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Filed on behalf of Activision Blizzard, Inc.

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ACTIVISION BLIZZARD, INC.,
Petitioner

v.

MILESTONE ENTERTAINMENT, LLC,
Patent Owner

Case No. IPR2025-00712
U.S. Patent No. 11,393,279

**PETITIONER'S REPLY TO
PATENT OWNER'S RESPONSE**

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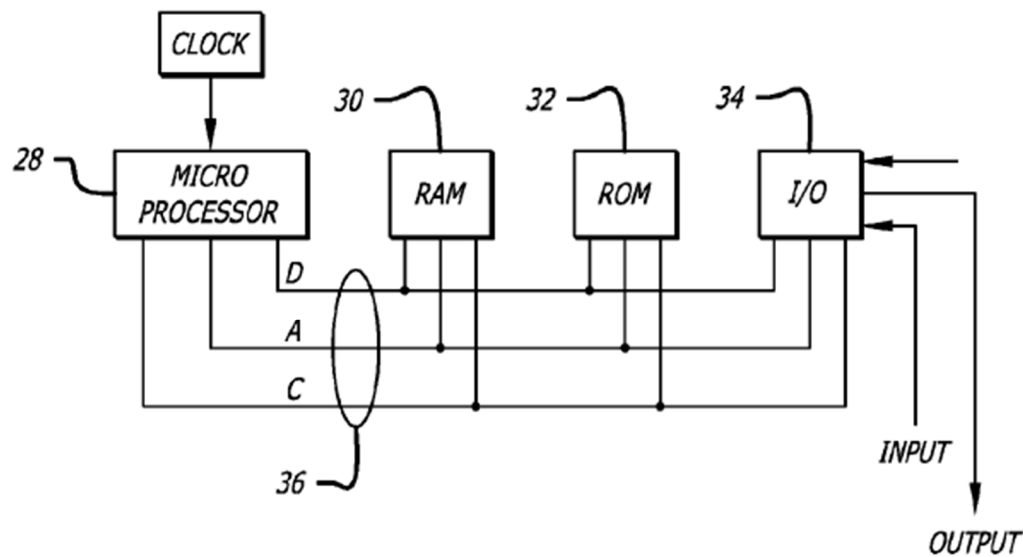
Exhibit No.	Description
1001	U.S. Patent No. 11,393,279 to Katz, et al. (the “’279 Patent”)
1002	File History of U.S. Patent No. 11,393,279
1003	Declaration of Dwight Crevelt (“Crevelt”)
1004	Curriculum Vitae of Dwight Crevelt
1005	U.S. Patent No. 8,172,683 (“Kelly683”)
1006	U.S. Patent App. Pub. No. 2004/0002369 (“Walker”)
1007	U.S. Patent App. Pub. No. 2005/0153768 to Paulsen (“Paulsen”)
1008	U.S. Patent No. 5,970,143 to Schneier et al. (“Schneier143”)
1009	Reserved
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1011	U.S. Patent No. 6,511, 377 to (“Weiss”)
1012	U.S. Patent No. 5,371,345 to (“LeStrange345”)
1013	U.S. Patent No. 5,470,079 to (“LeStrange079”)
1014	U.S. Patent No. 5,326,104 to (“Pease104”)
1015	U.S. Patent No. 5,766,076 to (“Pease076”)
1016	U.S. Patent No. 5,855,515 to (“Pease515”)
1017	U.S. Patent No. 5,902,983 to (“Crevelt983”)

Exhibit No.	Description
1018	U.S. Patent No. 6,347,738 to (“Crevelt738”)
1019	U.S. Patent No. 6,547,131 to Foodman (“Foodman”)
1020	Dwight & Louise Crevelt, <u>Slot Machine Mania</u> 186-889, 224-27 (1988-89)
1021	Dwight & Louise Crevelt, <u>Video Poker Mania</u> 120-123 (1991)
1022-1026	RESERVED
1027	<i>Milestone Entertainment, LLC v. Activision Blizzard, Inc.</i> , No. 2:24-cv-04056-AB-SSC, slip op. (C.D. Cal. May 1, 2025), Order Granting Motion to Stay Pending <i>Inter Partes</i> Review
1028	<i>Milestone Entertainment, LLC v. Activision Blizzard, Inc.</i> , No. 2:24-cv-04056-AB-SSC, slip op. (C.D. Cal. March 24, 2025), Order Denying Without Prejudice Defendant's Motion to Dismiss
1029	Microsoft Corporation, Form 10-Q for the Quarterly Period Ended December 31, 2023
1030	U.S. District Courts – Median Time Intervals to Disposition, available at https://www.uscourts.gov/data-news/data-tables/2025/03/31/federal-judicial-caseload-statistics/c-5 (last accessed July 17, 2025)
1031	The Walker Provisional Application with drawings No. 60/378,289, filed on May 6, 2002 (“289PROV”)

The Challenged Claims of the '279 Patent should not have been issued.

To that point, PO does not dispute that each limitation of the Challenged Claims is found in Walker alone or in view of Schneier¹⁴³. Instead, PO attempts to swear behind Walker. But PO's attempt fails because Walker is entitled to its provisional date (May 6, 2002), and PO cannot show it conceived of the invention prior to May 1, 2003.

The Petition also separately establishes that the Challenged Claims are unpatentable based on Kelly⁶⁸³ with the knowledge of a POSITA. PO argues Kelly⁶⁸³ does not disclose *memory to...record game play events information* and related limitations. But PO ignores Kelly⁶⁸³'s explicit teachings about storing game play data to be used for analysis in RAM or other memory, including its teaching that “[m]icroprocessor 28 is coupled to RAM 30...to permit use of RAM for scratch-pad memory and other functions during a game process” and “[p]revious game data can be stored in a storage device local to the game unit 10 or on a separate medium or remote apparatus such as server 108.” EX1005, 15:60-63, 39:14-16, Fig. 1a (below); *see also* Pet., 17-18, 22-23.

