

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

DK CROWN HOLDINGS INC.,
Petitioner,

v.

DIOGENES LIMITED,
Patent Owner.

IPR2023-00264
Patent 9,424,716 B2

Before HYUN J. JUNG, ROBERT L. KINDER, and SEAN P. O'HANLON,
Administrative Patent Judges.

JUNG, *Administrative Patent Judge.*

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

A. *Background and Summary*

DK Crown Holdings Inc. (“Petitioner”) filed a Petition (Paper 1, “Pet.”) requesting institution of an *inter partes* review of claims 1, 2, 24, 28–30, 54–64, and 83 of U.S. Patent No. 9,424,716 B2 (Ex. 1001, “the ’716 patent”). Diogenes Limited (“Patent Owner”) filed a Preliminary Response (Paper 6, “Prelim. Resp.”).

Under 35 U.S.C. § 314, an *inter partes* review may not be instituted “unless . . . there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” Upon consideration of the Petition and for the reasons explained below, we determine that Petitioner has not shown a reasonable likelihood of prevailing with respect to at least one of the challenged claims.

Thus, we do not institute an *inter partes* review of claims 1, 2, 24, 28–30, 54–64, and 83 of the ’716 patent.

B. *Real Parties in Interest*

Petitioner states that it “is a wholly-owned subsidiary of DraftKings Inc., a Nevada corporation” that wholly owns “Crown Gaming Inc.” Pet. § II.A.¹ Petitioner also states that “SBTech (Global) Limited is a wholly-owned subsidiary of DK Crown Holdings Inc.” *Id.* According to Petitioner, “[n]o other parties exercised or could have exercised control over this Petition; no other parties funded or directed this Petition.” *Id.*

Patent Owner identifies itself and Colossus (IOM) Limited as real parties in interest. Paper 3, 2.

¹ The Petition does not have page numbering. We, therefore, cite the section. Because a word count limit applies to petitions, we encourage petitioners to include page numbering on petitions.

C. Related Matters

The parties state that the '716 patent has been asserted in *Diogenes Ltd. v. DraftKings Inc.*, 1-21-cv-01695 (D. Del.). Pet. § II.B; Paper 3, 2. Patent Owner also identifies IPR2023-00261, IPR2023-00262, IPR2023-00263, IPR2023-00265, IPR2023-00266, and IPR2023-00267 as related matters. Paper 3, 2.

D. The '716 Patent (Ex. 1001)

The '716 patent issued on August 23, 2016, from an application filed on January 7, 2016, which is a continuation of several previously filed applications, the earliest of which was filed on September 6, 2012. Ex. 1001, codes (22), (45), (63).

According to the Abstract, the '716 patent describes:

A system, method and apparatus [that] provide[] a unique betting product where players make selections in one or more different events. Players who are in contention to win may be offered an opportunity to sell their tickets, in whole or in part, in response to a full or partial buy-out offer made at any time prior to completion of a wagering event.

Id. at code (57).

E. Illustrative Claim

The '716 patent includes claims 1–108, of which Petitioner challenges claims 1, 2, 24, 28–30, 54–64, and 83. Of those, claims 1, 54, and 83 are independent, and reproduced below is claim 1.

1. A method of conducting a multi-outcome wagering event for one or more players, wherein the wagering event comprises a defined number of legs, the method comprising the steps of:
providing one or more wagering input devices in communication with a system controller through which one or more players may participate in a multi-outcome wagering event, said system controller being adapted for:

initiating the multi-outcome wagering event for one or more players, said multi-outcome wagering event comprised of a defined number of legs, wherein one or more jackpots, or a portion thereof, is awarded at least where a particular number of the defined number of legs are completed;

receiving a wager via the one or more wagering input devices in response to input from a player desiring to participate in the multi-outcome wagering event, wherein the wager coincides with each of the defined number of legs;

receiving input of an outcome of each of the defined number of legs corresponding to the multi-outcome wager event;

identifying one or more players eligible to win each of the defined number of legs based on the wager from among players participating in the multi-outcome wagering event,

