

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

DRAFTKINGS INC., A DELAWARE CORPORATION,
Petitioner,

v.

INTERACTIVE GAMES LLC,
Patent Owner.

IPR2020-01110
Patent 8,616,967 B2

Before KEN B. BARRETT, GEORGE R. HOSKINS, and
FREDERICK C. LANEY, *Administrative Patent Judges*.

LANEY, *Administrative Patent Judge*.

JUDGMENT
Final Written Decision
Determining All Challenged Claims Unpatentable
35 U.S.C. § 318(a)

ORDER
Denying Petitioner's Motion to Exclude Evidence
37 C.F.R. § 42.64

I. INTRODUCTION

DraftKings Inc., a Delaware corporation (“Petitioner”) filed a Petition (Paper 1, “Pet.”) pursuant to 35 U.S.C. §§ 311–319 to institute an *inter partes* review of all claims 1–20 of U.S. Patent No. 8,616,967 B2 (“the ’967 patent”). Interactive Games LLC (“Patent Owner”) has opposed the Petition. We instituted the petitioned review (Paper 10, “Institution Decision” or “Inst. Dec.”).

Patent Owner filed a Patent Owner Response (Paper 20, “PO Resp.”) to the Petition. Petitioner filed a Reply (Paper 27, “Pet. Reply”) to the Patent Owner Response. Patent Owner filed a Sur-reply (Paper 29, “Sur-reply”) to the Reply.

Petitioner filed a Motion to Exclude Evidence (Paper 30). Patent Owner filed an Opposition (Paper 31). Petitioner filed a Reply (Paper 32).

An oral hearing was held, for which the transcript was entered into the record (Paper 36, “Tr.”).

We have jurisdiction under 35 U.S.C. § 6(b)(4) and § 318(a). This Decision is a final written decision under 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73 as to the patentability of claims 1–20 of the ’967 patent. We deny Petitioner’s motion to exclude evidence. We determine Petitioner has shown by a preponderance of the evidence that claims 1–20 are unpatentable.

II. BACKGROUND

A. *Real Parties-in-Interest and Related Proceedings*

Petitioner identifies three companies as the real parties-in-interest in this proceeding: itself; DraftKings Inc., a Nevada corporation; and SBTech

(Global) Limited. Pet. 71. Patent Owner identifies itself as the sole real party-in-interest in this proceeding. Paper 4, 2.

The parties identify one judicial matter as related to this proceeding: *Interactive Games LLC v. DraftKings Inc.*, Case No. 1:19-cv-01105-RGA (D. Del.). Pet. 71; Paper 4, 2. There are also three other IPR proceedings filed on the same day as this proceeding, challenging other patents at issue in the litigation. *See* Paper 4, 2.

B. The '967 Patent

The '967 patent “relates generally to the field of gaming and, more particularly to a gaming system and method incorporating a wireless network.” Ex. 1001, 1:15–17. The '967 patent explains that there are several possible undesirable aspects with Internet-based electronic gambling systems, including that “use of the Internet does not provide location verification suitable to ensure that a user is within an approved gaming area.” *Id.* at 1:32–43. The '967 patent discloses “provid[ing] a convenience gaming system, which includes at least one server and at least one gaming communication device connected to the at least one server by a telecommunications network.” *Id.* at 1:49–52. The gaming communication device “is operable to send and receive gaming information to and from the . . . gaming server if the at least one gaming communication device meets at least one predetermined criteria.” *Id.* at 1:53–56. As a result, the '967 patent states the “convenience gaming system enables participants to engage in gaming activities from remote and/or mobile locations.” *Id.* at 2:52–55.

The system may be implemented over a communications network such as a cellular or other wireless (e.g., WiFi and WiMax) networks. Ex. 1001, 3:5–9. The communications network enables players to participate in gaming from remote locations (e.g., outside of the gaming area of a casino) and has a location verification or determination feature. *Id.* at 3:15–20. This feature “is operable to permit or disallow gaming from the remote location depending upon whether or not the location meets one or more criteria,” such as “whether the location is within a pre-defined area in which gaming is permitted by law.” *Id.* at 3:19–25, 6:65–7:11. The ’967 patent states that “any type of location verification may be used such as triangulation, geo-fencing, global positioning satellite (GPS) technology, . . . which can be used to ensure, or provide an acceptable level of confidence, that the user is within an approved gaming area.” *Id.* at 7:66–8:5. The location determination methods may periodically update the location, “for example, during a gaming session, at pre-defined time intervals to ensure that movement of the gaming communication device to an unauthorized area is detected during play, and not just upon login or initial access.” *Id.* at 8:50–56.

The ’967 patent states that activation and/or the duration of activation of the gaming communication device may also be controlled according to different parameters. Ex. 1001, 10:31–34, 10:56–62. “For example, the duration may be based on a predetermined amount of time or period of time” and “[a]ctivation of the gaming communication device may terminate upon the expiration of a predetermined time period.” *Id.* at 10:34–38. Similarly, activation of the gaming communication device and/or the ability for a user to engage in a particular activity may only be permitted based on whether

predefined criteria is satisfied, such as a timing and/or location related criteria. *Id.* at 10:56–62.

The '967 patents states that timing may be cumulatively determined so that an activity may only be permitted for a specified period of time collectively occurring within a larger window of time. Ex. 1001, 10:48–51. For example, the time counting toward the specified period of collective time might stop and start depending upon the location of the user. *Id.* at 10:51–52. “As another example, an activity might only be permitted so long as the user does not enter or leave a particular location for longer than a predetermined period of time.” *Id.* at 10:52–55.

C. The Claims of the '967 Patent

The '967 patent lists twenty claims, including four independent claims, claims 1, 7, 15, and 18. Ex. 1001, 19:25–24:26. We reproduce illustrative claims 1 and 7 below with emphasis added to highlight the minor differences between these claims.

1. An apparatus comprising:
at least one processor; and
at least one memory device electronically coupled to the at least one processor, in which the at least one memory device stores instructions which, when executed by the at least one processor, direct the at least one processor to:
determine that a gaming device is located within an approved gaming area,
in which a user of the gaming device is permitted to engage in at least one wager-based gaming activity via the gaming device when the gaming device is used by the user from within approved gaming areas,
in which the user is not permitted to engage in the at least one wager-based gaming activity via the gaming device

when the gaming device is used by the user from within unapproved gaming areas, and

in which the apparatus is operable to communicate with the gaming device via a wireless communications network;

permit the user to engage in the at least one wager-based gaming activity via the gaming device based at least in part on determining that the gaming device is located within the approved gaming area;

increment a counter *as the user engages in the at least one wager-based gaming activity via the gaming device from within the approved gaming area,*

in which the counter comprises an amount of time, and

in which *the user is permitted to engage in the at least one wager-based gaming activity via the gaming device* for a predetermined amount of time;

after determining that the gaming device is located within the approved gaming area, determine that the gaming device moved to a location within an unapproved gaming area; and

based at least in part on determining that the gaming device is located within the unapproved gaming area:

- (i) not permit the user to engage in the at least one wager-based gaming activity via the gaming device; and
- (ii) stop incrementing the counter.

7. An apparatus comprising:

at least one processor; and

at least one memory device electronically coupled to the at least one processor, in which the at least one memory device stores instructions which, when executed by the at least one processor, direct the at least one processor to:

determine that a gaming device is located within an approved gaming area,

in which a user of the gaming device is permitted to engage in at least one wager-based gaming activity via the gaming device when the gaming device is used by the user from within approved gaming areas,

in which the user is not permitted to engage in the at least one wager-based gaming activity via the gaming device when the gaming device is used by the user from within unapproved gaming areas, and

in which the apparatus is operable to communicate with the gaming device via a wireless communications network;

permit the user to engage in the at least one wager-based gaming activity via the gaming device based at least in part on determining that the gaming device is located within the approved gaming area;

increment a counter *while the gaming device is activated and located within the approved gaming area*,

in which the counter comprises an amount of time, and

in which *the gaming device is permitted to be activated* for a predetermined amount of time;

after determining that the mobile device is located within the approved gaming area, determine that the mobile device moved to a location within an unapproved gaming area; and

based at least in part on determining that the mobile device is located within the unapproved gaming area:

(i) not permit the user to engage in the at least one wager-based gaming activity via the gaming device; and

(ii) stop incrementing the counter.

Id. at 19:26–65, 20:36–21:6. Independent claims 15 and 18 recite methods for performing steps similar to the instructions recited for the apparatuses of independent claims 1 and 7, respectively.

D. Prior Art and Asserted Grounds

Petitioner asserts claims 1–20 are unpatentable, based on the following three prior art references. *See* Pet. 3–4.

Name	Reference	Date	Exhibit No.
Wells	US 2003/0064805 A1	Apr. 3, 2003	1004
Harkham	US 2002/0094869 A1	July 18, 2002	1005
Johns	US 5,923,870	July 13, 1999	1009

Petitioner relies on the following two grounds of unpatentability. *See* Pet. 4.

Claims Challenged	35 U.S.C. §	References
1–20	103(a) ¹	Wells, Harkham
1–20	103(a)	Wells, Harkham, Johns

E. Testimonial Evidence

Petitioner relies on the testimony of Mr. David Williams (Ex. 1003; Ex. 2004). Patent Owner relies on the testimony of Mr. Nick Farley (Ex. 2005; Ex. 1028).

