



Petitioner's Demonstratives

Activision Blizzard, Inc. v. Milestone Entertainment, LLC.
June 23, 2026

IPR2025-00710

U.S. Patent No. 10,825,294

IPR2025-00709

U.S. Patent No. 10,650,635

Agenda

Overview

The '294 and '635 Patents

State of the Art

Asserted Prior Art

Schneier¹⁴³

Okita

Disputed Limitations

“wherein the multiplier is variable over time”

Overview

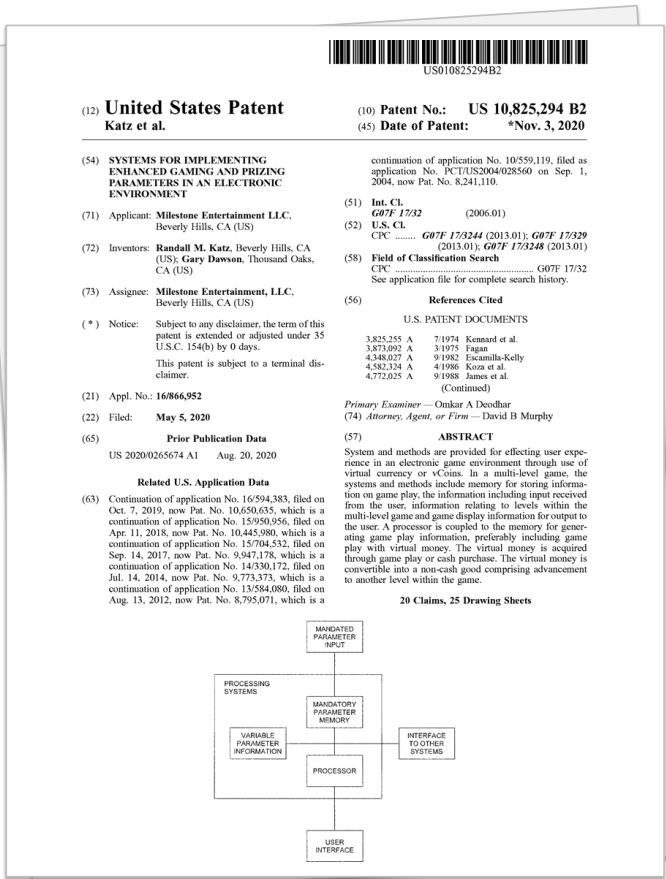
The '294 and '635 Patents

The Purported Invention

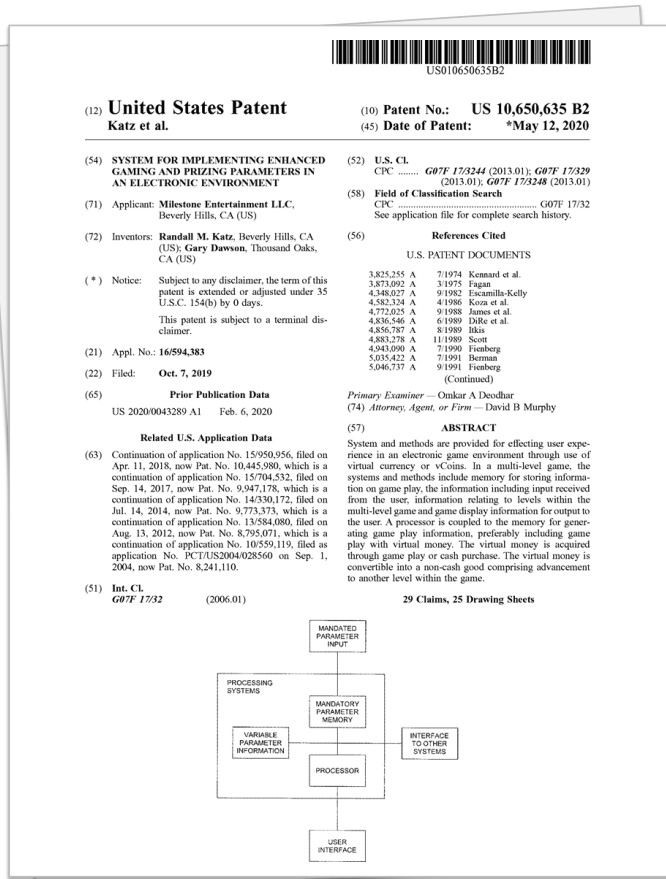
Systems for effecting user experience in an electronic game environment through the use of virtual currency or vCoins.

'294 Pet., 6; '635 Pet., 6

The '294 and '635 Patents



'294 EX1001



'635 EX1001

State of the Art

Virtual Money Has Been a Mainstay in Electronic Gaming for Decades

M59 was quite small by contemporary standards; current VWs can support several thousand users simultaneously on a single server. The first VW on this scale was Ultima Online (UO), launched in Fall 1997. UO is owned by Electronic Arts, a California-based publicly-traded software company with 3,600 employees and \$1.3 billion in annual revenues.⁶ Its popularity led to the development of other VWs, especially Sony/Verant Interactive's Everquest, launched in Spring 1999 and now the industry leader in terms of subscriptions. Everquest undergoes its third major expansion in December 2001. Microsoft entered the competition in Spring 2000 with Asheron's Call. Recent new competitors include Anarchy Online, released in June 2001 by Funcom, a 120-employee Norwegian company, and Dark Age of Camelot, by Mythic Entertainment, a small Washington DC company. The first VW *not* based on killing and adventuring will appear in 2002, when Electronic Arts releases The Sims Online.

EX1022, 8

a gross national product, and a floating exchange rate, has an economy. By this standard, the new virtual worlds are absolutely real.¹⁶ In this section I will document the existence of an economy in Norrath, the VW of the game Everquest. My report on Norrath will

* * *

experience, well on the way to the maximum of 60. Moreover, the typical avatar has banked thousands of platinum pieces – PP, Norrath's currency – in cash and assembled hundreds of thousands of platinum pieces worth of equipment. If we use the black market exchange rate of about 0.01 dollar per PP (more on this below), these wealth holdings

EX1022, 18, 25

volume of this trade. However, records at one web site show that on an ordinary weekday (Thursday, September 6, 2001), the total volume of successfully completed auctions (N = 112) was about \$9,200.³² A further \$3,700 in currency transactions (N = 32) were conducted. At an annual pace, these figures put the gross exports of goods and currency at more than \$5 million, about 3.5 percent of gross annual output (see below). This

EX1022, 31

'294 Pet., 5-6; '635 Pet., 5; '294 EX1003 ¶¶57-91; '635 EX1003 ¶¶57-91

Virtual Money Is Promotions, Points, and Cashless Gaming

tracking systems with virtual money. Virtual money could take the form of promotions, points, and cashless gaming. Such features often permitted players to transfer credits between a gaming machine and an account on a host computer

* * *

goals. The objective of such systems was to encourage the players to play more due to the perception of big wins, or wager the virtual money and ultimately real money as well.

EX1003 ¶28

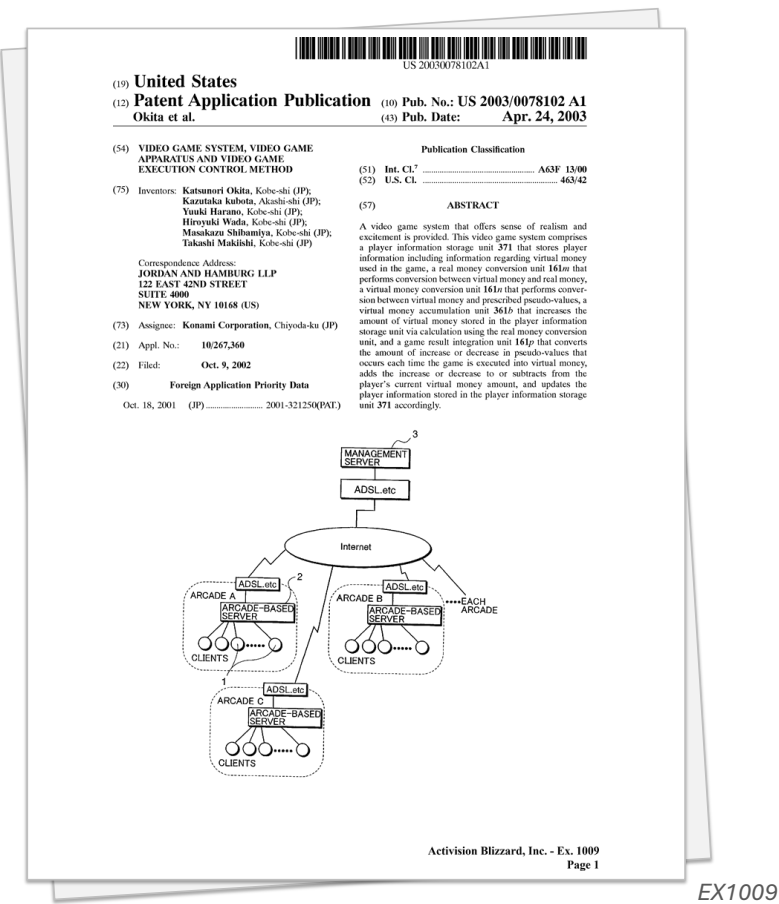
'294 Pet., 5-6; '635 Pet., 5; '294 EX1003 ¶28; '635 EX1003 ¶28

