

# Patent Owner Milestone: Oral Argument

*June 23, 2026*

Activision Blizzard, Inc.. v. Milestone Entertainment, LLC., Case Nos.  
IPR2025-00708 U.S. Patent No. 8,529,336 B2  
IPR2025-00712 U.S. Patent No. 11,393,279 B2

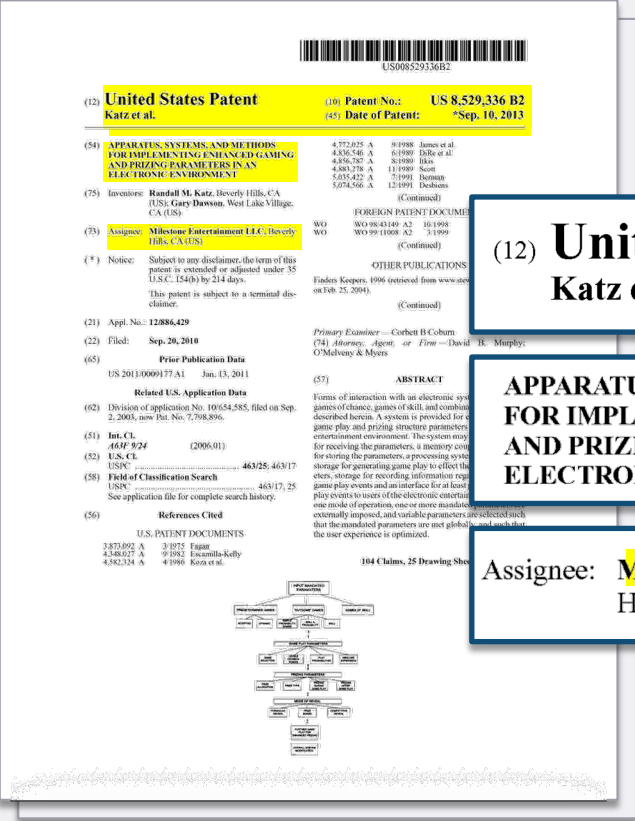
DEMONSTRATIVE EXHIBIT – NOT EVIDENCE



**CHALLENGED PATENTS:  
8,529,336/11,393,279**

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

The 336 Patent



(12) **United States Patent**  
**Katz et al.**

(10) **Patent No.:** US 8,529,336 B2  
(45) **Date of Patent:** \*Sep. 10, 2013

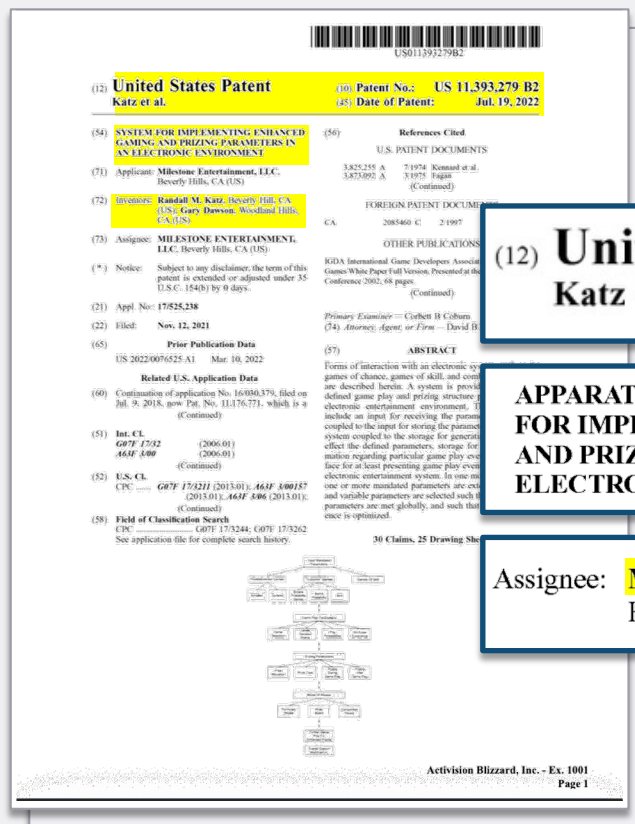
**APPARATUS, SYSTEMS, AND METHODS FOR IMPLEMENTING ENHANCED GAMING AND PRIZING PARAMETERS IN AN ELECTRONIC ENVIRONMENT**

Assignee: **Milestone Entertainment LLC**, Beverly Hills, CA (US)

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

336 Patent (2025-708, Ex1001)(annotated)

# The 279 Patent



(12) **United States Patent**  
**Katz et al.**

(10) **Patent No.: US 11,393,279 B2**  
(45) **Date of Patent: Jul. 19, 2022**

**APPARATUS, SYSTEMS, AND METHODS  
FOR IMPLEMENTING ENHANCED GAMING  
AND PRIZING PARAMETERS IN AN  
ELECTRONIC ENVIRONMENT**

Assignee: **Milestone Entertainment LLC**, Beverly Hills, CA (US)

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

279 Patent (2025-712, Ex1001)(annotated)

# ASSERTED GROUNDS

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## 336 Patent Asserted Grounds

| Ground | References          | Claim                                                       |
|--------|---------------------|-------------------------------------------------------------|
| 1      | Kelly683            | 1, 3, 4, 5, 12, 13, 18-20, 22, 24-26, 29, 42, 44-47, and 50 |
| 2      | Walker, Schneier143 | 1, 3, 4, 5, 12, 13, 18-20, 22, 24-26, 29, 42, 44-47, and 50 |

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

Petition (2025-708, Paper No. 3) at 2-3

## 279 Patent Asserted Grounds

| Ground | References          | Claim                                         |
|--------|---------------------|-----------------------------------------------|
| 1      | Kelly683            | 1, 3-9, 13, 17, 18, 23, 25, 26, 28, and 29    |
| 2      | Walker              | 1, 3, 5-9, 13, 17, 18, 23, 25, 26, 28, and 29 |
| 3      | Walker, Schneier143 | 4                                             |

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Petition (2025-712, Paper No. 3) at 2-3

# CHALLENGED INDEPENDENT CLAIM

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## 336 Patent, Challenged Independent Claim 1

1 Preamble. A method for electronic interaction with users of the system through a series of interactions, comprising the steps of:

- 1a. receiving mandated parameters, the mandated parameters being those which must be achieved by the system as a whole,
- 1b. storing in a memory coupled to the input at least the mandated parameters,
- 1c. processing in a processing system coupled to the memory for implementing the mandated parameters by utilizing variable parameters, the processing system utilizing the variable parameters to achieve the mandated parameters,
- 1d. storing information regarding particular game play events as determined by the processor,
- 1e. generating presentations for at least displaying game play events,
- 1f. performing game analytics on the game play events, and
- 1g. varying the displays presented to the user to achieve the mandated parameters.

## 279 Patent, Challenged Independent Claim 1

1 Preamble . A system for dynamically varying game play parameters in an electronic environment, over a communications network between multiple users of the system at multiple locations and a remote location including a play engine, the users utilizing communication devices, the communication devices having input capability and generate an output corresponding to the input, comprising:

1a. a processor,

1b. memory to:

1b.i. store mandated and programmable variable parameters for use in the course of game play,

1b.i.A. wherein, the mandated parameters represent parameters which must be achieved by the system as a whole, and the programmable variable parameters represent parameters characterizing at least one of: a game structure and a prizing structure,

1b.ii. record game play information regarding particular game play events, and

1b.iii. store player's club information, including at least

1b.iii.A (i) player identification information, and

1b.iii.B (ii) the amount of player points,

1c. a play engine coupled to the memory and operating with the processor to:

1c.i. implement a first set of programmable variable parameters to provide a first game play experience,

1c.ii. modify one or more programmable variable parameters to provide a second set of programmable variable parameters providing a second game play experience, wherein the first game play experience differs from the second game play experience, and

1c.iii. utilize the first and second programmable variable parameter sets to achieve the mandated parameters through at least the first and second game play experiences,

1d. a decision engine coupled to the memory and operating with the processor to:

1d.i. (i) analyze game play as a function of the recorded information regarding particular game play events, and

1d.ii. (ii) 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,

1e. a display system for displaying at least the player club points, and

1f. a system input for receiving player input.

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279 Patent (2025-712, Ex1001), Claim 1

# 336 PATENT

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## 336 Patent: Issues

- Ground 2:
  - Whether Walker is Prior Art to the 336 Patent
- Ground 1:
  - Whether Kelly683 discloses or renders obvious limitations 1[d], 1[f]:
    - 1[d]: “**storing information regarding particular game play events** as determined by the processor”
    - 1[f]: “performing game analytics on **the game play events**”
  - Whether Kelly683 discloses or renders obvious limitation 1[c]:
    - “processing in a processing system coupled to the memory for implementing the mandated parameters by utilizing variable parameters, the processing system utilizing the variable parameters to achieve the mandated parameters”

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

## 336 Patent: Issues

- Ground 2:
  - Whether Walker is Prior Art to the 336 Patent
    - Prior Conception
    - Reasonably Continuous Diligence In Reduction to Practice
    - Whether Petitioner Demonstrated Walker Is Entitled to Its Provisional Application Date

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

## 336 Patent: Issues

- Ground 2:
  - Whether Walker is Prior Art to the 336 Patent
    - Prior Conception
    - Reasonably Continuous Diligence In Reduction to Practice
    - Whether Petitioner Demonstrated Walker Is Entitled to Its Provisional Application Date

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

# Walker Is Not Prior Art to the 336 Patent

## Petitioner:

“**Ground 2:** Claims 1, 3, 4, 5, 12, 13, 18-20, 22, 24-26, 29, 42, 44-47, and 50 are obvious under 35 U.S.C. § 103 over Walker<sup>2</sup> in view of Schneier143.”

“<sup>2</sup> U.S. Patent App. Pub. No. 2004/0002369 to Walker et al. (EX1006, “Walker”) is §§102(a) and (e) prior art.”

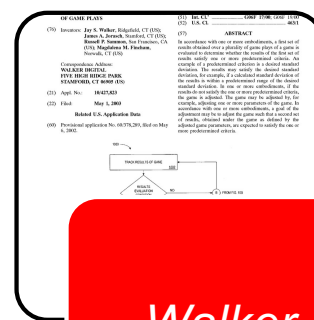
Petition (2025-708, Paper No. 3) at 5

“Walker discloses each limitation of independent claim 1 of the ’336 Patent. Crevelt ¶73. To the extent that Walker does not expressly disclose *coupled* in [1.b], this is disclosed in Schneier143 (sharing the same inventors).”

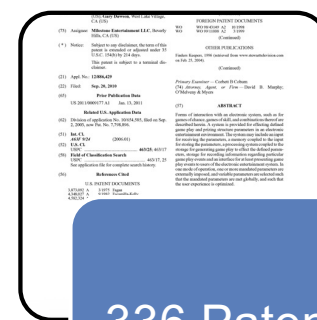
Petition (2025-708, Paper No. 3) at 10

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

May 1, 2003



Sept. 2, 2003



Ex1006, Ex1001

# Walker Is Not Prior Art to the 336 Patent

## Walker is not Pre-AIA 102(a) prior art on its face

- Walker's publication date is **January 1, 2004** (Ex1006 at 1)
- The 336 Patent has an effective filing date of **September 2, 2003** (Ex1001 at 1)

35 U.S.C. §102(a) (pre-AIA)

A person shall be entitled to a patent unless -

(a) the invention was ***known or used*** by others in this country, or patented or ***described in a printed publication*** in this or a foreign country, before the invention thereof by the applicant for a patent.

- Petitioner's Reply does not attempt to defend that Walker is prior art under 102(a) (Paper No. 22 at 23)

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POR (2025-708, Paper No. 20) at 17

## Walker Is Not Prior Art to the 336 Patent

### Walker is not Pre-AIA 102(e) prior art because it was not filed “before the invention” of the 336 Claims

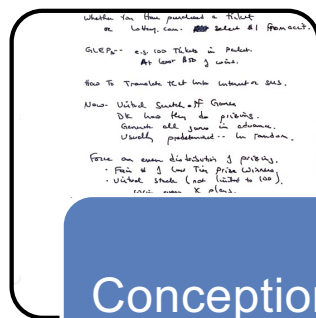
“It is undisputed that, for [a reference] to be prior art, it must come within 35 U.S.C. § 102(e)(2), which declares that an inventor is **not entitled to a patent** on an invention if ***‘the invention was described in . . . a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent,’*** . . .

Antedating of [the reference] in this case required that [inventors] have (1) conceived of the inventions at issue before [the prior art date], and (2) diligently reduced the conceptions to practice.”

*Arctic Cat Inc. v. GEP Power Prods.*, 919 F.3d 1320, 1330 (Fed. Cir. 2019)

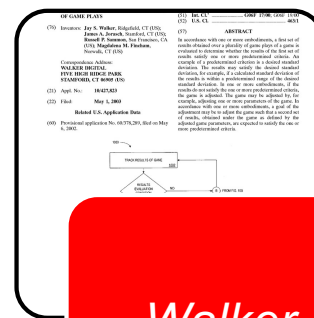
# The 336 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

Dec. 4, 2002



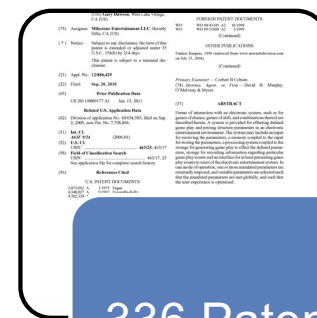
Conception  
Of Claimed  
Inventions

May 1, 2003



*Walker  
Utility*

Sept. 2, 2003



336 Patent  
Application

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

Ex2016, Ex1006, Ex1001

## The 336 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

“The question of conception is properly directed to whether there was ‘formation [] in the mind of the *inventor* of a definite and permanent idea of the complete and operative invention . . . [and whether] every limitation of the count [was] known to the *inventor* at the time of the alleged conception.’”

*Bosies v. Benedict*, 27 F.3d 539, 543, 30  
U.S.P.Q.2d 1862, 1865 (Fed. Cir. 1994)

“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.”