initiating and causing display of at least one of a buy-out offer and partial buy-out offer via the one or more wagering input devices to any number of the one or more players that are eligible to win at least one jackpot or at least a portion of said at least one jackpot, said buy-out offer or partial buy-out offer being initiated at any time before the multi-outcome wagering event has been completed;

receiving an acceptance of the buy-out offer or partial buy-out offer via the one or more wagering input devices in response to input from a particular number of the players;

issuing a credit, tokens, currency or an award to the one or more players accepting the buy-out offer or partial buy-out offer;

wherein upon acceptance of the buy-out offer or partial buy-out offer by a player, the method further comprises at least one or more of:

transferring an entitlement of the player to at least one third party or another player, so that the at least one third party or another player becomes eligible to win the at least one jackpot or portion thereof;

transferring ownership or partial ownership of the player, in at least a portion of the player's wager, to at least one third party or another player, so that the at least one third party or another player obtains ownership or partial ownership and becomes eligible to win the at least one jackpot or portion thereof;

relinquishing rights of the player, in at least a portion of the player's wager corresponding to the buy-out offer or partial buy-out offer, before the multi-outcome wagering event has been completed; and

initiating and causing display of at least a portion of the player's wager corresponding to the accepted buy-out offer or partial buy-out offer for at least one of bidding and selection by one or more third parties.

Ex. 1001, 32:10–33:4.

F. Asserted Prior Art and Proffered Testimonial Evidence

Petitioner identifies the following references as prior art in the asserted grounds of unpatentability:

Name	Reference	Exhibit
DeWaal	US 2008/0113765 A1, published May 15, 2008	1004
Schugar	US 2008/0311981 A1, published Dec. 18, 2008	1005

Petitioner argues that both references are prior art under at least § 102.

Pet. §§ VIII.A, VIII.B. Petitioner also provides a Declaration of Dwight Crevelt. Ex. 1007. Patent Owner provides a Declaration of Olaf Vancura, Ph.D. Ex. 2001.

G. Asserted Grounds

Petitioner asserts that claims 1, 2, 24, 28–30, 54–64, and 83 are unpatentable on the following grounds:

Claims Challenged	35 U.S.C. §	References/Basis
1, 2, 24, 54–59, 62–64, 83	102	DeWaal
1, 2, 24, 28–30, 54–64, 83	103	DeWaal, Schugar

Pet. § IV.B.

II. ANALYSIS

A. Legal Standards

“In an [*inter partes* review], the petitioner has the burden from the onset to show with particularity why the patent [claim] it challenges is unpatentable.” *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1363 (Fed. Cir. 2016). This burden of persuasion never shifts to Patent Owner. *Dynamic Drinkware, LLC v. Nat’l Graphics, Inc.*, 800 F.3d 1375, 1378 (Fed. Cir. 2015). The Board may authorize an *inter partes* review if we determine that the information presented in the Petition shows that there is a reasonable likelihood that Petitioner will prevail with respect to at least one of the claims challenged in the petition. 35 U.S.C. § 314(a).

Petitioner contends that the challenged claims of the ’716 patent are unpatentable under §§ 102 and 103. Pet. 3. A claim is anticipated under § 102 “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., Inc. v. Union Oil Co. of Cal.*, 814 F.2d 628, 631 (Fed. Cir. 1987).

A claim is unpatentable under § 103 if the differences between the claimed subject matter and the prior art are such that the subject matter, as a whole, would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations, including: (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of skill in the art; and (4) where in evidence, so-called secondary considerations. *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966). When evaluating a

combination of teachings, we must also “determine whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue.” *KSR*, 550 U.S. at 418 (citing *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006)). Whether a combination of elements produces a predictable result weighs in the ultimate determination of obviousness. *Id.* at 416–417.

B. Level of Ordinary Skill in the Art

Petitioner contends that one of ordinary skill in the art “would have a bachelor’s degree in electrical engineering, computer science, or a similar field; and at least two years of experience in the wager based gaming industry.” Pet. 12 (citing Ex. 1007 ¶ 28). Petitioner also states that “[a] person with less education but more relevant practical experience may also meet this standard” and that the “description is approximate, and a higher level of education or skill may make up for less experience, and vice-versa.” *Id.* (citing Ex. 1007 ¶ 28).

