EXHIBIT A14

INVALIDITY CHARTS FOR U.S. PATENT PUB. NO. 2008/0311981 A1 (SCHUGAR '981)

As set forth below, DraftKings contends that U.S. Patent No. # (hereinafter "Schugar '981") anticipates one or more claims of U.S. Patent Nos. 10,970,969 (the "'969 Patent"); 10,997,822 (the "'822 Patent"); 11,200,779 (the "'779 Patent"); 9,424,716 (the "'716 Patent"); 9,275,516 (the "'516 Patent"); 8,721,439 (the '439 Patent"); 9,117,341 (the "'341 Patent"); and 9,704,338 (the "'338 Patent") (collectively, the "Asserted Patents") or renders the Asserted Patents obvious, either alone or in combination with other prior art and/or the knowledge of a person of ordinary skill in the art ("POSITA").

Schugar '981, filed on April 8, 2008 and published on December 18, 2008, qualifies as prior art to the Asserted Patents under at least 35 U.S.C. §§ 102(a), 102(b), 102(e), and/or 102(g)(2) (pre-AIA). Specifically, the '969 Patent was filed July 18, 2019; the '822 Patent was filed December 2, 2020; the '779 Patent was filed June 10, 2021; the '716 Patent was filed January 27, 2016; the '516 Patent was filed August 24, 2015; the '439 Patent was filed August 2, 2013; the '341 Patent was filed May 12, 2014; and the '338 Patent was filed July 18, 2016. DraftKings reserves the right to challenge any claim to a priority date earlier than the filing date for each claim of each Asserted Patent.

DraftKings' contentions are based upon information available to it at the time of serving these contentions. In the absence of a claim construction order from the Court, DraftKings has based the invalidity contentions on a reasonable interpretation of the claim language itself under currently controlling U.S. patent law or the meaning ascribed to the claim by Plaintiffs in their infringement contentions (which sometimes appears broader, narrower, vague, and/or ambiguous). DraftKings' invalidity contentions do not reflect, and nothing in these contentions should be construed as reflecting, DraftKings' endorsement or assertion of any particular claim construction. DraftKings reserves the right to propose alternative claim constructions and to challenge claim constructions offered by Plaintiffs in accordance with the Scheduling Order.

In the following claim charts, DraftKings has cited representative portions of the identified prior art reference, even where the cited reference may contain additional support for a particular claim element.[1] A POSITA would have known to read references as a whole, and in the context of other publications and literature and the knowledge of a POSITA. DraftKings may rely on all such information, including uncited portions of the prior art references identified herein and on other publications and testimony to provide context and as aids to understanding and interpreting the identified prior art references. Furthermore, DraftKings may rely on all such information to establish that a POSITA would have been motivated to modify or combine any of the identified references so as to render the claims obvious. Additionally, citations to a particular figure in a prior art reference encompass all text relating to the figure, and citations to text encompass all figures relating to that text. Further, where the limitations of a claim of an Asserted Patent are the same or substantively the same as other claim limitations of that Asserted Patent or other Asserted Patents, DraftKings provides a cross-reference to such limitations and hereby incorporates the referenced material as if fully set forth at the location of the cross-reference.

[1] All citations to or cross-references to claim elements within a respective section refer to the claim elements of the Asserted Patent addressed in that section unless otherwise indicated.

I. U.S. Patent No. 8,721,439

A. Claim 1

[1a] - A method of conducting a multi-outcome wagering event for one or more players, wherein the wagering event comprises a defined number of legs, and wherein at least one of the one or more players is presented with at least one of a buy-out offer and a partial buy-out offer prior to completion of all of the defined number of legs, the method comprising the steps of:

Schugar '981 discloses this limitation. For example, corresponding to "a method of conducting a multi-outcome wagering event for one or more players," Schugar '981 discloses:

"In addition to applying the equity concepts described herein to the above-described games, the methods described herein of using equity funds can also be used for any game that has variable states and is not over without an interval in between states." Schugar '981 at ¶ [0075].

For example, corresponding to "the wagering event comprises a defined number of legs," Schugar '981 discloses:

"The present invention allows a player to borrow money against the player's position in a game already in progress. Some casino games are over immediately (i.e. "casino war,") in which there is really no "in progress" state. Other games, such as games related to betting on progressions, contain a plurality of game states or intervals upon which a player can develop a "positive position." A game related to betting on a progression can comprise a game which has numerous game states, typically with a preferred outcome. A positive position can comprise a game in a particular game state, with or without particular current wagers made, wherein the player has a better than 100% expected return." Schugar '981 at ¶ [0020].

"FIG. 1 is a flowchart illustrating one example of a wagering game, according to an embodiment. A progression game is a game which has a plurality of game states, each game state may have a different expected return for the player based on the player's wagers and the current game state. The game is over when the game reaches a terminating game state." Schugar '981 at ¶ [0054].

"The embodiments described herein can also be used to bet on sporting events, either at intervals on individual games or series of games. For example two teams can play a best 4/7 series. After each game in the series (and even during particular games), payout odds for each team winning the series can change to reflect the current conditions (as described herein and/or known in the art) and players can make wagers during the series." Schugar '981 at ¶ [0072].

"In addition to applying the equity concepts described herein to the above-described games, the methods described herein of using equity funds can also be used for any game that has variable states and is not over without an interval in between states." Schugar '981 at ¶ [0075].

"The method can start with operation 300, which plays a wagering game. The wagering game should be one which has multiple game states, either discrete (each successive game state is prompted and advanced by the player) or continuous (the game automatically advances throughout

game states until a player takes an affirmative action to freeze the current game state and take action)." Schugar '981 at ¶ [0087].

"The wagering game can be any wagering game with multiple game states, including but not limited to any of the games described herein or in prior documents incorporated by reference." Schugar '981 at ¶ [0088].

For example, corresponding to "at least one of the one or more players is presented with at least one of a buy-out and a partial buy-out offer prior to the completion of all of the defined number of legs," Schugar '981 discloses:

"In a further embodiment, the equity concept described herein can be applied to craps. Equity obtained in a game of craps can be cashed in. For example, consider if a player bets an initial don't pass line bet of $100. The outcome of the come out roll is 10 ("the point"). According to the standard rules of craps, if the next roll is 10 the player loses while on a 7 the player wins (any other outcome of the dice results in a re-roll). Since a 7 is more likely than a 10, the player has a positive expectation at this point. If the player wishes to surrender this bet, his surrender value is: (original bet)+(chance of winning*amount to be won)." Schugar '981 at ¶ [0070].

"In this example, the chance of the player winning in this case is (1/3), while the player will win even money on his or her craps bet of $100. Thus, the value of the player's bet is $100+(1/3)*$100=$133.33. Thus, the player can chooses to continue rolling (and win or lose) or accept the surrender value of $133.33, which is based on equity in his position based on events that have occurred in the game (the come out roll). All other situations in craps can be addressed similarly (i.e. other come out rolls, etc.)" Schugar '981 at ¶ [0071].

When the player is playing a game in which the player can be "winning" before the game is over, the player may wish to have a way to cash in on the winning state before completing the game. For example, if a player bets on a particular horse in a horse race, and the particular horse is winning, the player has some satisfaction (at least for the moment) that the player is in a good position. Of course, the player's horse can lose and the player can be left with nothing. A player may find it attractive to be able to accumulate (or "bank") a portion of a positive expectation situation for later redemption. In this manner, even if the player ultimately loses his or her wager, the player has not lost everything because the banking has been performed." Schugar '981 at ¶ [0077].

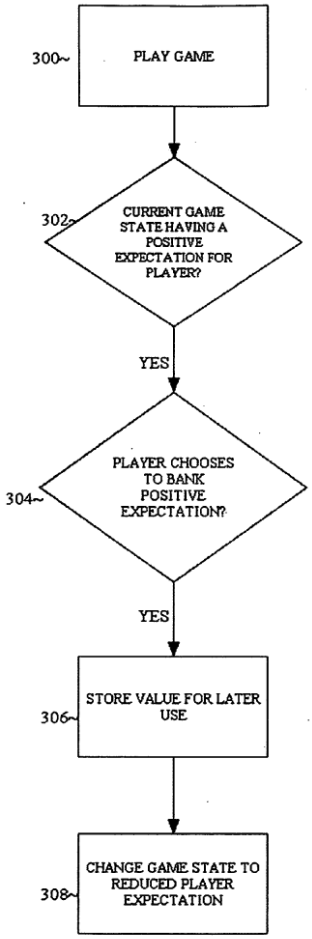
"For example, consider a $100 craps wager on the Don't Pass line. Since the house edge on the Don't Pass line is 1.364%, the expected value of the player's wager is $98.64. The dice are rolled and the come out roll is a 10. The player is now happy, as the player wins if the shooter rolls a 7 and loses if the shooter rolls a 10 (any other total the shooter keeps rolling). Of course, it is easier for the shooter to roll a 7 than a 10. The probability of the shooter rolling a 7 before a 10 is 66%. Thus, the expected win is $133.33. Of course, the player can still lose the wager if the shooter rolls a 10. The player can surrender his craps bet for $133.33 or a lesser amount (so that the house takes a commission). For example, the house can let the surrender the wager for $125. The house makes money on this proposition, and the player gets the peace of mind of the sure win." Schugar '981 at ¶ [0078].

"The player can also bank a portion of the expected profit the player has earned for later use. This can be done in a number of ways. The player can receive a $33.33 amount (or an amount based on this such as a lesser amount such as $25 to account for a house commission) and the point can be reset so that the game is in the previous game state with the $100 still wagered on the Don't Come line. Alternatively, the house can take a portion of the player's wager (such as 10%), so that the player now has $90 on the Don't Pass line. The taken portion can be stored for later redemption by the player. The $10 taken actually has an expected value of $13.33. This $13.33 (or a number based on this to account for the house commission) can be accumulated and disbursed to the player at a later time (either later at the instant game, or later at another game, or by electronic redemption). If the shooter rolls a 7, the player then wins $90 and if the shooter rolls a 10 the player loses his wager. However, in both cases, the player has banked the banked value for a later redemption. In this way, the player can continue to wager, but limit his losses by ensuring that some amount is still saved for later." Schugar '981 at ¶ [0079].

"If the puck is on spot +2 and a $10 wager is placed on the left side, and then the die is rolled results in a −2, the puck is now on spot 0. The player now has an expected profit of $15. This can be computed by multiplying the probability of reaching the left side (50%) by the total win of the left side ($50), and then subtracting the original wager amount ($10). The player may wish to "bank" this expected profit for later use. If the player wishes to bank this amount (or a fraction of this amount), the game state should be adjusted back to remove the amount of player advantage that is banked for later use." Schugar '981 at ¶ [0081].

"If the determining in operation 604 determines that the player has equity in the first wager, the method can proceed to operation 606, wherein the player can use some or all of his or her equity in order to make a second wager. The portion of the first wager used for the second wager can be "surrendered" (or "relinquished" or "withdrawn") based on its current value so it can be used for the second wager. The amount of the first wager used for the second wager can be considered a reduction amount. The reduction amount can be for example a percentage of the first wager, a fixed amount, a user-selected amount, etc." Schugar '981 at ¶ [0125].

"It is further noted that operation 604 is optional, and in fact, even if the player is in a negative expectation situation, the player can still utilize the method described herein of cashing out a portion of a current bet in progress in order to pay for an additional wager." Schugar '981 at ¶ [0127].



Schugar '981 at FIG. 3.

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1b] - providing one or more wagering input devices in communication with a system controller through which the one or more players may participate in the multi-outcome wagering event, said system controller being adapted for:

Schugar '981 discloses this limitation. For example, Schugar '981 discloses:

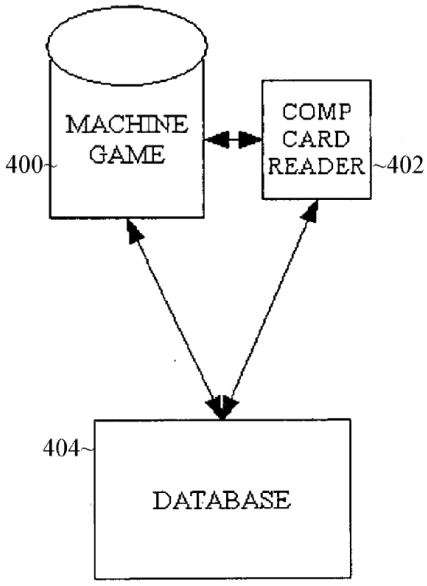
"If the player chooses in operation 304 to bank his or her positive expectation, then the method can proceed to operation 306, which stores the value the player has banked for later use. This can be stored in the current machine and/or a remote database for later retrieval. A player can bank his or her positive expectation for later retrieval when the player is playing a same or different game at a later point in time." Schugar '981 at ¶ [0093].

"Table II below corresponds to the game form Table I and illustrates an example where equity funds are used and the balance between the player's finds (liquid cash present in the machine) and equity funds (funds the player can borrow)." Schugar '981 at ¶ [0049].

"The player starts with only $5 in credits (e.g. the player deposited a $5 bill in the machine) and places a $5 wager in operation 2." Schugar '981 at ¶ [0050].

"A machine game 400 can be any wagering machine game, such as a slot machine, video poker machine, or machine game which plays any game which can have multiple states (e.g. games which a player can wager on a progression). The machine game 400 can be associated with a comp card reader 402 in which the player can use his or her comp card to identify the player." Schugar '981 at ¶ [0104].

"If the determination in operation 702 determines that the game state has a positive expectation for the player, then the method can proceed to operation 704, which determines whether the player wishes to trade the positive expectation game state for a different (improved) paytable. The player can indicate his or her desire to perform such trade by verbally speaking to a dealing, indicating his or her desire on an electronic input device (e.g., touch screen, keyboard, etc.) If the player does not wish to trade his or her game state, then the method can return to operation 700, which continues to play the game." Schugar '981 at ¶ [0135].



Schugar '981 at FIG. 4.

"An electronic gaming apparatus to conduct a wagering game, the apparatus comprising:

a computer performing:

receiving a wager from a player on a player chosen outcome, the wager paying according to a first paytable;

conducting a wagering game with a first game state;

progressing the first game state into a second game state based on a random determination;

determining from the player that the player wishes to change from the second game state back into the first game state in exchange to activate a second paytable for the wager;

reverting the game from the second game state back to the first game state;

completing the game to determine whether the wager wins or loses; and

if the wager is determined to win, then paying the wager according to a second paytable,

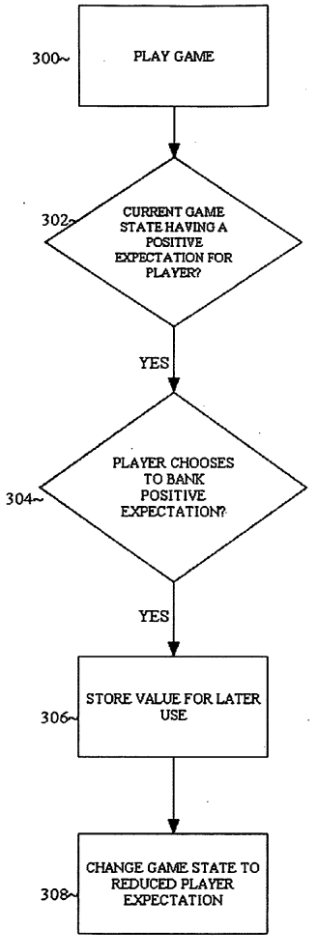
wherein if the player did not choose to change from the second game state back to the first game state, then if the wager is determined to win, then the wager is paid using the first paytable; and

an output device." Schugar '981 at Claim 9.

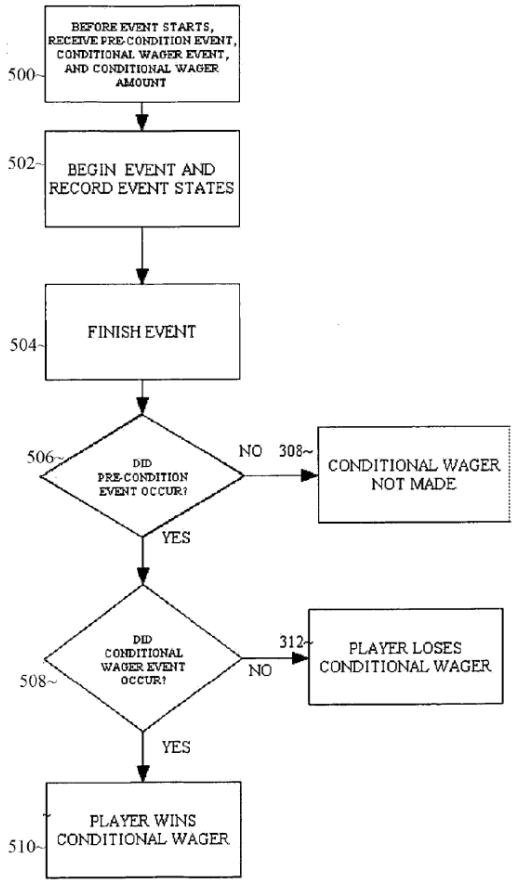
Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1c] - initiating the multi-outcome wagering event for the one or more players, said multi-outcome wagering event comprised of the 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;

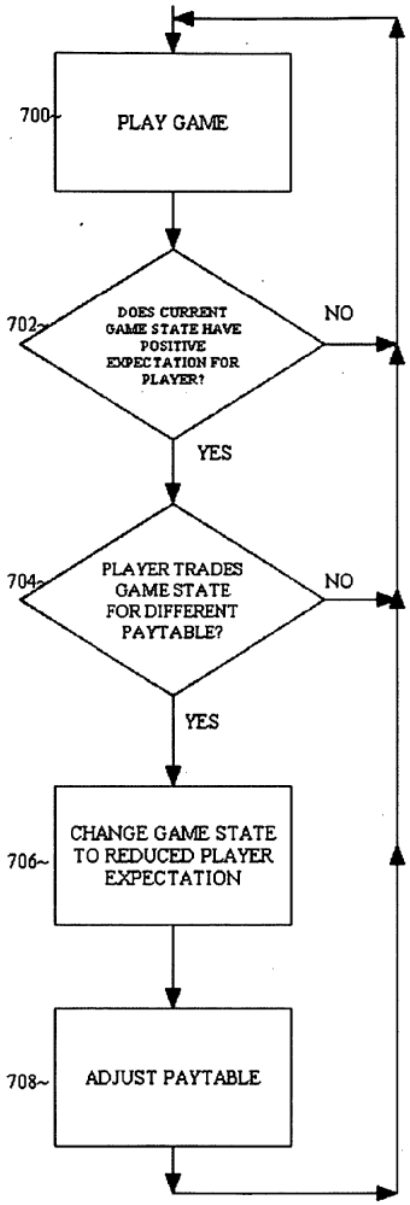
Schugar '981 discloses this limitation. For example, corresponding to "initiating the multi-outcome wagering event for the one or more players," Schugar '981 discloses:



Schugar '981 at FIG. 3.



Schugar '981 at FIG. 5.



Schugar '981 at FIG. 7.

"The method can then proceed to operation 102, which progresses the game. This can be accomplished by activating a random number generator in order to change the game state. The game state may also be changed by a player choice (i.e. deciding where to move a piece). A die can be used to move a piece (or pieces) in the game." Schugar '981 at ¶ [0056].

For example, corresponding to "said multi-outcome wagering event comprised of the defined number of legs," Schugar '981 discloses:

"The present invention allows a player to borrow money against the player's position in a game already in progress. Some casino games are over immediately (i.e. "casino war,") in which there is really no "in progress" state. Other games, such as games related to betting on progressions,

contain a plurality of game states or intervals upon which a player can develop a "positive position." A game related to betting on a progression can comprise a game which has numerous game states, typically with a preferred outcome. A positive position can comprise a game in a particular game state, with or without particular current wagers made, wherein the player has a better than 100% expected return." Schugar '981 at ¶ [0020].

"FIG. 1 is a flowchart illustrating one example of a wagering game, according to an embodiment. A progression game is a game which has a plurality of game states, each game state may have a different expected return for the player based on the player's wagers and the current game state. The game is over when the game reaches a terminating game state." Schugar '981 at ¶ [0054].

"The embodiments described herein can also be used to bet on sporting events, either at intervals on individual games or series of games. For example two teams can play a best 4/7 series. After each game in the series (and even during particular games), payout odds for each team winning the series can change to reflect the current conditions (as described herein and/or known in the art) and players can make wagers during the series." Schugar '981 at ¶ [0072].

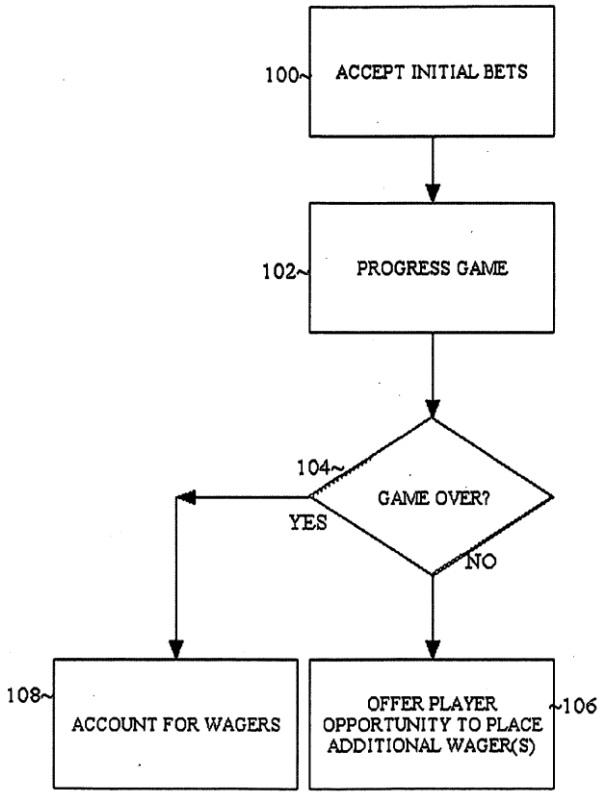
"In addition to applying the equity concepts described herein to the above-described games, the methods described herein of using equity funds can also be used for any game that has variable states and is not over without an interval in between states." Schugar '981 at ¶ [0075].

"The method can start with operation 300, which plays a wagering game. The wagering game should be one which has multiple game states, either discrete (each successive game state is prompted and advanced by the player) or continuous (the game automatically advances throughout game states until a player takes an affirmative action to freeze the current game state and take action)." Schugar '981 at ¶ [0087].

"The wagering game can be any wagering game with multiple game states, including but not limited to any of the games described herein or in prior documents incorporated by reference." Schugar '981 at ¶ [0088].

For example, corresponding to "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," Schugar '981 discloses:

"The game then proceeds to operation 10, wherein the die is rolled and the outcome is R. The puck is moved one square to the right which places the puck to the right of position 1, which ends the game. The rightmost side has won. The expected profit is now $40, since the player wins a profit of $40 (actually win $60 but has bet $20) and the game is over." Schugar '981 at ¶ [0037].



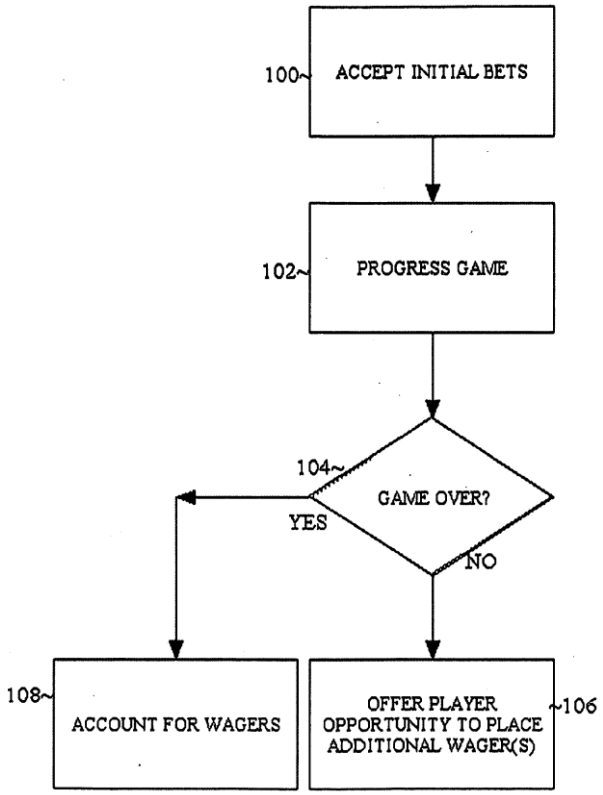
Schugar '981 at FIG. 1.

"If the check in operation 104 determines that the game is over, then the method can proceed to operation 108, which accounts for wagers. This means taking losing wagers and paying winning wagers according to their respective payouts." Schugar '981 at ¶ [0059].

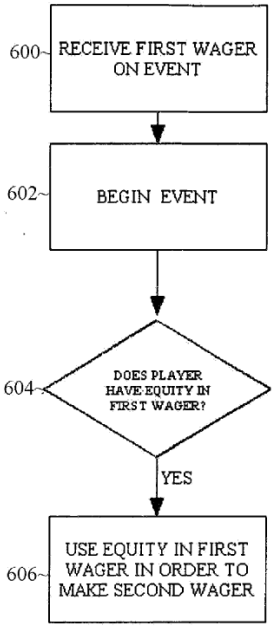
Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1d] - receiving the wager via the one or more wagering input devices in response to the one or more players desiring to participate in the multi-outcome wagering event, wherein the wager coincides with each of the defined number of legs;

Schugar '981 discloses this limitation. For example, Schugar '981 discloses:



Schugar '981 at FIG. 1.



Schugar '981 at FIG. 6.

"The above aspects can be obtained by a method that includes (a) receiving a wager from a player on a player chosen outcome, the wager paying according to a first paytable; (b) conducting

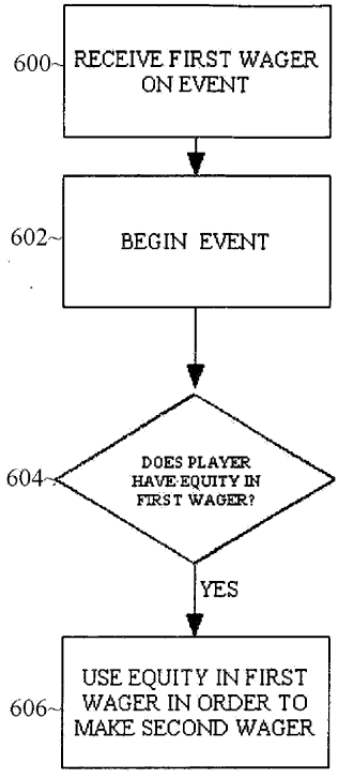
a wagering game with a first game state; (c) progressing the first game state into a second game state based on a random determination; (d) determining from the player that the player wishes to change from the second game state back into the first game state in exchange to activate a second paytable for the wager; (e) reverting the game from the second game state back to the first game state; (f) completing the game to determine whether the wager wins or loses; and (g) if the wager is determined to win, then paying the wager according to a second paytable, (h) wherein if the player did not choose to change from the second game state back to the first game state, then if the wager is determined to win, then the wager is paid using the first paytable." Schugar '981 at ¶ [0007].

"The method can start at operation 100, which accepts initial bets. A player may not be required to wager on the game before the game starts, and may choose to just wager on the game during the game." Schugar '981 at ¶ [0055].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

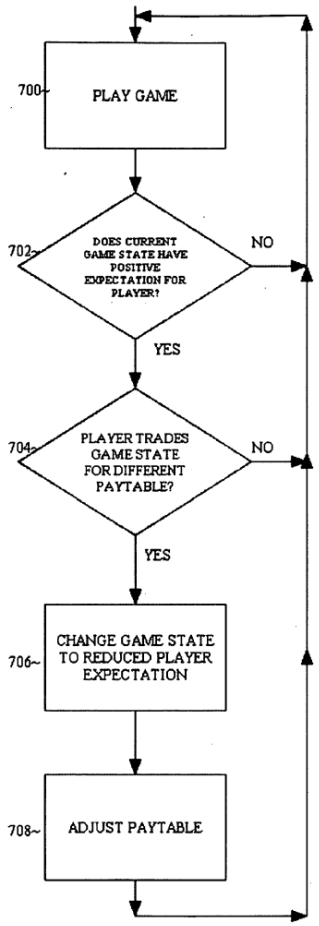
[1e] - identifying one or more winners of each of the defined number of legs based on the wager from among the one or more players participating in the multi-outcome wagering event, wherein players winning at least one leg are eligible to win at least one jackpot or a portion thereof;

Schugar '981 discloses this limitation. For example, Schugar '981 discloses:



Schugar '981 at FIG. 6.

"Thus, the house may wish to compute at what amount a player should make a particular wager in order to be allowed to bet with "borrowed" money. Of course, if the player is not currently in an "equity" state in the game, then no wager (on either side) would put the player into a guaranteed winning situation. An equity state of the game can be considered a position where a player has a positive expectation based on his or her wagers and the game state. A player can "borrow" against this state in order to make further wagers on the game with this borrowed money." Schugar '981 ta ¶ [0042].



Schugar '981 at FIG. 7.

"In a further embodiment, the equity concept described herein can be applied to craps. Equity obtained in a game of craps can be cashed in. For example, consider if a player bets an initial don't pass line bet of $100. The outcome of the come out roll is 10 ("the point"). According to the standard rules of craps, if the next roll is 10 the player loses while on a 7 the player wins (any other outcome of the dice results in a re-roll). Since a 7 is more likely than a 10, the player has a positive expectation at this point. If the player wishes to surrender this bet, his surrender value is: (original bet)+(chance of winning*amount to be won)." Schugar '981 at ¶ [0070].

"In this example, the chance of the player winning in this case is (1/3), while the player will win even money on his or her craps bet of $100. Thus, the value of the player's bet is $100+(1/3)*$100=$133.33. Thus, the player can chooses to continue rolling (and win or lose) or accept the surrender value of $133.33, which is based on equity in his position based on events that have occurred in the game (the come out roll). All other situations in craps can be addressed similarly (i.e. other come out rolls, etc.)" Schugar '981 at ¶ [0071].

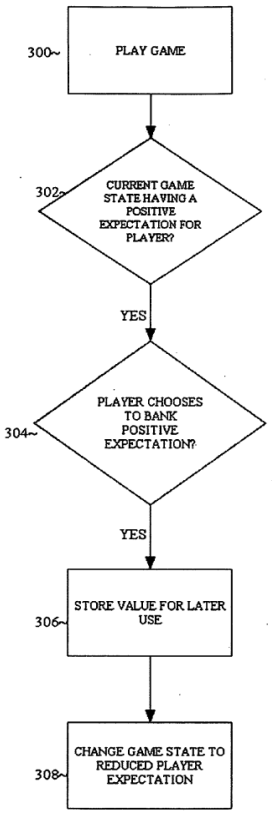
"When the player is playing a game in which the player can be "winning" before the game is over, the player may wish to have a way to cash in on the winning state before completing the game. For example, if a player bets on a particular horse in a horse race, and the particular horse is winning, the player has some satisfaction (at least for the moment) that the player is in a good position. Of course, the player's horse can lose and the player can be left with nothing. A player may find it attractive to be able to accumulate (or "bank") a portion of a positive expectation situation for later redemption. In this manner, even if the player ultimately loses his or her wager, the player has not lost everything because the banking has been performed." Schugar '981 at ¶ [0077].

"The method can continue to operation 302, which determines whether the current game state has a positive expectation for the player. If the current game state has a positive expectation for the player, then the player has "equity" in the game." Schugar '981 at ¶ [0089].

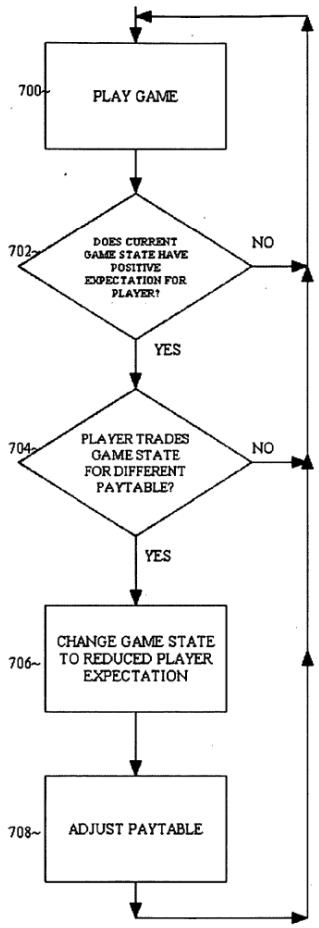
Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1f] - initiating at least one of the buy-out offer and partial buy-out offer to any number of the one or more players that are eligible to win at least one jackpot for at least a portion of said at least one jackpot, said buy-out offer being initiated at any time before the multi-outcome wagering event has been completed;

Schugar '981 discloses this limitation. For example, Schugar '981 discloses:



Schugar '981 at FIG. 3.



Schugar '981 at FIG. 7.

"In this example, the chance of the player winning in this case is (1/3), while the player will win even money on his or her craps bet of $100. Thus, the value of the player's bet is $100+(1/3)*$100=$133.33. Thus, the player can chooses to continue rolling (and win or lose) or accept the surrender value of $133.33, which is based on equity in his position based on events that have occurred in the game (the come out roll). All other situations in craps can be addressed similarly (i.e. other come out rolls, etc.)." Schugar '981 at ¶ [0071].

"When the player is playing a game in which the player can be "winning" before the game is over, the player may wish to have a way to cash in on the winning state before completing the game. For example, if a player bets on a particular horse in a horse race, and the particular horse is winning, the player has some satisfaction (at least for the moment) that the player is in a good position. Of course, the player's horse can lose and the player can be left with nothing. A player may find it attractive to be able to accumulate (or "bank") a portion of a positive expectation situation for later redemption. In this manner, even if the player ultimately loses his or her wager, the player has not lost everything because the banking has been performed." Schugar '981 at ¶ [0077].

"For example, consider a $100 craps wager on the Don't Pass line. Since the house edge on the Don't Pass line is 1.364%, the expected value of the player's wager is $98.64. The dice are rolled and the come out roll is a 10. The player is now happy, as the player wins if the shooter rolls a 7 and loses if the shooter rolls a 10 (any other total the shooter keeps rolling). Of course, it is easier for the shooter to roll a 7 than a 10. The probability of the shooter rolling a 7 before a 10 is 66%. Thus, the expected win is $133.33. Of course, the player can still lose the wager if the shooter rolls a 10. The player can surrender his craps bet for $133.33 or a lesser amount (so that the house takes a commission). For example, the house can let the surrender the wager for $125. The house makes money on this proposition, and the player gets the peace of mind of the sure win." Schugar '981 at ¶ [0078].

"The player can also bank a portion of the expected profit the player has earned for later use. This can be done in a number of ways. The player can receive a $33.33 amount (or an amount based on this such as a lesser amount such as $25 to account for a house commission) and the point can be reset so that the game is in the previous game state with the $100 still wagered on the Don't Come line. Alternatively, the house can take a portion of the player's wager (such as 10%), so that the player now has $90 on the Don't Pass line. The taken portion can be stored for later redemption by the player. The $10 taken actually has an expected value of $13.33. This $13.33 (or a number based on this to account for the house commission) can be accumulated and disbursed to the player at a later time (either later at the instant game, or later at another game, or by electronic redemption). If the shooter rolls a 7, the player then wins $90 and if the shooter rolls a 10 the player loses his wager. However, in both cases, the player has banked the banked value for a later redemption. In this way, the player can continue to wager, but limit his losses by ensuring that some amount is still saved for later." Schugar '981 at ¶ [0079].

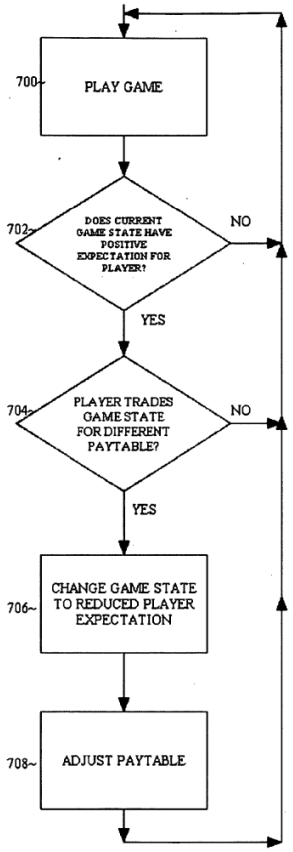
"If the puck is on spot +2 and a $10 wager is placed on the left side, and then the die is rolled results in a −2, the puck is now on spot 0. The player now has an expected profit of $15. This can be computed by multiplying the probability of reaching the left side (50%) by the total win of the left side ($50), and then subtracting the original wager amount ($10). The player may wish to "bank" this expected profit for later use. If the player wishes to bank this amount (or a fraction of this amount), the game state should be adjusted back to remove the amount of player advantage that is banked for later use." Schugar '981 at ¶ [0081].

"If the current game state has a positive expectation (or positive expected profit) for the player, then the method can proceed to operation 304, which then determines whether the player chooses to bank his or her positive expectation. This can be prompted by an automatic pop up window which allows the player to choose whether he wishes to bank some or all of his recent gains in expectation for later redemption (with a return of the game state to the prior or other position with lesser expected value than the current state). The player can also exercise this option either verbally to a live dealer or electronically with a press of a button which allows the player to bank his or her positive expectation." Schugar '981 at ¶ [0092].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1g] - whereupon receiving an acceptance of the buy-out offer from at least one of the players eligible to win at least one jackpot, each of the players accepting the buy-out offer will no longer be eligible to exclusively win the at least one jackpot, wherein each of the players not accepting the buy-out offer will remain eligible to win the at least one jackpot, and wherein each of the players accepting the partial buy-out offer remains eligible to win at least a portion of the at least one jackpot;

Schugar '981 discloses this limitation. For example, Schugar '981 discloses:



Schugar '981 at FIG. 7.

"If the current game state has a positive expectation (or positive expected profit) for the player, then the method can proceed to operation 304, which then determines whether the player chooses to bank his or her positive expectation. This can be prompted by an automatic pop up window which allows the player to choose whether he wishes to bank some or all of his recent gains in expectation for later redemption (with a return of the game state to the prior or other position with lesser expected value than the current state). The player can also exercise this option either verbally to a live dealer or electronically with a press of a button which allows the player to bank his or her positive expectation." Schugar '981 at ¶ [0092].

"From operation 306, the method can proceed to operation 108 which changes the game state to a game state with a reduced positive expectation for the player. The difference in expectation between the changed state and the prior state can be based on the value stored in

operation 104. For example, the game state can revert to the prior game state before the last state change, and the value stored can be based on the difference in expected value between the two states." Schugar '981 at ¶ [0095].

"In yet a further embodiment, when a player achieves a positive change in his or her expectation, a portion of the increased expectation can be automatically banked for later redemption." Schugar '981 at ¶ [0101].

"For example, consider the bilinear progression game described above. Since the current state (the puck on 0) has an increase in expected profit of $15 from the previous state (when the puck is on 2), the machine can automatically bank a portion (e.g.) 10% of a wager with a positive expected value for later use. Thus, the machine can deduct 10% of the $10 wager ($1) to leave a $9 wager on the left side. The $9 wager on the left side results in a net left win of $36. The expected profit is now 90% of $15 or $13.50. Thus, $2.50 can be banked for later use since this is the expected value of the $1 wager that was removed. The $2.50 is computed by (50% chance of winning on the left side)* $5 (win resulting from the $1 including the original $1 wager). Thus, by automatically removing $1 from the wager that has a positive expectation, the player can bank $2.50 for later use (in any manner described herein)." Schugar '981 at ¶ [0102].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1h] - completing the remainder of the defined number of legs to finish the multi-outcome wagering event; and

Schugar '981 discloses this limitation. For example, Schugar '981 discloses:

"The above aspects can be obtained by a method that includes (a) receiving a wager from a player on a player chosen outcome, the wager paying according to a first paytable; (b) conducting a wagering game with a first game state; (c) progressing the first game state into a second game state based on a random determination; (d) determining from the player that the player wishes to change from the second game state back into the first game state in exchange to activate a second paytable for the wager; (e) reverting the game from the second game state back to the first game state; (f) completing the game to determine whether the wager wins or loses; and (g) if the wager is determined to win, then paying the wager according to a second paytable, (h) wherein if the player did not choose to change from the second game state back to the first game state, then if the wager is determined to win, then the wager is paid using the first paytable." Schugar '981 at ¶ [0007].

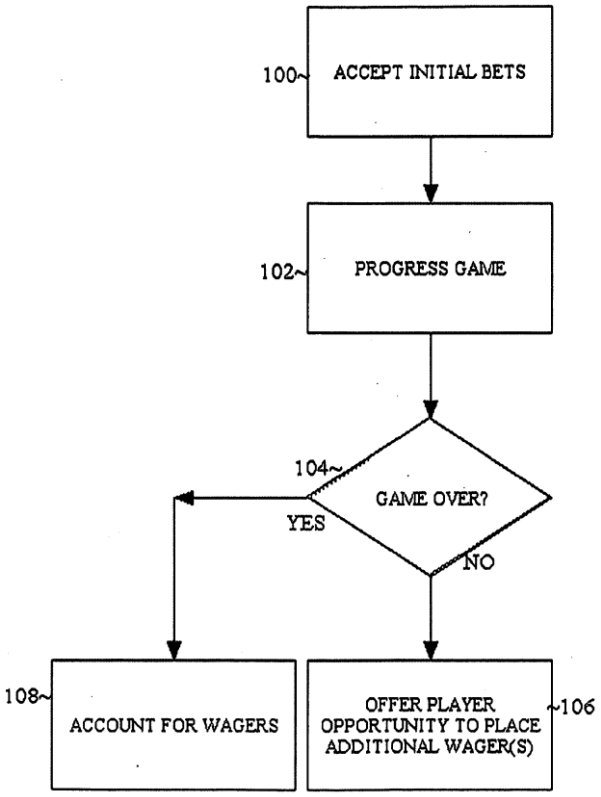
"If the check in operation 104 determines that the game is not over, then the method can proceed to operation 106, which offers the player an opportunity to make additional wagers. The method can then return to operation 102, which further progresses the game." Schugar '981 at ¶ [0058].