*Coleman v. Dines*, 754 F.2d 353, 359 (Fed. Cir.  
1985)

# The 336 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

April 14, 2002

U.S. Patent Application No.  
10/123,861 ("861 Application")

Ex2014

December 4, 2002

Prosecutor's Meeting Notes

Ex2016

Dec. 4, 2002

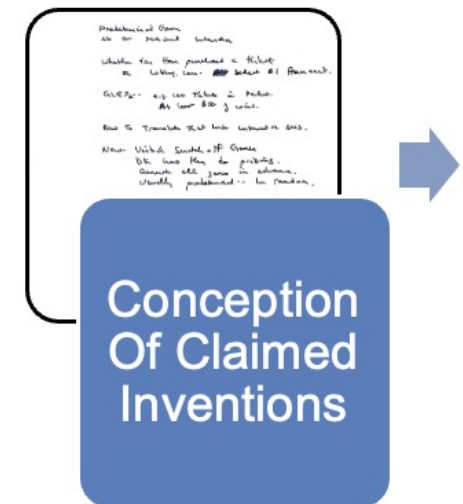
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## The 336 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### Supported by:

- Declaration of inventor Randall Katz (Ex2017)
- Declaration and billing records of prosecutor David Murphy (Ex2013)
- Declaration of expert John Szeder (Ex2012)

Dec. 4, 2002



Ex2014

Ex2016

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

## The 336 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### Declaration of inventor Randall Katz (Ex2017)

- Explains conception of claimed inventions
- Identifies and explains corroborating evidence of conception for each limitation of each challenged claim
- Demonstrates diligence in reduction to practice

19. As discussed above, we had already conceived of games with “variable components” such as “the prize amount, the game to be played and/or the degree of difficulty.” *Id.* at [00125]. In our system, that “variable information as to the game play is then utilized to conduct game play in accordance with those variables.” *Id.* One of our insights was that we could use these variable components in conjunction with our gaming system to achieve the game operator’s objectives by inputting those objectives into the system and monitoring game play to determine whether they are being met. If such monitoring showed that some change to the game was called for so that the game operator’s objectives could be met, then the system could modify the variable game information, such as the game’s rules, odds, difficulty, or prizing, in order to meet the game objectives. This could be done in a way that maintained

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Katz Decl. (2025-708, Ex2017), ¶19

## The 336 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### Declaration of Prosecutor Murphy (Ex2013)

- Describes and explains 861 Application and significance of Prosecutor's Meeting Notes
- Provides billing records for prosecution of claims
- Demonstrates diligence in reduction to practice

17. As my notes from the December 4, 2002 meeting reflect, inventors Katz and Dawson described their ideas to enhance game play by varying game outcomes, structure, or prizing to ensure some desired result, such as a “fair # of low tier prize winners,” “force an even distribution of prizing,” “w/in every X plays, [a] certain amount of low tier wins,” “guarantee[] the payout,” or increasing the percentage payout of a lottery game from 50% to 75% globally. Ex2016.

# The 336 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

## Declaration of Expert John Szeder (Ex2012)

- Identifies and explains corroborating evidence of conception for each limitation of each challenged claim in 861 App’n and Prosecutor’s Meeting Notes

87. I present below evidence showing that the inventors of the 336 Patent conceived of every limitation of the challenged claims by at least December 4, 2002.

| 336 Patent Challenged Claims                                                                                                  | Evidence Demonstrating Conception By December 4, 2002                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1pre. A method for electronic interaction with users of the system through a series of interactions, comprising the steps of: | <p>In my opinion, a POSITA would conclude the inventors conceived of this limitation no later than April 15, 2002.</p> <p>For example, the 861 Application discloses a method for electronic interaction with users of the system through a series of interactions. Figure 16 and its accompanying description disclose such a method:</p> |

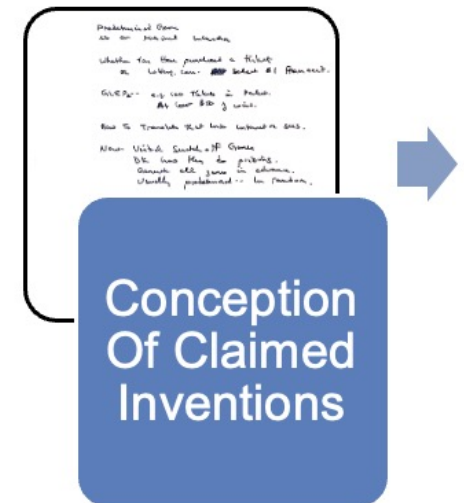
## Petitioner Disputes Only Conception Of The “Mandated Parameters” Limitations

### Petitioner:

Moreover, 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) *receiving mandated parameters*, (2) *utilizing the variable parameters to achieve the mandated parameters*, and (3) *varying the displays presented to the user to achieve the mandated parameters*. 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 absent.

Dec. 4, 2002



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Patent Owner's Reply (2025-708, Paper No. 22) at 15

## The 336 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

“There is no particular formula that an inventor must follow in providing corroboration of his testimony of conception. Rather, whether a putative inventor's testimony has been sufficiently corroborated is determined by a ‘rule of reason’ analysis, in which ‘an evaluation of all pertinent evidence must be made so that a sound determination of the credibility of the inventor's story may be reached.’”

*Chen v. Bouchard*, 347 F.3d 1299, 1309-10 (Fed. Cir. 2003)

## The 336 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### The December 4, 2002 Prosecutor Meeting Notes Demonstrate Conception of “Mandated Parameters”

22. As the notes from the December 4, 2002 meeting reflect, we described to Mr. Murphy our ideas to enhance game play by varying game outcomes, structure, or prizing to ensure some result set by the game operator, such as a “Fair # [number] of low Tier Prize Winners,” “Force an even distribution of prizing,” “w/in [within] every X plays, [a] certain amount of low tier wins,” “Guarantee[] the payout,” or increasing the percentage payout of a lottery game. Ex2016 at 1.

## The 336 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### The December 4, 2002 Prosecutor Meeting Notes Demonstrate Conception of “Mandated Parameters” – Win Rate

GLEPS-- e.g. 100 Tickets in Pool.  
At least \$50 of wins.

How To Translate that into Internet or SMS.

2025-708, Ex2016 at 1; Katz Decl. (2025-708, Ex2017), ¶ 22; Patent Owner's Sur-Reply (2025-708, Paper No. 23) at 13

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

## The 336 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### The December 4, 2002 Prosecutor Meeting Notes Demonstrate Conception of “Mandated Parameters” – Win Rate

Force an even distribution of prizes.

- Fair # of Low Tier Prize winners.
- Virtual stack (not limited to 100).

win every X plays.

Certain amount of low tier wins.

## The 336 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### The December 4, 2002 Prosecutor Meeting Notes Demonstrate Conception of “Mandated Parameters” – Win Rate

23. As reflected in the meeting notes, we described to Mr. Murphy the concept of a GLEPS, or Guaranteed Low-End Prizing Structure. GLEPS was a well-known prizing structure for lotteries – in particular, “scratch-off” lottery games. In a GLEPS structure, a certain number of “wins,” typically comprising lower-value prizes, are guaranteed across a given number of plays. The example we provided to Mr. Murphy was that in a 100-ticket packet of scratch-off lottery tickets, each costing \$1, the operator guaranteed “at least \$50 of wins.” *Id.* As the notes further reflect, we then described that one aspect of the problem we were attempting to solve was “[h]ow to translate that” – GLEPS – into “Internet or SMS”. *Id.* The notes reflect our proposed solution as described above, which could, for example, “[f]orce an even distribution of prizing” across an arbitrary number of game plays – in effect, a “virtual GLEPs.” *Id.* As the notes reflect, we conceived of a system in which there could be a “virtual stack” of lottery tickets, for example, “not limited to 100.” Within that virtual stack of games, for example, the system could ensure a “certain amount of low tier wins” within “every X plays.” *Id.* That is a guaranteed win rate – an example of what we called in the patents a “mandated parameter.”

## The 336 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### Petitioner's Expert Confirmed That A "Win Rate" Is A Mandated Parameter

Q. A few more questions about win ratio and --and win rates. Is a defined number of wins in a game over X number of plays of a game a win rate?

...

THE WITNESS: That probably is a formula that could be used, depending on your situation, you might calculate it that way.

Q. And can a defined number of wins awarded for every X number of plays be a mandated parameter in the context of the Milestone patent?

A. Yes, it would be as far as the system level is, you want to make sure you have enough wins over the amount of [plays]. You would typically refer to it, however, as the -- through this many plays, I want to have this many wins. So the X would be in the wins, you would have a defined number of plays, typically, in the industry.

Q. X would represent the number of wins over Y number of plays. Is that fair?

A. And you would -- yeah, those numbers would be mandated, yes.

Q. And that's a win ratio, too, right? I mean, X number of wins and Y number of plays, right?

A. Yes, that's a win ratio.

## The 336 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### The December 4, 2002 Prosecutor Meeting Notes Demonstrate Conception of “Mandated Parameters” – Global Payout Percentage

Lottery - 750% payout to 75%.

Coin 95%-98%.

~~then~~

~~then~~

Can increase % of coins by the level 2.

In physical lottery, Free play costs the system money.

Add this to any electronic game possibilities.  
May Need It To Be Preetermined.  
That Guarantees the payout.

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2025-708, Ex2016 at 2 (annotated), POR (Paper No. 20) at 21

## The 336 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### The December 4, 2002 Prosecutor Meeting Notes Demonstrate Conception of “Mandated Parameters” – Global Payout Percentage

24. As the meeting notes additionally reflect, we discussed with Mr. Murphy that the new system could be used to “>50% payout to 75%.” Ex2016 at 2. 50% was in my understanding the typical global payout for lottery games. We proposed that our invention could raise this global payout “to 75%” – a mandated parameter – by “increas[ing] % of wins by the level 2,” *i.e.*, a secondary game level. *Id.* As the notes reflect that in such circumstances, we discussed that the game outcomes may need “To Be Predetermined,” or forced, as “that Guarantees the payout.” *Id.* Elsewhere, the notes of the December 4, 2002 meeting reflect that the system could force certain outcomes to achieve a global payout or some other goal, including “Force an even distribution of prizing,” and “ensure that w/in every X #” of plays, “the %” was reached.

## The 336 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### Petitioner's Expert Confirmed That A "Global Payout Percentage" Is A Mandated Parameter

Q. Is a 75 percent global payout percentage a mandated parameter? In the Milestone patents?

...

THE WITNESS: If you are setting that up as your global parameter so that the whole system is going to maintain 75 percent, that would be an example of what you could set as a global parameter.

...

Q. As a mandated parameter?

A. It would -- it would qualify as a mandated parameter under the claim 1, yes.

## The 336 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### The Evidence Demonstrates Conception of “receiving” “Mandated Parameters” (limitation 1[a])

For limitation [1.a], reciting “receiving mandated parameters,” as the POR and supporting exhibits show, the 12/4/02 meeting notes identify numerous examples of mandated parameters that must be achieved by the system as a whole, including a “fair number of low tier prize winners,” “force an even distribution of prizing,” “within every X plays, certain amount of low tier wins,” “guarantee[] the payout,” or increasing the percentage payout of a lottery game. POR, 24-26; Ex2016; Ex2017, ¶¶18-24. Similarly, Mr. Katz’s declaration explains how the references to “GLEPS” and “virtual GLEPS” disclosed mandated parameters, explaining that in a “GLEPS, or Guaranteed Low-End Prizing Structure,” a “certain number of ‘wins,’ typically comprising lower-value prizes, are guaranteed across a given number of plays.” Ex2017, ¶23. For “receiving” mandated parameters, the 861 Application expressly discloses how the inventors’ game system could “receive” parameters, e.g. by “access[ing] memory.” Ex2014, [00125]; see POR, 25-26. This unambiguously shows that the inventors had a definite and permanent idea of how their system would “receive” the mandated parameters disclosed in the 12/4/02 notes. The expert opinion confirming that this is how a POSITA would understand this evidence stands un rebutted. Ex2012, ¶¶87, 40-52.

## The 336 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### The Evidence Demonstrates Conception of “receiving” “Mandated Parameters” (limitation 1[a])

[00125] Fig. 20 shows a chronological flow for a electronic game having a variable component. Initially, the player may obtain a base game ticket from an authorized retailer. At this point, the player may play the base game. If they win, they may elect at that point to redeem their winnings. The secondary game play includes provision of the identification number. The user would then electronically provide the identification number to the game play server/lottery system. The system would then access memory utilizing the identification number to determine the variables associated with that ticket identification number. Such variables may include the prize amount, the game to be played and/or the degree of difficulty as previously explained. The system database may then be updated to indicate that the game had been played. The variable information as to the game play is then utilized to conduct game play in accordance with those variables. Ultimately, the player may redeem their winnings at an authorized outlet.

## The 336 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### The Evidence Demonstrates Conception of “receiving” “Mandated Parameters” (limitation 1[a])

While that example relates to “variable components” of games, it clearly discloses that the inventors understood their system can receive a parameter set and implement it. Moreover, as the patent explains, variable parameters and mandated parameters could be interchangeable depending on context. As the specification of the Variable Parameters Patents explains,

***“Parameters may in one context be a ‘mandated’ parameter and yet in another context a ‘variable’ parameter.*** For example, in one game, the lottery may mandate certain prizing structure, such as the use of a GLEPS structure, wherein other game, the lottery does not provide such a mandate, but ***rather, the system determines to utilize a GLEPS type structure as a variable parameter.*** To the extent that the description herein refers to something as a ‘mandated’ or ‘variable’ parameter, it is to be understood that the reference is to the particular implementation then being described. ***What is a ‘mandated’ parameter in one game may be a ‘variable’ parameter in another, and vice versa.***” Ex1001 at 15:32-43.

## The 336 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### The Evidence Demonstrates Conception of “implementing” (limitation 1[c]) and “achieving” (limitation 1[g]) “Mandated Parameters”

For limitations 1[c], “implementing the mandated parameters by utilizing variable parameters,” and 1[g], “achieve the mandated parameters,” the POR explained that conception of these limitations is shown in the 12/4/02 meeting notes. See POR, 29-30, 32-33. Specifically, PO showed that “the notes from the 12/4/02 meeting reflect that the inventors proposed that their invention could raise the global payout percentage ‘to 75%’ – a mandated parameter – by ‘increas[ing] % of wins by the level 2,’ i.e., a secondary game level – a variable parameter. Ex2016.” POR, 29- 30. See *also* Ex2017, pp. 33-35, 39-40. Again, the expert opinion confirming that a POSITA would understand this evidence to disclose the limitations stands unrebutted. Ex2012, ¶87, pp. 29-35, 37-40.

