

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

DRAFTKINGS INC., A DELAWARE CORPORATION,
Petitioner,

v.

AG 18, LLC,
Patent Owner.

IPR2022-01448
Patent 10,614,657 B2

Before JOSIAH C. COCKS, GEORGE R. HOSKINS, and
FRANCES L. IPPOLITO, *Administrative Patent Judges*.

IPPOLITO, *Administrative Patent Judge*.

DECISION
Granting Institution of *Inter Partes* Review
35 U.S.C. § 314(a)

I. INTRODUCTION

Petitioner DraftKings Inc., a Delaware corporation, filed a Petition (Paper 1, “Pet.”) requesting *inter partes* review of claims 1–29 of U.S. Patent No. 10,614,657 B2 (Ex. 1001, “the ’657 patent”). Patent Owner AG 18, LLC d/b/a Arrow Gaming, filed a Preliminary Response (Paper 10, “Prelim. Resp.”).

Under 35 U.S.C. § 314(a), an *inter partes* review may not be instituted unless the information presented in the Petition and any response thereto shows “there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” Having considered the arguments and evidence presented in the parties’ briefs, we institute *inter partes* review for the reasons described below.

A. *Related Matters*

The parties indicate that the ’657 patent is the subject of *AG 18, LLC v. DraftKings, Inc.*, Case No. 2-21-cv-15737-KM-JSA (D. N.J.). Pet. 4; Paper 3, 1.

There are four related IPR proceedings, challenging patents related to the ’657 patent. They are IPR2022-01442 (U.S. Patent No. 10,497,220 B2); IPR2022-01445 (U.S. Patent No. 11,024,131 B2); IPR2022-01446 (U.S. Patent No. 9,978, 205 B2) and IPR2022-01447 (U.S. Patent No. 9,613,498 B2).

B. *The ’657 patent*

The ’657 patent “relates to systems and methods for skill-based peer-to-peer gaming.” Ex. 1001, 1:24–25. As an example, Figure 1 of the ’657 patent is reproduced below.

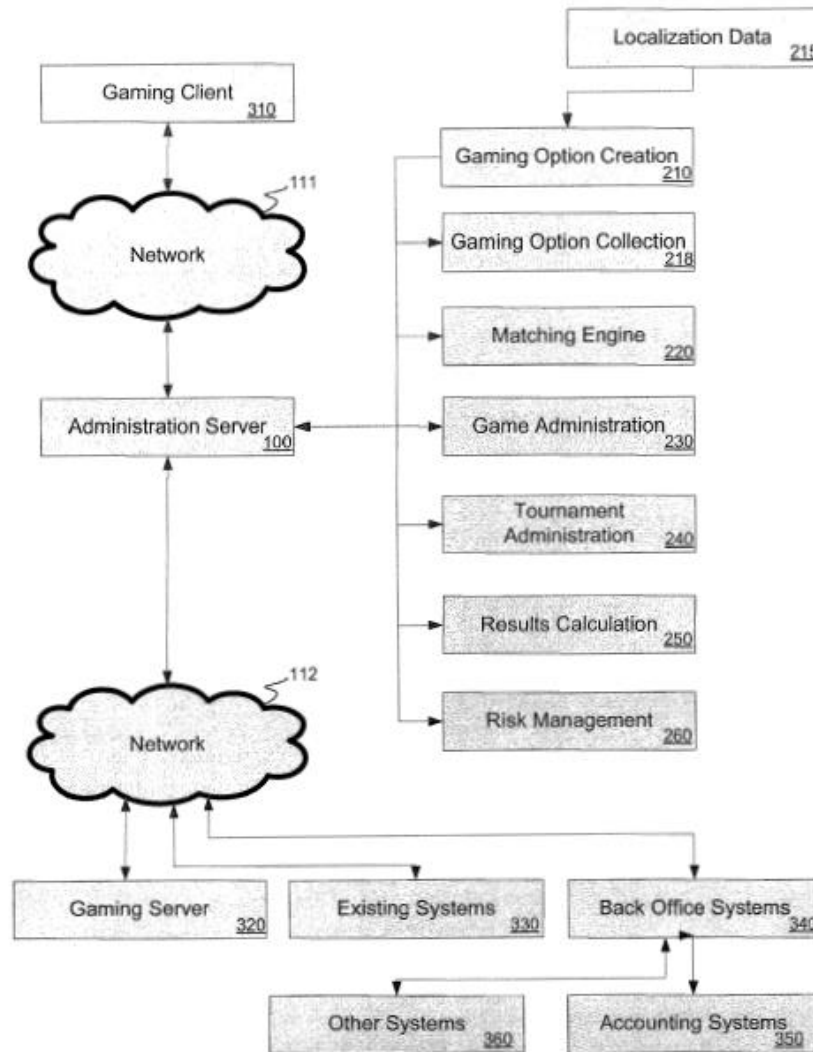


Figure 1

Figure 1 shows a high-level network architecture of a system for peer-to-peer gaming. *Id.* at 3:11–12. As shown, Gaming Client 310 and Administration Server 100 are connected over Network 111. *Id.* at 3:55–56. Gaming Client 310 includes hardware and software for users to participate in peer-to-peer skill-based gaming, such as “Touch Screen Kiosks, Palmtops, PDAs, Wireless Tablets, or Slot/Video Machines.” *Id.* at 3:56–63. Administration Server 100 is connected to Existing Systems 330, Back Office Systems 340, and Gaming Server 320 via Network 112, in which

Existing Systems 330 includes current casino gaming systems or payout systems, Back Office Systems 340 includes Accounting Systems 350 or Other Systems 360, and Gaming Server 320 contains the games that are run by Gaming Client 310. *Id.* at 4:44–51.

The '657 patent further teaches that Administration Server 100 “is an open and flexible gaming platform that can be used for real money wagering in legal gaming jurisdictions like Nevada and Indian reservations” and “can also be dynamically adjusted for localization requirements such as language, currency and legal issues.” *Id.* at 5:29–32, 38–40. Additionally, “Administration Server 100 includes a number of modules, such as: Gaming Option Creation 210, Gaming Option Collection 218, Matching Engine 220, Game Administration 230, Tournament Administration 240, Results Calculation 250, and Risk Management 260.” *Id.* at 5:42–46.

C. Challenged Claims

Petitioner challenges claims 1–29. Claims 1, 9, 21, and 26 are independent. Claims 2–8 depend from independent claim 1, claims 10–20 depend from independent claim 9, claims 22–25 depend from independent claim 21, and claims 27–29 depend from independent claim 26.

Independent claims 1 and 9 are representative and reproduced below:

1. A method for operating a gaming client, the method comprising:
 - receiving, from an administration server, a list of player gaming options for a player in a current location,
 - wherein the list of player gaming options is limited to gaming options allowed in the current location of the player, and
 - wherein the gaming options include limits on wagering amounts or types of games to prevent

the player from unlawful play in the current location of the player;

displaying, on the gaming client, the list of player gaming options;

monitoring an interface on the gaming client to identify a selection of player gaming options selected by the player in response to the list of player gaming options being displayed on the gaming client;

transmitting, to the administrative server, the selection of gaming player option selected by the player to initiate a matching of the player with an at least one competitor;

collecting, via the gaming client, a bet from the player, wherein the bet is within a betting range identified in the selection of player gaming options;

initiating, on the gaming client, a game for the player, wherein the game is based on the selection of player gaming options; and

compensating the player with player winnings based on results of the game.

Ex. 1001, 15:58–16:18.

9. A gaming system comprising:

at least one processor;

at least one communication interface; and

a memory containing a plurality of program instructions when executed by one or more processors cause one or more machines to:

determine a current location of a gaming client;

create a list of player gaming options for a player operating the gaming client at the current location,

wherein the list of player gaming options restricts limits on wagers or types of games based on the current location of the gaming

client;
transfer, using the communication interface, the list
of player gaming options to the gaming client;
receive, via the communication interface, a
selection of player gaming options from the
gaming client;
initiate a game based on the selection of player
gaming options; and
compensate the player with player winnings.

Id. at 16:62–17:13.

D. Alleged Grounds of Unpatentability

Petitioner asserts the following grounds of unpatentability:

Claim(s) Challenged	35 U.S.C. §¹	Reference(s)/Basis
9–11, 20	102(e)	Bryson ²
9–11, 20	103(a)	Bryson
1–8, 14–16, 21–29	103(a)	Bryson, Amaitis ³
12, 13	103(a)	Bryson, Frenkel ⁴

¹ The Leahy-Smith America Invents Act (“AIA”) included revisions to 35 U.S.C. §§ 102 and 103 that became effective in March 2013. The ’657 patent was filed on May 17, 2018, but asserts continuation priority to a parent application filed on June 19, 2009. *See* Ex. 1001, codes (22) and (63). Petitioner applies pre-AIA law (*see* Pet. 31, 36, 38, 39), which Patent Owner has not opposed.

² U.S. Patent No. 8,460,109 B2, issued June 11, 2013 (“Bryson,” Ex. 1004).

³ U.S. Patent Appln. Publ. No. 2007/0054739 A1, published March 8, 2007 (“Amaitis,” Ex. 1005).