Patent Owner does not dispute Petitioner’s asserted level of ordinary skill in the art and does not propose its own level of skill. *See generally* Prelim. Resp. For the purposes of this Decision, we adopt Petitioner’s asserted level of ordinary skill.

C. Claim Construction

Independent claims 1 and 83 recite, *inter alia*, “receiving a wager via the one or more wagering input devices in response to input from a player desiring to participate in the multi-outcome wagering event, wherein the wager coincides with each of the defined number of legs.” Ex. 1001, 32:24–28, 44:4–8. These claims also require “identifying one or more players eligible to win each of the defined number of legs based on the wager from

among players participating in the multi-outcome wagering event.” *Id.* at 32:32–35, 44:18–21.

Independent claim 54 recites “a system controller configured to: . . . receive a wager via the one or more wagering input devices in response to input from a player desiring to participate in the one or more wagering events” and “identify one or more players eligible to win the one or more wagering events based on the wager from among players participating in the one or more wagering events compared against the outcome of the one or more wagering events.” Ex. 1001, 38:55–57, 38:59–63.

We understand that these independent claims are written in a way that reads on some embodiments (*see, e.g.*, Ex. 1001, 14:61–15:19, describing an embodiment where the wager involves guessing the outcomes of 6 games and the “legs” are the outcomes of each of the underlying 6 games) but not all embodiments (*see, e.g., id.* at 23:9–34, describing an embodiment where the “legs” are the outcomes of each reel in a slot machine, and thus there is no evaluation of an initial wager to determine whether the player won at each leg—the wager is akin to an entry fee to play).

Accordingly, we construe independent claims 1 and 83 to set out a method where the wager (1) enters the player into the event (and thus, is set before the event) and (2) is of a nature such that it serves as the metric by which the player is evaluated at each leg to determine whether they remain eligible to win the event.

We similarly construe independent claim 54 to require a system wherein the controller receives a wager “in response to input from a player desiring to participate in . . . wagering events” (and thus, before the event) and (2) the wager is of a nature such that it serves as the metric by which the

player is evaluated at each leg to determine whether they remain eligible to win the event.

The parties do not propose an interpretation of this term. *See* Pet. § VII (addressing only “at least one of a buy-out offer and a partial buy-out offer”); Prelim. Resp. 15–23 (addressing only the same phrase).

D. Asserted Anticipation by DeWaal

Petitioner states that “[d]epending on the construction of ‘at least one of a buy-out offer and partial buy-out offer’ adopted, the Challenged Claims are either anticipated by DeWaal or rendered obvious by DeWaal in view of Schugar.” Pet. § IX (citing Ex. 1007 ¶ 80).

1. DeWaal (Ex. 1004)

DeWaal describes how existing gaming machines (such as slot machines or video poker machines) offer both a base game and a secondary, or bonus, game upon occurrence of a triggering event. Ex. 1004 ¶¶ 3–4. The bonus game can be a game in which an initial group of players are eliminated round by round until there is a winner. *Id.* ¶ 16. DeWaal describes where each round can be associated with a prize, and players can elect to quit the game and take the prize, or elect to continue the game in the hopes of a chance for a greater prize. *E.g., id.* ¶¶ 18–19. Reproduced below is Figure 10 of DeWaal.