"If the check in operation 104 determines that the game is over, then the method can proceed to operation 108, which accounts for wagers. This means taking losing wagers and paying winning wagers according to their respective payouts. Any borrowed money can be repaid at this time. The method may then optionally start a new game and return to operation 100." Schugar '981 at ¶ [0059].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1i] - determining if any of the players have won the at least one jackpot or portion thereof.

Schugar '981 discloses this limitation. For example, Schugar '981 discloses:



Schugar '981 at FIG. 1.

"If the check in operation 104 determines that the game is over, then the method can proceed to operation 108, which accounts for wagers. This means taking losing wagers and paying winning wagers according to their respective payouts. Any borrowed money can be repaid at this time. The method may then optionally start a new game and return to operation 100." Schugar '981 at ¶ [0059].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

B. Claim 2

[2] - The method of claim 1, wherein each of the defined number of legs comprises one or more selected from the group consisting of sporting events, lotteries, real games and virtual games, and wherein the wager comprises a potential outcome for each of the legs.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c]. For example, corresponding to "wherein each of the defined number of legs comprises one or more selected from the group consisting of sporting events, lotteries, real games and virtual games," Schugar '981 discloses:

"The embodiments described herein can also be used to bet on sporting events, either at intervals on individual games or series of games. For example two teams can play a best 4/7 series. After each game in the series (and even during particular games), payout odds for each team winning the series can change to reflect the current conditions (as described herein and/or known in the art) and players can make wagers during the series." Schugar '981 at ¶ [0072].

"The event may be a sporting event (including horse racing, football, etc., simulated by machine or real), a gambling game (e.g. craps, blackjack, etc.), or even a dramatic work (such as a reality show)." Schugar '981 at ¶ [0109].

"An advantage of doing this while the bettor has equity in the first wager is that the bettor can put himself into a no-lose situation. For example, consider a football game with the Patriots vs. the Giants. The Patriots are a +900 long shot. A bettor wagers $100 on the Patriots. At halftime, the Patriots are winning by +28 points. At this point, a pari-mutuel halftime betting pool determines that the Giants are now a +1000 long shot. Assuming no house commission for simplicity, a +1000 translates into a 10% probability of occurrence of the Giants winning. Thus, the bettor has a 90% chance of winning $900, thus the effective value of the original wager is now 0.90*900=$810. The bettor can now surrender $10 of his original wager which is effectively worth $81. This $81 can now be wagered on the Giants which would result in a $810 win if the Giants win. The player now has $90 wagered on the Patriots for a win of $810 if the Patriots win. Thus, the player is in a no-lose situation and can relax and enjoy the game without worry." Schugar '981 at ¶ [0126].

For example, corresponding to "and wherein the wager comprises a potential outcome for each of the legs," Schugar '981 discloses:

An electronic gaming apparatus to conduct a wagering game, the apparatus comprising:

a computer performing:

receiving a wager from a player on a player chosen outcome, the wager paying according to a first paytable;

conducting a wagering game with a first game state;

progressing the first game state into a second game state based on a random determination;

determining from the player that the player wishes to change from the second game state back into the first game state in exchange to activate a second paytable for the wager;

reverting the game from the second game state back to the first game state;

completing the game to determine whether the wager wins or loses; and

if the wager is determined to win, then paying the wager according to a second paytable,

wherein if the player did not choose to change from the second game state back to the first game state, then if the wager is determined to win, then the wager is paid using the first paytable; and

an output device." Schugar '981 at Claim 9.

"The above aspects can be obtained by a method that includes (a) receiving a wager from a player on a player chosen outcome, the wager paying according to a first paytable." Schugar '981 at ¶ [0007].

"The exact amount can be chosen by the player, can be randomly determined, can be calculated to be the minimum amount required to put the player in a break even position, or can be (automatically or manually) chosen to spread the player's equity over both sides." Schugar '981 at ¶ [0118].

"The game then proceeds to operation 2, wherein the player makes a wager. The player makes a $5 wager on the leftmost side (although of course the player can choose the amount to wager and the event wagered on)." Schugar '981 at ¶ [0029].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

C. <u>Claim 3</u>

[3] - The method of claim 2, wherein the wager is one or more of selectable by being handpicked by at least one of the one or more players, provided electronically on request of the at least one of the one or more players through communication between the one or more wagering input devices and the system controller, provided via a random number generator associated with the system controller, a quick pick or a smart pick.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1d]. For example, Schugar '981 discloses:

"An electronic gaming apparatus to conduct a wagering game, the apparatus comprising:

a computer performing:

receiving a wager from a player on a player chosen outcome, the wager paying according to a first paytable;

conducting a wagering game with a first game state;

progressing the first game state into a second game state based on a random determination;

determining from the player that the player wishes to change from the second game state back into the first game state in exchange to activate a second paytable for the wager;

reverting the game from the second game state back to the first game state;

completing the game to determine whether the wager wins or loses; and

if the wager is determined to win, then paying the wager according to a second paytable,

wherein if the player did not choose to change from the second game state back to the first game state, then if the wager is determined to win, then the wager is paid using the first paytable; and

an output device." Schugar '981 at Claim 9.

"The above aspects can be obtained by a method that includes (a) receiving a wager from a player on a player chosen outcome, the wager paying according to a first paytable." Schugar '981 at ¶ [0007].

"The exact amount can be chosen by the player, can be randomly determined, can be calculated to be the minimum amount required to put the player in a break even position, or can be (automatically or manually) chosen to spread the player's equity over both sides." Schugar '981 at ¶ [0118].

"The game then proceeds to operation 2, wherein the player makes a wager. The player makes a $5 wager on the leftmost side (although of course the player can choose the amount to wager and the event wagered on)." Schugar '981 at ¶ [0029].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

D. <u>Claim 4</u>

[4] - The method of claim 2, wherein the games comprise one or more selected from the group consisting of slot machines, keno, poker, video games and racing.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c]. For example, Schugar '981 discloses:

"The embodiments described herein can further be applied to a race game, wherein a player wagers on which of a plurality of pieces will reach a finish line first. For example, a player who wagers on a first piece at the start of the race (in this case where each piece starts at the same position with equal advantage) and the first piece takes the lead, then at that interval the player has developed equity in the game, which can be used as a basis to borrow for further bets. In alternative races, the pieces may not have to start at the same location, and pieces may not all have equal advantage (e.g. different pieces may have different speeds or dies)." Schugar '981 at ¶ [0073].

"The embodiments described herein can further be applied to a chase game, wherein a player wagers on which of one or more pieces will reach a dynamic finish line first. The dynamic finish line is a finish point which can change and can for example be another moving piece." Schugar '981 at ¶ [0074].

"In addition to applying the equity concepts described herein to the above-described games, the methods described herein of using equity funds can also be used for any game that has variable states and is not over without an interval in between states." Schugar '981 at ¶ [0075].

"In a further embodiment, implementing a wagering game as described herein can be combined with other gambling games such as craps or roulette. For example, a roulette game can also have a section dedicated to wagering on a bidirectional linear progression (as described herein). When the ball stops on black, a puck can move in one direction (e.g. left), while when the ball stops on red, the puck can move in the opposite direction. In this way, this wagering game can operate alongside a standard roulette game, with no additional random number generator needed. Alternative, the bidirectional linear progression can operate alongside a craps game, using predetermined die or dice outcomes to determine which direction the puck moves." Schugar '981 at ¶ [0076].

"When the player is playing a game in which the player can be "winning" before the game is over, the player may wish to have a way to cash in on the winning state before completing the game. For example, if a player bets on a particular horse in a horse race, and the particular horse is winning, the player has some satisfaction (at least for the moment) that the player is in a good position. Of course, the player's horse can lose and the player can be left with nothing. A player may find it attractive to be able to accumulate (or "bank") a portion of a positive expectation situation for later redemption. In this manner, even if the player ultimately loses his or her wager, the player has not lost everything because the banking has been performed." Schugar '981 at ¶ [0077].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

E. <u>Claim 5</u>

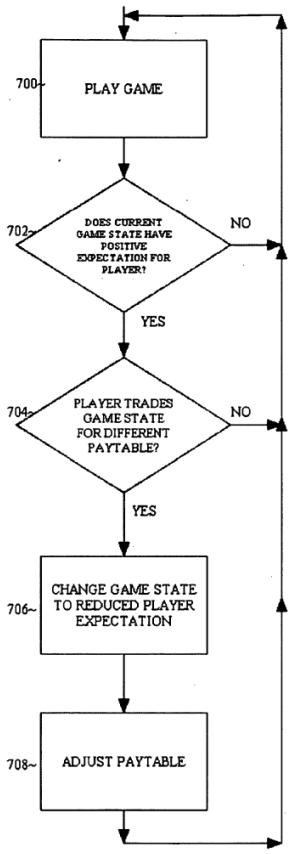
[5] - The method of claim 1, wherein accepting the partial buy-out offer comprises at least one of the one or more players accepting less than the buy-out offer amount, said acceptance resulting in the at least one of the one or more players remaining eligible to win at least a portion of at least one jackpot.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1g]. For example, Schugar '981 discloses:

"If the determining in operation 604 determines that the player has equity in the first wager, the method can proceed to operation 606, wherein the player can use some or all of his or her equity in order to make a second wager. The portion of the first wager used for the second wager can be "surrendered" (or "relinquished" or "withdrawn") based on its current value so it can be used for the second wager. The amount of the first wager used for the second wager can be considered a reduction amount. The reduction amount can be for example a percentage of the first wager, a fixed amount, a user-selected amount, etc." Schugar '981 at ¶ [0125].

"If the puck is on spot +2 and a $10 wager is placed on the left side, and then the die is rolled results in a −2, the puck is now on spot 0. The player now has an expected profit of $15. This can be computed by multiplying the probability of reaching the left side (50%) by the total win of the left side ($50), and then subtracting the original wager amount ($10). The player may wish to "bank" this expected profit for later use. If the player wishes to bank this amount (or a fraction of this amount), the game state should be adjusted back to remove the amount of player advantage that is banked for later use." Schugar '981 at ¶ [0081].

"The player can also bank a portion of the expected profit the player has earned for later use. This can be done in a number of ways. The player can receive a $33.33 amount (or an amount based on this such as a lesser amount such as $25 to account for a house commission) and the point can be reset so that the game is in the previous game state with the $100 still wagered on the Don't Come line. Alternatively, the house can take a portion of the player's wager (such as 10%), so that the player now has $90 on the Don't Pass line. The taken portion can be stored for later redemption by the player. The $10 taken actually has an expected value of $13.33. This $13.33 (or a number based on this to account for the house commission) can be accumulated and disbursed to the player at a later time (either later at the instant game, or later at another game, or by electronic redemption). If the shooter rolls a 7, the player then wins $90 and if the shooter rolls a 10 the player loses his wager. However, in both cases, the player has banked the banked value for a later redemption. In this way, the player can continue to wager, but limit his losses by ensuring that some amount is still saved for later." Schugar '981 at ¶ [0079].



Schugar '981 at FIG. 7.

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

F. <u>Claim 7</u>

[7] - The method of claim 1, wherein the system controller is further programmed to award the jackpot, or any fractional portion thereof, upon the completion of the multi-outcome event pool.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1i]. For example, Schugar '981 discloses:

"If the check in operation 104 determines that the game is over, then the method can proceed to operation 108, which accounts for wagers. This means taking losing wagers and paying winning wagers according to their respective payouts. Any borrowed money can be repaid at this time. The method may then optionally start a new game and return to operation 100." Schugar '981 at ¶ [0059].

"The expected profit banked for later use can be used in a variety of ways. The $15 in the above example can be redeemed by the player for cash. The $15 can also be used to buy positive game states at a later time. For example, if the player is playing a game with multiple game states, and the player wants to put himself in a more favorable state, the player can use the banked money to buy a better state. A value stored for later use can also be applied towards room, food and beverage bills, etc. The value stored for later use can also be redeemed for cash at a later time. The value can also be redeemed for cash instantly, and the redeemed cash can be immediately returned to the player's current credit meter. The value stored for later can be stored locally and/or on a database which can be accessed at a later time." Schugar '981 at ¶ [0083].

"An advantage of doing this while the bettor has equity in the first wager is that the bettor can put himself into a no-lose situation. For example, consider a football game with the Patriots vs. the Giants. The Patriots are a +900 long shot. A bettor wagers $100 on the Patriots. At halftime, the Patriots are winning by +28 points. At this point, a pari-mutuel halftime betting pool determines that the Giants are now a +1000 long shot. Assuming no house commission for simplicity, a +1000 translates into a 10% probability of occurrence of the Giants winning. Thus, the bettor has a 90% chance of winning $900, thus the effective value of the original wager is now 0.90*900=$810. The bettor can now surrender $10 of his original wager which is effectively worth $81. This $81 can now be wagered on the Giants which would result in a $810 win if the Giants win. The player now has $90 wagered on the Patriots for a win of $810 if the Patriots win. Thus, the player is in a no-lose situation and can relax and enjoy the game without worry." Schugar '981 at ¶ [0126].

"Thus, according to embodiments, a player can start with a small amount of money, but continue to make wagers while playing the game allowing the player to build up a large amount of wagers and net wins on the game. The amount of wagers placed can exceed the amount of liquid funds the player currently has. Once the game ends, the player is paid and any "loans" are paid off." Schugar '981 at ¶ [0069].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

G. <u>Claim 8</u>

[8a] - The method of claim 1, wherein the multi-outcome wagering event comprises one or more virtual games, said method further comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c]. For example, corresponding to "one or more virtual games," Schugar '981 discloses:

"A machine game 400 can be any wagering machine game, such as a slot machine, video poker machine, or machine game which plays any game which can have multiple states (e.g. games which a player can wager on a progression). The machine game 400 can be associated with a comp card reader 402 in which the player can use his or her comp card to identify the player." Schugar '981 at ¶ [0104].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[8b] - initiating the buy-out offer prior to completion of the one or more virtual games, but after an outcome of the one or more virtual games has been determined, said buy-out offer including a price that is at least partially based on random-number-generated probabilities.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1g]. For example, corresponding to "initiating the buy-out offer prior to completion of the one or more virtual games, but after an outcome of the one or more virtual games has been determined," Schugar '981 discloses:

"The method can start with operation 300, which plays a wagering game. The wagering game should be one which has multiple game states, either discrete (each successive game state is prompted and advanced by the player) or continuous (the game automatically advances throughout game states until a player takes an affirmative action to freeze the current game state and take action)." Schugar '981 at ¶ [0087].

"The wagering game can be any wagering game with multiple game states, including but not limited to any of the games described herein or in prior documents incorporated by reference." Schugar '981 at ¶ [0088].

"The method can continue to operation 302, which determines whether the current game state has a positive expectation for the player. If the current game state has a positive expectation for the player, then the player has "equity" in the game." Schugar '981 at ¶ [0089].

"The player's expectation in a game can be determined in numerous ways, such as: For all outcomes, Σ(probability of outcome*reward for the outcome)." Schugar '981 at ¶ [0090].

For example, corresponding to "said buy-out offer including a price that is at least partially based on random-number-generated probabilities," Schugar '981 discloses:

"In a further embodiment, the equity concept described herein can be applied to craps. Equity obtained in a game of craps can be cashed in. For example, consider if a player bets an initial don't pass line bet of $100. The outcome of the come out roll is 10 ("the point"). According to the standard rules of craps, if the next roll is 10 the player loses while on a 7 the player wins (any other outcome of the dice results in a re-roll). Since a 7 is more likely than a 10, the player has a positive expectation at this point. If the player wishes to surrender this bet, his surrender value is: (original bet)+(chance of winning*amount to be won)" Schugar '981 at ¶ [0070].

"For example, consider a $100 craps wager on the Don't Pass line. Since the house edge on the Don't Pass line is 1.364%, the expected value of the player's wager is $98.64. The dice are rolled and the come out roll is a 10. The player is now happy, as the player wins if the shooter rolls a 7 and loses if the shooter rolls a 10 (any other total the shooter keeps rolling). Of course, it is easier for the shooter to roll a 7 than a 10. The probability of the shooter rolling a 7 before a 10 is

66%. Thus, the expected win is $133.33. Of course, the player can still lose the wager if the shooter rolls a 10. The player can surrender his craps bet for $133.33 or a lesser amount (so that the house takes a commission). For example, the house can let the surrender the wager for $125. The house makes money on this proposition, and the player gets the peace of mind of the sure win." Schugar '981 at ¶ [0078].

"The player's expectation in a game can be determined in numerous ways, such as: For all outcomes, Σ(probability of outcome*reward for the outcome)." Schugar '981 at ¶ [0090].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

H. Claim 10

[10] - The method of claim 1, wherein one or more interim jackpots are awarded where a particular number of the defined number of legs are completed prior to completion of the multi-outcome wagering event.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1i]. For example, Schugar '981 discloses:

"If the check in operation 104 determines that the game is over, then the method can proceed to operation 108, which accounts for wagers. This means taking losing wagers and paying winning wagers according to their respective payouts. Any borrowed money can be repaid at this time. The method may then optionally start a new game and return to operation 100." Schugar '981 at ¶ [0059].

"The player can also bank a portion of the expected profit the player has earned for later use. This can be done in a number of ways. The player can receive a $33.33 amount (or an amount based on this such as a lesser amount such as $25 to account for a house commission) and the point can be reset so that the game is in the previous game state with the $100 still wagered on the Don't Come line. Alternatively, the house can take a portion of the player's wager (such as 10%), so that the player now has $90 on the Don't Pass line. The taken portion can be stored for later redemption by the player. The $10 taken actually has an expected value of $13.33. This $13.33 (or a number based on this to account for the house commission) can be accumulated and disbursed to the player at a later time (either later at the instant game, or later at another game, or by electronic redemption). If the shooter rolls a 7, the player then wins $90 and if the shooter rolls a 10 the player loses his wager. However, in both cases, the player has banked the banked value for a later redemption. In this way, the player can continue to wager, but limit his losses by ensuring that some amount is still saved for later." Schugar '981 at ¶ [0079].

"The expected profit banked for later use can be used in a variety of ways. The $15 in the above example can be redeemed by the player for cash. The $15 can also be used to buy positive game states at a later time. For example, if the player is playing a game with multiple game states, and the player wants to put himself in a more favorable state, the player can use the banked money

to buy a better state. A value stored for later use can also be applied towards room, food and beverage bills, etc. The value stored for later use can also be redeemed for cash at a later time. The value can also be redeemed for cash instantly, and the redeemed cash can be immediately returned to the player's current credit meter. The value stored for later can be stored locally and/or on a database which can be accessed at a later time." Schugar '981 at ¶ [0083].

"An advantage of doing this while the bettor has equity in the first wager is that the bettor can put himself into a no-lose situation. For example, consider a football game with the Patriots vs. the Giants. The Patriots are a +900 long shot. A bettor wagers $100 on the Patriots. At halftime, the Patriots are winning by +28 points. At this point, a pari-mutuel halftime betting pool determines that the Giants are now a +1000 long shot. Assuming no house commission for simplicity, a +1000 translates into a 10% probability of occurrence of the Giants winning. Thus, the bettor has a 90% chance of winning $900, thus the effective value of the original wager is now 0.90*900=$810. The bettor can now surrender $10 of his original wager which is effectively worth $81. This $81 can now be wagered on the Giants which would result in a $810 win if the Giants win. The player now has $90 wagered on the Patriots for a win of $810 if the Patriots win. Thus, the player is in a no-lose situation and can relax and enjoy the game without worry." Schugar '981 at ¶ [0126].

"If the player chooses in operation 304 to bank his or her positive expectation, then the method can proceed to operation 306, which stores the value the player has banked for later use. This can be stored in the current machine and/or a remote database for later retrieval. A player can bank his or her positive expectation for later retrieval when the player is playing a same or different game at a later point in time." Schugar '981 at ¶ [0093].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

I. <u>Claim 17</u>

[17] - The method of claim 1, wherein the one or more wagering input devices is adapted for generating the wager for at least one of the one or more players reflecting one or more predicted outcomes of the multi-outcome wagering event.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1b] and [1d]. For example, Schugar '981 discloses:

"A database 404 can be used to store values banked for later use. The database 404 can be accessible by all games in an individual casino or a group of casinos. Value banked for later use can be stored in the database using the player record." Schugar '981 at ¶ [0105].

"An electronic gaming apparatus to conduct a wagering game, the apparatus comprising:

a computer performing:

receiving a wager from a player on a player chosen outcome, the wager paying according to a first paytable;

conducting a wagering game with a first game state;

progressing the first game state into a second game state based on a random determination;

determining from the player that the player wishes to change from the second game state back into the first game state in exchange to activate a second paytable for the wager;

reverting the game from the second game state back to the first game state;

completing the game to determine whether the wager wins or loses; and

if the wager is determined to win, then paying the wager according to a second paytable,

wherein if the player did not choose to change from the second game state back to the first game state, then if the wager is determined to win, then the wager is paid using the first paytable; and

an output device." Schugar '981 at Claim 9.

"The above aspects can be obtained by a method that includes (a) receiving a wager from a player on a player chosen outcome, the wager paying according to a first paytable." Schugar '981 at ¶ [0007].

"The exact amount can be chosen by the player, can be randomly determined, can be calculated to be the minimum amount required to put the player in a break even position, or can be (automatically or manually) chosen to spread the player's equity over both sides." Schugar '981 at ¶ [0118].

"The game then proceeds to operation 2, wherein the player makes a wager. The player makes a $5 wager on the leftmost side (although of course the player can choose the amount to wager and the event wagered on)." Schugar '981 at ¶ [0029].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

J. <u>Claim 20</u>

[20] - The method of claim 1, wherein the wager further comprises a list that is at least one of printed on a ticket, printed on a voucher, and displayed via the one or more wagering input devices.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1d]. For example, Schugar '981 discloses:

"A machine game 400 can be any wagering machine game, such as a slot machine, video poker machine, or machine game which plays any game which can have multiple states (e.g. games which a player can wager on a progression). The machine game 400 can be associated with a comp card reader 402 in which the player can use his or her comp card to identify the player." Schugar '981 at ¶ [0104].

"The apparatus as recited in claim 9, wherein the determining comprises displaying the second paytable to the player." Schugar '981 at Claim 16.

TABLE III

Event	Pay schedule A	pay schedule B	payschedule C
Puck on +1, reaches left	3:1	6:1	3:2
Puck on 0, reaches left	1:1	2:1	1:2
Puck on −1, reaches left	1:3	2:3	1:6
Puck on +1, reaches right	1:3	2:3	1:6
Puck on 0, reaches right	1:1	2:1	1:2
Puck on −1, reaches right	3:1	6:1	3:2

Schugar '981 at ¶ [0139].

"A player may wish to exchange a positive game state for a better paytable if the player is interested in a more exciting game with the opportunity to win higher payouts. Typically, if the paytable is changed, the revised paytable would only apply to a single wager (or multiple wagers) that are already placed before the paytable is changed. After the paytable is changed, typically, new wagers will still pay on the original paytable. This is because, if new wagers were paid out using the higher paytable, the player may get an unfair advantage on new wagers. Therefore, if the player has reverted the game state and receives pay schedule B (from Table III) on a prior wager placed, then a new wager placed on the game in progress would still pay at pay schedule A (unless another trade/exchange in operation 704) is performed. Thus, different wagers on the table can be paid using different paytables (pay schedules)." Schugar '981 at ¶ [0141].

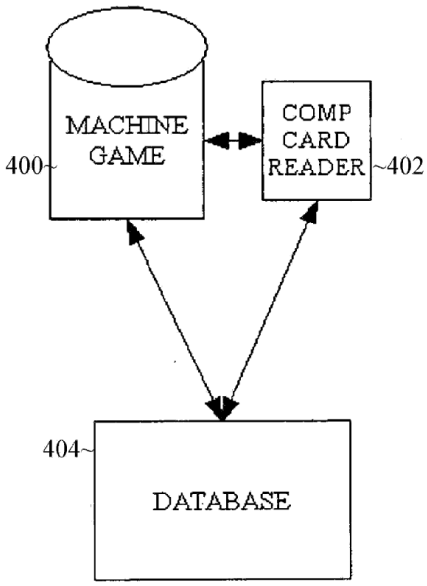
Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

K. <u>Claim 21</u>

[21] - The method of claim 1, wherein the one or more wagering devices comprises at least one of a wagering terminal, a wagering workstation, a personal computer, a smart phone, a tablet computing device, a gaming machine, a slot machine, and a lottery machine.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1b]. For example, Schugar '981 discloses:

"A machine game 400 can be any wagering machine game, such as a slot machine, video poker machine, or machine game which plays any game which can have multiple states (e.g. games which a player can wager on a progression). The machine game 400 can be associated with a comp card reader 402 in which the player can use his or her comp card to identify the player." Schugar '981 at ¶ [0104].



Schugar '981 at FIG. 4.

"An electronic gaming apparatus to conduct a wagering game, the apparatus comprising:

a computer performing:

receiving a wager from a player on a player chosen outcome, the wager paying according to a first paytable;

conducting a wagering game with a first game state;

progressing the first game state into a second game state based on a random determination;

determining from the player that the player wishes to change from the second game state back into the first game state in exchange to activate a second paytable for the wager;

reverting the game from the second game state back to the first game state;

completing the game to determine whether the wager wins or loses; and

if the wager is determined to win, then paying the wager according to a second paytable,

wherein if the player did not choose to change from the second game state back to the first game state, then if the wager is determined to win, then the wager is paid using the first paytable; and

an output device." Schugar '981 at Claim 9.

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

L. Claim 24

[24] - The method of claim 1, wherein at least one of the one or more jackpots comprises a monetary award provided to at least one winning player in the form of at least one of currency, tokens and credit.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1i]. For example, Schugar '981 discloses:

"If the check in operation 104 determines that the game is over, then the method can proceed to operation 108, which accounts for wagers. This means taking losing wagers and paying winning wagers according to their respective payouts. Any borrowed money can be repaid at this time. The method may then optionally start a new game and return to operation 100." Schugar '981 at ¶ [0059].

"The expected profit banked for later use can be used in a variety of ways. The $15 in the above example can be redeemed by the player for cash. The $15 can also be used to buy positive game states at a later time. For example, if the player is playing a game with multiple game states, and the player wants to put himself in a more favorable state, the player can use the banked money to buy a better state. A value stored for later use can also be applied towards room, food and beverage bills, etc. The value stored for later use can also be redeemed for cash at a later time. The value can also be redeemed for cash instantly, and the redeemed cash can be immediately returned to the player's current credit meter. The value stored for later can be stored locally and/or on a database which can be accessed at a later time." Schugar '981 at ¶ [0083].

"In exchange for storing a value redeemable for later use, the value can also be an award of a non-monetary award. For example, a player may receive a free meal, room, or any type of room, food, or beverage credit. For example, after a game state is changed to a more favorable position, and the different between the two positions is worth a value comparable to a free meal at the buffet, a pop up screen may appear, "Player—press this button if you would like to revert to your previous game state and receive a free meal at the buffet." If the player takes advantage of the offer, then the award (such as a free meal) can be mailed to the player or the player can redeem the award in person (e.g. at the buffet counter, a casino host, etc.) The marketing computer can store the fact that the player has won the award." Schugar '981 at ¶ [0098].

"Thus, according to embodiments, a player can start with a small amount of money, but continue to make wagers while playing the game allowing the player to build up a large amount of wagers and net wins on the game. The amount of wagers placed can exceed the amount of liquid funds the player currently has. Once the game ends, the player is paid and any "loans" are paid off." Schugar '981 at ¶ [0069].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

M. Claim 26

[26a] - A wagering system including one or more wagering input devices for allowing the placement of a wager on a multi-outcome wagering event, the wagering system comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a] and [26b]-[26i].

[26b] - a system controller configured to communicate with the one or more wagering input devices, said system controller configured to:

Schugar '981 discloses this limitation. *See e.g.*, limitation [1b].

[26c] - initiate 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;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c].

[26d] - receive the wager via the one or more wagering input devices in response to at least one of the one or more players desiring to participate in the multi-outcome wagering event, wherein the wager coincides with each of the defined number of legs;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1d].

[26e] - identify one or more winners of each of the defined number of legs based on the wager from among the one or more players participating in the multi-outcome wagering event, wherein players winning at least one leg remain eligible to win at least one jackpot or a portion thereof;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1e].

[26f] - initiate at least one of a buy-out offer and a partial buy-out offer to any number of the one or more players that remain eligible to win at least one jackpot, or portion thereof, for at least a portion of said at least one jackpot, said buy-out offer being initiated before the multi-outcome wagering event has been completed;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1f].

[26g] - receive an acceptance of at least one of the buy-out offer and partial buy-out offer from at least one of the one or more players eligible to win the at least one jackpot or portion thereof, wherein each of the one or more players accepting the buy-out offer will no longer be eligible to exclusively win the at least one jackpot, wherein each of the one or more players not accepting the buy-out offer will remain eligible to win the at least one jackpot, and wherein each of the one or more players accepting the partial buy-out offer remains eligible to win at least a portion of the at least one jackpot;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1g].

[26h] - complete the remainder of the defined number of legs to finish the multi-outcome wagering event; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1h].

[26i] - determine if any of the players have won the jackpot or portion thereof.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1i].

N. <u>Claim 27</u>

[27] - The wagering system of claim 26, wherein the multi-outcome wagering event comprises the defined number of legs, each comprising at least one of an entire sporting event, a partial sporting event, a divisible component of a sporting event, multiple independent sporting events occurring sequentially or concurrently, and a compilation of related sporting events.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c]. For example, corresponding to "each comprising at least one of an entire sporting event, a partial sporting event, a divisible component of a sporting event, multiple independent sporting events occurring sequentially or concurrently, and a compilation of related sporting events," Schugar '981 discloses:

"The embodiments described herein can also be used to bet on sporting events, either at intervals on individual games or series of games. For example two teams can play a best 4/7 series. After each game in the series (and even during particular games), payout odds for each team winning the series can change to reflect the current conditions (as described herein and/or known in the art) and players can make wagers during the series." Schugar '981 at ¶ [0072].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

O. <u>Claim 28</u>

[28a] - The wagering system of claim 27, wherein the system controller is further configured to:

Schugar '981 discloses this limitation. *See e.g.*, limitations [26a]–[26i].

[28b] - initiate the one or more buy-out offers or partial buy-out offers for any combination of the defined number of legs at any time prior to completion of the multi-outcome wagering event; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1f] and [26f].

[28c] - receive the acceptance of said one or more buy-out offers or partial buy-out offers.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1g] and [26g].

P. Claim 30

[30] - The wagering system of claim 26, wherein the wager comprises at least one of an accumulator and parlay wager comprising at least one or more combinations of at least a portion of the defined number of legs, wherein the one or more combinations are selectable by at least one of any of the one or more players, a third party, and the wagering system, and wherein at any time before all legs included in the wager have been completed, at least one partial buy-out offer is initiated to any number of the one or more players remaining eligible to win at least one of a jackpot, a portion of a jackpot or an award.

Schugar '981 discloses this limitation. *See* limitations [3]. For example, corresponding to "wherein the wager comprises at least one of an accumulator and parlay wager comprising at least one or more combinations of at least a portion of the defined number of legs," Schugar '981 discloses:

"The embodiments described herein can also be used to bet on sporting events, either at intervals on individual games or series of games. For example two teams can play a best 4/7 series. After each game in the series (and even during particular games), payout odds for each team winning the series can change to reflect the current conditions (as described herein and/or known in the art) and players can make wagers during the series." Schugar '981 at ¶ [0072].

"Therefore, it is noted that according to an embodiment, the player can begin a game with a finite amount of money, and parlay his or her money into an infinite (in theory) amount of money during the same game. For example, in the above example, if the game did not end in operation 10 but instead the puck traveled back to the left (one or two squares), the player can then make further wagers to increase the amount of his or her win." Schugar '981 at ¶ [0040].

For example, corresponding to "wherein at any time before all legs included in the wager have been completed, at least one partial buy-out offer is initiated to any number of the one or more players remaining eligible to win at least one of a jackpot, a portion of a jackpot or an award," Schugar '981 discloses:

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone,

in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

II. U.S. Patent No. 9,117,341

A. Claim 1

[1a] - A method of conducting a wagering event for one or more players, wherein a player is presented with at least one of a buy-out offer and a partial buy-out offer prior to completion of the wagering event, the method comprising the steps of:

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1a].

[1b] - providing one or more wagering input devices in communication with a system controller through which one or more players may participate in a wagering event, said system controller being adapted for:

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1b].

[1c] - initiating the wagering event for one or more players;

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1c].

[1d] - receiving a wager via the one or more wagering input devices in response to a player desiring to participate in the wagering event;

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1d].

[1e] - identifying one or more players eligible to win from among players participating in the wagering event;

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1e].

[1f] - initiating at least one of a buy-out offer and partial buy-out offer to any number of the one or more players that are eligible to win, said buy-out offer or partial buy-out offer being initiated at any time before the wagering event has been completed;

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1f].

[1g] - identifying any acceptances of said at least one of a buy-out offer and partial buy-out offer that have been initiated;

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1g].

[1h] - completing the wagering event; and

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1h].

[1i] - determining if any of the players have won.

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1i].

B. Claim 2

[2] - The method of claim 1, wherein the one or more players are eligible to win an award comprising one or more selected from the group consisting of monetary awards, nonmonetary awards, a prize, a payment, a designated currency, virtual currency, tokens, credits, coupons, services, personal property, real property, virtual property, assets, investments, negotiable instruments, commodities, food, lodging, entertainment, alleviation of obligations, gaming opportunities and wager enhancement.

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [24].

C. Claim 3

[3] - The method of claim 1, wherein identifying any acceptances of said at least one of a buy-out offer and partial buy-out offer further comprises that each of the players accepting the buy-out offer will no longer be eligible to at least exclusively win an award, wherein each of the players not accepting the buy-out offer will remain eligible to win an award, and wherein each of the players accepting a partial buy-out offer remains eligible to win at least a portion of an award.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1g] and '439 Patent limitation [1g].

D. Claim 4

[4] - The method of claim 1, wherein each the wagering event comprises one or more selected from the group consisting of sporting events, lotteries, real games and virtual games, and wherein the wager comprises a potential outcome.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1c] and '439 Patent limitation [2].

E. Claim 5

[5] - The method of claim 4, wherein the wager is one or more of selectable by being handpicked by the player, provided electronically on request of the player through communication between the one or more wagering input devices and the system controller, provided via a random number generator associated with the system controller, a quick pick or a smart pick.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1d] and '439 Patent limitation [3].

F. Claim 6

[6] - The method of claim 4, wherein the games comprise one or more selected from the group consisting of slot machines, keno, poker, video games and racing.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c] and '439 Patent limitation [4].

G. Claim 7

[7] - The method of claim 1, wherein accepting a partial buy-out offer comprises a player accepting less than the buy-out offer amount, said acceptance resulting in the player remaining eligible to win at least a portion of at least one award.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and '439 Patent limitation [5].

H. Claim 9

[9] - The method of claim 1, wherein the system controller is further programmed to provide an award, or any fractional portion thereof, upon the completion of the wagering event.

Schugar '981 discloses this limitation. *See e.g.*, limitations [2] and '439 Patent limitation [7].

I. Claim 10

[10a] - The method of claim 1, wherein the multi outcome wagering event comprises one or more virtual games, said method further comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1c] and '439 Patent limitation [8a].

[10b] - initiating the buy-out offer prior to completion of the one or more virtual games, but after an outcome of the one or more virtual games has been determined, said buy-out offer including a price that is at least partially based on random-number-generated probabilities.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1f] and '439 Patent limitation [8b].

J. Claim 18

[18] - The method of claim 1, wherein the one or more wagering input devices are adapted for generating a wager for a player reflecting one or more predicted outcomes of the wagering event.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1b] and '439 Patent limitation [17].

K. Claim 20

[20] - The method of claim 1, wherein the wager further comprises a list that is at least one of printed on a ticket, printed on a voucher, and displayed via the one or more wagering input devices.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1d] and '439 Patent limitation [20].

L. Claim 21

[21] - The method of claim 1, wherein the one or more wagering devices comprise at least one of a wagering terminal, a wagering workstation, a personal computer, a smart phone, a tablet computing device, a gaming machine, a slot machine, and a lottery machine.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1b] and '439 Patent limitation [21].

M. Claim 25

[25a] - A wagering system including one or more wagering input devices for allowing the placement of a wager on a wagering event, the wagering system comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a], [1b], [25b]–[25h] and '439 Patent limitations [1a] and [26a].

[25b] - a system controller configured to communicate with the one or more wagering input devices, said system controller configured to:

Schugar '981 discloses this limitation. *See e.g.*, limitation [1b] and '439 Patent limitations [1b] and [26b].

[25c] - initiate the wagering event for one or more players;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c] and '439 Patent limitations [1c] and [26c].

[25d] - receive a wager via the one or more wagering input devices in response to a player desiring to participate in the wagering event;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1d] and '439 Patent limitations [1d] and [26d].

[25e] - initiate one or more of at least one of a buy-out offer and a partial buy-out offer to any number of the one or more players before the wagering event has been completed;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1f] and '439 Patent limitations [1f] and [26f].

[25f] - identify any acceptances of the at least one of a buy-out offer and partial buy-out offer;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1g] and '439 Patent limitations [1g] and [26g].

[25g] - complete the wagering event; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1h] and '439 Patent limitations [1h] and [26h].

[25h] - determine if any players have won.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1i] and '439 Patent limitations [1i] and [26i].

N. Claim 26

[26] - The wagering system of claim 25, wherein the wagering event comprises at least one of an entire sporting event, a partial sporting event, a divisible component of a sporting event, multiple independent sporting events occurring sequentially or concurrently, and a compilation of related sporting events.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c] and '439 Patent limitation [2] and [27].

O. Claim 28

[28] - The wagering system of claim 25, wherein the wager comprises at least one of an accumulator and parlay wager comprising at least one or more combinations, wherein the one or more combinations are selectable by at least one of a player, a third party, and the wagering system, and wherein at any time before the wager has been completed, at least one partial buy-out offer is initiated to any number of the one or more players remaining eligible to win at least one of an award or a portion of an award.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1d] and '439 Patent limitation [30].

P. Claim 29

[29] - The wagering system of claim 25, wherein the one or more players are eligible to win an award comprising one or more selected from the group consisting of monetary awards, nonmonetary awards, a prize, a payment, a designated currency, virtual currency, tokens, credits, coupons, services, personal property, real property, virtual property, assets, investments, negotiable instruments, commodities, food, lodging, entertainment, alleviation of obligations, gaming opportunities and wager enhancement.

Schugar '981 discloses this limitation. *See e.g.*, limitation [2] and '439 Patent limitation [24].

Q. Claim 30

[30] - The wagering system of claim 25, wherein identifying any acceptances of said at least one of a buy-out offer and partial buy-out offer further comprises that each of the players accepting the buy-out offer will no longer be eligible to at least exclusively win an award, wherein each of the players not accepting the buy-out offer will remain eligible to win an award, and wherein

each of the players accepting a partial buy-out offer remains eligible to win at least a portion of an award.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g]–[1h] and '439 Patent limitation [1g].

R. Claim 31

[31a] - A wagering system including one or more wagering input devices for allowing the placement of a wager on a wagering event, the wagering system comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a], [1b], [25a], [31b]–[31f], and '439 Patent limitation [26a].

[31b] - a system controller configured to communicate with the one or more wagering input devices, said system controller configured to:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1b], [25b], and '439 Patent limitation [26b].

[31c] - initiate the wagering event for one or more players;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1c], [25c], and '439 Patent limitation [26c].

[31d] - receive a wager via the one or more wagering input devices in response to a player desiring to participate in the wagering event;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1d], [25d], and '439 Patent limitation [26d].

[31e] - initiate one or more of at least one of a buy-out offer and a partial buy-out offer to any number of the one or more players before the wagering event has been completed; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1f], [25e], and '439 Patent limitation [26f].

[31f] - identify any acceptances of the at least one of a buy-out offer and partial buy-out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1g], [25f], and '439 Patent limitation [26g].

S. Claim 32

[32] - The wagering system of claim 31, wherein the one or more players are eligible to win an award and the system controller is further configured to determine if any of the one or more players have won the award.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1i], [25h], and '439 Patent limitations [1e] and [1i].

T. Claim 33

[33] - The wagering system of claim 32, wherein the award comprises one or more selected from the group consisting of monetary awards, nonmonetary awards, a prize, a payment, a designated currency, virtual currency, tokens, credits, coupons, services, personal property, real property, virtual property, assets, investments, negotiable instruments, commodities, food, lodging, entertainment, alleviation of obligations, gaming opportunities and wager enhancement.

Schugar '981 discloses this limitation. *See e.g.*, limitation [2] and '439 Patent limitation [24].

U. Claim 34

[34] - The wagering system of claim 31, wherein the wagering event comprises one or more selected from the group consisting of sporting events, lotteries, real games, virtual games, live events, pre-recorded events, online events, broadcast events, slot machines, card games, keno, video games and racing.

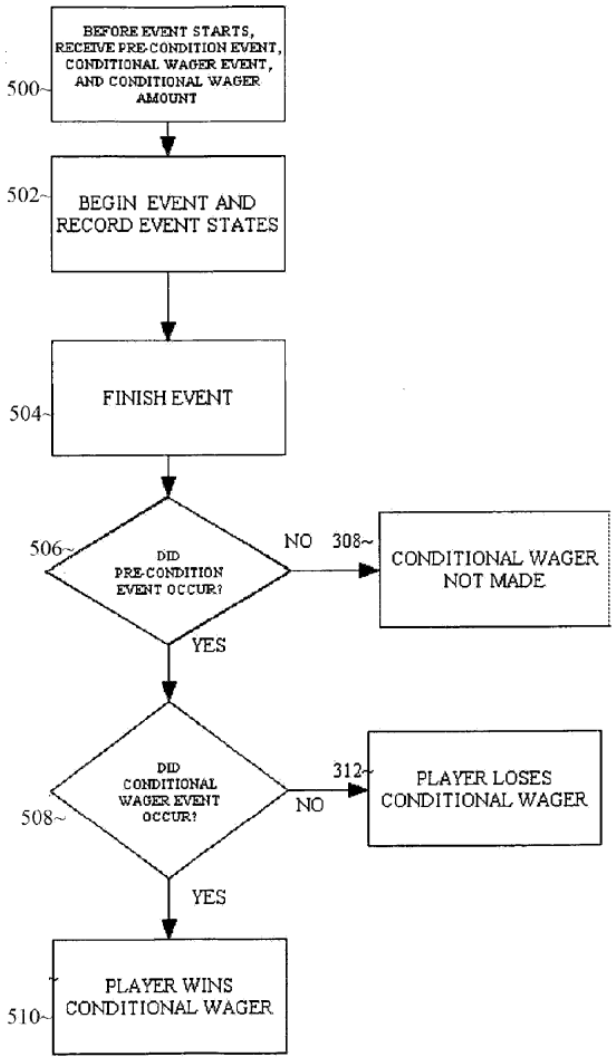
Schugar '981 discloses this limitation. *See e.g.*, limitation [1c] and '439 Patent limitation [2].