⁴ U.S. Patent Appln. Publ. No. 2007/0015584 A1, published January 18, 2007 (Ex. 1007).

17–19	103(a)	Bryson, Schlottmann ⁵
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Pet. 14. In addition to the references listed above, Petitioner relies on the Declaration of Mark C. Nicely (Ex. 1003). *Id.* at 1. Patent Owner relies on the Declaration of Stephen H. Lane, Ph.D. (Ex. 2001).

II. ANALYSIS

A. *Principles of Law*

“A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference.” *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631 (Fed. Cir. 1987). The elements must be arranged as required by the claim, but this is not an *ipsissimis verbis* test, i.e., identity of terminology is not required. *In re Bond*, 910 F.2d 831, 832 (Fed. Cir. 1990).

In *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1 (1966), the Supreme Court set out a framework for assessing obviousness under § 103 that requires consideration of four factors: (1) the “level of ordinary skill in the pertinent art,” (2) the “scope and content of the prior art,” (3) the “differences between the prior art and the claims at issue,” and (4) “secondary considerations” of non-obviousness such as “commercial success, long-felt but unsolved needs, failure of others, etc.” *Id.* at 17–18. “While the sequence of these questions might be reordered in any particular case,” *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 407 (2007), the Federal Circuit has “repeatedly emphasized that an obviousness inquiry requires examination of all four *Graham* factors and that an obviousness

⁵ U.S. Patent Appln. Publ. No. 2007/0298857 A1, published December 27, 2007 (“Schlottmann,” Ex. 1006).

determination can be made only after consideration of each factor.” *Nike, Inc. v. Adidas AG*, 812 F.3d 1326, 1335 (Fed. Cir. 2016).

We note that, with respect to the fourth *Graham* factor, the current record in this proceeding does not include any argument or evidence directed to secondary considerations of nonobviousness. The analysis below addresses the first three *Graham* factors.

B. Level of Ordinary Skill in the Art

In determining the level of skill in the art, we consider the type of problems encountered in the art, the prior art solutions to those problems, the rapidity with which innovations are made, the sophistication of the technology, and the educational level of active workers in the field. *Custom Accessories, Inc. v. Jeffrey-Allan Indus. Inc.*, 807 F.2d 955, 962 (Fed. Cir. 1986); *Orthopedic Equip. Co. v. U.S.*, 702 F.2d 1005, 1011 (Fed. Cir. 1983).

Petitioner contends that a person of ordinary skill in the art (POSITA) at the time of the invention of the '657 patent “would be a person with a bachelor’s degree in computer engineering, electrical engineering, computer science, applied mathematics, or a similar field, and at least two years of experience in the development of gambling game hardware or software functionality,” but “[a] person with less education but more relevant practical experience may also meet this standard.” Pet. 19 (citing Ex. 1003 ¶ 30). Patent Owner does not dispute this level of skill. *See generally* Prelim. Resp. For purposes of this Decision, we adopt Petitioner’s proposal as reasonable and consistent with the prior art. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001) (the prior art may reflect an appropriate level of skill in the art).

C. Claim Construction

In an *inter partes* review, we construe each 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.” 37 C.F.R. § 42.100(b). Accordingly, our claim construction standard is the same as that of a district court. *See id.* Under the standard applied by district courts, claim terms are generally given their plain and ordinary meaning as would have been understood by a person of ordinary skill in the art at the time of the invention and in the context of the entire patent disclosure. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1313 (Fed. Cir. 2005) (en banc). “There are only two exceptions to this general rule: 1) when a patentee sets out a definition and acts as his own lexicographer, or 2) when the patentee disavows the full scope of a claim term either in the specification or during prosecution.” *Thorner v. Sony Comput. Entm’t Am. LLC*, 669 F.3d 1362, 1365 (Fed. Cir. 2012).

Construing a claim term under 35 U.S.C. § 112 ¶ 6 involves two steps: identifying the claimed function and then determining what structure, if any, disclosed in the specification corresponds to the claimed function. *Williamson v. Citrix Online, LLC*, 792 F.3d 1339, 1351 (Fed. Cir. 2015). To determine whether § 112 ¶ 6 applies to a claim limitation, the essential inquiry is “whether the words of the claim are understood by persons of ordinary skill in the art to have a sufficiently definite meaning as the name for structure.” *Id.* at 1348. If the limitation uses the word “means,” “there is a rebuttable presumption that § 112, para. 6 applies; if not, there is a rebuttable presumption that the provision does not apply.” *Diebold Nixdorf, Inc. v. Int’l Trade Comm’n*, 899 F.3d 1291, 1298 (Fed. Cir. 2018).

We construe only those claim terms that require analysis to determine whether to institute *inter partes* review. *See Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999) (holding that “only those terms need be construed that are in controversy, and only to the extent necessary to resolve the controversy”).

1. *Claims 17–19 – “tournament administration module”*

Claim 17 depends from claim 9 and further recites “a tournament administration module to manage tournament play.” Ex. 1001, 17:55–57.

Claim 18 depends from claim 17 and further recites “wherein the tournament administration module oversees a delay tournament where players are trying to get a highest score.” Ex. 1001, 17: 58–60.

Petitioner treats “tournament administration module” as a nonce term subject to § 112 ¶ 6. Pet. 19–20. Petitioner construes the term “tournament administration module” recited in claim 17 as a server that performs the function of “manag[ing] tournament play” and that the same term in claim 18 is the server of claim 17 that additionally “oversee[s] a delay tournament where the players are trying to get a highest score.” *Id.* at 19–21.

Additionally, Petitioner provides the following table:

Claim	Limitation	Claimed Function	Function Described in Specification
17	“tournament administration module”	manage tournament play	EX[1001] 5:53-54, 13:30-32
18	“tournament administration module”	oversee a delay tournament where the players are trying to get a highest score	EX[1001] 5:53-54, 13:30-32, 14:44-45

Pet. 20. Petitioner refers to Figure 1 in the '657 patent as showing that the administration server performs each of the functionalities shown in the figure. *Id.* at 21 (citing Ex. 1001, Fig. 1; Ex. 1003 ¶ 116).

In response, Patent Owner does not provide an alternative construction, but contends that Petitioner's proposed construction fails to comply with 37 C.F.R. §§ 42.104(b)(3), 42.100(b). Prelim. Resp. 45. First Patent Owner argues that Petitioner's proposal is a non-construction because it seeks to "infer" Patent Owner's position. *Id.* (citing Pet. 19–20). Second, Patent Owner argues that Petitioner failed to apply the correct claim construction standard. *Id.* at 53–56. Third, Patent Owner argues that the Petition identifies a generic server and repeats the recited language in claims 17 and 18 without reference to any particular algorithm. *See id.* at 46–53.

While we agree that Petitioner could have phrased certain statements better in the Petition, we understand the discussion presented on pages 19–20 of the Petition to be Petitioner's proposed construction for "tournament administration module." Pet. 19–20. Petitioner's inference of Patent Owner's position does not forestall Petitioner from also proposing the same construction for the purposes of *inter partes* review. Thus, we are not persuaded that the proposed construction should be set aside or the Petition denied for this reason.

Next, we are not persuaded that Petitioner's declarant, Mr. Nicely, applied the incorrect claim construction standard of broadest reasonable interpretation. *See* Prelim. Resp. 53–56. Patent Owner contends that the Petition does not state the construction standard used and Petitioner's declarant, Mr. Nicely, uses the "any reasonable standard" in his declaration. *Id.* at 54 (citing Ex. 1003 ¶ 114). Nevertheless, for its analysis, Petitioner cites to *Williamson*, which provides the proper claim construction standard.

See Williamson, 792 F.3d at 1348 (“In making the assessment of whether the limitation in question is a means-plus-function term subject to the strictures of § 112, para. 6, our cases have emphasized that the essential inquiry is not merely the presence or absence of the word ‘means’ but whether the words of the claim are understood by persons of ordinary skill in the art to have a sufficiently definite meaning as the name for structure.”). Additionally, in his declaration, Mr. Nicely refers to *Rain Computing, Inc. v. Samsung Elecs. Am., Inc.*, 989 F.3d 1002 (Fed. Cir. 2021) to support his construction of “tournament administration module,” which also applies the applicable standard set forth in *Williamson*. Ex. 1003 ¶ 115. Thus, we are not persuaded at this stage that Mr. Nicely’s testimony or the Petition is fatally deficient on this basis. Nonetheless, the parties are welcome to address Petitioner’s proposed construction and Mr. Nicely’s testimony after institution.

Finally, Patent Owner does not dispute Petitioner’s identification of a “server” as the structure for performing the functionalities claimed. Prelim. Resp. 23 (“At this preliminary stage, the Patent Owner presents no constructions except for ‘a gaming option collection module’ to demonstrate Petitioner’s failures to comply with 37 C.F.R. § 42.104(b)(3). No other construction is provided, and Patent Owner reserves the right to present constructions with the Patent Owner Response should the Board institute the Petition.”). Patent Owner also does not, at this juncture, provide any arguments addressing Petitioner’s unpatentability challenges against these specific limitations recited in dependent claims 17 and 18, beyond those addressed with respect to independent claim 9. *See generally id.* at 23–42.