III. STATEMENT OF LAW

Petitioner bears the burden of proving unpatentability of the challenged claims, and the burden of persuasion never shifts to Patent Owner. *Dynamic Drinkware, LLC v. Nat’l Graphics, Inc.*, 800 F.3d 1375, 1378 (Fed. Cir. 2015). To prevail, Petitioner must prove unpatentability by a preponderance of the evidence. *See* 35 U.S.C. § 316(e); 37 C.F.R. § 42.1(d).

¹ The application that issued as the ’967 patent was filed prior to the effective date of the amendments to 35 U.S.C. § 103 in the Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112–29, 125 Stat. 284 (2011). Thus, we refer to the pre-AIA version of section 103.

A patent claim is unpatentable under 35 U.S.C. § 103(a) 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. *See Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966). In these proceedings, however, no evidence regarding objective evidence of nonobviousness has been introduced into the record (*see generally*, PO Resp.) and, therefore, our analysis below focuses on the remaining factors.

IV. LEVEL OF ORDINARY SKILL IN THE ART

Petitioner contends a person having ordinary skill in the art pertaining to the ’967 patent (POSITA) “would be a person with a bachelor’s degree in electrical engineering, computer science, or a similar field; at least two years of experience in the development of location-based applications; and at least some coursework or other work experience in the wager based gaming industry.” Pet. 10 (citing Ex. 1003 ¶ 32). Furthermore, Petitioner contends that “[a] person with less education but more relevant practical experience may also meet this standard.” *Id.* (citing Ex. 1003 ¶ 32).

In the Preliminary Response, Patent Owner objected to Petitioner’s POSITA formulation, as underestimating the importance of wager-based

gaming industry experience. *See* Inst. Dec. 20. We disagreed, and applied Petitioner’s POSITA formulation. *See id.* at 20–21. Patent Owner opted not to maintain this dispute in the Patent Owner Response. “Once a trial is instituted, the Board may decline to consider arguments set forth in a preliminary response unless they are raised in the patent owner response.” Consolidated Trial Practice Guide (Nov. 2019) (CTPG)², 52 (citing *In re Nuvasive, Inc.*, 842 F.3d 1376, 1381 (Fed. Cir. 2016)).

Thus, Petitioner’s POSITA formulation stands unrebutted. We also determine it is consistent with the ’967 patent claims and the prior art of record. We adopt Petitioner’s POSITA formulation in this Decision.

V. PETITIONER’S MOTION TO EXCLUDE EVIDENCE

Petitioner has moved to exclude Mr. Farley’s declaration (Exhibit 2005) providing testimony on behalf of Patent Owner. *See* Papers 30 & 32. Patent Owner has opposed. *See* Paper 31.

The parties disagree as to who bears the burden of persuasion concerning Petitioner’s motion. Petitioner asserts Patent Owner must demonstrate the admissibility of Mr. Farley’s testimony by a preponderance of the evidence, because Patent Owner is the proponent of this testimony. *See* Paper 30, 2–3 (citing *Daubert v. Merrell Dow Pharms., Inc.*, 509 U.S. 579, 592 n.10 (1993)); Paper 32, 1. Patent Owner asserts “Petitioner bears the burden to show that it is entitled to the relief requested under 37 C.F.R. § 42.20(c).” Paper 31, 1.

We need not resolve this dispute. We conclude that, even if Patent Owner bears the burden of persuasion, Patent Owner has met that burden.

² Available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>.

Therefore we deny Petitioner's motion. Petitioner asserts three bases for the motion, which we consider in turn.

A. Mr. Farley's Knowledge and Experience

Petitioner asserts "Mr. Farley's knowledge and experience is below the level of" the POSITA that we adopt in this Decision. Paper 30, 1; *see supra* Section IV (POSITA formulation). Petitioner therefore urges us to exclude Mr. Farley's testimony under Fed. R. Evid. 702. Paper 30, 1.

Pursuant to Fed. R. Evid. 702:

A witness who is qualified as an expert by knowledge, skill, experience, training, or education may testify in the form of an opinion or otherwise if:

- (a) the expert's scientific, technical, or other specialized knowledge will help the trier of fact to understand the evidence or to determine a fact in issue;
- (b) the testimony is based on sufficient facts or data;
- (c) the testimony is the product of reliable principles and methods; and
- (d) the expert has reliably applied the principles and methods to the facts of the case.

"A person may not need to be a person of ordinary skill in the art in order to testify as an expert under Rule 702, but rather must be 'qualified in the pertinent art.'" CTPG 34 (citing *Sundance, Inc. v. DeMonte Fabricating Ltd.*, 550 F.3d 1356, 1363–64 (Fed. Cir. 2008)).

Petitioner asserts Mr. Farley lacks qualifications "in *the location-based field* of" the '967 patent and the prior art at issue here, as set forth in our POSITA formulation. Paper 30, 4 (emphasis added); *see supra* Section IV (a POSITA has "at least two years of experience in the development of location-based applications"). According to Petitioner: "Mr. Farley admitted that he does not have *any* experience in the

development of location-based services or software applications,” despite claiming that he was “at least a [POSITA].” Paper 30, 4–5 & n.1 (emphasis by Petitioner) (citing Ex. 1028, 275:21–25; Ex. 2005 ¶ 26).

Petitioner contends that, while “Mr. Farley may have experience in ‘testing submitted systems for compliance with established rules and regulations,’” this does not qualify him as an expert “in the location-based service or software application field” of the ’967 patent. *Id.* at 5 (citing Ex. 2005 ¶ 11; *Lebron v. Sec’y of Fla. Dep’t of Children & Families*, 772 F.3d 1352, 1368 (11th Cir. 2014)). In particular, according to Petitioner, “merely *testing* gaming applications is an entirely different endeavor than developing applications that leverage location-based services and applications,” and Mr. Farley even testified that his experience with testing game systems does not qualify him as an expert in the field of the ’967 patent. *Id.* at 5–6 (emphasis by Petitioner) (citing Ex. 1028, 54:4–6).

Patent Owner responds that Petitioner’s motion improperly addresses the weight to be given to Mr. Farley’s testimony, rather than its admissibility. *See* Paper 31, 2–3 (citing, *inter alia*, *MindGeek, s.a.r.l. v. Skky Inc.*, IPR2014-01236, Paper 45 at 23 (PTAB Jan. 29, 2016)).

Patent Owner further contends Mr. Farley’s knowledge and experience qualify him to testify from the perspective of a POSITA. *See id.* at 4–9. Patent Owner describes the ’967 patent as “directed to advances in wager-based gaming,” and contends that “[w]hile a technical understanding of general location-based applications may be valuable, an ordinary artisan in the relevant field would also understand and be familiar with wager-based gaming, including regulations, restrictions, and incentives pertinent to the gaming industry.” *Id.* at 4 (citing Ex. 1001, 1:49–2:17, 3:17–25, 10:31–55).

The principal prior art references at issue here (Wells and Harkham) are “wager-based gaming references,” and Petitioner’s obviousness rationales are “rooted directly in wager-based gaming,” according to Patent Owner. *Id.* at 4–5 (citing Pet. 19, 65). Our POSITA formulation also incorporates experience with wager-based gaming. *See id.* at 5–6; *supra* Section IV (POSITA has “at least some coursework or other work experience in the wager based gaming industry”).

Patent Owner also asserts “Mr. Farley’s testimony is based on his technical expertise and specialized knowledge of wager-based gaming systems.” Paper 31, 5–6 (citing Ex. 2005 ¶¶ 23–26). According to Patent Owner, “Mr. Farley is familiar with location-based services and software applications as applied to mobile gaming devices.” *Id.* at 6–7 (citing Ex. 1028, 41:20–42:25, 243:21–244:14). And Patent Owner contends that “Petitioner’s attempts to twist Mr. Farley’s words against him are misleading and irrelevant.” *Id.* at 7–8 (discussing Ex. 1028, 54:4–6, 40:25–41:12, 55:13–58:4, 243:21–244:14). Patent Owner contends Mr. Farley has not had experience *developing* online gaming systems “not because he is unable to do so,” but “because he is a certified independent compliance evaluator” so it would be unethical for him to do so. *Id.*

Petitioner replies that the motion properly challenges the admissibility of Mr. Farley’s testimony, not merely the weight to be given to it. *See* Paper 32 n.1. Petitioner also insists that Mr. Farley’s experience in testing and evaluating electronic gaming devices that employ location-based services does not qualify him as an expert to testify concerning the design and development of location-based applications and services. *See id.* at 4–5 (citing Ex. 1028, 275:21–25).

Upon review of the foregoing, we note first that the nature and extent of Mr. Farley's education and experience pertaining to the field of the '967 patent are not in dispute. Mr. Farley earned a Bachelor of Engineering degree in Electrical Engineering and Computer Science from Stevens Institute of Technology in 1987. Ex. 2005 ¶ 4, Att. A (pg. 2). Since then, he has accumulated over 33 years of experience in testing and evaluation of electronic gaming devices, pursuant to which he has examined thousands of such devices, including mobile and online gaming systems. *Id.* ¶¶ 6–7, 9, 13, Att. A (pgs. 1–2). In 2000 he founded Eclipse Compliance Testing, “an independent full-service regulatory compliance test laboratory and electronic gaming device consulting organization,” where he is the President. *Id.* ¶ 5, Att. A (pg. 1). He tests gaming devices and systems for compliance with “regulatory requirements . . . for variables, such as player location, identity, and age” when using “mobile phone apps,” as well as government classification of gaming systems. *Id.* ¶¶ 7–8, 11. Mr. Farley has “been called upon as an expert witness in dozens of litigations to assist triers of fact in determining game classification, permissibility and legal status of a variety of gaming devices and systems.” *Id.* ¶ 10, Att. A (pgs. 3–13).

Further, “now that the majority of mobile gaming is conducted on cellular telephones, most of [Mr. Farley's company's] testing is focused on the mobile gaming application software.” *Id.* ¶ 12. Thus, his experience includes testing whether mobile gaming systems comply “with geolocation and geofencing requirements to ensure that mobile gaming occurs only where permitted and does not occur where it is prohibited.” *Id.* ¶ 13.

Based on this education and experience, we conclude Mr. Farley is qualified as an expert to testify in the form of opinions concerning a

POSITA's knowledge and understanding in relation to the '967 patent, Wells, Harkham, and the other prior art references at issue in this proceeding. This is because he possesses technical and other specialized knowledge that will help us, as the trier of fact, to understand the evidence and determine facts in issue. *See* Fed. R. Evid. 702(a). There is "no requirement of a perfect match between the expert's experience and the relevant field." CTPG 34 (citing *SEB S.A. v. Montgomery Ward & Co.*, 594 F.3d 1360, 1373 (Fed. Cir. 2010)).

In particular, Mr. Farley's extensive experience in testing mobile gaming systems for compliance with regulatory requirements, including player verification and location verification, are directly pertinent to the issues presented here. This is reflected, in part, by our formulation of a POSITA as having "at least some coursework or other work experience in the wager-based gaming industry." *See supra* Section IV. Petitioner instead focuses on another POSITA qualification, "at least two years of experience in the development of location-based applications." *See id.* Petitioner is correct that Mr. Farley has no experience in *designing and developing* location-based applications and services. *See, e.g.*, Ex. 1028, 53:22–54:6, 275:21–25. Nonetheless, his extensive experience *testing* such systems, in the particular context of mobile gaming devices, provides him with technical and other specialized knowledge that will help us to understand the evidence and determine facts in issue.

The minimal gap here between Mr. Farley's experience and our POSITA formulation does not justify jettisoning the entirety of Mr. Farley's testimony, as Petitioner urges us to do. We address Mr. Farley's particular testimony concerning the relevant timing he used when considering the prior

art references in the next section of this Decision. The remainder of Petitioner's attack on Mr. Farley's qualifications addresses the weight to be given Mr. Farley's testimony, as opposed to its admissibility. We have considered his testimony, and assigned the appropriate weight to it in view of his background and the information being offered.

For the foregoing reasons, we deny Petitioner's motion to exclude the entirety of Mr. Farley's testimony on the basis that he lacks expert qualifications under Fed. R. Evid. 702.

B. Relevant Time Frame for Considering Obviousness

Petitioner asserts "Mr. Farley only analyzes Petitioner's asserted prior art references at the time the references were *filed*—not 'the time the invention was made' as required under 35 U.S.C. § 103(a)." Paper 30, 1. Petitioner therefore urges us to exclude "Mr. Farley's opinions regarding the asserted references" as being irrelevant to obviousness under Fed. R. Evid. 402. *Id.* Pursuant to Fed. R. Evid. 402, relevant evidence is admissible and irrelevant evidence is not admissible. Further, evidence is relevant if "it has any tendency to make a fact more or less probable than it would be without the evidence" and "the fact is of consequence in determining the action." Fed. R. Evid. 401. And, the obviousness inquiry asks whether "the subject matter as a whole would have been obvious *at the time the invention was made.*" 35 U.S.C. § 103(a) (emphasis added).

Petitioner asserts "Mr. Farley's entire opinion is offered from the improper perspective of the time that each one of Petitioner's asserted prior art references was *filed*," rather than the time the '967 patent's invention was made. Paper 30, 7–9 (emphasis by Petitioner) (citing Ex. 1028, 43:6–15,

151:19–152:6). In Petitioner’s view, Mr. Farley’s deposition testimony “repeatedly and convincingly disavowed” his declaration testimony, which correctly describes the time frame for the obviousness inquiry. *Id.* at 8 n.2 (citing Ex. 2005 ¶ 17). Petitioner concludes “[a]ssessing obviousness from the filing date of the prior art references in conducting an obviousness analysis is improper as a matter of law,” so Mr. Farley’s opinions on obviousness should be excluded as irrelevant. *Id.* at 8–9 (citing *Comcast Cable Commc’ns Corp. v. Finisar Corp.*, 571 F. Supp. 2d 1137, 1145 (N.D. Cal. 2008), *aff’d sub nom. Comcast Cable Commc’ns, LLC v. Finisar Corp.*, 319 F. App’x 916 (Fed. Cir. 2009)).

Patent Owner responds that Petitioner’s motion improperly challenges the sufficiency, rather than the admissibility, of Mr. Farley’s testimony. *See* Paper 31, 2 (citing CTPG 79), 10–11 (discussing Fed. R. Evid. 401 & 402). Patent Owner also asserts Mr. Farley applies the proper obviousness analysis. *See id.* at 11–12. Patent Owner accuses Petitioner of mischaracterizing Mr. Farley’s deposition testimony, which “[w]hen viewed in context, . . . shows that he properly considered the teachings of Wells and Harkham at the relevant point in time.” *Id.* at 10 (discussing Ex. 1028, 38:1–11). Mr. Farley’s declaration is to the same effect, according to Patent Owner. *See id.* (citing Ex. 2005 ¶¶ 16–22).

Petitioner replies that “Patent Owner strains to salvage Mr. Farley’s opinions . . . but to no avail,” because “Mr. Farley’s testimony speaks for itself” and supports Petitioner’s argument. Paper 32, 1–2 (citing Ex. 1028, 43:6–15).

Upon review of the foregoing, we conclude Mr. Farley’s declaration reflects the correct legal standard, in stating that “a patent claim is

unpatentable as obvious 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 in that field of endeavor.” Ex. 2005 ¶¶ 16–17 (emphasis added). The time of the ’967 patent’s invention was, at the earliest, February 2004. See Ex. 1001, code (60).

Thus, we turn to Mr. Farley’s deposition testimony, to discern whether it supports Petitioner’s contention that Mr. Farley, in fact, evaluated obviousness at the time of Wells (September 2001) and Harkham (May 2001). See Ex. 1004, code (22); Ex. 1005, code (22). During his deposition, a hypothetical situation was presented to Mr. Farley: “I might have a prior art reference from 2000 and another prior art reference from 2005, and I’m applying those prior art references to see if a patent filed in 2010 is obvious. Do you understand that?” Ex. 1028, 36:19–24. Mr. Farley answered “Yes.” *Id.* at 36:25. A short while later, Mr. Farley was asked: “[W]hen I’m evaluating obviousness, what is the timeframe that I’m looking to see *whether the subject patent is obvious?*” *Id.* at 38:2–4 (emphasis added). He answered: “My understanding . . . is at *the time of the application for the patent,*” which he specified as “[t]he 2000 patent would be 2000” and “[t]he 2005 patent would be 2005.” *Id.* at 38:5–11 (emphasis added). We agree with Patent Owner’s position that this testimony reflects a correct understanding of the obviousness inquiry as directed to the time when “the subject patent”—that is, the patent being challenged as having been obvious—was filed as an application.

Petitioner’s counsel then referred Mr. Farley to “the Nguyen patent” filed on November 3, 2004 (a prior art reference from the concurrently filed

Petition in IPR2020-01109 challenging a different patent than the '967 patent), and asked: “[W]hen evaluating obviousness, a person of ordinary skill in the art would consider Nguyen as of what one would know in or on November 3, 2004; is that right?” Ex. 1028, 38:12–39:4. He answered “Yes.” *Id.* at 39:5–8. Petitioner asserts this testimony reflects an incorrect understanding of the obviousness inquiry as directed to the time when the prior art was filed, rather than the time when the challenged patent was filed.

We conclude Mr. Farley’s testimony is equivocal on this issue. The questions asked could very well have been understood to be hypothetical questions concerning the proper time frame applied if “the Nguyen patent” was the patent being challenged, rather than the '967 patent. Counsel’s reference to “when evaluating obviousness” (*id.* at 38:25–39:2) is too vague to tie the question to obviousness of the '967 patent, rather than obviousness of the Nguyen patent. The following questions concerning Lewin (another prior art reference from IPR2020-01109) fare no better—the vague references to “an obviousness analysis” and “in your evaluation of obviousness or in any evaluation of obviousness” do not clearly tie the questions to obviousness of the '967 patent. *See id.* at 39:9–40:10.

Indeed, Petitioner’s counsel returned to this topic later in the deposition, asking Mr. Farley: “And so, in your analysis, you never considered what would one of ordinary skill in the art in 2010, for example, think of the Nguyen reference; is that right?” *Id.* at 43:2–20. Mr. Farley answered:

I think the Nguyen reference—its relevance is at the time that it was filed. I mean, *technology advanced in 2010, so to try and use 2010 technology against a patent that was filed back in 2004 would be*

displaced. There's no way in 2004 you can anticipate what technological advances would be made six years later.

Id. at 43:21–44:4 (emphasis added). Here, Mr. Farley seemed to understand the question to ask whether it would have been appropriate to use 2010 technology to challenge a patent that was filed in 2004 (such as Nguyen) as having been obvious. He correctly answered that question in the negative. This testimony, again, is equivocal regarding whether Mr. Farley applied the correct time frame in his obviousness analysis of the '967 patent.

The final question cited in Petitioner's motion pertained to the three related proceedings in which we instituted review (*see supra* Section II.A) and asked: "[W]ould you say that it's accurate that in your analysis you considered each of those references from the perspective of what one of ordinary skill in the art would have known at the time that the references themselves were filed?" Ex. 1055, 151:19–152:3. Mr. Farley answered: "That's the perspective I tried to take, is one of ordinary skill in the art at the time that those patents were filed." *Id.* at 152:4–6. This testimony is, again, equivocal regarding whether Mr. Farley applied the correct time frame in his obviousness analysis of the '967 patent.