V. Claim 35

[35] - The wagering system of claim 31 wherein the wagering event and wager comprises one or more of fixed odds single wagers, multiple wagers, full cover wagers, full cover wagers with singles, 'Any to Come' (ATC) or 'if cash' wagers, specialty wagers, forecasts, fixed, variable, guaranteed, parimutuel wagering, fixed-odds wagering, accumulator or parlay wagering, fixed odds, a pool, progressive, fixed pool, variable pool or guaranteed pool.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1d] and '439 Patent limitation [30]. For example, Schugar '981 discloses:

"An advantage of doing this while the bettor has equity in the first wager is that the bettor can put himself into a no-lose situation. For example, consider a football game with the Patriots vs. the Giants. The Patriots are a +900 long shot. A bettor wagers $100 on the Patriots. At halftime, the Patriots are winning by +28 points. At this point, a pari-mutuel halftime betting pool determines that the Giants are now a +1000 long shot. Assuming no house commission for simplicity, a +1000 translates into a 10% probability of occurrence of the Giants winning. Thus, the bettor has a 90% chance of winning $900, thus the effective value of the original wager is now 0.90*900=$810. The bettor can now surrender $10 of his original wager which is effectively worth $81. This $81 can now be wagered on the Giants which would result in a $810 win if the Giants win. The player now has $90 wagered on the Patriots for a win of $810 if the Patriots win. Thus, the player is in a no-lose situation and can relax and enjoy the game without worry." Schugar '981 at ¶ [0126].



Schugar '981 at FIG. 5.

"In a further embodiment, a conditional wager can be placed. A conditional wager is a wager that is placed if a particular pre-condition event happens, and then a conditional wager amount is placed on a conditional wager event. For example, a bettor may wish to place a conditional wager on a Yankees/Braves game. The player wishes to bet $10 that the Yankees will win on the pre-condition that the Yankees are ahead at the end of the fifth inning. The $10 is a conditional wager amount and a Yankee win is the conditional wager event. If the Yankees are not ahead at the end of the fifth inning, then the conditional wager is not placed." Schugar '981 at ¶ [0107].

"The present invention allows a player to borrow money against the player's position in a game already in progress. Some casino games are over immediately (i.e. "casino war,") in which there is really no "in progress" state. Other games, such as games related to betting on progressions, contain a plurality of game states or intervals upon which a player can develop a "positive position." A game related to betting on a progression can comprise a game which has numerous game states, typically with a preferred outcome. A positive position can comprise a game in a

particular game state, with or without particular current wagers made, wherein the player has a better than 100% expected return." Schugar '981 at ¶ [0020].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

W. Claim 36

[36a] - A method of conducting a wagering event for one or more players, wherein a player is presented with at least one of a buy-out offer and a partial buy-out offer prior to completion of the wagering event, the method comprising the steps of:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a], [36b]–[36g], and '439 Patent limitation [1a].

[36b] - providing one or more wagering input devices in communication with a system controller through which one or more players may participate in a wagering event, said system controller being adapted for:

Schugar '981 discloses this limitation. *See e.g.*, limitation [1b] and '439 Patent limitation [1b].

[36c] - initiating the wagering event for one or more players;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c] and '439 Patent limitation [1c].

[36d] - receiving a wager via the one or more wagering input devices in response to a player desiring to participate in the wagering event;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1d] and '439 Patent limitation [1d].

[36e] - identifying one or more players eligible to win from among players participating in the wagering event;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1e] and '439 Patent limitation [1e].

[36f] - initiating at least one of a buy-out offer and partial buy-out offer to any number of the one or more players that are eligible to win, said buy-out offer or partial buy-out offer being initiated at any time before the wagering event has been completed; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1f] and '439 Patent limitation [1f].

[36g] - identifying any acceptances of said at least one of a buy-out offer and partial buy-out offer that have been initiated.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1g] and '439 Patent limitation [1g].

X. Claim 37

[37] - The method of claim 36, further comprising completing the wagering event and determining if any of the players have won.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h], [1i], and '439 Patent limitation [1h].

Y. Claim 38

[38] - The method of claim 37, wherein the one or more players are eligible to win an award comprising one or more selected from the group consisting of monetary awards, nonmonetary awards, a prize, a payment, a designated currency, virtual currency, tokens, credits, coupons, services, personal property, real property, virtual property, assets, investments, negotiable instruments, commodities, food, lodging, entertainment, alleviation of obligations, gaming opportunities and wager enhancement.

Schugar '981 discloses this limitation. *See e.g.*, limitation [2] and '439 Patent limitation [24].

Z. Claim 39

[39] - The method of claim 36, wherein the wagering event comprises one or more selected from the group consisting of sporting events, lotteries, real games, virtual games, live events, pre-recorded events, online events, broadcast events, slot machines, card games, keno, video games and racing.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c] and '439 Patent limitation [2].

AA. Claim 40

[40] - The method of claim 36, wherein the wagering event and wager comprises one or more of fixed odds single wagers, multiple wagers, full cover wagers, full cover wagers with singles, 'Any to Come' (ATC) or 'if cash' wagers, specialty wagers, forecasts, fixed, variable, guaranteed, parimutuel wagering, fixed-odds wagering, accumulator or parlay wagering, fixed odds, a pool, progressive, fixed pool, variable pool or guaranteed pool.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1c], [1d], [35], and '439 Patent limitation [30].

III. U.S. Patent No. 9,275,516

A. Claim 1

[1a] - A method of conducting a multi-outcome wagering event for one or more players, wherein the wagering event comprises a defined number of legs, and wherein a player is presented with at least one of a buy-out offer and a partial buy-out offer prior to completion of all of the defined number of legs, the method comprising the steps of:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a]–[1p] and '439 Patent limitation [1a].

[1b] - 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:

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1b].

[1c] - 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;

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1c].

[1d] - 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;

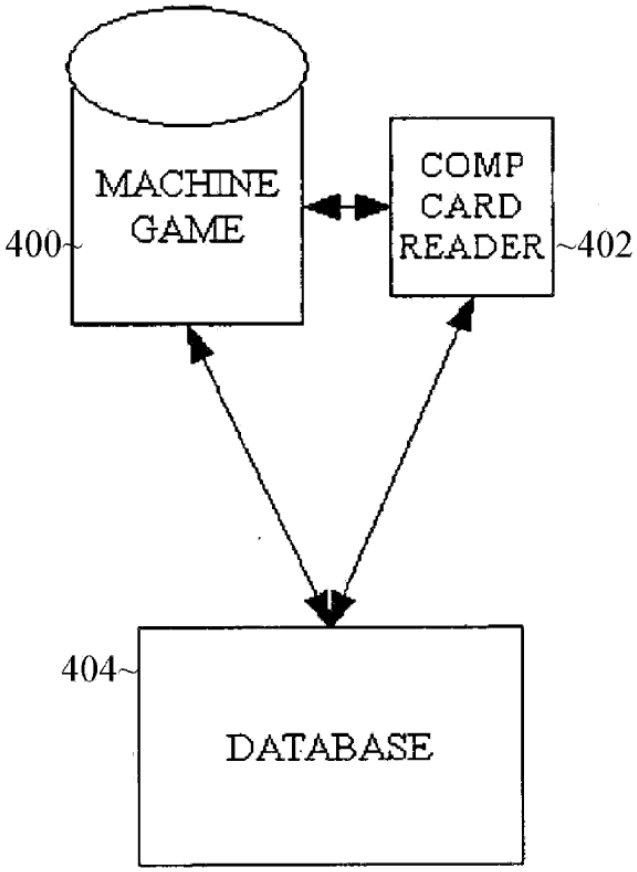
Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1d].

[1e] - generating a record reflecting the wager associated with the player at the system controller;

Schugar '981 discloses this limitation. For example, Schugar '981 discloses:

"A machine game 400 can be any wagering machine game, such as a slot machine, video poker machine, or machine game which plays any game which can have multiple states (e.g. games which a player can wager on a progression). The machine game 400 can be associated with a comp card reader 402 in which the player can use his or her comp card to identify the player." Schugar '981 at ¶ [0104].

"A database 404 can be used to store values banked for later use. The database 404 can be accessible by all games in an individual casino or a group of casinos. Value banked for later use can be stored in the database using the player record." Schugar '981 at ¶ [0105].



Schugar '981 at FIG. 4.

"If the player chooses in operation 304 to bank his or her positive expectation, then the method can proceed to operation 306, which stores the value the player has banked for later use. This can be stored in the current machine and/or a remote database for later retrieval. A player can bank his or her positive expectation for later retrieval when the player is playing a same or different game at a later point in time." Schugar '981 at ¶ [0093].

"From operation 500, the method can proceed to operation 502, which begins the event and records the event states. The event states can be recorded on a digital media, on video capture, etc." Schugar '981 at ¶ [0110].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1f] - receiving input of an outcome of each of the defined number of legs corresponding to the multi-outcome wager event;

Schugar '981 discloses this limitation. For example, Schugar '981 discloses:

"Table I Illustrates an example a game sequence of the above-described game. Each operation can comprise rolling the dice and/or making a wager." Schugar '981 at ¶ [0026].

TABLE I

Oper.	Action	Result	Position	Bet Placed	Left Win	Right Win	Exp. Profit
0	Start	n/a	0	n/a	$ 0	$ 0	$ 0
1	Roll	R	+1	n/a	$ 0	$ 0	$ 0
2	Wager	n/a	+1	$5 left	$15	−$ 5	$ 0
3	Roll	L	0	n/a	$15	−$ 5	$ 5
4	Roll	L	−1	n/a	$15	−$ 5	$10
5	Wager	n/a	−1	$5 right	$10	$10	$10
6	Wager	n/a	−1	$5 right	$ 5	$25	$10
7	Wager	n/a	−1	$5 right	$ 0	$40	$10
8	Roll	R	0	n/a	$ 0	$40	$20
9	Roll	R	+1	n/a	$ 0	$40	$30
10	Roll	R	Right Win	n/a			$40

Schugar '981 at ¶ [0026].

"The game then proceeds to operation 3, wherein the die is rolled with an outcome of L. Thus, the puck is moved from +1 to 0. Note that the expected profit is now $5, since the puck moved closer to the left which is the outcome that the wager was placed. Thus, the player expectation of this game state is now $5, because in the long run the average amount the player will win is $5. Since this number is positive, the house will lose from this game state in the long run." Schugar '981 at ¶ [0030].

"From operation 500, the method can proceed to operation 502, which begins the event and records the event states. The event states can be recorded on a digital media, on video capture, etc." Schugar '981 at ¶ [0110].

"t is further noted that the methods described herein can be applied to all games, including live table games or live sporting events, described herein (which includes the games described in the Ser. Nos. 10/754,587, 10/410,448 and 10/688,898 documents). For example, in any progression type game with multiple states, a player may borrow (or be provided with a bonus with playable credits) money from the house to place guaranteed winning wagers. In some games it may be necessary to make multiple wagers in order to guarantee a win." Schugar '981 at ¶ [0106].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1g] - generating and causing display via the one or more wagering input devices the outcome of each of the defined number of legs to a player;

Schugar '981 discloses this limitation. For example, Schugar '981 discloses:

"As a further example, when a player achieves a positive expectation (or profit) in a game, the player can be alerted and/or presented with a pop up window which can make an offer such as, "would you like to revert to the previous game position and receive a free lunch at the buffet worth $15?"" Schugar '981 at ¶ [0084].

"If the current game state has a positive expectation (or positive expected profit) for the player, then the method can proceed to operation 304, which then determines whether the player chooses to bank his or her positive expectation. This can be prompted by an automatic pop up window which allows the player to choose whether he wishes to bank some or all of his recent gains in expectation for later redemption (with a return of the game state to the prior or other position with lesser expected value than the current state). The player can also exercise this option either verbally to a live dealer or electronically with a press of a button which allows the player to bank his or her positive expectation." Schugar '981 at ¶ [0092].

"If the determination in operation 702 determines that the game state has a positive expectation for the player, then the method can proceed to operation 704, which determines whether the player wishes to trade the positive expectation game state for a different (improved) paytable. The player can indicate his or her desire to perform such trade by verbally speaking to a dealing, indicating his or her desire on an electronic input device (e.g., touch screen, keyboard, etc.) If the player does not wish to trade his or her game state, then the method can return to operation 700, which continues to play the game." Schugar '981 at ¶ [0135].

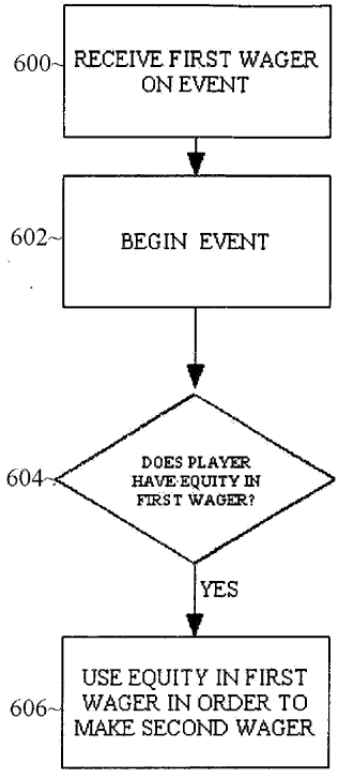
"In exchange for storing a value redeemable for later use, the value can also be an award of a non-monetary award. For example, a player may receive a free meal, room, or any type of room, food, or beverage credit. For example, after a game state is changed to a more favorable position, and the different between the two positions is worth a value comparable to a free meal at the buffet, a pop up screen may appear, "Player—press this button if you would like to revert to your previous game state and receive a free meal at the buffet." If the player takes advantage of the offer, then the award (such as a free meal) can be mailed to the player or the player can redeem the award in person (e.g. at the buffet counter, a casino host, etc.) The marketing computer can store the fact that the player has won the award." Schugar '981 at ¶ [0098].

"A machine game 400 can be any wagering machine game, such as a slot machine, video poker machine, or machine game which plays any game which can have multiple states (e.g. games which a player can wager on a progression). The machine game 400 can be associated with a comp card reader 402 in which the player can use his or her comp card to identify the player." Schugar '981 at ¶ [0104].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

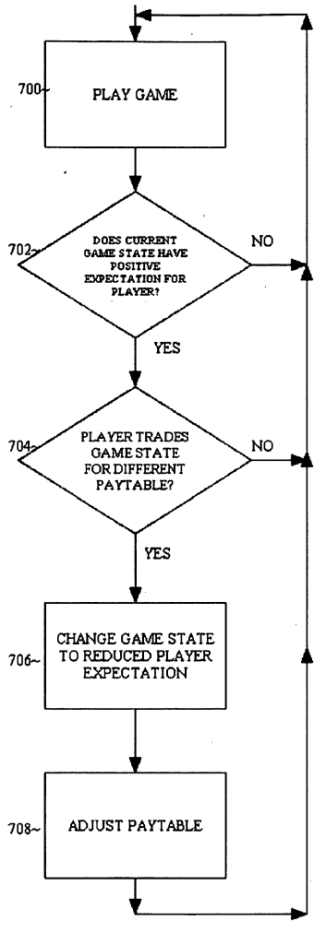
[1h] - identifying one or more players eligible to win each of the defined number of legs based on the wager from among players participating in the multi-outcome wagering event,

Schugar '981 discloses this limitation. For example, Schugar '981 discloses:



Schugar '981 at FIG. 6.

"Thus, the house may wish to compute at what amount a player should make a particular wager in order to be allowed to bet with "borrowed" money. Of course, if the player is not currently in an "equity" state in the game, then no wager (on either side) would put the player into a guaranteed winning situation. An equity state of the game can be considered a position where a player has a positive expectation based on his or her wagers and the game state. A player can "borrow" against this state in order to make further wagers on the game with this borrowed money." Schugar '981 ta ¶ [0042].



Schugar '981 at FIG. 7.

"In a further embodiment, the equity concept described herein can be applied to craps. Equity obtained in a game of craps can be cashed in. For example, consider if a player bets an initial don't pass line bet of $100. The outcome of the come out roll is 10 ("the point"). According to the standard rules of craps, if the next roll is 10 the player loses while on a 7 the player wins (any other outcome of the dice results in a re-roll). Since a 7 is more likely than a 10, the player has a positive expectation at this point. If the player wishes to surrender this bet, his surrender value is: (original bet)+(chance of winning*amount to be won)." Schugar '981 at ¶ [0070].

"In this example, the chance of the player winning in this case is (1/3), while the player will win even money on his or her craps bet of $100. Thus, the value of the player's bet is $100+(1/3)*$100=$133.33. Thus, the player can chooses to continue rolling (and win or lose) or accept the surrender value of $133.33, which is based on equity in his position based on events that have occurred in the game (the come out roll). All other situations in craps can be addressed similarly (i.e. other come out rolls, etc.)" Schugar '981 at ¶ [0071].

"When the player is playing a game in which the player can be "winning" before the game is over, the player may wish to have a way to cash in on the winning state before completing the game. For example, if a player bets on a particular horse in a horse race, and the particular horse is winning, the player has some satisfaction (at least for the moment) that the player is in a good

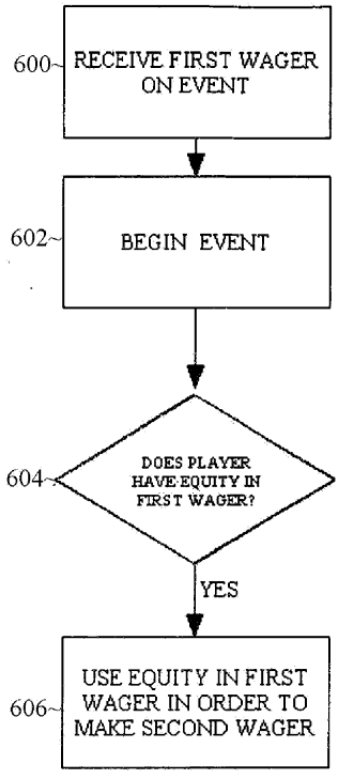
position. Of course, the player's horse can lose and the player can be left with nothing. A player may find it attractive to be able to accumulate (or "bank") a portion of a positive expectation situation for later redemption. In this manner, even if the player ultimately loses his or her wager, the player has not lost everything because the banking has been performed." Schugar '981 at ¶ [0077].

"The method can continue to operation 302, which determines whether the current game state has a positive expectation for the player. If the current game state has a positive expectation for the player, then the player has "equity" in the game." Schugar '981 at ¶ [0089].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

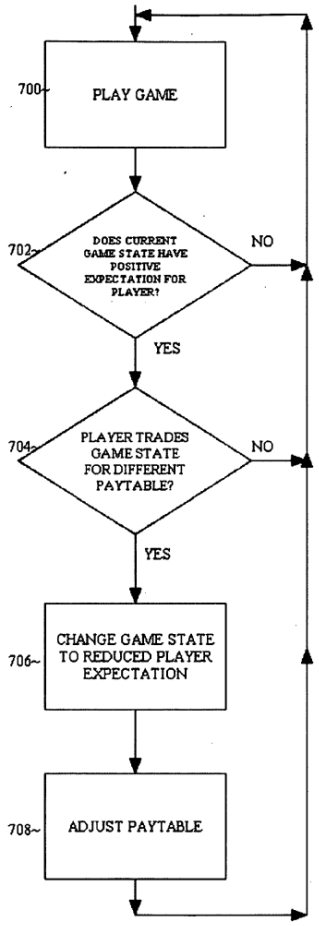
[1i] - determining any players eligible to win at least one jackpot or a portion thereof based on the potential outcome of each of the defined number of legs in comparison against the record reflecting the wager from among players participating in the multi-outcome wagering event, wherein players eligible to win at least one leg are eligible to win at least one jackpot or a portion thereof;

Schugar '981 discloses this limitation. For example, Schugar '981 discloses:



Schugar '981 at FIG. 6.

"Thus, the house may wish to compute at what amount a player should make a particular wager in order to be allowed to bet with "borrowed" money. Of course, if the player is not currently in an "equity" state in the game, then no wager (on either side) would put the player into a guaranteed winning situation. An equity state of the game can be considered a position where a player has a positive expectation based on his or her wagers and the game state. A player can "borrow" against this state in order to make further wagers on the game with this borrowed money." Schugar '981 ta ¶ [0042].



Schugar '981 at FIG. 7.

"In a further embodiment, the equity concept described herein can be applied to craps. Equity obtained in a game of craps can be cashed in. For example, consider if a player bets an initial don't pass line bet of $100. The outcome of the come out roll is 10 ("the point"). According to the standard rules of craps, if the next roll is 10 the player loses while on a 7 the player wins (any other outcome of the dice results in a re-roll). Since a 7 is more likely than a 10, the player has a positive expectation at this point. If the player wishes to surrender this bet, his surrender value is: (original bet)+(chance of winning*amount to be won)." Schugar '981 at ¶ [0070].

"In this example, the chance of the player winning in this case is (1/3), while the player will win even money on his or her craps bet of $100. Thus, the value of the player's bet is $100+(1/3)*$100=$133.33. Thus, the player can chooses to continue rolling (and win or lose) or

accept the surrender value of $133.33, which is based on equity in his position based on events that have occurred in the game (the come out roll). All other situations in craps can be addressed similarly (i.e. other come out rolls, etc.)" Schugar '981 at ¶ [0071].

"When the player is playing a game in which the player can be "winning" before the game is over, the player may wish to have a way to cash in on the winning state before completing the game. For example, if a player bets on a particular horse in a horse race, and the particular horse is winning, the player has some satisfaction (at least for the moment) that the player is in a good position. Of course, the player's horse can lose and the player can be left with nothing. A player may find it attractive to be able to accumulate (or "bank") a portion of a positive expectation situation for later redemption. In this manner, even if the player ultimately loses his or her wager, the player has not lost everything because the banking has been performed." Schugar '981 at ¶ [0077].

"The method can then proceed to operation 104, which checks to see if the game is over. The game may be over when variable parts of the game state (i.e. piece positions) are in a terminating condition." Schugar '981 at ¶ [0057].

"The method can continue to operation 302, which determines whether the current game state has a positive expectation for the player. If the current game state has a positive expectation for the player, then the player has "equity" in the game." Schugar '981 at ¶ [0089]. "If the check in operation 104 determines that the game is over, then the method can proceed to operation 108, which accounts for wagers. This means taking losing wagers and paying winning wagers according to their respective payouts. Any borrowed money can be repaid at this time. The method may then optionally start a new game and return to operation 100." Schugar '981 at ¶ [0059].

"The present invention allows a player to borrow money against the player's position in a game already in progress. Some casino games are over immediately (i.e. "casino war,") in which there is really no "in progress" state. Other games, such as games related to betting on progressions, contain a plurality of game states or intervals upon which a player can develop a "positive position." A game related to betting on a progression can comprise a game which has numerous game states, typically with a preferred outcome. A positive position can comprise a game in a particular game state, with or without particular current wagers made, wherein the player has a better than 100% expected return." Schugar 81 at ¶ [0020].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1j] - 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 for 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;

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1f]. For example, corresponding to "causing display" of the buy-out offer and partial buy-out offer, Schugar '981 discloses:

"As a further example, when a player achieves a positive expectation (or profit) in a game, the player can be alerted and/or presented with a pop up window which can make an offer such as, "would you like to revert to the previous game position and receive a free lunch at the buffet worth $15?"" Schugar '981 at ¶ [0084].

"If the determination in operation 702 determines that the game state has a positive expectation for the player, then the method can proceed to operation 704, which determines whether the player wishes to trade the positive expectation game state for a different (improved) paytable. The player can indicate his or her desire to perform such trade by verbally speaking to a dealing, indicating his or her desire on an electronic input device (e.g., touch screen, keyboard, etc.) If the player does not wish to trade his or her game state, then the method can return to operation 700, which continues to play the game." Schugar '981 at ¶ [0135].

"The method as recited in claim 1, wherein the determining comprises offering the player a pop up screen displaying the opportunity to revert to the first game state in exchange for applying the second paytable to the wager." Schugar '981 at Claim 7.

"If the current game state has a positive expectation (or positive expected profit) for the player, then the method can proceed to operation 304, which then determines whether the player chooses to bank his or her positive expectation. This can be prompted by an automatic pop up window which allows the player to choose whether he wishes to bank some or all of his recent gains in expectation for later redemption (with a return of the game state to the prior or other position with lesser expected value than the current state). The player can also exercise this option either verbally to a live dealer or electronically with a press of a button which allows the player to bank his or her positive expectation." Schugar '981 at ¶ [0092].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1k] - 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 eligible to win at least one jackpot that have accepted the buy-out offer or partial buy-out offer, each of the players accepting the buy-out offer will no longer be eligible to exclusively win the at least one jackpot, wherein each of the players not accepting the buy-out offer will remain eligible to win the at least one jackpot, and wherein each of the players accepting a partial buy-out offer remains eligible to win at least a portion of the at least one jackpot;

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1g].

[1l] - issuing a credit, tokens, currency or an award to the one or more players accepting the buy-out offer or partial buy-out offer;

Schugar '981 discloses this limitation. For example, Schugar '981 discloses:

"The player can also bank a portion of the expected profit the player has earned for later use. This can be done in a number of ways. The player can receive a $33.33 amount (or an amount based on this such as a lesser amount such as $25 to account for a house commission) and the point can be reset so that the game is in the previous game state with the $100 still wagered on the Don't Come line. Alternatively, the house can take a portion of the player's wager (such as 10%), so that the player now has $90 on the Don't Pass line. The taken portion can be stored for later redemption by the player. The $10 taken actually has an expected value of $13.33. This $13.33 (or a number based on this to account for the house commission) can be accumulated and disbursed to the player at a later time (either later at the instant game, or later at another game, or by electronic redemption). If the shooter rolls a 7, the player then wins $90 and if the shooter rolls a 10 the player loses his wager. However, in both cases, the player has banked the banked value for a later redemption. In this way, the player can continue to wager, but limit his losses by ensuring that some amount is still saved for later." Schugar '981 at ¶ [0079].

"The expected profit banked for later use can be used in a variety of ways. The $15 in the above example can be redeemed by the player for cash. The $15 can also be used to buy positive game states at a later time. For example, if the player is playing a game with multiple game states, and the player wants to put himself in a more favorable state, the player can use the banked money to buy a better state. A value stored for later use can also be applied towards room, food and beverage bills, etc. The value stored for later use can also be redeemed for cash at a later time. The value can also be redeemed for cash instantly, and the redeemed cash can be immediately returned to the player's current credit meter. The value stored for later can be stored locally and/or on a database which can be accessed at a later time." Schugar '981 at ¶ [0083].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1m] - completing the remainder of the defined number of legs to finish the multi-outcome wagering event;

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1h].

[1n] - determining if any of the players have won the at least one jackpot or portion thereof;

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1i].

[1o] - notifying the players that have won the jackpot or portion thereof; and

Schugar '981 discloses this limitation. For example, Schugar '981 discloses:

"As a further example, when a player achieves a positive expectation (or profit) in a game, the player can be alerted and/or presented with a pop up window which can make an offer such as,

"would you like to revert to the previous game position and receive a free lunch at the buffet worth $15?"" Schugar '981 at ¶ [0084].

"If the check in operation 104 determines that the game is over, then the method can proceed to operation 108, which accounts for wagers. This means taking losing wagers and paying winning wagers according to their respective payouts. Any borrowed money can be repaid at this time. The method may then optionally start a new game and return to operation 100." Schugar '981 at ¶ [0059].

"The expected profit banked for later use can be used in a variety of ways. The $15 in the above example can be redeemed by the player for cash. The $15 can also be used to buy positive game states at a later time. For example, if the player is playing a game with multiple game states, and the player wants to put himself in a more favorable state, the player can use the banked money to buy a better state. A value stored for later use can also be applied towards room, food and beverage bills, etc. The value stored for later use can also be redeemed for cash at a later time. The value can also be redeemed for cash instantly, and the redeemed cash can be immediately returned to the player's current credit meter. The value stored for later can be stored locally and/or on a database which can be accessed at a later time." Schugar '981 at ¶ [0083].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1p] - issuing a credit, tokens, currency or an award to the players that have won the jackpot or portion thereof.

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitations [7] and [24].

B. <u>Claim 2</u>

[2] - The method of claim 1, wherein the multi-outcome wagering event comprises one or more wagering events, the defined number of legs comprises one or more legs, and wherein each of the defined number of legs comprises at least one of an entire wagering event, a partial wagering event, a divisible component of a wagering event, multiple independent wagering events occurring sequentially or concurrently, and a compilation of related wagering events, wherein the one or more wagering events comprises one or more selected from the group consisting of sporting events, eSports, e-sports, competitive gaming, electronic sports, fantasy events, real games, virtual games, and fantasy games, and wherein the wager comprises a potential outcome for each of the legs.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c] and '439 Patent limitations [1a], [2], and [27]. For example, Schugar '981 discloses:

"The embodiments described herein can also be used to bet on sporting events, either at intervals on individual games or series of games. For example two teams can play a best 4/7 series. After each game in the series (and even during particular games), payout odds for each team

winning the series can change to reflect the current conditions (as described herein and/or known in the art) and players can make wagers during the series." Schugar '987 at ¶ [0072].

"FIG. 1 is a flowchart illustrating one example of a wagering game, according to an embodiment. A progression game is a game which has a plurality of game states, each game state may have a different expected return for the player based on the player's wagers and the current game state. The game is over when the game reaches a terminating game state." Schugar '981 at ¶ [0054].

"In addition to applying the equity concepts described herein to the above-described games, the methods described herein of using equity funds can also be used for any game that has variable states and is not over without an interval in between states." Schugar '981 at ¶ [0075].

"The method can start with operation 300, which plays a wagering game. The wagering game should be one which has multiple game states, either discrete (each successive game state is prompted and advanced by the player) or continuous (the game automatically advances throughout game states until a player takes an affirmative action to freeze the current game state and take action)." Schugar '981 at ¶ [0087].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

C. <u>Claim 3</u>

[3] - The method of claim 2, wherein the wager is one or more of selectable by being handpicked by the player, provided electronically on request of the player through communication between the one or more wagering input devices and the system controller, provided via a random number generator associated with the system controller, a quick pick or a smart pick.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1d] and '439 Patent limitation [3].

D. <u>Claim 4</u>

[4] - The method of claim 2, wherein the games comprise one or more selected from the group consisting of slot machines, keno, poker, video games, football ("soccer"), American football, Australian rules football, baseball, cricket, basketball, golf, hockey, auto racing, legends, rugby, wrestling, surfing, mixed martial arts, racing, lotteries, live events, pre-recorded events, online events, broadcast events, card games, politics, sales, stocks, celebrity gossip, movies, and reality TV.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c], [2], and '439 Patent limitation [4].

E. <u>Claim 5</u>

[5] - The method of claim 1, wherein accepting a partial buy-out offer comprises a player accepting less than the buy-out offer amount, said acceptance resulting in the player remaining eligible to win at least a portion of at least one jackpot.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1k] and '439 Patent limitations [1g] and [5].

F. Claim 7

[7] - The method of claim 1, wherein the system controller is further programmed to award the jackpot, or any fractional portion thereof, upon the completion of the multi-outcome event pool.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1l] and '439 Patent limitation [7].

G. Claim 8

[8a] - The method of claim 1, wherein the multi-outcome wagering event comprises one or more virtual games, said method further comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a]–[1p] and '439 Patent limitation [8a].

[8b] - initiating the buy-out offer prior to completion of the one or more virtual games, but after an outcome of the one or more virtual games has been determined,

Schugar '981 discloses this limitation. *See e.g.*, limitation [1j] and '439 Patent limitation [8b].

[8c] - said buy-out offer including a price that is at least partially based on random-number generated probabilities.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1j] and '439 Patent limitation [8b].

H. Claim 17

[17] - The method of claim 1, wherein the one or more wagering input devices are adapted for generating a wager for a player reflecting one or more predicted outcomes of the multi-outcome wagering event.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1d] and '439 Patent limitation [17].

I. Claim 20

[20] - The method of claim 1, wherein the wager further comprises a list that is at least one of printed on a ticket, printed on a voucher, and displayed via the one or more wagering input devices.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1d] and '439 Patent limitation [20].

J. Claim 21

[21] - The method of claim 1, wherein the one or more wagering devices comprise at least one of a wagering terminal, a wagering workstation, a personal computer, a smart phone, a tablet computing device, a gaming machine, a slot machine, and a lottery machine.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1b] and '439 Patent limitation [21].

K. Claim 24

[24] - The method of claim 1, wherein at least one of the one or more jackpots comprises a monetary award provided to the player in the form of at least one of currency, tokens and credit.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1l] and [1p] and '439 Patent limitation [24].

L. Claim 25

[25] - The method of claim 1, wherein the one or more jackpots, the portion thereof, or the award comprises one or more selected from the group consisting of monetary awards, nonmonetary awards, a prize, a payment, a designated currency, virtual currency, tokens, credits, coupons, services, personal property, real property, virtual property, assets, investments, negotiable instruments, commodities, food, lodging, entertainment, alleviation of obligations, gaming opportunities and wager enhancement.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1l] and [1p], and '341 Patent limitation [2].

M. Claim 27

[27] - The method of claim 1 wherein the wagering event and wager comprises one or more of fixed odds single wagers, multiple wagers, full cover wagers, full cover wagers with singles, 'Any to Come' (ATC) or 'if cash' wagers, specialty wagers, forecasts, fixed, variable, guaranteed, parimutuel wagering, fixed-odds wagering, accumulator or parlay wagering, fixed odds, a pool, progressive, fixed pool, variable pool or guaranteed pool.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a]–[1c], '439 Patent limitation [24], and '341 Patent limitation [35].

N. Claim 28

[28a] - The method of claim 1, 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:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a]–[1p].

[28b] - 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;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1k]. Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[28c] - 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;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1k]. Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[28d] - 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

Schugar '981 discloses this limitation. *See e.g.*, limitation [1k]. Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[28e] - 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.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1k]. Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

O. <u>Claim 29</u>

[29a] - The method of claim 1, further comprising a cash out option, the system controller further configured to:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a]–[1p] and '439 Patent limitations [1a]–[1i].

[29b] - receive a selection of the cash out option from any of the one or more players that desire to fully or partially end the wager, wherein the selection of the cash out option from any of the one or more players is provided via one or more of the one or more wagering input devices, a hand held device, a mobile device, a wireless device, a computing system, a smart phone, a telephone, a tablet computer, text messaging, a PDA, an interactive television, email, Internet browser or a cashier;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1b], [1k], and '439 Patent limitations [1b] and [1g].

[29c] - wherein any of the one or more players selecting the cash out option to fully end the wager no longer participates in the multi-outcome wagering event, and any of the one or more players selecting the cash out option to partially end the wager continues to participate in the multi-outcome wagering event; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1k] and '439 Patent limitation [1g].

[29d] - issue to the one or more players that selected the cash out option one or more of cash, tickets or credit slips redeemable by the player, funding of a player's electronically recordable identification card or online account, or an award.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1l].

P. <u>Claim 30</u>

[30] - The method of claim 1, wherein initiate and cause display of at least one of a buy-out offer and a partial buy-out offer comprises initiate and cause display of a partial buy-out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1j] and '439 Patent limitation [1e].

Q. <u>Claim 31</u>

[31] - The method of claim 1, wherein initiate and cause display of at least one of a buy-out offer and a partial buy-out offer comprises initiate and cause display of a buy-out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1j] and '439 Patent limitation [1e].

R. <u>Claim 32</u>

[32] - The method of claim 1, wherein the buy-out offer comprises a cash in offer or a cash out offer, and wherein the partial buy-out offer comprises a partial cash in offer or a partial cash out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1j] and '439 Patent limitation [1e].

S. Claim 33

[33] - The method of claim 1, wherein the buy-out offer and partial buy-out offer comprises a full cash out on a single.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1j] and '439 Patent limitation [1e].

T. Claim 34

[34] - The method of claim 1, wherein the buy-out offer and partial buy-out offer comprises a partial cash out on a single.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1j] and '439 Patent limitation [1e].

U. Claim 35

[35] - The method of claim 1, wherein the buy-out offer and partial buy-out offer comprises a full cash out on a multiple, accumulator, parlay or pool.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1j] and '439 Patent limitation [30].

V. Claim 36

[36] - The method of claim 1, wherein the buy-out offer and partial buy-out offer comprises a partial cash out on a multiple, accumulator, parlay or pool.

Schugar '981 discloses this limitation. *See e.g.*, limitation 1[j] and '439 Patent limitation [30].

W. Claim 37

[37a] - A wagering system including one or more wagering input devices for allowing the placement of a wager on a multi-outcome wagering event comprising one or more wagering events, the wagering system comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a], [1b], and [37b]–[37p], and '439 Patent limitations [1a] and [1b].

[37b] - a system controller configured to communicate with the one or more wagering input

devices, said system controller configured to:

Schugar '981 discloses this limitation. *See e.g.*, limitation [1b] and '439 Patent limitation [1b].

[37c] - initiate the multi-outcome wagering event for one or more players, said multi-outcome wagering event comprised of a defined number of legs comprising one or more 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;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c] and '439 Patent limitation [1c].

[37d] - receive 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;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1d] and '439 Patent limitation [1d].

[37e] - generate a record reflecting the wager associated with the player at the system controller;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1e].

[37f] - receive input of an outcome of each of the defined number of legs corresponding to the multi-outcome wager event;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1f].

[37g] - generate and cause display via the one or more wagering input devices the outcome received of each of the defined number of legs to a player;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1g].

[37h] - identify 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,

Schugar '981 discloses this limitation. *See e.g.*, limitation [1h].

[37i] - determine any players eligible to win at least one jackpot or a portion thereof based on the potential outcome of each of the defined number of legs in comparison against the record reflecting the wager from among players participating in the multi-outcome wagering event, wherein players eligible to win at least one leg remain eligible to win at least one jackpot or a portion thereof;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1i].

[37j] - initiate and cause display of at least one of a buy-out offer and a partial buy-out offer via

the one or more wagering input devices to any number of the one or more players that remain eligible to win at least one jackpot, or portion thereof, for at least a portion of said at least one jackpot, said buy-out offer or partial buy-out offer being initiated before the multi-outcome wagering event has been completed;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1j] and '439 Patent limitation [1e].

[37k] - receive an acceptance of at least one of the buy-out offer and partial buy-out offer via the one or more wagering input devices in response to input from a particular number of the one or more players eligible to win the at least one jackpot or portion thereof that have accepted the buy-out offer or partial buy-out offer, wherein each of the one or more players accepting the buy-out offer will no longer be eligible to exclusively win the at least one jackpot, wherein each of the one or more players not accepting the buy-out offer will remain eligible to win the at least one jackpot, and wherein each of the one or more players accepting a partial buy-out offer remains eligible to win at least a portion of the at least one jackpot;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1k] and '439 Patent limitation [1g].

[37l] - issue a credit, tokens, currency or an award to the one or more players accepting the buy-out offer or partial buy-out offer;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1l].

[37m] - complete the remainder of the defined number of legs to finish the multi-outcome wagering event;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1m] and '439 Patent limitation [1h].

[37n] - determine if any of the players have won the jackpot or portion thereof;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1n] and '439 Patent limitation [1i].

[37o] - notify the players that have won the jackpot or portion thereof; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1o].

[37p] - issue a credit, tokens, currency or an award to the players that have won the jackpot or portion thereof.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1p] and '439 Patent limitations [7] and [24].

X. <u>Claim 38</u>

[38] - The wagering system of claim 37, wherein the multi-outcome wagering event comprises a plurality of legs, each comprising at least one of an entire sporting event, a partial sporting event, a divisible component of a sporting event, multiple independent sporting events occurring sequentially or concurrently, and a compilation of related sporting events.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c] and '439 Patent limitation [27].

Y. Claim 39

[39a] - The wagering system of claim 38, wherein the system controller is further configured to:

Schugar '981 discloses this limitation. *See e.g.*, limitation [38] and '439 Patent limitation [28a].

[39b] - initiate one or more buy-out offers or partial buy-out offers for any combination of the plurality of legs at any time prior to completion of the multi-outcome wagering event; and receive an acceptance of said one or more buy-out offers or partial buy-out offers.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1j] and '439 Patent limitations [28b] and [28c].

Z. Claim 41

[41] - The wagering system of claim 37, wherein the wager comprises at least one of an accumulator, parlay, fixed odds single or fixed odds multiple wager comprising at least one or more combinations of at least a portion of the defined number of legs, wherein the one or more combinations are selectable by at least one of a player, a third party, and the wagering system, and wherein at any time before all legs included in the wager have been completed, at least one partial buy-out offer is initiated to any number of the one or more players remaining eligible to win at least one of a jackpot, a portion of a jackpot or an award.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1d] and '439 Patent limitation [30].

AA. Claim 42

[42] - The wagering system of claim 37, wherein the one or more jackpots, the portion thereof, or the award comprises one or more selected from the group consisting of monetary awards, nonmonetary awards, a prize, a payment, a designated currency, virtual currency, tokens, credits, coupons, services, personal property, real property, virtual property, assets, investments, negotiable instruments, commodities, food, lodging, entertainment, alleviation of obligations, gaming opportunities and wager enhancement.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1l] and [1p], and '439 Patent limitations [7] and [24].

BB. Claim 43

[43] - The wagering system of claim 37 wherein the wagering event and wager comprises one or more of fixed odds single wagers, multiple wagers, full cover wagers, full cover wagers with singles, 'Any to Come' (ATC) or 'if cash' wagers, specialty wagers, forecasts, fixed, variable, guaranteed, parimutuel wagering, fixed-odds wagering, accumulator or parlay wagering, fixed odds, a pool, progressive, fixed pool, variable pool or guaranteed pool.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1c] and [1d], '341 Patent limitation [35], and '439 Patent limitation [30].

CC. Claim 44

[44a] - The wagering system of claim 37, wherein upon acceptance of the buy-out offer or partial buy-out offer by a player, the system further comprises at least one or more of:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1k] and [28a].

[44b] - 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;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1l] and [28b].

