

AUSTRALIA

PATENTS ACT 1990

IN THE MATTER OF

Australian Patent Application No. 2013333573

In the name of Diogenes Limited

- and -

Opposition by Sportsbet Pty Ltd

DECLARATION OF BERNARD J. MARANTELLI

I Bernard J. Marantelli of London, United Kingdom, declare the following:

Background

1. I have been involved in betting and wagering since my first visit to a racetrack in 1983. My father was (and still is) a racetrack bookmaker and since I was a teenager I have been interested in the mathematics of betting. I worked as a bookmaker's clerk from 1986-1997 in Australia during my later years at school and during my time at university, before moving to Europe to start a career in Biotechnology.
2. Around 2001 I was introduced to betting exchanges, primarily the leading exchange Betfair, which had launched in 2000. I quickly realised the potential of exchanges, that their markets were inefficient and that there was money to be made playing them. I started trading markets manually, graduated to using software to assist with my trading and soon all of my trading was done using automated software and I became a professional gambler (as a hobby alongside my biotech career).
3. In 2003 I started to also analyse and investigate multi-leg jackpot pools bets that if not won roll over to the following week or meeting. When such pools are unwon, they can grow quickly with players chasing the rolling jackpot - in a similar way to lottery players chasing a rollover lottery prize fund.
4. By 2005/2006 I was playing multi-leg jackpot pools in a serious, complex and mathematically robust way, where I tracked my profit and returns on the pools and also the progress or growth of the equity I estimated I held (or the 'expected value' or 'EV') in my tickets as each leg in the pool was resolved. This without me realising it at the time was the 'cash-out' value of the ticket(s) I had purchased, although this was an estimate by my models as I did not have visibility of all the information needed to make the exact calculation, as no pool in the world calculated/stored/provided this information either internally or externally.

5. Parallel to my "professional gambling career/hobby" I did the following:
1998-2005 Scientific Affairs in biotech industry (genetically modified food)
2005-2007 an MBA at London Business School (maths and finance)
2007-2010 Deutsche Bank (derivatives and algorithmic trader)
6. In late 2010 and early 2011 after leaving banking I decided to focus my efforts on building a retail company which would embody many of the positive concepts I had developed as a professional gambler. I firmly believed that people wanted to shoot for life-changing jackpot prizes but, as they progressed towards the jackpot they could neither emotionally nor financially handle the 'all or nothing' nature of the bet.
7. The growth in EV/value/equity as a person progresses towards a jackpot through a multi-leg pool or accumulator bet becomes very rapid as the multiplier effect (of the odds/probability/number of other winners) of each successful leg is added to the existing value of the ticket. As this value grows, the reality of always being only one result from elimination becomes emotionally intense and financially very volatile.
8. The culmination of my own equity tracking (see paragraph 4 above) and my belief in the desire of other punters to cash-out if given the opportunity in volatile situations (see paragraphs 6 and 7 above) led me to develop a system never seen or contemplated in the world before. This system could monitor and check the EV of every single ticket in a complex pool (at Colossusbets we calculate over 410 million possible pathways through our main pool to offer cash-out values to each player) with both win and consolation prizes and give customers of that pool insight into their tickets' true value during the progress of the pool (which in July 2016 still exists nowhere in the world except at Colossusbets). Our system determines which players and which of the 410 million pathways through our main game remain eligible to win a jackpot or consolation prize, enabling them to cash-out their ticket in full or part, at various stages of the pool.
9. Additionally the system I invented allows the recording, tracking and monitoring of the partial and hence joint ownership of a single betting slip or ticket and, for the first time in the world, the establishment of a betting system that allowed such a system and database to record and manage such fragmentation of single bets into multiple parts owned by different entities. This ownership fragmentation is done in the back end software and hardware and enables the presentation and sale of tickets in increments via a front end display with which retail players can interact.
10. The culmination of these innovations allowed me to launch in the summer of 2013, pools with partial cash-out optionality under the brand Colossusbets, becoming the first bet type in the world to offer partial cash-out. It took industry leaders 2 years to replicate partial cash-out for the relatively simple win singles bets and accumulator bets they offer and still 3.5 years later no pool system in the world has managed to replicate my system. Colossusbets Limited now has rights in the referenced Australian Patent Application No. 2013333573 (the Patent Application) under license from Diogenes Limited.