Asserted Prior Art

, 9-11; '635 Pet., 8-11



Okita Teaches a Computer Game Based on Virtual Money



'294 Pet., 11-12; '635 Pet., 11

EX1009



Disputed Limitations

PO Does Not Dispute the Following Claims

Patent	Claim(s)
'294	1-7, 9, 13, 16-20
'635	1, 2, 4, 6, 8, 10, 14-18, 21-23, 25, 27, 29

'294 Rep., 2; '635 Rep., 2

“[A]ny arguments for patentability not raised and fully briefed in []
[PO’s] response will be deemed waived”

In re NuVasive, Inc. 842 F.3d 1376, 1381 (Fed. Cir. 2016)

“wherein the multiplier is variable over time”

1. A system for effecting user experience on a user communication device in a multi-level electronic game environment comprising:

* * *

a processor coupled to the memory generating game play information,

(a) the game play information including game play with virtual money,

(b) the virtual money being acquired through:

(1) game play and

(2) purchase,

(c) the virtual money acquired by cash purchase being subject to a multiplier,

8. The system for effecting user experience in a multi-level electronic game environment of claim 1 wherein the multiplier is variable over time.

'294 EX1001, cls. 1, 8

'635 Patent

1. A system for effecting user experience on a user communication device in a multi-level electronic game environment comprising:

* * *

a processor coupled to the memory generating game play information,

the game play information including game play with virtual money,

the virtual money being acquired through:

(1) game play and

(2) cash purchase,

the virtual money acquired by cash purchase being subject to a multiplier, conversion of the virtual money into a non-cash good comprising an image to permit advancement to another level within the game, and

9. The system for effecting user experience in a multi-level electronic game environment of claim 1 wherein the multiplier is variable over time.

'635 EX1001,
cls.1, 9

Patent Owner Does Not Dispute That Schneier¹⁴³ Discloses a “multiplier”

minutes of play. As described above, the meter **502** can determine the price per game credit from the data or instructions associated with Software Control Block **706** of the game program **26**. The price per game may be stored within the meter's **502** non-volatile memory and can be manipulated with codes from the central computer **12** to **alter or change the pricing structure** for particular games via the Updating Cost Information protocol described above.

EX1008, 63: 45-52

from playing late into the night. **Rates for enabling play can be varied depending upon the time or day of play as well.**

EX1008, 62:48-49

'294 Pet., 37-38; '294 Rep., 6; '635 Pet., 32; '635 Rep., 6; see also EX1008, 63:6-34

The '294 and '635 Describe the Rate Changing at Different Points in Time

factors, such as time, game or player status. For example, play during certain times may result in 'double vCoins'. The

'294 EX1001, 14:26-27

8. The system for effecting user experience in a multi-level electronic game environment of claim 1 wherein the multiplier is variable over time.

'294 EX1001, cl. 8

9. The system for effecting user experience in a multi-level electronic game environment of claim 1 wherein the multiplier is variable over time.

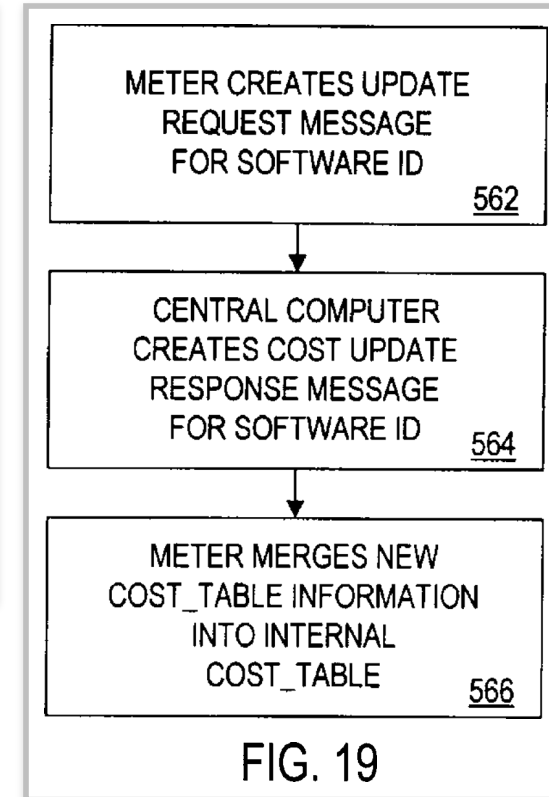
'635 EX1001, cl. 9

'294 Rep., 4-5; '635 Rep., 4-5

Schneier¹⁴³ Discloses That a Protocol on Updating Cost Information Is a Multiplier Variable Over Time

This protocol is used when the meter **502** requires updated cost information from the central computer **12** for metered programs **503** that the player is currently using. It is only employed if the variable cost option is selected, and is run after the Adding a New Program protocol, as well as during the regular set of protocols run at the end of each billing cycle (with the Authorization from Central Computer and Reporting Usage protocols). All messages communicated in this protocol are protected by encryption and sequence numbers as described above. An illustrative protocol is described in the following:

EX1008, 56:1-11



EX1008, Fig. 19

'294 Pet., 37-38; '294 Rep., 8-9; '635 Pet., 31; '635 Rep., 8-9; '294 EX1003 ¶155; '635 EX1003 ¶120

Mr. Crevelt Confirmed a Protocol on Updating Cost Information Is a Multiplier That Is Variable Over Time

Crevelt Deposition

A. It's very highly technical in the encryption and communications pieces, but is showing that it is updating that cost value that is being used to -- for a metered play where you're buying so much time or so many credits or so many games on a specific game and when it runs out, then have you to buy more, and that variable can change over time.

Q. You have not pointed me to a single word of any of disclosure of Schneier that that multiplier changes over time, have you?

A. I disagree with you.

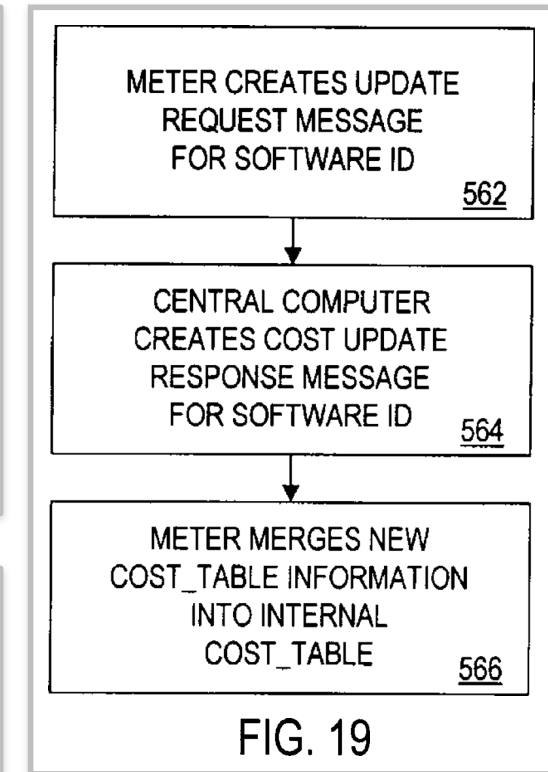
Q. Did you use the word "time"? Did you point me to any disclosure of the -- of the multiplier changing over time?

A. The entire description of 19 talks about changing that metered value and changing that metered value from a central site, which means it can change over time.

EX2004, 160:24-161:17

A. That's the process it's describing, updating the cost and information in variable timing. That is updating the variable -- updating the metered value, which is your transfer, your multiplier, essentially, for over time. The system does do that. And it's described very clearly there and in greater detail in the description of figure 19, which I have previously identified to you.

EX2004, 181:20-182:6



EX1008, Fig. 19

'294 Rep., 10-11; '635 Rep., 10-11

For example, the Updating Cost Information Protocol Enables Each Credit to Entitle Players to Play for a Certain Period of Time

In lieu of purchasing one game, each credit may entitle the player to play for a certain period of time. One credit may buy five minutes of play while two credits may buy twelve minutes of play. As described above, the meter 502 can

EX1008, 63:42-45

Crevelt Deposition

Q. Okay. But the claim limitation requires that the multiplier vary over time. Those two scenarios are happening right in one instant, right? You can either buy five minutes of play or you can buy 12 minutes of play, right?

A. Well, Schneier is showing multiple embodiments of this and in multiple -- and in the system, depending on your system, you may be able to, at one time, buy at a given price, fixed price. You may be able to buy by time. Or you may be able to use this variable transfer and credit variable costs.

EX2004, 156:3-15

Crevelt Deposition

Q. One credit may buy five minutes of play while two credits may buy 12 minutes of play. That's, right now, in one instant, right, that you can -- you have a choice, you can either -

A. That's within a given time frame.

Q. -- send one credit -- yeah.

A. In another time frame it may be based on whatever credit, how much you buy, how many credits you get.

The multiplier embodiments in this is something that Schneier is showing, you have multiple ways you can do this and the person skilled in the art know they could implement any or all of these at any given time.

EX2004, 157:4-19

'294 Rep., 11-12; '635 Rep., 11-12