[44c] - 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;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1l] and [28c].

[44d] - 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

Schugar '981 discloses this limitation. *See e.g.*, limitations [1l] and [28d].

[44e] - 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.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1e] and [28e].

DD. Claim 45

[45a] - The wagering system of claim 37, further comprising a cash out option, the system controller further configured to:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1j]–[1l] and [29a], and '439 Patent limitations [1a]–[1i].

[45b] - receive a selection of the cash out option from any of the one or more players that desire to fully or partially end the wager, wherein the selection of the cash out option from any of the one or more players is provided via one or more of the one or more wagering input devices, a hand held device, a mobile device, a wireless device, a computing system, a smart phone, a telephone, a tablet computer, text messaging, a PDA, an interactive television, email, Internet browser or a cashier;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1b], [1k], [1l], [29b], and '439 Patent limitations [1b] and [1g].

[45c] - wherein any of the one or more players selecting the cash out option to fully end the wager no longer participates in the multi-outcome wagering event, and any of the one or more players selecting the cash out option to partially end the wager continues to participate in the multi-outcome wagering event; and

Schugar '981 discloses this limitation. *See e.g.*, limitations [1k], [1l], [29c], and '439 Patent limitation [1g].

[45d] - issue to the one or more players that selected the cash out option one or more of cash, tickets or credit slips redeemable by the player, funding of a player's electronically recordable identification card or online account, or an award.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1l] and [29d].

EE. <u>Claim 46</u>

[46] - The wagering system of claim 37, wherein initiate and cause display of at least one of a buy-out offer and a partial buy-out offer comprises initiate and cause display of a partial buy-out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1j] and [30].

FF. <u>Claim 47</u>

[47] - The wagering system of claim 37, wherein initiate and cause display of at least one of a buy-out offer and a partial buy-out offer comprises initiate and cause display of a buy-out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1j] and [31].

GG. <u>Claim 48</u>

[48] - The wagering system of claim 37, wherein the buy-out offer comprises a cash in offer or a cash out offer, and wherein the partial buy-out offer comprises a partial cash in offer or a partial cash out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1j] and [32].

HH. <u>Claim 49</u>

[49] - The wagering system of claim 37, wherein the buy-out offer and partial buy-out offer comprises a full cash out on a single.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1j] and [33].

II. Claim 50

[50] - The wagering system of claim 37, wherein the buy-out offer and partial buy-out offer comprises a partial cash out on a single.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1j] and [34].

JJ. Claim 51

[51] - The wagering system of claim 37, wherein the buy-out offer and partial buy-out offer comprises a full cash out on a multiple, accumulator, parlay or pool.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1j] and [35].

KK. Claim 52

[52] - The wagering system of claim 37, wherein the buy-out offer and partial buy-out offer comprises a partial cash out on a multiple, accumulator, parlay or pool.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1j] and [35].

LL. Claim 53

[53] - The wagering system of claim 37, wherein the wagering events comprise one or more selected from the group consisting of slot machines, keno, poker, video games, racing, sporting events, eSports, e-sports, competitive gaming, electronic sports, lotteries, real games, virtual games, fantasy events, fantasy games, live events, pre-recorded events, online events, broadcast events, card games, politics, sales, stocks, celebrity gossip, movies, reality TV, football ("soccer"), American football, Australian rules football, baseball, cricket, basketball, golf, hockey, auto racing, legends, rugby, wrestling, surfing, mixed and martial arts.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c], '341 Patent limitation [34], and '439 Patent limitation [2].

MM. Claim 54

[54a] - A wagering system including one or more wagering input devices for allowing the placement of a wager on one or more wagering events, the wagering system comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a], [1b], [37a], and [54b]–[54l], and '439 Patent limitations [1a] and [1b].

[54b] - a system controller configured to communicate with the one or more wagering input devices, said system controller configured to:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1b], [37b], and '439 Patent limitation [1b].

[54c] - initiate the one or more wagering events for one or more players;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1c], [37c], and '439 Patent limitation [1c].

[54d] - 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;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1d], [37d], and '439 Patent limitation [1d].

[54e] - generate a record reflecting the wager associated with the player at the system controller;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1e] and [37e].

[54f] - receive input of an outcome of the one or more wagering events;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1f] and [37f].

[54g] - generate and cause display via the one or more wagering input devices the outcome of the one or more wagering events to a player;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [37g].

[54h] - 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;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h] and [37h].

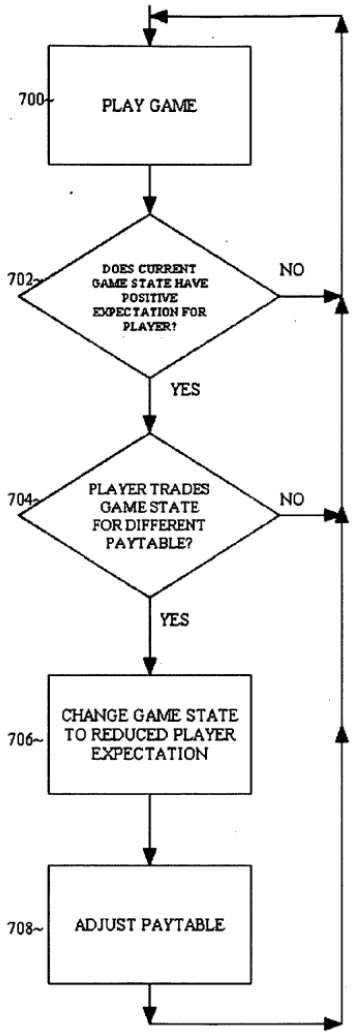
[54i] - determine any winners of the one or more wagering events based on the outcome of one or more wagering events in comparison against the record reflecting the wager from among players participating in the one or more wagering events;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1i], [1n], [37i], and '439 Patent limitations [1e] and [1i].

[54j] - initiate and cause display of at least one of a buy-out offer and a partial buy-out offer via the one or more wagering input devices to any number of the one or more players eligible to win before the one or more wagering events have been completed, wherein one or more additional buy-out offers or partial buy-out offers may be initiated and displayed via the one or more wagering input devices to any number of the one or more players that have not accepted a buy-out offer or a partial buy-out offer;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1j], [37j], and '439 Patent limitation [1e]. For example, corresponding to "wherein one or more additional buy-out offers or

partial buy-out offers may be initiated and displayed via the one or more wagering input devices to any number of the one or more players that have not accepted a buy-out offer or a partial buy-out offer," Schugar '981 discloses:



Schugar '981 at FIG. 7.

"The embodiments described herein can also be used to bet on sporting events, either at intervals on individual games or series of games. For example two teams can play a best 4/7 series. After each game in the series (and even during particular games), payout odds for each team winning the series can change to reflect the current conditions (as described herein and/or known in the art) and players can make wagers during the series." Schugar '981 at ¶ [0072].

"FIG. 1 is a flowchart illustrating one example of a wagering game, according to an embodiment. A progression game is a game which has a plurality of game states, each game state may have a different expected return for the player based on the player's wagers and the current game state. The game is over when the game reaches a terminating game state." Schugar '981 at ¶ [0054].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[54k] - receive any acceptances of the at least one of the buy-out offer and partial buy-out offer via the one or more wagering input devices in response to input from a particular number of the one or more players that have accepted the buy-out offer or partial buy-out offer; and

Schugar '981 discloses this limitation. *See e.g.*, limitations [1k], [37k], and '439 Patent limitation [1g].

[54l] - issue a credit, tokens, currency or an award to the one or more players accepting the buy-out offer or partial buy-out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1l] and [37l].

NN. Claim 55

[55] - The wagering system of claim 54, wherein the one or more players are eligible to win an award and the system controller is further configured to determine if any of the one or more players have won the award.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1i] and 1[n], and '439 Patent limitations [1e] and [1i].

OO. Claim 56

[56] - The wagering system of claim 54, wherein the award comprises one or more selected from the group consisting of monetary awards, nonmonetary awards, a prize, a payment, a designated currency, virtual currency, tokens, credits, coupons, services, personal property, real property, virtual property, assets, investments, negotiable instruments, commodities, food, lodging, entertainment, alleviation of obligations, gaming opportunities and wager enhancement.

Schugar '981 discloses this limitation. *See e.g.*, limitations 1[l] and [1p], '341 Patent limitation [2], and '439 Patent limitation [24].

PP. Claim 57

[57] - The wagering system of claim 54, wherein the wagering event comprises at least one of an entire wagering event, a partial wagering event, a divisible component of a wagering event, multiple independent wagering events occurring sequentially or concurrently, and a compilation of related wagering events, wherein the wagering event comprises one or more selected from the group consisting of sporting events, eSports, e-sports, competitive gaming, electronic sports, lotteries, real games, virtual games, fantasy events, fantasy games, live events, pre-recorded events, online events, broadcast events, slot machines, card games, keno, video games, racing, poker, politics, sales, stocks, celebrity gossip, movies, and reality TV, wherein the sporting

events comprise at least one or more of any sport, including any sport selected from the group consisting of football ("soccer"), American football, Australian rules football, baseball, cricket, basketball, golf, hockey, auto racing, legends, rugby, wrestling, surfing, mixed martial arts.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1c], [2], '439 Patent limitations [2] and [27].

QQ. Claim 58

[58] - The wagering system of claim 54 wherein the wagering event and wager comprises one or more of fixed odds single wagers, multiple wagers, full cover wagers, full cover wagers with singles, 'Any to Come' (ATC) or 'if cash' wagers, specialty wagers, forecasts, fixed, variable, guaranteed, parimutuel wagering, fixed-odds wagering, accumulator or parlay wagering, fixed odds, a pool, progressive, fixed pool, variable pool or guaranteed pool.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1d], '341 Patent limitation [35], and '439 Patent limitation [30].

RR. Claim 59

[59a] - The wagering system of claim 54, wherein upon acceptance of the buy-out offer or partial buy-out offer by a player, the system further comprises at least one or more of:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1k] and [28a].

[59b] - 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;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1l] and [28b].

[59c] - 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;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1l] and [28c].

[59d] - 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 wagering event has been completed; and

Schugar '981 discloses this limitation. *See e.g.*, limitations [1l] and [28d].

[59e] - 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.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1l] and [28e].

SS. Claim 60

[60a] - The wagering system of claim 54, further comprising a cash out option, the system controller further configured to:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1j], [29a], and '439 Patent limitations [1a]–[1i].

[60b] - receive a selection of the cash out option from any of the one or more players that desire to fully or partially end the wager, wherein the selection of the cash out option from any of the one or more players is provided via one or more of the one or more wagering input devices, a hand held device, a mobile device, a wireless device, a computing system, a smart phone, a telephone, a tablet computer, text messaging, a PDA, an interactive television, email, Internet browser or a cashier;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1k], [29b], and '439 Patent limitations [1b] and [1g].

[60c] - wherein any of the one or more players selecting the cash out option to fully end the wager no longer participates in the one or more wagering events, and any of the one or more players selecting the cash out option to partially end the wager continues to participate in the one or more wagering events; and

Schugar '981 discloses this limitation. *See e.g.*, limitations [1k], [1l], [29c], and '439 patent limitation [1g].

[60d] - issue to the one or more players that selected the cash out option one or more of cash, tickets or credit slips redeemable by the player, funding of a player's electronically recordable identification card or online account, or an award.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1l] and [29d].

TT. Claim 61

[61] - The wagering system of claim 54, wherein initiate and cause display of at least one of a buy-out offer and a partial buy-out offer comprises initiate and cause display of a partial buy-out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1j], [30] and '439 Patent limitation [1e].

UU. Claim 62

[62] - The wagering system of claim 54, wherein initiate and cause display of at least one of a buy-out offer and a partial buy-out offer comprises initiate and cause display of a buy-out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1j], [31], and '439 Patent limitation [1e].

VV. Claim 63

[63] - The wagering system of claim 54, wherein the buy-out offer comprises a cash in offer or a cash out offer, and wherein the partial buy-out offer comprises a partial cash in offer or a partial cash out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1j], [32] and '439 Patent limitation [1e].

WW. Claim 64

[64] - The wagering system of claim 54, wherein the buy-out offer and partial buy-out offer comprises a full cash out on a single.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1j], [33] and '439 Patent limitation [1e].

XX. Claim 65

[65] - The wagering system of claim 54, wherein the buy-out offer and partial buy-out offer comprises a partial cash out on a single.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1j], [34], and '439 Patent limitation [1e].

YY. Claim 66

[66] - The wagering system of claim 54, wherein the buy-out offer and partial buy-out offer comprises a full cash out on a multiple, accumulator, parlay or pool.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1j], [35], and '439 Patent limitation [30].

ZZ. Claim 67

[67] - The wagering system of claim 54, wherein the buy-out offer and partial buy-out offer comprises a partial cash out on a multiple, accumulator, parlay or pool.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1j], [36], and '439 Patent limitation [30].

AAA. Claim 68

[68a] - A wagering apparatus operative with one or more wagering devices for allowing a placement of a wager on an event comprised of one or more legs, the wagering apparatus comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a]–[1c], [37a], [68b]–[68j], and '439 Patent limitations [1a] and [1b].

[68b] - a server system controller configured to communicate with one or more wagering devices, said server system controller programmed to cause the wagering devices to:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1b], [37b], and '439 Patent limitation [1b].

[68c] - display one or more wagering events;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1c]. For example, Schugar '981 discloses:

"A machine game 400 can be any wagering machine game, such as a slot machine, video poker machine, or machine game which plays any game which can have multiple states (e.g. games which a player can wager on a progression). The machine game 400 can be associated with a comp card reader 402 in which the player can use his or her comp card to identify the player." Schugar '981 at ¶ [0104].

"The event may be a sporting event (including horse racing, football, etc., simulated by machine or real), a gambling game (e.g. craps, blackjack, etc.), or even a dramatic work (such as a reality show)." Schugar '981 at ¶ [0109].

"From operation 500, the method can proceed to operation 502, which begins the event and records the event states. The event states can be recorded on a digital media, on video capture, etc." Schugar '981 at ¶ [0110].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[68d] - select, in response to input from one or more players, one or more wagering events upon which at least one wager is accepted, wherein the at least one wager associated with the selection, of the one or more wagering events, has an associated jackpot;

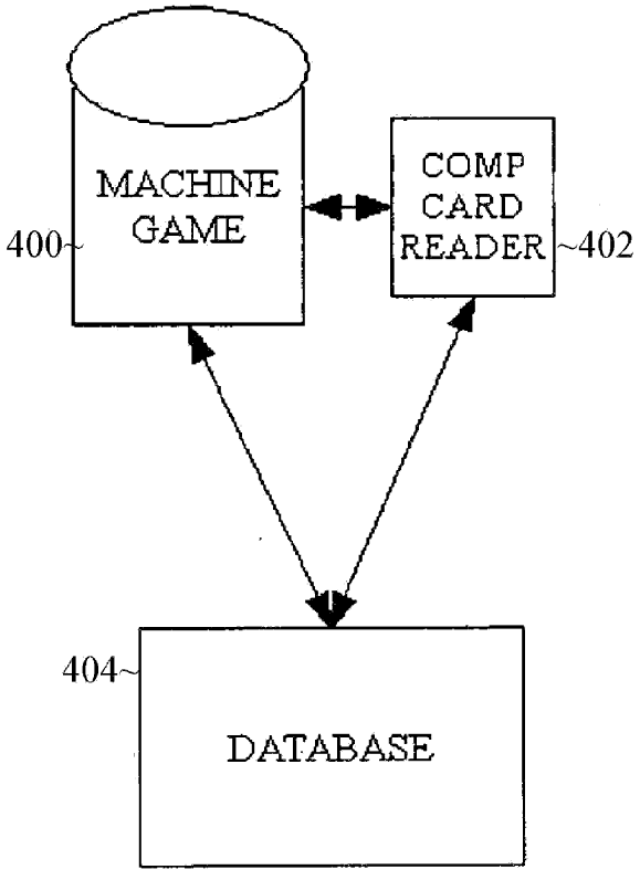
Schugar '981 discloses this limitation. *See e.g.*, limitations [1c] and [1d], and '439 Patent limitations [1d].

[68e] - generate a ticket and associated record within a database reflecting the wagering event selections from the one or more players;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1e] and '439 Patent limitations [20]. For example, Schugar '981 discloses:

"A machine game 400 can be any wagering machine game, such as a slot machine, video poker machine, or machine game which plays any game which can have multiple states (e.g. games which a player can wager on a progression). The machine game 400 can be associated with a comp card reader 402 in which the player can use his or her comp card to identify the player." Schugar '981 at ¶ [0104].

"A database 404 can be used to store values banked for later use. The database 404 can be accessible by all games in an individual casino or a group of casinos. Value banked for later use can be stored in the database using the player record." Schugar '981 at ¶ [0105].



Schugar '981 at FIG. 4.

"If the player chooses in operation 304 to bank his or her positive expectation, then the method can proceed to operation 306, which stores the value the player has banked for later use. This can be stored in the current machine and/or a remote database for later retrieval. A player can bank his or her positive expectation for later retrieval when the player is playing a same or different game at a later point in time." Schugar '981 at ¶ [0093].

"From operation 500, the method can proceed to operation 502, which begins the event and records the event states. The event states can be recorded on a digital media, on video capture, etc." Schugar '981 at ¶ [0110].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[68f] - receive input of an outcome of the wagering events;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1f] and [1m].

[68g] - determine whether one or more tickets have the potential to correctly select the outcome of at least one wagering event, thereby qualifying any of the one or more players to win the jackpot or a portion thereof;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h] and [1i].

[68h] - generate and cause display of a cash out option to fully or partially end the wager to any of the one or more players that are qualified to win the jackpot or a portion thereof;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1j] and '439 Patent limitation [1e].

[68i] - receive a selection of the cash out option from any of the one or more players that desire to fully or partially end the wager; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1k] and '439 Patent limitation [1g].

[68j] - issue one or more of a credit, tokens, currency, coupon, voucher, credit slip, or prize, or funding of a player's electronically recordable identification card or online account to any of the one or more players selecting the cash out option.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1l].

BBB. Claim 69

[69] - The wagering apparatus of claim 68, wherein the selection of the cash out option is provided via one or more of the one or more wagering devices, a hand held device, a mobile device, a wireless device, a computing system, a smart phone, a telephone, a tablet computer, text messaging, a PDA, an interactive television, email, Internet browser or a cashier.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1b], [1k], [29b], and '439 Patent limitations [1b] and [1g].

CCC. Claim 70

[70] - The wagering apparatus of claim 68, wherein any of the one or more players selecting the cash out option to fully end the wager no longer participates in the multi-outcome wagering

event, and any of the one or more players selecting the cash out option to partially end the wager continues to participate in the multi-outcome wagering event.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1k], [1l], [29c], and '439 Patent limitation [1g].

DDD. Claim 71

[71a] - The wagering apparatus of claim 68, wherein the system controller is further programmed to cause the one or more wagering devices to:

Schugar '981 discloses this limitation. *See e.g.*, limitation [1b] and '439 Patent limitation [1b].

[71b] - generate and cause display of at least one proposal to fully or partially buyout any number of the one or more players that are qualified to win the jackpot or a portion thereof; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1j] and '439 Patent limitation [1e].

[71c] - issue a credit, tokens, currency, coupon, voucher or prize to any of the one or more players accepting the at least one proposal.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1k] and [1l], and '439 Patent limitation [1g].

EEE. Claim 72

[72a] - The wagering apparatus of claim 71, wherein the system controller is further programmed to cause the one or more wagering devices to:

Schugar '981 discloses this limitation. *See e.g.*, limitation [1b], [71a], and '439 Patent limitation [1b].

[72b] - generate and cause display of one or more additional proposals to fully or partially buy-out to any number of the one or more players that have not accepted the at least one proposal to fully or partially buyout; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1j], [37j], [54j], [71b], and '439 Patent limitation [1e].

[72c] - issue a credit, tokens, currency, coupon, voucher or prize to any of the one or more players accepting the one or more additional proposals.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1k], [1l], [37l], [71c], and [54l].

FFF. Claim 73

[73a] - The wagering apparatus of claim 68, wherein the system controller is further programmed to cause the one or more wagering devices to:

Schugar '981 discloses this limitation. *See e.g.*, limitation [1b] and '439 Patent limitation [1b].

[73b] - complete the one or more legs to finish the event;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1m] and '439 Patent limitation [1h].

[73c] - determine if any of the players have won a jackpot or portion thereof;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1n] and '439 Patent limitation [1i].

[73d] - notify the players that have won a jackpot or portion thereof; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1o].

[73e] - issue a credit, tokens, currency coupon, voucher or prize to the one or more players that have won a jackpot or portion thereof.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1p] and '439 Patent limitations [7] and [24].

GGG. Claim 74

[74] - The wagering apparatus of claim 68 wherein at least one of the event and wager comprises one or more of fixed odds single wagers, multiple wagers, full cover wagers, full cover wagers with singles, 'Any to Come' (ATC) or 'if cash' wagers, specialty wagers, forecasts, fixed, variable, guaranteed, parimutuel wagering, fixed-odds wagering, accumulator or parlay wagering, fixed odds, a pool, progressive, fixed pool, variable pool or guaranteed pool.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1c] and [1d], '341 Patent limitation [35], and '439 Patent limitation [30].

HHH. Claim 75

[75] - The wagering apparatus of claim 68, wherein the event comprises at least one of an entire event, a partial event, a divisible component of an event, multiple independent events occurring sequentially or concurrently, and a compilation of related events, wherein the event comprises one or more selected from the group consisting of sporting events, eSports, e-sports, competitive gaming, electronic sports, lotteries, real games, virtual games, fantasy events, fantasy games, live events, pre-recorded events, online events, broadcast events, slot machines, card games, keno, video games, racing, poker, polities, sales, stocks, celebrity gossip, movies, and reality TV, wherein the sporting events comprise at least one or more of any sport, including any sport selected from the group consisting of football ("soccer"), American football, Australian rules

football, baseball, cricket, basketball, golf, hockey, auto racing, legends, rugby, wrestling, surfing, mixed martial arts.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c], [2], and '439 Patent limitations [2] and [27].

IV. U.S. Patent No. 9,424,716

A. Claim 1

[1a] - 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:

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1a].

[1b] - 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:

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1b].

[1c] - 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;

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1c].

[1d] - 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;

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1d].

[1e] - receiving input of an outcome of each of the defined number of legs corresponding to the multi-outcome wager event;

Schugar '981 discloses this limitation. *See e.g.*, '516 Patent limitation [1f].

[1f] - 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,

Schugar '981 discloses this limitation. *See e.g.*, '516 Patent limitation [1h].

[1g] - 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;

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1e] and '516 Patent limitation [1j].

[1h] - 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;

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1g] and '516 Patent limitation [1k].

[1i] - issuing a credit, tokens, currency or an award to the one or more players accepting the buy-out offer or partial buy-out offer;

Schugar '981 discloses this limitation. *See e.g.*, '516 Patent limitation [1l].

[1j] - 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:

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1g] and '516 Patent limitations [1k] and [28a].

[1k] - 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;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h], [1j], and '516 Patent limitations [1k] and [28b].

[1l] - 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;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h], [1j], and '516 Patent limitations [1k] and [28c].

[1m] - 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

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h], [1j], and '516 Patent limitations [1k] and [28d].

[1n] - 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.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1h], [1j], and '516 Patent limitation [1k] and [28e].

B. Claim 2

[2a] - The method of claim 1, further comprising the steps of:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a]–[1n].

[2b] - completing the remainder of the defined number of legs to finish the multi-outcome wagering event;

Schugar '981 discloses this limitation. *See e.g.*, '439 patent limitation [1h].

[2c] - determining if any of the players have won the at least one jackpot or portion thereof;

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1i].

[2d] - notifying the players that have won the jackpot or portion thereof; and

Schugar '981 discloses this limitation. *See e.g.*, '516 Patent limitation [1o].

[2e] - issuing a credit, tokens, currency or an award to the players that have won the jackpot or portion thereof.

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitations [7] and [24] and '516 Patent limitation [1p].

C. Claim 3

[3] - The method of claim 1, wherein the multi-outcome wagering event comprises one or more wagering events, the defined number of legs comprises one or more legs, and wherein each of the defined number of legs comprises at least one of an entire wagering event, a partial wagering event, a divisible component of a wagering event, multiple independent wagering events occurring sequentially or concurrently, and a compilation of related wagering events, wherein the one or more wagering events comprises one or more selected from the group consisting of sporting events, eSports, e-sports, competitive gaming, electronic sports, fantasy events, real games, virtual games, and fantasy games, and wherein the wager comprises a potential outcome for each of the legs.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a] and [1c], '439 Patent limitations [2] and [27], and '516 Patent limitation [2].

D. Claim 4

[4] - The method of claim 1, wherein the wager is one or more of selectable by being handpicked by the player, provided electronically on request of the player through communication between the one or more wagering input devices and the system controller, provided via a random number generator associated with the system controller, a quick pick or a smart pick.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a] and [1c], '439 Patent limitation [3], and 516 Patent limitation [3].

E. Claim 5

[5] - The method of claim 3, wherein the games comprise one or more selected from the group consisting of slot machines, keno, poker, video games, football ("soccer"), American football, Australian rules football, baseball, cricket, basketball, golf, hockey, auto racing, legends, rugby, wrestling, surfing, mixed martial arts, racing, lotteries, live events, pre-recorded events, online events, broadcast events, card games, politics, sales, stocks, celebrity gossip, movies, and reality TV.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a] and [1c], '439 Patent limitation [4], and '516 Patent limitation [4].

F. Claim 6

[6] - The method of claim 1, wherein accepting a partial buy-out offer comprises a player accepting less than the buy-out offer amount, said acceptance resulting in the player remaining eligible to win at least a portion of at least one jackpot.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1h], '439 Patent limitations [1g] and [5], and '516 Patent limitation [5].

G. Claim 11

[11] - The method of claim 1, wherein the amount of the buy-out offer and partial buy-out offer are variable and based on at least one of a calculated probability, an originator of the proposal, a negotiation, the one or more players or a third party.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1h], and '439 Patent limitation [8b]. Further, Schugar '981 discloses, for example:

"In a further embodiment, the equity concept described herein can be applied to craps. Equity obtained in a game of craps can be cashed in. For example, consider if a player bets an initial don't pass line bet of $100. The outcome of the come out roll is 10 ("the point"). According to the standard rules of craps, if the next roll is 10 the player loses while on a 7 the player wins (any other outcome of the dice results in a re-roll). Since a 7 is more likely than a 10, the player has a positive expectation at this point. If the player wishes to surrender this bet, his surrender value is: (original bet)+(chance of winning*amount to be won)." Schugar '981 at ¶ [0070].

"In this example, the chance of the player winning in this case is (1/3), while the player will win even money on his or her craps bet of $100. Thus, the value of the player's bet is $100+(1/3)*$100=$133.33. Thus, the player can chooses to continue rolling (and win or lose) or accept the surrender value of $133.33, which is based on equity in his position based on events that have occurred in the game (the come out roll). All other situations in craps can be addressed similarly (i.e. other come out rolls, etc.)." Schugar '981 at ¶ [0071].

"The embodiments described herein can also be used to bet on sporting events, either at intervals on individual games or series of games. For example two teams can play a best 4/7 series. After each game in the series (and even during particular games), payout odds for each team

winning the series can change to reflect the current conditions (as described herein and/or known in the art) and players can make wagers during the series."Schugar '981 at ¶ [0072].

"For example, consider a $100 craps wager on the Don't Pass line. Since the house edge on the Don't Pass line is 1.364%, the expected value of the player's wager is $98.64. The dice are rolled and the come out roll is a 10. The player is now happy, as the player wins if the shooter rolls a 7 and loses if the shooter rolls a 10 (any other total the shooter keeps rolling). Of course, it is easier for the shooter to roll a 7 than a 10. The probability of the shooter rolling a 7 before a 10 is 66%. Thus, the expected win is $133.33. Of course, the player can still lose the wager if the shooter rolls a 10. The player can surrender his craps bet for $133.33 or a lesser amount (so that the house takes a commission). For example, the house can let the surrender the wager for $125. The house makes money on this proposition, and the player gets the peace of mind of the sure win." Schugar '981 at ¶ [0078].

"Either the player can select how much positive expectation to bank, or the machine can automatically calculate an amount of positive expectation to bank. For example, one way to calculate the amount of positive expectation to bank is the amount of positive expectation the player has gained from the previous game state." Schugar '981 at ¶ [0094].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

H. <u>Claim 17</u>

[17] - The method of claim 1, wherein the one or more wagering input devices are adapted for generating a wager for a player reflecting one or more predicted outcomes of the multi-outcome wagering event.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1c]–[1f], and '439 Patent limitation [17].

I. <u>Claim 20</u>

[20] - The method of claim 1, wherein the wager further comprises a list that is at least one of printed on a ticket, printed on a voucher, and displayed via the one or more wagering input devices.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1d]–[1h], and '439 Patent limitation [20].

J. <u>Claim 21</u>

[21] - The method of claim 1, wherein the one or more wagering devices comprise at least one of a wagering terminal, a wagering workstation, a personal computer, a smart phone, a tablet computing device, a gaming machine, a slot machine, and a lottery machine.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a] and [1d], and '439 Patent limitation [21].

K. Claim 22

[22] - The method of claim 1, wherein the multi-outcome wagering event comprises a pool or is progressive, wherein said pool is at least one of fixed, variable and guaranteed.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1a] and '341 Patent limitation [35].

L. Claim 24

[24] - The method of claim 1, wherein at least one of the one or more jackpots comprises a monetary award provided to the player in the form of at least one of currency, tokens and credit.

Schugar '981 discloses this limitation. *See e.g.*, limitations [2d] and [2e], and '439 Patent limitation [24].

M. Claim 25

[25] - The method of claim 1, wherein the one or more jackpots, the portion thereof, or the award comprises one or more selected from the group consisting of monetary awards, nonmonetary awards, a prize, a payment, a designated currency, virtual currency, tokens, credits, coupons, services, personal property, real property, virtual property, assets, investments, negotiable instruments, commodities, food, lodging, entertainment, alleviation of obligations, gaming opportunities and wager enhancement.

Schugar '981 discloses this limitation. *See e.g.*, limitations [2d] and [2e], '439 Patent limitation [24], and '341 Patent limitation [2].

N. Claim 27

[27] - The method of claim 1 wherein the wagering event and wager comprises one or more of fixed odds single wagers, multiple wagers, full cover wagers, full cover wagers with singles, 'Any to Come' (ATC) or 'if cash' wagers, specialty wagers, forecasts, fixed, variable, guaranteed, parimutuel wagering, fixed-odds wagering, accumulator or parlay wagering, fixed odds, a pool, progressive, fixed pool, variable pool or guaranteed pool.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1a], '439 Patent limitation [30], and '341 Patent limitation [35].

O. Claim 28

[28a] - The method of claim 1, further comprising a cash out option, the system controller further configured to:

Schugar '981 discloses this limitation. *See e.g.*, limitation [1g], '439 Patent limitation [1a]–[1i], and '516 Patent limitation [29a].

[28b] - receive a selection of the cash out option from any of the one or more players that desire to fully or partially end the wager;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1h], '439 Patent limitations [1b] and [1g], and '516 Patent limitation [29b].

[28c] - wherein any of the one or more players selecting the cash out option to fully end the wager no longer participates in the multi-outcome wagering event, and any of the one or more players selecting the cash out option to partially end the wager continues to participate in the multi-outcome wagering event; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1h] and [1i], '439 Patent limitation [1g], and '516 Patent limitation [29c].

[28d] - issue to the one or more players that selected the cash out option one or more of cash, tickets or credit slips redeemable by the player, funding of a player's electronically recordable identification card or online account, or an award.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1i] and '516 Patent limitations [1l] and [29d].

P. <u>Claim 29</u>

[29] - The wagering apparatus of claim 28, wherein the system controller is further programmed to at least one of generate and receive the cash out option via one or more of the wagering input devices, a hand held device, a mobile device, a wireless device, a computing system, a smart phone, a telephone, a tablet computer, text messaging, a PDA, an interactive television, email, Internet browser or a cashier.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a], [1h], and [1i], '439 Patent limitations [1b] and [1g], and '516 Patent limitation [29b].

Q. <u>Claim 30</u>

[30] - The method of claim 1, wherein initiate and cause display of at least one of a buy-out offer and a partial buy-out offer comprises initiate and cause display of a partial buy-out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1h], '439 Patent limitation [1e], and '516 Patent limitation [30].

R. <u>Claim 31</u>

[31] - The method of claim 1, wherein initiate and cause display of at least one of a buy-out offer and a partial buy-out offer comprises initiate and cause display of a buy-out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1g] and [1h], '439 Patent limitation [1e], and '516 Patent limitation [31].

S. Claim 32

[32] - The method of claim 1, wherein the buy-out offer comprises a cash in offer or a cash out offer, and wherein the partial buy-out offer comprises a partial cash in offer or a partial cash out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1h], '439 Patent limitation [1e], and '516 Patent limitation [32].

T. Claim 33

[33] - The method of claim 1, wherein the buy-out offer and partial buy-out offer comprises a full cash out on a single.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1h], '439 Patent limitation [1e], and '516 Patent limitation [33].

U. Claim 34

[34] - The method of claim 1, wherein the buy-out offer and partial buy-out offer comprises a partial cash out on a single.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1h], '439 Patent limitation [1e], and '516 Patent limitation [34].

V. Claim 35

[35] - The method of claim 1, wherein the buy-out offer and partial buy-out offer comprises a full cash out on a multiple, accumulator, parlay or pool.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1h], '439 Patent limitation [30], '516 Patent limitation [35].

W. Claim 36

[36] - The method of claim 1, wherein the buy-out offer and partial buy-out offer comprises a partial cash out on a multiple, accumulator, parlay or pool.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1h], '439 Patent limitation [30], and '516 Patent limitation [36].

X. Claim 37

[37a] - A wagering system including one or more wagering input devices for allowing the placement of a wager on a multi-outcome wagering event comprising one or more wagering events, the wagering system comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a] and [37a]–[37n], '439 Patent limitations [1a] and [1b], and '516 Patent limitation [37a].

[37b] - a system controller configured to communicate with the one or more wagering input devices, said wagering system configured to:

Schugar '981 discloses this limitation. *See e.g.*, limitation [1b], '439 Patent limitation [1b], and '516 Patent limitation [37b].

[37c] - initiate the multi-outcome wagering event for one or more players, said multi-outcome wagering event comprised of a defined number of legs comprising one or more 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;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c], '439 Patent limitation [1c], and '516 Patent limitation [37c].

[37d] - receive 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;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1d], '439 Patent limitation [1d], and '516 Patent limitation [37d].

[37e] - determine any players eligible to win at least one jackpot or a portion thereof based on the potential outcome of each of the defined number of legs, wherein players eligible to win at least one leg remain eligible to win at least one jackpot or a portion thereof;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1e] and [1f], '439 Patent limitation [1e], and '516 Patent limitation [37e].

[37f] - initiate and cause display of at least one of a buy-out offer and a partial buy-out offer via the one or more wagering input devices to any number of the one or more players that remain eligible to win at least one jackpot, or portion thereof, said buy-out offer or partial buy-out offer being initiated before the multi-outcome wagering event has been completed;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1g], '439 Patent limitation [1e], and '516 Patent limitation [37j].

[37g] - receive an acceptance of at least one of the buy-out offer and partial buy-out offer via the one or more wagering input devices in response to input from a particular number of the one or more players eligible to win;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1h], '439 Patent limitation [1g], and '516 Patent limitation [37k].

[37h] - issue a credit, tokens, currency or an award to the one or more players accepting the buy-out offer or partial buy-out offer;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1i] and '516 Patent limitation [37l].

[37i] - wherein upon acceptance of the buy-out offer or partial buy-out offer by a player, the system further comprises at least one or more of:

Schugar '981 discloses this limitation. *See e.g.*, limitation [1j] and '516 Patent limitation [28a].

[37j] - 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;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h] and [1j], and '516 Patent limitation [28b].

[37k] - 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;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h] and [1j], and '516 Patent limitation [28c].

[37l] - 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

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h] and [1j], and '516 Patent limitation [28d].

[37m] - 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.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h] and [1j], and '516 Patent limitation [28e].

Y. <u>Claim 38</u>

[38a] - The wagering system of claim 37, the system further comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitations [37a]–[37m].

[38b] - complete the remainder of the defined number of legs to finish the multi-outcome wagering event;

Schugar '981 discloses this limitation. *See e.g.*, limitation [2b] and '439 Patent limitation [1h].

[38c] - determine if any of the players have won the jackpot or portion thereof;

Schugar '981 discloses this limitation. *See e.g.*, limitation [2c] and '439 Patent limitation [1i].

[38d] - notify the players that have won the jackpot or portion thereof; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [2d] and '516 Patent limitation [1o].

[38e] - issue a credit, tokens, currency or an award to the players that have won the jackpot or portion thereof.

Schugar '981 discloses this limitation. *See e.g.*, limitation [2e], '439 Patent limitations [7] and [24], and '516 Patent limitation [1p].

Z. Claim 39

[39] - The wagering system of claim 37, wherein the multi-outcome wagering event comprises a plurality of legs, each comprising at least one of an entire sporting event, a partial sporting event, a divisible component of a sporting event, multiple independent sporting events occurring sequentially or concurrently, and a compilation of related sporting events.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c] and '439 Patent limitation [27].

AA. Claim 40

[40a] - The wagering system of claim 37, wherein the system controller is further configured to:

Schugar '981 discloses this limitation. *See e.g.*, limitations [37a]–[37m] and '439 Patent limitation [28a].

[40b] - initiate one or more buy-out offers or partial buy-out offers for any combination of the plurality of legs at any time prior to completion of the multi-outcome wagering event; and receive an acceptance of said one or more buy-out offers or partial buy-out offers.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1h], and '439 Patent limitations [28b] and [28c].

BB. Claim 42

[42] - The wagering system of claim 37, wherein the wager comprises at least one of an accumulator, parlay, fixed odds single or fixed odds multiple wager comprising at least one or more combinations of at least a portion of the defined number of legs, wherein the one or more combinations are selectable by at least one of a player, a third party, and the wagering system,

and wherein at any time before all legs included in the wager have been completed, at least one partial buy-out offer is initiated to any number of the one or more players remaining eligible to win at least one of a jackpot, a portion of a jackpot or an award.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1h], and '439 Patent limitation [30].

CC. Claim 43

[43] - The wagering system of claim 37, wherein the one or more jackpots, the portion thereof, or the award comprises one or more selected from the group consisting of monetary awards, nonmonetary awards, a prize, a payment, a designated currency, virtual currency, tokens, credits, coupons, services, personal property, real property, virtual property, assets, investments, negotiable instruments, commodities, food, lodging, entertainment, alleviation of obligations, gaming opportunities and wager enhancement.

Schugar '981 discloses this limitation. *See e.g.*, limitations [2d] and [2e], '341 Patent limitation [2], and '439 Patent limitation [24].

DD. Claim 44

[44] - The wagering system of claim 37 wherein the wagering event and wager comprises one or more of fixed odds single wagers, multiple wagers, full cover wagers, full cover wagers with singles, 'Any to Come' (ATC) or 'if cash' wagers, specialty wagers, forecasts, fixed, variable, guaranteed, parimutuel wagering, fixed-odds wagering, accumulator or parlay wagering, fixed odds, a pool, progressive, fixed pool, variable pool or guaranteed pool.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1d] and [1d], '341 Patent limitation [35], and '439 Patent limitation [30].

EE. Claim 45

[45a] - The wagering system of claim 37, further comprising a cash out option, the system controller further configured to:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [37a]–[37m], '516 Patent limitation [29a], and '439 Patent limitations [1a]–[1i].

[45b] - receive a selection of the cash out option from any of the one or more players that desire to fully or partially end the wager, wherein the selection of the cash out option from any of the one or more players is provided via one or more of the one or more wagering input devices, a hand held device, a mobile device, a wireless device, a computing system, a smart phone, a telephone, a tablet computer, text messaging, a PDA, an interactive television, email, Internet browser or a cashier;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1b] and [1h], '516 Patent limitation [29b], and '439 Patent limitations [1b] and [1g].

[45c] - wherein any of the one or more players selecting the cash out option to fully end the wager no longer participates in the multi-outcome wagering event, and any of the one or more players selecting the cash out option to partially end the wager continues to participate in the multi-outcome wagering event; and

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1h], '516 Patent limitation [29c], and ""439 Patent limitation [1g].

[45d] - issue to the one or more players that selected the cash out option one or more of cash, tickets or credit slips redeemable by the player, funding of a player's electronically recordable identification card or online account, or an award.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1i] and '516 Patent limitation [29d].

FF. Claim 46

[46] - The wagering system of claim 37, wherein initiate and cause display of at least one of a buy-out offer and a partial buy-out offer comprises initiate and cause display of a partial buy-out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1h], '516 Patent limitation [30], and '439 Patent limitation [1e].

GG. Claim 47

[47] - The wagering system of claim 37, wherein initiate and cause display of at least one of a buy-out offer and a partial buy-out offer comprises initiate and cause display of a buy-out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1h], '516 Patent limitation [31], and '439 Patent limitation [1e].

HH. Claim 48

[48] - The wagering system of claim 37, wherein the buy-out offer comprises a cash in offer or a cash out offer, and wherein the partial buy-out offer comprises a partial cash in offer or a partial cash out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1h], '516 Patent limitation [32], and '439 Patent limitation [1e].

II. Claim 49

[49] - The wagering system of claim 37, wherein the buy-out offer and partial buy-out offer comprises a full cash out on a single.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1h], '516 Patent limitation [33], and '439 Patent limitation [1e].

JJ. Claim 50

[50] - The wagering system of claim 37, wherein the buy-out offer and partial buy-out offer comprises a partial cash out on a single.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1h], '516 Patent limitation [34], and '439 Patent limitation [1e].

KK. Claim 51

[51] - The wagering system of claim 37, wherein the buy-out offer and partial buy-out offer comprises a full cash out on a multiple, accumulator, parlay or pool.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1h], '516 Patent limitation [35], and '439 Patent limitation [30].

LL. Claim 52

[52] - The wagering system of claim 37, wherein the buy-out offer and partial buy-out offer comprises a partial cash out on a multiple, accumulator, parlay or pool.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1h], '516 Patent limitation [36], and '439 Patent limitation [30].