Comments on Declaration of David Sim signed 14 April 2016

Section One: General Discussion of the State of the Art

11. Mr Sim's Comments about the use of the internet to bet, the common use of pools or accumulators, and the use of computer programs to manage risk seem broadly correct and basically encompass the global developments of the world regarding computers and then betting.
12. At Paragraph 26, Mr Sim suggests that some punters 'hedged' their position (assuming they were still eligible to win the jackpot) in a multi-leg bet by placing offsetting bets. While it is entirely possible some individuals did this in a personal capacity, for this to be done accurately by a non-sophisticated player on a retail bet was unworkable. Mr Sim indicates they could place a bet on the "opposite result to that required by them to win the multi-leg bet" but this is naïve (even misleading) in the extreme, for at least the following reasons:
 - Most fundamentally the player whether betting into a pool, by way of fixed odds bet or otherwise, would need considerable capital in place to be able to hedge their position, effectively ruling out any such behaviour except for high net worth gamblers.
 - In the context of risk and liquidity many multi-leg pools bets or fixed odds accumulators are considerably larger and more liquid than single bets and as such the player would on many occasions not have access to a large enough pool/liquidity to hedge his position via singles bets. The current invention removes this, as the retail player effectively relies on the liquidity of the existing bet or pool to cash-out his bet when Colossusbets make him an offer against his potentially winning line or likewise for a fixed odds bet as covered by this patent application.
 - The player would need to find a willing counterparty for his hedge, which is far from easy when you consider the frequently significant payouts from multiples.
 - In the context of pools they would have needed to know the exact potential profit of their ticket on each runner, and most firms did not and still do not publish this. No firm globally publishes this for legs earlier than the last leg, at which point there is only one event left in the bet.
 - If the player was not into the last leg but say had 2 legs left to negotiate, the visibility of profit and complexity of hedging is magnified immensely, as documented in detail below with all elements relevant to a pool and mostly relevant to a fixed odds bet with the exception that a fixed odds bet player may know his potential winnings with more clarity than a pools player.
13. Assuming such behaviour by the occasional retail player did occur, it did not represent any of the inventive features in claim 1 or dependant claims for developing a system and infrastructure to calculate such positions for all retail players in a pool/lotto/slot/fixed odd bet that remain eligible to win a prize. Nor is any such behaviour relevant to the neat presentation to players of a full or partial cash-out offer without the need for complex hedging arrangements requiring the player to have significant capital in place on demand.
14. Consider the following more realistic example:
Assume a retail player has bet \$10 and correctly selected the first 4 winners of a pick6 racing pool with a \$3,000,0000 prize. In race 5 the player's ticket has selected just number 1 (the 2.0 favourite) and in race 6 the ticket has selected both number 1 (priced

at 3.0) and number 2 (priced at 4.0). If he is the only person to own the remaining combinations (branches of the probability tree) W,W,W,W,1,1 or W,W,W,W,1,2 where "W" reflects the prior 4 winners, his ticket has a current expected value of \$875,000. This is based on perm W,W,W,W,1,1 being worth $\$3,000,000 \times (1 / 2.0) \times (1/3.0) = \$500,000$; and perm W,W,W,W,1,2 being worth $\$3,000,000 \times (1 / 2.0) \times (1/4.0) = \$375,000$. So the two 'live' perms in this ticket are worth a combined \$875,000.

