

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**  
**BEFORE THE PATENT TRIAL AND APPEAL BOARD**

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In re *Inter Partes* Review of:  
U.S. Patent No. 7,326,113

For: Gaming Machine with a Fixed Wild Symbol

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**DECLARATION OF RICHARD MICHAELSON**

**Mail Stop PATENT BOARD**  
Patent Trial and Appeal Board  
U.S. Patent and Trademark Office  
P.O. Box 1450  
Alexandria, VA 22313-1450

I, RICHARD MICHAELSON, hereby declare as follows:

1. I have been retained as a technical consultant on behalf of IGT, the petitioner in this proceeding. I am being compensated at my customary hourly rate. I have no present financial interest in IGT, nor do I have any financial interest in the patent owner, Aristocrat Australia Pty Ltd. My compensation is not dependent upon the outcome of, or my testimony in, the present *inter partes* review (“IPR”) or any other proceedings.

2. I have reviewed the following materials:

<b>Exhibit</b>	<b>Description</b>
Ex. 1001	U.S. Patent No. 7,326,113 to Bennett, et al. (“the ’113 Patent”)
Ex. 1002	File History for U.S. Patent No. 7,326,113
Ex. 1003	Legato, Frank, “World of Slots,” <i>Casino Journal</i> , Sept. 1998 (“Legato”)
Ex. 1004	Definition of “superimpose” in Merriam-Webster’s Collegiate Dictionary, Tenth Edition (1993)
Ex. 1005	Australian Patent No. AU-A-43488/99 to Timperley (“Timperley”)
Ex. 1006	Australian Patent Application No. AU199917318 A1 to Bennett (“Bennett”)
Ex. 1008	Richard Michaelson Curriculum Vitae
Ex. 1009	Fey, Marshall; <i>Slot Machines: A Pictorial History of the First 100 Years</i> (5th ed. 1997)

3. I understand that the application leading to the ’113 Patent was Application 10/182,318, which claims priority to International Application No.

PCT/AU01/00323, which in turn claims priority to Australian application No. PQ 6637, filed March 31, 2000. For purposes of this declaration, I have assumed the position of the person of ordinary skill in the art (“POSA”) as of March 2000, although the technology described in the patent and cited prior art was known and recognized even earlier.

### **Background and Qualifications**

4. My background, qualifications, and experience relevant to the issues in this IPR proceeding are summarized below. I have also included my current curriculum vitae as Exhibit 1008.

5. I am an expert in the design, development, and operation of gaming machines and gaming systems for the casino industry. I have been involved in the industry for more than thirty-five years.

6. I began my post-high school education at Oregon Technical Institute in 1966, where I took courses in electronics technology. I later completed my Bachelor of Science degree at the University of Nevada, Reno in 1979. I graduated with a major in mathematics and a minor in physics.

7. My experience in the gaming industry began in 1973, when I joined Harrah’s Hotel and Casino in Reno, Nevada as an electronics technician. I soon moved to Harrah’s experimental shop, where I played a significant role in the design and development of a slot machine that Harrah’s was developing for its own

casinos. Among other contributions, I wrote the assembly language code for the Intel 4040 microcontroller that operated the slot machine. The Harrah's slot machine was one of the first microcontroller-operated slot machines ever produced. I continued to work at Harrah's as an electrical engineer and slot mechanic until 1979.

8. In 1980, I joined Summit Systems as a slot machine firmware engineer. I wrote code for the company's Zilog Z80 microprocessor-controlled slot machine. The machine was a spinning reel slot with a solenoid-activated stop mechanism. The slot machines had game designs with standard fruit and bar paytables.

9. Later in 1980, I started my own gaming company with my friend and colleague Richard Mathis. The company was called P.I. Kaiser, Inc. At P.I. Kaiser, I designed and developed one of the first systems for offering multi-machine progressive jackpots. The system controller linked all the slot machines in a bank (often eight to twelve machines) and displayed the increasing progressive award on a large electrical sign mounted above the machine bank. I installed this progressive system in several casinos in Nevada, throughout the United States, and internationally through our distributor, Bally Distributing.

10. In 1981, I joined International Game Technology ("IGT"). I worked primarily as a firmware engineer and a slot machine designer. While at IGT, I worked on the development of one of IGT's first video slot machines—a nine-coin

machine with three sets of three reels. I also played a central role in the development of an IGT stepper-motor slot. I wrote all of the Intel 8031 micro-controller code for the game. I completed this first stint at IGT in 1985.

11. I did not work in the slot machine industry from 1985 to 1993. During that time I held engineering positions at several different companies and worked on the design and development of various products, including science lab equipment, medical equipment, leak-detection systems for underground gas tanks, and player-activated lottery terminals.

12. I reentered the slot machine industry in 1993, when I joined Bally Systems as an engineering manager. At Bally, I played an integral role in the design, development, and implementation of the company's slot data system ("SDS"). SDS was a casino-management tool that monitored all of the slot machines on the casino floor, including the amount of money taken in, the amount of money paid out, and machine malfunctions. At the time, SDS was the industry leader in the field of casino management.

13. In 1994, I left Bally to join Spintek International, a startup slot machine manufacturing company. I served as the company's President, lead firmware engineer, and lead game designer. I oversaw the design and development of Spintek's spinning-reel slot machine. Spintek produced several dozen prototypes of the slot machine, but the product never made it to market.

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