FIG. 10

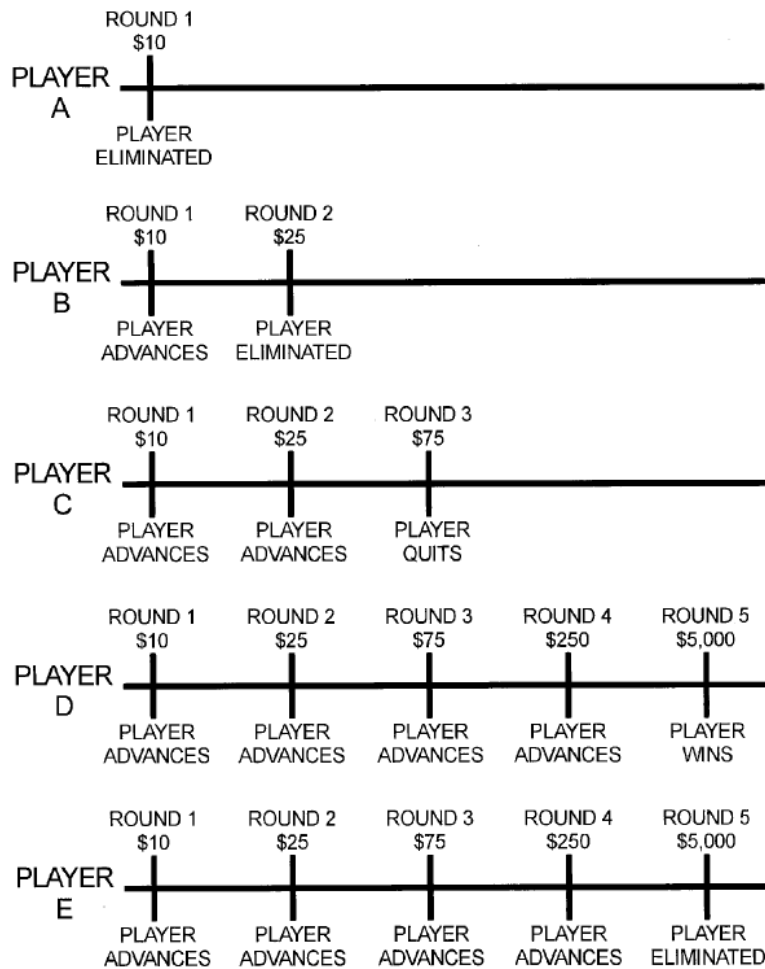


Figure 10 of DeWaal depicts a series of timelines for players A through E as they participate in a multi-round bonus game. Ex. 1004 ¶ 40; *see generally id.* ¶¶ 157–162. For example, player B advances past the first round, but is eliminated in the second round, winning nothing. *Id.* ¶ 159. Player C advances to the third round, and takes their accumulated prizes from rounds one and two ($\$10 + \$25 = \$35$), leaving the game. *Id.* Player D advances to the fifth round, and wins a prize of \$5,000, whereas player E advanced to the fifth round, but was eliminated attempting to win that final round (winning nothing). *Id.* ¶ 160.

2. *Independent Claims 1 and 83*

Petitioner argues with citations to DeWaal and testimonial evidence that DeWaal discloses, or would have been understood to disclose, each and every limitation of claim 1. Pet. § IX.A.1. In particular, for “receiving a wager via the one or more wagering input devices in response to input from a player desiring to participate in the multi-outcome wagering event,” Petitioner points to DeWaal’s disclosure of a payment acceptor, such as coin slot 26 and payment, note, or bill acceptor 28. *Id.* at § IX.A.1.d (citing Ex. 1004 ¶¶ 57, 94–96, 129; Ex. 1007 ¶¶ 103–108, 115–118).

For “wherein the wager coincides with each of the defined number of legs,” Petitioner contends that “players of [DeWaal]’s bonus event ‘***make an input*** in association with the plurality of outcomes ***in each round*** as indicated by block 108’ of process 100.” Pet. § IX.A.1.d (citing Ex. 1004 ¶ 129). Petitioner also contends that DeWaal discloses that players can “input an outcome of each of the defined number of legs corresponding to the multi-outcome wagering event” because DeWaal’s central controller receives a signal corresponding to each player’s input. *Id.* at § IX.A.1.e (citing Ex. 1004 ¶¶ 13, 129, 164; Ex. 1007 ¶¶ 109–113).

Regarding “identifying one or more players eligible to win each of the defined number of legs,” Petitioner argues that DeWaal discloses how players that selected the winning outcome are deemed eligible for a subsequent round and must continue picking the winning outcome in each round. Pet. § IX.A.1.f (citing Ex. 1004 ¶¶ 119, 130, 143, Figs. 3, 7; Ex. 1007 ¶¶ 114–119). As for identifying eligible players “based on the wager from among players participating in the multi-outcome wagering event,” Petitioner contends that “DeWaal discloses how, ‘[b]ased on the players’ input,’ its ‘central controller ***designates (or causes a designation***

of) certain players to advance to a subsequent round” and the “player input includes players’ wagers and selection of an outcome.” *Id.* (citing Ex. 1004 ¶¶ 119, 130).