15. An issue the player in the above example faces is:
No racing pool in the world publishes this information and as such the individual cannot know if he will be in:
STATE 1: the solo/only winner (and win \$3,000,000) on both perms and as such be currently worth \$875,000; or
STATE 2: there will be 10 winners on each perm and as such he (playing for only \$300,000) will be worth \$87,500; or
STATE 3: if perm W,W,W,W,1,1 will be owned 3 times and perm W,W,W,W,1,2 will be owned four times and he will win \$1,000,000 if the pool concludes 1,1 or \$750,000 if the pool concludes 1,2. That would make the ticket have a current worth or expected value of \$260,416.70.
16. Firstly, anyone in the above situation will not know which of the above three states (other alternative states) they are in, as no Australian operator currently either collates or has built a system to handle this information. The system of the present invention as defined in the Patent Application and as commercialised by Colossusbets does handle this information and while it is not made publicly available via the website, the EV is made publicly available via the cash-out offer. A player would on some occasions know their exact payout from a fixed odds multiple bet.
17. Next, assume the player in the above example knew the situation he was in (STATE 1) and wanted to hedge. This would be identical to a fixed odds multiples player, who might not have the above issues regarding clarity of payout amount but would have all the following issues. The punter (fixed odds or pool) needs significant funds to hedge against the last 2 legs in a multi-leg bet. He would need \$3,000,000 (his potential prize) minus \$875,000 (his EV based on the current probability of remaining horses regardless as to his initial bet being a pool or fixed odds bet) to 'lay' (i.e. bet against) the two perms/doubles live in his ticket (a bet type that does not exist with any operator or exchange in the world to my knowledge). He would need to lay this bet for a liability of \$2,125,000 and find a counterparty willing to back this double to win \$2,125,000, an almost impossible logistical task at short notice (generally 35 minutes between leg 4 and leg 5), before one even considers the significant transaction costs or margins in the favour of the counterparty.
18. His next alternative would be to back every remaining double in the last two legs besides the two perms he currently owns. Assuming 9 runners in each of legs 5 and 6 he would need to back 9 x 9 (all doubles) less the two doubles he already owns, so he would need to transact on 79 doubles backing each of those doubles to return \$3,000,000, with a hedging cost (ignoring margin and transactions costs) of \$2,125,000. Short notice and the complexity of finding the necessary liquidity/counterpart(s) to such hedging bets make the task almost certainly insurmountable. This is a \$10 punter required to fund and transact \$2.125M in the window between race 4 and race 5.

19. Now extrapolate the above situation to the prior leg, so imagine only 3 races are resolved and the punter remains the only person live with two remaining perms. He would then need to transact on $(9 \times 9 \times 9)$ less 2 trebles, so 727 trebles to hedge his position.
20. Thus following the above process is almost impossible for retail players and indeed even the most advance professionals including myself to hedge in such a way, due to the combination of:
 - 1) The lack of significant funds to be able to fund the hedge;
 - 2) The logistics of the complexity and multitude of hedges needed;
 - 3) The high transaction costs;
 - 4) The lack of willing counterparties; and
 - 5) In a pool context the lack of information, as the operator's system does not calculate, store or publish the above described information.
21. Regardless as to whether some people overcame these difficulties, the potential existence of some people hedging positions of multi-leg and single bets does not reflect prior art for a system that systematically does this
22. However, all of the above issues are resolved and neatly packaged into the 'cash-out' option of the present invention. The back end system of software and hardware enabled by the present invention sorts, calculates and manages the above described data sets in a way no other method or system had ever done previously. The system calculates the EV of the individual's perms and packages them up into a single offer for a ticket that potentially has multiple perms and multiple potential prizes such as in STATE 3 above.
23. Additionally the current invention considers the impact of consolation prizes on the storage capacity of the system and the ability to generate offers. A system capable of tracking consolation pathways and clashing tickets through 410,338,673 permutations is part of the current invention with cash-out offers which can be accepted in full or in part by players. Still today no other operator in the world provides cash-out offers on multi-leg bets that have consolation prizes, and they certainly didn't at the priority date of our current invention. I am certain with some work we will be replicated in that a person of reasonable skill in the industry will, with the use of this patent be able to reconstruct the same or a similar system to offer the same or a similar product, but it was not envisaged or invented by anyone except me and was certainly not known or anticipated in the prior art.
24. At Paragraphs 27 and 28, Mr Sim claims that because bookmakers have advanced computer systems, innovations like cash-out and partial cash-out are picked up and replicated quickly, because the systems are advanced and the innovation is rudimentary, obvious and easy to implement. However, Colossusbets launched partial cash-out in early 2013 and it took the industry (e.g., Bet365, Paddy Power and Betfair) over two years to replicate us on even the most simple of bet types - i.e. singles and fixed odds multiples bets without consolations.
25. At Paragraph 28, Mr. Sim states *"cash out is an example of a product that is developed to provide a competitive advantage and would not have required substantial improvements in the technology of the computer systems operated by the bookmakers"*. However, despite this expert opinion, 3.5 years after launch we remain:
 - The only tote/pari-mutuel (and slot) in the world with cash-out or partial cash-out;