Rather, Patent Owner questions whether Petitioner has sufficiently identified structure corresponding to a means-plus-function limitation. More

specifically, Patent Owner contends that Petitioner has not identified any algorithm or sufficiently explained the proposed construction on pages 19–21 of the Petition. Prelim. Resp. 46–53.

We beg to differ. Petitioner asserts that a server performs each of the above modules’ functionalities because the ’657 patent teaches that the “tournament administration module” is within the administration server. Pet. 21 (citing Ex. 1003 ¶ 116; Ex. 1001, Fig. 1). The Petition relies on Mr. Nicely’s testimony, which provides, among other things, that

pursuant to § 112 ¶ 6, the foregoing structure of each claimed “module” *must include an algorithm that performs the corresponding function described in the specification of the ’657 Patent . . .* I therefore provide the claim chart below identifying the portions of the specification of the ’657 Patent that describe the claimed functions of each recited “module”:

Claim	Limitation	Claimed Function	Function Described in Specification
17	"tournament administration module"	manage tournament play	EX[1001] 5:53-54, 13:30-32
18	"tournament administration module"	oversee a delay tournament where the players are trying to get a highest score	EX[1001] 5:53-54, 13:30-32, 14:44-45

Ex. 1003 ¶ 117 (emphasis added). Thus, we disagree with Patent Owner that (1) “Petitioner’s articulation provides no clarity,” (2) the Petition has failed to identify an algorithm, or (3) the Petition does not satisfy our rules. See Prelim. Resp. 47, 49–53. This is because the Petition clearly identifies and explains the basis for Petitioner’s proposed construction by citation to Mr.

Nicely's testimony and to the Specification, including citations to that which Petitioner asserts is the algorithm performed by the server.⁶ Pet. 19–21.

Whether Patent Owner agrees with Petitioner's construction is a separate issue that may be addressed during trial after institution. Again, we note, Patent Owner has not disputed Petitioner's construction of "tournament administration module" other than to assert the Petition fails to comply with Rules 100(b) and 104(b)(3). Prelim. Resp. 22. Thus, we determine that, for the purposes of institution, Petitioner's proposed construction of "tournament administration module" satisfies our rules. Moreover, we agree with Petitioner's proposed construction, which is preliminarily supported by Petitioner's citations to the Specification. Ex. 1001, 4:14–31, 13:28–15:30, Fig. 1; see Pet. 19–21. The parties are encouraged to develop the record on any claim construction disputes after institution.

⁶ We note that Patent Owner, citing to *Callminer, Inc. v. Mattersight Corporation*, IPR2020-00272, Paper 8 at 10-14 (PTAB June 18, 2020), also contends that Petitioner's constructions are procedurally defective in being non-compliant with 37 C.F.R. § 42.104(b)(3). See Prelim. Resp. 46–48. The Board's prior decision in *Callminer* is distinguished from the facts presented here. In *Callminer*, the petition had "fail[ed] to explain or identify what the structure" was, because the petition provided "unexplained string citations to *voluminous portions* of the specification such as relying on *multiple columns of material* and *multiple figures*, without identifying what portions of the citations contain the alleged structure." *Callminer*, IPR2020-00272, Paper 8 at 12–13 (emphases added). By contrast, the table citations in the present Petition are short and to the point, and the Petition states what Petitioner believes constitutes the corresponding structure. See Pet. 19–21.

2. *Claim 26 – means-plus-function limitations*

Petitioner observes that “[c]laim 26 recites several ‘means for’ limitations” and further provides the table below that spans pages 21 through 22 of the Petition. Pet. 21–22.

Claim	Claimed “Means For” Function	Function Described in Specification
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21

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26[a]	receiving, from an administration server, a list of player gaming options for a player in a current location	EX[1001] 6:57-60, 9:37-40, 9:55-56, 10:51-56, 11:11-16, 11:36-37, 11:49-55, 13:42-44
26[d]	displaying, on the gaming client, the list of player gaming options	EX[1001] 5:10-11, 6:46-51, 6:57-60, 9:37-40, 9:55-56, 10:51-56, 11:11-16, 11:36-37, 11:49-55, 13:42-44,
26[e]	monitoring an interface on the gaming client to identify a selection of player gaming options selected by the player in response to the list of player gaming options being displayed on the gaming client	EX[1001] 5:49-51, 6:65-7:3, 8:56-58
26[f]	transmitting, to the administrative server, the selection of gaming player option selected by the player to initiate a matching of the player with an at least one competitor	EX[1001] 7:15-19
26[g]	collecting a bet from the player	EX[1001] 8:18-22, 58-59, 11:45-47, 12:33-35, 15:2-4
26[i]	initiating a game for the player	EX[1001] 8:60-61, 9:5-7, 12:63-65
26[j]	compensating the player with player winnings based on results of the game	EX[1001] 11:11-17, 12:57-59

Pet. 21–22. Petitioner adds that the gaming client and servers include general purpose computers executing software. *Id.* at 23. And that the “means for displaying” of limitation 26[d] are taught by the ’657 patent to include touch screen kiosks, palmtops, PDAs, wireless tablets, or slot/video machines or “currently deployed equipment on the casino floor such as Wireless Handheld devices, Kiosks and Interactive TV.” *Id.* at 22 (citing

Ex. 1001, 3:60–66). Petitioner further contends that the “means for transmitting” of limitation 26[f] may be “a Local Area Network (LAN)” or “a Wide Area Network (WAN).” *Id.* at 23 (citing Ex. 1001, 4:15–21).

In addition, Petitioner asserts the “‘means for collecting a bet’ of limitation 26[g] also may be a ‘Cash In’ device ([Ex. 1001,] 12:15–19); and the ‘means for compensating the player’ may be a ‘Ticket Out’ device’ or ‘another system (not shown) to produce coins for the player’ (*id.* 9:48–51, 15:22–24).” Pet. 23 (citing Ex. 1003 ¶ 121).

Patent Owner does not dispute Petitioner’s construction for these terms and states, “[a]t this preliminary stage, the Patent Owner presents no constructions except for ‘a gaming option collection module.’” Prelim. Resp. 22–23. Patent Owner does, however, argue again that the Petition fails to comply with Rules 100(b) and 104(b)(3). Prelim. Resp. 23–24, 44–56.

However, for the purposes of this institution, we disagree. Petitioner identifies structure for each means-plus-function limitation on pages 21–23 of the Petition. Additionally, Mr. Nicely provides a claim chart in paragraph 122 of his declaration that identifies the algorithm that performs the corresponding function with respect to each means-plus-function limitation recited in claim 26. Ex. 1003 ¶ 122. We find this sufficient to satisfy our rules for the purposes of institution. Moreover, we adopt Petitioner’s proposed claim constructions because the parties do not dispute Petitioner’s constructions at this stage, and Petitioner’s constructions are supported by the preliminary record. *See Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017)), *cert. denied*, 138 S. Ct. 1695 (April 30, 2018) (noting that “we need only construe terms ‘that are in controversy, and 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)).

Nonetheless, the parties are invited to brief any disputed claim construction issues during trial.

D. Overview of the Prior Art

1. Summary of Bryson (Ex. 1004)

Bryson is titled “Gaming Community Management and Personalization.” Ex. 1004, code (54). Bryson summarizes its disclosure as follows:

The present invention involves methods and devices for controlling many aspects of a player’s gaming experience, including game themes presented, game denomination, pay models, content and promotions. Some implementations of the invention provide a casino operator the necessary tools to create subsets of customers, often referred to herein as “communities,” and to control the gaming experiences of players in these communities. In some such implementations, communities may be created and/or modified according to various criteria, some of which may be weighted more heavily than others. Specific marketing messages, promotions, etc., may be provided to attract and retain players having similar characteristics and preferences.

Id. at 1:33–45.

Bryson also discloses that its invention provides for “the flexible creation and/or modification of player communities” and that an “operator (and/or the central system) may provide wagering games, wagering game attributes, etc., according to a player’s community, location and/or device.”

Id. at 5:40–47.

Figure 6 is reproduced below.