Independent claim 83 recites a “method of conducting a multi-outcome wagering event for one or more players, wherein the wagering event comprises a defined number of legs,” that includes “receiving a wager via the one or more wagering input devices in response to input from a player desiring to participate in the multi-outcome wagering event, wherein the wager coincides with each of the defined number of legs” and “identifying one or more players eligible to win each of the defined number of legs based on the wager from among players participating in the multi-outcome wagering event.” Ex. 1001, 43:55–45:4. These receiving and identifying steps of claim 83 are identical to the corresponding receiving and identifying steps of claim 1. *Compare id.* at 32:24–28, 32:32–35, *with id.* at 44:4–8, 44:18–21.

For the receiving step quoted above, Petitioner refers to its arguments for claim 1. Pet. § IX.A.13.d (stating “[s]ee *supra* limitation 1[d]” for limitation “83[d]”); *see also id.* at § III.A (labeling claim 1’s “receiving a wager via the one or more wagering input devices in response to input from a player desiring to participate in the multi-outcome wagering event, wherein the wager coincides with each of the defined number of legs” as “1[d]”), § III.R (labeling claim 83’s “receiving a wager via the one or more wagering input devices in response to input from a player desiring to participate in the multi-outcome wagering event, wherein the wager coincides with each of the defined number of legs” as “83[d]”).

For the identifying step quoted above, Petitioner also refers to its arguments for claim 1. Pet. § IX.A.13.h (stating “[s]ee *supra* limitation 1[f]”

for limitation “83[h]”); *see also id.* at § III.A (labeling claim 1’s “identifying one or more players eligible to win each of the defined number of legs based on the wager from among players participating in the multi-outcome wagering event,” as “1[f]”), § III.R (labeling claim 83’s “identifying one or more players eligible to win each of the defined number of legs based on the wager from among players participating in the multi-outcome wagering event,” as “83[h]”).

Patent Owner responds, *inter alia*, that Petitioner combines different embodiments of DeWaal. Prelim. Resp. 37–38.

Petitioner’s anticipation challenge does not adequately address the “wager” recited in the receiving and identifying limitations. In particular, the wager in DeWaal relied upon by Petitioner is the bet placed to play the initial game, which occurs prior to the multi-round bonus event. Pet. § IX.A.1.d; Ex. 1004 ¶ 57. Alternatively, DeWaal discloses that it could require a separate fee to enter the bonus game. *Id.* ¶ 83. In either case, the putative wager in DeWaal serves to allow entry into the event.

Petitioner does not explain sufficiently how either wager serves to identify a winner of a leg of DeWaal’s bonus game. *See* Pet. § IX.A.1.f.; Ex. 1007 ¶¶ 114–119. Instead, players advance by making separate choices at each leg of the bonus game. *See, e.g.*, Ex. 1004 ¶¶ 119, 128; *see also* Ex. 1007 ¶ 118 (“DeWaal’s identification of players that are eligible to win each round of the bonus event is ‘based on the wager,’ and more specifically *based on the player’s input selection* of one of the wagered upon potential outcome in each round.”) (emphasis added).

That is, the player’s choice, not the relied-upon wager, determines whether the player advances at each leg. *See, e.g.*, Ex. 1004 ¶ 119 (“If at least one of the players picks (or makes an input associated with) the

designated outcome in a first round, that player advances to a second round.”). As such, Petitioner does not sufficiently show that DeWaal describes “identifying one or more winners . . . based on the wager.”