MM. Claim 53

[53] - The wagering system of claim 37, wherein the wagering events comprise one or more selected from the group consisting of slot machines, keno, poker, video games, racing, sporting events, eSports, e-sports, competitive gaming, electronic sports, lotteries, real games, virtual games, fantasy events, fantasy games, live events, pre-recorded events, online events, broadcast events, card games, politics, sales, stocks, celebrity gossip, movies, reality TV, football ("soccer"), American football, Australian rules football, baseball, cricket, basketball, golf, hockey, auto racing, legends, rugby, wrestling, surfing, mixed and martial arts.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c], '439 Patent limitation [4], and '516 Patent limitation [4].

NN. Claim 54

[54a] - A wagering system including one or more wagering input devices for allowing the placement of a wager on one or more wagering events, the wagering system comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a] and [54b]–[54j], and '439 Patent limitation [26a].

[54b] - a system controller configured to communicate with the one or more wagering input devices, said system controller configured to:

Schugar '981 discloses this limitation. *See e.g.*, limitation [1b] and '439 Patent limitation [26b].

[54c] - initiate the one or more wagering events for one or more players;

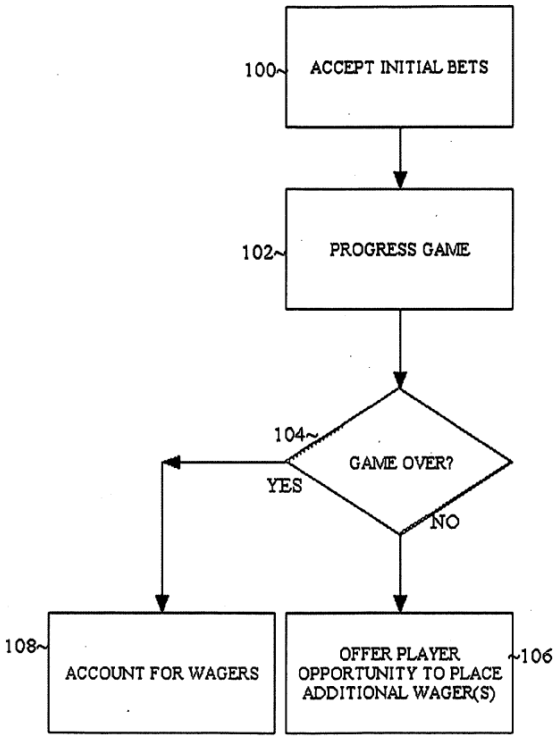
Schugar '981 discloses this limitation. *See e.g.*, limitation [1c] and '439 Patent limitation [26c].

[54d] - 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;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1d] and '439 Patent limitation [26d].

[54e] - monitor an outcome of the one or more wagering events;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1e]. For example:



Schugar '981 at FIG. 1.

"The method can start with operation 300, which plays a wagering game. The wagering game should be one which has multiple game states, either discrete (each successive game state is prompted and advanced by the player) or continuous (the game automatically advances throughout game states until a player takes an affirmative action to freeze the current game state and take action)." Schugar '981 at ¶ [0087].

"From operation 500, the method can proceed to operation 502, which begins the event and records the event states. The event states can be recorded on a digital media, on video capture, etc." Schugar '981 at ¶ [0110].

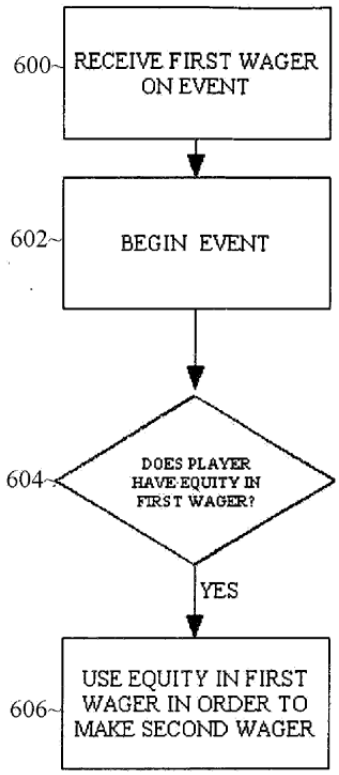
Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[54f] - 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;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1f], '439 Patent limitation [1e], '516 Patent limitations [1f] and [1i]. For example, corresponding to identifying 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," Schugar '981 discloses:

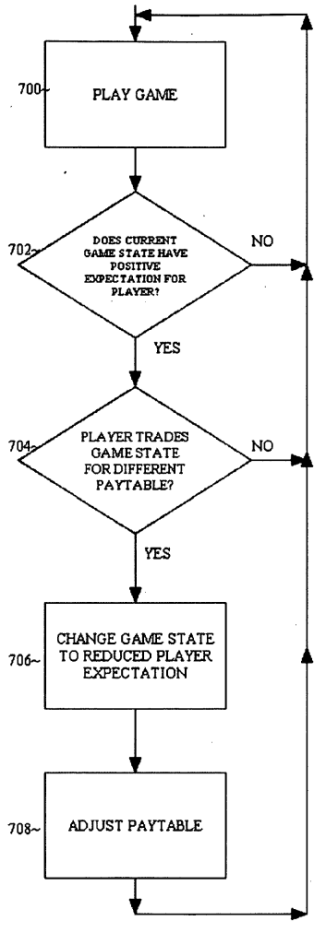
"The present invention allows a player to borrow money against the player's position in a game already in progress. Some casino games are over immediately (i.e. "casino war,") in which there is really no "in progress" state. Other games, such as games related to betting on progressions, contain a plurality of game states or intervals upon which a player can develop a "positive position." A game related to betting on a progression can comprise a game which has numerous game states, typically with a preferred outcome. A positive position can comprise a game in a particular game state, with or without particular current wagers made, wherein the player has a better than 100% expected return." Schugar '981 at ¶ [0020].

Schugar '981 discloses this limitation. For example, Schugar '981 discloses:



Schugar '981 at FIG. 6.

"Thus, the house may wish to compute at what amount a player should make a particular wager in order to be allowed to bet with "borrowed" money. Of course, if the player is not currently in an "equity" state in the game, then no wager (on either side) would put the player into a guaranteed winning situation. An equity state of the game can be considered a position where a player has a positive expectation based on his or her wagers and the game state. A player can "borrow" against this state in order to make further wagers on the game with this borrowed money." Schugar '981 ta ¶ [0042].



Schugar '981 at FIG. 7.

"In a further embodiment, the equity concept described herein can be applied to craps. Equity obtained in a game of craps can be cashed in. For example, consider if a player bets an initial don't pass line bet of $100. The outcome of the come out roll is 10 ("the point"). According to the standard rules of craps, if the next roll is 10 the player loses while on a 7 the player wins (any other outcome of the dice results in a re-roll). Since a 7 is more likely than a 10, the player has a positive expectation at this point. If the player wishes to surrender this bet, his surrender value is: (original bet)+(chance of winning*amount to be won)." Schugar '981 at ¶ [0070].

"In this example, the chance of the player winning in this case is (1/3), while the player will win even money on his or her craps bet of $100. Thus, the value of the player's bet is $100+(1/3)*$100=$133.33. Thus, the player can chooses to continue rolling (and win or lose) or accept the surrender value of $133.33, which is based on equity in his position based on events that have occurred in the game (the come out roll). All other situations in craps can be addressed similarly (i.e. other come out rolls, etc.)" Schugar '981 at ¶ [0071].

"When the player is playing a game in which the player can be "winning" before the game is over, the player may wish to have a way to cash in on the winning state before completing the game. For example, if a player bets on a particular horse in a horse race, and the particular horse is winning, the player has some satisfaction (at least for the moment) that the player is in a good

position. Of course, the player's horse can lose and the player can be left with nothing. A player may find it attractive to be able to accumulate (or "bank") a portion of a positive expectation situation for later redemption. In this manner, even if the player ultimately loses his or her wager, the player has not lost everything because the banking has been performed." Schugar '981 at ¶ [0077].

"The method can continue to operation 302, which determines whether the current game state has a positive expectation for the player. If the current game state has a positive expectation for the player, then the player has "equity" in the game." Schugar '981 at ¶ [0089].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[54g] - initiate and cause display of at least one of a buy-out offer and a partial buy-out offer via the one or more wagering input devices to any number of the one or more players eligible to win before the one or more wagering events have been completed, wherein one or more additional buy-out offers or partial buy-out offers may be initiated and displayed via the one or more wagering input devices to any number of the one or more players that have not accepted a buy-out offer or a partial buy-out offer;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1g], '439 Patent limitation [1e], and '516 Patent limitation [54j].

[54h] - receive any acceptances of the at least one of the buy-out offer and partial buy-out offer via the one or more wagering input devices in response to input from a particular number of the one or more players that have accepted the buy-out offer or partial buy-out offer; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1h], '439 Patent limitation [1g], and '516 Patent limitation [54k].

[54i] - issue a credit, tokens, currency or an award to the one or more players accepting the buy-out offer or partial buy-out offer;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1i] and '516 Patent limitation [1l].

[54j] - wherein the buy-out offer and partial buy-out offer comprises one or more of a full cash out on a single, a partial cash out on a single, a full cash out on a multiple, accumulator, parlay or pool, or a partial cash out on a multiple, accumulator, parlay or pool.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g]–[1h] and '516 Patent limitation [35].

OO. <u>Claim 55</u>

[55] - The wagering system of claim 54, wherein the one or more players are eligible to win an award and the system controller is further configured to determine if any of the one or more players have won the award.

Schugar '981 discloses this limitation. *See e.g.*, limitation [2c], '341 Patent limitation [32], '516 Patent limitation [55], and '439 Patent limitations [1e] and [1i].

PP. Claim 56

[56] - The wagering system of claim 54, wherein the award comprises one or more selected from the group consisting of monetary awards, nonmonetary awards, a prize, a payment, a designated currency, virtual currency, tokens, credits, coupons, services, personal property, real property, virtual property, assets, investments, negotiable instruments, commodities, food, lodging, entertainment, alleviation of obligations, gaming opportunities and wager enhancement.

Schugar '981 discloses this limitation. *See e.g.*, limitations [2d] and [2e], '341 Patent limitation [33], '516 Patent limitation [56], and '439 Patent limitation [24].

QQ. Claim 57

[57] - The wagering system of claim 54, wherein the wagering event comprises at least one of an entire wagering event, a partial wagering event, a divisible component of a wagering event, multiple independent wagering events occurring sequentially or concurrently, and a compilation of related wagering events, wherein the wagering event comprises one or more selected from the group consisting of sporting events, eSports, e-sports, competitive gaming, electronic sports, lotteries, real games, virtual games, fantasy events, fantasy games, live events, pre-recorded events, online events, broadcast events, slot machines, card games, keno, video games, racing, poker, politics, sales, stocks, celebrity gossip, movies, and reality TV, wherein the sporting events comprise at least one or more of any sport, including any sport selected from the group consisting of football ("soccer"), American football, Australian rules football, baseball, cricket, basketball, golf, hockey, auto racing, legends, rugby, wrestling, surfing, mixed martial arts.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c], '516 Patent limitation [57], '439 Patent limitations [2] and [27].

RR. Claim 58

[58] - The wagering system of claim 54 wherein the wagering event and wager comprises one or more of fixed odds single wagers, multiple wagers, full cover wagers, full cover wagers with singles, 'Any to Come' (ATC) or 'if cash' wagers, specialty wagers, forecasts, fixed, variable, guaranteed, parimutuel wagering, fixed-odds wagering, accumulator or parlay wagering, fixed odds, a pool, progressive, fixed pool, variable pool or guaranteed pool.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1d], '516 Patent limitation [58], '341 Patent limitation [35], and '439 Patent limitation [30].

SS. Claim 59

[59a] - The wagering system of claim 54, wherein upon acceptance of the buy-out offer or partial buy-out offer by a player, the system further comprises at least one or more of:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1i] and [54a]–[54j], and '516 Patent limitation [59a].

[59b] - 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;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h] and [1j], and '516 Patent limitation [59b].

[59c] - 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;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h] and [1j], and '516 Patent limitation [59c].

[59d] - 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 wagering event has been completed; and

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h] and [1j], and '516 Patent limitation [59d].

[59e] - 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.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h] and [1j], and '516 Patent limitation [59e].

TT. <u>Claim 60</u>

[60a] - The wagering system of claim 54, further comprising a cash out option, the system controller further configured to:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [54a]–[54j], and '516 Patent limitations [1j] and [29a], and '439 Patent limitations [1a]–[1i].

[60b] - receive a selection of the cash out option from any of the one or more players that desire to fully or partially end the wager, wherein the selection of the cash out option from any of the one or more players is provided via one or more of the one or more wagering input devices, a hand held device, a mobile device, a wireless device, a computing system, a smart phone, a telephone, a tablet computer, text messaging, a PDA, an interactive television, email, Internet

browser or a cashier;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1h], and '516 Patent limitation [29b] and [60b], and '439 Patent limitations [1b] and [1g].

[60c] - wherein any of the one or more players selecting the cash out option to fully end the wager no longer participates in the one or more wagering events, and any of the one or more players selecting the cash out option to partially end the wager continues to participate in the one or more wagering events; and

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1h], '516 Patent limitations [1k], [1l], [29c], and '439 Patent limitation [1g].

[60d] - issue to the one or more players that selected the cash out option one or more of cash, tickets or credit slips redeemable by the player, funding of a player's electronically recordable identification card or online account, or an award.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1i] and '516 Patent limitations [1l] and [29d].

UU. Claim 61

[61] - The wagering system of claim 54, wherein initiate and cause display of at least one of a buy-out offer and a partial buy-out offer comprises initiate and cause display of a partial buy-out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1h], '516 Patent limitations [1j] and [30], and '439 Patent limitation [1e].

VV. Claim 62

[62] - The wagering system of claim 54, wherein initiate and cause display of at least one of a buy-out offer and a partial buy-out offer comprises initiate and cause display of a buy-out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1h], '516 Patent limitations [1j], [31], and '439 Patent limitation [1e].

WW. Claim 63

[63] - The wagering system of claim 54, wherein the buy-out offer comprises a cash in offer or a cash out offer, and wherein the partial buy-out offer comprises a partial cash in offer or a partial cash out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1h], '516 Patent limitations [1j] and [32], and '439 Patent limitation [1e].

XX. Claim 64

[64] - The wagering apparatus of claim 54, wherein the amount of the buy-out offer and partial

buy-out offer are variable and based on at least one of a calculated probability, an originator of the proposal, a negotiation, the one or more players or a third party.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g], [1h], and [11], and '439 Patent limitation [8b].

YY. Claim 65

[65a] - A wagering apparatus operative with one or more wagering devices for allowing a placement of a wager on one or more wagering events, the wagering apparatus comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a] and [65b]–[65f], '516 Patent limitation [68a], and '439 Patent limitations [1a] and [1b].

[65b] - a server system controller configured to communicate with one or more wagering devices to:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1b], '516 Patent limitations [1b], [37b], and '439 Patent limitation [1b].

[65c] - identify one or more wagering events that may be the subject of a wager;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c]. For example, Schugar '981 discloses:

"In addition to applying the equity concepts described herein to the above-described games, the methods described herein of using equity funds can also be used for any game that has variable states and is not over without an interval in between states." Schugar '981 at ¶ [0075].

"The embodiments described herein can also be used to bet on sporting events, either at intervals on individual games or series of games. For example two teams can play a best 4/7 series. After each game in the series (and even during particular games), payout odds for each team winning the series can change to reflect the current conditions (as described herein and/or known in the art) and players can make wagers during the series." Schugar '981 at ¶ [0072].

"The method can start with operation 300, which plays a wagering game. The wagering game should be one which has multiple game states, either discrete (each successive game state is prompted and advanced by the player) or continuous (the game automatically advances throughout game states until a player takes an affirmative action to freeze the current game state and take action)." Schugar '981 at ¶ [0087].

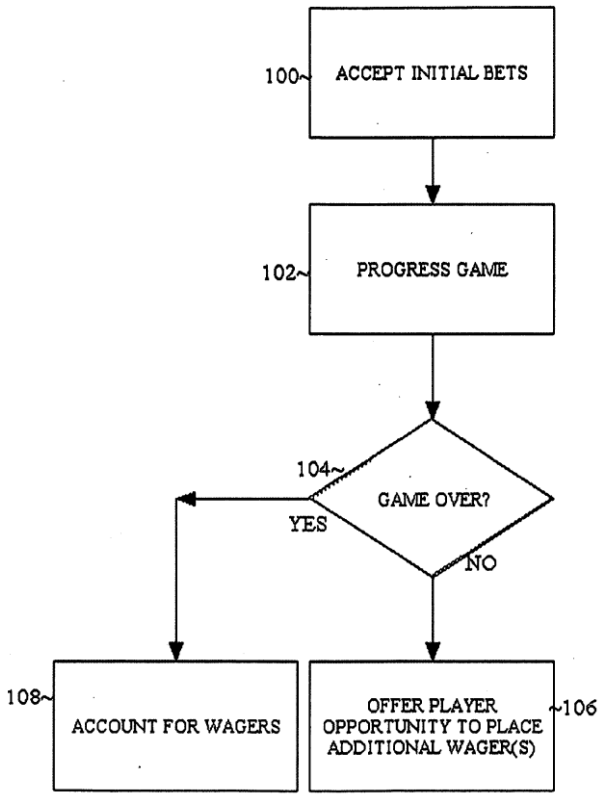
Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[65d] - receive, in response to input from one or more players, a selection of one or more

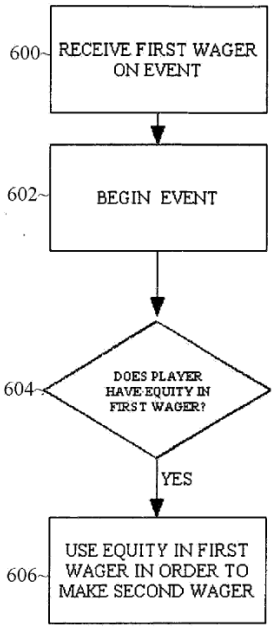
wagering events and one or more potential outcomes corresponding to the selected one or more wagering events upon which at least one wager is accepted;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1d] and '439 Patent limitation [1d]. For example, Schugar '981 discloses:

Schugar '981 discloses this limitation. For example, Schugar '981 discloses:



Schugar '981 at FIG. 1.



Schugar '981 at FIG. 6.

"The above aspects can be obtained by a method that includes (a) receiving a wager from a player on a player chosen outcome, the wager paying according to a first paytable; (b) conducting a wagering game with a first game state; (c) progressing the first game state into a second game state based on a random determination; (d) determining from the player that the player wishes to change from the second game state back into the first game state in exchange to activate a second paytable for the wager; (e) reverting the game from the second game state back to the first game state; (f) completing the game to determine whether the wager wins or loses; and (g) if the wager is determined to win, then paying the wager according to a second paytable, (h) wherein if the player did not choose to change from the second game state back to the first game state, then if the wager is determined to win, then the wager is paid using the first paytable." Schugar '981 at ¶ [0007].

"The method can start at operation 100, which accepts initial bets. A player may not be required to wager on the game before the game starts, and may choose to just wager on the game during the game." Schugar '981 at ¶ [0055].

"An electronic gaming apparatus to conduct a wagering game, the apparatus comprising:

a computer performing:

receiving a wager from a player on a player chosen outcome, the wager paying according to a first paytable;

conducting a wagering game with a first game state;

progressing the first game state into a second game state based on a random determination;

determining from the player that the player wishes to change from the second game state back into the first game state in exchange to activate a second paytable for the wager;

reverting the game from the second game state back to the first game state;

completing the game to determine whether the wager wins or loses; and

if the wager is determined to win, then paying the wager according to a second paytable,

wherein if the player did not choose to change from the second game state back to the first game state, then if the wager is determined to win, then the wager is paid using the first paytable; and

an output device." Schugar '981 at Claim 9.

"The above aspects can be obtained by a method that includes (a) receiving a wager from a player on a player chosen outcome, the wager paying according to a first paytable." Schugar '981 at ¶ [0007].

"The exact amount can be chosen by the player, can be randomly determined, can be calculated to be the minimum amount required to put the player in a break even position, or can be (automatically or manually) chosen to spread the player's equity over both sides." Schugar '981 at ¶ [0118].

"The game then proceeds to operation 2, wherein the player makes a wager. The player makes a $5 wager on the leftmost side (although of course the player can choose the amount to wager and the event wagered on)." Schugar '981 at ¶ [0029].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[65e] - generate and cause display of at least one proposal to fully or partially buyout to any number of the one or more players; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1g], '516 Patent limitations [1j] and [68h], and '439 Patent limitation [1e].

[65f] - issue a credit, tokens, currency, coupon, voucher or an award to any of the one or more players accepting the at least one proposal.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h] and [1i], '516 Patent limitations [1l] and [68j].

ZZ. <u>Claim 66</u>

[66] - The wagering apparatus of claim 65, wherein the one or more wagering events comprise at least one of an entire event, a partial event, a divisible component of an event, multiple independent events occurring sequentially or concurrently, and a compilation of related events, wherein the one or more wagering events further comprises one or more selected from the group consisting of sporting events, eSports, e-sports, competitive gaming, electronic sports, lotteries, real games, virtual games, fantasy events, fantasy games, live events, pre-recorded events, online events, broadcast events, slot machines, card games, keno, video games, racing, poker, politics, sales, stocks, celebrity gossip, movies, and reality TV, wherein the sporting events comprise at least one or more of any sport, including any sport selected from the group consisting of football ("soccer"), American football, Australian rules football, baseball, cricket, basketball, golf, hockey, auto racing, legends, rugby, wrestling, surfing, mixed martial arts.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c], '439 Patent limitation [27], and '516 Patent limitation [2].

AAA. Claim 69

[69] - The wagering apparatus of claim 65, wherein the wagering event selections are made by one or more selected from the group consisting of handpicked by the one or more players, provided electronically on request of the one or more players through communication between the wagering device and the server system controller, provided via a random number generator associated with the server system controller, a quick pick or a smart pick.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1c] and [1d], and '439 Patent limitation [3].

BBB. Claim 70

[70] - The wagering apparatus of claim 65, wherein accepting the partial buy-out results in the one or more players remaining eligible to win.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1h], and '439 Patent limitation [1g].

CCC. Claim 71

[71] - The wagering apparatus of claim 65, wherein accepting the full buy-out results in the one or more players no longer being eligible to win.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1h], and '439 Patent limitation [1g].

DDD. Claim 72

[72] - The wagering apparatus of claim 65, wherein accepting the partial buy-out comprises the one or more players accepting less than the full buy-out proposal, said acceptance resulting in the one or more players remaining eligible to win.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1h], and '439 Patent limitation [5].

EEE. Claim 73

[73] - The wagering apparatus of claim 65, wherein the amount of the proposal is variable and based on at least one of a calculated probability, an originator of the proposal, a negotiation, the one or more players or a third party.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1g], [1h], and [11].

FFF. Claim 74

[74a] - The wagering apparatus of claim 65, wherein upon acceptance of the proposal by the one or more players, the server system controller is further programmed to cause the one or more wagering devices to at least one or more of:

Schugar '981 discloses this limitation. *See e.g.*, limitation [1i], and '516 Patent limitation [28a].

[74b] - transfer an entitlement of the one or more players to at least one third party or another player, so that the at least one third party or another player becomes eligible to win;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h] and [1j], and '516 Patent limitation [28b].

[74c] - transfer ownership or partial ownership of the one or more players, in at least a portion of the one or more 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;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h] and [1j], and '516 Patent limitation [28c].

[74d] - relinquish rights of the one or more players, in at least a portion of the one or more player's wager corresponding to the proposal, before the event has been completed; and

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h] and [1j], and '516 Patent limitation [28d].

[74e] - initiate and cause display of at least a portion of the one or more 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.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h] and [1j], and '516 Patent limitation [28e].

GGG. Claim 75

[75a] - The wagering apparatus of claim 65, further comprising a cash out option, the system controller further programmed to cause the one or more wagering devices to:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [65a]–[65f], '516 Patent limitation [29a], and '439 Patent limitations [1a]–[1i].

[75b] - receive a selection of the cash out option from any of the one or more players that desire to fully or partially end the wager, wherein the selection of the cash out option from any of the one or more players is provided via one or more of the one or more wagering devices, a hand held device, a mobile device, a wireless device, a computing system, a smart phone, a telephone, a tablet computer, text messaging, a PDA, an interactive television, email, Internet browser or a cashier;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a] and [1h], '516 Patent limitation [29b], and '439 Patent limitations [1b] and [1g].

[75c] - wherein any of the one or more players selecting the cash out option to fully end the wager no longer participates, and any of the one or more players selecting the cash out option to partially end the wager continues to participate; and

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1h], '516 Patent limitation [29c], and '439 Patent limitation [1g].

[75d] - issue to the one or more players that selected the cash out option one or more of cash, tickets or credit slips redeemable by the player, funding of a player's electronically recordable identification card or online account, or an award.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1i], '516 Patent limitation [29d].

HHH. <u>Claim 76</u>

[76a] - The wagering apparatus of claim 65, wherein the system controller is further programmed to cause the one or more wagering devices to:

Schugar '981 discloses this limitation. *See e.g.*, limitations [65a]–[65f] and '516 Patent limitation [72a].

[76b] - generate and cause display of one or more additional proposals to fully or partially buy-out to any number of the one or more players that have not accepted the at least one proposal to fully or partially buyout; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1g] and '516 Patent limitation [72b].

[76c] - issue a credit, tokens, currency, coupon, voucher or award to any of the one or more players accepting the one or more additional proposals.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1i] and '516 Patent limitation [72c].

III. Claim 77

[77a] - The wagering apparatus of claim 65, wherein the server system controller is further configured to communicate with one or more wagering devices to:

Schugar '981 discloses this limitation. *See e.g.*, limitations [65a]–[65f].

[77b] - generate one or more records within a database reflecting the wagering event selections from the one or more players;

Schugar '981 discloses this limitation. *See e.g.*, '516 Patent limitations [1e], [37e], [54e], and [68e].

[77c] - receive input of an outcome of the wagering events;

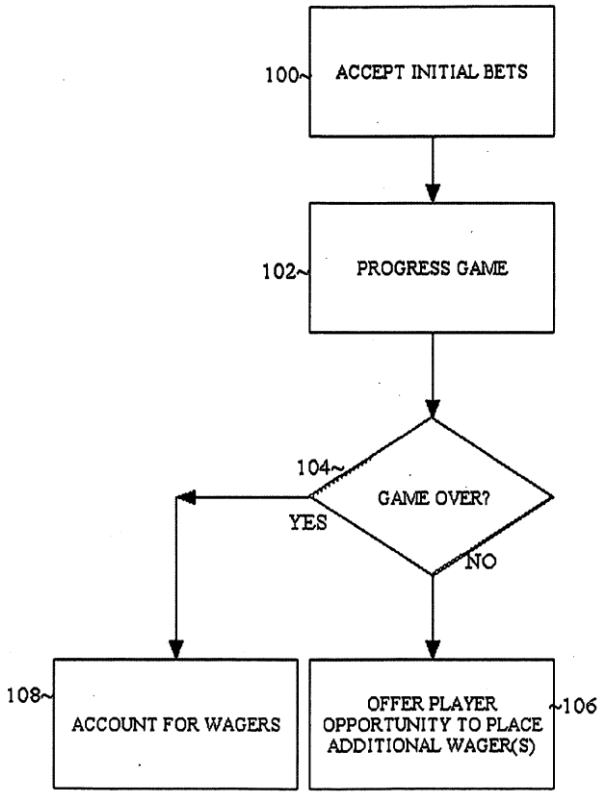
Schugar '981 discloses this limitation. *See e.g.*, limitation [2a] and '516 Patent limitations [1f], [54f] and [68f].

[77d] - compare the input of the outcome of the wagering events against the one or more records within the database;

Schugar '981 discloses this limitation. *See e.g.*, limitations [2b] and [54f], and '516 Patent limitation [1i].

[77e] - determine whether one or more records have correctly selected the outcome of at least one wagering event;

Schugar '981 discloses this limitation. *See e.g.*, limitation [2c] and '439 Patent limitation [1e]. For example:



Schugar '981 at FIG. 1.

"If the check in operation 104 determines that the game is over, then the method can proceed to operation 108, which accounts for wagers. This means taking losing wagers and paying winning wagers according to their respective payouts. Any borrowed money can be repaid at this time. The method may then optionally start a new game and return to operation 100." Schugar '981 at ¶ [0059].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[77f] - complete the one or more events;

Schugar '981 discloses this limitation. *See e.g.*, limitation [2b], '516 Patent limitation [1m], and '439 Patent limitation [1h].

[77g] - determine if any of the players have won;

Schugar '981 discloses this limitation. *See e.g.*, limitation [2c], '516 Patent limitation [1n], and '439 Patent limitation [1i].

[77h] - notify the players that have won; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [2d] and '516 Patent limitation [1o].

[77i] - issue a credit, tokens, currency coupon, voucher or award to the one or more players that have won.

Schugar '981 discloses this limitation. *See e.g.*, limitation [2e] and '516 Patent limitation [1p].

JJJ. Claim 78

[78a] - A wagering apparatus operative with one or more wagering devices for allowing a placement of a wager on one or more wagering events, the wagering apparatus comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a] and [78b]–[78g].

[78b] - a server system controller configured to communicate with one or more wagering devices, said server system controller programmed to cause at least one of the server system controller and the wagering devices to:

Schugar '981 discloses this limitation. *See e.g.*, limitation [1b] and '516 Patent limitation [1b].

[78c] - receive a wager from one or more players, wherein the wager comprises one or more potential outcomes of the one or more wagering events;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1c] and [1d], and '516 Patent limitation [1d].

[78d] - determine whether the wager from the one or more players have the potential to correctly select the outcome of the one or more wagering events, thereby qualifying any of the one or more players to win;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1f], and '516 Patent limitations [1h] and [1i].

[78e] - generate a cash out option to fully or partially end the wager to any of the one or more players that are qualified to win;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1g] and '516 Patent limitation [1j] and [68h].

[78f] - receive a selection of the cash out option from any of the one or more players that desire to fully or partially end the wager, wherein the selection of the cash out option is provided via one or more of the wagering devices, a hand held device, a mobile device, a wireless device, a computing system, a smart phone, a telephone, a tablet computer, text messaging, a PDA, an interactive television, email, Internet browser or a cashier; and

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a] and [1h], '516 Patent limitation [68i] and [69].

[78g] - issue one or more of a credit, tokens, currency, coupon, voucher, credit slip, or award, or funding of a player's electronically recordable identification card or online account, to any of the one or more players selecting the cash out option.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1i] and '516 Patent limitation [68j].

KKK. Claim 79

[79] - The wagering apparatus of claim 78, wherein any of the one or more players selecting the cash out option to fully end the wager no longer participates in the multi-outcome wagering event, and any of the one or more players selecting the cash out option to partially end the wager continues to participate in the multi-outcome wagering event.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1h], and '516 Patent limitation [70].

LLL. Claim 80

[80a] - The wagering apparatus of claim 78, wherein the system controller is further programmed to cause the one or more wagering devices to:

Schugar '981 discloses this limitation. *See e.g.*, limitations [78a]–[78g] and '516 Patent limitation [72a].

[80b] - generate and cause display of one or more additional cash out options to any number of the one or more players that have not accepted the cash out option; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1g], '516 Patent limitations [54j] and [72b].

[80c] - issue a credit, tokens, currency, coupon, voucher or award to any of the one or more players accepting the one or more additional cash out options.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1i], '516 Patent limitations [54l] and [72c].

MMM. Claim 81

[81a] - The wagering apparatus of claim 78, wherein the system controller is further programmed to cause the one or more wagering devices to:

Schugar '981 discloses this limitation. *See e.g.*, limitations [78a]–[78g] and '516 Patent limitation [73a].

[81b] - complete the one or more legs to finish the event;

Schugar '981 discloses this limitation. *See e.g.*, limitation [2b] and '516 Patent limitation [73b].

[81c] - determine if any of the players have won the jackpot or portion thereof;

Schugar '981 discloses this limitation. *See e.g.*, limitation [2c] and '516 Patent limitation [73c].

[81d] - notify the players that have won the jackpot or portion thereof; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [2d] and '516 Patent limitation [73d].

[81e] - issue a credit, tokens, currency coupon, voucher or award to the one or more players that have won the jackpot or portion thereof.

Schugar '981 discloses this limitation. *See e.g.*, limitation [2e] and '516 Patent limitation [73e].

NNN. Claim 82

[82] - The wagering apparatus of claim 78, wherein the amount of the cash out option is variable and based on at least one of a calculated probability, an originator of the proposal, a negotiation, the one or more players or a third party.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g], [1h],and [11].

OOO. Claim 83

[83a] - A method of conducting a multi-outcome wagering event for one or more players, wherein the wagering event comprises a defined number of legs, and wherein a player is presented with at least one of a buy-out offer and a partial buy-out offer prior to completion of all of the defined number of legs, the method comprising the steps of:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a], [1g], and [83b]–[83t], and '516 Patent limitation [1a].

[83b] - 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:

Schugar '981 discloses this limitation. *See e.g.*, limitation [1b] and '516 Patent limitation [1b].

[83c] - 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;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c] and '516 Patent limitation [1c].

[83d] - 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;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1d] and '516 Patent limitation [1d].

[83e] - generating a record reflecting the wager associated with the player at the system controller;

Schugar '981 discloses this limitation. *See e.g.*, limitation [77b] and '516 Patent limitation [1e].

[83f] - receiving input of an outcome of each of the defined number of legs corresponding to the multi-outcome wager event;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1e] and '516 Patent limitation [1f].

[83g] - generating and causing display via the one or more wagering input devices the outcome of each of the defined number of legs to a player;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1d] and [1e], and '516 Patent limitation [1g].

[83h] - 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,

Schugar '981 discloses this limitation. *See e.g.*, limitation [1f] and '516 Patent limitation [1h].

[83i] - determining any players eligible to win at least one jackpot or a portion thereof based on the potential outcome of each of the defined number of legs in comparison against the record reflecting the wager from among players participating in the multi-outcome wagering event, wherein players eligible to win at least one leg are eligible to win at least one jackpot or a portion thereof;

Schugar '981 discloses this limitation. *See e.g.*, limitations [77d] and [77e], and '516 Patent limitation [1i].

[83j] - 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 for 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;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1g] and '516 Patent limitation [1j].

[83k] - 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 eligible to win at least one jackpot that have accepted the buy-out offer or partial buy-out offer, each of the players accepting the buy-out offer will no longer be eligible to exclusively win the at least one jackpot, wherein each of the players not accepting the buy-out offer will remain eligible to win the at least one jackpot, and wherein each of the players accepting a partial buy-out offer remains eligible to win at least a portion of the at least one jackpot;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1h] and '516 Patent limitation [1k].

[83l] - issuing a credit, tokens, currency or an award to the one or more players accepting the buy-out offer or partial buy-out offer;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1i] and '516 Patent limitation [1l].

[83m] - completing the remainder of the defined number of legs to finish the multi-outcome wagering event;

Schugar '981 discloses this limitation. *See e.g.*, limitation [2b] and '516 Patent limitation [1m].

[83n] - determining if any of the players have won the at least one jackpot or portion thereof;

Schugar '981 discloses this limitation. *See e.g.*, limitation [2c] and '516 Patent limitation [1n].

[83o] - notifying the players that have won the jackpot or portion thereof; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [2d] and '516 Patent limitation [1o].

[83p] - issuing a credit, tokens, currency or an award to the players that have won the jackpot or portion thereof;

Schugar '981 discloses this limitation. *See e.g.*, limitation [2e] and '516 Patent limitation [1p].

[83q] - wherein the buy-out offer and partial buy-out offer comprises one or more of:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [83r]–[83t].

[83r] - a partial cash out on a single;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1h], and '516 Patent limitation [34].

[83s] - a full cash out on a multiple, accumulator, parlay, pool, tote or game, wherein the game comprises one or more selected from the group consisting of a lottery, slots, keno or bingo; and

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1h] and '516 Patent limitation [35].

[83t] - a partial cash out on a multiple, accumulator, parlay, pool, tote or game, wherein the game comprises one or more selected from the group consisting of a lottery, slots, keno or bingo.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g] and [1h] and '516 Patent limitation [36].

PPP. Claim 84

[84a] - A wagering system including one or more wagering input devices for allowing the placement of a wager on a multi-outcome wagering event comprising one or more wagering events, the wagering system comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a] and [84b]–[84t].

[84b] - a system controller configured to communicate with the one or more wagering input devices, said system controller configured to:

Schugar '981 discloses this limitation. *See e.g.*, limitation [1b].

[84c] - initiate the multi-outcome wagering event for one or more players, said multi-outcome wagering event comprised of a defined number of legs comprising one or more 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;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c] and [83c].

[84d] - receive 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;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1d] and [83d].

[84e] - generate a record reflecting the wager associated with the player at the system controller;

Schugar '981 discloses this limitation. *See e.g.*, limitation [77b] and [83e].

[84f] - receive input of an outcome of each of the defined number of legs corresponding to the multi-outcome wager event;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1e] and [83f].

[84g] - generate and cause display via the one or more wagering input devices the outcome received of each of the defined number of legs to a player;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1e] and [83g].

[84h] - identify 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,

Schugar '981 discloses this limitation. *See e.g.*, limitation [1f] and [83h].

[84i] - determine any players eligible to win at least one jackpot or a portion thereof based on the potential outcome of each of the defined number of legs in comparison against the record reflecting the wager from among players participating in the multi-outcome wagering event, wherein players eligible to win at least one leg remain eligible to win at least one jackpot or a portion thereof;

Schugar '981 discloses this limitation. *See e.g.*, limitations [77d], [77e], and [83i].

[84j] - initiate and cause display of at least one of a buy-out offer and a partial buy-out offer via the one or more wagering input devices to any number of the one or more players that remain eligible to win at least one jackpot, or portion thereof, for at least a portion of said at least one jackpot, said buy-out offer or partial buy-out offer being initiated before the multi-outcome wagering event has been completed;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1g] and [83j].

[84k] - receive an acceptance of at least one of the buy-out offer and partial buy-out offer via the one or more wagering input devices in response to input from a particular number of the one or more players eligible to win the at least one jackpot or portion thereof that have accepted the buy-out offer or partial buy-out offer, wherein each of the one or more players accepting the buy-out offer will no longer be eligible to exclusively win the at least one jackpot, wherein each of the one or more players not accepting the buy-out offer will remain eligible to win the at least one jackpot, and wherein each of the one or more players accepting a partial buy-out offer remains eligible to win at least a portion of the at least one jackpot;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1h] and [83k].

[84l] - issue a credit, tokens, currency or an award to the one or more players accepting the buy-out offer or partial buy-out offer;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1i] and [83l].

[84m] - complete the remainder of the defined number of legs to finish the multi-outcome wagering event;

Schugar '981 discloses this limitation. *See e.g.*, limitation [2b] and [83m].

[84n] - determine if any of the players have won the jackpot or portion thereof;

Schugar '981 discloses this limitation. *See e.g.*, limitation [2c] and [83n].

[84o] - notify the players that have won the jackpot or portion thereof; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [2d] and [83o].

[84p] - issue a credit, tokens, currency or an award to the players that have won the jackpot or portion thereof;

Schugar '981 discloses this limitation. *See e.g.*, limitation [2e] and [83p].

[84q] - wherein the buy-out offer and partial buy-out offer comprises one or more of:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g], [83q], and [84r]–[84t].

[84r] - a partial cash out on a single;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g], [1h], and [83r].

[84s] - a full cash out on a multiple, accumulator, parlay, pool, tote or game, wherein the game comprises one or more selected from the group consisting of a lottery, slots, keno or bingo; and

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g], [1h], and [83s].

[84t] - a partial cash out on a multiple, accumulator, parlay, pool, tote or game, wherein the game comprises one or more selected from the group consisting of a lottery, slots, keno or bingo.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1g], [1h], and [83t].

V. U.S. Patent No. 9,704,338

A. Claim 1

[1a] - 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, and wherein a player is presented with at least one of a buy-out offer and a partial buy-out offer prior to completion of all of the defined number of legs, the method comprising the steps of:

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1a]; *see also* limitations [1b]–[1p].

[1b] - 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, the system controller comprising a trading exchange module, the one or more wagering input devices comprising one or more of a user input, a payment acceptor, or a link to a customer account for receiving a wager from a player, the one or more wagering input devices further comprising one or more displays for displaying the at least one of the buy-out offer and the

partial buy-out offer after the multi-outcome wagering event begins, the one or more wagering input devices further comprising an input for receiving an acceptance of at least one of the buy-out offer and the partial buy-out offer, and the one or more wagering input devices further comprising a user output for issuing a credit, tokens, currency or an award to a player, said system controller being adapted for:

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1b], [1f], and '516 Patent limitation [1j]. For example, corresponding to the "trading exchange module" as claimed, Schugar '981 discloses:

"The method can continue to operation 302, which determines whether the current game state has a positive expectation for the player. If the current game state has a positive expectation for the player, then the player has "equity" in the game." Schugar '981 at ¶ [0089].

"The player's expectation in a game can be determined in numerous ways, such as: For all outcomes, Σ(probability of outcome*reward for the outcome)." Schugar '981 at ¶ [0090].

"The previous amount can also be subtracted by the current amount wagered to determine an expected profit in the current game situation. Either the expectation or expected profit can be used in the computations described herein." Schugar '981 at ¶ [0091].

For example, corresponding to the "wagering input devices comprising one or more of a user input, a payment acceptor, or a link to a customer account for receiving a wager from a player," Schugar '981 discloses:

"A machine game 400 can be any wagering machine game, such as a slot machine, video poker machine, or machine game which plays any game which can have multiple states (e.g. games which a player can wager on a progression). The machine game 400 can be associated with a comp card reader 402 in which the player can use his or her comp card to identify the player." Schugar '981 at ¶ [0104].

For example, corresponding to the "wagering input devices" comprising one or more "displays for displaying the at least one of the buy-out offer and the partial buy-out offer after the multi-outcome wagering event begins," Schugar '981 discloses:

"As a further example, when a player achieves a positive expectation (or profit) in a game, the player can be alerted and/or presented with a pop up window which can make an offer such as, "would you like to revert to the previous game position and receive a free lunch at the buffet worth $15?"" Schugar '981 at ¶ [0084].