- The only bet type in the world with partial cash-out on permed bets (i.e. bets where more than one selection can be made in a single leg/event in the bet); and
 - The only bet type in the world with partial cash-out on bet types which include consolation prizes.
26. Colossusbets delivers its product to its business partners (i.e. other betting firms who wish to offer our pools to their own retail players) through either a direct "API" integration or through a "microsite", which is an embedded website within the partner website. A customer logs in through the partner site, then plays the Colossus product on the microsite using the funds in their account with that partner. This therefore requires an integration between Colossusbets and the partner's walleting/accounting system.
27. Many partners with whom we have integrated have not had a back end system suitable for the Colossusbets product, almost exclusively due to their software and hardware not facilitating the necessary financial transactions relevant to cash-outs.
28. Our integration with one existing business partner required that partner to upgrade and re-write their database and system as previously it only facilitated a maximum of one credit for every debit on a player's account. This did not allow for the partial cash-out provided by our pools, where on a ticket for which there has been a single debit at the time of bet placement, a player may subsequently receive multiple cash-out credits (as the ticket is cashed out multiple times in part), plus an additional credit for 'partial' winnings at the end of a pool/bet in respect of the portion of the ticket of which the player has retained ownership.
29. The partial cash-out feature of the present invention allows:
- A system that enables multiple credits to a single Bet ID, that many 'sophisticated' bookmakers' systems still cannot handle and have had to be amended in our integrations (as above). This is because systems were hard coded on the assumption that it would only ever be necessary to allow one credit entry per debit (bet) entry. Therefore such systems were built to only allow either a winning dividend/payout or a full cash-out. No bookmaker or operator's system at the present priority date enabled the present invention to our knowledge; and
 - A system that tracks multiple ownerships on an individual's ticket/stake/unit/Bet ID, which did not exist before the present invention. No bookmaker or operator's system at the present priority date enabled the present invention to our knowledge, as no bookmaker offered such a system until March 2015, almost 2 years after our launch and 2.5 years after our priority date.
30. We offered another Colossusbets business partner (scheduled to go-live with our products soon) a licence to store and run our technology within their own hardware and software infrastructure, but given the significant cost and complexity of upgrading, they decided to outsource the back end office and cash-out calculations to Colossusbets to ensure the system worked, was technically stable and able to run the calculations required for such a complex invention.
31. At Paragraph 29, Mr. Sim describes private arrangements that we cannot verify and for which Mr Sim does not provide evidence. But again reiterating the complexity of these options, assuming such behaviour by the occasional retail player did occur, it still does not represent or suggest the inventive features of the present claim 1 of a method and

infrastructure to calculate positions for all retail players who remain eligible to win a prize in a pool/lotto/slot/fixed odd bet, and neatly present to the players a full or partial cash-out offer without the need for complex hedging arrangements requiring the player to have significant capital in place on demand.

Section Two: Comments on the Cash Out Video (Paragraphs 30 – 32 of the Sim Declaration)

32. The cash-out video from Betfair in 2012 does not invalidate the inventiveness of the present patent application for at least the following reasons:

- a) Betfair 'cash-out' was explicitly only 'full cash-out' and made no mention or reference to 'partial cash-out' covered by claim 1 of my invention. It is clear in both scenarios in the video where the player 'banks' a profit that the profit is equal across all outcomes (£2.10 at 1.01, or £12.12 at 1.24). Similarly where the presenter shows locking in a loss at 1:40 to limiting liabilities, he does so explicitly in a manner of cashing-out 100% of the bet to lock in an identical loss of £16 regardless of the outcome being a win for Manchester United, a Draw or a win for Arsenal. There is no reference to partial cash-out and as documented elsewhere no operator (besides Colossusbets) offered partial cash-out until March 2015, whereas Colossusbets went live in the summer of 2013 with its partial cash-out. As such this video does not reflect prior disclosures of partial cash-out on singles or cash-out (full or partial) on multiples in the fixed odds vertical or full or partial cash out on slots, lotteries, pools and keno of the present claim 1 or dependant claims.
- b) When Betfair introduced 'cash-out' it was on singles bets only not multiples; this is explicit throughout the video as it is only ever referring to a single game (Manchester United vs Arsenal). The market displayed is the Home/Draw/Away or 1x2 market, an explicitly single event market, and as such does not reflect prior disclosures of partial cash-out on single bets or cash-out (full or partial) on multiples in the fixed odds vertical or full or partial cash out on slots, lotteries, pools and keno of claim 1 or dependant claims.
- c) Betfair cash-out being only on a single event (a 1x2 football market) did not require the Betfair system to be capable of "determining any players eligible to win at least one jackpot or portion thereof based on the potential outcome of each of a defined number of legs.....wherein players that are eligible to win at least one leg are eligible to win at least one jackpot or portion thereof". As such, this does not reflect prior disclosures of claim 1 or dependant claims regarding a system that can identify and or value a ticket that remains eligible to win a prize to be available for a cash-out offer (full or partial).

Section Three: Comments on the Application

33. At Paragraphs 41 and 42, the example given by Mr Sim is mathematically incorrect and suggests that perhaps he does not actually understand the present invention. Mr Sim indicates that the cash-out offer/dividend is the sum of the prices of the results obtained correctly to date, but these are in fact irrelevant to the amount of the cash-out offer. The cash-out offer is the final prize (\$11,038 in his example) divided by the probability of the final outcome ("Canterbury Bulldogs to win the Premiership").

34. At Paragraphs 46 and 47, Mr Sim refers to the display of approximate dividends. However, while some (but not all operators) display "approximate dividends" this is only ever done anywhere in the world to my knowledge before the last leg of a multi-leg bet, and as such a player can only understand his value on the last leg and only (generally) understand his value for the "win" portion of a bet – not the consolation portion.
35. Additionally if one were to look at the American pari-mutuel systems, comprising a 'merged' pool from such as AmTote, Sportech, United Tote and others, they technically do not even have a single combined pool at any stage, and as such it would be impossible for them to offer cash-out on the bets after 1 or 2 legs are complete, as at this point there is no consolidated visibility of the entire bet population. In other words, these pools are not actually technically merged into a single pool and consolidated visibility across these pools typically only takes place after a number of legs in the pool have been completed. It would cost several millions of dollars on technology upgrades and software rewrites to add cash-out to the US racing tote system across all legs of a pool, firstly making all systems talk to each other and share information and secondly to include the new software hardware and database structures required to be able to store calculate and implement the system described in this patent. The same upgrades are required for fixed odds multiples bets.
36. At Paragraph 50, Mr. Sim suggest that various prior art systems would have been capable of offering "a vast array of multi wagers to customers to be sold across several streams." But this point is entirely untenable, in that he claims, "In my opinion, however, such a system would be like the systems operated by the entities I have discussed in this Declaration, such as TABCORP, Tatts (now UBET), Ladbrokes, Sportsbet, Sportingbet, at the Priority Date," - i.e systems from pre-September 2012. Yet even now, 3.5 years later, the vast majority of such systems cannot offer the services defined in the present invention and patent specification, and of the companies mentioned by Mr Sim, only Ladbrokes Australia offers the relevant services, which it does under licence from Colossusbets using Colossusbets' systems software and hardware.
37. In response to the claim that this invention is simple to replicate, I would reiterate that, still today in July 2016, almost 4 years after the priority date:
- The only tote/pari-mutuel in the world with full cash-out or partial cash-out is Colossusbets;
 - The only bet type in the world with partial cash-out on permed bets is Colossusbets;
 - The only bet type in the world with partial-cash out on consolation prizes is Colossusbets; and
 - To date competitors and replicators have only managed to replicate partial cash-out on singles and on simple accumulators.
38. If it was so simple to implement, and as David Sim suggests cash-out and partial cash-out provide a competitive advantage, why would firms that can do it choose not to do it? With over 50 tote operators in the world, it is clear that the comment of Mr Sim is flawed and the complexity of adding partial cash-out means that the solution of the present invention was not obvious when the patent application was filed. Implementing the invention is complex on dated systems and software unable to include the flexibility and mathematics employed in the present invention, despite the fact that people of

reasonable skill can replicate variants of the system from the technical disclosure of the patent application.