## The 336 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### The Evidence Demonstrates Conception of “implementing” (limitation 1[c]) and “achieving” (limitation 1[g]) “Mandated Parameters”

In connection with the 861 Application, by April 15, 2002 the inventors had already conceived and reduced to practice a system that received, stored, and implemented “variable components” in game play, including game selection, difficulty, and prizing. See *generally* Ex2017 ¶¶7-12. The 861 Application called these parameters “variable game play parameters” in the original April 15, 2002 claims. See Ex2014 at Claims 23-29.

By December 4, 2002, as reflected in Ex2016, the inventors disclosed that such variable parameters could be used to achieve objectives set by the game operator. For example, the notes from the 12/4/02 meeting reflect that the inventors proposed that their invention could raise the global payout percentage “to 75%” – a mandated parameter – by “increas[ing] % of wins by the level 2,” *i.e.*, a secondary game level – a variable parameter. Ex2016.

## 336 Patent: Issues

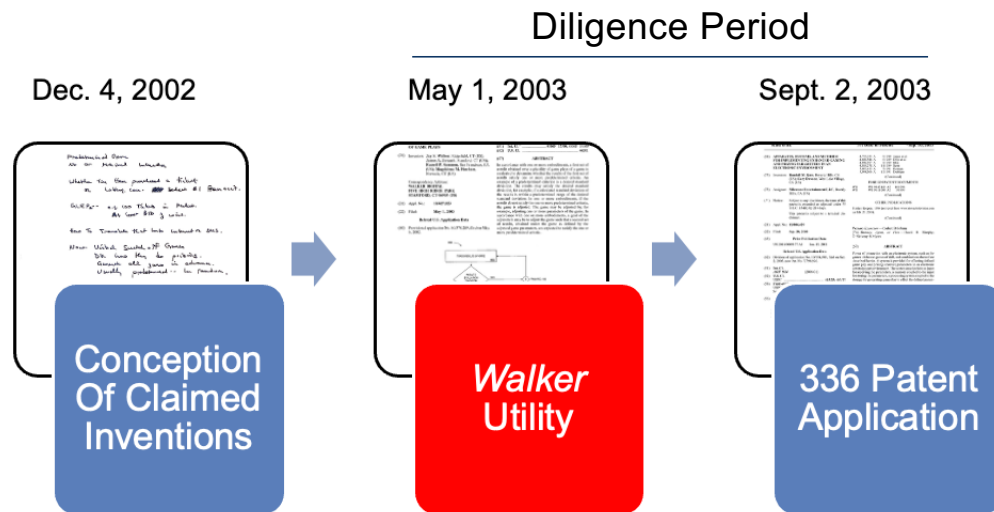
- Ground 2:
  - Whether Walker is Prior Art to the 336 Patent
    - Prior Conception
    - Reasonably Continuous Diligence In Reduction to Practice
    - Whether Petitioner Demonstrated Walker Is Entitled to Its Provisional Application Date

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

# The Inventors Exercised Reasonably Continuous Diligence In Reduction To Practice

## Petitioner:

PO asserts that it exercised reasonable diligence. POR, 47-48. 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.



DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

Patent Owner's Reply (2025-708, Paper No. 22) at 21-22

## The Inventors Exercised Reasonably Continuous Diligence In Reduction To Practice

“Reasonable diligence must be shown throughout the entire critical period, which begins just prior to the competing reference's effective date and ends on the date of the invention's reduction to practice.’ An inventor's testimony of reasonable diligence throughout the critical period ‘must be corroborated by evidence.’ We apply a ‘rule of reason’ to evaluate such corroborating evidence. Crucially for this case, diligence need not be perfectly continuous—only *reasonably* continuous. ‘[P]eriods of inactivity within the critical period do not automatically vanquish a patent owner's claim of reasonable diligence.’ ‘[T]he point of the diligence analysis is not to scour the patent owner's corroborating evidence in search of intervals of time where the patent owner has failed to substantiate some sort of activity.’ *Id.* Rather, the adequacy of the reduction to practice is determined by whether, ‘in light of the evidence as a whole, ‘the invention was not abandoned or unreasonably delayed.’”

*Arctic Cat Inc. v. GEP Power Prods.*, 919 F.3d 1320, 1331 (Fed. Cir. 2019)(citations omitted)

## The Inventors Exercised Reasonably Continuous Diligence In Reduction To Practice

25. Shortly after meeting with Mr. Murphy in December 2002, I experienced a major health crisis. At the beginning of January 2003, I noticed a lump in my neck. I went to my doctor on January 6. It was a swollen lymph node. He took a series of blood tests and put me on a course of antibiotics.

28. Results from the biopsy came in on March 25, and at that point my world was turned upside down. I was diagnosed with acute t-cell lymphoblastic lymphoma, a very rare and aggressive cancer. See <https://www.cancer.org/cancer/types/non-hodgkin-lymphoma/treating/t-cell-lymphoma.html>. Naturally, I immediately prioritized my treatment and recovery from this life-threatening illness. My first appointment with the oncologist was a day later, followed by several additional appointments, a CT scan and a bone marrow biopsy.

40. My illness, and the therapy regimen I've described above, made it very difficult for me to do anything other than undergo treatment, and then recover from it – including working on our new patent application. When I did have time available, I frequently felt too unwell to work. Nonetheless, during this period, I worked with Mr. Murphy as often as I could, and for as long as I could, in view of my health and treatment regime. I have reviewed Mr. Murphy's declaration and description of our meetings during that period from his billing records, and they align with my own recollection. The first patent application based off of the December 4, 2002 disclosure was filed September 2, 2003, as SN 10/654,585; this was just as I was completing my initial course of chemotherapy.

## The Inventors Exercised Reasonably Continuous Diligence In Reduction To Practice

21. The first patent application based off of the December 4, 2002 disclosure was filed September 2, 2003, as SN 10/654,585, published as 2004/0259631 on Dec. 23, 2004, and issued as U.S. Patent 7,798,896 on September 21, 2010. Ex2001.

22. In my view, the 10 month period between the December 2, 2002 meeting and the filing of this application was as fast as we could accomplish under the circumstances. As I understand is addressed in a declaration from Randall Katz, Mr. Katz was diagnosed with lymphoma at the beginning of 2003 and immediately commenced intensive treatment, including chemotherapy and repeated doctor visits, that continued for the entire year. Mr. Katz was often unwell, and unable to work as he previously could. As a result, our progress was understandably slowed by Mr. Katz's illness and treatment. That said, we worked as diligently as we could under the circumstances to prepare and file the application.

# The Inventors Exercised Reasonably Continuous Diligence In Reduction To Practice

| Date          | Activity                                                                                                 |
|---------------|----------------------------------------------------------------------------------------------------------|
| May 1, 2003   | Outline Topics for Cases                                                                                 |
| May 6, 2003   | Telephone Conference Randy Katz & David Murphy                                                           |
| May 7, 2003   | Telephone Conference Randy Katz & David Murphy                                                           |
| May 9, 2003   | Telephone Conference Randy Katz & David Murphy                                                           |
| May 14, 2003  | Review and Revise claims                                                                                 |
| May 15, 2003  | Telephone Conference Randy Katz & David Murphy                                                           |
| May 20, 2003  | Prepare Outline Regarding New Application                                                                |
| May 21, 2003  | Telephone Conference Randy Katz & David Murphy                                                           |
| May 23, 2003  | Outline Action Items List                                                                                |
| May 29, 2003  | Application Preparation                                                                                  |
| Jun. 10, 2003 | Attend to foreign filing formalities Prepare action item list                                            |
| Jun. 12, 2003 | Draft Application regarding <u>vGLEPs</u>                                                                |
| Jun. 13, 2003 | Draft Patent Application Including Specification and Claims                                              |
| Jun. 17, 2003 | Draft Supplements to Application; Draft Claims                                                           |
| June 20, 2003 | Telephone Conference Randy Katz & David Murphy regarding Additions to Specification                      |
| Jun. 25, 2003 | Telephone Conference with Randy Katz, Gary Dawson and David Murphy Regarding Application                 |
| Jul. 7, 2003  | Telephone Conference with Randy Katz & David Murphy Regarding Support in Hot Seat Case                   |
| Jul. 9, 2003  | Telephone Conference with Randy Katz & David Murphy Regarding New Application                            |
| Jul. 17, 2003 | Telephone Conference with Randy Katz & David Murphy Regarding Application; Draft Inserts for Application |
| Jul. 18, 2003 | Telephone Conference with Randy Katz & David Murphy Draft Supplemental Disclosure and Claims             |

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

Murphy Decl. (2025-708, Ex2013), ¶¶ 21-22; see POR (Paper No. 20) at 46-47

# The Inventors Exercised Reasonably Continuous Diligence In Reduction To Practice

| Date          | Activity                                                                                                                               |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Jul. 21, 2003 | Telephone Conference with Randy Katz & David Murphy Draft Supplemental Materials                                                       |
| Jul. 22, 2003 | Review and Revise Draft Application                                                                                                    |
| Jul. 23, 2003 | Telephone Conference with Randy Katz & David Murphy Regarding Hoosier Letter and Draft Application                                     |
| Jul. 24, 2003 | Draft Inserts for Application                                                                                                          |
| Jul. 29, 2003 | Telephone Conference with Randy Katz & David Murphy                                                                                    |
| Aug. 1, 2003  | Draft Inserts for Application                                                                                                          |
| Aug. 4, 2003  | Meeting in Beverly Hills at Katz Home with Randy Katz and Gary Dawson (Aug. 4, 2003)                                                   |
| Aug. 5, 2003  | Draft Inserts for Application                                                                                                          |
| Aug. 6, 2003  | Draft Application and Claims                                                                                                           |
| Aug. 7, 2003  | Draft Claims for Application; Modify Summary of the Invention                                                                          |
| Aug. 8, 2003  | Finalize Draft of Application                                                                                                          |
| Aug. 11, 2003 | Telephone Conference with Randy Katz & David Murphy Revise Claim Outline, Extensive Modification of Outline                            |
| Aug. 12, 2003 | Revise Application                                                                                                                     |
| Aug. 14, 2003 | Revise Application                                                                                                                     |
| Aug. 15, 2003 | Draft Outline for Claims                                                                                                               |
| Aug. 18, 2003 | Prepare Materials Regarding Application                                                                                                |
| Aug. 19, 2003 | Telephone Conference with Randy Katz & David Murphy Regarding Application<br>Revise Draft Application                                  |
| Aug. 21, 2003 | Telephone Conference with Randy Katz & David Murphy Regarding Amendments to Specification                                              |
| Aug. 22, 2003 | Telephone Conference with Randy Katz & David Murphy Regarding Case<br>Modify Draft                                                     |
| Aug. 26, 2003 | Draft Inserts for Application                                                                                                          |
| Aug. 27, 2003 | Modify Application                                                                                                                     |
| Aug. 28, 2003 | Finalize Application                                                                                                                   |
| Aug. 29, 2003 | Telephone Conference with Randy Katz & David Murphy Finalize Drawings and Specification                                                |
| Sep. 2, 2003  | Various Telephone Conferences with Randy Katz & David Murphy Regarding Application<br>Finalize Application; File Same; Modify Drawings |

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

Murphy Decl. (2025-708, Ex2013), ¶¶ 21-22; see POR (Paper No. 20) at 46-47

## 336 Patent: Issues

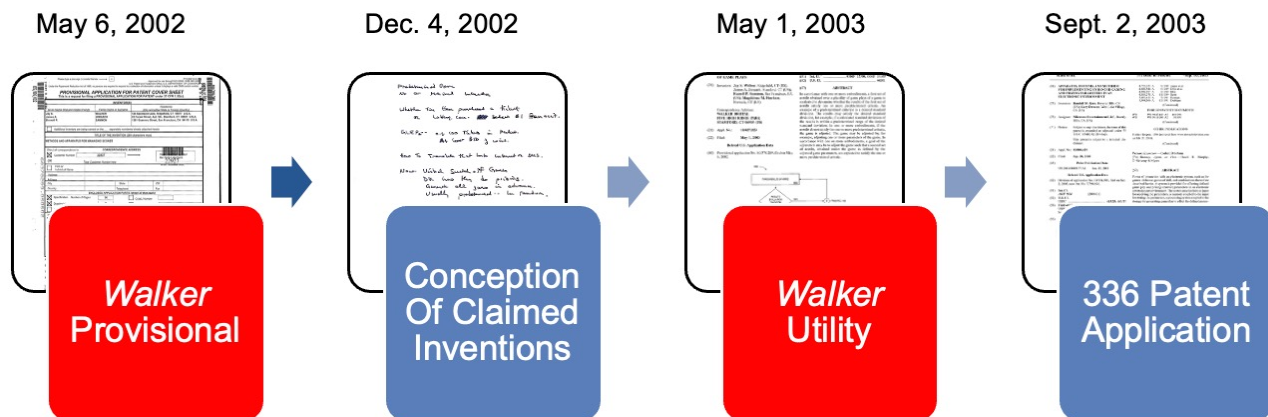
- Ground 2:
  - Whether Walker is Prior Art to the 336 Patent
    - Prior Conception
    - Reasonably Continuous Diligence In Reduction to Practice
  - Whether Petitioner Demonstrated Walker Is Entitled to Its Provisional Application Date

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

# Walker Is Not Prior Art to the 336 Patent

## Petitioner:

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). This means that 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). Here, the ’289PROV satisfies both requirements.



DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

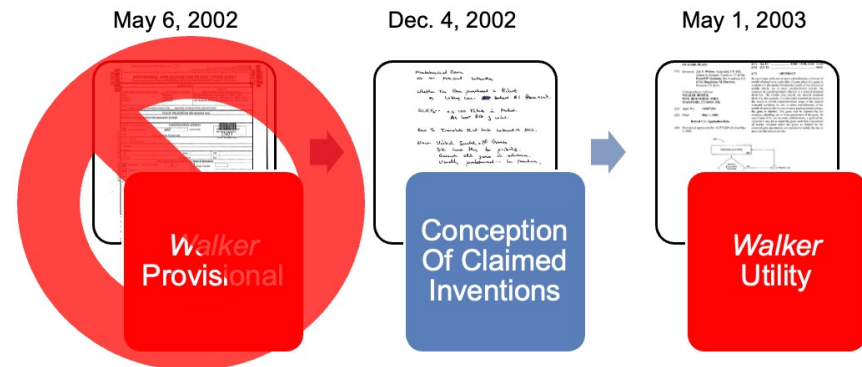
Petitioner's Reply (2025-708, Paper No. 22) at 6

# Petitioner Has Failed To Demonstrate Support In Walker Provisional For The Matter Relied On In Walker

## Petitioner:

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

In its Response, PO makes just a single, argument—relegated to a footnote—about why Walker is not entitled to claim priority to the '289PROV. POR, 18 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,” by way of 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.<sup>1</sup>



DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

Petitioner's Reply (2025-708, Paper No. 22) at 12-13

## It Was Petitioner's Burden, Not Patent Owner's, To Demonstrate Support In Walker Provisional For The Matter Relied On In Walker

"In an inter partes review, the burden of persuasion is on the petitioner to prove unpatentability by a preponderance of the evidence,' 35 U.S.C. § 316(e), and **that burden never shifts to the patentee.**"

*Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.*, 800 F.3d 1375, 1378 (Fed. Cir. 2015)

**"[Patent Owner] produced evidence that the invention claimed in the [] patent was reduced to practice prior to the filing date of Raymond, and thus contended that the asserted claims were entitled to a date of invention prior to that of the Raymond patent.**

As a result, **the burden of production returned to [Petitioner] to prove that either the invention was not actually reduced to practice as argued, or that the Raymond prior art was entitled to the benefit of a filing date prior to the date of [Patent Owner's] reduction to practice.**"

*Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.*, 800 F.3d 1375, 1380 (Fed. Cir. 2015)

## It Was Petitioner's Burden, Not Patent Owner's, To Demonstrate Support In Walker Provisional For The Matter Relied On In Walker

Specifically, we have not addressed whether the Board's test is sufficient where, as here, the Examiner (or any party challenging the validity of a patent) demonstrated support for one claim and then relied on other portions of the specification (e.g., the Summary of the Invention or Detailed Description, or even other claims) to support its rejection. We conclude **it is not**. Even if one demonstrates that a provisional application provides written description support for one claim of the non-provisional application or patent, the provisional application must also provide written description support for the specific portions of the patent specification identified and relied on in the prior art rejection. In other words, **to claim priority to the provisional filing date, the portion of the application relied on by the examiner as prior art must be supported by the provisional application**. It makes no sense to suggest that if a single claim is supported by the provisional application, then everything in the later filed application gets the benefit of the provisional date whether supported or not.

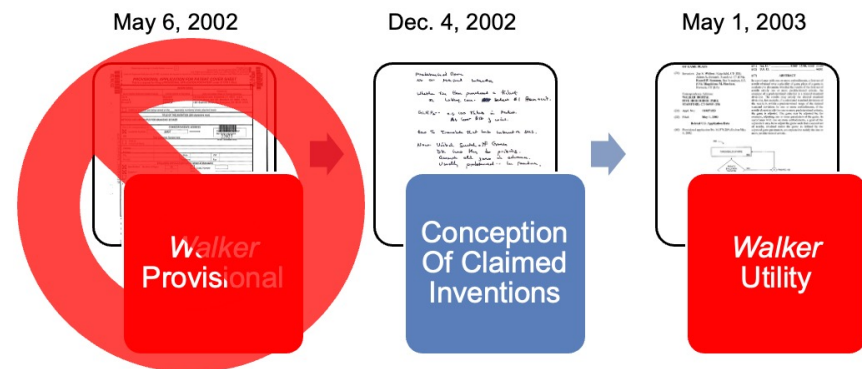
*In re Riggs*,  
131 F.4th 1377, 1384-85 (Fed. Cir. 2025)

# Petitioner Has Failed To Demonstrate Support In Walker Provisional For The Matter Relied On In Walker

## Petitioners:

- Had the burden (not Patent Owner) to show support in Walker Provisional for the matter relied on in Walker
- Attempt to show support in Walker Provisional only for “predetermined criteria”
- Did not attempt to show support in Walker Provisional for any other matter relied on in the Petition, including
  - “receiving” mandated parameters (limitation [1.a]) (see Petition, 41-43);
  - “storing in a memory” mandated parameters ([1.b]) (see Petition, 43-44);
  - “utilizing variable parameters to achieve” mandated parameters ([1.c]) (see Petition, 44-47);
  - “storing information regarding particular game play events” ([1.d]); (see Petition, 48-49)
  - Etc.
  - Any dependent claim
- Petitioner has failed to meet its burden to show that *Walker* should be accorded its provisional date
- *Walker* is not prior art.

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE



Patent Owner's Sur-Reply (2025-708, Paper No. 23) at 12-13

## 336 Patent: Issues

- Ground 2:
  - Whether Walker is Prior Art to the 336 Patent
- Ground 1:
  - Whether Kelly683 discloses or renders obvious limitation 1[d], 1[f]:
    - 1[d]: “**storing information regarding particular game play events** as determined by the processor”
    - 1[f]: “performing game analytics on **the game play events**”
  - Whether Kelly683 discloses or renders obvious limitation 1[c]:
    - “processing in a processing system coupled to the memory for implementing the mandated parameters by utilizing variable parameters, the processing system utilizing the variable parameters to achieve the mandated parameters”

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

## 336 Patent, Challenged Independent Claim 1

1 Preamble. A method for electronic interaction with users of the system through a series of interactions, comprising the steps of:

- 1a. receiving mandated parameters, the mandated parameters being those which must be achieved by the system as a whole,
- 1b. storing in a memory coupled to the input at least the mandated parameters,
- 1c. processing in a processing system coupled to the memory for implementing the mandated parameters by utilizing variable parameters, the processing system utilizing the variable parameters to achieve the mandated parameters,
- 1d. storing information regarding particular game play events as determined by the processor,
- 1e. generating presentations for at least displaying game play events,
- 1f. performing game analytics on the game play events, and
- 1g. varying the displays presented to the user to achieve the mandated parameters.

## Petitioner Has Failed To Demonstrate That Kelly Discloses Or Renders Obvious Limitations 1[d], 1[f]

### Petitioner:

Kelly683 renders obvious this limitation. Crevelt ¶¶100-101. Kelly683 discloses that the game play information provided by the game processor includes information on an initial game play event **based on the user input** (*information regarding particular game play events as determined by the processor*). EX1005, 10:12-15 (“Each type of user input can provide a particular game command to the game processor 12, and the game processor interprets the commands and influences game states and game events in the game process accordingly.”); *see also id.*, 1:44-46, 9:62-66, 46:32-37, 46:49-52.

To the extent that Kelly683 does not expressly disclose that the game play information is stored, a POSITA would have found this obvious. A POSITA would have understood that the processor would have necessarily stored the game play information the coupled memory in order to implement the information. Crevelt ¶101.

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

1d. **storing information regarding particular game play events** as determined by the processor,  
1f. performing game analytics on **the** game play events, and

Petition (2025-708, Paper No. 3) at 23-24

## Petitioner Has Failed To Demonstrate That Kelly Discloses Or Renders Obvious Limitations 1[d], 1[f]

### Petitioner's Evidence for Limitation 1[d] Contends "User Inputs" Are The Information That is "stored"

#### Ex1005

- 10:12-15 ("Each type of user input can provide a particular game command to the game processor. . . .")
- 1:44-46 ("These games typically include a **video screen and buttons or other controls** for the player. . . .")
- 9:62-66 ("Input devices **16** are used by a player or user **to provide input to the game unit 10** to influence game events during a game process. . . .")
- 46:32-37 ("As shown, input devices **700** may be used by a player or user **to provide input to the game unit** to influence game events. . . .")
- 46:42-52 ("game commands provided by controlling devices such as buttons, a keyboard, dials, a joystick controls," etc., in which "each **type of user input can provide a particular game command to the computer**, and the computer interprets the commands and influences game states and game events in the game process accordingly.").

1d. storing information regarding particular game play events as determined by the processor,  
1f. performing game analytics on the game play events, and

## Petitioner Has Failed To Demonstrate That Kelly Discloses Or Renders Obvious Limitations 1[d], 1[f]

### The Petition

- Never identifies that these “user inputs” are stored in memory
- Identifies no “game state” or “game event” that is stored
- Ignores that a POSITA would not regard Kelly’s “user inputs” such as button presses to be “game play events” stored by the system.
  - See Szeder Decl, Ex2012, ¶¶68-70
- Identifies no disclosure that Kelly’s system performs “game analytics” on these ephemeral “user inputs” as required by limitation 1[f]

1d. storing information regarding particular game play events as determined by the processor,  
1f. performing game analytics on **the** game play events, and

## Petitioner Has Failed To Demonstrate That Kelly Discloses Or Renders Obvious Limitations 1[d], 1[f]

### The Board Already Found This Evidence Does Not Disclose A Substantially Identical Limitation

*(1) “a server including memory to process and store . . . game play information regarding particular game play events” (limitation [1.a.ii])*

We agree with Patent Owner that Petitioner has failed to provide adequate evidence and analysis to show that Kelly discloses storing the identified user input in Kelly’s system. For instance, the portion of Kelly relied upon in the Petition describes how user input provides a particular game command to game processor 12, and game processor 12 interprets and uses this input to influence game states and game events. Ex. 1005, 10:12–15. The portion of Kelly makes no mention of storing the user input.

Petitioner also cites generally to other portions of Kelly with insufficient explanation of their relevance. Pet. 22; Ex. 1003 ¶ 136 (citing 1:44–46, 9:62–66, 46:32–37, 46:49–52). These cited passages describe generally that a computer, on which games are played, includes a video screen and buttons, and that user input is provided to a game unit to influence game events and/or provide particular game commands to the computer. Ex. 1005, 1:44–46, 9:62–66, 46:32–37, 46:49–52. Petitioner fails to sufficiently show how any of these passages describes storing user input, such as button presses, in Kelly’s system.

1d. storing information regarding particular game play events as determined by the processor,  
1f. performing game analytics on the game play events, and

2025-708, Ex2018 (Decision Denying Institution in IPR2025-00713) at 19  
DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

Petition (2025-708, Paper No. 3) at 23-24

## Petitioner Has Failed To Demonstrate That Kelly Discloses Or Renders Obvious Limitations 1[d], 1[f]

### Petitioner:

PO also relies on the Board decision in IPR2025-00713 for support. POR, 11. But the limitations are materially different. There, the claims of U.S. Patent No. 11,501,607 (the “’607 Patent”) 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 ’336 Patent require *storing information regarding particular game play events as determined by the processor*.

Petitioner’s Reply (2025-708, Paper No. 22) at 26

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

### Materially Different?

- IPR2025-00713

“a server including memory to process and store . . . game play information regarding particular game play events”

- Here

“storing information regarding particular game play events as determined by the processor,”

## Petitioner Has Failed To Demonstrate That Kelly Discloses Or Renders Obvious Limitations 1[d], 1[f]

### Petitioner:

#### 7. [1.f]: “performing game analytics on the game play events, and”

Kelly683 discloses this limitation. Crevelt ¶104.

Kelly683 discloses a process for “providing statistical information” (*performing game analytics on the game play events*). EX1005, 32:27-33. This statistical information includes statistics on *game play events* such as the “number of times the player has played” (EX1005, 25:23-24), “the time the player took to play a game, the number of times a player has participated in similar previous tournaments, and the like” (EX1005, 32:27-33), “the number of games played and the number of times the specific prize goal was hit” (EX1005, 40:33-45), and “the amount of times a particular game is played, the number of times that difference games are played, or by achieving a game-related goal” (EX1005, 56:49-51).

1d. storing information regarding particular game play events as determined by the processor,

1f. performing game analytics on the game play events, and

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

Petition (2025-708, Paper No. 3) at 25-26

## Petitioner Has Failed To Demonstrate That Kelly Discloses Or Renders Obvious Limitations 1[d], 1[f]

### Petitioner's Evidence for Limitation 1[f] Is Not The "User Inputs" Identified as the "game play events" of 1[d]

#### Ex1005

- 25:23-24: "number of times the player has played"
- 32:27-33: "the time the player took to play a game, the number of times a player has participated in similar previous tournaments, and the like"
- 40:33-45: "the number of games played and the number of times the specific prize goal was hit"
- 56:49-51: "the amount of times a particular game is played, the number of times that different games are played, or by achieving a game-related goal. . ."

1d. storing information regarding particular game play events as determined by the processor,  
1f. performing game analytics on **the** game play events, and

## Petitioner Has Failed To Demonstrate That Kelly Discloses Or Renders Obvious Limitations 1[d], 1[f]

### The Board Already Found This Evidence Does Not Disclose A Substantially Similar Limitation

We agree with Patent Owner that Petitioner fails to show a reasonable likelihood of prevailing on this claim limitation because the game play events identified by Petitioner to satisfy limitation [1.a.ii] are not the same game play events that Petitioner cites in support of limitation [1.e]. Claim 1 requires in limitation [1.e] that the decision engine determines the selection of the first or second programmable variable parameters utilizing “the recorded game play information,” referring back to the recorded game play information introduced in limitation [1.a.ii]. Ex. 1001, 47:54–58 (emphasis added). Petitioner, however, fails to adequately explain how data, such as the number of times the player has played, is the game play information, i.e., button presses, that was allegedly stored by the server in limitation [1.a.ii].

1d. storing information regarding particular game play events as determined by the processor,  
1f. performing game analytics on the game play events, and

2025-708, Ex2018 (Decision Denying Institution in IPR2025-00713) at 21

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

Petition (2025-708, Paper No. 3) at 23-24

## Petitioner Has Failed To Demonstrate That Kelly Discloses Or Renders Obvious Limitations 1[d], 1[f]

### Petitioner:

#### C. Limitation 1[f]

The Petition explains how Kelly683 discloses providing statistical information on game play events, such as “the number of times the player has played,” which are game analytics. Pet., 31 (citing EX1005, 32:27-33, 25:23-24).

PO merely repeats its arguments as to 1[d], and they fail for the same reasons.

Notably, the Petition establishes Kelly683 expressly teaches how prize or game structure may be adjusted “based on the amount of times a particular game is played, the number of times that different games are played, or by achieving a game-related goal” (EX1005, 56:46-51)—all “game play and game events” that would necessarily be stored “to provide statistical information for the operator” (EX1005, 32:27-33).