"If the determination in operation 702 determines that the game state has a positive expectation for the player, then the method can proceed to operation 704, which determines whether the player wishes to trade the positive expectation game state for a different (improved) paytable. The player can indicate his or her desire to perform such trade by verbally speaking to a dealing, indicating his or her desire on an electronic input device (e.g., touch screen, keyboard, etc.) If the player does not wish to trade his or her game state, then the method can return to operation 700, which continues to play the game." Schugar '981 at ¶ [0135].

"The method as recited in claim 1, wherein the determining comprises offering the player a pop up screen displaying the opportunity to revert to the first game state in exchange for applying the second paytable to the wager." Schugar '981 at Claim 7.

"If the current game state has a positive expectation (or positive expected profit) for the player, then the method can proceed to operation 304, which then determines whether the player chooses to bank his or her positive expectation. This can be prompted by an automatic pop up window which allows the player to choose whether he wishes to bank some or all of his recent gains in expectation for later redemption (with a return of the game state to the prior or other position with lesser expected value than the current state). The player can also exercise this option either verbally to a live dealer or electronically with a press of a button which allows the player to bank his or her positive expectation." Schugar '981 at ¶ [0092].

For example, corresponding to "the one or more wagering input devices further comprising an input for receiving an acceptance of at least one of the buy-out offer and the partial buy-out offer," Schugar '981 discloses:

"If the determination in operation 702 determines that the game state has a positive expectation for the player, then the method can proceed to operation 704, which determines whether the player wishes to trade the positive expectation game state for a different (improved) paytable. The player can indicate his or her desire to perform such trade by verbally speaking to a dealing, indicating his or her desire on an electronic input device (e.g., touch screen, keyboard, etc.) If the player does not wish to trade his or her game state, then the method can return to operation 700, which continues to play the game." Schugar '981 at ¶ [0135].

"If the current game state has a positive expectation (or positive expected profit) for the player, then the method can proceed to operation 304, which then determines whether the player chooses to bank his or her positive expectation. This can be prompted by an automatic pop up window which allows the player to choose whether he wishes to bank some or all of his recent gains in expectation for later redemption (with a return of the game state to the prior or other position with lesser expected value than the current state). The player can also exercise this option either verbally to a live dealer or electronically with a press of a button which allows the player to bank his or her positive expectation." Schugar '981 at ¶ [0092].

"In exchange for storing a value redeemable for later use, the value can also be an award of a non-monetary award. For example, a player may receive a free meal, room, or any type of room, food, or beverage credit. For example, after a game state is changed to a more favorable position, and the different between the two positions is worth a value comparable to a free meal at the buffet, a pop up screen may appear, "Player—press this button if you would like to revert to your previous game state and receive a free meal at the buffet." If the player takes advantage of the offer, then the award (such as a free meal) can be mailed to the player or the player can redeem the award in person (e.g. at the buffet counter, a casino host, etc.) The marketing computer can store the fact that the player has won the award." Schugar '981 at ¶ [0098].

For example, corresponding to "the one or more wagering input devices further comprising a user output for issuing a credit, tokens, currency or an award to a player," Schugar '981 discloses:

"The expected profit banked for later use can be used in a variety of ways. The $15 in the above example can be redeemed by the player for cash. The $15 can also be used to buy positive game states at a later time. For example, if the player is playing a game with multiple game states, and the player wants to put himself in a more favorable state, the player can use the banked money to buy a better state. A value stored for later use can also be applied towards room, food and beverage bills, etc. The value stored for later use can also be redeemed for cash at a later time. The value can also be redeemed for cash instantly, and the redeemed cash can be immediately returned to the player's current credit meter. The value stored for later can be stored locally and/or on a database which can be accessed at a later time." Schugar '981 at ¶ [0083].

"Table II below corresponds to the game form Table I and illustrates an example where equity funds are used and the balance between the player's finds (liquid cash present in the machine) and equity funds (funds the player can borrow)." Schugar '981 at ¶ [0049].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1c] - 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;

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1c].

[1d] - receiving a wager via one or more of the user input, the payment acceptor or the link of 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;

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1d].

[1e] - generating a record reflecting the wager associated with the player at the system controller;

Schugar '981 discloses this limitation. *See e.g.*, '516 Patent limitation [1e].

[1f] - receiving input of an outcome of each of the defined number of legs corresponding to the multi-outcome wager event;

Schugar '981 discloses this limitation. *See e.g.*, '516 Patent limitation [1f].

[1g] - generating and causing display via the one or more wagering input devices the outcome of each of the defined number of legs to a player;

Schugar '981 discloses this limitation. *See e.g.*, '516 Patent limitation [1g].

[1h] - 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,

Schugar '981 discloses this limitation. *See e.g.*, '516 Patent limitation [1h].

[1i] - determining any players eligible to win at least one jackpot or a portion thereof based on the potential outcome of each of the defined number of legs in comparison against the record reflecting the wager from among players participating in the multi-outcome wagering event, wherein players eligible to win at least one leg are eligible to win at least one jackpot or a portion thereof;

Schugar '981 discloses this limitation. *See e.g.*, '516 Patent limitation [1i].

[1j] - initiating via the trading exchange module and causing display of at least one of a buy-out offer and partial buy-out offer via the respective one or more displays of 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 for at least a portion of said at least one jackpot, said buy-out offer or partial buy-out offer being initiated by the trading exchange module at any time before the multi-outcome wagering event has been completed;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1b] and '516 Patent limitation [1j]. For example, corresponding to the initiating being "via the trading exchange module" as claimed, Schugar '981 discloses:

"As a further example, when a player achieves a positive expectation (or profit) in a game, the player can be alerted and/or presented with a pop up window which can make an offer such as, "would you like to revert to the previous game position and receive a free lunch at the buffet worth $15?"" Schugar '981 at ¶ [0084].

"If the determination in operation 702 determines that the game state has a positive expectation for the player, then the method can proceed to operation 704, which determines whether the player wishes to trade the positive expectation game state for a different (improved) paytable. The player can indicate his or her desire to perform such trade by verbally speaking to a dealing, indicating his or her desire on an electronic input device (e.g., touch screen, keyboard, etc.) If the player does not wish to trade his or her game state, then the method can return to operation 700, which continues to play the game." Schugar '981 at ¶ [0135].

"The method as recited in claim 1, wherein the determining comprises offering the player a pop up screen displaying the opportunity to revert to the first game state in exchange for applying the second paytable to the wager." Schugar '981 at Claim 7.

"If the current game state has a positive expectation (or positive expected profit) for the player, then the method can proceed to operation 304, which then determines whether the player chooses to bank his or her positive expectation. This can be prompted by an automatic pop up window which allows the player to choose whether he wishes to bank some or all of his recent gains in expectation for later redemption (with a return of the game state to the prior or other position with lesser expected value than the current state). The player can also exercise this option

either verbally to a live dealer or electronically with a press of a button which allows the player to bank his or her positive expectation." Schugar '981 at ¶ [0092].

"When the player is playing a game in which the player can be "winning" before the game is over, the player may wish to have a way to cash in on the winning state before completing the game. For example, if a player bets on a particular horse in a horse race, and the particular horse is winning, the player has some satisfaction (at least for the moment) that the player is in a good position. Of course, the player's horse can lose and the player can be left with nothing. A player may find it attractive to be able to accumulate (or "bank") a portion of a positive expectation situation for later redemption. In this manner, even if the player ultimately loses his or her wager, the player has not lost everything because the banking has been performed." Schugar '981 at ¶ [0077].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1k] - receiving an acceptance of the buy-out offer or partial buy-out offer via the input for receiving acceptance of the one or more wagering input devices in response to input from a particular number of the players eligible to win at least one jackpot that have accepted the buy-out offer or partial buy-out offer, each of the players accepting the buy-out offer will no longer be eligible to exclusively win the at least one jackpot, wherein each of the players not accepting the buy-out offer will remain eligible to win the at least one jackpot, and wherein each of the players accepting a partial buy-out offer remains eligible to win at least a portion of the at least one jackpot;

Schugar '981 discloses this limitation. *See e.g.*, '516 Patent limitation [1k]. For example, corresponding to the receiving being "via the input for receiving acceptance" of the wagering input device, Schugar '981 discloses:

"If the determination in operation 702 determines that the game state has a positive expectation for the player, then the method can proceed to operation 704, which determines whether the player wishes to trade the positive expectation game state for a different (improved) paytable. The player can indicate his or her desire to perform such trade by verbally speaking to a dealing, indicating his or her desire on an electronic input device (e.g., touch screen, keyboard, etc.) If the player does not wish to trade his or her game state, then the method can return to operation 700, which continues to play the game." Schugar '981 at ¶ [0135].

"If the current game state has a positive expectation (or positive expected profit) for the player, then the method can proceed to operation 304, which then determines whether the player chooses to bank his or her positive expectation. This can be prompted by an automatic pop up window which allows the player to choose whether he wishes to bank some or all of his recent gains in expectation for later redemption (with a return of the game state to the prior or other position with lesser expected value than the current state). The player can also exercise this option

either verbally to a live dealer or electronically with a press of a button which allows the player to bank his or her positive expectation." Schugar '981 at ¶ [0092].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1l] - issuing a credit, tokens, currency or an award via the user output of the one or more wagering input devices to the one or more players accepting the buy-out offer or partial buy-out offer;

Schugar '981 discloses this limitation. *See e.g.*, '516 Patent limitation [1l]. For example, corresponding to the claimed issuing being "via the user output of the one or more wagering input devices," Schugar '981 discloses:

"A machine game 400 can be any wagering machine game, such as a slot machine, video poker machine, or machine game which plays any game which can have multiple states (e.g. games which a player can wager on a progression). The machine game 400 can be associated with a comp card reader 402 in which the player can use his or her comp card to identify the player." Schugar '981 at ¶ [0104].

"If the check in operation 104 determines that the game is over, then the method can proceed to operation 108, which accounts for wagers. This means taking losing wagers and paying winning wagers according to their respective payouts. Any borrowed money can be repaid at this time. The method may then optionally start a new game and return to operation 100." Schugar '981 at ¶ [0059].

"As a further example, when a player achieves a positive expectation (or profit) in a game, the player can be alerted and/or presented with a pop up window which can make an offer such as, "would you like to revert to the previous game position and receive a free lunch at the buffet worth $15?"" Schugar '981 at ¶ [0084].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1m] - completing the remainder of the defined number of legs to finish the multi-outcome wagering event;

Schugar '981 discloses this limitation. *See e.g.*, '516 Patent limitation [1m].

[1n] - determining if any of the players have won the at least one jackpot or portion thereof;

Schugar '981 discloses this limitation. *See e.g.*, '516 Patent limitation [1n].

[1o] - notifying the players that have won the jackpot or portion thereof via the one or more wagering input devices; and

Schugar '981 discloses this limitation. *See e.g.*, '516 Patent limitation [1o]. For example, corresponding to claimed notifying being "via the one or more wagering input devices," Schugar '981 discloses:

"As a further example, when a player achieves a positive expectation (or profit) in a game, the player can be alerted and/or presented with a pop up window which can make an offer such as, "would you like to revert to the previous game position and receive a free lunch at the buffet worth $15?"" Schugar '981 at ¶ [0084].

"If the check in operation 104 determines that the game is over, then the method can proceed to operation 108, which accounts for wagers. This means taking losing wagers and paying winning wagers according to their respective payouts. Any borrowed money can be repaid at this time. The method may then optionally start a new game and return to operation 100." Schugar '981 at ¶ [0059].

"The expected profit banked for later use can be used in a variety of ways. The $15 in the above example can be redeemed by the player for cash. The $15 can also be used to buy positive game states at a later time. For example, if the player is playing a game with multiple game states, and the player wants to put himself in a more favorable state, the player can use the banked money to buy a better state. A value stored for later use can also be applied towards room, food and beverage bills, etc. The value stored for later use can also be redeemed for cash at a later time. The value can also be redeemed for cash instantly, and the redeemed cash can be immediately returned to the player's current credit meter. The value stored for later can be stored locally and/or on a database which can be accessed at a later time." Schugar '981 at ¶ [0083].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1p] - issuing a credit, tokens, currency or an award to the players that have won the jackpot or portion thereof via the user output of the one or more wagering input devices.

Schugar '981 discloses this limitation. *See e.g.*, '516 Patent limitation [1p]. For example, corresponding to the claimed issuing being "via the user output of the one or more wagering input devices," Schugar '981 discloses:

"If the check in operation 104 determines that the game is over, then the method can proceed to operation 108, which accounts for wagers. This means taking losing wagers and paying winning wagers according to their respective payouts. Any borrowed money can be repaid at this time. The method may then optionally start a new game and return to operation 100." Schugar '981 at ¶ [0059].

"The expected profit banked for later use can be used in a variety of ways. The $15 in the above example can be redeemed by the player for cash. The $15 can also be used to buy positive game states at a later time. For example, if the player is playing a game with multiple game states, and the player wants to put himself in a more favorable state, the player can use the banked money to buy a better state. A value stored for later use can also be applied towards room, food and beverage bills, etc. The value stored for later use can also be redeemed for cash at a later time. The value can also be redeemed for cash instantly, and the redeemed cash can be immediately returned to the player's current credit meter. The value stored for later can be stored locally and/or on a database which can be accessed at a later time." Schugar '981 at ¶ [0083].

"An advantage of doing this while the bettor has equity in the first wager is that the bettor can put himself into a no-lose situation. For example, consider a football game with the Patriots vs. the Giants. The Patriots are a +900 long shot. A bettor wagers $100 on the Patriots. At halftime, the Patriots are winning by +28 points. At this point, a pari-mutuel halftime betting pool determines that the Giants are now a +1000 long shot. Assuming no house commission for simplicity, a +1000 translates into a 10% probability of occurrence of the Giants winning. Thus, the bettor has a 90% chance of winning $900, thus the effective value of the original wager is now 0.90*900=$810. The bettor can now surrender $10 of his original wager which is effectively worth $81. This $81 can now be wagered on the Giants which would result in a $810 win if the Giants win. The player now has $90 wagered on the Patriots for a win of $810 if the Patriots win. Thus, the player is in a no-lose situation and can relax and enjoy the game without worry." Schugar '981 at ¶ [0126].

"Thus, according to embodiments, a player can start with a small amount of money, but continue to make wagers while playing the game allowing the player to build up a large amount of wagers and net wins on the game. The amount of wagers placed can exceed the amount of liquid funds the player currently has. Once the game ends, the player is paid and any "loans" are paid off." Schugar '981 at ¶ [0069].

"In exchange for storing a value redeemable for later use, the value can also be an award of a non-monetary award. For example, a player may receive a free meal, room, or any type of room, food, or beverage credit. For example, after a game state is changed to a more favorable position, and the different between the two positions is worth a value comparable to a free meal at the buffet, a pop up screen may appear, "Player—press this button if you would like to revert to your previous game state and receive a free meal at the buffet." If the player takes advantage of the offer, then the award (such as a free meal) can be mailed to the player or the player can redeem the award in person (e.g. at the buffet counter, a casino host, etc.) The marketing computer can store the fact that the player has won the award." Schugar '981 at ¶ [0098].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

B. <u>Claim 4</u>

[4] - The method of claim 1, wherein the multi-outcome wagering event comprises one or more

wagering events, the defined number of legs comprises one or more legs, and wherein each of the defined number of legs comprises at least one of an entire wagering event, a partial wagering event, a divisible component of a wagering event, multiple independent wagering events occurring sequentially or concurrently, and a compilation of related wagering events, wherein the one or more wagering events comprises one or more selected from the group consisting of sporting events, eSports, e-sports, competitive gaming, electronic sports, fantasy events, real games, virtual games, and fantasy games, and wherein the wager comprises a potential outcome for each of the legs.

Schugar '981 discloses this limitation. *See e.g.*, '516 Patent limitation [2].

C. Claim 5

[5] - The method of claim 4, wherein the games comprise one or more selected from the group consisting of slot machines, keno, poker, video games, football ("soccer"), American football, Australian rules football, baseball, cricket, basketball, golf, hockey, auto racing, legends, rugby, wrestling, surfing, mixed martial arts, racing, lotteries, live events, pre-recorded events, online events, broadcast events, card games, politics, sales, stocks, celebrity gossip, movies, and reality TV.

Schugar '981 discloses this limitation. *See e.g.*, limitation [4] and '516 Patent limitation [4].

D. Claim 6

[6] - The method of claim 1, wherein the amount of the buy-out offer and partial buy-out offer are variable and based on at least one of a calculated probability, an originator of the proposal, a negotiation, the one or more players or a third party.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a] and [1b], and '716 Patent limitations [11].

E. Claim 7

[7] - The method of claim 1, wherein the one or more wagering devices comprise at least one of a wagering terminal, a wagering workstation, a personal computer, a smart phone, a tablet computing device, a gaming machine, a slot machine, and a lottery machine.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1b] and '439 Patent limitation [21].

F. Claim 8

[8] - The method of claim 1, wherein the one or more jackpots, the portion thereof, or the award comprises one or more selected from the group consisting of monetary awards, nonmonetary awards, a prize, a payment, a designated currency, virtual currency, tokens, credits, coupons, services, personal property, real property, virtual property, assets, investments, negotiable instruments, commodities, food, lodging, entertainment, alleviation of obligations, gaming

opportunities and wager enhancement.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1b], [1l], and [1p], and '341 Patent limitation [2].

G. Claim 9

[9] - The method of claim 1 wherein the wager comprises one or more of fixed odds single wagers, multiple wagers, full cover wagers, full cover wagers with singles, 'Any to Come' (ATC) or 'if cash' wagers, specialty wagers, forecasts, fixed, variable, guaranteed, parimutuel wagering, fixed-odds wagering, accumulator or parlay wagering, fixed odds, a pool, progressive, fixed pool, variable pool or guaranteed pool.

Schugar '981 discloses this limitation. *See e.g.*, '341 Patent limitation [35] and '439 Patent limitation [30].

H. Claim 10

[10a] - The method of claim 1, further comprising a cash out option, the system controller further configured to:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a], [1b], and [1j]–[1l], and '516 Patent limitation [29a].

[10b] - receive a selection of the cash out option from any of the one or more players that desire to fully or partially end the wager;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1j]–[1k], and '516 Patent limitation [29b].

[10c] - wherein any of the one or more players selecting the cash out option to fully end the wager no longer participates in the multi-outcome wagering event, and any of the one or more players selecting the cash out option to partially end the wager continues to participate in the multi-outcome wagering event; and

Schugar '981 discloses this limitation. *See e.g.*, limitations [1k]–[1p], and '516 Patent limitation [29c].

[10d] - issue to the one or more players that selected the cash out option one or more of cash, tickets or credit slips redeemable by the player, funding of a player's electronically recordable identification card or online account, or an award.

Schugar '981 discloses this limitation. *See e.g.*, limitation[1k]–[1p], and '516 Patent limitation [29d].

I. Claim 11

[11] - The wagering apparatus of claim 10, wherein the system controller is further programmed

to at least one of generate and receive the cash out option via one or more of the wagering input devices, a hand held device, a mobile device, a wireless device, a computing system, a smart phone, a telephone, a tablet computer, text messaging, a PDA, an interactive television, email, Internet browser or a cashier.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1b] and [1j]–[1k], and '716 Patent limitation [29].

J. Claim 12

[12] - The method of claim 1, wherein initiate and cause display of at least one of a buy-out offer and a partial buy-out offer comprises initiate and cause display of a partial buy-out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1j] and '516 Patent limitation [30].

K. Claim 13

[13] - The method of claim 1, wherein initiate and cause display of at least one of a buy-out offer and a partial buy-out offer comprises initiate and cause display of a buy-out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1j] and '516 Patent limitation [31].

L. Claim 14

[14] - The method of claim 1, wherein the buy-out offer comprises a cash in offer or a cash out offer, and wherein the partial buy-out offer comprises a partial cash in offer or a partial cash out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1j] and '516 Patent limitation [32].

M. Claim 15

[15] - The method of claim 1, wherein the buy-out offer and partial buy-out offer comprises a full cash out on a single.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1j] and '516 Patent limitation [33].

N. Claim 16

[16] - The method of claim 1, wherein the buy-out offer and partial buy-out offer comprises a partial cash out on a single.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1j] and '516 Patent limitation [34].

O. Claim 17

[17] - The method of claim 1, wherein the buy-out offer and partial buy-out offer comprises a full cash out on a multiple, accumulator, parlay or pool.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1j] and [9] and '516 Patent limitation [35].

P. Claim 18

[18] - The method of claim 1, wherein the buy-out offer and partial buy-out offer comprises a partial cash out on a multiple, accumulator, parlay or pool.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1j] and [9] and '516 Patent limitation [36].

Q. Claim 19

[19a] - The wagering apparatus of claim 1, wherein upon acceptance of the proposal by the one or more players, the server system controller is further programmed to cause the one or more wagering devices to at least one or more of:

Schugar '981 discloses this limitation. *See e.g.*, limitation [1l] and '516 Patent limitation [28a].

[19b] - transfer an entitlement of the one or more players to at least one third party or another player, so that the at least one third party or another player becomes eligible to win;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1l] and '516 Patent limitation [28b].

[19c] - transfer ownership or partial ownership of the one or more players, in at least a portion of the one or more 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;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1l] and '516 Patent limitation [28c].

[19d] - relinquish rights of the one or more players, in at least a portion of the one or more player's wager corresponding to the proposal, before the event has been completed; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1l] and '516 Patent limitation [28d].

[19e] - initiate and cause display of at least a portion of the one or more 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.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1l] and '516 Patent limitation [28e].

R. Claim 20

[20a] - The wagering apparatus of claim 1, wherein the system controller is further programmed to cause the one or more wagering devices to:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1j]–[1l] and '516 Patent limitation [72a].

[20b] - generate and cause display of one or more additional proposals to fully or partially buy-out to any number of the one or more players that have not accepted the at least one proposal to fully or partially buyout; and

Schugar '981 discloses this limitation. *See e.g.*, limitations [1j]–[1l] and '516 Patent limitation [72b].

[20c] - issue a credit, tokens, currency, coupon, voucher or award to any of the one or more players accepting the one or more additional proposals.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1j]–[1l] and '516 Patent limitation [72c].

S. Claim 21

[21a] - A wagering system comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a] and [21b]–[21d], and '516 Patent limitation [37a].

[21b] - one or more wagering devices in communication with a system controller through which one or more players may participate in one or more wagering events and with the one or more wagering devices configured to:

Schugar '981 discloses this limitation. *See e.g.*, limitation [1b] and '516 Patent limitation [37a] and [37b].

[21c] - display at least one proposal to fully or partially buyout or cash-in to any number of the one or more players prior to completion of the one or more wagering events; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1j] and '516 Patent limitation [1j].

[21d] - issue a credit, tokens, currency, coupon, voucher or an award to any of the one or more players accepting the at least one proposal, wherein the amount of proposal is variable and based on at least one of a calculated probability, an originator of the proposal, a negotiation, the one or more players or a third party.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1l] and [6], and '516 Patent limitation [1l].

T. Claim 22

[22] - The wagering system of claim 21, wherein the one or more wagering events comprises one or more selected from the group consisting of sporting events, eSports, e-sports, competitive gaming, electronic sports, lotteries, real games, virtual games, fantasy events, fantasy games, live events, pre-recorded events, online events, broadcast events, slot machines, card games, keno, video games, racing, poker, politics, sales, stocks, celebrity gossip, movies, and reality TV, wherein the sporting events comprise at least one or more of any sport, including any sport selected from the group consisting of football ("soccer"), American football, Australian rules football, baseball, cricket, basketball, golf, hockey, auto racing, legends, rugby, wrestling, surfing, mixed martial arts.

Schugar '981 discloses this limitation. *See e.g.*, limitation [4] and [5].

U. Claim 25

[25] - The wagering system of claim 21, wherein accepting the partial buyout or cash-in results in the one or more players remaining eligible to win.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1k] and '716 Patent limitation [70].

V. Claim 26

[26] - The wagering system of claim 21, wherein accepting the full buyout or cash-in results in the one or more players no longer being eligible to win.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1k] and '716 Patent limitation [71].

W. Claim 27

[27a] - The wagering system of claim 21, wherein upon acceptance of the proposal by the one or more players, the server system controller is further programmed to cause the one or more wagering devices to at least one or more of:

Schugar '981 discloses this limitation. *See e.g.*, limitation [1l] and '516 Patent limitation [28a].

[27b] - transfer an entitlement of the one or more players to at least one third party or another player, so that the at least one third party or another player becomes eligible to win;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1l] and '516 Patent limitation [28b].

[27c] - transfer owner transfer ownership or partial ownership of the one or more players, in at least a portion of the one or more 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;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1l] and '516 Patent limitation [28c].

[27d] - relinquish rights of the one or more players, in at least a portion of the one or more player's wager corresponding to the proposal, before the event has been completed; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1l] and '516 Patent limitation [27d].

[27e] - initiate and cause display of at least a portion of the one or more 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.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1l] and '516 Patent limitation [27e].

X. Claim 28

[28] - The wagering system of claim 21, wherein acceptance of the proposal from any of the one or more players is provided via one or more of the one or more wagering devices, a hand held device, a mobile device, a wireless device, a computing system, a smart phone, a telephone, a tablet computer, text messaging, a PDA, an interactive television, email, Internet browser or a cashier.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1b] and [1k], and '516 Patent limitation [29b].

Y. Claim 29

[29] - The wagering system of claim 21, wherein any of the one or more players accepting the proposal to fully buyout or cash-in no longer participates in the one or more wagering events, and any of the one or more players selecting the proposal to partially buyout or cash-in continues to participate in the one or more wagering events.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1k]–[1p], and '516 Patent limitation [29c].

Z. Claim 30

[30a] - The wagering system of claim 21, wherein the one or more wagering devices are further configured to:

Schugar '981 discloses this limitation. *See e.g.*, limitations 1[b] and [21a]–[21d].

[30b] - receive wagers from one or more players desiring to participate in one or more wagering events;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1d] and '516 Patent limitation [1d].

[30c] - notify the players that have won the one or more wagering events; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1o] and '516 Patent limitation [1o].

[30d] - issue a credit, tokens, currency coupon, voucher or award to the one or more players that have won the one or more wagering events.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1p] and '516 Patent limitation [1p].

AA. Claim 31

[31] - The method of claim 30, wherein the award comprises one or more selected from the group consisting of monetary awards, nonmonetary awards, a prize, a payment, a designated currency, virtual currency, tokens, credits, coupons, services, personal property, real property, virtual property, assets, investments, negotiable instruments, commodities, food, lodging, entertainment, alleviation of obligations, gaming opportunities and wager enhancement.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1b], [1l], and [1p], and '439 Patent limitation [2].

BB. Claim 32

[32a] - A method of conducting a multi-outcome wagering event for one or more players, wherein the wagering event comprises a defined number of legs, and wherein a player is presented with at least one of a buy-out offer and a partial buy-out offer prior to completion of all of the defined number of legs, the method comprising the steps of:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a] and [32b]–[32p].

[32b] - 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, the system controller comprising a trading exchange module, the one or more wagering input devices comprising one or more displays for displaying the at least one of the buy-out offer and the partial buy-out offer after the multi-outcome wagering event begins, the one or more wagering input devices further comprising a buy-out input for receiving an acceptance of at least one of the buy-out offer and the partial buy-out offer, said system controller being adapted for:

Schugar '981 discloses this limitation. *See e.g.*, limitation [1b].

[32c] - 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;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c].

[32d] - 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;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1d].

[32e] - generating a record reflecting the wager associated with the player at the system controller;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1e].

[32f] - receiving input of an outcome of each of the defined number of legs corresponding to the multi-outcome wager event;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1f].

[32g] - generating and causing display via the one or more wagering input devices the outcome of each of the defined number of legs to a player;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1g].

[32h] - 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,

Schugar '981 discloses this limitation. *See e.g.*, limitation [1h].

[32i] - determining any players eligible to win at least one jackpot or a portion thereof based on the potential outcome of each of the defined number of legs in comparison against the record reflecting the wager from among players participating in the multi-outcome wagering event, wherein players eligible to win at least one leg are eligible to win at least one jackpot or a portion thereof;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1i].

[32j] - initiating and selectively causing, via the trading exchange module, the respective one or more displays of the one or more wagering input devices to display at least one of a buy-out offer and partial buy-out offer only to any number of the one or more players that are eligible to win at least one jackpot for at least a portion of said at least one jackpot, said buy-out offer or partial buy-out offer being initiated by the trading exchange module at any time before the multi-outcome wagering event has been completed, said displayed buy-out offer or partial buy-out offer including a request for acceptance via user input to the respective buy-out input;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1j]. Further, corresponding to the claimed "causing" being "selectively," Schugar '981 discloses, for example:

"If the determining in operation 604 determines that the player has equity in the first wager, the method can proceed to operation 606, wherein the player can use some or all of his or her equity in order to make a second wager. The portion of the first wager used for the second wager can be "surrendered" (or "relinquished" or "withdrawn") based on its current value so it can be used for the second wager. The amount of the first wager used for the second wager can be considered a reduction amount. The reduction amount can be for example a percentage of the first wager, a fixed amount, a user-selected amount, etc." Schugar '981 at ¶ [0125].

"An advantage of doing this while the bettor has equity in the first wager is that the bettor can put himself into a no-lose situation. For example, consider a football game with the Patriots vs. the Giants. The Patriots are a +900 long shot. A bettor wagers $100 on the Patriots. At halftime, the Patriots are winning by +28 points. At this point, a pari-mutuel halftime betting pool determines that the Giants are now a +1000 long shot. Assuming no house commission for simplicity, a +1000 translates into a 10% probability of occurrence of the Giants winning. Thus, the bettor has a 90% chance of winning $900, thus the effective value of the original wager is now 0.90*900=$810. The bettor can now surrender $10 of his original wager which is effectively worth $81. This $81 can now be wagered on the Giants which would result in a $810 win if the Giants win. The player now has $90 wagered on the Patriots for a win of $810 if the Patriots win. Thus, the player is in a no-lose situation and can relax and enjoy the game without worry." Schugar '981 at ¶ [0126].

"It is further noted that operation 604 is optional, and in fact, even if the player is in a negative expectation situation, the player can still utilize the method described herein of cashing out a portion of a current bet in progress in order to pay for an additional wager." Schugar '981 at ¶ [0127].

Further, corresponding to "said displayed buy-out offer or partial buy-out offer including a request for acceptance via user input to the respective buy-out input," Schugar '981 discloses, for example:

"If the current game state has a positive expectation (or positive expected profit) for the player, then the method can proceed to operation 304, which then determines whether the player chooses to bank his or her positive expectation. This can be prompted by an automatic pop up window which allows the player to choose whether he wishes to bank some or all of his recent gains in expectation for later redemption (with a return of the game state to the prior or other position with lesser expected value than the current state). The player can also exercise this option either verbally to a live dealer or electronically with a press of a button which allows the player to bank his or her positive expectation." Schugar '981 at ¶ [0092].

"As a further example, when a player achieves a positive expectation (or profit) in a game, the player can be alerted and/or presented with a pop up window which can make an offer such as, "would you like to revert to the previous game position and receive a free lunch at the buffet worth $15?"" Schugar '981 at ¶ [0084].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[32k] - receiving, responsive to the request for acceptance in the displayed buy-out offer or partial buy-out offer, an acceptance of the buy-out offer or partial buy-out offer via the respective buy-out input of the one or more wagering input devices in response to input from a particular number of the players eligible to win at least one jackpot that have accepted the buy-out offer or partial buy-out offer, each of the players accepting the buy-out offer will no longer be eligible to exclusively win the at least one jackpot, wherein each of the players not accepting the buy-out offer will remain eligible to win the at least one jackpot, and wherein each of the players accepting a partial buy-out offer remains eligible to win at least a portion of the at least one jackpot;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1k]. Further, corresponding to the claimed "receiving" being "responsive to the request for acceptance in the displayed buy-out offer or partial buy-out offer," Schugar '981 discloses, for example:

"If the current game state has a positive expectation (or positive expected profit) for the player, then the method can proceed to operation 304, which then determines whether the player chooses to bank his or her positive expectation. This can be prompted by an automatic pop up window which allows the player to choose whether he wishes to bank some or all of his recent gains in expectation for later redemption (with a return of the game state to the prior or other position with lesser expected value than the current state). The player can also exercise this option either verbally to a live dealer or electronically with a press of a button which allows the player to bank his or her positive expectation." Schugar '981 at [0092].

"In exchange for storing a value redeemable for later use, the value can also be an award of a non-monetary award. For example, a player may receive a free meal, room, or any type of room, food, or beverage credit. For example, after a game state is changed to a more favorable position, and the different between the two positions is worth a value comparable to a free meal at the buffet, a pop up screen may appear, "Player—press this button if you would like to revert to your previous game state and receive a free meal at the buffet." If the player takes advantage of the offer, then the award (such as a free meal) can be mailed to the player or the player can redeem the award in person (e.g. at the buffet counter, a casino host, etc.) The marketing computer can store the fact that the player has won the award." Schugar '981 at ¶ [0098].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[32l] - issuing, via the one or more wagering input devices, a credit, tokens, currency or an award to the one or more players accepting the buy-out offer or partial buy-out offer, based on

each acceptance received via the respective buy-out input of the one or more wagering input devices;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1l]. Further corresponding to the claimed "based on each acceptance received via the respective buy-out input of the one or more wagering input devices," Schugar '981 discloses, for example:

"The player can also bank a portion of the expected profit the player has earned for later use. This can be done in a number of ways. The player can receive a $33.33 amount (or an amount based on this such as a lesser amount such as $25 to account for a house commission) and the point can be reset so that the game is in the previous game state with the $100 still wagered on the Don't Come line. Alternatively, the house can take a portion of the player's wager (such as 10%), so that the player now has $90 on the Don't Pass line. The taken portion can be stored for later redemption by the player. The $10 taken actually has an expected value of $13.33. This $13.33 (or a number based on this to account for the house commission) can be accumulated and disbursed to the player at a later time (either later at the instant game, or later at another game, or by electronic redemption). If the shooter rolls a 7, the player then wins $90 and if the shooter rolls a 10 the player loses his wager. However, in both cases, the player has banked the banked value for a later redemption. In this way, the player can continue to wager, but limit his losses by ensuring that some amount is still saved for later." Schugar '981 at ¶ [0079].

"The expected profit banked for later use can be used in a variety of ways. The $15 in the above example can be redeemed by the player for cash. The $15 can also be used to buy positive game states at a later time. For example, if the player is playing a game with multiple game states, and the player wants to put himself in a more favorable state, the player can use the banked money to buy a better state. A value stored for later use can also be applied towards room, food and beverage bills, etc. The value stored for later use can also be redeemed for cash at a later time. The value can also be redeemed for cash instantly, and the redeemed cash can be immediately returned to the player's current credit meter. The value stored for later can be stored locally and/or on a database which can be accessed at a later time." Schugar '981 at ¶ [0083].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[32m] - completing the remainder of the defined number of legs to finish the multi-outcome wagering event, based on a number of eligible players remaining after each acceptance received via the one or more wagering input devices;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1m]. Further, corresponding to the claimed "based on a number of eligible players remaining after each acceptance received via the one or more wagering input devices," Schugar '981 discloses, for example:

"The above aspects can be obtained by a method that includes (a) receiving a wager from a player on a player chosen outcome, the wager paying according to a first paytable; (b) conducting

a wagering game with a first game state; (c) progressing the first game state into a second game state based on a random determination; (d) determining from the player that the player wishes to change from the second game state back into the first game state in exchange to activate a second paytable for the wager; (e) reverting the game from the second game state back to the first game state; (f) completing the game to determine whether the wager wins or loses; and (g) if the wager is determined to win, then paying the wager according to a second paytable, (h) wherein if the player did not choose to change from the second game state back to the first game state, then if the wager is determined to win, then the wager is paid using the first paytable." Schugar '981 at ¶ [0007].

"If the check in operation 104 determines that the game is not over, then the method can proceed to operation 106, which offers the player an opportunity to make additional wagers. The method can then return to operation 102, which further progresses the game." Schugar '981 at ¶ [0058].

"If the check in operation 104 determines that the game is over, then the method can proceed to operation 108, which accounts for wagers. This means taking losing wagers and paying winning wagers according to their respective payouts. Any borrowed money can be repaid at this time. The method may then optionally start a new game and return to operation 100." Schugar '981 at ¶ [0059].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[32n] - determining if any of the players have won the at least one jackpot or portion thereof;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1n].

[32o] - notifying the players that have won the jackpot or portion thereof via the one or more wagering input devices; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1o].

[32p] - issuing a credit, tokens, currency or an award to the players that have won the jackpot or portion thereof via the one or more wagering input devices.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1p].

CC. <u>Claim 34</u>

[34a] - A wagering system comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a], [21a], and [34b]–[34i].

[34b] - one or more wagering devices in communication with a system controller through which

one or more players may participate in one or more wagering events and with the one or more wagering devices configured to:

Schugar '981 discloses this limitation. *See e.g.*, limitation [1b] and [21b].

[34c] - display at least one proposal to fully or partially buyout or cash-in to any number of the one or more players prior to completion of the one or more wagering events; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1j] and [21c].

[34d] - issue a credit, tokens, currency, coupon, voucher or an award to any of the one or more players accepting the at least one proposal,

Schugar '981 discloses this limitation. *See e.g.*, limitation [1l] and [21d].

[34e] - wherein upon acceptance of the proposal by the one or more players, the server system controller is further programmed to cause the one or more wagering devices to at least one or more of:

Schugar '981 discloses this limitation. *See e.g.*, limitation [1k] and [19a].

[34f] - transfer an entitlement of the one or more players to at least one third party or another player, so that the at least one third party or another player becomes eligible to win;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1l] and [19b].

[34g] - transfer ownership or partial ownership of the one or more players, in at least a portion of the one or more 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;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1l] and [19c].

[34h] - relinquish rights of the one or more players, in at least a portion of the one or more player's wager corresponding to the proposal, before the event has been completed; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1l] and [19d].

[34i] - initiate and cause display of at least a portion of the one or more 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.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1l] and [19e].

VI. U.S. Patent No. 10,970,969

A. Claim 1

[1a] - A method of conducting a wagering event for one or more players, comprising:

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1a].

[1b] - causing a central server system to initiate a wagering event for one or more players, wherein the wagering event corresponds to a sporting event;

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitations [1b] and [1c]. Further, corresponding to "a central server system" performing the initiating of the wagering event, Schugar '981 discloses, for example:

"FIG. 4 is block diagram illustrating an exemplary set of components in order to implement an embodiment." Schugar '981 at ¶ [0103].

"A machine game 400 can be any wagering machine game, such as a slot machine, video poker machine, or machine game which plays any game which can have multiple states (e.g. games which a player can wager on a progression). The machine game 400 can be associated with a comp card reader 402 in which the player can use his or her comp card to identify the player." Schugar '981 at ¶ [0104].

"A database 404 can be used to store values banked for later use. The database 404 can be accessible by all games in an individual casino or a group of casinos. Value banked for later use can be stored in the database using the player record." Schugar '981 at ¶ [0105].

Further, corresponding to "the wagering event corresponds to a sporting event," Schugar '981 discloses, for example:

"The embodiments described herein can also be used to bet on sporting events, either at intervals on individual games or series of games. For example two teams can play a best 4/7 series. After each game in the series (and even during particular games), payout odds for each team winning the series can change to reflect the current conditions (as described herein and/or known in the art) and players can make wagers during the series." Schugar '981 at ¶ [0072].

"It is further noted that the methods described herein can be applied to all games, including live table games or live sporting events, described herein (which includes the games described in the Ser. Nos. 10/754,587, 10/410,448 and 10/688,898 documents). For example, in any progression type game with multiple states, a player may borrow (or be provided with a bonus with playable credits) money from the house to place guaranteed winning wagers. In some games it may be necessary to make multiple wagers in order to guarantee a win. For example, in a progression game with 3 pieces (A, B, C) in a race or chase to win, if a player has wagered on piece A and is in a positive expectation situation (the player has equity), the player may need to wager on both pieces B and C in order to guarantee a winning position. The house can loan the player the money to place these wagers in order that the player is guaranteed to win." Schugar '981 at ¶ [0106].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1c] - causing a wager corresponding to a player of the one or more players that is received by a wagering input device for the sporting event to be transmitted to the central server system;

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1d]. Further, Schugar '981 discloses, for example:

"A database 404 can be used to store values banked for later use. The database 404 can be accessible by all games in an individual casino or a group of casinos. Value banked for later use can be stored in the database using the player record." Schugar '981 at ¶ [0105].

"A machine game 400 can be any wagering machine game, such as a slot machine, video poker machine, or machine game which plays any game which can have multiple states (e.g. games which a player can wager on a progression). The machine game 400 can be associated with a comp card reader 402 in which the player can use his or her comp card to identify the player." Schugar '981 at ¶ [0104].

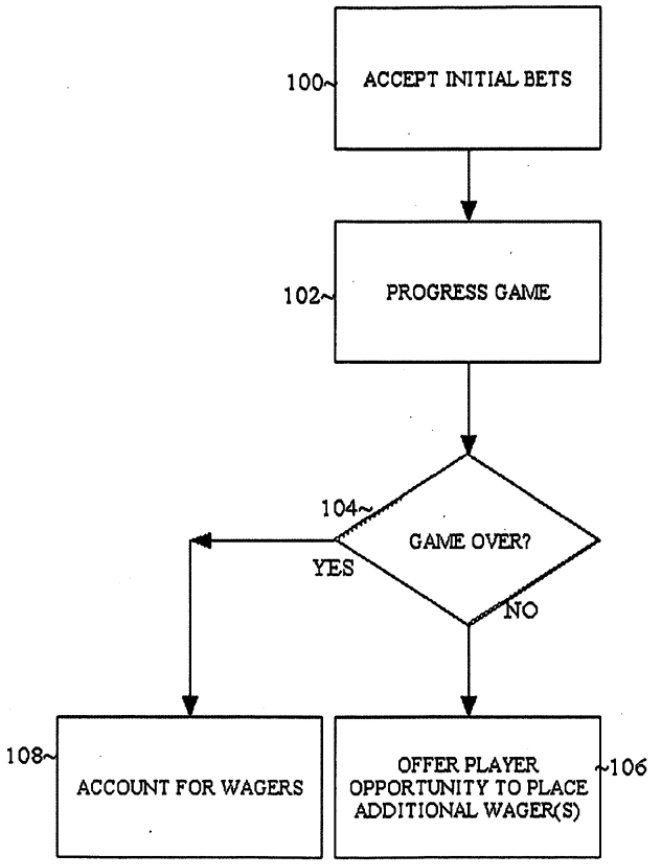
Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1d] - causing the central server system to generate a cash out offer for the player based on the wager and progress of the sporting event, by:

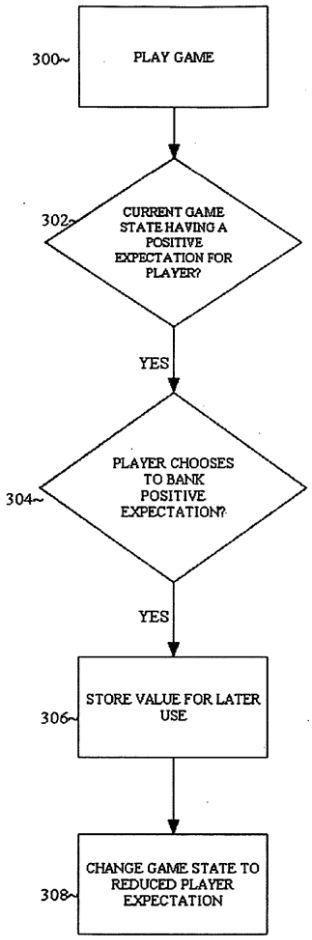
Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitations [1e] and [1f]. To explain, '439 Patent limitation [1f] recites "initiating," and thereby generating, "at least one of the buy-out offer and partial buy-out offer," which correspond to "a cash out offer," to one or more players that are "eligible to win," and '439 Patent limitation [1e] recites that "players winning at least one leg are eligible to win," which corresponds to a "progress of the sporting event," and that "winners of each of the defined number of legs" are identified "based on the wager."