Similarly, even if we were to consider the player’s choice in DeWaal’s bonus event, such as whether to risk further play or take the buy-out (*e.g.*, Ex. 1004 ¶ 146), to be a form of wager, that wager would be different from the one required in claim 1. In particular, claim 1 requires the wager to be “in response to the . . . players desiring to participate in the . . . event” as well as to “coincide[] with each of the defined number of legs.” Ex. 1001, 32:27–30. Thus, by the time the player in DeWaal is making choices during the event, they have already expressed a desire to participate in the event, and any such “wager” to continue the event is tied only to that leg, not to “each of the defined number of legs.” In other words, claims 1 and 83 require the wager to be something that is set ahead of time, and to contain information that is used, at each leg, to evaluate whether that player remains eligible.

Accordingly, for the reasons above, we determine that Petitioner has not sufficiently addressed each limitation of claims 1 and 83 and does not show a reasonable likelihood of prevailing in its challenge that DeWaal anticipates claims 1 and 83.

3. Independent Claim 54

Claim 54 recites “[a] wagering system including one or more wagering input devices for allowing the placement of a wager on one or more wagering events” that comprises “a system controller” configured to “receive a wager via the one or more wagering input devices in response to input from a player desiring to participate in the one or more wagering events” and “identify one or more players eligible to win the one or more

wagering events based on the wager from among players participating in the one or more wagering events compared against the outcome of the one or more wagering events.” Ex. 1001, 38:47–39:20.

For claim 54, Petitioner contends that “[c]laim 26 overlaps substantially with claim 1 such that that DeWaal discloses the majority of claim 26 for the reasons discussed above with regard to claim 1.”

Pet. § IX.A.4. We understand Petitioner to mean DeWaal discloses most of the limitations of claim 54, not claim 26, because Petitioner does not challenge claim 26. *See id.* at §§ IV.B., IX.A., IX.B.

For the recited controller being configured to “receive a wager via the one or more wagering input devices in response to input from a player desiring to participate in the one or more wagering events,” Petitioner refers to its arguments for claim 1 regarding the receiving step. Pet. § IX.A.4.b (stating “[s]ee *supra* limitations 1[b]–1[d]” for limitations “54[b]–54[d]”); *see also id.* at § III.A. (labeling claim 1’s first receiving step as “1[d]”), § III.G. (labeling claim 54’s “receive a wager via the one or more wagering input devices in response to input from a player desiring to participate in the one or more wagering events” as “54[d]”).

For the controller being configured to “identify one or more players eligible to win the one or more wagering events based on the wager from among players participating in the one or more wagering events compared against the outcome of the one or more wagering events,” Petitioner argues that DeWaal discloses the limitation “for the reasons discussed for limitation 1[f], *supra*.” Pet. § IX.A.4.d (citing Ex. 1007 ¶¶ 163–169); *see also id.* at § III.A. (labeling claim 1’s identifying step as “1[f]”), § III.G. (labeling claim 54’s “identify one or more players eligible to win the one or more wagering events based on the wager from among players participating in the

one or more wagering events compared against the outcome of the one or more wagering events” as “54[f]”).

Petitioner also argues that “DeWaal discloses identifying eligible players based on the wager ‘*compared against the outcome of the one or more wagering events*’ because the ‘the central controller determines whether any of the Players . . . picked the designated selection **204**’” to play in a subsequent round.” Pet. § IX.A.4.d (citing Ex. 1004 ¶¶ 130, 145).

Petitioner’s anticipation challenge does not adequately address the “wager” of the above-quoted receive and identify limitations of independent claim 54. As discussed for claims 1 and 83, the wager in DeWaal relied upon by Petitioner is the bet placed to play the initial game, which occurs prior to the bonus event, or it could be a separate fee to enter the bonus game. Pet. §§ IX.A.1.d, IX.A.4.b; Ex. 1004 ¶¶ 57, 83. As discussed above, each of these putative wagers in DeWaal serves to allow entry into the event.

Petitioner also does not sufficiently show how DeWaal discloses a controller configured to “receive a wager . . . in response to input from a player desiring to participate in the one or more wagering events.” Pet. §§ IX.A.1.d, IX.A.4.b; Ex. 1001, 38:55–57. The cited portions of DeWaal do not describe that coin slot 26 or payment acceptor 28 requires an input before receiving a wager so that the wager would be received “in response to input,” as recited by claim 54. Ex. 1004 ¶¶ 57, 94–96, 129.