- **Petitioner does not even attempt to explain how the “game play events” identified for limitation 1[f] are the “user inputs” identified as “game play events” in limitation 1[d]**
- **Nothing in Petition ties 1[d]’s user inputs to the material identified for 1[f]**

# 279 PATENT

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

## 279 Patent: Issues

- Grounds 2 and 3:
  - Whether Walker is Prior Art to the 279 Patent
- Ground 1:
  - Whether Kelly683 discloses or renders obvious limitation 1[b.ii], 1[d.i], 1[d.ii]:
    - 1[b.ii]: “memory to... record game play information regarding particular game play events”
    - 1[d.i]: “analyze game play as a function of the recorded information regarding particular game play events,”
    - 1[d.ii]: “determine the selection of the first or second programmable variable parameter sets utilizing the recorded game play information. . . .”
- Whether Kelly683 discloses or renders obvious limitation 1[c.iii]:
  - “utiliz[ing] the first and second programmable variable parameter sets to achieve the mandated parameters through at least the first and second game play experiences”

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

## 279 Patent: Issues

- Grounds 2 and 3:
  - Whether Walker is Prior Art to the 279 Patent
    - Prior Conception
    - Reasonably Continuous Diligence In Reduction to Practice
    - Whether Petitioner Demonstrated Walker Is Entitled to Its Provisional Application Date

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

## 279 Patent: Issues

- Ground 2:
  - Whether Walker is Prior Art to the 279 Patent
    - Prior Conception
    - Reasonably Continuous Diligence In Reduction to Practice
    - Whether Petitioner Demonstrated Walker Is Entitled to Its Provisional Application Date

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

# Walker Is Not Prior Art to the 279 Patent

## Petitioner:

**“Ground 2:** Claims 1, 3, 5-9, 13, 17, 18, 23, 25, 26, 28, and 29 are obvious under 35 U.S.C. § 103 over Walker alone or in view of the knowledge of a person of ordinary skill in the art.

**Ground 3:** Claim 4 is obvious under 35 U.S.C. § 103 over Walker in view of Schneier143.”

“<sup>2</sup> Walker is §§102(a) and (e) prior art.”

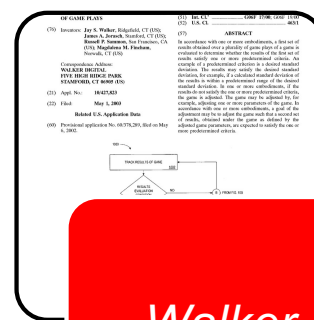
Petition (2025-712, Paper No. 3) at 5

“Walker discloses each limitation of the challenged claims of the ’279 Patent, except the *non-cash item* limitation of claim 4.”

Petition (2025-712, Paper No. 3) at 9

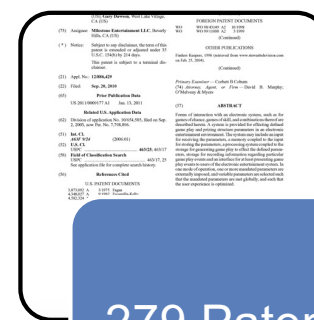
DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

May 1, 2003



Walker  
Utility

Sept. 2, 2003



279 Patent  
Application

Ex1006, Ex1001

# Walker Is Not Prior Art to the 279 Patent

## Walker is not Pre-AIA 102(a) prior art on its face

- Walker's publication date is **January 1, 2004** (Ex1006 at 1)
- The 336 Patent has an effective filing date of **September 2, 2003** (Ex1001 at 1)

35 U.S.C. §102(a) (pre-AIA)

"A person shall be entitled to a patent unless -

(a) the invention was ***known or used*** by others in this country, or patented or ***described in a printed publication*** in this or a foreign country, before the invention thereof by the applicant for a patent."

- Petitioner's Reply does not attempt to defend that Walker is prior art under 102(a)
  - Paper No. 21 at 22

## Walker Is Not Prior Art to the 279 Patent

### Walker is not Pre-AIA 102(e) prior art because it was not filed “before the invention” of the 279 Claims

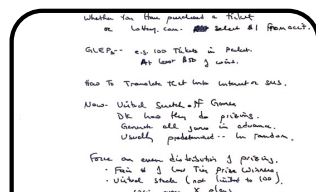
“It is undisputed that, for [a reference] to be prior art, it must come within 35 U.S.C. § 102(e)(2), which declares that an inventor is **not entitled to a patent** on an invention if ***‘the invention was described in . . . a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent,’*** . . .

Antedating of [the reference] in this case required that [inventors] have (1) conceived of the inventions at issue before [the prior art date], and (2) diligently reduced the conceptions to practice.”

*Arctic Cat Inc. v. GEP Power Prods.*, 919 F.3d 1320, 1330-31 (Fed. Cir. 2019)

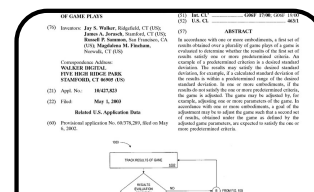
# The 279 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

Dec. 4, 2002



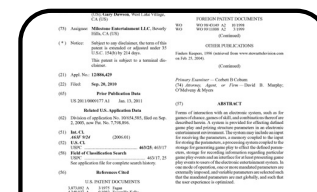
Conception  
Of Claimed  
Inventions

May 1, 2003



Walker  
Utility

Sept. 2, 2003



279 Patent  
Application

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

Ex2016, Ex1006, Ex1001

## The 279 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

“The question of conception is properly directed to whether there was ‘formation [] in the mind of the *inventor* of a definite and permanent idea of the complete and operative invention . . . [and whether] every limitation of the count [was] known to the *inventor* at the time of the alleged conception.’”

*Bosies v. Benedict*, 27 F.3d 539, 543, 30  
U.S.P.Q.2d 1862, 1865 (Fed. Cir. 1994)

“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.”

*Coleman v. Dines*, 754 F.2d 353, 359 (Fed. Cir.  
1985)

# The 279 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

April 14, 2002

U.S. Patent Application No.  
10/123,861 ("861 Application")

Ex2014

December 4, 2002

Prosecutor's Meeting Notes

Ex2016

Dec. 4, 2002

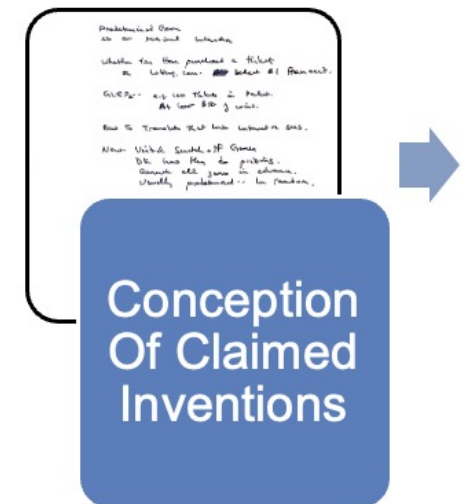
DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

## The 279 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### Supported by:

- Declaration of inventor Randall Katz (Ex2017)
- Declaration and billing records of prosecutor David Murphy (Ex2013)
- Declaration of expert John Szeder (Ex2012)

Dec. 4, 2002



DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

## The 279 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### Declaration of inventor Randall Katz (Ex2017)

- Explains conception of claimed inventions
- Identifies and explains corroborating evidence of conception for each limitation of each challenged claim
- Demonstrates diligence in reduction to practice

19. As discussed above, we had already conceived of games with “variable components” such as “the prize amount, the game to be played and/or the degree of difficulty.” *Id.* at [00125]. In our system, that “variable information as to the game play is then utilized to conduct game play in accordance with those variables.” *Id.* One of our insights was that we could use these variable components in conjunction with our gaming system to achieve the game operator’s objectives by inputting those objectives into the system and monitoring game play to determine whether they are being met. If such monitoring showed that some change to the game was called for so that the game operator’s objectives could be met, then the system could modify the variable game information, such as the game’s rules, odds, difficulty, or prizing, in order to meet the game objectives. This could be done in a way that maintained

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

Katz Decl. (2025-712, Ex2017), ¶ 19

## The 279 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### Declaration of Prosecutor Murphy (Ex2013)

- Describes and explains 861 Application and significance of Prosecutor's Meeting Notes
- Provides billing records for prosecution of claims
- Demonstrates diligence in reduction to practice

17. As my notes from the December 4, 2002 meeting reflect, inventors Katz and Dawson described their ideas to enhance game play by varying game outcomes, structure, or prizing to ensure some desired result, such as a "Fair # [number] of low Tier Prize Winners," "Force an even distribution of prizing," "w/in [within] every X plays, [a] certain amount of low tier wins," "Guarantee[] the payout," or increasing the percentage payout of a lottery game from 50% to 75% globally. Ex2016.

The 279 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

Declaration of Expert John Szeder (Ex2012)

- Identifies and explains corroborating evidence of conception for each limitation of each challenged claim in 861 App’n and Prosecutor’s Meeting Notes

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

90. I present below my analysis of evidence showing that the inventors of the 279 Patent conceived of every limitation of the challenged claims by at least December 4, 2002.

| 279 Patent Challenged Claims                                                                                                                                                                                                                                                                                                                                                                    | Evidence Demonstrating Conception By December 4, 2002                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1[pre]. A system for dynamically varying game play parameters in an electronic environment, over a communications network between multiple users of the system at multiple locations and a remote location including a play engine, the users utilizing communication devices, the communication devices having input capability and generate an output corresponding to the input, comprising: | <p>In my opinion, a POSITA would conclude the inventors conceived of this limitation no later than April 15, 2002.</p> <p>For example, the 861 Application discloses a system for game play in an electronic environment between multiple users utilizing communication devices with input and output capability utilizing a remote play engine (a “play server”). Figure 16 and its accompanying description disclose such a system:</p>  |

Szeder Decl. (2025-712, Ex2012), ¶ 90 at 42

# Petitioner Disputes Only Conception Of The “Mandated Parameters” Limitations

## Petitioner:

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

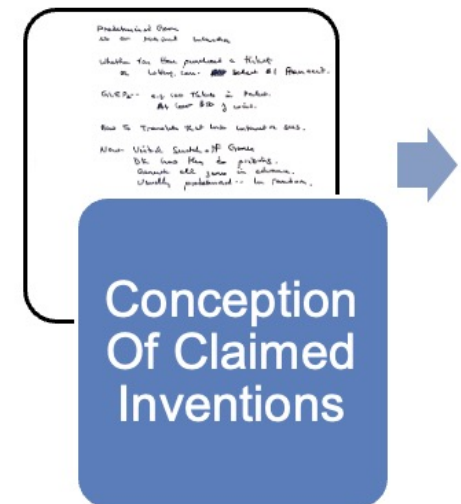
(1) *memory to...store mandated parameters*, (2) *utilize the first and second programmable variable parameter sets to achieve the mandated parameters through at least the first and second game play experience*, and (3) *determine the selection of the first or second programmable variable parameter sets 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.

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

Dec. 4, 2002



Patent Owner's Reply (2025-712, Paper No. 21) at 13-14

## The 279 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

“There is no particular formula that an inventor must follow in providing corroboration of his testimony of conception. Rather, whether a putative inventor's testimony has been sufficiently corroborated is determined by a ‘rule of reason’ analysis, in which ‘an evaluation of all pertinent evidence must be made so that a sound determination of the credibility of the inventor's story may be reached.’”

*Chen v. Bouchard*, 347 F.3d 1299, 1309-10 (Fed. Cir. 2003)(internal citation omitted)

## The 279 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### The December 4, 2002 Prosecutor Meeting Notes Demonstrate Conception of “Mandated Parameters”

22. As the notes from the December 4, 2002 meeting reflect, we described to Mr. Murphy our ideas to enhance game play by varying game outcomes, structure, or prizing to ensure some result set by the game operator, such as a “Fair # [number] of low Tier Prize Winners,” “Force an even distribution of prizing,” “w/in [within] every X plays, [a] certain amount of low tier wins,” “Guarantee[] the payout,” or increasing the percentage payout of a lottery game. Ex2016 at 1.

## The 279 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### The December 4, 2002 Prosecutor Meeting Notes Demonstrate Conception of “Mandated Parameters” – Win Rate

GLEPS-- e.g. 100 Tickets in Pool.  
At least \$50 of wins.

How To Translate that into Internet or SMS.

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

Ex2016; POR (Paper No. 19) at 22-23

## The 279 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### The December 4, 2002 Prosecutor Meeting Notes Demonstrate Conception of “Mandated Parameters” – Win Rate

Force an even distribution of prizes.

- Fair # of Low Tier Prize winners.
- Virtual stack (not limited to 100).

win every X plays.

Certain amount of low tier wins.

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

Ex2016; POR (Paper No. 19) at 28

## The 279 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### The December 4, 2002 Prosecutor Meeting Notes Demonstrate Conception of “Mandated Parameters” – Win Rate

23. As reflected in the meeting notes, we described to Mr. Murphy the concept of a GLEPS, or Guaranteed Low-End Prizing Structure. GLEPS was a well-known prizing structure for lotteries – in particular, “scratch-off” lottery games. In a GLEPS structure, a certain number of “wins,” typically comprising lower-value prizes, are guaranteed across a given number of plays. The example we provided to Mr. Murphy was that in a 100-ticket packet of scratch-off lottery tickets, each costing \$1, the operator guaranteed “at least \$50 of wins.” *Id.* As the notes further reflect, we then described that one aspect of the problem we were attempting to solve was “[h]ow to translate that” – GLEPS – into “Internet or SMS”. *Id.* The notes reflect our proposed solution as described above, which could, for example, “[f]orce an even distribution of prizing” across an arbitrary number of game plays – in effect, a “virtual GLEPs.” *Id.* As the notes reflect, we conceived of a system in which there could be a “virtual stack” of lottery tickets, for example, “not limited to 100.” Within that virtual stack of games, for example, the system could ensure a “certain amount of low tier wins” within “every X plays.” *Id.* That is a guaranteed win rate – an example of what we called in the patents a “mandated parameter.”

## The 279 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### Petitioner's Expert Confirmed That A "Win Rate" Is A Mandated Parameter

Q. A few more questions about win ratio and --and win rates. Is a defined number of wins in a game over X number of plays of a game a win rate?

...

THE WITNESS: That probably is a formula that could be used, depending on your situation, you might calculate it that way.

...

Q. And can a defined number of wins awarded for every X number of plays be a mandated parameter in the context of the Milestone patent?