[1e] - monitoring progress of the sporting event, wherein the progress of the sporting event may comprise at least a current status,

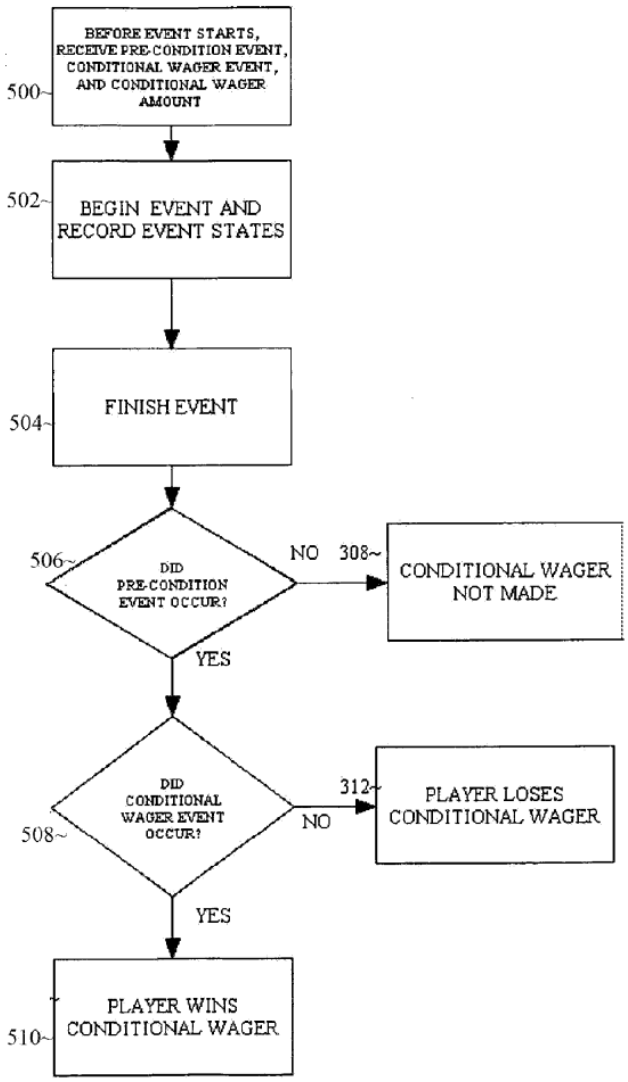
Schugar '981 discloses this limitation. For example:



Schugar '981 at FIG. 1.



Schugar '981 at FIG. 3.



Schugar '981 at FIG. 5.

"FIG. 1 is a flowchart illustrating one example of a wagering game, according to an embodiment. A progression game is a game which has a plurality of game states, each game state may have a different expected return for the player based on the player's wagers and the current game state. The game is over when the game reaches a terminating game state." Schugar '981 at ¶ [0054].

"The embodiments described herein can also be used to bet on sporting events, either at intervals on individual games or series of games. For example two teams can play a best 4/7 series. After each game in the series (and even during particular games), payout odds for each team winning the series can change to reflect the current conditions (as described herein and/or known in the art) and players can make wagers during the series." Schugar '981 at ¶ [0072].

"The player can use value stored to purchase better game states than the player currently has. For example, if the player's current game state has a current value of $20, then when the game

state is advanced (e.g. rolling of a die, spinning a wheel, generating random numbers on a computer, etc.) the game has a current value of $10 (the new game state was unfavorable to the player compared to the previous game state). The player can use value that the player has banked at a previous time to purchase the better ($20) game state, or any other game state which is improved over the current game state. So for example, if the player has banked a $15 value for later use, and the player has just lost $10 in his or her current game state, the player can apply $10 of stored value to put the game state back to the previous state before it lost $10 in value. The player would then have $5 value remaining which can be used later on for further such transactions." Schugar '981 at ¶ [0085].

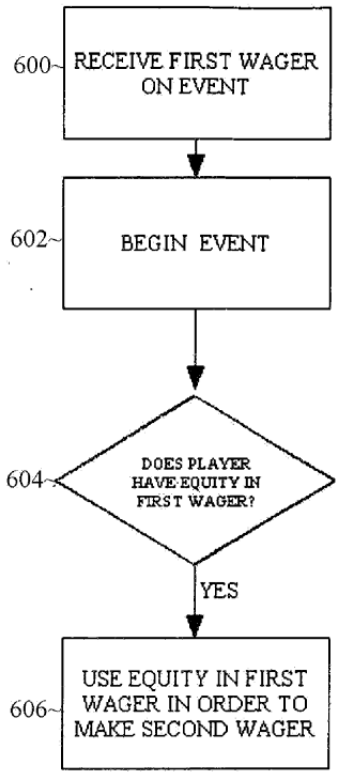
Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1f] - identifying that the player's wager is active, and

Schugar '981 discloses this limitation. For example:

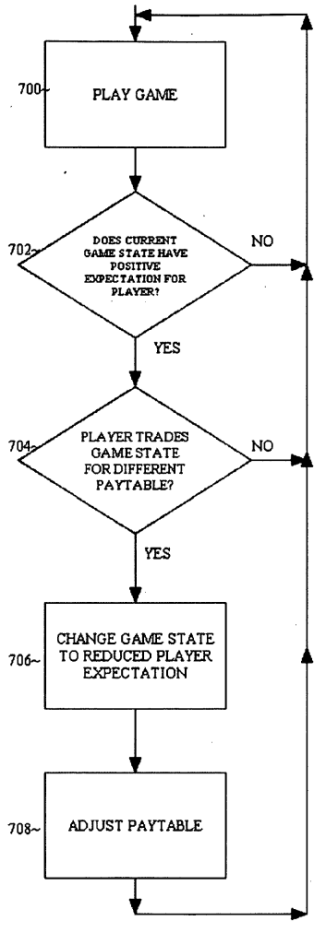
"If the check in operation 104 determines that the game is over, then the method can proceed to operation 108, which accounts for wagers. This means taking losing wagers and paying winning wagers according to their respective payouts. Any borrowed money can be repaid at this time. The method may then optionally start a new game and return to operation 100." Schugar '981 at ¶ [0059].

Schugar '981 discloses this limitation. For example, Schugar '981 discloses:



Schugar '981 at FIG. 6.

"Thus, the house may wish to compute at what amount a player should make a particular wager in order to be allowed to bet with "borrowed" money. Of course, if the player is not currently in an "equity" state in the game, then no wager (on either side) would put the player into a guaranteed winning situation. An equity state of the game can be considered a position where a player has a positive expectation based on his or her wagers and the game state. A player can "borrow" against this state in order to make further wagers on the game with this borrowed money." Schugar '981 ta ¶ [0042].



Schugar '981 at FIG. 7.

"In a further embodiment, the equity concept described herein can be applied to craps. Equity obtained in a game of craps can be cashed in. For example, consider if a player bets an initial don't pass line bet of $100. The outcome of the come out roll is 10 ("the point"). According to the standard rules of craps, if the next roll is 10 the player loses while on a 7 the player wins (any other outcome of the dice results in a re-roll). Since a 7 is more likely than a 10, the player has a positive expectation at this point. If the player wishes to surrender this bet, his surrender value is: (original bet)+(chance of winning*amount to be won)." Schugar '981 at ¶ [0070].

"In this example, the chance of the player winning in this case is (1/3), while the player will win even money on his or her craps bet of $100. Thus, the value of the player's bet is $100+(1/3)*$100=$133.33. Thus, the player can chooses to continue rolling (and win or lose) or accept the surrender value of $133.33, which is based on equity in his position based on events that have occurred in the game (the come out roll). All other situations in craps can be addressed similarly (i.e. other come out rolls, etc.)" Schugar '981 at ¶ [0071].

"When the player is playing a game in which the player can be "winning" before the game is over, the player may wish to have a way to cash in on the winning state before completing the game. For example, if a player bets on a particular horse in a horse race, and the particular horse is winning, the player has some satisfaction (at least for the moment) that the player is in a good

position. Of course, the player's horse can lose and the player can be left with nothing. A player may find it attractive to be able to accumulate (or "bank") a portion of a positive expectation situation for later redemption. In this manner, even if the player ultimately loses his or her wager, the player has not lost everything because the banking has been performed." Schugar '981 at ¶ [0077].

"The method can continue to operation 302, which determines whether the current game state has a positive expectation for the player. If the current game state has a positive expectation for the player, then the player has "equity" in the game." Schugar '981 at ¶ [0089].

"From operation 504, the method can proceed to operation 506, which determines whether the pre-condition occurred. If the pre-condition did not occur, then the method can proceed to operation 308, wherein the conditional wager is not made. The amount for the conditional wager may be returned in its entirety, or the house may get a commission on the wager even though it was technically not "in action."" Schugar '981 at ¶ [0112].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1g] - determining an amount of the cash out offer; and

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [8b] and '716 Patent limitation [11].

[1h] - causing the central server system to transmit the cash out offer to the wagering input device, prompting the player to accept or reject the cash out offer.

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1g] and '516 Patent limitation [1j]. FurtherSchugar '981 discloses, for example:

"As a further example, when a player achieves a positive expectation (or profit) in a game, the player can be alerted and/or presented with a pop up window which can make an offer such as, "would you like to revert to the previous game position and receive a free lunch at the buffet worth $15?"" Schugar '981 at ¶ [0084].

"If the current game state has a positive expectation (or positive expected profit) for the player, then the method can proceed to operation 304, which then determines whether the player chooses to bank his or her positive expectation. This can be prompted by an automatic pop up window which allows the player to choose whether he wishes to bank some or all of his recent gains in expectation for later redemption (with a return of the game state to the prior or other position with lesser expected value than the current state). The player can also exercise this option either verbally to a live dealer or electronically with a press of a button which allows the player to bank his or her positive expectation." Schugar '981 at ¶ [0092].

"If the determination in operation 702 determines that the game state has a positive expectation for the player, then the method can proceed to operation 704, which determines whether the player wishes to trade the positive expectation game state for a different (improved) paytable. The player can indicate his or her desire to perform such trade by verbally speaking to a dealing, indicating his or her desire on an electronic input device (e.g., touch screen, keyboard, etc.) If the player does not wish to trade his or her game state, then the method can return to operation 700, which continues to play the game." Schugar '981 at ¶ [0135].

"In exchange for storing a value redeemable for later use, the value can also be an award of a non-monetary award. For example, a player may receive a free meal, room, or any type of room, food, or beverage credit. For example, after a game state is changed to a more favorable position, and the different between the two positions is worth a value comparable to a free meal at the buffet, a pop up screen may appear, "Player—press this button if you would like to revert to your previous game state and receive a free meal at the buffet." If the player takes advantage of the offer, then the award (such as a free meal) can be mailed to the player or the player can redeem the award in person (e.g. at the buffet counter, a casino host, etc.) The marketing computer can store the fact that the player has won the award." Schugar '981 at ¶ [0098].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

B. <u>Claim 2</u>

[2a] - The method of claim 1, further comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a]–[1h].

[2b] - causing the central server system to identify that the cash out offer was accepted; and

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1g].

[2c] - causing the central server system to issue an electronic ticket corresponding to the cash out offer.

Schugar '981 discloses this limitation. *See e.g.*, '516 Patent limitation [1l].

C. <u>Claim 3</u>

[3] - The method of claim 1, wherein the cash out offer is a partial cash out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1h] and [2a]–[2c].

D. <u>Claim 4</u>

[4a] - The method of claim 3, further comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitation [3].

[4b] - causing the central server system to identify that the partial cash out offer was accepted;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1h] and [2a]–[2c].

[4c] - causing the central server system to issue an electronic ticket corresponding to the partial cash out offer;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1h] and [2a]–[2c].

[4d] - causing the central server system to modify the player's wager based on the accepted partial cash out offer; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1h] and [2a]–[2c].

[4e] - causing the central server system to determine, at an end of the sporting event, whether the player's modified wager is a winning wager.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1h] and [2a]–[2c], and '439 Patent limitation [1i].

E. <u>Claim 5</u>

[5a] - The method of claim 1, further comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a]–[1h].

[5b] - causing the central server system to identify that the cash out offer was accepted; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [2b].

[5c] - causing the central server system to generate a new cash out offer based on an updated progress of the sporting event.

Schugar '981 discloses this limitation. *See e.g.*, '516 Patent limitation [54j].

Further, regarding a new cash out offer "based on an updated progress of the sporting event," Schugar '981 discloses, for example:

F. <u>Claim 6</u>

[6a] - The method of claim 1, further comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a]–[1h].

[6b] - causing the central server system to receive a second wager from a second player.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c].

G. Claim 7

[7a] - The method of claim 6, wherein determining an amount of the cash out offer comprises:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h] and [6a]–[6b].

[7b] - determining odds of winning with respect to the wager from the first player and the second wager from the second player.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1g].

H. Claim 8

[8a] - A system for conducting a wagering event for one or more players, comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitation [1a] and [8b]–[8j].

[8b] - a processor; and

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1b]. Further, corresponding to the claimed "processor," such as, for example, within a system controller of a system for conducting a wagering event for one or more players, Schugar '981 discloses, for example:

"An electronic gaming apparatus to conduct a wagering game, the apparatus comprising:

a computer performing:

receiving a wager from a player on a player chosen outcome, the wager paying according to a first paytable;

conducting a wagering game with a first game state;

progressing the first game state into a second game state based on a random determination;

determining from the player that the player wishes to change from the second game state back into the first game state in exchange to activate a second paytable for the wager;

reverting the game from the second game state back to the first game state;

completing the game to determine whether the wager wins or loses; and

if the wager is determined to win, then paying the wager according to a second paytable,

wherein if the player did not choose to change from the second game state back to the first game state, then if the wager is determined to win, then the wager is paid using the first paytable; and

an output device." Schugar '981 at Claim 9.

"A machine game 400 can be any wagering machine game, such as a slot machine, video poker machine, or machine game which plays any game which can have multiple states (e.g. games which a player can wager on a progression). The machine game 400 can be associated with a comp card reader 402 in which the player can use his or her comp card to identify the player." Schugar '981 at ¶ [0104].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[8c] - a memory having programming instructions stored thereon, which, when executed by the processor, cause the processor to perform one or more operations, comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitations [8b] and [8d]–[8j], and '439 Patent limitation [1b]. Further, corresponding to the claimed "memory having programming instructions" as claimed, such as, for example, within a system controller of a system for conducting a wagering event for one or more players, Schugar '981 discloses, for example:

"An electronic gaming apparatus to conduct a wagering game, the apparatus comprising:

a computer performing:

receiving a wager from a player on a player chosen outcome, the wager paying according to a first paytable;

conducting a wagering game with a first game state;

progressing the first game state into a second game state based on a random determination;

determining from the player that the player wishes to change from the second game state back into the first game state in exchange to activate a second paytable for the wager;

reverting the game from the second game state back to the first game state;

completing the game to determine whether the wager wins or loses; and

if the wager is determined to win, then paying the wager according to a second paytable,

wherein if the player did not choose to change from the second game state back to the first game state, then if the wager is determined to win, then the wager is paid using the first paytable; and

an output device." Schugar '981 at Claim 9.

"A machine game 400 can be any wagering machine game, such as a slot machine, video poker machine, or machine game which plays any game which can have multiple states (e.g. games

which a player can wager on a progression). The machine game 400 can be associated with a comp card reader 402 in which the player can use his or her comp card to identify the player." Schugar '981 at ¶ [0104].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[8d] - initiating a wagering event for one or more players, wherein the wagering event corresponds to a sporting event;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1b].

[8e] - receiving, from a wagering input device, a wager corresponding to a player of the one or more players;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c].

[8f] - generating a cash out offer for the player based on the wager and progress of the sporting event, by:

Schugar '981 discloses this limitation. *See e.g.*, limitation [1d].

[8g] - monitoring progress of the sporting event, wherein the progress of the sporting event may comprise at least a current status,

Schugar '981 discloses this limitation. *See e.g.*, limitation [1e].

[8h] - identifying that the player's wager is active, and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1f].

[8i] - determining an amount of the cash out offer; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1g].

[8j] - transmitting the cash out offer to the wagering input device, prompting the player to accept or reject the cash out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1h].

I. Claim 9

[9a] - The system of claim 8, wherein the one or more operations further comprise: identifying that the cash out offer was accepted; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [2b].

[9b] - issuing an electronic ticket corresponding to the cash out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitation [2c].

J. Claim 10

[10] - The system of claim 8, wherein the cash out offer is a partial cash out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1h].

K. Claim 11

[11a] - The system of claim 10, wherein the one or more operations further comprise:

Schugar '981 discloses this limitation. *See e.g.*, limitation [10].

[11b] - identifying that the partial cash out offer was accepted;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h] and [2a]–[2c].

[11c] - issuing an electronic ticket corresponding to the partial cash out offer;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h] and [2a]–[2c].

[11d] - modifying by the central server system, the player's wager based on the accepted partial cash out offer; and

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h], [2a]–[2c], and [4a]–[4d].

[11e] - determining, at an end of the sporting event, whether the player's modified wager is a winning wager.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h], [2a]–[2c], and [41]–4c].

L. Claim 12

[12a] - The system of claim 8, further comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitation [8].

[12b] - identifying that the cash out offer was accepted; and

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h] and [5a]–[5c].

[12c] - generating a new cash out offer based on an updated progress of the sporting event.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1h] and [5a]–[5c].

M. Claim 13

[13] - The system of claim 8, further comprising: receiving a second wager from a second player.

Schugar '981 discloses this limitation. *See e.g.*, limitations [8], [1h], and [6a]–[6b].

N. Claim 14

[14] - The system of claim 8, wherein determining an amount of the cash out offer comprises: determining odds of winning with respect to the wager from the first player and the second wager from the second player.

Schugar '981 discloses this limitation. *See e.g.*, limitations [8], [1h], and [7a]–[7b].

O. Claim 15

[15a] - A non-transitory computer readable medium having instructions stored thereon, which, when executed by a processor, cause the processor to perform one or more operations, comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitations [8b], [8c] and [15b]–[15h].

[15b] - causing a central server system to initiate a wagering event for one or more players, wherein the wagering event corresponds to a sporting event;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1b].

[15c] - causing a wager corresponding to a player of the one or more players that is received by a wagering input device for the sporting event to be transmitted to the central server system;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c].

[15d] - causing the central server system to generate a cash out offer for the player based on the wager and progress of the sporting event, by:

Schugar '981 discloses this limitation. *See e.g.*, limitation [1d].

[15e] - monitoring progress of the sporting event, wherein the progress of the sporting event may comprise at least a current status,

Schugar '981 discloses this limitation. *See e.g.*, limitation [1e].

[15f] - identifying that the player's wager is active, and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1f].

[15g] - determining an amount of the cash out offer; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1g].

[15h] - causing the central server system to transmit the cash out offer to the wagering input device, prompting the player to accept or reject the cash out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1h].

P. Claim 16

[16a] - The non-transitory computer readable medium of claim 15, further comprising: causing the central server system to identify that the cash out offer was accepted; and

Schugar '981 discloses this limitation. *See e.g.*, limitations [15a]–[15h], [2a], and [2b].

[16b] - causing the central server system to issue an electronic ticket corresponding to the cash out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitation [2c].

Q. Claim 17

[17] - The non-transitory computer readable medium of claim 15, wherein the cash out offer is a partial cash out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h] and [3].

R. Claim 18

[18a] - The non-transitory computer readable medium of claim 17, further comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitation [17] and [4a].

[18b] - causing the central server system to identify that the partial cash out offer was accepted;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h] and [4b].

[18c] - causing the central server system to issue an electronic ticket corresponding to the partial cash out offer;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h] and [4c].

[18d] - causing the central server system to modify the player's wager based on the accepted partial cash out offer; and

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h] and [4d].

[18e] - causing the central server system to determine, at an end of the sporting event, whether the player's modified wager is a winning wager.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h] and [4e].

S. Claim 19

[19a] - The non-transitory computer readable medium of claim 15, further comprising: causing the central server system to identify that the cash out offer was accepted; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [15], [5a], and [5b].

[19b] - causing the central server system to generate a new cash out offer based on an updated progress of the sporting event.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1h] and [5c].

T. Claim 20

[20] - The non-transitory computer readable medium of claim 15, further comprising: causing the central server system to receive a second wager from a second player.

Schugar '981 discloses this limitation. *See e.g.*, limitations [15], [1h], [6a], and [6b].

U. Claim 21

[21a] - A non-transitory computer readable medium having stored thereon a computer program adapted for use with at least one wagering input device and at least one central server system for conducting a wagering event, the computer program comprising a routine of set instructions, which when executed by a processor cause the processor to perform one or more operations, comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitations [15a] and [1a]–[1c].

[21b] - causing the at least one central server system to initiate the wagering event for one or more players, wherein the wagering event corresponds to a sporting event;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1b].

[21c] - causing the at least one wagering input device to accept a wager corresponding to a player of the one or more players that desires to participate in the wagering event;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c].

[21d] - causing the wager that has been accepted by the at least one wagering input device to be communicated to the at least one central server system;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c].

[21e] - causing the at least one central server system to generate a cash out offer for the player by:

Schugar '981 discloses this limitation. *See e.g.*, limitation [1d].

[21f] - evaluating a status of the sporting event,

Schugar '981 discloses this limitation. *See e.g.*, limitation [1e].

[21g] - determining if the player is eligible to receive the cash out offer, and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1f] and '439 Patent limitations [1e] and [1f].

[21h] - determining an amount of the cash out offer;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1g].

[21i] - causing the at least one central server system to communicate the cash out offer to the at least one wagering input device;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1h].

[21j] - causing the at least one wagering input device to display the cash out offer;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1h] and '516 Patent limitation [1j].

[21k] - causing the at least one wagering input device to identify if the cash out offer has been accepted or rejected by the player; and

Schugar '981 discloses this limitation. For example:

"As a further example, when a player achieves a positive expectation (or profit) in a game, the player can be alerted and/or presented with a pop up window which can make an offer such as, "would you like to revert to the previous game position and receive a free lunch at the buffet worth $15?"" Schugar '981 at ¶ [0084].

"If the current game state has a positive expectation (or positive expected profit) for the player, then the method can proceed to operation 304, which then determines whether the player chooses to bank his or her positive expectation. This can be prompted by an automatic pop up window which allows the player to choose whether he wishes to bank some or all of his recent gains in expectation for later redemption (with a return of the game state to the prior or other position with lesser expected value than the current state). The player can also exercise this option either verbally to a live dealer or electronically with a press of a button which allows the player to bank his or her positive expectation." Schugar '981 at ¶ [0092].

"If the determination in operation 702 determines that the game state has a positive expectation for the player, then the method can proceed to operation 704, which determines whether the player wishes to trade the positive expectation game state for a different (improved) paytable. The player can indicate his or her desire to perform such trade by verbally speaking to a dealing, indicating his or her desire on an electronic input device (e.g., touch screen, keyboard,

etc.) If the player does not wish to trade his or her game state, then the method can return to operation 700, which continues to play the game." Schugar '981 at ¶ [0135].

"In exchange for storing a value redeemable for later use, the value can also be an award of a non-monetary award. For example, a player may receive a free meal, room, or any type of room, food, or beverage credit. For example, after a game state is changed to a more favorable position, and the different between the two positions is worth a value comparable to a free meal at the buffet, a pop up screen may appear, "Player—press this button if you would like to revert to your previous game state and receive a free meal at the buffet." If the player takes advantage of the offer, then the award (such as a free meal) can be mailed to the player or the player can redeem the award in person (e.g. at the buffet counter, a casino host, etc.) The marketing computer can store the fact that the player has won the award." Schugar '981 at ¶ [0098].

"If the determination in operation 702 determines that the game state has a positive expectation for the player, then the method can proceed to operation 704, which determines whether the player wishes to trade the positive expectation game state for a different (improved) paytable. The player can indicate his or her desire to perform such trade by verbally speaking to a dealing, indicating his or her desire on an electronic input device (e.g., touch screen, keyboard, etc.) If the player does not wish to trade his or her game state, then the method can return to operation 700, which continues to play the game." Schugar '981 at ¶ [0135].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[21l] - causing the at least one wagering input device to communicate the acceptance of the cash out offer to the at least one central server system.

Schugar '981 discloses this limitation. *See e.g.*, limitation [2b] and '439 Patent limitation [1g].

V. <u>Claim 22</u>

[22] - The non-transitory computer readable medium of claim 21, further comprising: causing the at least one wagering input device to issue a credit, tokens, coupon, voucher, award or funding of an account of the player based on the amount of the accepted cash out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitations [21a]–[21l] and [2c], and '516 Patent limitation [1l].

W. <u>Claim 23</u>

[23] - The non-transitory computer readable medium of claim 21, wherein the at least one wagering input device comprises a wagering terminal, a hand held device, a mobile device, a wireless device, a computer, a smart phone, a telephone, a tablet computer, a PDA or an interactive television.

Schugar '981 discloses this limitation. *See e.g.*, limitations [21a]–[21l] and [1a]–[1d], '516 Patent limitation [29b], and '439 Patent limitation [1b].

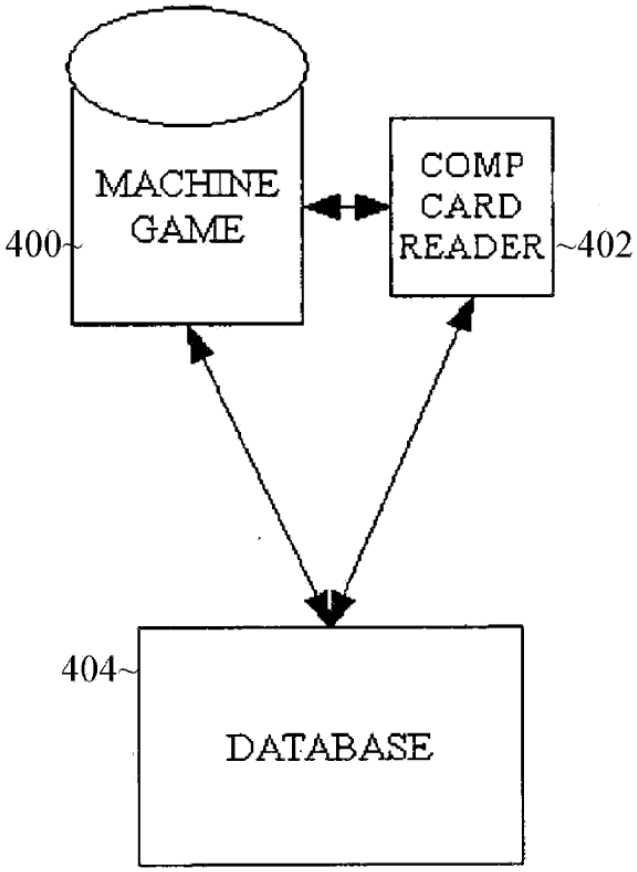
X. Claim 24

[24] - The non-transitory computer readable medium of claim 21, wherein the at least one central server system is one or more of remote from the at least one wagering input device, proximate to the at least one wagering input device or a portion of the at least one wagering input device.

Schugar '981 discloses this limitation. *See e.g.*, limitations [21a]–[21l] and [1a]–[1d], and '439 Patent limitation [1b]. Further, corresponding to the central server system being "remote," "proximate to," or "a portion of" the at least one wagering input device, Schugar '981 discloses, for example:

"A machine game 400 can be any wagering machine game, such as a slot machine, video poker machine, or machine game which plays any game which can have multiple states (e.g. games which a player can wager on a progression). The machine game 400 can be associated with a comp card reader 402 in which the player can use his or her comp card to identify the player." Schugar '981 at ¶ [0104].

"A database 404 can be used to store values banked for later use. The database 404 can be accessible by all games in an individual casino or a group of casinos. Value banked for later use can be stored in the database using the player record." Schugar '981 at ¶ [0105].



Schugar '981 at FIG. 4.

"If the player chooses in operation 304 to bank his or her positive expectation, then the method can proceed to operation 306, which stores the value the player has banked for later use. This can be stored in the current machine and/or a remote database for later retrieval. A player can bank his or her positive expectation for later retrieval when the player is playing a same or different game at a later point in time." Schugar '981 at ¶ [0093].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

Y. <u>Claim 25</u>

[25] - The non-transitory computer readable medium of claim 21, wherein the amount of the cash out offer is variable and based on at least one of a calculated probability, an originator of the cash out offer, a negotiation, the one or more players or a third party.

Schugar '981 discloses this limitation. *See e.g.*, limitations [21a]–[21l] and [1a]–[1d], and '516 Patent limitation [73].

Z. Claim 26

[26] - The non-transitory computer readable medium of claim 21, wherein the cash out offer comprises at least one of or both of a full cash out offer or a partial cash out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitations [21a]–[21l] and [1a]–[1d].

AA. Claim 27

[27a] - The non-transitory computer readable medium of claim 26, further comprising: wherein a player accepting the full cash out offer is no longer eligible to win the wagering event; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [26] and [2a]–[2c], and '439 Patent limitation [1g].

[27b] - wherein a player accepting the partial cash out offer remains eligible to win the wagering event.

Schugar '981 discloses this limitation. *See e.g.*, limitations [2a]–[2c] and '439 Patent limitation [1g].

BB. Claim 28

[28a] - The non-transitory computer readable medium of claim 21, further comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitations [21a]–[21l].

[28b] - causing the at least one central server system to identify where the player has won the wagering event;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h] and [2a]–[2c], and '439 Patent limitation [1i].

[28c] - causing the at least one wagering input device to notify the player that they have won the wagering event;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h] and [2a]–[2c], and '516 Patent limitations [1n] and [1o].

[28d] - causing the at least one wagering input device to notify the player that they have won at least one jackpot or a portion thereof;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h] and [2a]–[2c], and '516 Patent limitations [1n] and [1o].

[28e] - causing at least one of the at least one central service system or the at least one wagering input device to issue a credit, tokens, coupon, voucher, award or fund an account of the player that has won the wagering event corresponding to an amount of the at least one jackpot or the portion thereof, wherein the award comprises one or more selected from the group consisting of

monetary awards, nonmonetary awards, a prize, a payment, a designated currency, virtual currency, tokens, credits, coupons, services, personal property, real property, virtual property, assets, investments, negotiable instruments, commodities, food, lodging, entertainment, alleviation of obligations, gaming opportunities and wager enhancement.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1h], [2a]–[2c], and [22], '516 Patent limitation [1p], and '341 Patent limitation [2].

CC. Claim 29

[29] - The non-transitory computer readable medium of claim 21, wherein the at least one wagering input device comprises a user interface through which the player may input the wager in order to participate in the wagering event and accept or reject the cash out offer.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1c] and [1h], and '439 Patent limitation [1b]. Further, corresponding to the "user interface," Schugar '981 discloses, for example:

"If the determination in operation 702 determines that the game state has a positive expectation for the player, then the method can proceed to operation 704, which determines whether the player wishes to trade the positive expectation game state for a different (improved) paytable. The player can indicate his or her desire to perform such trade by verbally speaking to a dealing, indicating his or her desire on an electronic input device (e.g., touch screen, keyboard, etc.) If the player does not wish to trade his or her game state, then the method can return to operation 700, which continues to play the game." Schugar '981 at ¶ [0135].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

DD. Claim 30

[30] - The non-transitory computer readable medium of claim 21, wherein the sporting event comprises at least one of an entire sporting event, a partial sporting event, a divisible component of a sporting event, multiple independent sporting events occurring sequentially or concurrently, and a compilation of related sporting events, wherein the one or more sporting events comprises one or more selected from the group consisting of eSports, e-sports, competitive gaming, electronic sports, fantasy events, real games, virtual games, fantasy games, video games, football ("soccer"), American football, Australian rules football, baseball, cricket, basketball, golf, hockey, auto racing, legends, rugby, wrestling, surfing, mixed martial arts, racing, lotteries, live events, pre-recorded events, online events, broadcast events, card games, slot machines, keno, poker, politics, sales, stocks, celebrity gossip, movies, and reality TV.

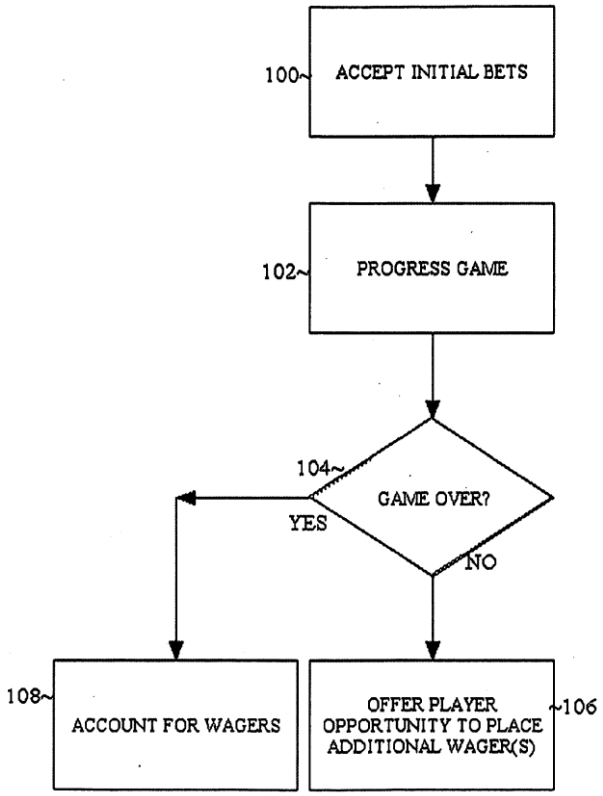
Schugar '981 discloses this limitation. *See e.g.*, limitation [1b], '439 Patent limitation [27], and '516 Patent limitation [2].

VII. U.S. Patent No. 10,997,822

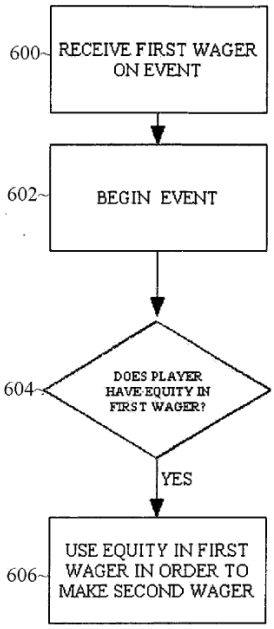
A. Claim 1

[1a] - A system for processing a payment for a wager in connection with a wagering event, the system comprising:

Schugar '981 discloses this element. *See e.g.*, '439 Patent limitations [1a]–[1i]. Further, corresponding to "processing a payment for a wager in connection with a wagering event," Schugar '981 discloses, for example:



Schugar '981 at FIG. 1.



Schugar '981 at FIG. 6.

"The above aspects can be obtained by a method that includes (a) receiving a wager from a player on a player chosen outcome, the wager paying according to a first paytable; (b) conducting a wagering game with a first game state; (c) progressing the first game state into a second game state based on a random determination; (d) determining from the player that the player wishes to change from the second game state back into the first game state in exchange to activate a second paytable for the wager; (e) reverting the game from the second game state back to the first game state; (f) completing the game to determine whether the wager wins or loses; and (g) if the wager is determined to win, then paying the wager according to a second paytable, (h) wherein if the player did not choose to change from the second game state back to the first game state, then if the wager is determined to win, then the wager is paid using the first paytable." Schugar '981 at ¶ [0007].

"The method can start at operation 100, which accepts initial bets. A player may not be required to wager on the game before the game starts, and may choose to just wager on the game during the game." Schugar '981 at ¶ [0055].

"Table II below corresponds to the game form Table I and illustrates an example where equity funds are used and the balance between the player's finds (liquid cash present in the machine) and equity funds (funds the player can borrow)." Schugar '981 at ¶ [0049].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1b] - a communications interface;

Schugar '981 discloses this element. *See e.g.*, '439 Patent limitation [1b] and '969 Patent limitations [1b], [1c], [8b], and [8c]. For example, corresponding to the claimed "communications interface," Schugar '981 discloses:

"The expected profit banked for later use can be used in a variety of ways. The $15 in the above example can be redeemed by the player for cash. The $15 can also be used to buy positive game states at a later time. For example, if the player is playing a game with multiple game states, and the player wants to put himself in a more favorable state, the player can use the banked money to buy a better state. A value stored for later use can also be applied towards room, food and beverage bills, etc. The value stored for later use can also be redeemed for cash at a later time. The value can also be redeemed for cash instantly, and the redeemed cash can be immediately returned to the player's current credit meter. The value stored for later can be stored locally and/or on a database which can be accessed at a later time." Schugar '981 at ¶ [0083].

"If the player chooses in operation 304 to bank his or her positive expectation, then the method can proceed to operation 306, which stores the value the player has banked for later use. This can be stored in the current machine and/or a remote database for later retrieval. A player can bank his or her positive expectation for later retrieval when the player is playing a same or different game at a later point in time." Schugar '981 at ¶ [0093].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1c] - a processor operatively coupled to the communications interface; and

Schugar '981 discloses this element. *See e.g.*, '969 Patent limitation [8b]. For example, corresponding to the processor "operatively coupled to the communications interface," Schugar '981 discloses:

"An electronic gaming apparatus to conduct a wagering game, the apparatus comprising:

a computer performing:

receiving a wager from a player on a player chosen outcome, the wager paying according to a first paytable;

conducting a wagering game with a first game state;

progressing the first game state into a second game state based on a random determination;

determining from the player that the player wishes to change from the second game state back into the first game state in exchange to activate a second paytable for the wager;

reverting the game from the second game state back to the first game state;

completing the game to determine whether the wager wins or loses; and

if the wager is determined to win, then paying the wager according to a second paytable,

wherein if the player did not choose to change from the second game state back to the first game state, then if the wager is determined to win, then the wager is paid using the first paytable; and

an output device." Schugar '981 at Claim 9.

"A machine game 400 can be any wagering machine game, such as a slot machine, video poker machine, or machine game which plays any game which can have multiple states (e.g. games which a player can wager on a progression). The machine game 400 can be associated with a comp card reader 402 in which the player can use his or her comp card to identify the player." Schugar '981 at ¶ [0104].

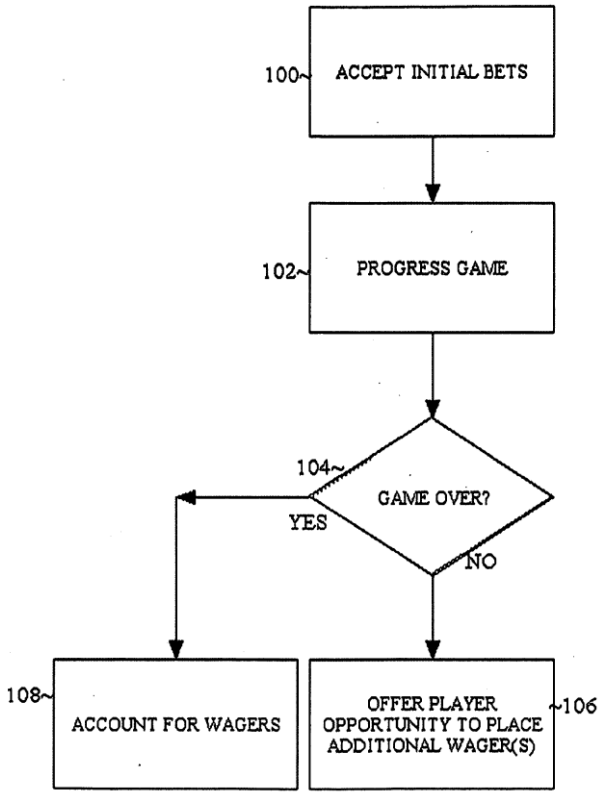
Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1d] - a memory having programming instructions stored thereon, which, when executed by the processor, performs one or more operations, comprising:

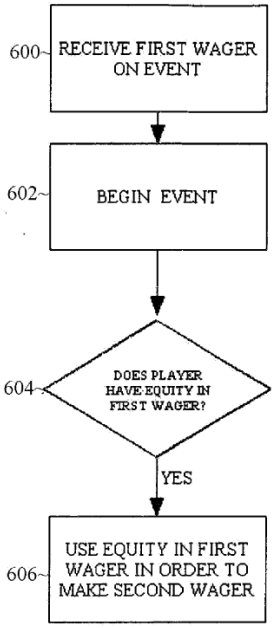
Schugar '981 discloses this element. *See e.g.*, '969 Patent limitation [8c].

[1e] - receiving, over the communications interface, a designated amount for a value of the wager on the wagering event from a first input device,

Schugar '981 discloses this element. *See e.g.*, '439 Patent limitation [17] and '969 Patent limitation [8e]. For example, corresponding to the "receiving" being "over the communications interface," Schugar '981 discloses:



Schugar '981 at FIG. 1.



Schugar '981 at FIG. 6.