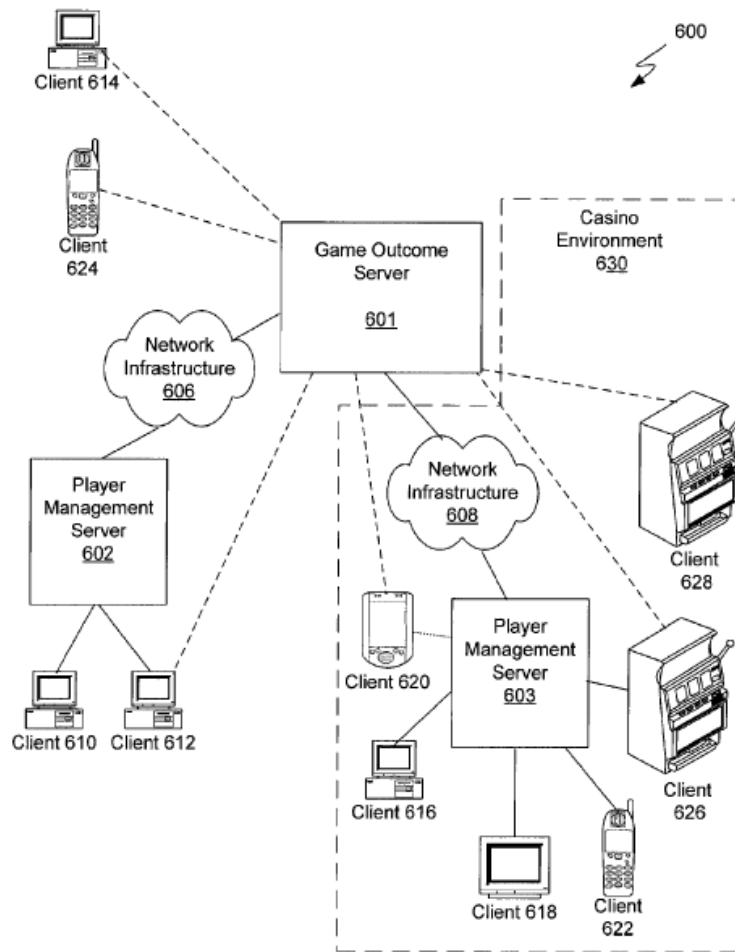


FIG. 6

Figure 6 shows a block diagram for gaming system 600 that provides wager-based gaming services on a number of different clients. Ex. 1004, 12:23–27. As shown in Figure 6, gaming system 600 may include game outcome server 601, player management servers 602, 603, network infrastructure 606, 608, and clients. *Id.* at 12:27–30. Bryson further discloses that “clients in the gaming system 600 provide an interface that allows a user to participate in a game.” *Id.* at 12:31–32. Clients include

personal computers 610, 612 and 614, cell phones 622, 624, tablet computer 618, PDA 620, casino-type gaming machines 626, 628, and television set-top box 616. *Id.* at 12:42–47.

To demonstrate gameplay, Figure 1 is provided below.

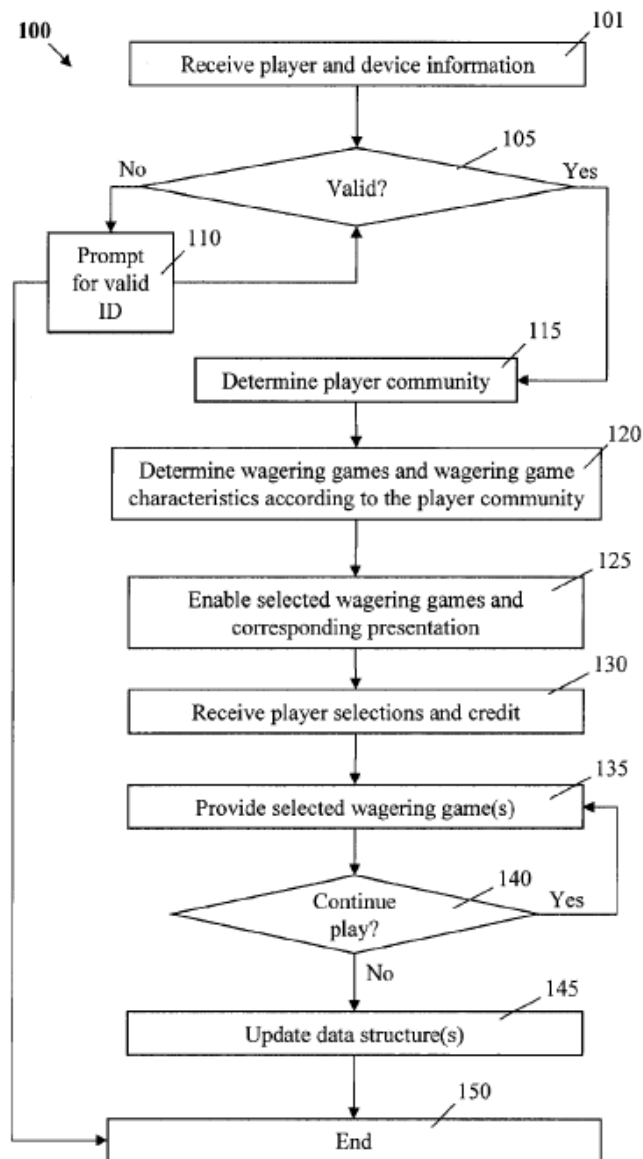


Fig. 1

Figure 1 above shows a flow chart that outlines a method for providing wagering games to player communities. *Id.* at 4:27, 5:48–51.

Flow chart 100 starts with step 101 in which player information and device information are received. *Id.* at 5:48–57. Bryson discloses “[i]f the player’s device is outside a ‘bricks and mortar’ casino environment, the device’s location should be determined . . . [because] [d]etermining the device’s location allows an online casino to identify the corresponding jurisdiction and to comply with the regulations of that jurisdiction.” *Id.* at 6:9–13.

With regard to step 105, the player’s community is determined by a device such as a server of a central system with reference to a database of players and player communities. *Id.* at 6:30–34. “If a player has not previously been assigned to a player community, step 115 may involve assigning the player to a community according to player information, e.g., according to a player’s indicated wager gaming preferences, indicated experience level and/or other factors.” *Id.* at 6:34–39.

Next, “wagering games associated with the player community are determined, e.g., via reference to a database of a central system” in step 120. *Id.* at 7:9–11.

Then, step 125 includes providing a wagering game presentation to the player, which may depend on various factors such as “the characteristics of the player community, the type and location of the device used for gaming and the provisioning mode.” *Id.* at 7:49–53. “[T]he presentation may depend on device location. For example, wagering games and/or wagering game attributes may be provided according to the legal requirements of a device’s jurisdiction. Wagering limits, [and] wagering game time limits, may be imposed according to jurisdictional requirements.” *Id.* at 8:24–29.

2. Summary of Amaitis (Ex. 1005)

Amaitis is a reference titled “System and Method for Peer-to-Peer Wireless Gaming.” Ex. 1005, code (54). Amaitis’s Figure 9 is reproduced below.

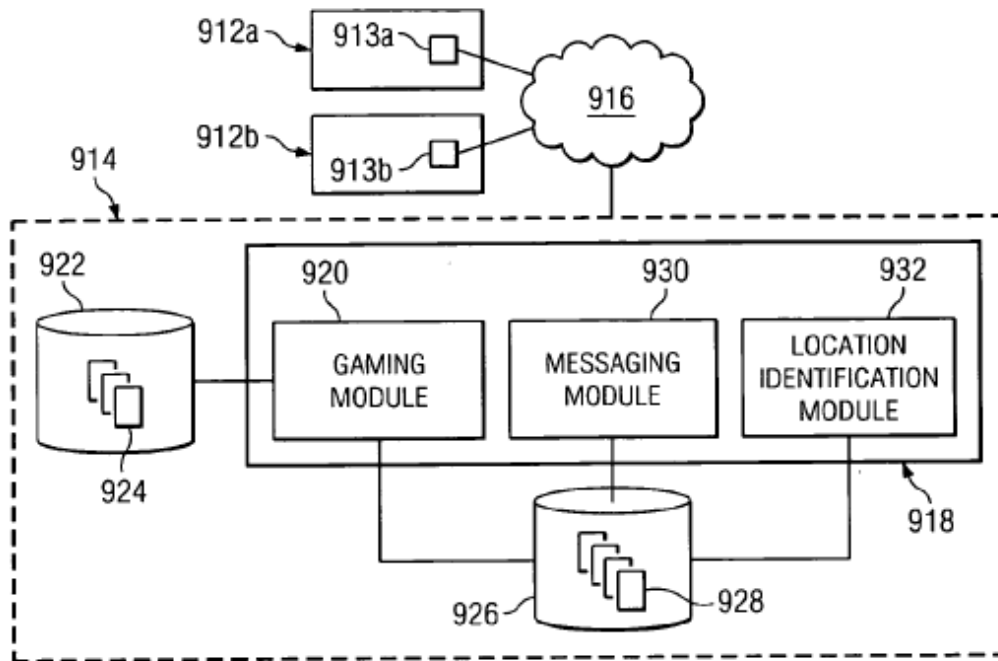


FIG. 9

Figure 9 depicts a peer-to-peer wireless gaming system. Ex. 1005 ¶ 31. Gaming system 910 includes users 912a and 912b who access gaming system 910 by way of gaming devices 913a and 913b. *Id.* Gaming devices 913 transmit and receive gaming information to and from gaming service provider 914. *Id.*

Amaitis further discloses that

user 912 may enter user-parameters that indicate the user’s desire to join into an existing game, initiate a new game, participate in a virtual game, participate in an actual game, play from a single deck, and/or play from a shoe. User parameters may also specify particular betting minimums or limits that the user 912 would like to play. Still other user-parameters may identify a minimum

or maximum number of players with whom the user 912 would like to play. Processor 918, and specifically gaming module 920, may use these and other user-specified parameters as search criteria when identifying potential gaming activities that may be displayed to the user 912 on a gaming device 913.

Ex. 1005 ¶ 47.

3. *Summary of Frenkel (Ex. 1007)*

Frenkel is a reference entitled “Interactive Gaming Among a Plurality of Players Systems and Methods.” Ex. 1007, code (54). Frenkel’s system for interactive gaming “includes a host computer system and a plurality of player terminals communicably coupled to the host computer system via a network,” in which the plurality of player terminals “are located at a plurality of licensed gaming locations.” *Id.* at code (57). Frenkel discloses that its method

may include arranging terminals at a given location to thereby inhibit collusion among players using the player terminals at the given location while engaged in a common game. The method may include inhibiting collusion among players using the player terminals at the given location while engaged in a common game by prohibiting a player from joining a specific game session at a terminal proximate a player terminal of another player engaged in the specific game session.

Id. ¶ 10. Such collusion may be dealt with in different ways, such as having the player terminals or the gaming location “employ electronic countermeasures that disrupt cell phone signals” or having the gaming network operator “employ collusion detection software that monitors player action.” *Id.* ¶ 35. For example, a collusion detection processor monitors “unusual action taken by a specific player, frequent occurrences of the same players playing together in the same games, and the like.” *Id.* ¶ 44. “Players

suspected of colluding may be immediately barred from a game and their deposits held pending resolution.” *Id.* ¶ 35.

4. *Summary of Schlottmann (Ex. 1006)*

Schlottmann is a reference entitled “Server Based Gaming System and Method for Selectively Providing One or More Different Tournaments.” Ex. 1006, code (54). Schlottmann’s gaming system “includes a central server or controller operable to communicate a plurality of different commands to a plurality of gaming machines to provide non-tournament game play and to provide tournament game play on the same gaming machines.” *Id.* at code (57). Schlottmann discloses that although a tournament can be a self-scheduled tournament that the player may play instantly, “the player may have to wait until a certain time, or until a certain number of players have played the tournament game to know their final standing.” *Id.* ¶ 37.

E. *Anticipation and Obviousness Based on Bryson – Claims 9–11,*

20

Petitioner asserts claims 9–11 and 20 are anticipated and rendered obvious by Bryson. Pet. 27–40. Patent Owner opposes. Prelim. Resp. 24–42. Having considered the arguments and evidence before us, we find that the record establishes a reasonable likelihood that Petitioner would prevail on the asserted grounds of anticipation or obviousness based on Bryson alone or Bryson and the knowledge of a POSITA for claims 9–11 and 20.

1. *Claim 9*

a) *Petitioner’s Contentions*

Claim 9 is generally directed to a gaming system that includes at least one processor and at least one communication interface.

For these limitations, Petitioner asserts that Bryson discloses gaming system 600 that includes game outcome server 601; player management servers 602, 603; network infrastructure 606, 608; and clients. Pet. 28 (citing Ex. 1004, 12:23–30; Ex. 1003 ¶ 186)). Petitioner adds that Bryson teaches the use of a processor or multiple processors to “allow an operator to control many aspects of a player’s gaming experience.” Pet. 28 (citing Ex. 1003 ¶ 146; Ex. 1004, 5:8–12, 5:32–36).

Claim 9 further recites

a memory containing a plurality of program instructions when executed by one or more processors cause one or more machines to:

determine a current location of a gaming client;

create a list of player gaming options for a player operating the gaming client at the current location, wherein the list of player gaming options restricts limits on wagers or types of games based on the current location of the gaming client;

transfer, using the communication interface, the list of player gaming options to the gaming client;

receive, via the communication interface, a selection of player gaming options from the gaming client;

initiate a game based on the selection of player gaming options; and

compensate the player with player winnings.

Id. at 16:62–17:13.

Petitioner contends that Bryson discloses its gaming system is implemented as “software stored in a machine readable medium,” and that the “software may comprise instructions for controlling at least one device in a gaming network to perform” the operations of the disclosed “gaming system,” including to “provide wager-based gaming services on a number of

different clients.” Pet. 30 (citing Ex. 1004, 3:14–30, 12:25–27; Ex. 1003 ¶ 149).

Petitioner adds that Bryson teaches that if the player’s device is outside a bricks and mortar casino, the device’s location should be determined before displaying any games or gaming options to the player. *Id.* at 30–31 (citing Ex. 1004, 6:9–11, 8:18–23). Petitioner further contends that Bryson teaches:

tools that allow an operator to perform player analysis and segmentation, allowing for the flexible creation and/or modification of player communities. An operator may be able to specify not only site content, but actual game play to the appropriate community. The operator (and/or the central system) may provide wagering games, wagering game attributes, etc., according to a player’s community, location and/or device type. *Id.* (citing Ex. 1004, 5:40–47). Referring to Bryson’s Figure 1, Petitioner contends that in step 125 of operation, Bryson discloses that the determined wagering games are selected and enabled with a “corresponding presentation.” Pet. 32. Additionally, Petitioner asserts that “Bryson teaches that the presentation of games and options provided to a user will ‘depend on device location’ so that ‘wagering games and/or wagering game attributes may be provided according to the legal requirements of a device’s jurisdiction.’” *Id.* at 33 (citing Ex. 1004, 8:24–29).

To do so, Petitioner argues that Bryson’s gaming system 600 provides an interface that allows users (e.g., clients) to participate in a game via network infrastructure interface 606 that transmits gaming options and receives user selection and gaming information from the clients. *Id.* at 34–36 (citing Ex. 1004, 6:30–34, 7:49–50, 12:34–41, 12:56–13:2, Fig. 1; Ex. 1003 ¶¶ 160, 162–164).

Petitioner further asserts that Bryson discloses the limitation “initiate a game based on the selection of player gaming option” because step 130 of Bryson’s Figure 1 flowchart shows the receipt of the player selections and credit, and step 135 provides “selected wagering game(s).” *Id.* at 37 (citing Ex. 1004, 8:57–60, 12:37–39, Fig. 1).

Petitioner also points out that Bryson discloses “allow[ing] a remote client to provide game play of games where a monetary balance is adjusted based upon the outcome of the game,” and “allow[ing] funds to be...transferred from the account” via “credit cards, debit cards, bank accounts, wire transfers, etc.” Pet. 37 (citing Ex. 1004, 13:3–15; Ex. 1003 ¶ 166).

b) Patent Owner’s Contentions

Patent Owner contends that Bryson does not teach “create a list of player gaming options for a player operating the gaming client at the current location, wherein the list of player gaming options restricts limits on wagers or types of games based on the current location of the gaming client,” recited in claim 9 of the ’657 patent. *See* Ex. 1001, 17:2–6. According to Patent Owner, Bryson teaches casino communities for players that are set up by a casino operator before login. Prelim. Resp. 26. Patent Owner contends that a location check occurs for jurisdictional compliance but there is no dynamic removal of gaming options from a list according to location as alleged by Petitioner. *Id.* (citing Ex. 2001 ¶¶ 67–74). Patent Owner adds that Bryson teaches categorizing players into player communities based on player gaming experience rather than the individual player’s “current location,” as is required by the claims. *Id.* at 28 (citing Ex. 1004, 7:53–56). Patent Owner further argues that Petitioner’s reliance on cited passages of Bryson do not support Petitioner’s position. *See id.* at 27 (citing Ex. 1004, 1:11–36,

2:16–19, 2:59–62, 5:40–47, 6:9–11, 7:49–50, 8:18–29, 8:30–39, 23:4–18).

Additionally, Patent Owner asserts that

jurisdictional issues are all decided during authentication and log-in, before databased communities are assigned. These embodiments do not teach “create a list of player gaming options for a player operating the gaming client at the current location” as any arguable options are based on a community that was pre-created and databased by a casino operator.

Prelim. Resp. 34. Patent Owner also argues that Petitioner fails to demonstrate a reasonable likelihood of success because Bryson does not teach location-specific communities, i.e., that players are assigned to a community based on location. *Id.* at 41.

c) Discussion

Based on the preliminary record, we determine that Bryson’s disclosure better supports Petitioner’s position for the purposes of institution. For example, Bryson’s Figure 6 shows gaming system 600 provides wager-based gaming services on a number of different clients. Ex. 1004, 12:23–27. As shown in Figure 6, gaming system 600 may include game outcome server 601, player management servers 602, 603, network infrastructure 606, 608, and clients. *Id.* at 12:27–30.

Bryson further discloses that “clients in the gaming system 600 provide an interface that allows a user to participate in a game.” *Id.* at 12:31–32. Clients include personal computers 610, 612 and 614, cell phones 622, 624, tablet computer 618, PDA 620, casino-type gaming machines 626, 628, and television set-top box 616. *Id.* at 12:42–47.

In operation, Bryson teaches that in “an online gaming context, a user may submit a user identification code and password to a device controlled by an online casino.” Ex. 1004, 5:59–61. As shown in the flowchart of

Figure 1, Bryson teaches that the received information is used to authenticate the user/user's device in step 105. *Id.* at Fig. 1. We agree with Patent Owner that Bryson teaches the authentication step 105 may involve device authentication and/or location determination. *Id.* at 6:25–27. In that way, we agree that Bryson's system may make some jurisdictional compliance determinations at step 105, which effectively limit the gaming options available to the user based on the user device's current location. But this is not the only way that Bryson limits player gaming options based on location.