A. Yes, it would be as far as the system level is, you want to make sure you have enough wins over the amount of [plays]. You would typically refer to it, however, as the -- through this many plays, I want to have this many wins. So the X would be in the wins, you would have a defined number of plays, typically, in the industry.

Q. X would represent the number of wins over Y number of plays. Is that fair?

A. And you would -- yeah, those numbers would be mandated, yes.

Q. And that's a win ratio, too, right? I mean, X number of wins and Y number of plays, right?

A. Yes, that's a win ratio.

## The 279 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### The December 4, 2002 Prosecutor Meeting Notes Demonstrate Conception of “Mandated Parameters” – Global Payout Percentage

Lottery - 750% payout to 75%.

Coin 95%-98%.

~~then~~

~~then~~

Can increase % of coins by the level 2.

In physical lottery, Free play costs the system money.

Add this to any electronic game possibilities.  
May need it to be predetermined.  
That guarantees the payout.

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

2025-712, Ex2016; POR (2025-712, Paper No. 19) at 22

## The 279 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### The December 4, 2002 Prosecutor Meeting Notes Demonstrate Conception of “Mandated Parameters” – Global Payout Percentage

24. As the meeting notes additionally reflect, we discussed with Mr. Murphy that the new system could be used to “>50% payout to 75%.” Ex2016 at 2. 50% was in my understanding the typical global payout for lottery games. We proposed that our invention could raise this global payout “to 75%” – a mandated parameter – by “increas[ing] % of wins by the level 2,” *i.e.*, a secondary game level. *Id.* As the notes reflect that in such circumstances, we discussed that the game outcomes may need “To Be Predetermined,” or forced, as “that Guarantees the payout.” *Id.* Elsewhere, the notes of the December 4, 2002 meeting reflect that the system could force certain outcomes to achieve a global payout or some other goal, including “Force an even distribution of prizing,” and “ensure that w/in every X #” of plays, “the %” was reached.

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

Ex2017; POR (2025-712, Paper No. 19) at 22

## The 279 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### Petitioner's Expert Confirmed That A "Global Payout Percentage" Is A Mandated Parameter

Q. Is a 75 percent global payout percentage a mandated parameter? In the Milestone patents?

...

THE WITNESS: If you are setting that up as your global parameter so that the whole system is going to maintain 75 percent, that would be an example of what you could set as a global parameter.

...

Q. As a mandated parameter?

A. It would -- it would qualify as a mandated parameter under the claim 1, yes.

## The 279 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### The Evidence Demonstrates Conception of “memory to . . .store mandated and programmable variable parameters” (limitation 1[b.i-i.A])

For limitations [1.b.i] and [1.b.i.A], reciting “memory to . . .store mandated and programmable variable parameters,” as the POR and supporting exhibits show, the meeting notes identify numerous examples of mandated parameters that must be achieved by the system as a whole, including a “fair number of low tier prize winners,” “force an even distribution of prizing,” “within every X plays, certain amount of low tier wins,” or “guarantee[] the payout”. POR, 28-32; Ex2016; Ex2017, ¶¶18-24. Similarly, Mr. Katz’s declaration explains how the references to “GLEPS” and “virtual GLEPS” disclosed mandated parameters, explaining that in a “GLEPS, or Guaranteed Low-End Prizing Structure,” a “certain number of ‘wins,’ typically comprising lower-value prizes, are guaranteed across a given number of plays.” identified numerous examples in the 12/4/02 meeting notes unmistakably disclosing “mandated parameters.” See, e.g., POR, 20-21, 24-26. Ex2017, ¶23. For “memory to record” mandated parameters, the 861 Application expressly discloses how the inventors’ game system could store parameters, e.g. in a memory or in a database. Ex2014, [00120, 00125]. See POR, 28-31. This unambiguously shows that the inventors had a definite and permanent idea of how their system would “store” the mandated parameters disclosed in the meeting notes. The expert opinion confirming that this is how a POSITA would understand this evidence stands unrebutted. Ex2012, ¶87, pp. 49-54.

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

Patent Owner Sur-Reply (Paper No. 22) at 13-14

88

## The 279 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### The Evidence Demonstrates Conception of “memory to . . .store mandated and programmable variable parameters” (limitation 1[b.i-i.A])

[00125] Fig. 20 shows a chronological flow for a electronic game having a variable component. Initially, the player may obtain a base game ticket from an authorized retailer. At this point, the player may play the base game. If they win, they may elect at that point to redeem their winnings. The secondary game play includes provision of the identification number. The user would then electronically provide the identification number to the game play server/lottery system. The system would then access memory utilizing the identification number to determine the variables associated with that ticket identification number. Such variables may include the prize amount, the game to be played and/or the degree of difficulty as previously explained. The system database may then be updated to indicate that the game had been played. The variable information as to the game play is then utilized to conduct game play in accordance with those variables. Ultimately, the player may redeem their winnings at an authorized outlet.

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE 861 App'n (2025-712, Ex2014), [00125]; see Patent Owner Sur-Reply (2025-712, Paper No. 22) at 13-14

## The 279 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### The Evidence Demonstrates Conception of “memory to . . .store mandated and programmable variable parameters (limitation 1[b.i-i.A])

The 861 application again discloses storage of parameters in paragraph [00125]:

“Fig. 20 shows a chronological flow for a electronic game having a variable component. Initially, the player may obtain a base game ticket from an authorized retailer. At this point, the player may play the base game. If they win, they may elect at that point to redeem their winnings. The secondary game play includes provision of the identification number. The user would then electronically provide the identification number to the game play server/lottery system. *The system would then access memory utilizing the identification number to determine the variables associated with that ticket identification number.* Such variables may include the *prize amount, the game to be played and/or the degree of difficulty* as previously explained. The system database may then be updated to indicate that the game had been played. *The variable information as to the game play is then utilized to conduct game play in accordance with those variables.*” *Id.* at [00125].

This example, relating to “variable components” of games, clearly discloses that the inventors understood their system can receive a parameter set and store it in memory.

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE Szeder Decl. (2025-712, Ex2012), ¶¶90 at 56-57; see Patent Owner Sur-Reply (Paper No. 22) at 13-14

## The 279 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### The Evidence Demonstrates Conception of a “play engine” to “utilize the first and second programmable variable parameter sets to *achieve the mandated parameters*” (Limitation 1[c.iii])

The inventors conceived of this limitation no later than December 4, 2002. As discussed above in connection with 1[b.i] and 1[b.i.A], incorporated here by reference, by December 4, 2002 the inventors had conceived of a system that used variable game parameters to achieve a set of objectives defined by the operator of the game as a whole. For example, the notes from the 12/4/02 meeting reflect that the inventors proposed that their invention could raise the global payout percentage “to 75%” – a mandated parameter – by “increas[ing] % of wins by the level 2,” *i.e.*, a secondary game level – a variable parameter. Ex2016. A POSITA would understand this to disclose achieving mandated parameters through first and second game play experiences which are implemented using the first and second variable parameter sets. The discussion of 1[c.i-ii] is incorporated by reference.

## The 279 Patent Inventors Conceived Of The Claimed Inventions By December 4, 2002

### The Evidence Demonstrates Conception of a “play engine” to “utilize the first and second programmable variable parameter sets to *achieve the mandated parameters*” (Limitation 1[c.iii])

In connection with the 861 Application, by April 15, 2002 the inventors had already conceived and reduced to practice a system that received, stored, and implemented “variable components” in game play, including game selection, difficulty, and prizing. See generally Ex2017 ¶¶7-12. The 861 Application called these parameters “variable game play parameters” in the original April 15, 2002 claims. See Ex2014 at Claims 23-29.

By December 4, 2002, as reflected in Ex2016, the inventors disclosed that such variable parameters could be used to achieve objectives set by the game operator. For example, the notes from the 12/4/02 meeting reflect that the inventors proposed that their invention could raise the global payout percentage “to 75%” – a mandated parameter – by “increas[ing] % of wins by the level 2,” i.e., a secondary game level – a variable parameter. Ex2016.

## 279 Patent: Issues

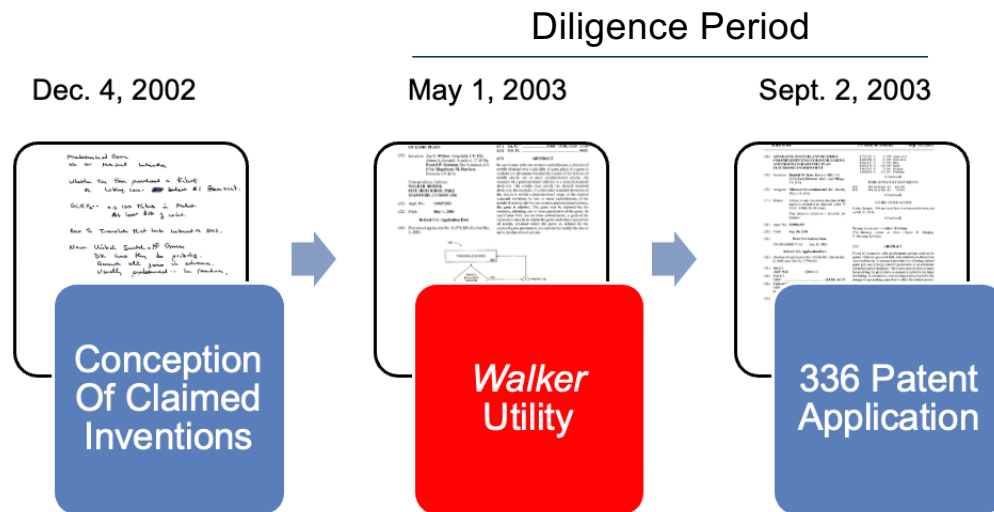
- Ground 2:
  - Whether Walker is Prior Art to the 336 and 279 Patents
    - Prior Conception
    - Reasonably Continuous Diligence In Reduction to Practice
    - Whether Petitioner Demonstrated Walker Is Entitled to Its Provisional Application Date

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

# The Inventors Exercised Reasonably Continuous Diligence In Reduction To Practice

## Petitioner:

“PO asserts that it exercised reasonable diligence. POR, 47-48. 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.”



DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

Patent Owner's Reply (2025-712, Paper No. 21) at 20

## The Inventors Exercised Reasonably Continuous Diligence In Reduction To Practice

“Reasonable diligence must be shown throughout the entire critical period, which begins just prior to the competing reference's effective date and ends on the date of the invention's reduction to practice.’ An inventor's testimony of reasonable diligence throughout the critical period ‘must be corroborated by evidence.’ We apply a ‘rule of reason’ to evaluate such corroborating evidence. Crucially for this case, diligence need not be perfectly continuous—only *reasonably* continuous. ‘[P]eriods of inactivity within the critical period do not automatically vanquish a patent owner's claim of reasonable diligence.’ ‘[T]he point of the diligence analysis is not to scour the patent owner's corroborating evidence in search of intervals of time where the patent owner has failed to substantiate some sort of activity.’ *Id.* Rather, the adequacy of the reduction to practice is determined by whether, ‘in light of the evidence as a whole, ‘the invention was not abandoned or unreasonably delayed.’”

*Arctic Cat Inc. v. GEP Power Prods.*, 919 F.3d 1320, 1331 (Fed. Cir. 2019)(internal citations omitted)

## The Inventors Exercised Reasonably Continuous Diligence In Reduction To Practice

25. Shortly after meeting with Mr. Murphy in December 2002, I experienced a major health crisis. At the beginning of January 2003, I noticed a lump in my neck. I went to my doctor on January 6. It was a swollen lymph node. He took a series of blood tests and put me on a course of antibiotics.

28. Results from the biopsy came in on March 25, and at that point my world was turned upside down. I was diagnosed with acute t-cell lymphoblastic lymphoma, a very rare and aggressive cancer. See <https://www.cancer.org/cancer/types/non-hodgkin-lymphoma/treating/t-cell-lymphoma.html>. Naturally, I immediately prioritized my treatment and recovery from this life-threatening illness. My first appointment with the oncologist was a day later, followed by several additional appointments, a CT scan and a bone marrow biopsy.

40. My illness, and the therapy regimen I've described above, made it very difficult for me to do anything other than undergo treatment, and then recover from it – including working on our new patent application. When I did have time available, I frequently felt too unwell to work. Nonetheless, during this period, I worked with Mr. Murphy as often as I could, and for as long as I could, in view of my health and treatment regime. I have reviewed Mr. Murphy's declaration and description of our meetings during that period from his billing records, and they align with my own recollection. The first patent application based off of the December 4, 2002 disclosure was filed September 2, 2003, as SN 10/654,585; this was just as I was completing my initial course of chemotherapy.

## The Inventors Exercised Reasonably Continuous Diligence In Reduction To Practice

21. The first patent application based off of the December 4, 2002 disclosure was filed September 2, 2003, as SN 10/654,585, published as 2004/0259631 on Dec. 23, 2003, and issued as U.S. Patent 7,798,896 on September 21, 2010. Ex2001.

22. In my view, the 10 month period between the December 2, 2002 meeting and the filing of this application was as fast as we could accomplish under the circumstances. As I understand is addressed in a declaration from Randall Katz, Mr. Katz was diagnosed with lymphoma at the beginning of 2003 and immediately commenced intensive treatment, including chemotherapy and repeated doctor visits, that continued for the entire year. Mr. Katz was often unwell, and unable to work as he previously could. As a result, our progress was understandably slowed by Mr. Katz's illness and treatment. That said, we worked as diligently as we could under the circumstances to prepare and file the application.

