

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FANDUEL, INC. and DRAFTKINGS, INC.,
Petitioner,

v.

INTERACTIVE GAMES LLC,
Patent Owner.

Case IPR2017-01333
Patent 9,306,952 B2

Before KEN B. BARRETT, PATRICK R. SCANLON, and
GEORGE R. HOSKINS, *Administrative Patent Judges*.

HOSKINS, *Administrative Patent Judge*.

FINAL WRITTEN DECISION
35 U.S.C. § 318(a) and 37 C.F.R. § 42.73

I. INTRODUCTION

FanDuel, Inc. and DraftKings, Inc. (collectively “Petitioner”) filed a Petition (Paper 1, “Petition” or “Pet.”) seeking an *inter partes* review of claims 1–3 and 6 of U.S. Patent No. 9,306,952 B2 (“the ’952 patent”). We, initially, instituted a trial to determine whether claims 1–3 and 6 are unpatentable on some but not all of the Petition’s challenges. Paper 9 (“Institution Decision” or “Inst. Dec.”).

Accordingly, Patent Owner filed a Response (Paper 17, “PO Resp.”), and Petitioner filed a Reply to the Response (Paper 23, “Pet. Reply”). These briefs address the initially instituted challenges.

During the trial, the U.S. Supreme Court decided *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348 (2018). In light of SAS and Office guidance¹, we modified the Institution Decision, to institute on all of the Petition’s challenges. See Paper 22. As discussed in more detail below, Petitioner then waived some of the initially non-instituted challenges, to which Patent Owner agreed. See Paper 24, 2, 3–4; Paper 25. We modified the case schedule to permit additional briefing and evidence concerning the initially non-instituted challenges that were not waived by Petitioner. See Paper 24.

¹ “Guidance on the impact of SAS on AIA trial proceedings” (Apr. 26, 2018), accessible at <https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/trials/guidance-impact-sas-aia-trial> (last accessed Oct. 2, 2018) (“[a]t this time, if the PTAB institutes a trial, the PTAB will institute on all challenges raised in the petition,” and “for pending trials . . . the panel may issue an order supplementing the institution decision to institute on all challenges raised in the petition”).

Accordingly, Patent Owner filed a Supplemental Response (Paper 26, “Supp. PO Resp.”), and Petitioner filed a Reply to the Supplemental Response (Paper 28, “Supp. Pet. Reply”). These briefs address the initially non-instituted challenges that were not waived.

An oral hearing was held, for which the transcript was entered into the record (Paper 41, “Tr.”).

We have jurisdiction under 35 U.S.C. § 6. This Decision is a Final Written Decision under 35 U.S.C. § 318(a) as to the patentability of claims 1–3 and 6 of the ’952 patent. Based on the record before us, Petitioner has shown, by a preponderance of the evidence, that claims 1–3 and 6 of the ’952 patent are unpatentable.

II. BACKGROUND

A. *Real Parties in Interest and Related Proceedings*

Petitioner identifies FanDuel, Inc., FanDuel Limited, and DraftKings, Inc. as the real parties in interest. Pet. 1; Paper 4, 1; Paper 12, 1. Patent Owner identifies Interactive Games LLC as the real party in interest. Paper 7, 2. The parties identify several U.S. District Court litigations as matters that would affect, or be affected by, a decision in this proceeding. Pet. 1; Paper 4, 1–2; Paper 7, 2–3; Paper 12, 1–2.

B. *The ’952 Patent*

The ’952 patent discloses a system and method for gaming using a mobile gaming device wirelessly communicating with a gaming server. Ex. 1001, Abstract. Figure 1 of the ’952 patent is reproduced below.

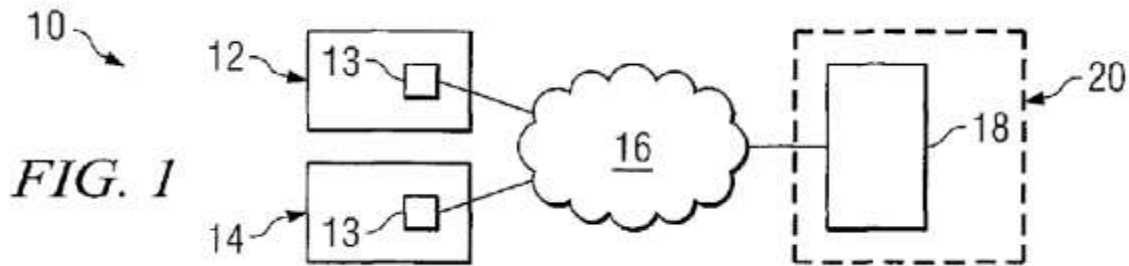


Figure 1 illustrates two users 12, 14 using respective mobile gaming devices 13 to communicate wirelessly with server 18 of gaming service provider 20, such as a casino. *Id.* at 6:48–7:16. Devices 13 may be mobile phones, personal data assistants, or computers. *Id.* at 6:58–62. Use of device 13 and server 18 permits user 12 to engage in (including wager on) traditional gambling activities such as slot machine games, poker, and sports betting. *Id.* at 6:3–21.

The '952 patent concerns providing “[l]ocation-based services” to device 13, which “tailor the function or result” of the gaming available on device 13 based on the location of device 13 — and, by extension, the location of the user of device 13. *Id.* at 1:51–2:11. For example, “by practice or law, certain areas within a casino may be unavailable for gaming” such as gambling, and such “restrictions” are implemented based on the determined location of device 13. *Id.* at 3:32–34, 11:1–8. Thus, wagering may not be permitted when device 13 is located at certain locations. *Id.* at 3:34–39, 5:15–24.

In addition, even when wagering is permitted at a given location, certain game parameters of the wagering game may vary depending on the location of device 13. *Id.* at 3:50–61, 4:63–67, 11:42–48. These location-based parameters include “the odds of winning the game” (*id.* at 3:50–52), “additional win opportunities” (*id.* at 3:52–53, 17:22–26), “a game

to be played” (*id.* at 11:42–45), “a play option within the game” (*id.* at 11:45), “a wager” (*id.* at 11:46, 4:17–24), and “a payoff rate” (*id.* at 11:47). The determined location of device 13 is updated periodically to ensure the location-based restrictions and opportunities are updated as device 13 moves from location to location. *Id.* at 13:11–16, 17:51–61.

C. The Challenged Claims

The ’952 patent contains thirty claims. Petitioner challenges only claims 1–3 and 6. Claim 1, from which claims 2, 3, and 6 depend, illustratively recites:

1. An apparatus, comprising:
 - at least one processor; and
 - a memory that stores instructions which, when executed by the at least one processor, direct the at least one processor to:
 - determine a plurality of selectable betting parameters for a wager in a game,
 - each selectable betting parameter comprising a game parameter that affects an outcome of a bet by a first user in the game,
 - the plurality of selectable betting parameters comprising at least a first selectable betting parameter and a second selectable betting parameter,
 - the game being played by at least one user using a corresponding at least one wireless gaming terminal associated with each of the at least one user, each of the at least one wireless gaming terminal having a wireless network interface operable to transmit and receive gaming information, the at least one user comprising the first user,
 - in which each wireless gaming terminal is in communication with a location determination system that determines a location of the wireless gaming

terminal, each wireless gaming terminal further having a user interface for interacting with a corresponding user of the wireless gaming terminal to implement a game, wherein the game depends on the determined location;

determine a plurality of different locations in a gaming area,

each location corresponding to at least one of the plurality of selectable betting parameters,

the plurality of locations comprising at least a first location corresponding to the first betting parameter and a second location corresponding to the second betting parameter,

in which the first location is different from the second location,

in which the first selectable betting parameter is different from the second selectable betting parameter such that a selection of the first selectable betting parameter would cause a different result for the bet than a selection of the second selectable betting parameter;

during the game, determine a location of at least one wireless gaming terminal corresponding to each of the at least one user in the game, in which the act of determining the location of the at least one wireless gaming terminal comprises determining a location of the first user by determining a location of a first wireless gaming terminal of the first user;

determine at least one of the plurality of selectable betting parameters associated with the at least one user in the game based on the determined location of the at least one user, in which the act of determining at least one of the plurality of selectable betting parameters comprises determining at least one of the plurality of selectable betting parameters associated with the first user based on the determined location of the first user; and

determine the outcome of the bet based at least in part on the determined at least one betting parameter in accordance with one or more predetermined rules of the game.

Ex. 1001, 34:51–35:48.

D. Asserted Grounds of Unpatentability

The Petition initially asserted the challenges identified below, all under 35 U.S.C. § 103, to claims 1–3 and 6 of the '952 patent. See Pet. 3–4. Also identified below are the non-waived challenges after SAS, and thus presently at issue.

References	Claims Challenged Initially	Claims Challenged After SAS
Carter ² and Barton ³	1–3	1–3
Carter, Barton, and the knowledge of a person of ordinary skill in the art	1–3	None
Carter, Barton, and Walker ⁴	1–3 and 6	6
Carter, Barton, Walker, and the knowledge of a person of ordinary skill in the art	1–3 and 6	None
Carter and Martin ⁵	1–3 and 6	1–3 and 6

² Ex. 1003, U.S. Patent Pub. No. 2002/0147049 A1, pub. Oct. 10, 2002.

³ Ex. 1004, U.S. Patent Pub. No. 2004/0162124 A1, pub. Aug. 19, 2004.

⁴ Ex. 1005, U.S. Patent Pub. No. 2004/0005919 A1, pub. Jan. 8, 2004.

⁵ Ex. 1006, U.S. Patent No. 5,618,232, iss. Apr. 8, 1997.

III. ANALYSIS

A. *Claim Construction*

In this proceeding, when construing the claims of the '952 patent, we use the broadest reasonable construction in light of the '952 patent specification. *See* 37 C.F.R. § 42.100(b)⁶; *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2144–46 (2016) (upholding the broadest reasonable construction standard); Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,764 (Aug. 14, 2012).

1. *“selectable betting parameter”*

Petitioner contends we should follow the construction of “selectable betting parameter” set forth by a Board decision entered during *ex parte* prosecution of the '952 patent. Pet. 9. That Board decision concluded “the claim term ‘selectable betting parameter’ would be understood . . . to mean *a variable that contributes to the outcome of the wagering game.*” Ex. 1002, 126⁷ (emphasis added) (citing portions of the application specification corresponding to Ex. 1001, 2:12–22, 3:29–31, 3:54–56, 11:42–48, and 17:14–22). The Board decision explained such selectable betting parameters “include[], for example, a play option within a game, a wager amount or limit on a wager amount, a bet representative of a play or win criteria of the

⁶ A recent amendment to this rule does not apply here, because the Petition was filed before November 13, 2018. *See* “Changes to the Claim Construction Standard for Interpreting Claims in Trial Proceedings Before the Patent Trial and Appeal Board,” 83 Fed. Reg. 51340, 51340 (“DATES”).

⁷ In citing to Exhibit 1002 (the prosecution history of the '952 patent), we refer to the page numbering in the lower right-hand corner of each page.

wagering game, game rules, a pay-off rate, a win option, or comp points or status.” *Id.* at 126–127.

Patent Owner does not offer a competing claim construction, or dispute the propriety of Petitioner’s claim construction. *See, e.g.*, PO Resp. 13–17 (applying Petitioner’s claim construction in analyzing Barton’s disclosure); Tr. 25:5–21.

It “remains true in construing patent claims before the PTO” that “the prosecution history . . . serves as intrinsic evidence for purposes of claim construction.” *Tempo Lighting, Inc. v. Tivoli, LLC*, 742 F.3d 973, 977 (Fed. Cir. 2014). “The PTO should also consult the patent’s prosecution history in proceedings in which the patent has been brought back to the agency for a second review,” such as the present *inter partes* review. *Microsoft Corp. v. Proxyconn, Inc.*, 789 F.3d 1292, 1298 (Fed. Cir. 2015), *overruled on other grounds by Aqua Prods., Inc. v. Matal*, 872 F.3d 1290 (Fed. Cir. 2017).

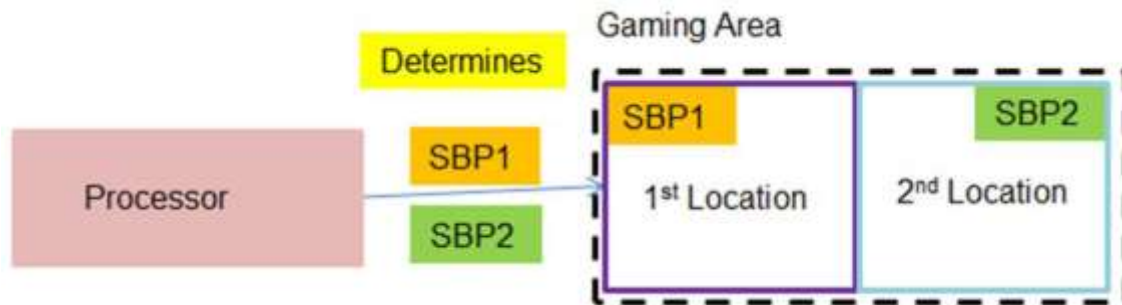
Upon our review of the entire record, we agree with the construction of “selectable betting parameter” previously provided by the Board, during *ex parte* prosecution of the ’952 patent, as set forth above. Therefore, for the reasons provided in that previous Board decision, none of which are disputed here, we apply that construction here.

2. “*processor . . . determine[s] a plurality of different locations . . . the plurality of locations comprising at least a first location corresponding to the first betting parameter and a second location corresponding to the second betting parameter*”

Neither party explicitly construes the “corresponding to” limitations in claim 1. *See* Pet. 9; PO Resp. 9–10, 19–23. Nonetheless, Patent Owner seeks to distinguish the prior art from claim 1 by relying on assumptions

concerning the scope of these limitations. PO Resp. 19–23; Pet. Reply 10, 11–13. We address those assumptions here.

Patent Owner assumes claim 1 requires the processor to determine a first location corresponding to the first selectable betting parameter “as opposed to the second [selectable] betting parameter,” and to determine a second location corresponding to the second selectable betting parameter “as opposed to the first selectable betting parameter.” PO Resp. 19–23; Ex. 2002 ¶¶ 25, 44–51. Patent Owner offers the following color-coded illustration of this claim construction:



PO Resp. 20, 22; Ex. 2002 ¶¶ 25, 44, 49. Thus, according to Patent Owner, claim 1 requires the processor (pink) to determine (yellow) the first selectable betting parameter (orange “SBP1”) *corresponds to* the first location (purple), and *does not correspond to* the second location (aqua). PO Resp. 19–23; Ex. 2002 ¶¶ 44–49. Patent Owner’s view is that the claimed processor similarly determines the second selectable betting parameter (green “SBP2”) corresponds to the second location, and *does not correspond to* the first location. PO Resp. 20–21; Ex. 2002 ¶¶ 44–49. Otherwise, in Patent Owner’s view, “there is *no correspondence* between the” respective locations and selectable betting parameters. PO Resp. 20 (emphasis added).

Petitioner replies that Patent Owner’s “negative requirements are not in the claims and are contrary to claim 1’s requirement that ‘each location correspond[] to at least one of the plurality of selectable betting parameters.’” Pet. Reply 10, 11–13 (quoting Ex. 1001, 35:14–15).

We determine Patent Owner’s implicit construction of claim 1 is unduly narrow. The claim merely describes “a first location corresponding to the first betting parameter and a second location corresponding to the second betting parameter.” Ex. 1001, 35:17–20. There is no limitation in claim 1 requiring the first location not to correspond to the second betting parameter, or the second location not to correspond to the first betting parameter. *See id.* Further, the Patent Owner Response cites only the claim language at column 35, lines 12–22 of the ’952 patent. PO Resp. 19–23; Ex. 2002 ¶¶ 25, 44–51. The Patent Owner Response does not address the remainder of claim 1, the other claims of the ’952 patent, the ’952 patent specification, or the ’952 patent prosecution history. PO Resp. 19–23; Ex. 2002 ¶¶ 25, 44–51.

When asked at oral argument whether the ’952 patent specification supported Patent Owner’s claim construction, Patent Owner’s counsel cited column 2, lines 12–31. *See* Tr. 32:11–33:20. The ’952 patent therein discloses, in one embodiment where the game is roulette, “the user location, in whole or in part determines the bet input.” Ex. 1001, 2:20–22. Different locations around a casino each “correspond[] to” a different roulette number or a different roulette color. *Id.* at 2:18–26. In this way, “the [player’s] location itself informs the system as to the user’s bet.” *Id.* at 2:27.

We agree with Patent Owner that the cited disclosure of the ’952 patent concerns a selectable betting parameter. *See* Tr. 32:11–33:20.

In particular, a roulette number and color are both variables that contribute to the outcome of roulette. Both represent a play option within roulette and a win option of roulette. *See supra* Section III.A.1 (claim construction of “selectable betting parameter”). We, further, agree with Patent Owner that, according to the cited disclosure of the ’952 patent, each different location corresponds to one value of the parameter (one of the available numbers, or one of the available colors), so the system may determine the bet input (number or color) based on the user’s location. *See* PO Resp. 20, 22; Ex. 2002 ¶¶ 45, 50; Tr. 32:11–33:20.

However, the Federal Circuit has “cautioned against reading limitations into a claim from the preferred embodiment described in the specification, even if it is the only embodiment described, absent clear disclaimer in the specification.” *In re Am. Acad. of Sci. Tech Ctr.*, 367 F.3d 1359, 1369 (Fed. Cir. 2004); *Teleflex, Inc. v. Ficosa North America Corp.*, 299 F.3d 1313, 1327–28 (Fed. Cir. 2002); *In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994). We find no such clear disclaimer in the ’952 patent specification that would require Patent Owner’s narrow interpretation of the “corresponding” claim term. In particular, while any given location in the cited example from the ’952 patent corresponds to one value of the parameter so the location “determines the bet input” (Ex. 1001, 2:20–22), there is no clear disclosure that other locations may not correspond to that same parameter. It is only in one “example” that each different location “corresponds to a *different* roulette number.” *Id.* at 2:22–24 (emphasis added). Thus, the ’952 patent disclosure does not clearly disclaim multiple different locations each corresponding to the same bet input (number or color). *See id.* at 2:12–31.

Indeed, the '952 patent discloses another embodiment in which “a location *corresponds to* a wager” selectable betting parameter. Ex. 1001, 4:17–18 (emphasis added). There is no clear indication in this other embodiment that each different location corresponds to a different wager value, as would be required by Patent Owner’s narrow claim construction. *Id.* at 4:17–26. The pertinent disclosure does not clearly disclaim multiple different locations each corresponding to the same wager value. *Id.*

Moreover, Patent Owner’s narrow claim construction would effectively incorporate into claim 1 the limitation added to claim 1 by dependent claim 28. “As [the Federal Circuit] has frequently stated, the presence of a dependent claim that adds a particular limitation raises a presumption that the limitation in question is not found in the independent claim.” *Liebel-Flarsheim Co. v. Medrad, Inc.*, 358 F.3d 898, 910 (Fed. Cir. 2004). Claim 28 differs from claim 1 in further specifying that each of the locations “corresponds to a *different one of*” the parameters, and each of the parameters “corresponds to a *different one of*” the locations. Ex. 1001, 38:36–40 (emphases added). Claim 28 demonstrates Patent Owner knew how to claim that each parameter corresponds to a different location — that is, to exclude multiple different locations each corresponding to the same parameter value — and chose not to do so in the parent claim 1.

Claim 1 additionally recites that “each location *correspond[s] to at least one of* the plurality of selectable betting parameters.” Ex. 1001, 35:15–16. Patent Owner concedes, based on that limitation, that the first location may correspond to the first selectable betting parameter *and other such parameters*. Tr. 31:9–33:20. Patent Owner similarly concedes the second location may correspond to the second selectable betting parameter *and*

other such parameters. Id. Patent Owner, nonetheless, contends the other parameters for the first location may not include the second parameter, and the other parameters for the second location may not include the first parameter. *Id.* That conclusion is based on the claim limitation reciting that “a selection of the first selectable betting parameter would cause a different result for the bet than a selection of the second selectable betting parameter.” *Id.* (discussing Ex. 1001, 35:23–28).

However, there is no relationship between the “corresponding to” limitations at issue here (Ex. 1001, 35:13–20) and the “would cause a different result for the bet” limitation recited later in the claim (*id.* at 35:23–28). The former concerns *in what location(s)* the parameters may be employed, whereas the latter concerns *the kinds of parameters* that may be employed. We are not persuaded by Patent Owner’s strained reading of claim 1, offered for the first time at oral argument (*compare* PO Resp. 19–23 with Tr. 30:17–33:20), attempting to inter-relate these two different limitations.

We conclude claim 1 does not require the first location not to correspond to the second selectable betting parameter, or the second location not to correspond to the first selectable betting parameter. Instead, claim 1 merely requires that the first location corresponds to the first parameter, and may correspond to other parameters including the second parameter. Similarly, the second location corresponds to the second parameter, and may correspond to other parameters including the first parameter.

3. *“the first selectable betting parameter is different from the second selectable betting parameter such that a selection of the first selectable betting parameter would cause a different result for the bet than a selection of the second selectable betting parameter”*

Claim 1 recites the first and second selectable betting parameters are *different* such that selecting one *would cause a different result for the bet* than selecting the other. Ex. 1001, 35:23–28. Neither party explicitly construes this limitation. See Pet. 9; PO Resp. 9–10, 13, 17–19. Nonetheless, Patent Owner seeks to distinguish the prior art from claim 1 by relying on assumptions concerning the scope of this limitation. PO Resp. 17–19. We address those assumptions here.

Patent Owner assumes claim 1 requires a “relationship” between the first and second parameters, making them “comparable variables,” such that selecting one “would necessarily cause” a different result for the bet than selecting the other. PO Resp. 17–18; Ex. 2002 ¶ 42. During oral argument, Patent Owner’s counsel argued this limitation requires that “[w]e have to definitively know [one] parameter is definitely going to cause a different result [for the bet] than the other parameter.” Tr. 26:1–27:22, 28:17–31:4, 32:13–33:13.

Petitioner replies that Patent Owner improperly imports a “comparable” requirement into claim 1 in direct conflict with the claim language requiring the first and second parameters to be “different.” Pet. Reply 15. Petitioner contends Dr. Akl’s testimony in support of Patent Owner’s claim construction — that “comparable” parameters must have the same functionality, definition, or purpose — is contradictory to the claim language and confusing. *Id.* at 15–16 (citing Ex. 1035, 60:1–12).

After full consideration of the foregoing arguments, we conclude Patent Owner’s analysis of the scope of the claim limitation at issue is vague and confusing. That claim limitation is: the first and second selectable betting parameters are different such that selecting one would cause a different result for the bet than selecting the other. Ex. 1001, 35:23–28. Such language, on its own, presents a straight-forward claim requirement. Patent Owner’s overlying varnish suggesting that the claim requires a relationship between the first and second parameters, making them “comparable variables,” is not supported by the claim language at issue, and confuses Patent Owner’s analysis of the prior art at issue. We reject Patent Owner’s implicit claim construction of this claim limitation and determine no explicit claim construction of this limitation is needed to resolve the issues presented by the arguments and evidence of record.

4. *Remaining Claim Terms*

The parties do not offer any further explicit claim constructions. We determine no further explicit claim constructions are needed to resolve the issues presented by the arguments and evidence of record. *See Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co. Ltd.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (per curiam) (claim terms need to be construed “only to the extent necessary to resolve the controversy”) (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999)).

B. *Obviousness over Carter and Barton*

Petitioner asserts claims 1–3 of the ’952 patent are unpatentable under 35 U.S.C. § 103 as having been obvious over Carter and Barton. Pet. 10–49. Petitioner cites the Declaration of Mr. Garry Kitchen in support. Ex. 1011.

Patent Owner opposes Petitioner's assertions. PO Resp. 8–35. Patent Owner cites the Declaration of Dr. Robert Akl in support. Ex. 2002.

We have reviewed the arguments and evidence of record. We conclude a preponderance of the evidence establishes claim 1–3 are unpatentable as having been obvious over Carter and Barton. We begin our analysis with a brief statement of the law of obviousness, then consider the level of ordinary skill in the art, then briefly summarize Carter and Barton, and finally address Petitioner's and Patent Owner's contentions.

1. *Law of Obviousness*

A patent claim is unpatentable under 35 U.S.C. § 103 if the differences between the claimed subject matter 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). 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 ordinary skill in the art; and (4) objective evidence of nonobviousness, if made available in the record, which is not the case here. *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966).

2. *Level of Ordinary Skill in the Art*

Petitioner contends a person having ordinary skill in the art pertaining to the '952 patent would have “a Bachelor of Science Degree in Electrical Engineering or Computer Engineering or equivalent,” as well as “at least two years of experience in the design and development of video

game-related hardware and software.” Pet. 10 (citing Ex. 1011 ¶ 62). Patent Owner, by contrast, proposes “at least a B.S. degree in Electrical Engineering, Computer Engineering, Computer Science or similar field,” as well as “around two years’ experience in design, development, and/or analysis of hardware and software in the mobile gaming or telecommunications industries, or equivalent.” PO Resp. 2–3 (citing Ex. 2002 ¶ 15).

Thus, there is a substantial amount of overlap, but also some disagreement, between the parties on this point. A first disagreement is that Petitioner would require “video-game related” experience, which Patent Owner contends is ambiguous. *Id.* (citing Ex. 2003, 26:12–15 and Ex. 2002 ¶ 16). A second disagreement is that Patent Owner’s proposal would encompass non-gaming “telecommunications” experience without requiring gaming experience, whereas Petitioner asserts “[g]ame development should be included in the definition.” *Id.* at 2; Pet. Reply 24–25.

We agree with Patent Owner that Petitioner’s reference to *video* game experience, as opposed to some other computer gaming experience, is not required to achieve ordinary skill in the art pertinent to the ’952 patent. The ’952 patent is concerned principally with implementing different gaming rules via computer hardware and software as a mobile gaming device moves between jurisdictions; the specific technical implementation of presenting the game on a computer screen is only a secondary consideration. *See, e.g.*, Ex. 1001, Abstract. However, even if we were to accept Petitioner’s position on this point, it would not affect the bases for our decision set forth below.

We agree with Petitioner that ordinary skill here requires gaming experience, and does not encompass telecommunications experience without gaming experience. While wireless communication and location tracking are components of the '952 patent's claimed invention, the specifics of how such communication and tracking occur is only a secondary consideration. *See, e.g.*, Ex. 1001, Abstract, 1:51–2:11, 7:48–8:12. However, even if we were to accept Patent Owner's position on this point, it would not affect the bases for our decision set forth below.

We determine a person of ordinary skill in the art pertaining to the '952 patent would have a Bachelor of Science Degree in Electrical Engineering, Computer Engineering, or a similar field. Such a person, further, would have at least about two years of experience designing and developing computer hardware and software to be used for playing games.

3. *Carter*

Carter discloses a “Location Based Mobile Wagering System.” Ex. 1003, Title, ¶ 3. Figure 2 of Carter is reproduced below.⁸

⁸ This rendering is copied from the Petition (page 13), which removes shading from the figure to improve legibility.

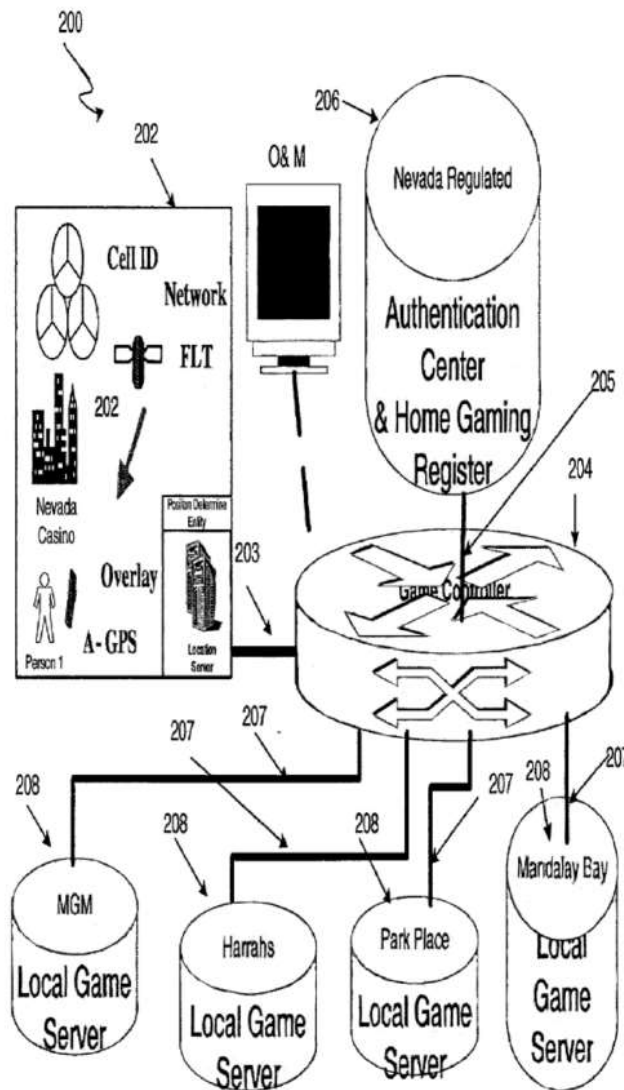


FIG. 2

Figure 2 illustrates mobile gaming system 200, including wireless mobile communication system 202, game controller 204, home gaming register system 206, and four local gaming servers 208. *Id.* ¶ 35. A user uses mobile gaming unit 102 (shown in Figure 1) to access gaming system 200 via a wireless network and wireless mobile communication system 202. *Id.* ¶¶ 25–26, 36, Figs. 1–2. Mobile gaming unit 102 may be a personal computer, a personal data assistant, or a mobile telephonic device. *Id.* ¶ 26, Fig. 1. Gaming system 200 permits the mobile users to engage in (including

wager on) traditional gambling activities such as slot machine games, poker, and sports betting. *Id.* ¶¶ 36–37, 46–47.

Carter indicates that “in recent years on line gaming has been the subject of several legal disputes” by allowing gamblers to gamble while located in jurisdictions which “placed legal restrictions on gambling.” *Id.* ¶ 10. Carter therefore describes a need for a system to provide gamblers with remote access to a gaming controller, without subjecting the operator of the gaming controller to liability in the gambler’s local jurisdiction. *Id.* Carter fills that need with a system that is “capable of determining a gambler[’]s location and, thereby *restrict access to the gaming controller* based on the gambling laws where the gambler is located.” *Id.* (emphasis added).

To do so, Carter’s game controller 204 collects location information from the user’s mobile gaming unit 102 and matches it with a “jurisdictional profile” maintained by HGR system 206 or local game servers 208. *Id.* ¶¶ 36–37, 39–40, 43. Each jurisdictional profile includes “*any information* relative to the gambling restrictions” in the corresponding jurisdiction. *Id.* ¶ 37 (emphasis added). Such information includes “a listing of available gaming opportunities” in the jurisdiction, and other information “necessary for allowing the user to place a wager” in the jurisdiction. *Id.* ¶ 40. Game controller 204 forwards to mobile gaming unit 102 “information concerning the available games” in the jurisdiction where unit 102 is located, and the user may select an available game to play. *Id.* ¶¶ 44–45.

4. *Barton*

Barton discloses a “mobile casino” located in a vehicle such as a train or a boat. Ex. 1004, Abstract, ¶ 5. Barton notes such casinos “may be subject to state and local laws relating to gambling in [a] jurisdiction,” including “certain betting odds” requirements, as the mobile casino traverses various jurisdictions. *Id.* ¶¶ 4–5. Barton therefore proposes “changing an operating mode of gaming equipment in the mobile casino based on” the location of the casino. *Id.* ¶ 6. Barton does this by controlling the mobile casino via wireless communication with a master computer at a supervisory location. *Id.* ¶¶ 7–8; *see also id.* Fig. 1 (mobile casino on train 110 wirelessly communicates with supervisory location 115).

Thus, a computer located at the mobile casino reports the casino’s location to the master computer. *Id.* ¶¶ 19–23. The master computer “determines whether the mobile casino is in compliance with laws in various jurisdictions and issues instructions to change the operating mode of gaming equipment in the mobile casino for that purpose.” *Id.* ¶ 24. If the jurisdiction prohibits gambling, the master computer issues an instruction to shut down gaming equipment in the mobile casino. *Id.* ¶ 24, Fig. 4 (steps 343–344). On the other hand,

If gambling is authorized in the . . . jurisdiction, the master computer determines whether any modifications in gaming procedures are necessary As an example, states may have different payoff amounts for various games. Thus, the master computer may issue an instruction such that the gaming equipment provides different payoff amounts and/or frequencies Then, gambling continues

Id. ¶ 25 (emphases added), Fig. 4 (steps 345–347).

5. *Independent Claim 1*

We first consider the scope and content of Carter and Barton versus the subject matter of claim 1, in Sections III.B.5.a–i below. We then consider the proposed obviousness of claim 1 over Carter and Barton, in Section III.B.5.j below.

a) *“1. An apparatus, comprising: at least one processor; and a memory that stores instructions which, when executed by the at least one processor, direct the at least one processor to: . . .”*

Petitioner contends Carter’s game controller 204, home gaming register system 206, and local gaming servers 208, together, form an apparatus comprising at least one processor and a memory that stores instructions to be executed by the processor, as required by claim 1. Pet. 12–15 (citing Ex. 1003, Figs. 1–2, ¶¶ 12, 20, 25, 30, 35, 38, 40). Patent Owner does not dispute that contention, which we find to be supported by a preponderance of the evidence. See, e.g., Ex. 1003 ¶¶ 12, 20, 35.

b) *“ . . . determine a plurality of selectable betting parameters for a wager in a game, each selectable betting parameter comprising a game parameter that affects an outcome of a bet by a first user in the game, the plurality of selectable betting parameters comprising at least a first selectable betting parameter and a second selectable betting parameter . . . ”*

In the Petition, Petitioner contended Carter’s apparatus 204, 206, 208 determines one selectable betting parameter: a wager amount. Pet. 15, 18–19, 24. Patent Owner argues Carter’s wager amount does not satisfy the requirement in claim 1, discussed further below, for the selectable betting parameters to “correspond[] to” a location. PO Resp. 10–13; Ex. 2002 ¶¶ 34–35. Petitioner did not address this issue in its post-institution briefing, and at oral argument, Petitioner’s counsel stated Petitioner is “no longer

relying on” “Carter’s distinct wagering amounts” as satisfying all the requirements of claim 1 for the selectable betting parameters. *See* Pet. Reply 8–15; Tr. 7:11–15. Thus, we do not consider, in this decision, whether Carter discloses a selectable betting parameter that satisfies all the requirements of claim 1 (discussed further below) for the selectable betting parameters.

We therefore turn to Petitioner’s contention that Barton’s gaming apparatus determines two selectable betting parameters — a payoff amount and a payoff frequency — satisfying all the requirements of claim 1 for the selectable betting parameters, if used in Carter’s gaming apparatus. Pet. 19–22, 24–25 (citing Ex. 1004, Abstract, Fig. 1, ¶¶ 3, 14, 19, 24–25). In particular, Barton indicates the master computer may issue an instruction to the mobile casino gaming equipment to “provide[] different payoff amounts and/or frequencies” when vehicle 110 crosses a jurisdictional boundary. Ex. 1004 ¶¶ 8–9, 24–25.

According to Petitioner, a person of ordinary skill in the art would understand Barton’s payoff amount to be “the amount to be won by a player based on a specific type of win (e.g., three 7s on a slot machine game).” Pet. 22, 24–25 (citing Ex. 1011 ¶¶ 36, 40, 85); Pet. Reply 9 (further citing Ex. 1011 ¶¶ 35, 41). We find Petitioner’s contention, which Patent Owner does not dispute (*see* PO Resp. 13–17; Tr. 24:18–25:4), is supported by a preponderance of the evidence. In particular, Barton discloses determining a payoff amount. Ex. 1004 ¶¶ 24–25. We find, further, Barton’s disclosed payoff amount is the amount of money to be won by a player based on a specific type of winning outcome in a betting game. Ex. 1011 ¶¶ 35–36, 40, 49, 73–74, 85. Barton’s payoff amount, therefore, is a variable that

contributes to the outcome of a wagering game, as we have construed the selectable betting parameter claim limitation. *See supra* Section III.A.1.

Further according to Petitioner, a person of ordinary skill in the art would understand Barton’s payoff frequency “defines the percentage of all players’ bets over time in a game that is paid back to players in the form of winnings,” which “affects the odds of the game and any individual bet within the game.” Pet. 21–22, 25 (citing Ex. 1011 ¶¶ 41, 50, 73–74, 86); Pet. Reply 9 (further citing Ex. 1011 ¶ 95). Petitioner also asserts Barton’s payoff frequency is the same parameter described in the ’952 patent as a “payoff rate” selectable betting parameter. Pet. 21–22, 25 (citing Ex. 1001, 11:42–48).

Patent Owner disputes Petitioner’s understanding of Barton’s payoff frequency, and whether Barton’s payoff frequency is a “selectable betting parameter” as claimed. *See* PO Resp. 13–17; Ex. 2002 ¶¶ 37–43.

According to Patent Owner, Barton’s payoff frequency “is completely different from . . . and does not correspond to” the payoff rate described in the ’952 patent as a selectable betting parameter. PO Resp. 14; Ex. 2002 ¶ 37. Patent Owner contends a person of ordinary skill in the art would understand Barton’s payoff frequency to be equivalent to a hit frequency, which “indicates the probability of a player getting a payout of any size on any play of the gaming device.” PO Resp. 13 (citing Ex. 2005); Ex. 2002 ¶¶ 39–40. Further according to Patent Owner, a person of ordinary skill in the art would understand the payoff rate described in the ’952 patent to be “the percentage of money played through a gaming device that one can expect will be returned in terms of payback from the gaming device to

players over a period of time.” PO Resp. 14 (citing Exs. 2004 and 2005); Ex. 2002 ¶ 38.

We determine Barton’s payoff frequency is a “selectable betting parameter,” as claimed, regardless of whether we apply Petitioner’s or Patent Owner’s understanding of Barton’s payoff frequency. *See, e.g.*, Pet. Reply 2–3.⁹ That is, while Petitioner’s and Patent Owner’s understandings of Barton’s payoff frequency are different, both understandings reflect variables that contribute to the outcome of a wagering game, as we have construed the selectable betting parameter claim limitation. *See supra* Section III.A.1.

Petitioner defines Barton’s “payoff frequency” as the percentage of all players’ bets over time in a game that is paid back to players in the form of winnings. The ’952 patent itself recognizes that parameter to be a selectable betting parameter. *See* Ex. 1001, 11:42–48; *supra* Section III.A.1 (“pay-off rate” is one example of a selectable betting parameter); PO Resp. 14 (“payoff rate” of ’952 patent “concerns the percentage of money played through a gaming device that one can expect will be returned in terms of payback from the gaming device to players over a period of time”).

Further, it is undisputed that Petitioner’s understanding of Barton’s “payoff frequency” *indirectly* defines a variable that contributes to the

⁹ Patent Owner asserts this portion of the Reply Brief improperly “rais[es] new invalidity arguments for the first time.” *See* Paper 34. We, however, agree with Petitioner that this portion of the Reply Brief is not improper under 37 C.F.R. § 42.23(b), because it replies to an argument raised for the first time in this proceeding in the Patent Owner Response. *See* Paper 38. Namely, it is a proper reply to Patent Owner’s understanding of Barton’s payoff frequency being different from Petitioner’s understanding. *See* PO Resp. 13–17.

outcome of a wagering game. *See, e.g.*, PO Resp. 14 (describing a “payoff rate,” which is what Petitioner understands Barton’s payoff frequency to be); Ex. 2004 (describing “Payout Rate[,],” which is what Petitioner understands Barton’s payoff frequency to be); Ex. 2005 (describing “Return to Player,” which is what Petitioner understands Barton’s payoff frequency to be). Specifically, applying Petitioner’s understanding of the term, “the payoff frequency affects the odds of the game and any individual bet in the game.” Pet. 21–22, 25; Pet. Reply 3, 17; Ex. 1011 ¶¶ 41, 50, 74 (“a game with a higher payout frequency results in better odds for a bet than a game with a lower payout frequency”), 86, 95, 105.

Patent Owner defines Barton’s “payoff frequency” as the probability of a player getting a payout of any size on any play of the gaming device. This understanding *directly* defines a variable that contributes to the outcome of a wagering game. Patent Owner equates Barton’s payoff frequency with a “hit frequency,” which is the “percentage of time the machine pays something to a player.” PO Resp. 16–17 (citing Exs. 1018, 1019, and 2005); Ex. 2005 (description of “HIT FREQUENCY”). In the example of a slot machine game, this is “the percentage of winning combinations to the cycle” such that a 25% payoff frequency “means that on average you will get a winner 25 out of every 100 times you play.” Ex. 1018, 8; Ex. 1035, 53:5–17 (Dr. Akl’s deposition testimony).

Patent Owner’s understanding of Barton’s payoff frequency does not correspond to any one item in the list of representative examples of selectable betting parameters set forth above (“a play option within a game, a wager amount or limit on a wager amount, a bet representative of a play or win criteria of the wagering game, game rules, a pay-off rate, a win option,

or comp points or status”). See PO Resp. 17; Ex. 2002 ¶ 41; *supra* Section III.A.1. Nonetheless, those are merely representative examples of a more general meaning (“a variable that contributes to the outcome of the wagering game”). See *supra* Section III.A.1. Patent Owner’s understanding of Barton’s payoff frequency falls within the scope of the more general meaning.

Thus, we find a preponderance of the evidence establishes Barton discloses first and second selectable betting parameters as a payoff amount and a payoff frequency.

c) “ . . . the game being played by at least one user using a corresponding at least one wireless gaming terminal associated with each of the at least one user, each of the at least one wireless gaming terminal having a wireless network interface operable to transmit and receive gaming information, the at least one user comprising the first user . . . ”

Petitioner contends users of Carter’s apparatus 204, 206, 208 play games by employing mobile gaming units 102 associated with each respective user, to communicate wirelessly with apparatus 204, 206, 208. Pet. 26–28 (citing Ex. 1003 ¶¶ 12, 25, 26, 29, 36, 47). Patent Owner does not dispute that contention, which we find to be supported by a preponderance of the evidence. See, e.g., Ex. 1003 ¶¶ 12, 25, 26, 29, 36.

d) “ . . . in which each wireless gaming terminal is in communication with a location determination system that determines a location of the wireless gaming terminal, each wireless gaming terminal further having a user interface for interacting with a corresponding user of the wireless gaming terminal to implement a game, wherein the game depends on the determined location . . . ”

Petitioner contends each of Carter’s mobile gaming units 102 communicates with a location determination system to determine a location

of the unit. Pet. 29 (citing Ex. 1003, Abstract, ¶¶ 15, 27, 36, 43). Petitioner further contends Carter’s mobile gaming units 102 have a user interface to implement a game, wherein “the games available to the user depend on the determined location of the mobile gaming unit [102].” *Id.* at 29–33 (citing Ex. 1003, Figs. 1 and 3, ¶¶ 22, 42–45). Patent Owner does not dispute these contentions, which we find to be supported by a preponderance of the evidence. *See, e.g.*, Ex. 1003, Abstract, ¶¶ 15, 27, 36, 44–45. In particular, Carter discloses allowing the mobile user to wager on games which are not prohibited wagering games in the jurisdiction where the user’s mobile gaming unit 102 is located, and preventing the mobile user from wagering on games which are prohibited wagering games in that jurisdiction. Ex. 1003 ¶¶ 15, 40.

e) “ . . . determine a plurality of different locations in a gaming area, each location corresponding to at least one of the plurality of selectable betting parameters, the plurality of locations comprising at least a first location corresponding to the first betting parameter and a second location corresponding to the second betting parameter, in which the first location is different from the second location, . . . ”

Petitioner contends Carter’s apparatus 204, 206, 208 determines a plurality of different locations in a gaming area, which is the receiving area of Carter’s apparatus 204, 206, 208. Pet. 33–34 (citing Ex. 1003 ¶¶ 10, 11, 49). Petitioner particularly contends the plurality of locations correspond to a plurality of jurisdictions, wherein Carter’s apparatus 204, 206, 208 maintains a “jurisdictional profile” for each jurisdiction, and the profiles include information relative to the gambling restrictions in each jurisdiction. *Id.* at 34–35, 37 (citing Ex. 1003 ¶¶ 37, 43, 49); Ex. 1011 ¶¶ 65–68, 87. Patent Owner does not dispute these contentions, which we find to be

supported by a preponderance of the evidence. *See, e.g.*, Ex. 1003 ¶¶ 10, 11, 37, 49.

Petitioner relies on Barton as similarly disclosing a “mobile gaming system allowing gamblers to participate in wagering games in multiple legal jurisdictions,” and “changing an operating mode of gaming equipment in the mobile casino based on” the jurisdictional location of the mobile casino. Pet. 19, 20–21 (citing Ex. 1004, Abstract, ¶¶ 24–25, Fig. 4); Ex. 1011 ¶¶ 70–73. As examples of such jurisdictionally-dependent modifications to gaming procedures, Petitioner cites Barton’s payoff amount and payoff frequency selectable betting parameters. Pet. 21 (citing Ex. 1004 ¶ 24–25); Ex. 1011 ¶ 73.

For reasons discussed below in Section III.B.5.j, Petitioner contends it would have been obvious to enable Carter’s apparatus 204, 206, 208 to determine a payoff amount and a payoff frequency based on jurisdictional location, as disclosed in Barton. Pet. 22–24. Petitioner particularly contends it would have been obvious to incorporate Barton’s payoff amount and payoff frequency into Carter’s jurisdictional profiles, because the purpose of those profiles is to contain any information relative to gambling restrictions and opportunities in each jurisdiction. *Id.* In this way, according to Petitioner, the combination of Carter and Barton leads to a first jurisdictional location corresponding to a first betting parameter, and a second jurisdictional location corresponding to a second betting parameter. *Id.* at 35–37. In particular:

Depending on the gaming regulations of the first and second jurisdictions, it would have been obvious to a PHOSITA to include the payoff amount parameter in the profile of the first

jurisdiction and the payoff frequency parameter in the profile of the second jurisdiction (or vice versa).

Id. at 37 (citing Ex. 1011 ¶ 90); Pet. Reply 11–12.

Patent Owner responds that Barton’s first and second selectable betting parameters do not respectively correspond to first and second locations, because they “may both correspond to multiple locations with neither corresponding to only a single location,” and “both [of the first and second] locations in Barton are tied to both [of the first and second] parameters.” PO Resp. 20–22; Ex. 2002 ¶¶ 47–50. This rebuttal relies on Patent Owner’s construction of claim 1 which, for reasons provided above (*see supra* Section III.A.2), we determine to be unpersuasive. Therefore, Patent Owner’s attempt to distinguish the disclosure of Barton from claim 1 on this basis similarly is unpersuasive.

We find a preponderance of the evidence establishes the combination of Carter and Barton discloses, as required by claim 1, a first location (i.e., one jurisdiction) corresponding to a first selectable betting parameter (e.g., Barton’s payoff amount), and a second location (i.e., a different jurisdiction) corresponding to a second selectable betting parameter (e.g., Barton’s payoff frequency). *See* Ex. 1003 ¶ 37; Ex. 1004 ¶¶ 24–25. Barton discloses its mobile “gaming equipment provides *different* payoff amounts and/or frequencies,” depending on the jurisdiction. Ex. 1004 ¶¶ 24–25 (emphasis added). Barton, thereby, indicates that its master computer tracks the payoff amount and payoff frequency parameters provided by each jurisdictional location. *Id.* Carter, correspondingly, discloses “[t]he ‘jurisdictional profile’ may include any information relative to the gambling restrictions and identification of the jurisdiction in from which a gambler may place his bet.”

Ex. 1003 ¶ 37; *see also id.* ¶ 12 (describing the “jurisdictional profile (e.g., jurisdictionally permitted gaming opportunities”).

f) “ . . . in which the first selectable betting parameter is different from the second selectable betting parameter such that a selection of the first selectable betting parameter would cause a different result for the bet than a selection of the second selectable betting parameter . . . ”

Petitioner contends Barton’s payoff amount and Barton’s payoff frequency are different parameters, such that selecting one would cause a different result for the bet than selecting the other, as claimed. Pet. 37–39; Ex. 1011 ¶¶ 83–86, 91–95. As an example, Petitioner contends changing the payoff amount for a slot machine game play affects the outcome of a bet on the game play in a different way than changing the payoff frequency for the game play. Pet. 38–39; Ex. 1011 ¶¶ 92–93, 95.

Specifically, according to Petitioner, a slot machine’s payoff amount corresponds to the amount of money to be won for a given winning combination of reel results, expressed as a ratio of the amount of money wagered by the player. Pet. 38; Ex. 1011 ¶¶ 92–93. Thus, the slot machine’s payoff amount may be 2000:1 for a winning combination of three WILDS, or 200:1 for a winning combination of three 7’s. Pet. 38; Ex. 1011 ¶¶ 92–93. Petitioner contends “changing the payoff amount parameter [for a given winning combination] *causes a different amount of money to be won* [for that winning combination].” Pet. 38 (emphasis added); Ex. 1011 ¶¶ 92–93, 95.

Applying Petitioner’s understanding of Barton’s payoff frequency, Petitioner contends a slot machine’s payoff frequency is determined by choosing “[t]he number of reels and the combinations of symbols on each

reel.” Pet. 38 (emphasis added); Ex. 1011 ¶ 95. “Therefore, the payoff frequency parameter affects the *odds of [achieving a winning combination in]* the slot machine game, which affects the results of each bet in the game in a different way than the payoff amount.” Pet. 38 (emphasis added); Ex. 1011 ¶¶ 41, 50, 74, 86, 95.

Patent Owner responds that “Petitioner fails to identify any relationship between” Barton’s payoff amount and payoff frequency, “such that selection of one would cause a different result for the bet than a selection of the other.” PO Resp. 17–18; Ex. 2002 ¶ 42. This rebuttal relies on Patent Owner’s construction of claim 1 which, for reasons provided above (*see supra* Section III.A.3), we determine to be vague and confusing. Therefore, Patent Owner’s attempt to distinguish the disclosure of Barton on this basis is unpersuasive.

Further addressing the Barton disclosure, Patent Owner contends “two jurisdictions could both have payoff frequencies of 1% and payoff amounts of 99 dollars per one dollar bet.” PO Resp. 18; Ex. 2002 ¶ 43. In that event, “[r]egardless of whether the alleged payoff frequency or the payoff amount betting parameter in either of the jurisdictions is selected, the result of any given bet would be the same,” because the payoff frequency and the payoff amount are the same. PO Resp. 18; Ex. 2002 ¶ 43. Patent Owner faults Petitioner for not explaining “how the *mere selection* of ‘payoff amount’ ‘would cause a different result for a bet’ [as recited in claim 1] than the mere selection of ‘frequency.’” PO Resp. 18.

We find a preponderance of the evidence establishes Barton’s payoff amount and Barton’s payoff frequency are different selectable betting parameters, such that selecting one would cause a different result for the bet

than selecting the other. Selecting a payoff amount for a given winning game result selects the amount of money to be paid to the player for that winning result. By contrast, selecting a payoff frequency selects the likelihood of a game play resulting in a winning game result — regardless of whether we apply Petitioner’s understanding of payoff frequency (the percentage of all players’ bets over time in a game that is paid back to players in the form of winnings) or Patent Owner’s understanding (the probability of a player getting a payout of any size on any play of the gaming device). *See supra* Section III.B.5.b. In this way, selecting one would cause a different result for the bet than selecting the other.

Patent Owner’s argument to the contrary assumes the payoff amount and payoff frequency are the same in each location. PO Resp. 18–19. Barton, by contrast, indicates “*different* payoff amounts and/or frequencies” are provided in each jurisdictional location. Ex. 1004 ¶¶ 24–25 (emphasis added). Thus, Patent Owner’s assumption concerning the Barton disclosure is contrary to the Barton disclosure.

For the foregoing reasons, we find a preponderance of the evidence establishes Barton’s payoff amount and payoff frequency are different selectable betting parameters, such that selecting one would cause a different result for the bet than selecting the other.

g) “ . . . during the game, determine a location of at least one wireless gaming terminal corresponding to each of the at least one user in the game, in which the act of determining the location of the at least one wireless gaming terminal comprises determining a location of the first user by determining a location of a first wireless gaming terminal of the first user . . . ”

Petitioner contends Carter discloses that mobile gaming unit 102 registers its location with Carter’s apparatus 204, 206, 208. Pet. 39 (citing Ex. 1003 ¶ 28). Petitioner further contends Carter’s apparatus 204, 206, 208 determines when mobile unit 102 has moved from a first jurisdictional location to a second jurisdictional location having different gambling restriction protocols than the first jurisdictional location. *Id.* at 39–41 (citing Ex. 1003 ¶¶ 15, 36, 49). Further according to Petitioner, each of Carter’s mobile gaming units 102 is associated with a specific user. *Id.* at 41 (citing Ex. 1003 ¶ 25). Patent Owner does not dispute these contentions, which we find to be supported by a preponderance of the evidence. *See, e.g.*, Ex. 1003 ¶¶ 15, 25, 28, 36, 49.

h) “ . . . determine at least one of the plurality of selectable betting parameters associated with the at least one user in the game based on the determined location of the at least one user, in which the act of determining at least one of the plurality of selectable betting parameters comprises determining at least one of the plurality of selectable betting parameters associated with the first user based on the determined location of the first user . . . ”

Petitioner contends Carter discloses an embodiment in which, when apparatus 204, 206, 208 determines that the user of mobile unit 102 has moved across a jurisdictional boundary while the user is playing a game, the user’s gaming experience may nonetheless continue. Pet. 41–42 (citing Ex. 1003 ¶ 49); Ex. 1011 ¶¶ 97–99. In particular, as described in Carter:

[W]here a gambler initiates a gaming experience under the established protocol of a first local server, the gambler may be permitted to continue the gambler's gaming experience under the protocol of a second local server, in the event the gambler moves from the transmission area of the first local server to the second local server.

Ex. 1003 ¶ 49; *see also id.* ¶ 37 (home gaming register system 206 stores a “jurisdictional profile” for each local game server 208, including “any information relative to the gambling restrictions” in the jurisdiction).

Petitioner further contends Barton similarly discloses that the master computer at supervisory location 115 monitors the location of the mobile casino gaming equipment on vehicle 110, and determines when vehicle 110 has entered a new jurisdiction. Pet. 42–44 (citing Ex. 1004 ¶¶ 19, 21–24); Ex. 1011 ¶ 100. Petitioner asserts that, if Barton's master computer determines that a jurisdictional boundary has been crossed, the master computer then determines whether the mobile casino is in compliance with the laws of the new jurisdiction. Pet. 43 (citing Ex. 1004 ¶ 24); Ex. 1011 ¶ 100. According to Petitioner, if Barton's master computer determines non-compliance, then the master computer instructs the mobile casino gaming equipment to change operating mode(s) to be compliant. Pet. 43 (citing Ex. 1004 ¶¶ 24–25); Ex. 1011 ¶ 100. Such changes may include “provid[ing] different payoff amounts and/or frequencies,” so that “gambling continues” in the new jurisdiction. Pet. 43–44 (emphasis omitted) (quoting Ex. 1004 ¶ 25); Ex. 1011 ¶ 100.

Patent Owner argues Barton fails to disclose a selectable betting parameter being “associated with” a user “based on the determined location” of the user via determining the location of the user's wireless gaming terminal, as claimed. PO Resp. 23–28; Ex. 2002 ¶¶ 52–58; *see also*

Ex. 1001, 35:29–44 (pertinent claim limitations). Patent Owner contends Barton is instead limited to determining the location of a single GPS module inside the mobile casino, so Barton fails to differentiate between the locations of the respective users inside the mobile casino, some of whom may be in a different jurisdictional location from the GPS module.

PO Resp. 24–28 (citing Ex. 1004 ¶¶ 14, 21); Ex. 2002 ¶¶ 54–56.

We determine Patent Owner’s arguments overlook that Petitioner relies on the combination of Carter and Barton, not just on Barton, in relation to the subject matter at issue. *See* Pet. 41–44; Pet. Reply 18–19. In particular, Petitioner relies on Carter as disclosing determining the location of a user via determining the location of the user’s wireless gaming terminal. *See supra* Section III.B.5.g. We agree with Petitioner in that regard, given that Carter’s mobile gaming unit 102 may be a standard personal computer, a personal data assistant, or a mobile telephonic device. Ex. 1003 ¶ 26; *see also id.* ¶ 25 (“server 110 suitably maintains distinct data file groupings for each individual mobile gambling unit 102,” and “[t]he distinct data profiles may correspond to a particular gambler’s demographic profile, gambling history, gambling preferences or the like”). Thus, when Barton’s two selectable betting parameters are incorporated into the gaming apparatus of Carter, as described further below in Section III.B.5.j, the selectable betting parameters are associated with the user based on the user’s determined location, via determining the location of the user’s mobile gaming unit 102. For this reason alone, Patent Owner’s argument is not persuasive.

Moreover, we conclude Patent Owner’s arguments concerning the Barton disclosure import a degree of precision into claim 1 that is not required by the claim. We find that people using the gaming equipment to

gamble in Barton's mobile casino are located at the same location as the mobile casino, so modifying selectable betting parameters based on the mobile casino's location also modifies selectable betting parameters based on the users' location. See Ex. 1004 ¶¶ 20–24 (GPS module 230 “reports the position of the train in real-time,” to alert the master computer “when the mobile casino enters a new jurisdiction”). In particular, Barton's vehicle 110 may be a bus, a trailer, a plane, a boat, a van, or an aircraft. *Id.* ¶ 14, Fig. 1. Such vehicles, and more especially a mobile casino located on such vehicles, are not so large that there is any material difference between the location of the mobile casino and the location of users within the mobile casino.

Thus, a preponderance of the evidence establishes the combination of Carter and Barton discloses determining a selectable betting parameter associated with a user based on a determined location of the user.

i) “ . . . determine the outcome of the bet based at least in part on the determined at least one betting parameter in accordance with one or more predetermined rules of the game. ”

Petitioner contends Carter's apparatus 204, 206, 208 determines the outcome of bets placed by users on wagering games, based on selectable betting parameters such as Barton's payoff amount and payoff frequency, when incorporated into Carter's jurisdictional profiles as set forth in Section III.B.5.j below. Pet. 46–47 (citing Ex. 1003 ¶¶ 12, 33, 46, 47); Ex. 1011 ¶¶ 103–107. Patent Owner does not dispute that contention, which we find to be supported by a preponderance of the evidence. See, e.g., Ex. 1003 ¶¶ 12, 46, 47; Ex. 1011 ¶¶ 103–107.

j) Motivation to Combine Carter with Barton in the Manner Claimed

Petitioner contends it would have been obvious to enable Carter's apparatus 204, 206, 208 to determine a plurality of selectable betting parameters for a wagering game, including Barton's payoff amount and payoff frequency parameters, based on the location of the user's mobile gaming unit 102. Pet. 22–24, 35–37, 44–45; Ex. 1011 ¶¶ 47–51, 53, 75, 77–82, 88–90, 99–102. Petitioner contends this would have been obvious to do by incorporating Barton's parameters into each of Carter's jurisdictional profiles, such that each jurisdictional location is “corresponding to at least one of the plurality of selectable betting parameters,” as claimed. Pet. 22–23, 35–37, 44–45; Ex. 1011 ¶¶ 75, 77–82, 88–90, 101–102.

As a first motivation, Petitioner relies on Carter's description of the jurisdictional profiles as containing “**any** information relative to the gambling restrictions' and opportunities in the jurisdiction.” Pet. 22, 36 (quoting Ex. 1003 ¶ 37); Ex. 1011 ¶¶ 75, 77–82, 88–90; *see also* Ex. 1003 ¶ 12 (describing the “jurisdictional profile (e.g., jurisdictionally permitted gaming opportunities)”); Tr. 7:16–8:23. As a second motivation, Petitioner relies on Barton's disclosure that payoff amount and payoff frequency may vary based on jurisdiction, prompting one to incorporate those parameters into Carter's jurisdictional profiles, “to enable Carter's server system to ensure that the mobile gaming units are in compliance with local gaming laws.” Pet. 23–24, 44–45; Ex. 1011 ¶¶ 47, 49–51, 53, 77–82, 99–102; Tr. 7:16–8:23.

Patent Owner argues Petitioner's case for obviousness establishes only that Carter *could* have been modified in light of Barton as proposed by Petitioner, not that Carter *would* have been so modified, because “the

evidence presented here does not suggest any advantage to Petitioner's proposed combination." PO Resp. 28–29. In Patent Owner's view, "there was no problem with Carter that Barton could solve," because "Carter already ensured full compliance with the law" of varying jurisdictions, so Petitioner's case is tainted with hindsight. *Id.* at 29–30, 31–32, 34–35 (citing Ex. 1003 ¶ 15); Ex. 2002 ¶¶ 59–66.

Patent Owner, further, asserts Mr. Kitchen's testimony concerning motivation relies improperly on several publications that were not identified or discussed in the Petition. PO Resp. 33 (citing Ex. 1011 ¶¶ 48–51, 76–83, and Exs. 1009, 1016–1019). Patent Owner contends those publications have not been established to be prior art to the '952 patent. *Id.* at 33. Patent Owner contends Mr. Kitchen's testimony cannot "fill the gap" left for "the claimed first and second selectable betting parameter and processor determination requirements" when these publications are not considered. *Id.* at 33–34; Ex. 2002 ¶ 65.

Petitioner replies that the Petition properly relied on Mr. Kitchen's testimony and cited evidence. Pet. Reply 21–24 (citing Ex. 1011 ¶¶ 49–51, 75, 77–82, 101–102). Petitioner further replies that Patent Owner improperly suggests the motivation to combine references must be contained in the references themselves, which is not the law. *Id.* at 22.

As discussed above in Sections III.B.5.a–i, we find the combination of Carter and Barton discloses each and every limitation of claim 1. Therefore, Patent Owner's assertions that Petitioner relies on Mr. Kitchen's testimony to fill a gap between the cited prior art and the invention of claim 1 is not persuasive; there is no gap to fill. In summary, Carter and Barton disclose respective computer apparatuses for conducting a wagering game, each

played by users of mobile terminals in wireless communication with the apparatus. Ex. 1003, Abstract, ¶¶ 6, 35–36; Ex. 1004, Abstract, ¶¶ 5, 22–25. Further, in both Carter and Barton, the computer apparatus monitors the location of the mobile terminals, and based on a determined location, modifies the gaming experience provided on each terminal to comply with the gaming laws of the jurisdiction in which the terminal is located. See Ex. 1003 ¶¶ 10, 12, 15, 37, 40; Ex. 1004 ¶¶ 22–25. Carter’s system, as recited in claim 1, determines the location of a user via determining the location of the user’s mobile terminal, which may be a standard personal computer, a personal data assistant, or a mobile telephonic device. Ex. 1003 ¶ 26. Barton’s system, as recited in claim 1, uses the location of the mobile terminal to determine two different selectable betting parameters (payoff amount and payoff frequency) to be applied in the wagering game. Ex. 1004 ¶¶ 24–25. As discussed above, Barton’s selectable betting parameters satisfy all the requirements of claim 1, in relationship to the mobile casino’s location.

The evidence of record, further, establishes a rational underpinning sufficient to support the legal conclusion of obviousness. See *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006), *cited with approval in KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 418 (2007). Petitioner has provided two persuasive lines of reasoning to establish that a person of ordinary skill in the art would have been motivated to modify Carter’s mobile gaming system to account for jurisdictional variations in payoff amount and payoff frequency, as disclosed in Barton.

As to Petitioner’s first motivation, Petitioner correctly points out Carter’s jurisdictional profiles contain “any information relative to the

gambling *restrictions*” of each jurisdiction, as well as the “jurisdictionally permitted gaming *opportunities*.” Ex. 1003 ¶¶ 12, 37 (emphases added). Mr. Kitchen credibly testifies that, as of the ’952 patent’s October 2006 priority date, a person of ordinary skill in the art would have known different legal jurisdictions had different gambling regulation laws, and it would have been beneficial for a mobile gaming apparatus to ensure compliance with those differing laws. Ex. 1011 ¶¶ 47–51. Mr. Kitchen even cites evidence in support of that seemingly self-evident proposition. *See id.*

Mr. Kitchen cites Barton’s disclosure that, as of 2004, different jurisdictions provided for different payoff amounts and payoff frequencies to ensure certain betting odds. *Id.* ¶¶ 47–48 (citing Ex. 1004 ¶¶ 4, 7, 25); *see also* Ex. 2004, (22), (43) (Barton was filed in February of 2004, and published in August of 2004). Mr. Kitchen cites Cabot¹⁰ as indicating jurisdictions had “regulated payout amounts for specific games,” such as Montana limiting the maximum payout for a video draw poker game to \$100. Ex. 1011 ¶ 49 (citing Ex. 1009, 99). Mr. Kitchen cites both Cabot and Kilby¹¹ as indicating jurisdictions had regulated “[p]ayout rates for games such as slot machines,” “to prevent casino operators from placing players at too great a disadvantage.” *Id.* ¶ 50 (citing Ex. 1019, 112; Ex. 1009, 40, 123).

Patent Owner asserts Cabot and Kilby have not been established to be prior art to the ’952 patent. *See* PO Resp. 33. However, we credit the references’ disclosures as reflecting the knowledge in the art as of the

¹⁰ Ex. 1009, Anthony N. Cabot et al., *International Casino Law* (Third Edition, 1999).

¹¹ Ex. 1019, Jim Kilby & Jim Fox, *Casino Operations Management* (1998).

'952 patent's October 2006 priority date. *See* Ex. 1009, pages 2–3 (copyright 1999); Ex. 1019, pages 2–3 (copyright 1998).

We find Barton, Cabot, and Kilby each support Mr. Kitchen's testimony concerning why Carter's disclosure of jurisdictional profiles reflecting information relative to the gambling restrictions and opportunities would have motivated a person of ordinary skill in the art to modify those profiles to include Barton's payoff amount and payoff frequency. Patent Owner's objection that Cabot and Kilby are not discussed in the Petition itself is not a persuasive basis to deny relief, under the circumstances presented here. The Petition cites the specific portions of Mr. Kitchen's testimony at issue. *See* Pet. 23 (citing *inter alia* Ex. 1011 ¶¶ 49–50, 77–79). Moreover, Cabot and Kilby are cited only in support of Mr. Kitchen's testimony concerning the background knowledge a skilled artisan would have possessed and would have brought to bear in reading Carter and Barton, not as support for finding claim limitations to be found in the prior art. *See* Ex. 1011 ¶¶ 49–50; *see also Ariosa Diagnostics v. Verinata Health, Inc.*, 805 F.3d 1359, 1365 (Fed. Cir. 2015).

Patent Owner's rebuttal argument against a motivation to combine Carter with Barton is not persuasive. Patent Owner correctly points out that Carter "already ensured full compliance with the law." PO Resp. 29; Ex. 2002 ¶¶ 60, 62. However, we reject Patent Owner's further assertion that, therefore, a person of ordinary skill in the art would not be motivated to modify Carter. *See* PO Resp. 28–35; Ex. 2002 ¶¶ 59–66. Carter's disclosure for achieving full compliance with the law is provided only at a high level of generalization. Carter indicates its jurisdictional profiles contain "information relative to the gambling restrictions" and

“jurisdictionally permitted gaming opportunities.” Ex. 1003 ¶¶ 12, 37. Carter further indicates different jurisdictions may have different gaming “protocols” with different “restrictions.” *Id.* ¶ 49. We are unable to discern, and Patent Owner does not cite, any further detail as to what the jurisdictionally varying restrictions, opportunities, and protocols might be; Carter leaves such details to the knowledge of a person of ordinary skill in the art. *See id.* ¶¶ 10, 12, 31, 37, 40, 43, 49.

Mr. Kitchen persuasively testifies that Barton’s jurisdictionally-regulated payoff amounts and payoff frequencies are the kinds of restrictions or opportunities that Carter’s jurisdictional profiles are designed to reflect. Ex. 1011 ¶¶ 75, 77–82. This recognition by a person of ordinary skill in the art establishes a first basis for the obviousness of modifying Carter’s mobile gaming system to account for jurisdictional variations in payoff amount and payoff frequency, as disclosed by Barton.

As to Petitioner’s second motivation, Carter also provides only limited options for *how* its gaming system may ensure full compliance with the law, based on the information contained within the jurisdictional profiles. Specifically, Carter indicates mobile gaming unit 102 “may be . . . *activated or deactivated* according to the local gambling restrictions,” such that “certain games *may or not be provided.*” Ex. 1003 ¶ 15 (emphasis added). Carter, also, reflects only at a high level of generalization that the gaming system may implement different gaming “protocols” in different jurisdictions. *Id.* ¶ 49. We are unable to discern, and Patent Owner does not cite, any further disclosures as to how Carter ensures compliance with the law based on the information contained within the jurisdictional profiles. *See id.* ¶¶ 31, 37, 40, 44–45, 49.

Barton, similarly to those disclosures in Carter, reflects that “if the mobile casino is about to enter a jurisdiction that *prohibits gambling*, the master computer issues an instruction to *shut down* gaming equipment.” Ex. 1004 ¶ 24 (emphasis added). As Mr. Kitchen points out, however, “Barton also accounts for the fact that each jurisdiction where gaming is allowed may have different requirements for specific parameters of wagering games.” See Ex. 1011 ¶¶ 47–48 (citing Ex. 1004 ¶ 25). We agree with Mr. Kitchen’s testimony that Carter’s disclosure of modifying the “protocols” for allowed gaming when moving between jurisdictions is similar to Barton’s disclosure of modifying payoff amounts and/or payoff frequencies for allowed gaming when moving between jurisdictions. See Ex. 1011 ¶¶ 99–100 (citing Ex. 1003 ¶ 49 and Ex. 1004 ¶¶ 24–25). Thus, the Barton disclosure would have motivated a person of ordinary skill in the art to modify Carter’s mobile gaming system to account for jurisdictional variations in payoff amount and payoff frequency for jurisdictionally-permitted but still regulated games, as disclosed in Barton. Patent Owner’s rebuttal is as unpersuasive here as with Petitioner’s first motivation, because a person of ordinary skill in the art needs to fill in Carter’s high level discussion of jurisdictionally-modified restrictions, opportunities, and protocols with specific implementations, such as suggested by Barton.

As to how Carter may be so modified, on the present record, we agree with Petitioner that a person of ordinary skill in the art would have appreciated that Carter’s jurisdictional profiles (Ex. 1003 ¶¶ 12, 37) may be updated to reflect the “different payoff amounts and/or frequencies” of each jurisdiction (Ex. 1004 ¶ 25), for implementation on Carter’s mobile gaming

units 102. This modification would have been within the level of ordinary skill in the art.

Thus, we determine a preponderance of the evidence provides ample motivation for why a person of ordinary skill in the art would have been led to combine Carter and Barton to reach the invention of claim 1.

k) Conclusion

A preponderance of the evidence establishes claim 1 of the '952 patent would have been obvious to a person of ordinary skill in the art, in view of Carter and Barton, at the time the invention was made. Therefore, claim 1 is unpatentable under 35 U.S.C. § 103(a).

6. Dependent Claims 2 and 3

Petitioner contends Carter discloses both of the alternative network-based and satellite-based location determination systems recited in claim 2, and both of the alternative unlicensed and licensed radio frequency band interfaces recited in claim 3. Pet. 48–49 (citing Ex. 1003 ¶¶ 15, 27, 36; Ex. 1028, 99). Patent Owner does not address Petitioner's arguments and supporting evidence as to these dependent claims. We find Petitioner's contentions to be supported by a preponderance of the evidence. *See, e.g.*, Ex. 1003 ¶¶ 15, 27, 36. Thus, we determine claims 2 and 3 of the '952 patent are unpatentable under 35 U.S.C. § 103(a) as having been obvious over Carter and Barton.

C. Obviousness over Carter, Barton, and the Knowledge of a Person of Ordinary Skill in the Art

In the Petition, Petitioner initially asserted claims 1–3 of the '952 patent are unpatentable under 35 U.S.C. § 103 as having been obvious

over Carter, Barton, and the knowledge of a person of ordinary skill in the art (“POSITA Knowledge”). Pet. 10–49. The Institution Decision denied institution of trial on this ground as to all claims. Inst. Dec. 21–23, 29. After SAS, Petitioner waived this challenge, and Patent Owner agreed with removing this challenge from the trial. See Paper 24, 2, 3–4; Paper 25. We, therefore, do not comment any further on this challenge.

D. Obviousness over Carter, Barton, and Walker

In the Petition, Petitioner initially asserted claims 1–3 and 6 of the ’952 patent are unpatentable under 35 U.S.C. § 103 as having been obvious over Carter, Barton, and Walker. Pet. 49–52. The Institution Decision denied institution of trial on this ground as to claims 1–3, and instituted trial as to claim 6. Inst. Dec. 23–27, 29. After SAS, Petitioner waived this challenge as to claims 1–3, and Patent Owner agreed with removing that portion of this challenge from the trial. See Paper 24, 2, 3–4; Paper 25. We, therefore, do not comment any further on this challenge as to claims 1–3.

As to claim 6, we have reviewed the arguments and evidence of record. We conclude a preponderance of the evidence establishes claim 6 is unpatentable as having been obvious over Carter, Barton, and Walker. We begin our analysis with a brief summary of Walker, and then address Petitioner’s and Patent Owner’s contentions.

1. Walker

Walker discloses a method and apparatus for enabling a player to select features on a gaming device. Ex. 1005, Title. Walker’s gaming devices include reeled slot machines, video poker machines, and other video gaming machines. *Id.* ¶ 19. They also include personal computers,

telephones, and portable handheld gaming devices. *Id.* ¶ 218. Walker describes various “condition[s] for disabling or enabling a feature” on a gaming device (*id.* ¶ 253), such as:

A location of the gaming device (e.g., a feature may be enabled if the gaming device is near a door of a casino floor, but may not be enabled if the gaming device is near a poker room)[.]

Id. ¶¶ 254, 264. Other conditions for enabling or disabling a feature include what casino is operating the gaming device, and the “location or jurisdiction of” the casino. *Id.* ¶¶ 282–284.

Walker indicates its “[f]eatures may affect various operations” of a gaming device, such as “the way play of a game and/or information about a game are displayed” and “the way information about outcomes are displayed or otherwise communicated to a player.” *Id.* ¶ 61. For example, “a feature may affect payout values for a gaming device,” in which case “an altered payout table may be displayed to a player.” *Id.* ¶ 366.

2. Claim 6

Claim 6 depends from claim 1, and recites instructions that direct the processor to “alter a user interface for a predetermined game in response to determining the location of the at least one wireless gaming terminal.” Ex. 1001, 35:62–67.

Petitioner contends, based on the teachings of Walker set forth above, that it would have been obvious to enable the gaming system of Carter and Barton “to alter the user interface of a predetermined game played on the user’s mobile gaming device [102] in response to determining” the location of the device. Pet. 49–51; Ex. 1011 ¶¶ 108–113. In particular, according to Petitioner, Carter would be modified to alter the mobile device’s display to

reflect the selectable betting parameters stored in the jurisdictional profile of a new jurisdiction being entered by the mobile device. Pet. 51; Ex. 1011

¶ 111. Petitioner contends this would advantageously “inform[] the user of changes to game parameters that impact the outcome of the game.” Pet. 51–52; Ex. 1011 ¶¶ 112–113.

Patent Owner contends Petitioner’s combination of Carter, Barton, and Walker for claim 6 “fails for the same reasons” that Petitioner’s combination of Carter and Barton fails for the parent claim 1. PO Resp. 35; Ex. 2002 ¶ 67. For the reasons set forth above, we determine there is no failure within Petitioner’s case for the obviousness of claim 1 based on Carter and Barton.

We further determine, based on the entire record, that Petitioner has established a rational underpinning sufficient to support the legal conclusion of obviousness as to claim 6. Walker indicates the “gaming device” discussed throughout the Walker disclosure may be a personal computer, telephone, or portable handheld gaming device, communicating with an online casino website. Ex. 1005 ¶ 218, Figs. 2A, 2B, and 3. Further, Walker’s paragraphs 264 and 282–284 provide a rational basis for modifying the gaming system of Carter and Barton to alter the user interface of Carter’s mobile device 102 to notify the user when the mobile device enters a new jurisdiction, thereby affecting the payoff amounts and/or payoff frequencies of games being played by the user. In particular, Walker discloses the importance of notifying the user of a gaming device when features of the game which “affect payout values” have been changed, including the display of the “altered payout table.” Ex. 1005 ¶ 366. A person of ordinary skill in the art would understand the benefits of

presenting such a display to the user of a mobile gaming device such as Carter's mobile device 102, when entering a new jurisdiction affects the rules of the game. *See* Ex. 1011 ¶¶ 111–113.

For the foregoing reasons, a preponderance of the evidence establishes claim 6 of the '952 patent would have been obvious to a person of ordinary skill in the art, in view of Carter, Barton, and Walker, at the time the invention was made. Therefore, claim 6 is unpatentable under 35 U.S.C. § 103(a).

E. Obviousness over Carter, Barton, Walker, and the Knowledge of a Person of Ordinary Skill in the Art

In the Petition, Petitioner initially asserted claims 1–3 and 6 of the '952 patent are unpatentable under 35 U.S.C. § 103 as having been obvious over Carter, Barton, Walker, and POSITA Knowledge. Pet. 49–52. The Institution Decision denied institution of trial on this ground as to all claims. Inst. Dec. 27–28, 29. After SAS, Petitioner waived this challenge, and Patent Owner agreed with removing this challenge from the trial. *See* Paper 24, 2, 3–4; Paper 25. We, therefore, do not comment any further on this challenge.

F. Obviousness over Carter and Martin

In the Petition, Petitioner initially asserted claims 1–3 and 6 of the '952 patent are unpatentable under 35 U.S.C. § 103 as having been obvious over Carter and Martin. Pet. 52–67. The Institution Decision denied institution of trial on this ground as to all claims. Inst. Dec. 28–29. After SAS, Petitioner elected to go forward with this ground as to all challenged claims 1–3 and 6. *See* Paper 24, 2.

Petitioner advances this challenge because, according to Petitioner, Patent Owner has asserted in District Court litigation “that prohibiting wagering based on the location *is* a selectable betting parameter,” even though Petitioner “do[es] not agree” with that claim construction. Pet. 52–53 (citing Ex. 1029, 6). Petitioner proposes obviousness over Carter and Martin on the basis that, “to the extent a ‘selectable betting parameter’ is broad enough to encompass prohibiting wagering in a game based on location,” Martin “teaches this limitation.” *Id.* Petitioner, particularly, asserts Martin teaches a mobile gaming machine may be switched between a gaming mode (allowing wagers to be placed on games) and an amusement mode (not allowing wagers to be placed on games), depending on the location of the mobile gaming machine. *Id.* at 54–56 (citing Ex. 1006, Abstract, 3:36–43, 4:54–5:1)

Patent Owner responds that “any reasonable construction of the term ‘selectable betting parameter’ is not broad enough to encompass prohibition of wagering in a game based on location.” Supp. PO Resp. 1, 5, 9–10. Patent Owner asserts that Patent Owner did not assert, during District Court litigation, that prohibiting wagering based on the location is a selectable betting parameter. *Id.* at 8.

In reply, Petitioner maintains Patent Owner asserted in District Court litigation that prohibiting wagering based on the location is a selectable betting parameter. Supp. Pet. Reply 1–3 (citing Ex. 1029, 3, 6). During oral argument, Petitioner’s counsel stated: “[W]hat we’re asking the Board to do is find that is not a proper construction and the construction [the Board] previously offered [in the Institution] is the correct one.” Tr. 19:12–20:7.

It is Petitioner’s “burden of proving a proposition of unpatentability by a preponderance of the evidence.” 35 U.S.C. § 316(e). Our Rules correspondingly require a Petition to “[p]rovide a statement of the precise relief requested,” including “[h]ow the challenged claim is to be construed.” 37 C.F.R. § 42.104(b)(3). In this case, Petitioner has not presented a persuasive reason to adopt the claim construction which undergirds, and is an integral part of, the proposed obviousness of claims 1–3 and 6 over Carter and Martin.

We are presented with the curious situation of a ground of unpatentability based on a claim construction that both parties contend is not the broadest reasonable construction of the claim. *See* Pet. 52 (“Petitioners do not agree with” the claim construction); Supp. PO Resp. 1 (“any reasonable construction of the term ‘selectable betting parameter’ is not broad enough to encompass prohibition of wagering in a game based on location”), 5, 9–10. We see no compelling, independent reason to adopt the construction in this proceeding, absent a proposal by either party supported by reasoned analysis.¹²

Thus, because application of the claim construction at issue here is an integral part of Petitioner’s case for obviousness, we determine a preponderance of the evidence does not establish claims 1–3 and 6 of the ’952 patent would have been obvious to a person of ordinary skill in the art, in view of Carter and Martin, at the time the invention was made. Therefore, the claims have not been shown to be unpatentable on that basis.

¹² It is, further, not clear to us that Patent Owner took the claim construction position in District Court that Petitioner now contends was taken.

G. Petitioner's Motion to Exclude Evidence

Petitioner moves to exclude Exhibits 2004 and 2005 from evidence. Paper 30; *see* Pet. Reply 6–8; Tr. 9:23–11:10. Patent Owner opposes. Paper 35. For the reasons set forth above, even considering Exhibits 2004 and 2005, we have determined a preponderance of the evidence establishes claims 1–3 of the '952 patent are unpatentable as asserted by Petitioner. We, therefore, deny Petitioner's Motion as moot.

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED claims 1–3 of the '952 patent have been shown to be unpatentable under 35 U.S.C. § 103 based on Carter and Barton;

FURTHER ORDERED claim 6 of the '952 patent has been shown to be unpatentable under 35 U.S.C. § 103 based on Carter, Barton, and Walker;

FURTHER ORDERED claims 1–3 and 6 have not been shown to be unpatentable under 35 U.S.C. § 103 based on Carter and Martin;

FURTHER ORDERED Petitioner's Motion to Exclude Evidence is denied; and

FURTHER ORDERED, because this is a final written decision, the parties to this proceeding seeking judicial review of our decision must comply with the notice and service requirements of 37 C.F.R. § 90.2.

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PETITIONER:

Eric A. Buresh
Megan J. Redmond
Callie Pendergrass
ERISE IP, P.A.
eric.buresch@eriseip.com
megan.redmond@eriseip.com
callie.pendergrass@eriseip.com
952_ipr@eriseip.com

Jonathan Berschadsky
MERCHANT & GOULD P.C.
jberschadsky@merchantgould.com

PATENT OWNER:

Joshua L. Goldberg
James R. Barney
David C. Reese
Scott A. Allen
FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER, LLP
joshua.goldberg@finnegan.com
james.barney@finnegan.com
david.reese@finnegan.com
scott.allen@finnegan.com
cgtechipr@finnegan.com