39. Multi leg pool betting (especially with consolations) is extremely complex, and it took me several years of work, and mostly intuition, to conceive the principle and solve and produce the method and system of the present invention that would allow commercial use and presentation of the invention to retail players on a grand scale.
40. At Paragraph 52, Mr. Sim again suggests that computing systems were capable of implementing the concepts of the present invention without the need for any changes to the actual computers. However, I know this to not be the case. Although creating the software to implement the present invention is within the capabilities of a skilled programmer (given the present patent specification), such software remains extremely complex. The need for such complex software further demonstrates that the unique features of the present invention, such as the steps defined in claim 1, would not have been obvious at the time of the priority date, a fact confirmed by the fact that we have yet to be replicated on most levels despite Mr Sim's expert view that our advances are valuable to our competitors.
41. In particular the mathematics of calculating cash-out offers according to the present invention is complex. For example, if consolation prizes are dispersed such as allowing a consolation prize for 9 out of 15 correct predictions for a 1x2 soccer pool with 15 legs/matches, the consolations are essentially intractable, and even in Colossusbets' pools where we offer consolations down to 12 out of 15, the maths and parallel cash-out processing needed is immense and complex and extremely difficult to replicate. This further demonstrates that before the priority date of the present invention a person of ordinary skill in the art likely would not have been led to conceive of the method of claim 1, but in fact would have been readily discouraged from designing or attempting to implement such a method
42. In Paragraph 53, Mr. Sim appears to concede that partial cash-out did not exist in any way shape or form in hedging or additional bets or synthetic financial instruments (that replicated a bet) at the priority date. This acknowledgement by Mr. Sim is confirmed at least twice in his expert declaration, namely at:
 - Paragraph 53 *"however it may be that the idea of offering a partial or full buyout automatically on a large scale for active wagers (e.g. most, if not all, multi-leg bets) could possibly be new."*
 - Row 1.18 of Exhibit DS-5 *"Partial buyouts do not appear to be explicitly disclosed in D4"*

Section Four: comments on specific documents

D4: US 2004/0210507 A1

43. At Paragraph 55, Mr. Sim seeks to imply that the financial instrument of D4 is in fact the wager of a client. However, in the D4 reference the system was about building a derivative of a bet and allowing people to trade the derivative (a financial instrument) and not actually trade the original bet at any stage. Thus there is no disclosure in D4 of a method or system concerning a multi-outcome wagering event as defined in the present

- claims. As Mr Sim agrees there is no disclosure of selling a wager partially or in segments as the financial contract in D4.
44. Additionally D4 does not disclose a system or claim one that identifies the bets which remain eligible to win a jackpot. Instead it specifically leaves that decision to the market participants of the open market in the derived financial instrument and only settles the instrument finally once the event has been completed.
 45. As such D4 did not disclose a system capable, for example, of "determining any players eligible to win at least one jackpot or portion thereof based on the potential outcome of each of a defined number of legs.....wherein players that are eligible to win at least one leg are eligible to win at least one jackpot or portion thereof". As such it does not reflect a system that can identify and/or value a ticket that remains eligible to win a prize to be available for a cash-out offer (full or partial).
 46. At Paragraph 56, Mr. Sim again asserts that D4 discloses trading of wagers, but this is incorrect. D4 discusses trading "of derivatives built to embody a wager", which allows for hedging against a wager. D4 does not disclose trading or selling of the actual wager.
 47. At Paragraph 64, Mr. Sim concedes that D4 does not disclose partial cash-out, but his assertion is that a partial cash-out is the same as a (full) buyout. This is incorrect. There are significant technical differences between a buyout and a partial buyout, and even more extreme differences between buyout on a simple accumulator and partial buyout on a complex pool with consolations as described in the present patent application. As described above, some systems with which Colossusbets have been seeking to integrate cannot merge with the Colossusbets' product, because their systems are built and hard coded to only allow one credit function for each debit function or bet ID. As such their entire system cannot handle a partial cash-out system where there can be multiple credit entries for one bet/ticket.
 48. For example, the process can work as follows:
 - a) BetID 134253 places a \$24 bet comprising 12 lines in a six leg event;
 - b) after 2 legs the player sells 20% of the ticket for \$100;
 - c) after 4 legs the player sells another 20% of the ticket for an additional \$5,000; and
 - d) after 6 legs the player fails to win the 6 from 6 prize but does win the 5 from 6 prize (\$2,000) and 4 from 6 prize (£247).
 49. So in summary the above single \$24 debit for a single BetID has 4 credit entries to facilitate the process of partial cash-out and partial dividends and again as an expert I can confirm some systems in 2016 do not tolerate this functionality.
 50. At Paragraph 64.2, Mr. Sim states that in his opinion any implementation of the system of D4 would make multiple offers. However, it appears to me that D4 does not make multiple or any offers on the bet, but instead it allows people to buy and sell a derivative of the bet. Additionally the multiple offers that would be made on the financial instrument would be for the entire contract and the multiple offers would be at different prices due to movement in the sentiment or as the underlying game progresses. The multiple offers would not (for example) be an additional offer of the remaining 50% of a contract that had previously sold 50%, as D4 does not disclose or allow the sale or purchase of half (or any fraction) of the financial instrument it discloses.