# The Inventors Exercised Reasonably Continuous Diligence In Reduction To Practice

| Date          | Activity                                                                                                 |
|---------------|----------------------------------------------------------------------------------------------------------|
| May 1, 2003   | Outline Topics for Cases                                                                                 |
| May 6, 2003   | Telephone Conference Randy Katz & David Murphy                                                           |
| May 7, 2003   | Telephone Conference Randy Katz & David Murphy                                                           |
| May 9, 2003   | Telephone Conference Randy Katz & David Murphy                                                           |
| May 14, 2003  | Review and Revise claims                                                                                 |
| May 15, 2003  | Telephone Conference Randy Katz & David Murphy                                                           |
| May 20, 2003  | Prepare Outline Regarding New Application                                                                |
| May 21, 2003  | Telephone Conference Randy Katz & David Murphy                                                           |
| May 23, 2003  | Outline Action Items List                                                                                |
| May 29, 2003  | Application Preparation                                                                                  |
| Jun. 10, 2003 | Attend to foreign filing formalities Prepare action item list                                            |
| Jun. 12, 2003 | Draft Application regarding <u>vGLEPs</u>                                                                |
| Jun. 13, 2003 | Draft Patent Application Including Specification and Claims                                              |
| Jun. 17, 2003 | Draft Supplements to Application; Draft Claims                                                           |
| June 20, 2003 | Telephone Conference Randy Katz & David Murphy regarding Additions to Specification                      |
| Jun. 25, 2003 | Telephone Conference with Randy Katz, Gary Dawson and David Murphy Regarding Application                 |
| Jul. 7, 2003  | Telephone Conference with Randy Katz & David Murphy Regarding Support in Hot Seat Case                   |
| Jul. 9, 2003  | Telephone Conference with Randy Katz & David Murphy Regarding New Application                            |
| Jul. 17, 2003 | Telephone Conference with Randy Katz & David Murphy Regarding Application; Draft Inserts for Application |
| Jul. 18, 2003 | Telephone Conference with Randy Katz & David Murphy Draft Supplemental Disclosure and Claims             |

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

Murphy Decl. (2025-712, Ex2013), ¶¶ 23; see POR (2025-712, Paper No. 19) at 57-59

# The Inventors Exercised Reasonably Continuous Diligence In Reduction To Practice

| Date          | Activity                                                                                                                               |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Jul. 21, 2003 | Telephone Conference with Randy Katz & David Murphy Draft Supplemental Materials                                                       |
| Jul. 22, 2003 | Review and Revise Draft Application                                                                                                    |
| Jul. 23, 2003 | Telephone Conference with Randy Katz & David Murphy Regarding Hoosier Letter and Draft Application                                     |
| Jul. 24, 2003 | Draft Inserts for Application                                                                                                          |
| Jul. 29, 2003 | Telephone Conference with Randy Katz & David Murphy                                                                                    |
| Aug. 1, 2003  | Draft Inserts for Application                                                                                                          |
| Aug. 4, 2003  | Meeting in Beverly Hills at Katz Home with Randy Katz and Gary Dawson (Aug. 4, 2003)                                                   |
| Aug. 5, 2003  | Draft Inserts for Application                                                                                                          |
| Aug. 6, 2003  | Draft Application and Claims                                                                                                           |
| Aug. 7, 2003  | Draft Claims for Application; Modify Summary of the Invention                                                                          |
| Aug. 8, 2003  | Finalize Draft of Application                                                                                                          |
| Aug. 11, 2003 | Telephone Conference with Randy Katz & David Murphy Revise Claim Outline, Extensive Modification of Outline                            |
| Aug. 12, 2003 | Revise Application                                                                                                                     |
| Aug. 14, 2003 | Revise Application                                                                                                                     |
| Aug. 15, 2003 | Draft Outline for Claims                                                                                                               |
| Aug. 18, 2003 | Prepare Materials Regarding Application                                                                                                |
| Aug. 19, 2003 | Telephone Conference with Randy Katz & David Murphy Regarding Application<br>Revise Draft Application                                  |
| Aug. 21, 2003 | Telephone Conference with Randy Katz & David Murphy Regarding Amendments to Specification                                              |
| Aug. 22, 2003 | Telephone Conference with Randy Katz & David Murphy Regarding Case<br>Modify Draft                                                     |
| Aug. 26, 2003 | Draft Inserts for Application                                                                                                          |
| Aug. 27, 2003 | Modify Application                                                                                                                     |
| Aug. 28, 2003 | Finalize Application                                                                                                                   |
| Aug. 29, 2003 | Telephone Conference with Randy Katz & David Murphy Finalize Drawings and Specification                                                |
| Sep. 2, 2003  | Various Telephone Conferences with Randy Katz & David Murphy Regarding Application<br>Finalize Application; File Same; Modify Drawings |

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

Murphy Decl. (2025-712, Ex2013), ¶¶ 23; see POR (2025-712, Paper No. 19) at 57-59

## 279 Patent: Issues

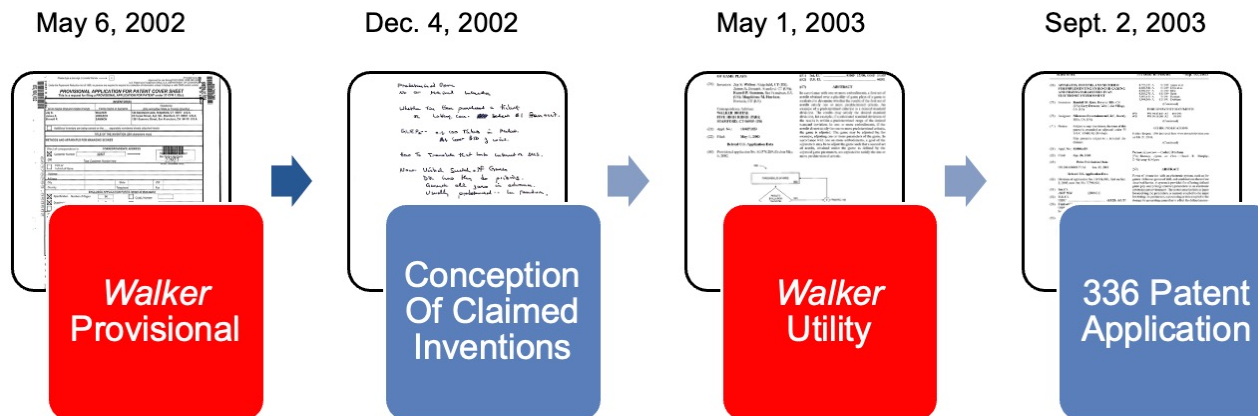
- Ground 2:
  - Whether Walker is Prior Art to the 336 and 279 Patents
    - Prior Conception
    - Reasonably Continuous Diligence In Reduction to Practice
  - Whether Petitioner Demonstrated Walker Is Entitled to Its Provisional Application Date

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

# Walker Is Not Prior Art to the 279 Patent

## Petitioner:

“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). Here, the ’289PROV satisfies both requirements.”



DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

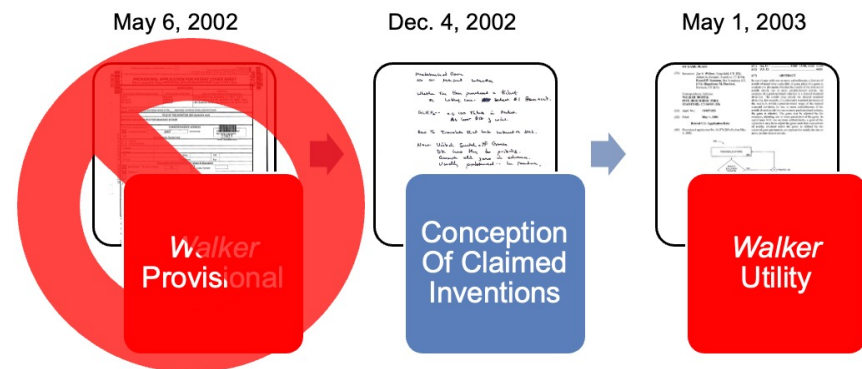
Petitioner's Reply (2025-712, Paper No. 21) at 5

# Petitioner Has Failed To Demonstrate Support In Walker Provisional For The Matter Relied On In Walker

## Petitioner:

### (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.<sup>1</sup>



DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

Petitioner's Reply (2025-712, Paper No. 21) at 10-11

## It Was Petitioner's Burden, Not Patent Owner's, To Demonstrate Support In Walker Provisional For The Matter Relied On In Walker

"In an inter partes review, the burden of persuasion is on the petitioner to prove 'unpatentability by a preponderance of the evidence,' 35 U.S.C. § 316(e), and **that burden never shifts to the patentee.**"

*Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.*, 800 F.3d 1375, 1378 (Fed. Cir. 2015)

**"[Patent Owner] produced evidence that the invention claimed in the [] patent was reduced to practice prior to the filing date of Raymond, and thus contended that the asserted claims were entitled to a date of invention prior to that of the Raymond patent.**

As a result, the burden of production returned to [Petitioner] to prove that either the invention was not actually reduced to practice as argued, or that the Raymond **prior art was entitled to the benefit of a filing date prior to the date of [Patent Owner's] reduction to practice.**"

*Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.*, 800 F.3d 1375, 1380 (Fed. Cir. 2015)

## It Was Petitioner's Burden, Not Patent Owner's, To Demonstrate Support In Walker Provisional For The Matter Relied On In Walker

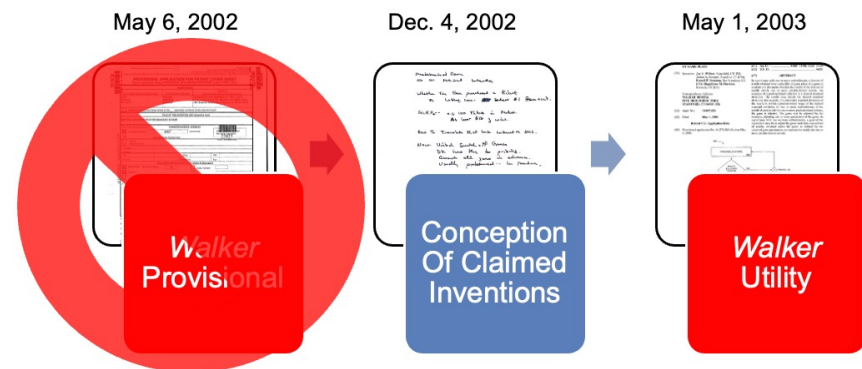
"Specifically, we have not addressed whether the Board's test is sufficient where, as here, the Examiner (or any party challenging the validity of a patent) demonstrated support for one claim and then relied on other portions of the specification (e.g., the Summary of the Invention or Detailed Description, or even other claims) to support its rejection. We conclude it is not. Even if one demonstrates that a provisional application provides written description support for one claim of the non-provisional application or patent, the provisional application must also provide written description support for the specific portions of the patent specification identified and relied on in the prior art rejection. In other words, to claim priority to the provisional filing date, the portion of the application relied on by the examiner as prior art must be supported by the provisional application. It makes no sense to suggest that if a single claim is supported by the provisional application, then everything in the later filed application gets the benefit of the provisional date whether supported or not."

*In re Riggs*, 131 F.4th 1377, 1384-85 (Fed. Cir. 2025)

# Petitioner Has Failed To Demonstrate Support In Walker Provisional For The Matter Relied On In Walker

## Petitioners:

- Had the burden (not Patent Owner) to show support in Walker Provisional for the matter relied on in Walker
- Attempt to show support in Walker Provisional only for “predetermined criteria”
- Did not attempt to show support in Walker Provisional for any other matter relied on in the Petition, including
  - A “processor” ([1.a]) (see Petition, 47);
  - “memory” ([1.b]) (see Petition, 47);
  - Memory to “store mandated and programmable variable parameters” [1.b.i] (see Petition, 48-50);
  - Memory to “record game play information regarding particular game play events” [1.b.ii]; (see Petition, 52)
  - Etc.
  - Any dependent claim
- Petitioner has failed to meet its burden to show that *Walker* should be accorded its provisional date
- *Walker* is not prior art.



DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

Patent Owner's Sur-Reply (2025-712, Paper No. 22) at 6-7

## 279 Patent: Issues

- Grounds 2 and 3:
  - Whether Walker is Prior Art to the 279 Patent
- Ground 1:
  - Whether Kelly683 discloses or renders obvious limitation 1[b.ii], 1[d.i], 1[d.ii]:
    - 1[b.ii]: “memory to... record game play information regarding particular game play events”
    - 1[d.i]: “analyze game play as a function of the recorded information regarding particular game play events,”
    - 1[d.ii]: “determine the selection of the first or second programmable variable parameter sets utilizing the recorded game play information,”
- Whether Kelly683 discloses or renders obvious limitation 1[c.iii]:
  - “utiliz[ing] the first and second programmable variable parameter sets to achieve the mandated parameters through at least the first and second game play experiences”

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

## 279 Patent, Challenged Independent Claim 1

1 Preamble . A system for dynamically varying game play parameters in an electronic environment, over a communications network between multiple users of the system at multiple locations and a remote location including a play engine, the users utilizing communication devices, the communication devices having input capability and generate an output corresponding to the input, comprising:

1a. a processor,

1b. memory to:

1b.i. store mandated and programmable variable parameters for use in the course of game play,

1b.i.A. wherein, the mandated parameters represent parameters which must be achieved by the system as a whole, and the programmable variable parameters represent parameters characterizing at least one of: a game structure and a prizing structure,

1b.ii. record game play information regarding particular game play events, and

1b.iii. store player's club information, including at least

1b.iii.A (i) player identification information, and

1b.iii.B (ii) the amount of player points,

1c. a play engine coupled to the memory and operating with the processor to:

1c.i. implement a first set of programmable variable parameters to provide a first game play experience,

1c.ii. modify one or more programmable variable parameters to provide a second set of programmable variable parameters providing a second game play experience, wherein the first game play experience differs from the second game play experience, and

1c.iii. utilize the first and second programmable variable parameter sets to achieve the mandated parameters through at least the first and second game play experiences,

1d. a decision engine coupled to the memory and operating with the processor to:

1d.i. (i) analyze game play as a function of the recorded information regarding particular game play events, and

1d.ii. (ii) 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,

1e. a display system for displaying at least the player club points, and

1f. a system input for receiving player input.

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

279 Patent (2025-712, Ex1001), Claim 1

# Petitioner Has Failed To Demonstrate That Kelly Discloses Or Renders Obvious Limitations 1[b.ii], 1[d.i], 1[d.ii]

## Petitioner:

### 6. [1.b.ii]

Kelly683 discloses this limitation. Crevelt¶¶141-143. Kelly683 discloses storing (*record*) game play information provided by the game processor including information on game play events based on the user input (*game play information regarding particular game play events*). EX1005, 10:12-15 (“Each type of user input can provide a particular game command to the game processor 12, and the game processor interprets the commands and influences game states and game events in the game process accordingly.”); *see also id.*, 1:44-46, 9:62-66, 46:32-37, 46:49-52.