*FIG. 1a*

The Board should find all Challenged Claims of the '279 Patent unpatentable.

I. GROUND 2 AND 3: WALKER ALONE OR IN VIEW OF SCHNEIER143 RENDERS OBVIOUS THE CHALLENGED CLAIMS

PO does not contest that Walker alone or in view of Schneier143 disclose each element of the Challenged Claims. Nor does PO contest motivation to combine or reasonable expectation of success. PO only disputes whether Walker qualifies as prior art. Specifically, PO argues that Petitioner waived its ability to argue that Walker is entitled to the priority date of its provisional. POR, 18-20. Based on its waiver argument, PO then argues that the '279 Patent was conceived at least by December 4, 2002, thus antedating Walker's May 1, 2003 filing date. Both arguments fail based on law and fact.

A. Walker Is Prior Art Under 35 U.S.C. §102(e)**1. Petitioner Did Not Waive Its Ability To Show Walker Is Prior Art**

PO's argument that Petitioner "has waived any ability to establish the provisional date as the § 102 date" is based on incorrect law. POR, 17. The Federal Circuit firmly established in the seminal *Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.*, 800 F.3d 1375 (Fed. Cir. 2015) that Petitioner need not establish priority until challenged by PO.

In *Dynamic Drinkware*, the Federal Circuit explained that a petitioner has only an "initial burden of production" to show that a prior art reference anticipated or rendered obvious the challenged claims based on the date on the face of the patent. *Id.* at 1380 If the PO does so, the burden of production returns to the petitioner "to prove that either the invention was not actually reduced to practice as argued, or that the [prior art reference] was entitled to the benefit of a filing date prior to the date of the [PO's] reduction to practice." *Id.*

Here, Petitioner met its initial burden in the Petition with evidence that Walker alone or in view of Schneier¹⁴³ renders obvious the Challenged Claims. Pet., 43-72. On its face, Walker is prior art to the '279 Patent. Consequently, the burden of production shifted to PO to show that Walker is not prior art.

PO only made new arguments and provided additional purported evidence of conception and reduction to practice in its Response after institution. Under *Dynamic Drinkware's* burden-shifting framework, even assuming this evidence is sufficient (which it is not, *see* Section II.B), the burden of proof only now shifts back to Petitioner to respond to PO's arguments. *Dynamic Drinkware*, 800 F.3d at 1381; *SPTS Techs Ltd. v. Plasma-Therm LLC*, IPR2018-00618, Paper 24, at 28 (Aug. 26, 2019). There is thus no waiver.

PO cites to *Globus Med., Inc. v. Depuy Synthes Prods., LLC*, IPR2015-00107, Paper 11, at 3 (May 1, 2015) to support its waiver theory. But *Globus Med.* predates *Dynamic Drinkware*, which issued in September 2015 and prescribed the burden-shifting framework that the Board must apply in this case. *See Platinum Optics Tech., Inc. v. Viavi Sols., Inc.*, IPR2022-01489, Paper 25 (Apr. 11, 2024); *Parus Holdings, Inc. v. Google LLC*, 70 F.4th 1365, 1371 (Fed. Cir. 2023).

Globus Med. is also inapposite. There, the Board did not address the question of waiver. Rather, the Board determined whether the reference was prior art on its face. *Globus Med.*, Paper 11, at 3. Here, as the Board held in the Institution Decision, absent additional evidence from PO, Petitioner "show[ed] on the current record that Walker, on its face, is prior art to the '279 patent under 35 U.S.C. § 102(e)." Paper 15, 19. Importantly, the facts here mirror those in *Dynamic Drinkware*, not *Globus Med.*, where the Federal Circuit expressly rejected PO's

waiver argument that a Petitioner must show entitlement to a provisional filing date *before* PO submits its evidence on conception and reduction to practice:

Dynamic did not have the burden of producing evidence relating to the Raymond provisional application until after National Graphics made its argument regarding reduction to practice. As a result, it was not necessary for Dynamic to prove in its petition that Raymond was entitled to the filing date of its provisional application. Thus, there was no waiver.

800 F.3d at 1381.

Therefore, under the *Dynamic Drinkware* framework, Petitioner is entitled to respond to PO's challenges to Walker's status as prior art in full.

2. Walker Is Entitled To The Filing Date Of Its Provisional

Under *Dynamic Drinkware*, the Petitioner is required to show that “the provisional application provides support for the claims of the patent or published application.” *In re Riggs*, 131 F.4th 1377, 1384 (Fed. Cir. 2025). Petitioner need only show that (1) at least one claim of Walker is supported by its provisional (U.S. Provisional Application No. 60/378,289 (the “’289PROV”) and (2) the specific subject matter relied upon as prior art is supported by the ’289PROV. *Id.*; *Forescout Techs., Inc. v. Fortinet, Inc.*, IPR2021-01328, Paper 12, at 7-10 (Jan. 27, 2022). The ’289PROV satisfies both requirements.

**(a) Walker's Provisional Provides Written Description
Support For At Least One Claim**

The '289PROV provides written descriptions support for Walker's claim 1 (reproduced below):

1. A method comprising:

determining whether a set of results achieved for a game satisfy one or more predetermined criteria associated with the game; and

adjusting the game if the set of results of the game do not satisfy the one or more predetermined criteria.

EX1006, 43.

Under §112(a), an inventor is “free to draft [the claims] broadly,” as long as “a skilled artisan would reasonably conclude, based on the patent's disclosures and the knowledge of a person skilled in the art, that the applicant possessed [the claimed invention].” *Medtronic, Inc. v. Teleflex Innovations S.a.r.l.*, 69 F.4th 1341, 1354 (Fed. Cir. 2023) (quoting *Ethicon Endo-Surgery, Inc. v. U.S. Surgical Corp.*, 93 F.3d 1572, 1582 n.7 (Fed. Cir. 1996)).

First, the '289PROV provides written description support for *determining whether a set of results achieved for a game satisfy one or more predetermined criteria associated with the game*. Although the '289PROV does not use the phrase “predetermined criteria,” the idea is supported throughout the '289PROV and mirror those in Walker. *Ariad Pharms., Inc. v. Eli Lilly & Co.*, 598 F.3d 1336, 1352 (Fed.

Cir. 2010) (en banc) (“[T]he description requirement does not demand any particular form of disclosure, or that the specification recite the claimed invention *in haec verba*[.]”). Indeed, the ’289PROV defines “variance” more broadly to include what Walker recognized as “predetermined criteria,” such as standard deviations. EX1031, 5.

Walker explains the “predetermined criteria may comprise calculating a variance of the results and determining whether the calculated variance is within a predetermined range of a desired variance.” EX1006, ¶[0024]. Walker provides different examples of such “predetermined criteria,” which can be “a standard deviation of the results and determining whether the calculated standard deviation is within a predetermined range of a desired standard deviation.” *Id.*; see Abstract, ¶¶[0022], [0078]. The “predetermined criteria” can also include “determining a lower bound and an upper bound of a desired range and determining whether the results fit within desired range.” *Id.*, ¶[0024]; see ¶¶[0078]-[0081].

Further, Walker explains “[d]etermining whether the set of results satisfies the one or more predetermined criteria may comprise evaluating the set of results in a predetermined manner.” *Id.*, ¶¶[0249]-[0251]. For example, Walker determines whether the results meet a predetermined threshold or fall within a predetermined range (“predetermined standard deviation”). *Id.*, ¶¶[0249]-[0251]. Walker provides an example of how that variance is calculated and then used to determine “whether

the set of results satisfies one or more predetermined criteria.” *Id.*, ¶¶[0251]-[0263].

Similarly, the '289PROV provides that the “variances” include “*standard values for variance*,” correlating with predetermined criteria as they are “ideal minimum and maximum levels of variance in prizes for a game.” *Id.* This aligns directly with how “predetermined criteria” are described in Walker to be an upper and lower bound of a desired range (EX1006, ¶[0024]; *see* ¶¶[0078]-[0081]):

According to one embodiment, the controller may modify a game based on **standard values for variance**. For example, the controller may determine ideal minimum and maximum levels of variance in prizes for a game. If the variance for the game rises above the ideal maximum variance or below the ideal minimum variance, then the controller may take steps to modify the game and resolve the problem. According to one embodiment, standard values for variance may be provided by an operator of the controller (e.g., an employee of a company that runs a gaming website). Alternatively, or in addition, the controller may determine ideal values for variance using data mining or artificial intelligence algorithms.

EX1031, 12. The '289PROV further describes the predetermined criteria for games is a “standard deviation of approximately 200 points,” such that if the standard deviation is not approximately 200 points (for experts), the game parameters should be adjusted. *Id.* The '289PROV provides different ways to calculate the predetermined criteria (*i.e.*, variances), based on different data sets, such as game type or “games played during a specific period of time.” *Id.*, 10.

The '289PROV further describes *whether a set of results achieved for a game satisfy* these predetermined criteria (*i.e.*, standardized variances). For example, the '289PROV states the system determined whether to adjust prize or game structure because the variance is too low or too high:

According to one embodiment, the controller may determine whether a calculated variance in prizes for a video game is too high or too low. Examples of determinations that may be made by the controller include:

- The variance in prizes for a particular data set (e.g., a particular type of player, a particular type of game) is **too low**. If this occurs, then players may become bored because they always get approximately the same score. To avoid this problem, the controller may modify a game to increase the variance in prizes.
- The variance in prizes for a particular data set (e.g., a particular type of player, a particular type of game) is **too high**. If this occurs, then some players may become discouraged because the game is too unpredictable or because the prizes they win in the game are much less than the top level prizes in the game. In this case, the controller may modify a game to decrease the variance of prizes.

Id., 11. Decisions to modify the game are then based on whether these “standard values” for are satisfied. *Id.*

Second, the '289PROV describes *adjust[s] the game if the set of results of the game do not satisfy the one or more predetermined criteria*. The '289PROV discloses modifying a game based on whether the standard values for variance have been satisfied (i.e., above or below the variance):

According to one embodiment, the controller may modify a game based on **standard values for variance**. For example, the controller may determine ideal minimum and maximum levels of variance in prizes for a game. If the variance for the game rises above the ideal maximum variance or below the ideal minimum variance, then the controller may take steps to modify the game and resolve the problem. According to one embodiment, standard values for variance may be provided by an operator of the controller (e.g., an employee of a company that runs a gaming website). Alternatively, or in addition, the controller may determine ideal values for variance using data mining or artificial intelligence algorithms.

1031, 12. These game modifications can be made by altering the game parameters or prizes. *Id.*, 12-13. These modifications to the game are described in Figure 5:

POTENTIAL MODIFICATION TO METEORITES GAME	ANTICIPATED CHANGE IN STANDARD DEVIATION OF PRIZES
INCREASE SPEED OF SPACESHIP BY 10-20%	+ 20 POINTS
DECREASE SPEED OF SPACESHIP BY 10-20 %	- 30 POINTS
INCREASE NUMBER OF LIVES FROM 3 TO 5	- 50 POINTS
INCREASE NUMBER OF HITS NEEDED TO DESTROY A SMALL METEORITE BY 30-50% AND INCREASE SPEED OF SMALL METEORITE BY 20-30%	+ 90 POINTS
INCREASE POINTS AWARDED FOR DESTROYING LARGE METEORITE BY 20-30%% AND DECREASE POINTS AWARDED FOR DESTROYING SMALL METEORITE BY 20-30%	- 100 POINTS
INCREASE TEMPO OF BACKGROUND MUSIC BY 5%	- 5 POINTS
ADD "SLOW DOWN / REVERSE DIRECTION" CAPABILITY TO SPACESHIP	+ 30 POINTS
DECREASE PRECISION OF SPACESHIP HEADING CONTROLS BY 2 DEGREES	- 40 POINTS
INCREASE SPEED OF MISSILES BY 10-20%	+ 15 POINTS

FIG. 5

EX1031, Fig. 5.

Accordingly, the '289PROV provides ample written description support for at least one claim of Walker. *Forescout*, Paper 12, at 7-10.

(b) Walker's Provisional Provides Written Description Support For The Specific Portions Of Walker

PO makes just a single argument—relegated to a footnote--about why Walker is not entitled to claim priority to the '289PROV. POR, 19 n.1. PO contends that “the Walker Provisional makes no mention of predetermined criteria (EX2006), and ‘predetermined criteria’ is new matter in the Walker non-provisional application.” *Id.* But PO does not even attempt to explain how or why this is not disclosed.

Regardless, as discussed in Section II.A.1, the '289PROV provides ample support for “predetermined criteria” through its disclosure of standard values for variances. PO does not contest that all other portions of the Walker specification have written description support in the '289PROV.¹

B. PO Fails To Antedate Walker

Even assuming Walker is only entitled to a priority date of May 1, 2003 (it is not), PO fails to antedate Walker. *Parus Holdings*, 70 F.4th at 1371. To antedate, PO must show earlier reduction to practice, or an earlier conception plus diligence to a subsequent reduction to practice. *Id.*; 37 C.F.R. §1.131(b). “Conception exists when a definite and permanent idea of an operative invention, including *every feature* of the subject matter sought to be patented, is known.” *Sewall v. Walters*, 21 F.3d 411, 415 (Fed. Cir. 1994). Actual reduction to practice requires the even greater showing of: (1) construction of an embodiment with all claimed features, (2) proof that the device works, and (3) corroborating evidence. *Medichem, S.A. v. Rolabo, S.L.*, 437 F.3d 1157, 1169 (Fed. Cir. 2006). PO cannot make these showings.

¹ Any other arguments PO previously raised in the pre-institution stage regarding the disclosures in the '289PROV yet omitted in the POR are waived. *See, e.g., Google LLC v. Uniloc 2017 LLC*, IPR2020-00447, Paper 24, at 9-10 n. 6 (May 11, 2021).

1. PO Lacks Evidence Of Conception And Reduction To Practice

Each Challenged Claim depends from claim 1 of the '279 Patent, which requires mandated parameters. EX1001. PO asserts that the inventors conceived of the alleged invention “at least by December 4, 2002” (POR, 20), relying on the following for earlier conception:

- Declaration of Randall Katz (EX2017), a named inventor of the '336 Patent; Declaration of David Murphy (EX2013); Declaration of John Szeder (EX2012);
- U.S. Patent Application No. 10/123,861 (the “'861 Application”) (EX2014); and
- Handwritten Meeting Notes from December 4, 2002 (EX2016).

None is sufficient to show conception date earlier than September 2, 2003, the earliest priority date on the face of the '279 Patent.

(a) Declarations From The Inventor And Other Interested Parties Cannot Corroborate An Earlier Conception

If anything, the declarations confirm that PO *cannot* antedate Walker. Specifically, PO cannot show that the inventors conceived of multiple features by December 4, 2002 (the alleged earlier conception date), including, among others, “programmable variable parameter sets,” “determine the selection of the first or

second programmable variable parameter sets utilizing the recorded game play information with predefined criteria including at least one of: a game structure and a prizing structure,” and “a display system for displaying at least the player club points.” Critically, PO cannot establish an earlier conception date for a critical feature: “mandated parameters.”

First, PO relies on inventor Randall Katz's declaration. POR, 21-22. But Mr. Katz admits the '861 Application did not include *mandated parameters*. EX2017, ¶12. Instead, Mr. Katz asserts that he conveyed the idea of *mandated parameters* to his patent prosecution attorney on December 4, 2002 based on the notion of having a “guaranteed win rate.” *Id.*, ¶¶20-24. This is insufficient.

An inventor's say-so alone, without corroborating documentary evidence, is insufficient to show an earlier date of conception and reduction to practice. *Chen v. Bouchard*, 347 F.3d 1299, 1309 (Fed. Cir. 2003); *NFC Tech., LLC v. Matal*, 871 F.3d 1367, 1371 (Fed. Cir. 2017).

Moreover, Mr. Katz does not attest that he conceived of the full scope of the claimed invention as finally drafted, but only the idea of *mandated parameters*. EX2017, ¶¶ 23-24. He thus does not address the claims as a whole, which require (1) *memory to...store mandated parameters*, (2) *utilize the first and second programmable variable parameter sets to achieve the mandated parameters through at least the first and second game play experience*, and (3) *determine the selection*

of the first or second programmable variable parameter sets utilizing the recorded game play information with predefined criteria including at least one of: a game structure and a prizing structure. See generally, EX2017, ¶¶ 20-24. As discussed in Section II.B.2, although Mr. Katz asserts that his ideas are reflected in meeting notes with his prosecution counsel (EX2016), inspection of the notes confirm these material limitations are actually absent.

Second, PO relies on patent attorney, David Murphy. POR, 20-21; EX2013. But Mr. Murphy does not testify that the meeting notes from December 4, 2002, or his own personal recollections corroborate an earlier conception date to the missing *mandated parameter*. See generally EX2013. Rather, Mr. Murphy testifies only that he understood that the inventors were attempting to add “well-known prizing structure for lotteries: GLEPS, or Guaranteed Low-End Prizing Structure,” into the “Internet or SMS,” and that this would correspond to the later claimed “mandated parameters.” EX2013, ¶18. This is not enough to show possession of the *mandated parameters* limitations in full.

Third, PO relies on its expert John Szeder. POR, 21. But Mr. Szeder provides no independent analysis, instead merely parroting the Response and its

corresponding chart nearly verbatim.² See EX2012, ¶87. See *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1363 (Fed. Cir. 2016) (disregarding expert testimony that “add[s] nothing beyond the conclusory statements” in the party’s submission). PO’s reliance on Petitioner’s expert Dwight Crevelt’s obviousness analysis is even further misplaced—Mr. Crevelt considered what the prior art rendered obvious to a POSITA, which is an entirely different legal standard than conception that does not require showing “possession of every feature recited in the count, and that every limitation of the count must have been known to the inventor at the time of the alleged conception.” *Coleman v. Dines*, 754 F.2d 353, 359 (Fed. Cir. 1985).

(b) The '861 Application Fails To Show Mandated Parameters

For written description support for *mandated parameters*, PO relies on a single disclosure in the '861 Application discussing “variable information.” POR, 25-26 (quoting EX2014, ¶[0125]). PO, however, admits that this passage only relates to *variable parameters*, as opposed to *mandated parameters*. POR, 25 Mr. Katz concedes that “[w]hat we had not done by that time was to connect the use of such variable parameters to achieving a set of objectives for the system....We called

² The same chart is also repeated, nearly verbatim, in the Katz Declaration, EX2017, ¶41.

these types of parameters ‘mandated parameters’ in the Milestone Variable Parameters Patents.” EX2017, ¶12. This should end the inquiry as the passage strictly references *variable*, not *mandated, parameters*. EX2014, ¶[0125].

PO attempts to justify its reliance on this passage by PO attempts to justify its reliance on this passage by explaining “variable parameters and mandated parameters could be interchangeable depending on context.” POR, 29 (citing EX1001, 15:57-16:2). But the “context” confirms that the passage only relates to *variable parameters*—there is no support for *mandated parameters* achieved through *variable parameters*. EX2014, ¶[0125]; *see also* EX1001, Fig. 1, 14:13-17 (“FIG. 1 shows a block diagram of the system for receiving mandated parameters, a processor for implementing the mandated parameters through selection and implementation of variable parameters....”), 15:21-23, Fig. 1.

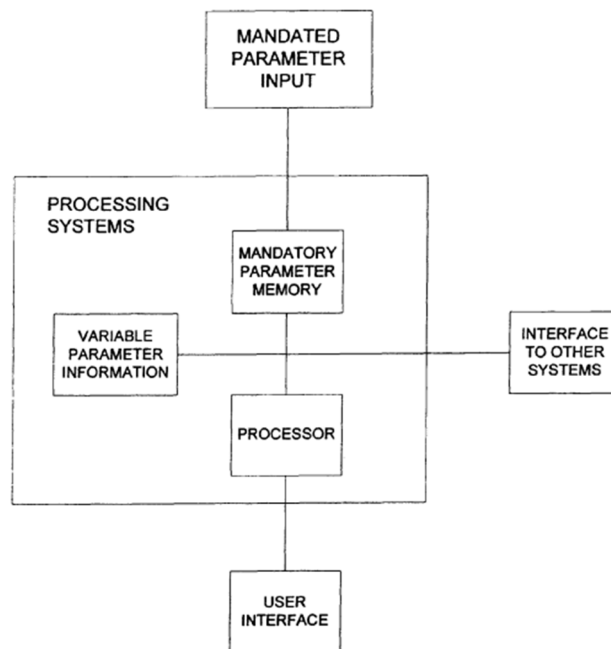


FIG. 1

Importantly, limitation 1[c.iii] recites that “utilize the first and second programmable variable parameter sets to achieve the mandated parameters.” These *variable parameters* and *mandated parameters* elements are distinct and are not “interchangeable” as used in the claim. See *Arlington Indus., Inc. v. Bridgeport Fittings, Inc.*, 632 F.3d 1246, 1254-55 (Fed. Cir. 2011) (failure to give meaning to a modifier in the claims “would render these additional modifiers superfluous, which weighs against doing so”); *Merck & Co. v. Teva Pharms. USA, Inc.*, 395 F.3d 1364, 1372 (Fed. Cir. 2005) (“A claim construction that gives meaning to all the terms of the claim is preferred over one that does not do so.”).

Therefore, the '861 Application fails to provide the requisite corroboration to Mr. Katz's inventor declaration. *See REG Synthetic Fuels, LLC v. Neste Oil Oyj*, 841 F.3d 954, 962 (Fed. Cir. 2016) ("Conception must be proved by corroborating evidence which shows that the inventor disclosed to others his completed thought expressed in such clear terms as to enable those skilled in the art to make the invention."). And the Board should conclude that the '861 Application fails to show written description support or possession of at least "mandated parameters" as recited in limitations 1[b.i], 1[b.i.A], and 1[c.iii].

**(c) The December 4, 2002 Meeting Notes Fail To Show
The "Mandated Parameters" Limitations**

PO asserts that meeting notes from a "patent disclosure discussion held with Mr. Katz and his coinventor on December 4, 2002" with their patent attorney Mr. Murphy "provide external corroboration of Mr. Katz's account of the conception and reduction to practice of the claim inventions." POR, 21-22; EX2016 ("Meeting Minutes"). However, the Meeting Minutes do nothing more than set forth a general goal of having GLEPS, or Guaranteed Low-End Prizing Structure, with no details as to show that would be achieved, like the Lottery. EX2016, 1. At best, the Meeting Minutes show a "general goal or research plan [Milestone] hopes to pursue" they do not show conception. *Invitrogen Corp. v. Clontech Lab'ys, Inc.*, 429 F.3d 1052, 1063 (Fed. Cir. 2005); *Burroughs Wellcome Co. v. Barr Lab'ys, Inc.*, 40 F.3d 1223,

1228 (Fed. Cir. 1994) (“[A] bare idea is [not] all that conception requires. The idea must be definite and permanent in the sense that it involves a specific approach to the particular problem at hand ... [and] sufficiently precise that a skilled artisan could carry out the invention without undue experimentation.”).

And there is no credible dispute that these high-level Meeting Minutes still fail to provide any disclosures related to the missing “mandated parameters” limitations recited in 1[b.i], 1[b.i.A], and 1[c.iii]. *See* EX2016, 1-2 (no disclosures regarding receiving mandated parameters, utilizing variable parameters to achieve the mandated parameters, or varying the displays presented to the user to achieve the mandated parameters). Accordingly, PO has failed to satisfy its burden of production to show that the Milestone inventors conceived of the Challenged Claims no later than December 4, 2002. Walker is thus prior art.

2. PO Fails To Show Reasonable and Continuous Diligence To A Subsequent Reduction To Practice

For constructive reduction to practice, PO must show reasonably continuous diligence “in reducing the invention to practice until its effective filing date.” *Medtronic, Inc. v. Teleflex Life Scis. Ltd.*, 86 F.4th 902, 905–06 (Fed. Cir. 2023). Reduction to practice is a two-prong test that requires the inventor to have “(1) constructed an embodiment or performed a process that met all the claim limitations and (2) determined that the invention would work for its intended purpose.” *Teva*

Pharm. Industries Ltd. v. AstraZeneca Pharm. LP, 661 F.3d 1378, 1383 (Fed. Cir. 2011). If an inventor fails to show “reasonably continuous diligence,” the invention can be deemed abandoned. *Perfect Surgical Techniques, Inc. v. Olympus Am., Inc.*, 841 F.3d 1004, 1009 (Fed. Cir. 2016). Thus, diligence must be reflected during the entire critical period, which “begins just prior to the competing reference’s effective date and [] the date of the invention’s reduction to practice.” *Id.* at 1007 (citing *Monsanto Co. v. Mycogen Plant Sci., Inc.*, 261 F.3d 1356, 1363 (Fed. Cir. 2001)).

PO asserts that it exercised reasonable diligence. POR, 48-49. But PO puts forward no evidence showing inventor Gary Dawson exercised any diligence at all. *Griffith v Kanamaru*, 816 F.3d 624, 627 (Fed. Cir. 1987) (“the inventors failed to establish due diligence...[where] the inventors possessed the capacity to test the invention and chose instead to test other compounds”). Further, Mr. Katz worked on the application but relies on contradictory evidence from his patent attorney David Murphy for corroboration. EX2017, ¶ 40.

Mr. Murphy’s declaration regarding the work he performed during the critical period conflicts with his “billing records.” *Cf.* EX2013, ¶¶21-23 to EX2022-2026. First, there is no billing code 00443773-00099 in any of the tables, and the closest appearing number (00443773-00999) relates to “General Counseling,” not any specific matter that can be attributed to the ’279 Patent. As to billing code 0443773-00008, Exhibits 2022-2026 show the following:

Exhibit No.	Billing Code	Dates	Amount
EX2022	0443773-00008	3/1/03 – 3/31/03	\$0
EX2023	0443773-00008	4/1/03 – 4/30/03	\$0
EX2024	0443773-00008	5/1/03 – 5/31/03	\$0
EX2025	0443773-00008	7/1/03 – 7/31/03	\$6,820.80
EX2026	0443773-00008	9/1/03 – 9/30/03	\$717.15

The actual records provided by Mr. Murphy only show work performed related to the '279 Patent in July and September 2003—not continuous and systematic diligence by the inventors or their patent attorneys given the gap of several months from March 1, 2003 and July 1, 2003. Thus, the statements in Mr. Murphy's declaration that directly contradict the billing records are not credible. *See Bey v. Kollonitsch*, 806 F.2d 1024, 1028 (Fed. Cir. 1986) (“patent attorney must show that unrelated cases are taken up in chronological order, thus, the attorney has the burden of keeping good records of the dates when cases are docketed as well as the dates when specific work is done on the applications.”); *see also K&K Jump Start/Chargers, Inc. v. Schumacher Elec. Corp.*, 52 F. App'x 135, 139-40 (Fed. Cir. 2002) (no diligence based on three weeks of inactivity).

These significant gaps are unexplained. Thus, PO has not shown continuous

and reasonable diligence from May 1, 2003 through September 2, 2003.³

Accordingly, Walker is prior art under 35 U.S.C. § 102(e).

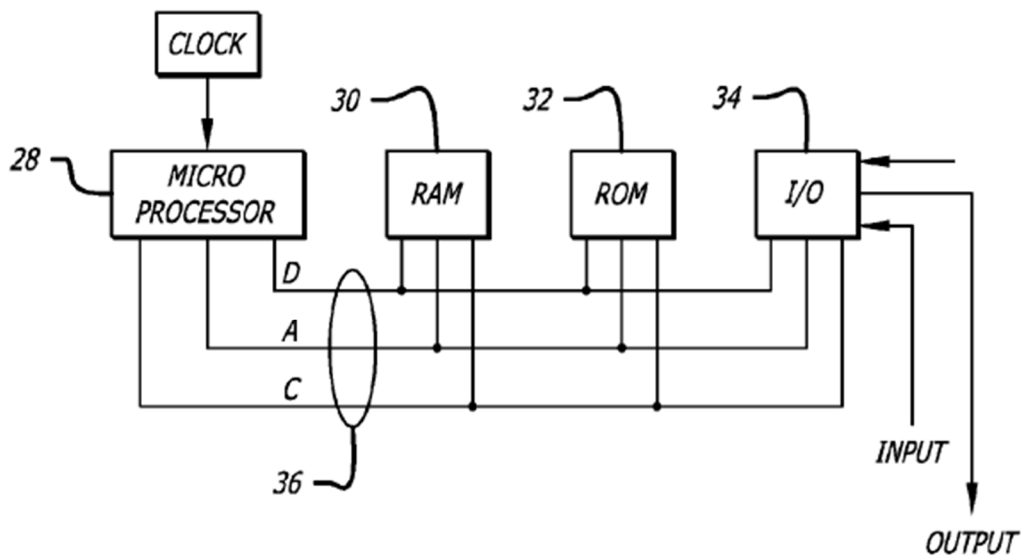
II. GROUND 1: KELLY683 IN COMBINATION WITH THE KNOWLEDGE OF A POSITA RENDERS OBVIOUS THE CHALLENGED CLAIMS

PO argues that Kelly683 does not disclose limitations 1[b.ii], 1[d.i], 1[d.ii], 1[c.iii] of the '279 Patent nor the claims that depend from claim 1. But PO's demonstrably incorrect arguments are based on distorted readings of the Petition and Kelly683.

A. Limitation 1[b.ii]

The Petition establishes—and PO does not contest—Kelly683 discloses that game processor 12 “includes...random access memory (RAM) 30” and “[m]icroprocessor 28 [that] executes a process...which recognizes a game command from player input devices 16.” EX1005, 15:38-40, 15-48-51, Fig. 1a; Pet., 18.

³ The May 1, 2003 date for Walker is only applicable if the Board finds that Walker is not entitled to claim priority from the '289PROV.

**FIG. 1a**

Kelly683 further discloses both “storing (*record*) game play information provided by the game processor” and “recording which games the user previously played.” Pet., 22-23. “Microprocessor 28 is coupled to RAM 30...to permit use of RAM for scratch-pad memory and other functions during a game process” and “[p]revious game data can be stored in a storage device local to the game unit 10 or on a separate medium or remote apparatus such as server 108.” EX1005, 15:60-64, 39:14-16, Fig. 1a; *see also* Pet., 17-18, 22-23.

PO argues “there is no disclosure that Kelly’s button presses are recorded in memory.” POR, 8. Irrelevant. The Petition does not identify user inputs as *game play information* as PO claims. Rather, the Petition expressly states that the “game play information [is] ***provided by the game processor.***” Pet., 22. This includes the

“games states and game events in the game process” that “the game processor interprets” from user input that “can provide a particular game command to the game processor 12.” EX1005, 10:12-15 (cited by Pet., 22). Put simply, the Petition identifies “games states and game events” as *game play information regarding a particular game play event*.

Additionally, the Petition expressly identifies Kelly683's disclosure of “recording which games the user previously played” such as “a game identifier relating to a particularly game played by the user.” Pet., 23 (citing EX1005, 6:26-27). This game identifier along with other “[p]revious game data can be stored in a storage device local to the game unit 10 or on a separate medium or remote apparatus such as server 108.” EX1005, 39:14-15 (cited by Pet., 23).

PO responds that “the identity of a game that has been played” is not a *game play event*. POR, 10. But the claim recites *game play information regarding a game play event*, not just *a game play event*. The claim further recites *utilizing the recorded game play information with predefined criteria*, which can be the *number of plays for a player* (dependent claim 29). If *game play information regarding a game play event* was just limited to a “game play event” (i.e., excluding identity of previous games played or other previous game data), then the system would not be able to determine the *number of plays for a player*. See Pet., 72; Crevelt ¶¶315-319.

These *game play events* (game states and game events as well as previous

game data) are necessarily *stored* for access later to determine whether the predefined criteria is met (such as *number of plays*). Crevelt ¶¶100-101. As Mr. Crevelt explained, “what’s happened, what’s done, the stakes in the game, the levels of the game, whatever has happened in the game is being stored and obviously, you know, wins and losses, etc., would logically be one of those items stored but not all of those items stored. We’re not limited to that item.” EX2020, 66:11-67:3, 67:5-14.

PO further suggests that *game play events* is limited to “game outcomes, programs, or progress.” POR, 10. But PO has put forward no basis for limiting the scope of *game play events* to these disclosures in the specification. *See Phillips v. AWH Corp.*, 415 F.3d 1303, 1323 (Fed. Cir. 2005) (“[A]lthough the specification often describes very specific embodiments of the invention, we have repeatedly warned against confining the claims to those embodiments.”).