For step 125 shown in Figure 1, Bryson discloses that the determined wagering game presentation is then provided to the player. (Step 125.) Step 125 may vary according to various factors, including the characteristics of the player community, *the type and location of the device used for gaming and the provisioning mode*. For example, for online implementations, a player may be presented with a web page having wagering game options, a characteristic layout, colors, graphics, etc., corresponding to the player community. Featured games, which may be displayed prominently on the web page, may be quite different from one community to another. If the same wagering game themes are presented to more than one community, wagering game characteristics (such as denomination, volatility, etc.) may be different.

Ex. 1004, 7:49–61 (emphasis added). Here, Bryson supports Petitioner's position that Bryson's presentation of games and options provided to a user will depend on device location so that wagering games and/or wagering game attributes may be provided according to the legal requirements of a device's jurisdiction. Pet. 33 (citing Ex. 1004, 8:24–29).

Patent Owner contends that Petitioner conflates different aspects of Bryson's system in a manner that fails to demonstrate reasonable likelihood of success. However, Bryson's disclosure better supports Petitioner's

position and Mr. Nicely’s testimony that Bryson teaches player gaming options may be determined based on flexible criteria, including experience level, preferred game type, etc. *See* Ex. 1004, 6:47–61. And one such criteria is the location of the user’s device. As discussed, Bryson’s system utilizes the player’s device location to create a presentation of wagering game options, such that “wagering games and/or wagering game attributes may be provided according to the legal requirements of a device’s jurisdiction.” Ex. 1004, 8:24–29; Ex. 1003 ¶¶ 152–155.

2. *Claim 10*

Claim 10 depends from independent claim 9, and further recites “wherein the list of player gaming options includes arcade games, video games, puzzle games, word games, trivia games, or card games.” Ex. 1001, 17:14–16.

Petitioner contends that Bryson teaches that games include card games and solitaire. Pet. 37–38 (citing Ex. 1004, 12:31–34, 13:51–56; Ex. 1003 ¶ 168).

Patent Owner does not provide arguments specific to these limitations beyond those presented and discussed for independent claim 9. *See* Prelim. Resp.

Based on the preliminary record, we agree with Petitioner’s position. Bryson teaches “slot games, card games (e.g., poker and blackjack), roulette games, bingo games, lottery games, keno games, or dice games, and playing games of skill, such as solitaire.” Ex. 1004, 13:53–56.

3. *Claim 11*

Claim 11 depends from independent claim 9, and further recites “wherein the plurality of program instructions when executed by the one or more processors further cause the one or more machines to dynamically

adjust language and currency based on the current location of the gaming client.” Ex. 1001, 17:17–21.

Petitioner contends that Bryson discloses that a denomination, such as U.S. dollars or pounds, may be selected according to a device location. Pet. 38 (citing Ex. 1004, 1:52–55, 2:38–40, 5:32–36, 7:12–14, 11:11–13, 23:54; Ex. 1003 ¶¶ 169–170). Petitioner notes that Bryson discloses determining “the player’s stated country of residence” and “other player registration information such as language, player balance, player currency, and other information concerning the player’s account” which are “used in customizing the game provided” by the system. *Id.* at 38–39 (citing Ex. 1004, 17:64–18:8; Ex. 1003 ¶ 171).

Patent Owner does not provide arguments specific to these limitations beyond those presented and discussed for independent claim 9. *See* Prelim. Resp.

Based on the preliminary record, we agree with Petitioner’s position based on the explanation and evidence provided in the Petition. *See* Pet. 38–39.

4. *Claim 20*

Claim 20 depends from independent claim 9, and further recites “wherein the limits on wagers changes wagering to non-monetary based wagering and compensating the player with the player winnings is compensating the player with no monetary winnings.” Ex. 1001, 17:64–67.

For these limitations, Petitioner argues that Bryson also teaches “provid[ing] the play of games for free” using simulated nonmonetary wagers that do “not affect a player’s [account] balance.” Pet. 39 (citing Ex. 1004, 17:31–37, Fig. 4). Petitioner further argues a POSITA would have found it obvious to limit the games and gaming options available to the

player in the “wagering game presentation” to display Bryson’s free, simulated, and non-monetary-based wagering game options when restricted in the current location because doing so would have complied with regulations in numerous jurisdictions where “freeplay” or simulated wagering is allowed, but monetary wager-based gaming is not allowed. Pet. 40–41 (citing Ex. 1003 ¶ 173).

Patent Owner does not provide arguments specific to these limitations beyond those presented and discussed for independent claim 9. See Prelim. Resp.

Based on the preliminary record, we agree with Petitioner’s position based on the explanation and evidence provided in the Petition. See Pet. 40–41.

F. Obviousness based on Bryson and Amaitis – Claims 1–8, 14–16, and 21–29

Petitioner asserts claims 1–8, 14–16, and 21–29 would have been obvious based on the teachings of Bryson and Amaitis. Pet. 40–70. Patent Owner opposes. Prelim. Resp. 42–44. Having considered the arguments and evidence before us, we find that the record establishes a reasonable likelihood that Petitioner would prevail on this asserted ground of obviousness based on Bryson and Amaitis for claims 1–8, 14–16, and 21–29.

1. Claim 1

a) Petitioner’s Contentions

Independent claim 1 is directed to a method for operating a gaming client that includes the steps of:

receiving, from an administration server, a list of player gaming options for a player in a current location,

wherein the list of player gaming options is limited to gaming options allowed in the current location of the player, and

wherein the gaming options include limits on wagering amounts or types of games to prevent the player from unlawful play in the current location of the player;

displaying, on the gaming client, the list of player gaming options; [and]

monitoring an interface on the gaming client to identify a selection of player gaming options selected by the player in response to the list of player gaming options being displayed on the gaming client;

Ex. 1001, 15:58–16:7.

For these limitations, Petitioner relies on its arguments presented for independent claim 9, discussed above. Pet. 43. For example, Petitioner asserts that Bryson discloses gaming system 600 with game outcome *server* 601 and player management *servers* 602, 603 that communicate with clients 610–628 via network infrastructure 606, 608. *Id.* at 43–44 (citing Ex. 1004, 2:8–19; Ex. 1003 ¶¶ 184–185). Petitioner further argues that Bryson expressly discloses determining a “player’s [] location” to “provide wagering games, wagering game attributes.” *Id.* at 46 (citing Ex. 1004, 5:45–47). Petitioner adds that “a POSITA would have understood that it is the location of the player of the game that is relevant to the jurisdictional regulatory concerns and compliant presentation of gaming options disclosed in Bryson.” *Id.* (citing Ex. 1003 ¶ 189). Further, Petitioner contends that Bryson’s client devices include a display with an interface that allows users to select and participate in games. *Id.* at 47–48 (citing Ex. 1004, 12:31–41; Ex. 1003 ¶ 193). Petitioner adds that a “POSITA would readily understand that this involves monitoring the communication interface on the gaming

client (e.g., an ‘input mechanism,’ such as a ‘touch screen’) to identify the selection.” *Id.* at 48 (citing Ex. 1004, 12:37–41).

Claim 1 further teaches “transmitting, to the administrative server, the selection of gaming player option selected by the player to initiate a matching of the player with an at least one competitor.” Ex. 1001, 16:7–10. For this limitation, Petitioner argues that Amaitis discloses “a peer-to-peer wireless gaming system,” shown in Figure 9, that “enabl[es] at least two of [a] plurality of gaming devices to interactively participate in a single gaming activity.” Pet. 49 (citing Ex. 1005 ¶¶ 5, 20; Ex. 1003 ¶ 196). Petitioner further argues that Amaitis’s customer profile database 926 stores customer profiles 928 that include “information that is indicative of a user’s preferences” for gaming. Pet. 49 (citing Ex. 1005 ¶¶ 48–49; Ex. 1003 ¶ 198). Petitioner adds that Amaitis matches players based on user specified parameters that are sent to gaming module 920, which queries customer profiles 928 to identify users 912 that may wish to participate in a game. *Id.* at 50 (citing Ex. 1005 ¶ 50, Fig. 9).

Petitioner further contends that a POSITA

would have been motivated to apply Amaitis’s teachings of matching competitors for game play to the gaming system of Bryson to enable play between compatible competitors in Bryson’s disclosed games of blackjack, poker, sports wagering and skill-based solitaire, which are games that Amaitis’s teachings of peer-to-peer gaming are “***particularly desirable***” for. . . . A POSITA additionally would have found it obvious to combine Amaitis’s teachings to match players based on selected gaming options with Bryson’s teachings to provide only legal gaming options for selection by a user in order to enable peer-to-peer gaming in satisfaction of regulatory requirements of the jurisdiction of the players as taught by Bryson.

Id. at 50–51 (citing Ex. 1003 ¶ 200; Ex. 1004, 13:51–56; Ex. 1005 ¶ 24).

Claim 1 further requires “collecting, via the gaming client, a bet from the player, wherein the bet is within a betting range identified in the selection of player gaming options.” Ex. 1001, 16:11–13.

Petitioner argues that Bryson discloses receiving wagers or bets and the verification of player wagers. Pet. 51. Additionally, Petitioner contends that Amaitis discloses user-parameters that include betting minimums or limits. *Id.* Petitioner relies on Mr. Nicely’s testimony for the proposition that a POSITA would have included Amaitis’s minimum and maximum bets in Bryson’s list of gaming options to communicate the potential range of bets allowed in each game and to facilitate legal compliance in the combined system as taught by both references. *Id.* at 52 (citing Ex. 1003 ¶ 206).

Claim 1 further recites

initiating, on the gaming client, a game for the player, wherein the game is based on the selection of player gaming options; and compensating the player with player winnings based on results of the game.

Ex. 1001, 16:14–18.

For these limitations, Petitioner relies on arguments presented for similarly recited limitations in independent claim 9, which are discussed above. Pet. 52; *see supra* Sect. II.E.1.a.

b) Patent Owner’s Contentions

Patent Owner contends that a POSITA would not have been motivated to combine Amaitis’s peer-to-peer gaming to Bryson’s casino-focused, money based gaming system because doing so would allow cheating. Prelim. Resp. 43–44 (citing Ex. 2001 ¶ 30).

c) Discussion

Based on the preliminary record, Petitioner’s position is better supported for the purposes of institution. As Petitioner points out, many of

the limitations recited in independent claim 1 are similarly required by independent claim 9. For similarly recited limitations, we agree with Petitioner that Bryson's gaming system discloses those claimed features for the purposes of institution.

Additionally, Petitioner relies on Amaitis's disclosure of peer-to-peer gaming in combination with Bryson. Patent Owner asserts that a POSITA would not combine Amaitis's peer-to-peer gaming with Bryson's casino gaming because such a combination allows cheating. Patent Owner's declarant, Dr. Lane, testifies that

Bryson is exclusively focused on monetary gambling, which requires a relatively higher level of supervision and management to prevent cheating and financial exploitation. Casinos would not want to allow players to have peer-to-peer gaming for the risk of cheating and financial exploitation by players.

Ex. 2001 ¶ 30.

Yet, Bryson discloses non-monetary game play. In particular, Bryson teaches

games played on the game outcome server may not affect a player's balance and a balance on a remote device may not have to be updated. For example, the game outcome server may provide the play of games for free with simulated wagers. In which case, the game outcome server may provide the play of a game but the player's balance is not affected.

Ex. 1004, 17:31–37. As such, Bryson's express disclosure contradicts Dr. Lane's testimony. On the other hand, Mr. Nicely explains that Amaitis expressly states that "its Peer-to-Peer methods are 'particularly desirable' in gaming activities 'such as [...] horse racing, poker, and blackjack,' which are specifically identified as games available to play in Bryson." Ex. 1003 ¶ 200 (citing Ex. 1005 ¶ 24; Ex. 1004, 13:51–56).

As such, based on the preliminary record, Petitioner has established a reasonable likelihood of prevailing on this challenge.

2. *Claim 21*

Independent claim 21 recites similar limitations discussed above with regard to independent claims 1 and 9. For these limitations, Petitioner relies on arguments discussed with respect to independent claims 1 and 9. Pet. 61–62.

Claim 21 further recites “at least one gaming server . . . configured to . . . monitor the game; and transmit data about the game to the administration server.” Ex. 1001, 18:23–26.

For these limitations, Petitioner asserts that the “at least one gaming server” is taught by Bryson’s player management server that includes both an administration server and gaming server, and that the player management server hosts a website portal that allows the player to access their account and to play games. Pet. 63 (citing Ex. 1004, 13:43–48; Ex. 1003 ¶¶ 258–259). Separately, Petitioner adds that Bryson’s game outcome server 601 monitors and transmits game outcome data to player management servers 602 and 603. *Id.* (citing Ex. 1004, 21:23–42; Ex. 1003 ¶¶ 258–263).

Patent Owner argues that “Bryson’s teaching of a mere snapshot is not the claimed ‘monitor the game,’ and [that that limitation] is not taught or rendered obvious by Bryson.” *Id.* at 43 (citing Ex. 2001 ¶ 80). Patent Owner adds that the ’657 patent “monitor[s] the game” to prevent cheating. *Id.* at 44.

We note that claim 21 does not specify any reason or detail for the required monitoring, such as to detect cheating as suggested by Patent Owner. *Id.* at 42. Based on the present record, we find Bryson discloses game outcome server 601 that “maintain[s] a current state of the game

during game play” so that, if a connection with a client device is lost, the game may be restored to its state prior to the lost connection. *See* Ex. 1004, 21:5–13 (cited at Pet. 57). This appears to satisfy the game monitoring limitation of claim 21, based on the current record.

Based on the preliminary record, we agree with Petitioner’s position based on the explanation and evidence provided in the Petition. *See* Pet. 61–63.

3. *Independent claim 26*

Patent Owner does not provide arguments specific to independent claim 26 beyond those presented and discussed for independent claims 1 and 9. *See* Prelim. Resp.

Based on the preliminary record, we agree with Petitioner’s position based on the explanation and evidence provided in the Petition. *See* Pet. 66–69.

4. *Dependent claims 2–8, 14–16, 22–25, and 27–29*

Patent Owner does not provide arguments specific to dependent claims 2–8, 14–16, 22–25, and 27–29 beyond those presented and discussed for independent claims 1 and 9. *See* Prelim. Resp.

Based on the preliminary record, we agree with Petitioner’s position based on the explanation and evidence provided in the Petition. *See* Pet. 52–60, 64–66, 69–70.

G. *Obviousness based on Bryson and Frenkel – Claims 12 and 13*

Petitioner asserts claims 12 and 13 would have been obvious based on the teachings of Bryson and Frenkel. Pet. 70–74.

Claim 12 depends from claim 9 and further recites “wherein the plurality of program instructions when executed by the one or more

processors further cause the one or more machines to perform a risk assessment of the player.” Ex. 1001, 17:22–25.

Claim 13 depends from claim 12 and further recites:

wherein the plurality of program instructions when executed by the one or more processors further cause the one or more machines to perform the risk assessment by:

- collecting player information, wherein the player information comprises player gaming behavior;
- evaluating player gaming behavior for prohibited activity;
- and
- eliminating the player based on the prohibited activity.

Ex. 1001, 17:26–34.

For both claims 12 and 13, Petitioner relies on Frenkel’s disclosure that “the gaming network operator may employ collusion detection software that monitors player action.” Pet. 72–73 (citing Ex. 1007 ¶ 35; Ex. 1003 ¶ 299). Petitioner adds that

[i]t would have been obvious to a POSITA to combine Frenkel’s teaching that a gaming network operator may employ collusion detection software that monitors player actions for the multi-player games specifically disclosed by Bryson, such as poker, and blackjack This would have yielded the predictable result of enabling Bryson’s system to perform risk management of the players and their client devices in the gaming network, thereby increasing player-trust and overall usage of the combined system.

Pet. 71 (citing Ex. 1003 ¶ 294).

Patent Owner does not provide arguments specific to these limitations beyond those presented and discussed for independent claim 9. See Prelim. Resp.

Based on the preliminary record, we agree with Petitioner's position based on the explanation and evidence provided in the Petition. *See* Pet. 71–73.

H. Obviousness based on Bryson and Schlottmann – Claims 17–19

Petitioner asserts claims 17–19 would have been obvious based on the teachings of Bryson and Schlottmann. Pet. 74–78. For example, Petitioner asserts that Schlottmann teaches a central controller that controls a tournament where players compete in a delayed tournament. *Id.* Petitioner argues also that

a POSITA would have found the structure of a delay tournament to be particularly suitable for online gaming systems, where players are not physically present together and where players are competing from a mobile device and may encounter distractions that interrupt the game flow of a traditional synchronous, real-time competition Schlottmann expressly discloses conducting this type of delayed tournament in a networked gaming system for peer-to-peer gaming.

Pet. 75–76 (citing Ex. 1003 ¶ 305).

Patent Owner does not provide arguments specific to these limitations beyond those presented and discussed for independent claim 9. *See* Prelim. Resp.

Based on the preliminary record, we agree with Petitioner's position based on the explanation and evidence provided in the Petition. *See* Pet. 74–78.

I. Mr. Nicely's Testimony

Patent Owner argues that Mr. Nicely's testimony should not be given any weight because the “vast majority” of Mr. Nicely's testimony provided in Exhibit 1003 is a conclusory reproduction or paraphrasing of attorney arguments in the Petition. Prelim. Resp. 56–57. Patent Owner adds that

“the Nicely declaration does not provide additional support for the Petition and fails to meet the requirements of 37 C.F.R. § 42.104(b)(4) & (5).” *Id.* at 57.

We have reviewed Mr. Nicely’s testimony in light of the reasoning provided and evidence relied upon in his declaration, and do not, at this stage, agree that his testimony in its entirety should be given no weight. For example, in our claim construction discussion, we have considered Mr. Nicely’s proposed claim construction of means-plus-function terms. *Supra* Sect. II.C. As discussed, Mr. Nicely explains the basis for his testimony, including applicable caselaw. *Supra* Sect. II.C. As another example, we have also considered the testimony of Mr. Nicely in evaluating Petitioner’s grounds of unpatentability based on Bryson and Amaitis, and determined that his testimony is consistent and supported by the express disclosure in Bryson and Amaitis. *Id.* at Sect. II.F.1. Thus, for the purposes of institution, we disagree with Patent Owner that Mr. Nicely’s testimony is entitled to no weight. However, the parties are invited to address this issue after institution through discovery, e.g., cross-examination.