Kelly683 also discloses recording which games the user previously played. Ex1005 6:24-28 (“receiving an identifier from the game apparatus of a particular user selected from a group of identifiers including: (1) a user identifier relating to the user (i.e., player) of the network gaming and prize redemption system; (2) a game identifier relating to a particular game played by the user of the network gaming system”); *see also* 39:8-15.

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

1[b.ii]: “memory to... **record game play information regarding particular game play events**”

1[d.i]: “analyze game play as a function of **the** recorded information regarding particular game play events,”

1[d.ii]: “determine the selection of the first or second programmable variable parameter sets utilizing **the** recorded game play information,”

Petition (2025-712, Paper No. 3) at 22-23

## Petitioner Has Failed To Demonstrate That Kelly Discloses Or Renders Obvious Limitations 1[b.ii], 1[d.i], 1[d.ii]

### Petitioner's Evidence for Limitation 1[b.ii] Contends "User Inputs" And a "Game Identifier" Are The Information That Is "recorded"

#### Ex1005

- 10:12-15 ("Each type of user input can provide a particular game command to the game processor. . . .")
- 1:44-46 ("These games typically include a **video screen and buttons or other controls** for the player")
- 9:62-66 ("Input devices **16** are used by a player or user **to provide input to the game unit 10** to influence game events during a game process. . . .")
- 46:32-37 ("As shown, input devices **700** may be used by a player or user **to provide input to the game unit** to influence game events. . . .")
- 46:49-52 ("game commands provided by controlling devices such as buttons, a keyboard, dials, a joystick controls," etc., in which "each **type of user input can provide a particular game command to the computer**, and the computer interprets the commands and influences game states and game events in the game process accordingly.").

1[b.ii]: "memory to... **record game play information regarding particular game play events**"

1[d.i]: "analyze game play as a function of **the** recorded information regarding particular game play events,"

1[d.ii]: "determine the selection of the first or second programmable variable parameter sets utilizing **the** recorded game play information,"

# Petitioner Has Failed To Demonstrate That Kelly Discloses Or Renders Obvious Limitations 1[b.ii], 1[d.i], 1[d.ii]

## The Petition

- Never identifies that these "user inputs" are recorded in memory
- Identifies no "game state" or "game event" that is recorded
- Ignores that a POSITA would not regard Kelly's "user inputs" such as button presses to be "game play events" stored by the system.
  - See Szeder Decl., Ex2012, ¶¶68-70
- Ignores that a POSITA would not regard Kelly's "game identifier" to be a "game play event" stored by the system.
  - See Szeder Decl., Ex2012, ¶¶71-72
- Identifies no disclosure that Kelly's system performs "game analytics" on these ephemeral "user inputs" or "game identifier" as required by limitation 1[d.i], or uses them to determine the selection of variable parameters, as required by 1[d.ii]

1[b.ii]: "memory to... record game play information regarding particular game play events"

1[d.i]: "analyze game play as a function of **the** recorded information regarding particular game play events,"

1[d.ii]: "determine the selection of the first or second programmable variable parameter sets utilizing **the** recorded game play information,"

## Petitioner Has Failed To Demonstrate That Kelly Discloses Or Renders Obvious Limitations 1[b.ii], 1[d.i], 1[d.ii]

### The Board Already Found This Evidence Does Not Disclose A Substantially Identical Limitation

(1) “a server including memory to process and store . . . game play information regarding particular game play events” (limitation [1.a.ii])

We agree with Patent Owner that Petitioner has failed to provide adequate evidence and analysis to show that Kelly discloses storing the identified user input in Kelly’s system. For instance, the portion of Kelly relied upon in the Petition describes how user input provides a particular game command to game processor 12, and game processor 12 interprets and uses this input to influence game states and game events. Ex. 1005, 10:12– 15. The portion of Kelly makes no mention of storing the user input.

Petitioner also cites generally to other portions of Kelly with insufficient explanation of their relevance. Pet. 22; Ex. 1003 ¶ 136 (citing 1:44–46, 9:62–66, 46:32–37, 46:49–52). These cited passages describe generally that a computer, on which games are played, includes a video screen and buttons, and that user input is provided to a game unit to influence game events and/or provide particular game commands to the computer. Ex. 1005, 1:44–46, 9:62–66, 46:32–37, 46:49–52. Petitioner fails to sufficiently show how any of these passages describes storing user input, such as button presses, in Kelly’s system.

2025-712, Ex2018 (Decision Denying Institution in IPR2025-00713) at 19

1[b.ii]: “memory to... record game play information regarding particular game play events”

1[d.i]: “analyze game play as a function of the recorded information regarding particular game play events,”

1[d.ii]: “determine the selection of the first or second programmable variable parameter sets utilizing the recorded game play information,”

## Petitioner Has Failed To Demonstrate That Kelly Discloses Or Renders Obvious Limitations 1[b.ii], 1[d.i], 1[d.ii]

### Petitioner:

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*.

### Materially Different?

- IPR2025-00713

“a server including memory to process and store . . . game play information regarding particular game play events”

- Here

“memory to...record game play information regarding particular game play events”

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

Petitioner's Reply (2025-712, Paper No. 21) at 25

## Petitioner Has Failed To Demonstrate That Kelly Discloses Or Renders Obvious Limitations 1[b.ii], 1[d.i], 1[d.ii]

### Petitioner:

Kelly683 discloses this limitation. Crevelt¶¶179-183. Kelly683 discloses *analyz[ing] game play as a function of the recorded information regarding particular game play events* because the game system analyzes game play as a function of difficulty or past wins.

With respect to *recorded information regarding particular game play events* as difficulty, Kelly683 discloses the adjustment of game difficulty to achieve an average payout level of prize credits, which in turn will achieve the global payout percentage inputted by an operator. Crevelt¶180; EX1005, 38:65-39:7 (examples of adjusting difficulty).

With respect to *recorded information regarding particular game play events* as past wins, Kelly683 discloses tracking past wins to provide an overall prize or to adjust prizes to achieve global payout or win ratios. Crevelt¶181; *see also* EX1005, 37:1-10. Kelly683 discloses that “FIG. 6 a illustrates an example display of score and prize credits (shows as “tickets”) won by a player after a game is over... A score of higher value is awarded to reflect this necessary higher skill. In the described embodiment, a multiplier is applied to the score to achieve a total score 366.” EX1005, 26:59-27:1, 57:27-33.

1[b.ii]: “memory to... record game play information regarding particular game play events”

1[d.i]: “analyze game play as a function of the recorded information regarding particular game play events,”

1[d.ii]: “determine the selection of the first or second programmable variable parameter sets utilizing the recorded game play information,”

## Petitioner Has Failed To Demonstrate That Kelly Discloses Or Renders Obvious Limitations 1[b.ii], 1[d.i], 1[d.ii]

### Petitioner's Evidence for Limitation 1[d.i] Is Not The "User Inputs" Or "Game Identifier" Identified as the "game play events" of 1[b.ii]

1[b.ii]: "memory to... record game play information regarding particular game play events"

- User inputs
- "Game identifier"

1[d.i]: "analyze game play as a function of the recorded information regarding particular game play events,"

- Game difficulty
- Past wins

1[b.ii]: "memory to... record game play information regarding particular game play events"

1[d.i]: "analyze game play as a function of the recorded information regarding particular game play events,"

1[d.ii]: "determine the selection of the first or second programmable variable parameter sets utilizing the recorded game play information,"

## Petitioner Has Failed To Demonstrate That Kelly Discloses Or Renders Obvious Limitations 1[b.ii], 1[d.i], 1[d.ii]

### The Board Already Found This Evidence Does Not Disclose A Substantially Similar Limitation

We agree with Patent Owner that Petitioner fails to show a reasonable likelihood of prevailing on this claim limitation because the game play events identified by Petitioner to satisfy limitation [1.a.ii] are not the same game play events that Petitioner cites in support of limitation [1.e]. Claim 1 requires in limitation [1.e] that the decision engine determines the selection of the first or second programmable variable parameters utilizing “the recorded game play information,” referring back to the recorded game play information introduced in limitation [1.a.ii]. Ex. 1001, 47:54–58 (emphasis added). Petitioner, however, fails to adequately explain how data, such as the number of times the player has played, is the game play information, i.e., button presses, that was allegedly stored by the server in limitation [1.a.ii].

2025-712, Ex2018 (Decision Denying Institution in IPR2025-00713) at 21

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

1[b.ii]: “memory to... record game play information regarding particular game play events”

1[d.i]: “analyze game play as a function of the recorded information regarding particular game play events,”

1[d.ii]: “determine the selection of the first or second programmable variable parameter sets utilizing the recorded game play information,”

POR (2025-712, Paper No. 19) at 9

## Petitioner Has Failed To Demonstrate That Kelly Discloses Or Renders Obvious Limitations 1[b.ii], 1[d.i], 1[d.ii]

### Petitioner:

#### 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.

- Petitioner does not even attempt to explain how the “game play events” “analyzed” in limitation 1[d.i] are the “user inputs” or “game identifier” identified as “game play events” in limitation 1[b.ii]
- Nothing in Petition ties 1[b.ii]’s user inputs to the material identified for 1[d.i]

## Petitioner Has Failed To Demonstrate That Kelly Discloses Or Renders Obvious Limitations 1[b.ii], 1[d.i], 1[d.ii]

### Petitioner:

As discussed in [1.d.i], Kelly683 discloses past wins and difficulty as recorded game play information.

Kelly683 further discloses *determine[ing] the selection of the game or prizing structure parameter sets by utilizing the difficulty or past wins* based on a threshold related to the global payout or win ratios (*with predefined criteria*). As to *game structure*, as discussed in [1.d.i], if the game is too easy or difficult, the difficulty can be adjusted during the course of play. EX1005, 38:55-39:7 (discussing ways to adjust difficulty in action games, card games, quiz games, games with a fixed duration). As to *prizing structure*, as discussed in [1.d.i], if the global payout or win ratio is too high based on past wins, the prizing structure can be adjusted to achieve the global payout or win ratio. EX1005, 37:1-10 (“For example, every 8,000 games, two video consoles are to be awarded. If it is randomly determined that a third video console is to be awarded within, e.g., the 3,000th game, then a different prize can be awarded so that the desired odds are better met.”).

1[b.ii]: “memory to... record game play information regarding particular game play events”

1[d.i]: “analyze game play as a function of the recorded information regarding particular game play events,”

1[d.ii]: “determine the selection of the first or second programmable variable parameter sets utilizing the recorded game play information,”

## Petitioner Has Failed To Demonstrate That Kelly Discloses Or Renders Obvious Limitations 1[b.ii], 1[d.i], 1[d.ii]

### Petitioner's Evidence for Limitation 1[d.i] Is Not The "User Inputs" Or "Game Identifier" Identified as the "game play events" of 1[b.ii]

1[b.ii]: "memory to... record game play information regarding particular game play events"

- User inputs
- "Game identifier"

1[d.ii]: "analyze game play as a function of the recorded information regarding particular game play events,"

- Game difficulty
- Past wins

1[b.ii]: "memory to... record game play information regarding particular game play events"

1[d.i]: "analyze game play as a function of the recorded information regarding particular game play events,"

1[d.ii]: "determine the selection of the first or second programmable variable parameter sets utilizing the recorded game play information,"

## Petitioner Has Failed To Demonstrate That Kelly Discloses Or Renders Obvious Limitations 1[b.ii], 1[d.i], 1[d.ii]

### The Board Already Found This Evidence Does Not Disclose A Substantially Similar Limitation

We agree with Patent Owner that Petitioner fails to show a reasonable likelihood of prevailing on this claim limitation because the game play events identified by Petitioner to satisfy limitation [1.a.ii] are not the same game play events that Petitioner cites in support of limitation [1.e]. Claim 1 requires in limitation [1.e] that the decision engine determines the selection of the first or second programmable variable parameters utilizing “the recorded game play information,” referring back to the recorded game play information introduced in limitation [1.a.ii]. Ex. 1001, 47:54–58 (emphasis added). Petitioner, however, fails to adequately explain how data, such as the number of times the player has played, is the game play information, i.e., button presses, that was allegedly stored by the server in limitation [1.a.ii].

1[b.ii]: “memory to... record game play information regarding particular game play events”

1[d.i]: “analyze game play as a function of **the** recorded information regarding particular game play events,”

1[d.ii]: “determine the selection of the first or second programmable variable parameter sets utilizing **the** recorded game play information,”

2025-712, Ex2018 (Decision Denying Institution in IPR2025-00713) at 21

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

POR (2025-712, Paper No. 19) at 9

## Petitioner Has Failed To Demonstrate That Kelly Discloses Or Renders Obvious Limitations 1[b.ii], 1[d.i], 1[d.ii]

### Petitioner:

#### 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.

- Petitioner does not even attempt to explain how the “game play events” “utilized” in limitation 1[d.ii] are the “user inputs” or “game identifier” identified as “game play events” in limitation 1[b.ii]
- Nothing in Petition ties 1[b.ii]’s user inputs to the material identified for 1[d.ii]

## Petitioner Has Failed To Demonstrate That Kelly Discloses Or Renders Obvious Limitations 1[b.ii], 1[d.i], 1[d.ii]

### The Board Already Found This Evidence Does Not Disclose A Substantially Similar Limitation

Specifically, Kelly uses the operator's desired odds of winning the available prize, in combination the number of prizes already awarded, as the statistical information to determine which prize to award,

For example, every 8,000 games, two video consoles are to be awarded. If it is randomly determined that a third video console is to be awarded within, e.g., the 3,000th game, then a different prize can be awarded so that the desired odds are better met. For example, the next most valuable prize in the list can be awarded instead of the video console, as long as awarding the next prize would fit the desired odds for that prize.

*Id.* at 37:1–9; Fig. 9a. Petitioner has failed to adequately explain where the “statistical information” discussed above from columns 25, 32, 40, and 56 of Kelly is used in the example described in column 36 to select between variable parameters based on stored game play events.

For these reasons, Petitioner has failed to demonstrate a reasonable likelihood of prevailing to show that Kelly renders obvious limitation [1.e].

2025-712, Ex2018 (Decision Denying Institution in IPR2025-00713) at 21  
DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

1[b.ii]: “memory to... record game play information regarding particular game play events”

1[d.i]: “analyze game play as a function of **the** recorded information regarding particular game play events,”

1[d.ii]: “determine the selection of the first or second programmable variable parameter sets utilizing **the** recorded game play information,”

POR (2025-712, Paper No. 19) at 13-16

# THANK YOU

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE