

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GSN GAMES, INC.,
Petitioner,

v.

BALLY GAMING, INC.,
Patent Owner.

Case CBM2015-00155
Patent 5,816,918

Before MICHAEL P. TIERNEY, PATRICK R. SCANLON, and
HYUN J. JUNG, *Administrative Patent Judges*.

JUNG, *Administrative Patent Judge*.

DECISION

Institution of Covered Business Method Patent Review
37 C.F.R. § 42.208

I. INTRODUCTION

GSN Games, Inc. (“Petitioner”) filed a Petition (Paper 1, “Pet.”), requesting institution of a covered business method patent review of claims 1, 3, 15–22, 24, 25, 28, 32–34, 39, 73–75, and 77 of U.S. Patent No. 5,816,918 (Ex. 1001, “the ’918 patent”). Bally Gaming, Inc. (“Patent Owner”) filed a Preliminary Response (Paper 7, “Prelim. Resp.”).¹ We have jurisdiction under 35 U.S.C. § 324.

Upon consideration of the Petition and the Preliminary Response, we determine that it is more likely than not that Petitioner would prevail with respect to claims 1, 3, 15–22, 24, 25, 28, 32–34, 39, 73–75, and 77 of the ’918 patent. 35 U.S.C. § 324(a). Accordingly, we institute a covered business method patent review as to claims 1, 3, 15–22, 24, 25, 28, 32–34, 39, 73–75, and 77 for the reasons that follow.

A. *Related Proceedings*

The ’918 patent is the subject of *Arcade Planet, Inc. v. Worldwinner.com, Inc.*, No. 3:03-cv-00063 (D. Nev.) and *Arcade Planet, Inc. v. eUniverse, Inc.*, No. 3:03-cv-00062 (D. Nev.). Pet. 3; Paper 5, 2.

The ’918 patent was the subject of Reexamination No. 90/006,601, and an *ex parte* Reexamination Certificate issued on June 30, 2014 that canceled claims 35–37 and 40–44 and amended claims 34, 38, 39, 45, and 46. Additionally, claims 1–34, 38, 39, and 45–77 of the ’918 patent have

¹ The Notice of Filing Date Accorded to Petition indicates “Mailed: July 23, 2015,” but our filing system indicates that the Notice was entered on July 22, 2015. The Preliminary Response was filed on October 23, 2015. In the event that the Preliminary Response is considered filed late, we excuse the late filing because consideration of the Preliminary Response on the merits would be in the interests of justice. 37 C.F.R. § 42.5(c)(3).

been challenged in related covered business method patent review
CBM2015-00154.

B. The '918 Patent (Ex. 1001)

The '918 patent relates to “redemption games allowing a player to receive one or more prizes in connection with playing the game.” Ex. 1001, 1:16–19. Figure 1 of the '918 patent is reproduced below.

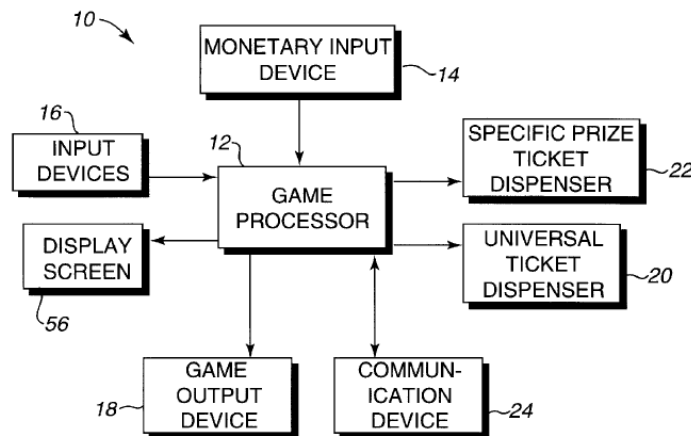


Figure 1

Figure 1 is a block diagram of a game apparatus. *Id.* at 4:62–63, 5:49–51. The '918 patent states that “prize information is automatically determined for each of the prizes, the prize information being determined in view of a desired profitability of the game apparatus.” *Id.* at 4:1–4. Figure 1 shows “a generic architecture using components typical to game apparatuses suitable for use with” the '918 patent. *Id.* at 5:54–57. “Game unit 10 can take a variety of forms, including a video game apparatus having one or more display screens, a mechanical game having playing pieces and/or other moving mechanical parts, a personal computer system, a ‘network

computer’, a television including or connected to a microprocessor . . . , or other apparatus.” *Id.* at 5:57–63.

Game unit 10 can include game processor 12, monetary input device 14, player input device 16, game output device 18, universal ticket dispenser 20 that can dispense vouchers for redeeming prizes, specific prize ticket dispenser 22, and communication device 24 for optionally communicating with other game apparatuses. *Id.* at 6:10–14, 11:35–39.

Game processor 12 can be “implemented within a standard personal computer, workstation, network computer, or similar device” and “can include a well-known microprocessor such as a Pentium-based microprocessor.” *Id.* at 13:37–39, 14:61–63. Monetary input device 14 can be, for example, a coin deposit slot or a debit or credit card reader. *Id.* at 6:34–50. Player input device 16 can be buttons, keyboards, dials, joystick controls, touch screen, track ball, mouse, gun device, steering wheel, foot pedals, speech input, or any other input used in playing a game. *Id.* at 7:4–10. Game output device is preferably display screen 56, and game processor 12 “utilizes appropriate display drivers, graphics chips, and/or other well-known components to display and update images on the display screen.” *Id.* at 8:13–16. “[T]ickets can be dispensed from ticket dispensing mechanisms well-known to those skilled in the art.” *Id.* at 8:36–37. “Communication device 24 can be implemented as any one of many devices well known to those skilled in the art.” *Id.* at 12:31–32.

Another embodiment of game unit 10 can be used for linked or networked game play using communication device 24 to implement tournament games. *Id.* at 13:48–57, 15:5–8, 17:66–67. With reference to a flowchart shown in Figure 9, the ’918 patent describes the adjustment of

prize characteristics that utilizes equations solving for revenue required, value, prize cost, ratio 488, and multiplier. *Id.* at 32:24–38:33.

Of the challenged claims, claims 1, 15, 21, 34, 39, and 73 are independent, and claims 34 and 39 were amended during reexamination. Claim 1 is reproduced below:

1. A method for providing a prize redemption system for a game apparatus, said prize redemption system being customizable by an operator, said method comprising:

receiving a prize list on a game apparatus, said prize list including names of a plurality of prizes available to be won by playing said game apparatus, wherein said game apparatus receives monetary income from players in exchange for use of said game apparatus, and wherein said players may win prize credits by playing said game apparatus;

receiving a cost of each of said prizes on said game apparatus; and

determining on said game apparatus a prize cost to be associated with each of said plurality of prizes, said prize cost being in terms of prize credits and determined in view of a desired profitability of said game apparatus, and wherein a player of said game apparatus may select one of said prizes by exchanging a number of prize credits equal to said prize cost of said selected prize.

C. Challenge

Petitioner challenges claims 1, 3, 15–22, 24, 25, 28, 32–34, 39, 73–75, and 77 as unpatentable under 35 U.S.C. § 101. Pet. 19, 24.

II. ANALYSIS

A. Petitioner’s Eligibility to File a Petition

Section 18 of the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”) governs the transitional program for

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.