J. 35 U.S.C. § 325(d) Discretion

We have discretion to deny review when “the same or substantially the same prior art or arguments previously were presented to the Office.” 37 C.F.R. § 325(d). Section 325(d) provides that the Director may elect not to institute a proceeding if the challenge to the patent is based on matters previously presented to the Office. *Advanced Bionics, LLC v. Med-El Electromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 at 7 (PTAB Feb. 13, 2020) (precedential) (“*Advanced Bionics*”).

In evaluating matters under § 325(d), the Board uses the following two-part framework: (1) determining whether the same or substantially the

same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office; and (2) if either condition of the first part of the framework is satisfied, determining whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claim. *Id.* at 8. The Board institutes trial on behalf of the Director. 37 C.F.R. § 42.4(a); *Advanced Bionics*, Paper 6 at 7 n.7.

In applying the two-part framework, we consider several non-exclusive factors, including:

(a) the similarities and material differences between the asserted art and the prior art involved during examination; (b) the cumulative nature of the asserted art and the prior art evaluated during examination; (c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection; (d) the extent of the overlap between the arguments made during examination and the manner in which Petitioner relies on the prior art or Patent Owner distinguishes the prior art; (e) whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art; and (f) the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments.

Becton, Dickinson & Co. v. B. Braun Melsungen AG, IPR2017-01586, Paper 8 at 17–18 (PTAB Dec. 15, 2017) (precedential as to Section III.C.5, first paragraph) (“*Becton, Dickinson*”). If, after review of factors (a), (b), and (d), we determine that the same or substantially the same art or arguments previously were presented to the Office, then factors (c), (e), and (f) relate to whether the petitioner demonstrates that the Office erred in a manner material to the patentability of the challenged claims. *Advanced Bionics*, IPR2019-01469, Paper 6 at 10.

1. *Whether Same Art or Arguments were Previously Presented to the Office*

Patent Owner requests that we exercise our discretion to deny institution under 35 U.S.C. § 325(d). Prelim. Resp. 11–22.⁷ In its Petition, Petitioner preemptively argued that discretionary denial under § 325(d) is not warranted. Pet. 80–82.

The principal reference on which Petitioner bases its grounds of unpatentability is Bryson. According to Patent Owner, Bryson’s teachings are “identical or cumulative” to those of another reference, Miltenberger.⁸ Prelim. Resp. 12. The record reflects that Miltenberger was a reference that was applied by the Examiner during prosecution of the ’657 patent’s parent, U.S. Patent No. 9,613,498 (“the ’498 patent”). *See, e.g.*, Prelim. Resp. 13–14; Ex. 2004, 131–133. Patent Owner makes such contentions as (1) Bryson incorporates Miltenberger’s teachings by reference; (2) Petitioner relies on the same teachings from Bryson that existed in Miltenberger; and (3) Petitioner has not demonstrated error in the Office’s assessment of those alleged same teachings. Prelim. Resp. 13–20. Patent Owner thus concludes that all of the above-noted *Becton, Dickinson* factors weigh in favor of denying institution under § 325(d). *Id.* at 22.

⁷ Although on a few occasions, Patent Owner generally references 35 U.S.C. § 314 in connection with its discretionary denial arguments (*see, e.g.*, Prelim. Resp. 12, 13, 21), it is apparent that Patent Owner’s request is grounded in Patent Owner’s belief that the Petition is based on the same or substantially the same art and arguments that previously were presented to the Office, such that discretionary denial under § 325(d) is warranted.

⁸ U.S. Patent Application Publication No. US 2007/0202941 A1 published Aug. 30, 2007 (“Miltenberger,” Ex. 2003).

Petitioner observes that during prosecution of the application underlying the parent '498 patent, the Applicant challenged the Examiner's rejections based on Miltenberger because Miltenberger does not disclose providing legal gaming options that include "limits on wagering amounts or types of games to prevent the player from unlawful play in the current location." Pet. 81 (citing Ex. 1064, 57). Petitioner contends that the presence of those claim limitations prompted the Examiner to allow the pertinent claims of the '498 patent. *See id.* at 80–81 (citing Ex. 1064, 57). Petitioner expresses that it has relied on teachings of Bryson to account for what the Applicant argued was missing from Miltenberger. In particular, Petitioner argues the following:

Bryson expressly discloses what the Applicant said was missing from Miltenberger: that the gaming options presented to a user will "depend on device location" such that "wagering games and/or wagering game attributes may be provided according to the legal requirements," including jurisdictional "[w]agering limits." Bryson—which is included in each ground in this Petition—is therefore not "substantially similar" to any art previously presented to the Office.

Id. at 81 (citing Ex. 1004, 8:24–29). Petitioner thus is of the view that our exercise of discretion under 35 U.S.C. § 325(d) is not warranted.

Although Bryson incorporates by reference Miltenberger's teachings (*see* Ex. 1004, 23:35–37), the preliminary record does not convey that Miltenberger's disclosure is the entirety, or even the majority, of any incorporated content on which Petitioner relies for formulating its proposed grounds of unpatentability based on Bryson.⁹ We agree with Petitioner that Miltenberger seemingly does not describe content associated with the

⁹ There is no indication in the record that Bryson previously was before the Examiner.

development of “player communities,” or, in connection with those communities, the presentation of only legal gaming options to a player based on device location. *See, e.g.*, Pet. 81 n.7. It is Petitioner’s view that such disclosure is distinctly present in Bryson and is offered to account for limitations of the claims that Patent Owner expressly represented were absent from Miltenberger’s disclosure. *See, e.g.*, Ex. 1064, 57. It is clear, in our view, that Petitioner relies on content in Bryson that goes beyond Miltenberger’s teachings, and that such content is offered to present new prior art teachings and new argument that previously were not advanced to the Office. That Bryson and Miltenberger may share some other content, as emphasized by Patent Owner (*see, e.g.*, Prelim. Resp. 15–17), simply does give rise to a determination that Bryson’s additional disclosure should not now be considered on its own merit in evaluating the patentability of claims of the ’657 patent.

Furthermore, because the record readily conveys that Petitioner’s reliance on, and discussion of, Bryson does not constitute the same or substantially the same art or argument previously presented to the office, there was no need for Petitioner to show how “the USPTO previously erred” as urged by Patent Owner. *See* Prelim. Resp. 20. That is not an inquiry that is germane to the situation at hand.

We have considered Patent Owner’s arguments pertaining to its request for our exercise of discretion to deny institution pursuant to § 325(d). We do not agree with Patent Owner that Petitioner’s Petition, and, in particular, its reliance on Bryson for its proposed grounds, is underpinned by prior art or argument that were previously presented to the Office. Accordingly, our inquiry into the two-part framework of *Advanced Bionics* need not go further than consideration of the first-part of the framework in

our determination that discretionary denial under § 325(d) is not appropriate here.

We do not exercise our discretionary to deny institution of an *inter partes* review based on 35 U.S.C. §325(d).

III. DISCRETIONARY DENIAL § 314

Patent Owner urges us to deny the Petition on the basis of § 314 for failure to comply with Rules 100(b) and 104(b)(3). *See* Prelim. Resp. 48–49 (“Due to the high number of terms Petitioner opted to deal with in this improper manner (8 terms total), the Board should ‘evaluate the challenges and determine whether, in the interests of efficient administration of the Office and integrity of the patent system (*see* 35 U.S.C. § 316(b)), the entire petition should be denied under 35 U.S.C. § 314(a).’”).

As discussed, we disagree with Patent Owner that the claim construction provided in the Petition fails to comply with our rules. *Supra* Sect. II.C. Thus, we decline to deny the Petition on this basis.

IV. INSTITUTING REVIEW OF ALL CLAIMS

After considering the evidence and arguments presented in the Petition, we determine that Petitioner has demonstrated a reasonable likelihood of success in proving that at least one claim of the ’657 patent is unpatentable. Accordingly, an *inter partes* review of claims 1–29 and all of the grounds presented in the Petition is hereby instituted. *See PGS Geophysical AS v. Iancu*, 891 F.3d 1354, 1360 (Fed. Cir. 2018) (indicating that a decision whether to institute an *inter partes* review “requires a simple yes-or-no institution choice respecting a petition, embracing all challenges included in the petition”).

At this stage of the proceeding, the Board has not made a final determination as to the patentability of any challenged claim or any underlying factual or legal issues.

V. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that, pursuant to 35 U.S.C. § 314(a), an *inter partes* review of claims 1–29 of the '657 patent is instituted with respect to all grounds set forth in the Petition; and

FURTHER ORDERED that, pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4(b), *inter partes* review of the '657 patent shall commence on the entry date of this Order, and notice is hereby given of the institution of a trial.

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Patent 10,614,657 B2
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