Petitioner’s declarant addresses receiving a wager in response to input with reference to DeWaal. Ex. 1007 ¶ 107 (citing Ex. 1004 ¶¶ 118, 129). The cited portions of DeWaal, however, describe “a side-wager or entry fee that enables a player to participate in the bonus event” and a controller enabling a player to make an input via a suitable input device. Ex. 1004 ¶¶ 118, 129. Petitioner’s declarant does not explain adequately why the

cited portions disclose the controller receiving a wager in response to an input. *See* Ex. 1007 ¶¶ 103–108. The cited portions of DeWaal do not explicitly describe receiving a wager in response to the input. *See* Ex. 1004 ¶¶ 118, 129. Petitioner’s declarant may be implying that the disclosed “side-wager” is the input, but the claim requires the controller to “receive a wager . . . in response to input from a player.” Ex. 1001, 38:55–57; Ex. 1007 ¶ 107. Claim 54 cannot be requiring the “wager” to be the “input.” *See* Ex. 1001, 38:55–57.

Claim 54 requires a controller configured to “identify one or more players eligible to win the one or more wagering events *based on the wager* from among players participating in the one or more wagering events compared against the outcome of the one or more wagering events.” Ex. 1001, 38:59–63.

Petitioner repeatedly argues that DeWaal’s bonus game discloses the recited “one or more wagering events.” *See, e.g.*, Pet. § IX.A.1.a (arguing for claim 1 that DeWaal discloses “a multi-round **bonus event**” and that “its ‘bonus event’ is a ‘*multi-outcome*’ event”), § IX.A.1.c (arguing for claim 1 that “DeWaal discloses ‘*initiating*’ such a wagering event because its ‘central controller . . . **cause[s] the system gaming machine to provide** a multi-round bonus event”), § IX.A.4.a (arguing for claim 54 that DeWaal discloses the system and wagering event for the reasons given for claim 1); Ex. 1007 ¶ 151 (opining for claim 54 that “DeWaal’s multi-round bonus event is one or more ‘wagering events’”).

Petitioner does not explain sufficiently how the relied-upon wager serves to identify a winner of a leg of DeWaal’s bonus game. *See* Pet. § IX.A.1.f, IX.A.4.f; Ex. 1007 ¶¶ 114–119, 163–169. For the bonus game, DeWaal indicates that players advance by making separate choices at

each leg of the bonus game. *See, e.g.*, Ex. 1004 ¶¶ 119, 128, 143; *see also* Ex. 1007 ¶ 118 (“DeWaal’s identification of players that are eligible to win each round of the bonus event is ‘based on the wager,’ and more specifically *based on the player’s input selection* of one of the wagered upon potential outcome in each round.”) (emphasis added), ¶ 167 (stating the same for claim 54’s “identify” limitation).

Petitioner does not explain sufficiently how the side-wager for the bonus game (or the wager placed to play the initial game) serves to identify a winner of DeWaal’s bonus game. *See* Pet. §§ IX.A.1.f, IX.A.4.f; Ex. 1007 ¶¶ 114–119. Petitioner relies on DeWaal’s description of selecting the winning outcome but does not argue adequately where DeWaal describes that the relied-upon received wager is used as a basis to identify the players eligible to win the wagering event. *See* Pet. §§ IX.A.1.f (citing Ex. 1004 ¶¶ 119, 130, 143, Figs. 3, 7), § IX.A.4.f (citing Ex. 1004 ¶¶ 130, 145); Ex. 1007 ¶¶ 114–119. Petitioner, thus, does not sufficiently show that DeWaal describes a controller configured to “identify one or more players eligible to win the one or more wagering events based on the wager.” Ex. 1001, 38:59–60.

Similarly, even if we were to consider the player’s choice in DeWaal’s bonus event, such as whether to risk further play or take the buy-out (*e.g.*, Ex. 1004 ¶ 146), to be a form of wager, that wager would be different from the one required in claim 54 because the recited wager is required to be “in response to input from a player desiring to participate in the one or more wagering events.” Ex. 1001, 38:55–57. Thus, by the time the player in DeWaal is making choices during the bonus event, they have already expressed a desire to participate in the event. Claim 54, like claims 1 and 83, require the wager to be something that is set ahead of time, and to

contain information that is used, at each leg, to evaluate whether that player remains eligible.