"The above aspects can be obtained by a method that includes (a) receiving a wager from a player on a player chosen outcome, the wager paying according to a first paytable; (b) conducting

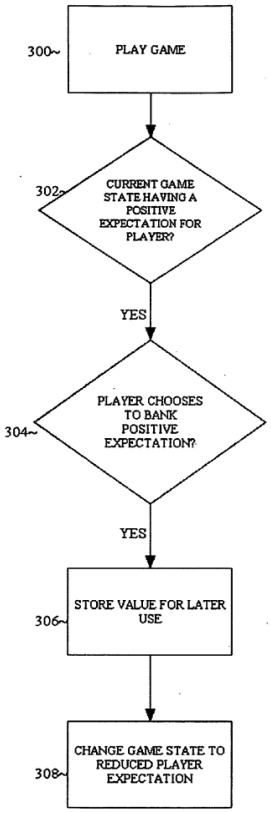
a wagering game with a first game state; (c) progressing the first game state into a second game state based on a random determination; (d) determining from the player that the player wishes to change from the second game state back into the first game state in exchange to activate a second paytable for the wager; (e) reverting the game from the second game state back to the first game state; (f) completing the game to determine whether the wager wins or loses; and (g) if the wager is determined to win, then paying the wager according to a second paytable, (h) wherein if the player did not choose to change from the second game state back to the first game state, then if the wager is determined to win, then the wager is paid using the first paytable." Schugar '981 at ¶ [0007].

"The method can start at operation 100, which accepts initial bets. A player may not be required to wager on the game before the game starts, and may choose to just wager on the game during the game." Schugar '981 at ¶ [0055].

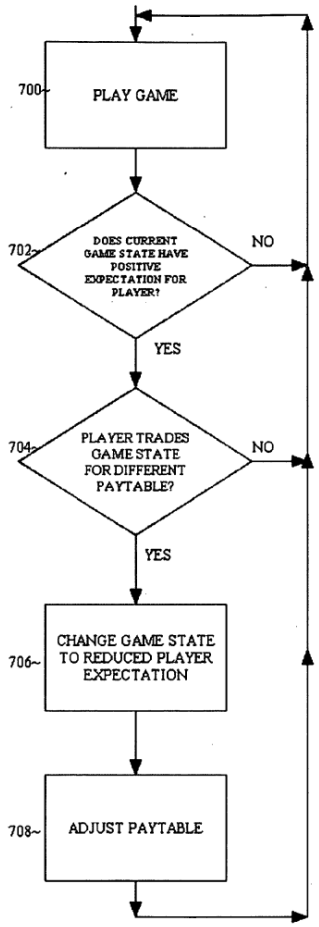
Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1f] - receiving, over the communications interface, a cash out offer from a second input device,

Schugar '981 discloses this element. For example:



Schugar '981 at FIG. 3.



Schugar '981 at FIG. 7.

"In this example, the chance of the player winning in this case is (1/3), while the player will win even money on his or her craps bet of $100. Thus, the value of the player's bet is $100+(1/3)*$100=$133.33. Thus, the player can chooses to continue rolling (and win or lose) or accept the surrender value of $133.33, which is based on equity in his position based on events that have occurred in the game (the come out roll). All other situations in craps can be addressed similarly (i.e. other come out rolls, etc.)." Schugar '981 at ¶ [0071].

"When the player is playing a game in which the player can be "winning" before the game is over, the player may wish to have a way to cash in on the winning state before completing the game. For example, if a player bets on a particular horse in a horse race, and the particular horse is winning, the player has some satisfaction (at least for the moment) that the player is in a good position. Of course, the player's horse can lose and the player can be left with nothing. A player may find it attractive to be able to accumulate (or "bank") a portion of a positive expectation situation for later redemption. In this manner, even if the player ultimately loses his or her wager, the player has not lost everything because the banking has been performed." Schugar '981 at ¶ [0077].

"For example, consider a $100 craps wager on the Don't Pass line. Since the house edge on the Don't Pass line is 1.364%, the expected value of the player's wager is $98.64. The dice are rolled and the come out roll is a 10. The player is now happy, as the player wins if the shooter rolls a 7 and loses if the shooter rolls a 10 (any other total the shooter keeps rolling). Of course, it is easier for the shooter to roll a 7 than a 10. The probability of the shooter rolling a 7 before a 10 is 66%. Thus, the expected win is $133.33. Of course, the player can still lose the wager if the shooter rolls a 10. The player can surrender his craps bet for $133.33 or a lesser amount (so that the house takes a commission). For example, the house can let the surrender the wager for $125. The house makes money on this proposition, and the player gets the peace of mind of the sure win." Schugar '981 at ¶ [0078].

"The player can also bank a portion of the expected profit the player has earned for later use. This can be done in a number of ways. The player can receive a $33.33 amount (or an amount based on this such as a lesser amount such as $25 to account for a house commission) and the point can be reset so that the game is in the previous game state with the $100 still wagered on the Don't Come line. Alternatively, the house can take a portion of the player's wager (such as 10%), so that the player now has $90 on the Don't Pass line. The taken portion can be stored for later redemption by the player. The $10 taken actually has an expected value of $13.33. This $13.33 (or a number based on this to account for the house commission) can be accumulated and disbursed to the player at a later time (either later at the instant game, or later at another game, or by electronic redemption). If the shooter rolls a 7, the player then wins $90 and if the shooter rolls a 10 the player loses his wager. However, in both cases, the player has banked the banked value for a later redemption. In this way, the player can continue to wager, but limit his losses by ensuring that some amount is still saved for later." Schugar '981 at ¶ [0079].

"If the puck is on spot +2 and a $10 wager is placed on the left side, and then the die is rolled results in a −2, the puck is now on spot 0. The player now has an expected profit of $15. This can be computed by multiplying the probability of reaching the left side (50%) by the total win of the left side ($50), and then subtracting the original wager amount ($10). The player may wish to "bank" this expected profit for later use. If the player wishes to bank this amount (or a fraction of this amount), the game state should be adjusted back to remove the amount of player advantage that is banked for later use." Schugar '981 at ¶ [0081].

"If the current game state has a positive expectation (or positive expected profit) for the player, then the method can proceed to operation 304, which then determines whether the player chooses to bank his or her positive expectation. This can be prompted by an automatic pop up window which allows the player to choose whether he wishes to bank some or all of his recent gains in expectation for later redemption (with a return of the game state to the prior or other position with lesser expected value than the current state). The player can also exercise this option either verbally to a live dealer or electronically with a press of a button which allows the player to bank his or her positive expectation." Schugar '981 at ¶ [0092].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1g] - identifying an acceptance of the cash out offer from the first input device prior to the end of the wagering event,

Schugar '981 discloses this element. *See e.g.*, '439 Patent limitation [1g].

[1h] - processing the cash out offer, and

Schugar '981 discloses this element. *See e.g.*, '439 Patent limitations [1f] and [1g].

[1i] - transmitting, over the communications interface, a value of the cash out offer to the first input device.

Schugar '981 discloses this element. *See e.g.*, '516 Patent limitation [1l]. For example, corresponding to the "transmitting" being "over the communications interface," Schugar '981 discloses:

"If the player chooses in operation 304 to bank his or her positive expectation, then the method can proceed to operation 306, which stores the value the player has banked for later use. This can be stored in the current machine and/or a remote database for later retrieval. A player can bank his or her positive expectation for later retrieval when the player is playing a same or different game at a later point in time." Schugar '981 at ¶ [0093].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

B. <u>Claim 2</u>

[2] - The system of claim 1, wherein one or more of the first input device and the second input device comprise one or more of wagering stations, wagering terminals, internet connected computing systems, smart phones, tablet computers, and televisions.

Schugar '981 discloses this element. *See e.g.*, '439 Patent limitation [21].

C. <u>Claim 3</u>

[3] - The system of claim 1, wherein the wagering event comprises at least one of an entire sporting event, a partial sporting event, a divisible component of a sporting event, multiple independent sporting events occurring sequentially or concurrently, and a compilation of related sporting events, one or more of sporting events, lotteries, real games, virtual games, live events, pre-recorded events, online events, broadcast events, slot machines, card games, keno, video games and racing.

Schugar '981 discloses this element. *See e.g.*, '439 Patent limitations [4] and [27].

D. <u>Claim 4</u>

[4] - The system of claim 1, wherein the wager comprises one or more of fixed odds single wagers, multiple wagers, full cover wagers, full cover wagers with singles, Any to Come ("ATC") or if cash wagers, specialty wagers, forecasts, fixed, variable, guaranteed, parimutuel wagering, fixed-odds wagering, accumulator or parlay wagering, fixed odds, a pool, progressive, fixed pool, variable pool, and guaranteed pool.

Schugar '981 discloses this element. *See e.g.*, '341 Patent limitation [35].

E. Claim 5

[5] - The system of claim 1, wherein the designated amount for the value of the wager on the wagering event is received from the first input device.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1e].

F. Claim 6

[6] - The system of claim 1, wherein the designated amount for the value of the wager on the wagering event is determined by at least one of the processor, a calculated probability, a negotiation, one or more users or a third party.

Schugar '981 discloses this element. *See e.g.*, '716 Patent limitation [64].

G. Claim 7

[7] - The system of claim 1, wherein the one or more operations further comprise: adjusting the designated amount for the value of the wager on the wagering event after the initial designated amount is received.

Schugar '981 discloses this element. *See e.g.*, '969 Patent limitation [4d].

H. Claim 15

[15a] - A non-transitory computer readable medium having instructions stored thereon, which, when executed by a processor, performs one or more operations, comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a]–[1i].

[15b] - causing a central server system to receive a designated amount for a value of the wager on the wagering event from a first input device;

Schugar '981 discloses this limitation. *See e.g.*, limitations [1e] and [5].

[15c] - causing the central server system to receive one or more of a buy-out offer comprising the value of the wager or a partial buy-out offer comprising a portion the value of the wager from a second input device;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1f].

[15d] - causing the central server system to identify an acceptance of the one or more of the buy-out offer or the partial buy-out offer from the first input device prior to the end of the wagering event;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1g].

[15e] - causing the central server system to process the one or more of the buy-out offer or the partial buy-out offer; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1h].

[15f] - causing the central server system to transmit at least a portion of the one or more of the value and the portion of the value to the first input device.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1i].

I. Claim 16

[16] - The non-transitory computer readable medium of claim 15, wherein one or more of the first input device and the second input device comprise one or more of wagering stations, wagering terminals, internet connected computing systems, smart phones, tablet computers, and televisions.

Schugar '981 discloses this limitation. *See e.g.*, limitation [2].

J. Claim 17

[17] - The non-transitory computer readable medium of claim 15, wherein the wagering event comprises at least one of an entire sporting event, a partial sporting event, a divisible component of a sporting event, multiple independent sporting events occurring sequentially or concurrently, a compilation of related sporting events, one or more of sporting events, lotteries, real games, virtual games, live events, pre-recorded events, online events, broadcast events, slot machines, card games, keno, video games and racing.

Schugar '981 discloses this limitation. *See e.g.*, limitation [3].

K. Claim 18

[18] - The non-transitory computer readable medium of claim 15, wherein the wager comprises one or more of fixed odds single wagers, multiple wagers, full cover wagers, full cover wagers with singles, Any to Come ("ATC") or if cash wagers, specialty wagers, forecasts, fixed, variable, guaranteed, parimutuel wagering, fixed-odds wagering, accumulator or parlay wagering, fixed odds, a pool, progressive, fixed pool, variable pool, and guaranteed pool.

Schugar '981 discloses this limitation. *See e.g.*, limitation [4].

L. Claim 19

[19] - The non-transitory computer readable medium of claim 15, wherein the designated

amount for the value of the wager on the wagering event is received from the first input device.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1e] and [5].

M. Claim 20

[20] - The non-transitory computer readable medium of claim 15, wherein the designated amount for the value of the wager on the wagering event is determined by a wagering system.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1e] and '439 Patent limitation [17]. For example, corresponding to "wherein the designated amount for the value of the wager on the wagering event is determined by a wagering system," Schugar '981 discloses:

"Thus, the house may wish to compute at what amount a player should make a particular wager in order to be allowed to bet with "borrowed" money. Of course, if the player is not currently in an "equity" state in the game, then no wager (on either side) would put the player into a guaranteed winning situation. An equity state of the game can be considered a position where a player has a positive expectation based on his or her wagers and the game state. A player can "borrow" against this state in order to make further wagers on the game with this borrowed money." Schugar '981 at ¶ [0042].

"In a further embodiment, the game may automatically compute a wager direction and amount to wager which would guarantee to put the player in a winning (or break even) position, and output this information to the player. For example, in the example above, an optional pop-up window can appear saying, "if you bet $1.67 on the rightmost side, you will be guaranteed not to lose."" Schugar '981 at ¶ [0048].

"Alternatively, if the check in operation 202 determines that the wager will not put the player into a guaranteed winning (or break even) position, then the method can proceed to operation 208, which can automatically compute a wager amount which would put the player in a guaranteed winning (or break even) position. The newly computed wager amount can then be offered to the player for the player's acceptance, or the wager can be made automatically. The computed wager amount can be computed according to the methods described previously. The method can then continue the game." Schugar '981 at ¶ [0066].

"The game then proceeds to operation 2, wherein the player makes a wager. The player makes a $5 wager on the leftmost side (although of course the player can choose the amount to wager and the event wagered on). If the leftmost side wins, the player wins $15, while if the rightmost side wins, the player wins −$5 (loses $5). There is no expected profit (or loss) for the player (since this example has no house edge)." Schugar '981 at ¶ [0029].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

N. Claim 21

[21] - The non-transitory computer readable medium of claim 15, causing the central server system to adjust the designated amount for the value of the wager on the wagering event after the initial designated amount is received.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1e]–[1i] and [7].

VIII. U.S. Patent No. 11,200,779

A. Claim 1

[1a] - A system comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1b]–[1l] and '969 Patent limitation [8a].

[1b] - a processor operatively coupled to a memory configured to store computer-readable instructions that, when executed by the processor, cause the processor to:

Schugar '981 discloses this limitation. *See e.g.*, '969 Patent limitations [8b] and [8c].

[1c] - receive, by a trading engine module of a system controller, a wager on a wagering event from one or more input devices via a communications interface, the wager input via a user interface of the one or more input devices;

Schugar '981 discloses this limitation. *See e.g.*, '338 Patent limitation [1b] and [1j], '969 Patent limitations [8e] and [29], and '822 Patent limitation [1e].

[1d] - store, by the system controller, the wager in a record within a database, the record comprising wager information for one or more wagers associated with one or more participants;

Schugar '981 discloses this limitation. *See e.g.*, '516 Patent limitation [68e].

[1e] - continuously retrieve, by the system controller, data in real time related to a progress of the wagering event;

Schugar '981 discloses this limitation. For example:

"The embodiments described herein can also be used to bet on sporting events, either at intervals on individual games or series of games. For example two teams can play a best 4/7 series. After each game in the series (and even during particular games), payout odds for each team winning the series can change to reflect the current conditions (as described herein and/or known in the art) and players can make wagers during the series." Schugar '981 at ¶ [0072].

"FIG. 1 is a flowchart illustrating one example of a wagering game, according to an embodiment. A progression game is a game which has a plurality of game states, each game state may have a different expected return for the player based on the player's wagers and the current game state. The game is over when the game reaches a terminating game state." Schugar '981 at ¶ [0054].

"The method can continue to operation 302, which determines whether the current game state has a positive expectation for the player. If the current game state has a positive expectation for the player, then the player has "equity" in the game." Schugar '981 at ¶ [0089].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1f] - recalculate, by the system controller, the wager information in real time based on the continuously retrieved data;

Schugar '981 discloses this limitation. For example:

"The embodiments described herein can also be used to bet on sporting events, either at intervals on individual games or series of games. For example two teams can play a best 4/7 series. After each game in the series (and even during particular games), payout odds for each team winning the series can change to reflect the current conditions (as described herein and/or known in the art) and players can make wagers during the series." Schugar '981 at ¶ [0072].

"FIG. 1 is a flowchart illustrating one example of a wagering game, according to an embodiment. A progression game is a game which has a plurality of game states, each game state may have a different expected return for the player based on the player's wagers and the current game state. The game is over when the game reaches a terminating game state." Schugar '981 at ¶ [0054].

"The method can continue to operation 302, which determines whether the current game state has a positive expectation for the player. If the current game state has a positive expectation for the player, then the player has "equity" in the game." Schugar '981 at ¶ [0089].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1g] - continuously evaluate, by the system controller, the recalculated wager information;

Schugar '981 discloses this limitation. For example:

"The embodiments described herein can also be used to bet on sporting events, either at intervals on individual games or series of games. For example two teams can play a best 4/7 series. After each game in the series (and even during particular games), payout odds for each team winning the series can change to reflect the current conditions (as described herein and/or known in the art) and players can make wagers during the series." Schugar '981 at ¶ [0072].

"FIG. 1 is a flowchart illustrating one example of a wagering game, according to an embodiment. A progression game is a game which has a plurality of game states, each game state may have a different expected return for the player based on the player's wagers and the current game state. The game is over when the game reaches a terminating game state." Schugar '981 at ¶ [0054].

"The method can continue to operation 302, which determines whether the current game state has a positive expectation for the player. If the current game state has a positive expectation for the player, then the player has "equity" in the game." Schugar '981 at ¶ [0089].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1h] - determine, by the system controller, that a participant of the one or more participants is eligible to win an award based on one or more of the wager and a potential outcome of the wagering event;

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1e].

[1i] - generate, by the system controller, an option in real time for the participant to one or more of fully cash out of the wager or partially cash out of the wager prior to a conclusion of the wagering event for at least a portion of the award;

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitation [1f]. Further, corresponding to the generating being "in real time," Schugar '981 discloses:

"The embodiments described herein can also be used to bet on sporting events, either at intervals on individual games or series of games. For example two teams can play a best 4/7 series. After each game in the series (and even during particular games), payout odds for each team winning the series can change to reflect the current conditions (as described herein and/or known in the art) and players can make wagers during the series." Schugar '981 at ¶ [0072].

"In a further embodiment, the equity concept described herein can be applied to craps. Equity obtained in a game of craps can be cashed in. For example, consider if a player bets an initial don't pass line bet of $100. The outcome of the come out roll is 10 ("the point"). According to the standard rules of craps, if the next roll is 10 the player loses while on a 7 the player wins (any other outcome of the dice results in a re-roll). Since a 7 is more likely than a 10, the player has a positive expectation at this point. If the player wishes to surrender this bet, his surrender value is: (original bet)+(chance of winning*amount to be won)." Schugar '981 at ¶ [0070].

"In this example, the chance of the player winning in this case is (1/3), while the player will win even money on his or her craps bet of $100. Thus, the value of the player's bet is $100+(1/3)*$100=$133.33. Thus, the player can chooses to continue rolling (and win or lose) or accept the surrender value of $133.33, which is based on equity in his position based on events

that have occurred in the game (the come out roll). All other situations in craps can be addressed similarly (i.e. other come out rolls, etc.)" Schugar '981 at ¶ [0071].

When the player is playing a game in which the player can be "winning" before the game is over, the player may wish to have a way to cash in on the winning state before completing the game. For example, if a player bets on a particular horse in a horse race, and the particular horse is winning, the player has some satisfaction (at least for the moment) that the player is in a good position. Of course, the player's horse can lose and the player can be left with nothing. A player may find it attractive to be able to accumulate (or "bank") a portion of a positive expectation situation for later redemption. In this manner, even if the player ultimately loses his or her wager, the player has not lost everything because the banking has been performed." Schugar '981 at ¶ [0077].

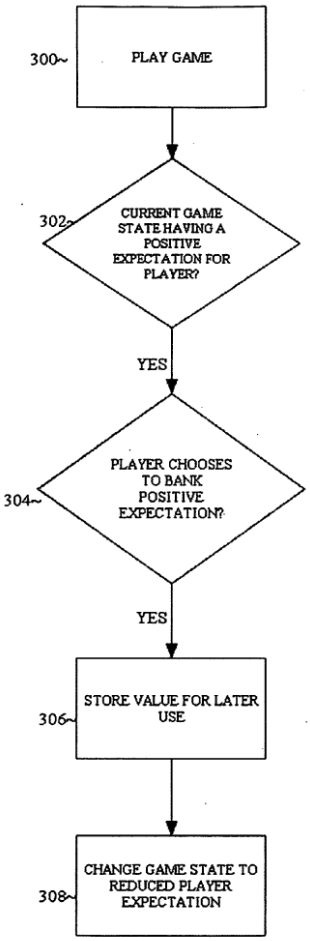
"For example, consider a $100 craps wager on the Don't Pass line. Since the house edge on the Don't Pass line is 1.364%, the expected value of the player's wager is $98.64. The dice are rolled and the come out roll is a 10. The player is now happy, as the player wins if the shooter rolls a 7 and loses if the shooter rolls a 10 (any other total the shooter keeps rolling). Of course, it is easier for the shooter to roll a 7 than a 10. The probability of the shooter rolling a 7 before a 10 is 66%. Thus, the expected win is $133.33. Of course, the player can still lose the wager if the shooter rolls a 10. The player can surrender his craps bet for $133.33 or a lesser amount (so that the house takes a commission). For example, the house can let the surrender the wager for $125. The house makes money on this proposition, and the player gets the peace of mind of the sure win." Schugar '981 at ¶ [0078].

"The player can also bank a portion of the expected profit the player has earned for later use. This can be done in a number of ways. The player can receive a $33.33 amount (or an amount based on this such as a lesser amount such as $25 to account for a house commission) and the point can be reset so that the game is in the previous game state with the $100 still wagered on the Don't Come line. Alternatively, the house can take a portion of the player's wager (such as 10%), so that the player now has $90 on the Don't Pass line. The taken portion can be stored for later redemption by the player. The $10 taken actually has an expected value of $13.33. This $13.33 (or a number based on this to account for the house commission) can be accumulated and disbursed to the player at a later time (either later at the instant game, or later at another game, or by electronic redemption). If the shooter rolls a 7, the player then wins $90 and if the shooter rolls a 10 the player loses his wager. However, in both cases, the player has banked the banked value for a later redemption. In this way, the player can continue to wager, but limit his losses by ensuring that some amount is still saved for later." Schugar '981 at ¶ [0079].

"If the puck is on spot +2 and a $10 wager is placed on the left side, and then the die is rolled results in a −2, the puck is now on spot 0. The player now has an expected profit of $15. This can be computed by multiplying the probability of reaching the left side (50%) by the total win of the left side ($50), and then subtracting the original wager amount ($10). The player may wish to "bank" this expected profit for later use. If the player wishes to bank this amount (or a fraction of this amount), the game state should be adjusted back to remove the amount of player advantage that is banked for later use." Schugar '981 at ¶ [0081].

"If the determining in operation 604 determines that the player has equity in the first wager, the method can proceed to operation 606, wherein the player can use some or all of his or her equity in order to make a second wager. The portion of the first wager used for the second wager can be "surrendered" (or "relinquished" or "withdrawn") based on its current value so it can be used for the second wager. The amount of the first wager used for the second wager can be considered a reduction amount. The reduction amount can be for example a percentage of the first wager, a fixed amount, a user-selected amount, etc." Schugar '981 at ¶ [0125].

"It is further noted that operation 604 is optional, and in fact, even if the player is in a negative expectation situation, the player can still utilize the method described herein of cashing out a portion of a current bet in progress in order to pay for an additional wager." Schugar '981 at ¶ [0127].



Schugar '981 at FIG. 3.

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

[1j] - cause, by the system controller, the option to be presented to the participant via the user interface of the one or more input devices;

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitations [1a] and [1f], '516 Patent limitation [1j], and '969 Patent limitation [29].

[1k] - receive, by the system controller, a selection of the option for the participant from the one or more input devices prior to conclusion of the wagering event; and

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitations [1g].

[1l] - cause, by the trading engine module, the at least the portion of the award to be presented to the participant, such that the user interface displays one or more of a confirmation that the option has been selected and a value of the at least the portion of the award.

Schugar '981 discloses this limitation. For example:

"As a further example, when a player achieves a positive expectation (or profit) in a game, the player can be alerted and/or presented with a pop up window which can make an offer such as, "would you like to revert to the previous game position and receive a free lunch at the buffet worth $15?"" Schugar '981 at ¶ [0084].

"If the current game state has a positive expectation (or positive expected profit) for the player, then the method can proceed to operation 304, which then determines whether the player chooses to bank his or her positive expectation. This can be prompted by an automatic pop up window which allows the player to choose whether he wishes to bank some or all of his recent gains in expectation for later redemption (with a return of the game state to the prior or other position with lesser expected value than the current state). The player can also exercise this option either verbally to a live dealer or electronically with a press of a button which allows the player to bank his or her positive expectation." Schugar '981 at ¶ [0092].

"If the determination in operation 702 determines that the game state has a positive expectation for the player, then the method can proceed to operation 704, which determines whether the player wishes to trade the positive expectation game state for a different (improved) paytable. The player can indicate his or her desire to perform such trade by verbally speaking to a dealing, indicating his or her desire on an electronic input device (e.g., touch screen, keyboard, etc.) If the player does not wish to trade his or her game state, then the method can return to operation 700, which continues to play the game." Schugar '981 at ¶ [0135].

"In exchange for storing a value redeemable for later use, the value can also be an award of a non-monetary award. For example, a player may receive a free meal, room, or any type of room, food, or beverage credit. For example, after a game state is changed to a more favorable position, and the different between the two positions is worth a value comparable to a free meal at the buffet, a pop up screen may appear, "Player—press this button if you would like to revert to your previous game state and receive a free meal at the buffet." If the player takes advantage of the offer, then the award (such as a free meal) can be mailed to the player or the player can redeem the award in person (e.g. at the buffet counter, a casino host, etc.) The marketing computer can store the fact that the player has won the award." Schugar '981 at ¶ [0098].

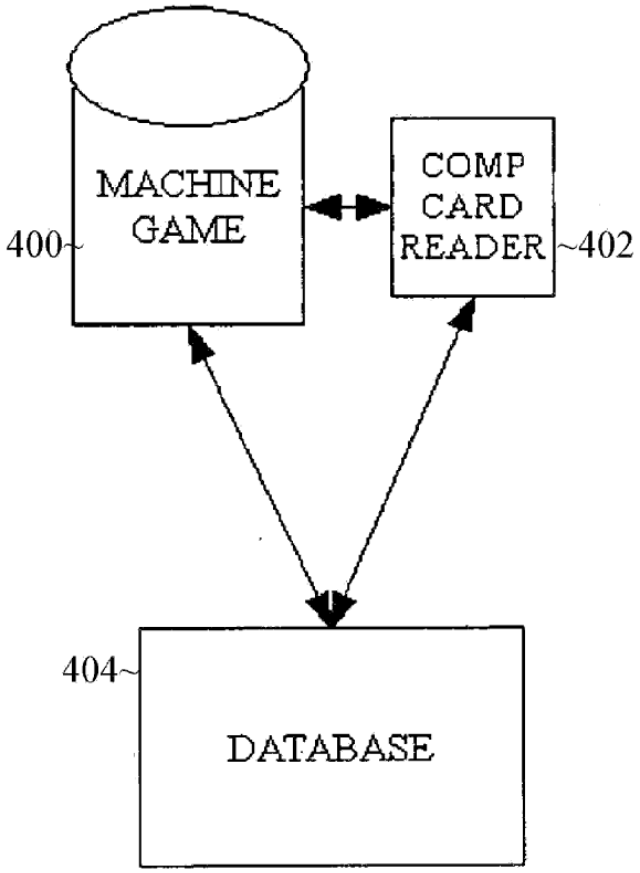
Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

B. Claim 2

[2] - The system of claim 1, wherein the communications interface comprises one or more of: the Internet, an intranet, an extranet, a cellular network, a wired or wireless network, a networked communication system, a cloud-based system, an autonomic system, a client-server based system, a grid based system, a mainframe based system, a utility based system, a peer-to-peer based system, a cloud gaming based system, and a computer network.

Schugar '981 discloses this limitation. For example:

"A database 404 can be used to store values banked for later use. The database 404 can be accessible by all games in an individual casino or a group of casinos. Value banked for later use can be stored in the database using the player record." Schugar '981 at ¶ [0105].



Schugar '981 at FIG. 4.

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone, in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

C. Claim 3

[3] - The system of claim 1, wherein the wagering event comprises one or more of an entire event, a partial event, a divisible component of an event, multiple independent events occurring sequentially or concurrently, and a compilation of related events, including one or more probabilistic events, sporting events, eSports, e-sports, competitive gaming, electronic sports, fantasy events, real games, virtual games, fantasy games, slot machines, keno, poker, video games, racing, lotteries, live events, pre-recorded events, online events, broadcast events, card games, politics, sales, stocks, celebrity gossip, movies, reality TV, football ("soccer"), American football, Australian rules football, baseball, cricket, basketball, golf, hockey, auto racing, legends, rugby, wrestling, surfing, mixed and martial arts.

Schugar '981 discloses this limitation. *See e.g.*, '516 Patent limitation [2].

D. Claim 5

[5] - The system of claim 1, wherein the wager comprises one or more of an accumulator, parlay, fixed odds single or fixed odds multiple wager comprising one or more combinations, wherein the one or more combinations are selectable by at least one of a participant, a third party, and the system controller, and wherein at any time before completion of the wagering event, at least one further offer is initiated to any number of the one or more participants remaining eligible to win the at least one award.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c], '439 Patent limitations [3] and [30], '341 Patent limitation [35], and '516 Patent limitations [54j] and [72b].

E. Claim 6

[6] - The system of claim 1, wherein the award comprises one or more of a credit, a ticket, an electronic notice that is redeemable by the participant, a funding of an account of the participant, monetary awards, a designated monetary amount, a percentage of the designated monetary amount, nonmonetary awards, a prize, a payment, a designated currency, virtual currency, tokens, coupons, services, personal property, real property, virtual property, assets, investments, negotiable instruments, commodities, food, lodging, entertainment, alleviation of obligations, gaming opportunities and wager enhancement.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1l] and '341 Patent limitation [2].

F. Claim 7

[7] - The system of claim 1, wherein the wager comprises one or more of fixed odds single wagers, multiple wagers, full cover wagers, full cover wagers with singles, 'Any to Come' (ATC) or 'if cash' wagers, specialty wagers, forecasts, fixed, variable, guaranteed, parimutuel wagering, tote wagering, fixed-odds wagering, accumulator or parlay wagering, fixed odds, a pool, progressive, fixed pool, variable pool or guaranteed pool.

Schugar '981 discloses this limitation. *See e.g.*, '341 Patent limitation [35].

G. Claim 8

[8a] - The system of claim 1, wherein the computer readable instructions, when executed by the processor, further cause the processor to one or more of:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a]–[1l].

[8b] - upon receiving the selection of the option, one or more of by the system controller:

Schugar '981 discloses this limitation. *See e.g.*, limitation [1k].

[8c] - terminate the participant's participation in the wagering event, allow the participant to continue to participate in the wagering event with at least a portion of the wager, generate a new wager for the participant, relinquish rights of the participant in at least a portion of the wager, and one or more of transfer, sell or put out for bid or auction at least a portion of one or more of an entitlement, right, or ownership of the participant in at least a portion of the wager to a third party or another participant.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1i]–[1l], '439 Patent limitation [1g], '516 Patent limitations [28a]–[28e].

H. Claim 9

[9] - The system of claim 1, wherein an amount of the award is variable and based on one or more of a calculated probability, an originator of the wager, a negotiation, a bidding process, an auction, the one or more participants, and a third party.

Schugar '981 discloses this limitation. *See e.g.*, '716 Patent limitation [73].

I. Claim 10

[10a] - The system of claim 1, wherein the one or more input devices comprise one or more of:

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c].

[10b] - a wagering station, a wagering terminal, a hand held device, a mobile device, a wireless device, a computing system, a smart phone, a telephone, a tablet or desktop computer, a PDA, an interactive television, an internet connected device, and a cashier system.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c], '439 Patent limitation [21], and '516 Patent limitation [29b].

J. Claim 11

[11a] - The system of claim 1, wherein the computer readable instructions, when executed by the processor, further cause the processor to:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a]–[1l].

[11b] - determine, by the system controller, that at least a portion of the one or more participants are eligible to win the award based on a final outcome of the wagering event; and

Schugar '981 discloses this limitation. *See e.g.*, '439 Patent limitations [1e] and [1i].

[11c] - transmit, by the trading engine module, the award to at least a portion of the one or more participants, such that user interfaces of one or more input devices corresponding to the at least a portion of the one or more participants display a value of the award.

Schugar '981 discloses this limitation. *See e.g.*, '516 Patent limitation [1l]. Further, corresponding to the "user interfaces of one or more input devices corresponding to the at least a portion of the one or more participants display a value of the award," Schugar '981 discloses:

"If the determination in operation 702 determines that the game state has a positive expectation for the player, then the method can proceed to operation 704, which determines whether the player wishes to trade the positive expectation game state for a different (improved) paytable. The player can indicate his or her desire to perform such trade by verbally speaking to a dealing, indicating his or her desire on an electronic input device (e.g., touch screen, keyboard, etc.) If the player does not wish to trade his or her game state, then the method can return to operation 700, which continues to play the game." Schugar '981 at ¶ [0135].

"The expected profit banked for later use can be used in a variety of ways. The $15 in the above example can be redeemed by the player for cash. The $15 can also be used to buy positive game states at a later time. For example, if the player is playing a game with multiple game states, and the player wants to put himself in a more favorable state, the player can use the banked money to buy a better state. A value stored for later use can also be applied towards room, food and beverage bills, etc. The value stored for later use can also be redeemed for cash at a later time. The value can also be redeemed for cash instantly, and the redeemed cash can be immediately returned to the player's current credit meter. The value stored for later can be stored locally and/or on a database which can be accessed at a later time." Schugar '981 at ¶ [0083].

"A machine game 400 can be any wagering machine game, such as a slot machine, video poker machine, or machine game which plays any game which can have multiple states (e.g. games which a player can wager on a progression). The machine game 400 can be associated with a comp card reader 402 in which the player can use his or her comp card to identify the player." Schugar '981 at ¶ [010].

Viewing Schugar '981 as a whole and in view of other prior art, this limitation would have been inherent or obvious to one of ordinary skill in the art. To the extent it is found that the limitation is not expressly disclosed in Schugar '981, Schugar '981 renders it obvious, either alone,

in combination with the knowledge of a person of ordinary skill in the art, and/or in combination with other prior art references identified in the cover pleading or herein.

K. Claim 12

[12] - The system of claim 11, wherein the award comprises one or more of a credit, a ticket, an electronic notice that is redeemable by the at least a portion of the one or more participants, a funding of an account of the at least a portion of the one or more participants, monetary awards, a designated monetary amount, a percentage of the designated monetary amount, nonmonetary awards, a prize, a payment, a designated currency, virtual currency, tokens, coupons, services, personal property, real property, virtual property, assets, investments, negotiable instruments, commodities, food, lodging, entertainment, alleviation of obligations, gaming opportunities and wager enhancement.

Schugar '981 discloses this limitation. *See e.g.*, limitations [6] and [11c].

L. Claim 16

[16a] - A system for conducting a wagering event among one or more participants in real time, the system comprising:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1a]–[1l].

[16b] - a system controller comprising a trading engine module;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c].

[16c] - a database;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1d].

[16d] - a plurality of input devices each having a user interface; and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c].

[16e] - a communications interface for facilitating communications between the system controller and the plurality of input devices;

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c].

[16f] - the system controller configured to:

Schugar '981 discloses this limitation. *See e.g.*, limitations [1c]–[1l].

[16g] - receive, by the trading engine module, a plurality of wagers on the wagering event from the plurality of input devices via the communications interface, the plurality of wagers input by a plurality of participants via the user interfaces of respective input devices from the plurality of input devices,

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c].

[16h] - store the plurality of wagers in a record within the database, the record comprising wager information for the plurality of wagers associated with the plurality of participants,

Schugar '981 discloses this limitation. *See e.g.*, limitation [1d].

[16i] - continuously retrieve data in real time related to a progress of the wagering event,

Schugar '981 discloses this limitation. *See e.g.*, limitation [1e].

[16j] - recalculate the wager information in real time based on the continuously retrieved data,

Schugar '981 discloses this limitation. *See e.g.*, limitation [1f].

[16k] - continuously evaluate the recalculated wager information,

Schugar '981 discloses this limitation. *See e.g.*, limitation [1g].

[16l] - determine that one or more participants of the plurality of participants is eligible to win an award based on their respective one or more wagers and a potential outcome of the wagering event,

Schugar '981 discloses this limitation. *See e.g.*, limitation [1h].

[16m] - generate one or more options in real time for the one or more participants to cash out prior to a conclusion of the wagering event for at least a portion of the award,

Schugar '981 discloses this limitation. *See e.g.*, limitation [1i].

[16n] - cause the one or more options to be presented to the one or more participants via the user interfaces of the respective one or more input devices,

Schugar '981 discloses this limitation. *See e.g.*, limitation [1j].

[16o] - receive a selection of an option from the one or more options for a participant from at least one input device from the one or more input devices prior to conclusion of the wagering event, and

Schugar '981 discloses this limitation. *See e.g.*, limitation [1k].

[16p] - cause the at least the portion of the award to be presented to the a least one participant, such that the user interface displays one or more of a confirmation that the option has been selected and a value of the at least the portion of the award.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1l].

M. Claim 17

[17] - The system of claim 16, wherein the communications interface comprises one or more of: the Internet, an intranet, an extranet, a cellular network, a wired or wireless network, a networked communication system, a cloud-based system, an autonomic system, a client-server based system, a grid based system, a mainframe based system, a utility based system, a peer-to-peer based system, a cloud gaming based system, and a computer network.

Schugar '981 discloses this limitation. *See e.g.*, limitation [2].

N. Claim 18

[18] - The system of claim 16, wherein the wagering event comprises one or more of an entire event, a partial event, a divisible component of an event, multiple independent events occurring sequentially or concurrently, and a compilation of related events, including one or more probabilistic events, sporting events, eSports, e-sports, competitive gaming, electronic sports, fantasy events, real games, virtual games, fantasy games, slot machines, keno, poker, video games, racing, lotteries, live events, pre-recorded events, online events, broadcast events, card games, politics, sales, stocks, celebrity gossip, movies, reality TV, football ("soccer"), American football, Australian rules football, baseball, cricket, basketball, golf, hockey, auto racing, legends, rugby, wrestling, surfing, mixed and martial arts.

Schugar '981 discloses this limitation. *See e.g.*, limitation [3].

O. Claim 20

[20] - The system of claim 16, wherein the plurality of wagers comprise one or more of an accumulator, parlay, fixed odds single or fixed odds multiple wager comprising one or more combinations, wherein the one or more combinations are selectable by at least one of a participant, a third party, and the system controller, and wherein at any time before completion of the wagering event, at least one further offer is initiated to any number of the one or more participants remaining eligible to win the at least one award.

Schugar '981 discloses this limitation. *See e.g.*, limitation [5].

P. Claim 21

[21] - The system of claim 16, wherein an amount of the award is variable and based on one or more of a calculated probability, an originator of the wager, a negotiation, a bidding process, an auction, the plurality of participants, and a third party.

Schugar '981 discloses this limitation. *See e.g.*, limitation [9].

Q. Claim 22

[22] - The system of claim 16, wherein the award comprises one or more of a credit, a ticket, an electronic notice that is redeemable by the participant, a funding of an account of the participant, monetary awards, a designated monetary amount, a percentage of the designated monetary amount, nonmonetary awards, a prize, a payment, a designated currency, virtual currency, tokens, coupons, services, personal property, real property, virtual property, assets,

investments, negotiable instruments, commodities, food, lodging, entertainment, alleviation of obligations, gaming opportunities, and wager enhancement.

Schugar '981 discloses this limitation. *See e.g.*, limitation [6].

R. Claim 23

[23] - The system of claim 16, wherein the plurality of wagers comprise one or more of fixed odds single wagers, multiple wagers, full cover wagers, full cover wagers with singles, 'Any to Come' (ATC) or 'if cash' wagers, specialty wagers, forecasts, fixed, variable, guaranteed, parimutuel wagering, tote wagering, fixed-odds wagering, accumulator or parlay wagering, fixed odds, a pool, progressive, fixed pool, variable pool or guaranteed pool.

Schugar '981 discloses this limitation. *See e.g.*, limitation [7].

S. Claim 24

[24a] - The system of claim 16, wherein the system controller is further configured to:

Schugar '981 discloses this limitation. *See e.g.*, limitations [16a] and [16b].

[24b] - upon receiving the selection of the option, one or more of terminate the participant's participation in the wagering event, allow the participant to continue to participate in the wagering event with at least a portion of the wager, generate a new wager for the participant, relinquish rights of the participant in at least a portion of the wager, and one or more of transfer, sell, or put out for bid or auction at least a portion of one or more of an entitlement, right, or ownership of the participant in at least a portion of the wager to a third party or another participant.

Schugar '981 discloses this limitation. *See e.g.*, limitations [1i]–[1l] and [8a]–[8c].

T. Claim 25

[25a] - The system of claim 16, wherein the plurality of input devices comprise one or more of:

Schugar '981 discloses this limitation. *See e.g.*, limitations [16a]–[16p] and [10a].

[25b] - a wagering station, a wagering terminal, a hand held device, a mobile device, a wireless device, a computing system, a smart phone, a telephone, a tablet or desktop computer, a PDA, an interactive television, an internet connected device, and a cashier system.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1c] and [10b].

U. Claim 26

[26a] - The system of claim 16, wherein the system controller is further configured to determine that at least a portion of the plurality of participants are eligible to win the award based on a final outcome of the wagering event; and

Schugar '981 discloses this limitation. *See e.g.*, limitations [11a] and [11b].

[26b] - the trading engine module is further configured to transmit the award to at least a portion of the one or more participants, such that user interfaces of one or more input devices corresponding to the at least a portion of the one or more participants display a value of the award.

Schugar '981 discloses this limitation. *See e.g.*, limitation [11c].

V. Claim 27

[27] - The system of claim 26, wherein the award comprises one or more of a credit, a ticket, an electronic notice that is redeemable by the at least a portion of the one or more participants, a funding of an account of the at least a portion of the one or more participants, monetary awards, a designated monetary amount, a percentage of the designated monetary amount, nonmonetary awards, a prize, a payment, a designated currency, virtual currency, tokens, coupons, services, personal property, real property, virtual property, assets, investments, negotiable instruments, commodities, food, lodging, entertainment, alleviation of obligations, gaming opportunities and wager enhancement.

Schugar '981 discloses this limitation. *See e.g.*, limitation [1l] and [6].