The central difficulty with all of the deposition testimony cited by Petitioner in support of the motion to exclude is that the questions were too vague and generalized to put them into the context of asking about the time frame Mr. Farley applied when reaching a conclusion as to obviousness of the '967 patent. This lack of clarity in his deposition testimony makes us unable to conclude that Mr. Farley applied the incorrect time frame, when his declaration states clearly that he applied the correct time frame.

Thus, we deny Petitioner’s motion to exclude the entirety of Mr. Farley’s testimony on the basis that he mis-applied the law of obviousness.

VI. CLAIM CONSTRUCTION

We interpret the ’967 patent claims “using the same claim construction standard that would be used to construe the claim in a civil action under 35 U.S.C. 282(b).” 37 C.F.R. § 42.100(b). This “includ[es] construing the claim in accordance with the ordinary and customary meaning of such claim as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent.” *Id.*

Petitioner contends “the Board need not expressly construe any claim term because the prior art invalidates the claims under any plausible construction.” Pet. 10.

Patent Owner does not address any claim construction issues.

Upon consideration of the foregoing, and the entirety of the arguments and evidence presented, we conclude no explicit construction of any claim term is needed to resolve the issues presented by the arguments and evidence of record. *See Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 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))).

VII. OBVIOUSNESS OF CLAIMS 1–20

Petitioner contends in its first ground of the Petition that claims 1–20 of the ’967 patent recite a combination of elements that would have been

obvious to a skilled artisan at the time of the invention, as demonstrated by the disclosures of Wells and Harkham. Pet. 16–62. In the second ground of the Petition, Petitioner contends, to the extent Wells and Harkham do not disclose the recited “counter” element found in independent claims 1, 7, 15, and 18, Johns’s additional disclosure of a counter cures any potential deficiency. *Id.* at 62–71. Either alleged ground in the Petition, according to Petitioner, leads to the conclusion that claims 1–20 of the ’967 patent are unpatentable. *Id.* at 71.

Patent Owner does not address separately the two grounds alleged in the Petition. *See generally* PO Resp. Instead, Patent Owner contends the Petition as a whole is deficient because the Petition fails to establish Wells and Harkham disclose or teach counting the time a user engages in a wager-based gaming activity, or disclose or teach calculating a cumulative amount of time a user engages in wager-based activity from a plurality of locations. *Id.* at 8–31. And this deficiency of Wells and Harkham, Patent Owner argues, “infect[s] each asserted ground.” *Id.* at 9. For the second ground of the Petition, Patent Owner simply argues that Johns’s counter does not cure the alleged deficiency of Wells and Harkham. *Id.* at 31–33. As a result, Patent Owner asserts that the patentability of all challenged claims should be confirmed. *Id.* at 33.

We begin our analysis below with a brief summary of Wells, Harkham, and Johns. We then address the parties’ contentions as to the similarities and differences between these references and the claimed subject matter. And for the reasons discussed below, after weighing all of the evidence and arguments presented by the parties (and, again, we note neither party asks us to consider any objective evidence of nonobviousness), we find

the Petitioner has met its burden to show claims 1–20 of '967 patent are unpatentable because a preponderance of the evidence persuasively supports Petitioner's contention that the claimed subject matter would have been obvious in view of Wells and Harkham. As a result, it is unnecessary for us to also address the Wells, Harkham, and Johns combination.

A. Summary of Wells, Harkham, and Johns

The Petitioner contends Wells, Harkham, and Johns are prior art to the challenged claims of the '967 patent. Petitioner contends that Wells is prior art because it was filed September 28, 2001, and published April 3, 2003; Harkham is prior art because it was filed May 29, 2001, and published July 18, 2002; and Johns is prior art because it was filed June 12, 1997, and issued July 13, 1999. Pet. 3–4 (citing Ex. 1004; 1005; 1009). Patent Owner does not dispute these contentions, nor does Patent Owner suggest the claimed subject matter is entitled to an earlier priority date than the '967 patent's February 21, 2005 filing date (Ex. 1001, code (22)). *See generally* PO Resp. We are persuaded all three references qualify as prior art under 35 U.S.C. § 102(b) because, on this record, the public availability of each reference pre-dates by more than a year the February 21, 2005 priority date of the '967 patent.

1. Wells

Wells discloses a wireless game player that may be used anywhere within the legal areas of the casino and that has the capability of identifying who is using the game player. Ex. 1004 ¶ 11. Wells explains that the industry was concerned with ensuring compliance with gaming regulations

while allowing game playing opportunities beyond the traditional casino floor. *Id.* ¶¶ 6–7.

Besides regulating gaming hardware and software, a gaming jurisdiction may regulate many other aspects of gaming including where games of chance are played (e.g. casinos, stores, restaurants and other venues), who may participate in game play (e.g. enforcing age restrictions) and where regulated gaming machines may be located (e.g. particular areas of a casino). To obtain an operating license, a casino is required to adhere to the rules and regulations of the gaming jurisdiction in which it is located. Further, a licensed casino that fails to adhere to local gaming regulations may have its operating license revoked.

Id. ¶ 6.

Wells discloses the implementation of certain limitations on game play, some based on location as determined by GPS and others based on time of activity or inactivity.

The gaming machine may terminate a wireless game play session as a result of a number of events. For example, the gaming machine may track the location of the wireless game player using a GPS device located in the game player. When the wireless game player enters an area not authorized for wireless game play, the gaming machine may terminate the wireless game play session. As another example, the gaming machine may terminate a wireless game play session after a certain [number] of games, after a certain amount of time or after a period of inactivity [sic].

Id. ¶ 110; *see also Id.* ¶ 45 (“Position verification [by GPS] may be used to [e]nsure the wireless game player is used only in legal gaming areas of the casino When the gaming machine detects that the wireless game player is in a restricted area, it may discontinue communications with the wireless game player.”). Also, “there may be a non-play time limit.” *Id.* ¶ 46.

“Once this time is exceeded, a verification and authentication cycle or process must be performed.” *Id.*

Figure 3 of Wells is reproduced below.

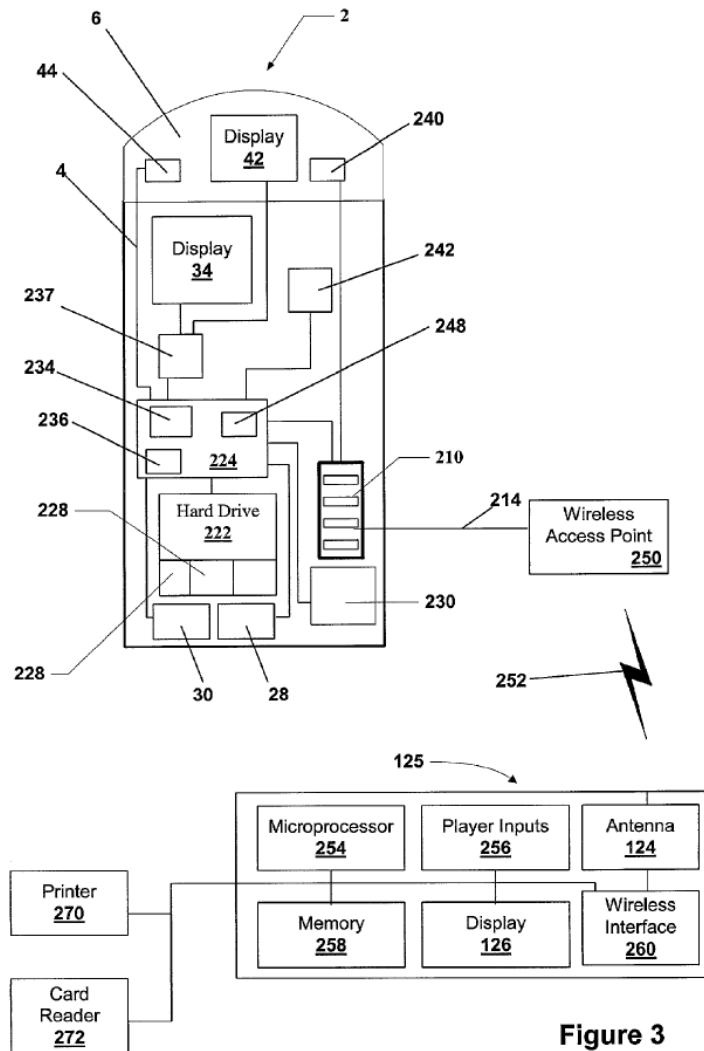
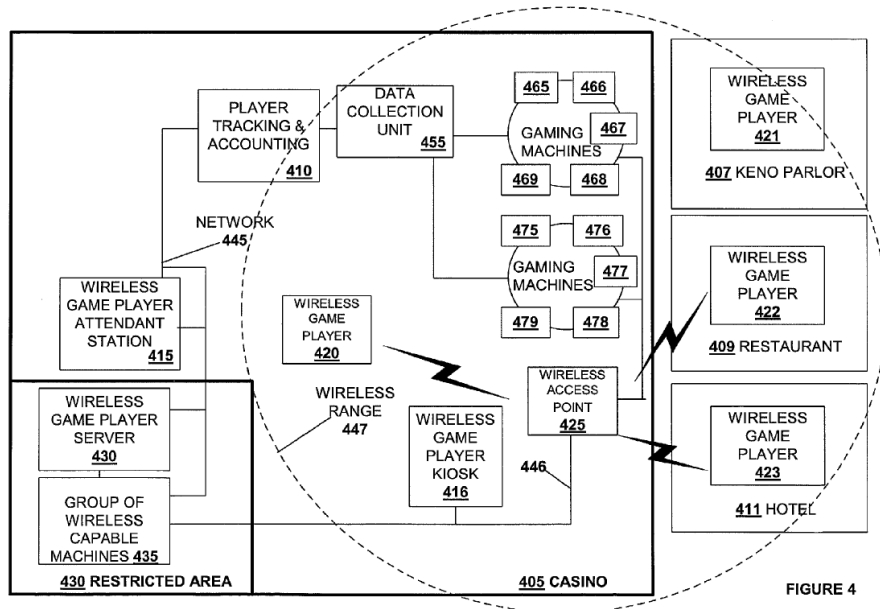


Figure 3 is a block diagram of the internal components of gaming machine 2 and wireless game player 125. *Id.* ¶ 76. “The master gaming controller 224 may communicate with the wireless game player 125 via a wireless communication link 252.” *Id.*

In addition to an embodiment where the wireless game player is an extension of the gaming machine on the casino floor, Wells discloses

rack-mounted wireless-only gaming machines 435 connected to a wireless network and that may support game play on wireless game players. *Id.*

¶ 103. “As another example, a wireless game player server 430 with multiple processors may be used to support simultaneous game play on a plurality of wireless game players.” *Id.* Figure 4 is reproduced below.



“Figure 4 a block diagram of a network of gaming machines and wireless game players.” *Id.* ¶ 31.

2. Harkham

Harkham discloses central game server 104 connected to game centers, including virtual casino 108 that may have real dealers and game tables or computer-simulated ones, and to which are connected remote players. Ex. 1006 ¶ 26. Harkham further discloses player verification processes and the tracking and storing of player history information to, for example, comply with government reporting requirements. *Id.* ¶¶ 29, 74.

Harkham teaches playing time limits.

In one embodiment, the user is optionally prompted to designate a playing limit in terms of playing frequency or playing time. For example, the user can limit his/her playing limit to a maximum of five hours within a seven-day period, or no more than once within a day. When the user's playing time or playing frequency exceeds the limit, the user is asked to exit the game center. In one implementation, the user is allowed to increase the playing limit when the limit has been reached. The playing limit option can be used to prevent excessive gaming and/or excessive gaming loss. The playing limit can be stored on a database connected to the server or a smart card or smart disk of the player.

Id. ¶ 33.

3. *Johns*

Johns discloses a computer-implemented counter that “enable[s] one to objectively gauge the actual amount of usage” of a computer, as well as the “total amount of time that the computer 10 has been active.” Ex. 1009, Abstract, 14:23–33, 3:52–53. Processor 172 in Johns is connected to counter 176 and timer 174, which “interrupts the processor 172 to increment the total count stored in counter 176” at periodic intervals. *Id.* at 14:25–31. In order to preserve the total count, John teaches that the counter preferably resides in a non-volatile memory. *Id.* at 14:31–34.

B. *Obviousness of Independent Claims 1, 7, 15, and 18 in View of Wells and Harkham*

The '967 patent has four independent claims (1, 7, 15, and 18). Ex. 1001, 19:26–65, 20:36–21:6, 21:64–22:33, 22:59–23:28. Petitioner and Patent Owner agree that these claims include similar recitations. Pet. 50, 51; PO Resp. 2. In accord with this agreement, Petitioner relies on the same evidence and arguments to challenge the patentability of each independent

claim (*see* Pet. 20–41, 50, 51) and Patent Owner likewise relies on the same evidence and arguments to respond to Petitioner’s challenges (*see* PO Resp. 2–3, 8–23). Notably, Patent Owner does not suggest there are any relevant patentable distinctions between the independent claims or that Petitioner’s reliance on the same evidence and arguments was in error. *See generally* PO Resp. Following the parties’ lead, therefore, we address the parties’ contentions regarding the patentability of independent claims 1, 7, 15, and 18 in the context of claim 1. We evaluate Petitioner’s contentions for claim 1 on an element-by-element basis below and, where appropriate, we address Patent Owner’s arguments of alleged deficiencies.

1. *An apparatus comprising: at least one processor; and at least one memory device electronically coupled to the at least one processor, in which the at least one memory device stores instructions which, when executed by the at least one processor, direct the at least one processor to:*

Petitioner contends the “Wireless Game Player Server” (430) and “Wireless Capable [Gaming] Machines” (435) (collectively referred to hereinafter as “Wireless Gaming Server”) illustrated in Figure 4 of Wells each disclose an apparatus that includes a memory coupled to a processor that executes instructions stored in the memory to control the operation of the apparatus. Pet. 21–23 (citing Ex. 1004 ¶¶ 12, 19, 34, 78, 103, 107, Figs. 3, 4; Ex. 1003 ¶¶ 84–87). Patent Owner does not separately dispute this contention. *See generally* PO Resp. Having studied the evidence cited by Petitioner, we are persuaded that Petitioner has shown that Wells discloses an apparatus with the above recited structural elements.

2. *determine that a gaming device is located within an approved gaming area, in which a user of the gaming*

device is permitted to engage in at least one wager-based gaming activity via the gaming device when the gaming device is used by the user from within approved gaming areas, in which the user is not permitted to engage in the at least one wager-based gaming activity via the gaming device when the gaming device is used by the user from within unapproved gaming areas, and in which the apparatus is operable to communicate with the gaming device via a wireless communications network;

Petitioner contends that Wells’s description of how the Wireless Gaming Server operates, and the operational factors it considers, demonstrates a processor that follows instructions to wirelessly communicate with a remote wireless game player and determine the location of that player to evaluate whether the user is located in an appropriate space for wager-based gaming activity to occur. Pet. 24–30 (citing 1004 ¶¶ 4, 6–8, 34, 37, 45, 46, 63, 103, 104, 110, Figs. 3, 4; Ex. 1003 ¶¶ 89–94). In particular, Wells teaches that a wager-based game generated using gaming software that is executed on a Wireless Gaming Server may be presented on a user’s remote device using wireless communication networks. Ex. 1003 ¶¶ 34, 103–104. To ensure strict compliance with the laws associated with gambling, the Wireless Gaming Server uses the Global Position System (“GPS”) associated with the wireless game player “to verify [the] location of the device” and “insure the wireless game player is used only in legal gaming areas.” *Id.* ¶ 45. “When the gaming machine detects that the wireless game player is in a restricted area, [the Wireless Gaming Server] may discontinue communications with the wireless game player.” *Id.*

Patent Owner does not separately dispute the contention that Wells discloses these elements (*see generally* PO Resp.), and having studied the evidence cited in support thereof, we find Petitioner has persuasively shown

that Wells discloses an apparatus that determines whether a gaming device is located within an approved gaming area in the manner recited above.

3. *permit the user to engage in the at least one wager-based gaming activity via the gaming device based at least in part on determining that the gaming device is located within the approved gaming area;*

Petitioner contends Wells shows that regulations were known to exist that prohibit gaming in some locations, as well as authorize gaming in other locations; for example, within a casino, regulations authorized gaming on the floor of the casino, and prohibited gaming within the hotel rooms of the casino. Pet. 30–31 (citing Ex. 1004 ¶¶ 4, 6, 8, 34; Ex. 1003 ¶ 96). Petitioner contends Wells teaches that, because it was recognized that a user could move with a wireless game player through both the authorized and unauthorized gaming areas, the Wireless Gaming Server is described to have the ability to detect and verify whether the wireless game player is located within an authorized gaming area using the GPS data associated with the player. *Id.* at 31–32 (citing Ex. 1004 ¶¶ 45, 46, 110; Ex. 1003 ¶¶ 96, 98). Petitioner contends that Wells teaches that the Wireless Gaming Server makes determinations also about whether a wager-based game is allowed to proceed on a wireless game player using the verification data of the player's location within an authorized gaming area. *Id.*

Patent Owner does not separately dispute the contention that Wells discloses these elements (*see generally* PO Resp.), and having studied the evidence cited in support thereof, we find Petitioner has persuasively shown that Wells discloses an apparatus that permits a user to engage in the at least one wager-based gaming activity in the manner recited above.

4. *increment a counter as the user engages in the at least one wager-based gaming activity via the gaming device from within the approved gaming area, in which the counter comprises an amount of time, and in which the user is permitted to engage in the at least one wager-based gaming activity via the gaming device for a predetermined amount of time;*

Petitioner contends Wells teaches the “general concept” of controlling the wager-based gaming activity played on a wireless game player based on both the player being located within an authorized area *and* the amount of time the player is used for wager-based gaming activity. Pet. 33 (citing Ex. 1004 ¶¶ 95, 110). In particular, Wells states that the Wireless Gaming Server controls whether to allow wager-based gaming activity to proceed on a wireless game player based on the “result[s] of a number of events.” Ex. 1004 ¶ 110. As examples of such events, Wells states the Wireless Gaming Server “may track the location of the wireless game player using [its] GPS . . . [and] [w]hen the wireless game player enters an area not authorized for [wager-based gaming activity], the [Wireless Gaming Server] may terminate the wireless game play session,” and the Wireless Gaming Server may also track the time associated with a wireless game play session and “after a certain amount of time or after a period of [inactivity]” terminate the session. *Id.* Additionally, Wells states that verification by the Wireless Gaming Server of the wireless game player’s location and of time limits “may be required to start every wireless game play session.” Ex. 1004 ¶¶ 45, 46.

Petitioner contends that “Harkham provides additional teachings regarding calculating (or *counting*) a cumulative amount of time spent engaging in wager-based gaming activity within approved areas.” Pet. 33. In particular, Harkham states the disclosed central game server enables a

user to set a predetermined amount of time so that the user can, for example, “limit his/her playing limit to a maximum of five hours within a seven-day period . . . [and] [w]hen the user’s playing time . . . exceeds the limit, the user is asked to exit the game center.” Ex. 1005 ¶ 33. Petitioner contends that a skilled artisan would have understood from this teaching of Harkham that the disclosed central game server “would necessarily have been implemented using some time-tracking mechanism, such as a ‘counter,’ to determine the amount of time that a user spends gaming.” Pet. 34–35 (citing Ex. 1003 ¶ 103); *see also* Ex. 1008, 174–75 (counters were a known means for gaming systems to track the cumulative amount of time a wireless game player is being used to play a wager-based game).

Petitioner contends that a skilled artisan would have known to include a counter that increments when a player engages in a wager-based gaming activity within the Wireless Gaming Server of Wells, which already limits such activity to an authorized area and a specified period of time, to track the amount of time that a player spends on wager-based gaming activity because it was a known way for allowing the Wireless Gaming Server to accomplish effectively the stated purpose of permitting play only within a predetermined amount of time and terminating play after an allotted amount of time has elapsed. *Id.* at 17–20, 36–37 (citing Ex. 1004 ¶¶ 8, 23, 45, 110; Ex. 1005 ¶¶ 25, 26, 29, 33, 74; Ex. 1008 ¶ 175; Ex. 1003 ¶¶ 74–81). Furthermore, a skilled artisan would have been led to combine the Wireless Gaming Server with a counter in manner claimed, according to Petitioner, because of its ability to help “combat the age-old problem of gambling addiction” by “provid[ing] more comprehensive accountability” and “prevent[ing] users from circumventing established time limits.” *Id.* at 18–20. Petitioner

contends, “given the similarities in underlying systems, such a combination would have merely involved simple substitution of known elements.” *Id.* at 20 (citing Ex. 1004 ¶ 95; Ex. 1005 ¶ 29; Ex. 1003 ¶ 82).

Patent Owner disputes “incrementing a counter as the user engages in at least one wager-based gaming activity via the gaming device from within the approved gaming area” is taught by Wells in view of Harkham. PO Resp. 9–10. As support, Patent Owner argues that Petitioner misconstrues Wells.

Patent Owner contends that although users “can ‘wander to different locations’ while using Wells’ remote gaming device and Wells’ system may allow wagering in authorized locations and prohibit wagering in unauthorized locations, Wells does not disclose monitoring wagering time in any location by incrementing a counter or cumulating time.” *Id.* at 12. “At most, Wells’ system may terminate a remote gaming device after an amount of overall usage time, but even so, that overall time does not necessarily include wagering time.” *Id.* at 13 (citing Ex. 2005 ¶¶ 40–42). When Wells is construed properly, Patent Owner argues, it teaches that the “[g]eneral usage time may include time a user engages in wager-based activity, but it can include other activities too, especially because a user of Wells’ remote game device can engage in entertainment activities (like watching a movie or ordering food).” *Id.* at 14 (citing Ex. 1004 ¶¶ 19, 23; *see also* Ex. 1004 ¶¶ 15, 19, 34, 70–74). Thus, Patent Owner concludes, “if a user is browsing food menus, buying tickets, or watching movies, then Wells[’s] general statement that it monitors general usage time and any calculated or counted cumulative time includes these activities and includes all activities

regardless of location (whether an authorized location for wagering or an unauthorized location for wagering).” *Id.* at 14 (citing Ex. 2005 ¶¶ 41, 45).

Patent Owner asserts that this conclusion “makes sense” because Wells “is concerned with maximizing the battery life of the wireless device and increasing casino revenue.” PO Resp. 14 (citing 2005 ¶¶ 30, 43; Ex. 1004 ¶ 7). “By terminating applications on the Wells device after a general amount of time, the casino can extend the battery life of the Wells device and maximize the time patrons are able to gamble from other areas of the casino.” *Id.* at 14–15 (citing Ex. 2005 ¶ 42; Ex. 1004 ¶ 7). Patent Owner asserts “preventing gambling based on an allotted amount of time spent wagering directly conflicts with Wells’ actual stated purpose of generating revenue for the casino.” *Id.* at 15 (citing Ex. 1004 ¶ 7).

Regarding Harkham, Patent Owner contends that it “does not cure the gap in [Wells to show] determining or calculating a cumulative amount of time a user is engaged in wager-based gaming activity.” PO Resp. 16. This is so, according to Patent Owner, because “[o]ther than the fact that they both relate to gaming, there is little in common between the devices and little apparent reason to combine the optional playing limits of Harkham with the usage time monitoring of Wells.” *Id.* at 17 (citing Ex. 2005 ¶¶ 54–56). Although Patent Owner acknowledges Harkham teaches using the disclosed wagering time limits to combat “problem gambling,” which Petitioner contends is the reason why a skilled artisan would have known to modify Wells’s device in the manner claimed, Patent Owner argues that “nothing in the Petition or [Mr. Williams’s] declaration articulates how [] the alleged combination would prevent problem gambling.” *Id.* at 17–18.

Patent Owner argues that the deficiency with Petitioner’s proposed reasoning is that “[e]ven if the Wells device terminates . . . , nothing prohibits the casino patron from returning to the physical licensed machine to continue gambling or playing on a separate machine in the casino or engaging in wagering activity elsewhere in the casino.” *Id.* (citing Ex. 2005 ¶¶ 46, 55; Ex. 2004, 128:3–129:4). In addition, Patent Owner notes that Harkham teaches that the optional wagering-time limit can be configured to allow the user to increase the limit when the originally specific amount of time has been reached. *Id.* at 17–18 (citing Ex. 1005 ¶ 33). Patent Owner concludes, because “an ordinary artisan would have recognized the inapplicability of wagering limits in the Wells system,” the proposed modification by Petitioner of Wells and Harkham “is improper.” *Id.* at 18–19.

Furthermore, Patent Owner argues that Petitioner’s reasoning for modifying Wells to include time limits specifically on an individual’s wager-based gaming activity to help “combat the age-old problem of gambling addiction” is deficient because it lacks a foundation. PO Resp. 28–30. Patent Owner asserts that it lacks a foundation because “Wells does not have a goal of preventing excessive gambling,” but “the opposite.” *Id.* at 29. Patent Owner asserts, “Wells is not concerned with stopping wager-based gaming activity once a time limit with respect to time a user has engaged in wager-based gaming activity is reached.” *Id.* And even if Wells were modified to monitor and count the time an individual is engaged in wagering activity, “such a modification would not achieve the alleged goal of preventing excessive gambling.” *Id.* at 29–30. Patent Owner contends this is because stopping wager activity on Wells’ portable gaming device

after the time limit is reached would simply cause the user to start gambling elsewhere within the casino. *Id.*

We begin our analysis of this disputed claim element by first highlighting several points of agreement between the parties about what Wells and Harkham disclose to a skilled artisan. First, the parties agree that Wells teaches a system that allows a portable gaming device to be monitored to determine its location and the amount of time it is being used. *See* Pet. 13–14, 17, 27–29, 31–32 (citing 1004 ¶¶ 8, 45–46, 95, 110; Ex. 1003 ¶¶ 68, 91–92, 96, 98, 100); PO Resp. 5, 12–13 (citing Ex. 1004 ¶¶ 45, 56; Ex. 2005 ¶¶ 40–42); *see also* Ex. 2005 ¶¶ 33, 36–39, 44. Second, the parties agree that Wells teaches a system in which the operation of the portable gaming device can be controlled based on the information received about its location and the amount of time it is being used. *See* Pet. 13, 17, 27–29, 31–32 (citing 1004 ¶¶ 8, 45–46, 110; Ex. 1003 ¶¶ 68, 91–92, 96, 98, 100); PO Resp. 5, 11–13 (citing Ex. 1004 ¶¶ 36, 45–46, 54, 56, 110; Ex. 2005 ¶¶ 36, 40–42, 54); *see also* Ex. 2005 ¶¶ 33, 36–39, 44. In particular, the parties agree that Wells teaches a system that can terminate or allow game-wagering activity based on the information received regarding the location of the portable gaming device and whether it is in a location either authorized or unauthorized for game-wagering activity. *See* Pet. 13, 17, 27–29, 31–32 (citing 1004 ¶¶ 8, 45–46, 110; Ex. 1003 ¶¶ 68, 91–92, 96, 98, 100); PO Resp. 5, 12 (citing Ex. 1004 ¶¶ 45, 56; Ex. 2005 ¶ 33). Additionally, the parties agree that Wells teaches a system in which information about the time associated with the use of the portable gaming device can be used as a

factor to control the operation of the portable gaming device.³ See Pet. 14, 17, 33 (citing 1004 ¶¶ 95, 110; Ex. 1003 ¶ 100); PO Resp. 5, 11 (citing Ex. 1004 ¶¶ 46, 110; Ex. 2005 ¶¶ 36, 54); see also Ex. 2005 ¶¶ 33, 36–39, 44. Third, the parties agree Harkham teaches a system that can establish time limits an individual may engage in game-wagering activity on a portable gaming device to help avoid excessive gaming and/or excessive gaming loss. Pet. 14–15, 33 (citing Ex. 1005 ¶¶ 33, 100; Ex. 1003 ¶¶ 100–101); PO Resp. 8, 17 (citing Ex. 1005 ¶ 33; Ex. 2005 ¶ 52). Having considered the evidence of record ourselves, we also find Wells and Harkham disclose the above points of agreement.

In view of these undisputed facts, we find unavailing Patent Owner’s argument that Wells and Harkham fail to disclose or teach “incrementing a counter as the user engages in at least one wager-based gaming activity via the gaming device from within the approved gaming area.” Patent Owner’s first argument attacking Wells and Harkham has little weight because it fails to address directly what the combined teachings of Wells and Harkham demonstrate was known at the time of the invention. *Bradium Technologies LLC v. Iancu*, 923 F.3d 1032, 1050 (Fed. Cir. 2019) (“A finding of obviousness, however, cannot be overcome by attacking references individually where the rejection is based upon the teachings of a

³ To be clear on this point, there is no intention to suggest Patent Owner is not disputing Wells specifically discloses a system that controls a portable gaming device based on the amount of time a user engages in a wager-based gaming activity because Patent Owner does. Rather, our intention is to highlight that Patent Owner does not dispute time more generally is a factor that Wells teaches may be used to control the operation of a portable gaming device.

combination of references.”) (internal quotes omitted). We are persuaded that, to a skilled artisan, Wells’s teaching of a system that controls game-wagering activity on a portable gaming device based on whether the device is in an authorized location, when viewed in combination with Harkham’s teaching of a system that may set limits on the amount of cumulative time an individual may engage in game-wagering activity on a portable gaming device, suggests a portable gaming device that increments a counter as the user engages in at least one wager-based gaming activity via the gaming device from within the approved gaming area.

We likewise give little weight to Patent Owner’s second argument criticizing Petitioner’s reasoning (i.e., to “combat the age-old problem of gambling addiction”) for why a skilled artisan would have known to modify Wells to incorporate the time limitations specifically directed to wagering activity taught by Harkham. We do not find Wells’s objective to promote wager-based activity persuasively undermines Petitioner’s proposed reasoning for modifying Wells in the manner claimed. It is not unusual for a skilled artisan to make design decisions that entail tradeoffs among multiple objectives. *See Allied Erecting and Dismantling Co. v. Genesis Attachments, LLC*, 825 F.3d 1373, 1381 (Fed. Cir. 2016) (“A given course of action often has simultaneous advantages and disadvantages, and this does not necessarily obviate motivation to combine.”); *Corephotonics, Ltd v. Apple Inc.*, 2021 WL 4944471, at *6 (Fed. Cir. 2021) (“it is a commonplace fact that design decisions entail making tradeoffs among multiple objectives). For example, Wells evidences that in this field of endeavor at least two competing objectives are considered: (1) extending game playing opportunities; and (2) adherence to rules and regulations. *See* Ex. 1004 ¶¶ 6,

8. In pursuit of the first objective, Wells teaches the design of a system that allows wager-based game play to be more available throughout the casino, but the design also trades complete availability throughout the casino to address the second objective by limiting wager-based games from being played in those areas of the casino that rules and regulations do not authorize (e.g., in-room game play). We find it reasonable that a skilled artisan would have viewed a modification to address the objective of reducing “excessive gaming and/or excessive gaming loss,” as taught by Harkham (Ex. 1005 ¶ 33), as being another “tradeoff” to promote responsible gambling. We do not find any persuasive evidence that setting time limitations on wager-based gaming activities would significantly diminish the device’s ability to extend game playing opportunities beyond the casino floor.

Finally, based on Harkham’s teaching (Ex. 1005 ¶ 33), we find that excessive gambling would have been a recognized problem at the time of the invention that explains persuasively why a skilled artisan would have known to modify Wells’s system in the manner claimed. Although Patent Owner may be correct that a skilled artisan would have recognized some potential shortcomings of the proposed solution because a user could potentially continue to gamble elsewhere on a casino floor, this shortcoming does not outweigh Harkham’s express teaching that placing time limitations on an individual’s wager-based gaming activity was a known solution for *helping* to prevent gambling abuses. A known improvement to a known problem is no less obvious simply because the solution *could be* circumvented.

Therefore, after considering the evidence and arguments by both parties, we find Petitioner has shown persuasively that the combined teachings of Wells and Harkham demonstrate a skilled artisan had both

knowledge and reason at the time of the invention to modify the system Wells discloses to increment a counter as the user engages in at least one wager-based gaming activity via the gaming device from within the approved gaming area, in which the counter comprises an amount of time, and in which the user is permitted to engage in the at least one wager-based gaming activity via the gaming device for a predetermined amount of time.

5. *after determining that the gaming device is located within the approved gaming area, determine that the gaming device moved to a location within an unapproved gaming area; and based at least in part on determining that the gaming device is located within the unapproved gaming area: (i) not permit the user to engage in the at least one wager-based gaming activity via the gaming device; and (ii) stop incrementing the counter.*

Petitioner contends that, to comply with known gaming laws and regulations, Wells describes the Wireless Gaming Server as having “verification processes, including ‘position verification’ which ‘verif[ies] location of the device’ and ‘insure[s] the wireless game player is used only in legal gaming areas of the casino,’ which are ‘required to start every wireless game play session’ on the wireless game player.” Pet. 37–38 (citing Ex. 1004 ¶¶ 4, 6, 8, 45–46; Ex. 1003 ¶ 107). Additionally, Petitioner contends that, after verifying the wireless game player is in an authorized location, the Wireless Gaming Server continues to track the location of the player to determine whether it has entered into an area that is not authorized for wager-based gaming activity and “[w]hen the wireless game player enters an area not authorized for wireless game play, [the Wireless Gaming Server] may terminate the wireless game play session” and/or not permit the

wireless game player to engage in wager-based game activity. *Id.* at 38–39 (citing Ex. 1004 ¶¶ 46, 110).

Additionally, Petitioner contends the Wells system, as modified by the teachings of Harkham, suggests that the Wireless Gaming Server tracks the cumulative amount of time a user plays a wager-based game using a time-tracking mechanism, such as a counter, to establish limits of a certain predetermined amount of time that a wireless game player is allowed to be used for wager-based gaming activity. Pet. 39 (citing Ex. 1005 ¶ 33; Ex. 1003 ¶ 110). Petitioner contends that, to accomplish these time constraints, the counter of the Wireless Gaming Server “must necessarily count *only* the time that the user spends *playing* in order to accurately capture ‘playing time’ of the user,” which would likewise “necessarily *start* and *stop* as the gaming activity is started and stopped because doing so would have enabled the counter to track an accurate amount of time spent gaming.” *Id.* at 40 (citing Ex. 1003 ¶ 111).

Furthermore, according to Petitioner, the Wireless Gaming Server “would necessarily have included stopping the counter whenever the player stopped gaming or when gaming was not allowed or available on the device—such as if the device was out of service or if the user was not authorized to game on the device”—because, “[d]oing so, is the only way to accomplish . . . [the] stated goal of tracking and limiting playing time ‘to prevent excessive gaming’ because it would intentionally not count time when the user was unable to gamble.” *Id.* (citing Ex. 1005 ¶ 33; Ex. 1003 ¶ 111). Therefore, Petitioner concludes, the combination of Wells and Harkham demonstrates that a skilled artisan would have had both the knowledge and reason at the time of the invention to have the system “‘stop

incrementing the counter’ after determining that the gaming device is in an unapproved area because the wireless game player would terminate the game play session when the user moved to an unapproved area, and the time-tracking mechanism of Harkham would have stopped counting playing time of the user when the session was terminated.” *Id.* at 41 (citing Ex. 1003 ¶ 112).

Patent Owner contends there are deficiencies with Petitioner’s evidence and argument to establish either Wells or Harkham “disclose or teach calculating a cumulative amount of time a user engages in wager-based gaming activity from a plurality of locations.” PO Resp. 19–25. Patent Owner’s argument supporting this contention is as follows. “Wells does not differentiate between time in and out of authorized locations,” “Harkham also fails to differentiate between time in and out of authorized locations,” and “[e]ven if Harkham’s wagering [time] limits were incorporated into Wells’s remote game devices, the combined system still fails” to disclose or teach calculating a cumulative amount of time that a user engages in wager-based gaming activity from a plurality of locations. *Id.* at 19–20 (citing Ex. 2005 ¶¶ 48, 57). Patent Owner states,

First, while Wells’ system does track location, it only monitors overall usage time and does so regardless of location. Thus, Wells alone does not disclose or teach turning a counter on and off based on authorized or unauthorized locations. Second, Harkham does not disclose any location tracking or determination, nor does Petitioner contend that it does. Thus, Harkham alone does not disclose or teach turning a counter on and off based on authorized or unauthorized locations. Because neither Wells nor Harkham disclose such a feature, their combination does not and cannot.

Id. at 21.

Still further, Patent Owner argues, “[i]n addition to Harkham’s shortcomings regarding authorized and unauthorized locations, Harkham does not teach or disclose stopping a counter.” PO Resp. 22 (citing Ex. 2005 ¶ 57). Patent Owner contends that “[a]t most” Harkham’s system reminds a user when the playing limit has been exceeded and allows the user to increase the playing limit after it has been reached. *Id.* (citing Ex. 1005 ¶ 33). Patent Owner argues that “Harkham does not explain that a counter is stopped when a user is notified, nor is there a basis to conclude that such a counter would be stopped,” and, therefore, “[b]ecause a user may increase or ignore optional playing limits, Harkham’s system would continue counting.” *Id.* (citing Ex. 1005 ¶ 33).

Patent Owner argues that, although Petitioner contends the combined teachings of Wells and Harkham suggest a system that “stop[s] a counter when the device moves to an unauthorized location because doing so would allow the counter to track an accurate amount of time spent gaming,” “Wells’s system monitors overall time the device is uncradled . . . from all locations” and “Harkham’s system does not start or stop a counter when a user is engaged in wager-based gaming activity; nor does it monitor when a user is engaging in wager-based gaming activity from a plurality of locations, let alone starting or stopping a counter based on location.” PO Resp. 22–23 (citing Ex. 1004 ¶ 7; Ex. 1005 ¶ 33; Ex. 2005 ¶¶ 42–43).

We find Patent Owner’s arguments lacking in substantial weight because they are either incongruent with the cited evidence, not commensurate with the scope of the claims, or too narrowly focused on the individual teachings of the references to the exclusion of what the references fairly teach when viewed together as a whole. First, we do not find the

evidence, when viewed as a whole for what it fairly suggests to a skilled artisan, supportive of Patent Owner's assertion that Harkham fails to teach starting or stopping a counter when a user is engaged in wager-based gaming activity because it merely informs a user that the time has elapsed and a user can add more time. Patent Owner repeatedly characterizes paragraph 33 of Harkham as only describing time limits on wager-based gaming that a user can simply increase. *See, e.g.,* PO Resp. 17–18. Paragraph 33, in total, states:

The user is optionally prompted to designate a playing limit, so that when the user's playing loss or playing loss plus the current wager has reached the playing limit, the user is reminded of the playing limit *and asked to exit the game center. In one implementation*, the user is allowed to increase the playing limit when the limit has been reached. *In one embodiment, the user is optionally prompted to designate a playing limit in terms of playing frequency or playing time. For example, the user can limit his/her playing limit to a maximum of five hours within a seven-day period, or no more than once within a day. When the user's playing time or playing frequency exceeds the limit, the user is asked to exit the game center. In one implementation*, the user is allowed to increase the playing limit when the limit has been reached. *The playing limit option can be used to prevent excessive gaming and/or excessive gaming loss. The playing limit can be stored on a database connected to the server or a smart card or smart disk of the player. In one embodiment, the playing limit is enforced by all the game centers hosted by the server, so that the player cannot move to another game center to circumvent the playing limit.*

Ex. 1005 ¶ 33 (emphasis added). Patent Owner is correct that the teaching above does disclose contemplated embodiments in which a user is allowed to increase playing limits, but this only tells half the story because those embodiments appear to be alternatives to embodiments that do not allow the

user to increase the playing limits. In particular, the last three sentences make particularly clear that the system (at least in some of the disclosed embodiments) is designed to allow the playing limits to be enforced without circumvention. Patent Owner completely disregards this disclosure, however. In addition, we find Harkham's teaching that the user can limit his/her playing limit to a maximum of five hours within a seven-day period to be persuasive evidence that a skilled artisan would recognize that the system starts or stops a counter when a user is engaged in wager-based gaming activity to allow the system to accurately determine when five hours over a seven-day period has occurred.

Next, Patent Owner appears to argue that Petitioner was required to show that stopping (and/or starting) the counter is "based on the location" of a user engaging wager-based gaming. *See* PO Resp. 19–25. The problem with Patent Owner's argument is that it appears to disregard the fact that the claims recite that a counter is stopped (and/or started) "based *at least in part* on determining that the gaming device is located within the unapproved gaming area." *See, e.g.,* Ex. 1001, 19:60–61 (emphasis added). Patent Owner's argument seems to ignore that the location need only be *a part* of the factors that cause the counter to stop (and/or start) incrementing. As Petitioner's evidence above shows, the combined system of Wells and Harkham restricts a portable gaming device's ability to be used for wager-based gaming to only those locations that are authorized for such gaming. The device tracks the cumulative time a user engages in wager-based gaming by starting to increment the counter when a user is engaging in a wager-based game in an authorized location and stopping the counter from incrementing when the user is no longer allowed to engage the wager-based

game because he/she is no longer in an authorized location. We find this sufficiently persuasive to demonstrate the combined system of Wells and Harkham stops (and/or starts) incrementing a counter *at least in part* based on the location of the portable gaming device because whether the counter starts or stops is dependent upon the location of the portable gaming device.

Finally, Patent Owner's argument about what Wells does not *alone* teach (i.e., tracking the time a user engages specifically in wager-based gaming) and what Harkham *alone* does not teach (i.e., tracking the location a user engages in wager-based gaming) improperly attacks each reference individually when Petitioner's contentions are based upon the *combined* teachings of Wells and Harkham. *See Bradium Technologies LLC*, 923 F.3d at 1050. Petitioner relies on Wells and Harkham together to support the contention that a skilled artisan would have known a wager-based gaming system may track ***both*** time and location specific to a user's wager-based gaming on a portable gaming device. And Patent Owner's focus on these references individually provides little to rebut directly those contentions.

Having studied the arguments and evidence cited, we find Petitioner has persuasively shown that the combined teachings of Wells and Harkham disclose a system that does not permit the user to engage in wager-based gaming activity via the gaming device and stops incrementing the counter in the manner recited above.

As noted above, the parties agree that independent claims 7, 15, and 18 includes similar limitations to those recited in independent claim 1. In fact, both parties rely on the same facts and arguments that were presented for claim 1 to address claims 7, 15, and 18. We have considered Petitioner's arguments and evidence directed to claims 7, 15, and 18, which

Patent Owner does not separately dispute. We find that Petitioner has shown that claims 7, 15, and 18 are unpatentable over Wells and Harkham. In particular, for the same reasons discussed above, we find Petitioner has persuasively shown that the combined teachings of Wells and Harkham disclose each of the recited elements of claims 7, 15, and 18.

6. Conclusion

For the foregoing reasons, we are persuaded a preponderance of the evidence establishes that claims 1, 7, 15, and 18 are unpatentable as having been obvious over Wells and Harkham.

C. Obviousness of Dependent Claims 2–6, 8–14, 16, 17, 19, and 20 in View of Wells and Harkham

Petitioner provides arguments and evidence, including testimony from Mr. Williams, in support of contending claims 2–6, 8–14, 16, 17, 19, and 20 are unpatentable as having been obvious over Wells and Harkham. Pet. 41–50, 51, 56–62; Ex. 1003 ¶¶ 114–135, 146–157. Patent Owner does not challenge these arguments, other than attacking Petitioner’s obviousness analysis of claim 1, as discussed above.⁴ *See generally*, PO Resp.

We find a preponderance of the evidence, as cited by Petitioner, supports Petitioner’s contention that Wells and Harkham satisfy the limitations recited in these claims that are not recited in claim 1 and that a

⁴ We acknowledge that Patent Owner specifically refers to dependent claims 3 and 4 and those containing “similar” recitations. PO Resp. 23–25. Patent Owner’s contentions in that regard are substantively the same as those we have addressed in the context of independent claim 1. *See, e.g., id.* at 23–24 (arguing the references individually and not addressing adequately Petitioner’s proposed combination).

person of ordinary skill in the art would have had a reason to combine the references' teachings. We adopt the supporting analysis in the Petition as our own in this Decision. Thus, we conclude these claims are unpatentable as having been obvious over Wells and Harkham.

D. Obviousness of Claims 1–20 in View of Wells, Harkham, and Johns

As discussed in §§ VII.A–VII.B, *supra*, Petitioner has shown by a preponderance of evidence that claims 1–20 of the '967 patent are unpatentable as having been obvious in view of Wells and Harkham. This finding is dispositive of Petitioner's challenge to the patentability of all of the challenged claims. Accordingly, we need not address whether Petitioner has further shown, by a preponderance of evidence, that these claims also are unpatentable as obvious in view of Wells, Harkham, and Johns. *See Beloit Corp. v. Valmet Oy*, 742 F.2d 1421, 1423 (Fed. Cir. 1984) (finding an administrative agency is at liberty to reach a decision based on a single dispositive issue because doing so “can not only save the parties, the [agency], and [the reviewing] court unnecessary cost and effort,” but can “greatly ease the burden on [an agency] faced with a . . . proceeding involving numerous complex issues and required by statute to reach its conclusion within rigid time limits”).

VIII. SUMMARY OF CONCLUSIONS

In summary, we determine a preponderance of the evidence establishes claims 1–20 of the '967 patent are unpatentable, as shown in the following table:⁵

Claim(s)	35 U.S.C. §	References	Claims Shown Unpatentable	Claims Not Shown Unpatentable
1–20	103(a)	Wells, Harkham	1–20	
1–20	103(a)	Wells, Harkham, Johns ⁶		
Overall Outcome			1–20	

IX. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that Petitioner's motion to exclude evidence is denied;

ORDERED that claims 1–20 of the '967 patent have been proven by a preponderance of the evidence to be unpatentable; and

⁵ Should Patent Owner wish to pursue amendment of the challenged claims in a reissue or reexamination proceeding subsequent to the issuance of this decision, we draw Patent Owner's attention to the April 2019 *Notice Regarding Options for Amendments by Patent Owner Through Reissue or Reexamination During a Pending AIA Trial Proceeding*. See 84 Fed. Reg. 16,654 (Apr. 22, 2019). If Patent Owner chooses to file a reissue application or a request for reexamination of the challenged patent, we remind Patent Owner of its continuing obligation to notify the Board of any such related matters in updated mandatory notices. See 37 C.F.R. § 42.8(a)(3), (b)(2).

⁶ As explained above, we do not reach this ground of unpatentability. See *supra* § VII.D.

FURTHER ORDERED that, because this is a final written decision, 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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