Cash Out

51. At Paragraph 66, Mr. Sim refers to the Betfair cash-out video. However, the cash-out video from Betfair in 2012 does not invalidate the inventiveness of the present patent application for at least the reasons given above under '**Comments on the Cash-Out Video**'.
52. Further, at Paragraph 66, Mr. Sim refers to the present independent system claim 53 and its dependent claims. The steps of the present claim 1 are essentially replicated in the system claim 53. Thus all of my statements above concerning claim 1 are equally applicable to claim 53.

William Hill Cash In My Bet

53. At Paragraph 71, Mr. Sim's discussions of both D5 and D6 are not relevant, as the William Hill 'cash-in-my-bet' was launched in December 2012, and as such was after the earliest priority date on my patent application. Therefore I have not dealt with the discussion of the 'second' priority date of 2 August 2013.
54. The publication date of D5 and D6 was after the priority date of the present application. D5 indicates cash-in-my-bet was available in January 2013, and I believe that it was indeed launched on 15 December 2012. However, Exhibit JNR-5 of the Declaration dated 15 April 2016 of Jeremy Robinson is presented to indicate that the William Hill cash-in-my-bet product was live on 27 August 2012. However Exhibit JNR-5 proves no such date and even a cursory review of Exhibit JNR-5 demonstrates that D6 was not published in August 2012.
55. Regarding D6 as presented in Exhibit JNR-5, the Wayback machine evidence clearly includes a screen shot of widgets published much later than 27 August 2012 (namely, December 2012 and January 2013) and after the priority date of the present patent application. These widgets are shown on the right side of Exhibit JNR-5 under the heading Latest news, previews and podcasts: First, referencing cash-in-my-bet, there is a widget with a clear reference date of 18 December 2012. Second, there is another widget/promotional banner dated 30 January 2013 which describes a Darts competition.
56. Further, below is a table including URL links to two industry articles describing the launch date during the week of 19 December 2012 of the William Hill cash-in-my-bet product:

ARTICLE DATE	IMPORTANT POINTS	URL
23/12/2012	PROVIDES DEFINITIVE EVIDENCE WILLIAM HILL CASH IN MY BET STARTED ON 15 DECEMBER 2012	http://www.safebookmakerssites.com/PROMOTIONS/xxwilliambookmakerscashoutbets.htm

19/12/2012	CONFIRMS WILLIAM HILL CASH IN MY BET STARTED THE WEEK OF 19 DECEMBER 2012	http://www.bettingpro.com/category/football/william-hill-cash-in-my-bet-201212190083/
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57. Finally, Exhibit BJM-1 attached to this declaration includes an email to me from a journalist friend of mine who asked William Hill to confirm the launch date of the cash-in-my-bet product. The email is from the William Hill press office in the UK wherein the company itself confirms that its cash-in-my-bet product was not launched until 15 December 2012 and as such is not prior art against the present patent application.

AND I MAKE this declaration conscientiously believing the statements contained in this declaration to be true and correct.

B. Marantelli

Bernard J. Marantelli

Declared at: London, UK

Dated:

18/07/2016.