Accordingly, for the reasons above, we determine that Petitioner has not sufficiently addressed each limitation of independent claim 54 and does not show a reasonable likelihood of prevailing in its challenge that DeWaal anticipates claim 54.

4. Dependent Claims 2, 24, 55–59, and 62–64

Petitioner argues with citations to DeWaal and testimonial evidence that DeWaal discloses, or would have been understood to disclose, each and every limitation of dependent claims 2, 24, 55–59, and 62–64.

Pet. §§ IX.A.2, IX.A.3, IX.A.5–IX.A.12.

For the reasons stated above for independent claims 1 and 54, because Petitioner does not sufficiently show that DeWaal discloses all of the limitations of the claims from which claims 2, 24, 55–59, and 62–64 depend, Petitioner does not show a reasonable likelihood of prevailing in its challenge that DeWaal anticipates claims 2, 24, 55–59, and 62–64.

E. Asserted Obviousness Based on DeWaal and Schugar

As noted above, Petitioner contends that, under an alternative construction of “at least one of a buy-out offer and partial buy-out offer,” DeWaal and Schugar would have rendered obvious claims 1, 2, 24, 28–30, 54–64, and 83.

Petitioner argues with citations to Schugar and testimonial evidence that “Schugar discloses both a full ‘buy-out offer’ **and** a ‘partial buy-out offer.’” Pet. § IX.B.1. Petitioner provides additional arguments for dependent claims 28–30, 60, 61, 63, and 64. *Id.* at §§ IX.B.3–IX.B.7.

Petitioner also argues that DeWaal and Schugar are analogous art. Pet. §§ VIII.C. (citing Ex. 1004 ¶¶ 69, 119; Ex. 1005 ¶ 126; Ex. 1007

¶ 270), IX.B.2 (citing Ex. 1004 ¶ 8; Ex. 1007 ¶¶ 69–79). Petitioner contends with citations to the references and its testimonial evidence, that one of ordinary skill in the art would have been motivated to combine DeWaal with Schugar so that DeWaal includes Schugar’s offer of a partial cash-out. *Id.* at § IX.B.2.

Patent Owner responds, *inter alia*, that Petitioner combines different embodiments of the references without providing a reason. Prelim. Resp. 37–38.

Petitioner does not rely on Schugar for teaching or suggesting the limitations regarding the “wager” of independent claims 1, 54, and 83 and does not provide a rationale to combine the references that addresses the “wager.” See Pet. § IX.B. For the reasons stated above in the anticipation challenge, because Petitioner does not sufficiently show that DeWaal discloses limitations regarding the “wager,” Petitioner does not show a reasonable likelihood of prevailing in its challenge that DeWaal and Schugar would have rendered obvious claims 1, 2, 24, 28–30, 54–64, and 83.

III. CONCLUSION

After considering the evidence and arguments presented in the Petition and the cited evidence, Petitioner does not show that there is a reasonable likelihood that it would prevail with respect to at least one of claims 1, 2, 24, 28–30, 54–64, and 83 of the ’716 patent.

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petition is denied, and no *inter partes* review is instituted.

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For PETITIONER:

Eliot D. Williams
G. Hopkins Guy III
Jamie R. Lynn
Thomas C. Martin
Bradley S. Bowling
Andrew D. Wilson
BAKER BOTTS LLP
Eliot.Williams@BakerBotts.com
Hop.guy@BakerBotts.com
Jamie.Lynn@BakerBotts.com
Tommy.martin@bakerbotts.com
Brad.bowling@bakerbotts.com
Andrew.Wilson@BakerBotts.com
DLDraftKingsvDiogenes@BakerBotts.com

For PATENT OWNER:

Gianni Minutoli
Matthew Middleton
Steven Kellner
DLA PIPER LLP (US)
gianni.minutoli@dlapiper.com
matthew.middleton@us.dlapiper.com
steven.kellner@dlapiper.com
DLA_Colossus_DCTDE@us.dlapiper.com