PO also relies on the Board decision in IPR2025-00713. POR, 12. But the limitations are materially different. The claims of U.S. Patent No. 11,501,607 recited storing “game play information regarding particular game play events” in the server memory, and PO (incorrectly) argued that the “user inputs” such as “button presses” was the *game play information* and those “user inputs” was not stored in the server. Here, the claims of the ’279 Patent only require *memory to...record game play information regarding particular game play events*.

B. Related Limitations in Claim 1

PO argues that limitations 1[d.i], 1[d.ii], and 1[c.iii] are not met because Kelly683 does not disclose the *recorded information regarding particular game play events*. POR, 10. If anything, PO's arguments confirm the Petition identified *recorded information* as games states and game events as well as previous game data, not user inputs.

The Petition establishes Kelly683 discloses analyzing the prior game data (like “the number of times the player has played” or “the number of times the specific prize goal was hit”) or game states or events (like “game-related goals” achieved) to provide statistical information on game play (1[d.i]). Pet., 29-30 (citing EX1005, 25:23-24, 56:49-51). Kelly683 uses this statistical information to adjust the prizes or difficulty of the game (1[d.ii]) to meet “the operator's desired odds” (limitation 1[c.iii]). Pet. 30 (citing EX1005, 36:63-66).

Notably, the use of recorded previous game data and games states and game events mirrors the embodiments in the '279 Patent. For example, the specification uses past wins or the number of plays for a particular player as predefined criteria:

The allocation of prizes may be defined in various ways, such as by defined *numbers and values of prizes for a given number of plays*, system-wide for every Nth play, or *based on the number of plays for a particular player*... EX1001, 6:60-67. Similarly, the specification further explains that game states and game events (such as more or less difficult outcomes) can be used to determine

whether a predefined set of outcomes is met:

This system permits game play where the player's actions can determine the outcome of the individual game, but where the outcome for a set or series of game plays is predefined. A player provides input for game play, where for at least some players their actions determine their individual outcome. In operation, a set of outcomes is defined for multiple plays.

Id., 7:47-53. Though the '279 Patent does not expressly explain what *recorded information* the system analyzes to carry out the selection of variable parameters, as Mr. Crevelt explained, “the data that you’re collecting is your game play events, and you’re going to use that in any analysis. That’s the data you are collecting in the system is the game play events, and therefore, any analysis you do on it, for whatever purpose, is going to be on those game play events.” EX2020, 72:24-73:9; *id.*, 113:17-114:8. Thus, the '279 Patent embodiments contemplate previous game data and game states or events based on user input as *recorded game play information*.

Notably, PO's argument that “previous game data” cannot be *recorded information* conflicts with PO's swear-behind arguments pointing to previous game data for the same limitation:

The 861 Application discloses recording information regarding game play event...[when] [t]he system records would be ***updated to indicate that game play occurred.***

EX2017, 62-64.

PO also never directly addresses Kelly683's disclosure of *recording*

information as “game states and game events,” and instead merely repeats its “user input” arguments. But user input is discussed nowhere in the Petition at these limitations—the Petition did not identify “user inputs” as *recorded information*. Pet., 28-29, 31-33.

At bottom, the Petition established that Kelly683 uses previous game data (such as past wins) and game states and game events (such as difficulty outcomes) are *recorded information* to analyze game play to adjust prizes or game structure (*programmable variable parameters*) to achieve the “operator’s desired odds” (*mandated parameters*).

1. Limitation 1[d.i]

PO argues Petitioner did not allege *recorded information* is “ever ‘analyzed’” because the Petition does not state user input is analyzed. POR, 12. Again, the Petition established that previous game data (past wins) and game states and game events (difficulty outcomes determined by user inputs) are analyzed. Pet., 32.

2. Limitation 1[d.ii]

PO argues this limitation is not met based again on its “user inputs” argument. POR, 14-16. This argument fails for the same reasons. *See* Sections II.A-B.

3. Limitation 1[c.iii]

In addition to its incorrect “user inputs” argument, PO argues “operated-determined adjustments cannot disclose this limitation.” POR, 17. Wrong. To the

extent PO complains the *play engine* needs to select between the first and second sets of programmable variable parameters, Kelly683 discloses that game processor 12 includes components that determine whether the “operator’s desired odds” are met, and if not, adjusts the game or prizes accordingly. Pet., 24-25. To the extent that PO complains that operator provides the variable parameters, the claim expressly recites that the variable parameters are *programmable*—that the operator can program the parameters. Pet., 19.

C. Dependent Claims

PO applies its claim 1 arguments to its dependents. POR, 17-18. These arguments likewise fail for the same reasons.

III. CONCLUSION

The Board should find all Challenged Claims unpatentable.

Dated: March 27, 2026

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CERTIFICATE OF COMPLIANCE WITH 37 C.F.R. § 42.24

Pursuant to 37 C.F.R. § 42.24(d), the undersigned certifies that foregoing **PETITIONER'S REPLY TO PATENT OWNER'S RESPONSE** exclusive of the parts exempted as provided in 37 C.F.R. §42.24(c), contains 5,531 words and therefore complies with the type-volume limitations of 37 C.F.R. §42.24(c).

Dated: March 27, 2026

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CERTIFICATE OF SERVICE

I hereby certify that on March 27, 2026, a true and correct copy of the foregoing **PETITIONER'S REPLY TO PATENT OWNER'S RESPONSE** is being served by electronic mail on Patent Owner's counsel of record listed below, pursuant to its Mandatory Notices:

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