hen a work is available in one field of endeavor, design incentives and other market forces may prompt variations” of that work, *see KSR*, 550 U.S. at 417, it cannot be said that such recognition alleviates proper explanation setting forth what such variation is, and why that variation follows from the teachings of the prior art. Indeed, there remains a necessity for articulated reasoning with rational underpinning that supports a conclusion of obviousness. *See In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006). Here, neither Petitioner nor its declarant, Dr. Bertram, offers adequate explanation or reasoning as to why the various characteristics of the different game machines would have been selected to “improve mechanical slot machines,” or why, even, that a skilled artisan would have appreciated that improvement would have been accomplished. Furthermore, neither Petitioner nor Dr. Bertram explains why a skilled artisan would have viewed “player interest” as a problem in need of solution through recourse to piecemeal selection of the various teachings of Nagao, Sekine, and Hawthorn to arrive at the claimed invention of the ’955 patent. The lack of such explanation in the Petition undermines Petitioner’s asserted theory of obviousness.

Moreover, we are not persuaded that Petitioner has accounted appropriately for all features of claims 1, 10, and 19 of the ’955 patent. For instance, each of those claims requires that a run of consecutive symbols positions are initially

populated, a game controller is configured, or operates, to replace those symbols with an identical placement symbol during the spinning of the reel, and a display device that displays those identical replacement symbols while the reel is spinning. Although Petitioner contends that the prior art teaches those claims requirements, Petitioner does not show adequately where those teachings are found therein. Indeed, although Petitioner generally points to Hawthorn's disclosure directed to dynamic modification of a symbol (*e.g.*, see Pet. 17–18), Petitioner does not explain suitably how such disclosure demonstrates replacement of the particular initially populated symbols with identical symbols in a consecutive run while a reel is spinning.

We have considered the Petition, but, on the record before us, we are not satisfied that Petitioner has shown a reasonable likelihood of success in showing that claims 1, 4–10, and 13–19 of the '955 patent are unpatenable based on the teachings of Nagao, Sekine, and Hawthorn.

*3. Alleged Unpatentability of Claims 1, 4–10, and 13–19 over Nagao, Bennett, and Hawthorn*

In the alternative, Petitioner proposes a ground of unpatentability that substitutes the teachings of Bennett for those of Sekine. The deficiencies discussed above in connection with the ground employing Sekine remain in the ground including Bennett. For essentially the same reasons as those set forth above, we are not persuaded that the Petitioner establishes a reasonable likelihood of success in the challenge to claims 1, 4–10, and 13–19 based on Nagao, Bennett, and Hawthorn.

*4. Alleged Unpatentability of Claims 1, 4–10, and 13–19 based on Yoseloff*

Similar to Nagao, Yoseloff is directed to a slot-type wagering game that includes a display area, a microprocessor, a memory, and a random number

generator. Ex. 1009, 5:20–28. In a preferred embodiment, the display is composed of three mechanical reels, each with twenty physical reel stop positions. *Id.* at 5:30–32. A microprocessor determines the symbols to be displayed, and then instructs a breaking device to stop the reel at a position corresponding to the selected symbol. *Id.* at 5:32–35.

With respect to the grounds based on Yoseloff, and as it did in connection with the grounds based on Nagao, Petitioner contends that a person of ordinary skill in the art would have combined various aspects of the prior art under the general guise of “improving mechanical slot machines” and “increasing player interest.” Pet. 27. Petitioner, however, does not adequately explain why a skilled artisan would have sought to combine the teachings of the prior art in the manner proposed. Petitioner also does not explain suitably how the prior art accounts for certain requirements of the claims, for instance, the requirement directed to the replacement of particular initially populated symbols with identical symbols in a consecutive run while a reel is spinning.

Accordingly, on the record before us, we are not persuaded that the Petitioner demonstrates a reasonable likelihood of success in the challenge to claims 1, 4–10, and 13–19 based on either Yoseloff, Sekine, and Hawthorn, or Yoseloff, Bennett, and Hawthorn.

### III. CONCLUSION

We determine that the Petitioner has failed to demonstrate a reasonable likelihood of prevailing with respect to at least one of the challenged claims.

#### IV. ORDER

In consideration of the foregoing, it is  
ORDERED that pursuant to 35 U.S.C. § 314(a), *inter partes* review of the  
'955 patent is *denied*.

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