UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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ZYNGA INC.,
Petitioner,

v.

IGT,
Patent Owner.

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IPR2022-00199
Patent 7,168,089

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Before MEREDITH C. PETRAVICK, SCOTT A. DANIELS, and
BARBARA A. PARVIS, *Administrative Patent Judges.*

DANIELS, *Administrative Patent Judge.*

DECISION
Granting Institution of *Inter Partes* Review
*35 U.S.C. § 314*

## I.    INTRODUCTION

Zynga Inc., ("Zynga" or "Petitioner") filed a Petition requesting *inter partes* review of claims 28–29, 31–33, 47–50, 84–86, 90–92, and 99–100 of U.S. Patent No. 7,168,089 (Ex. 1001, "the '089 patent"). Paper 1 ("Pet."). IGT, ("IGT" or "Patent Owner") filed a Preliminary Response to the Petition. Paper 6 ("Prelim. Resp."). Zynga then filed a Reply, as authorized by the Board, to IGTs Preliminary Response. Paper 8 ("Prelim. Reply"). IGT filed a Preliminary Sur-Reply. Paper 10 ("Prelim. Sur-Reply").

Under 35 U.S.C. § 314(a), an *inter partes* review may not be instituted "unless . . . there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition." Upon consideration of the arguments and evidence presented by Zynga and IGT, we are persuaded that Zynga has demonstrated a reasonable likelihood that it would prevail in showing the unpatentability of at least one of the challenged claims. *See* 35 U.S.C. § 314(a). Accordingly, we institute an *inter partes* review of the challenged claims.

### A.    *Real Parties in Interest*

Zynga states that Zynga Inc., is the real party in interest. Pet. 4. IGT states that it is the patent owner and a real party in interest. Paper 3.

### B.    *Related Matters*

The parties indicate that the '089 patent has been asserted against Zynga in *IGT et al. v. Zynga Inc.*, 6:21-cv-00331, U.S. District Court for the Western District of Texas, ("the infringement action"). Pet. 4; Paper 3.

The parties also indicate that the '089 patent was at issue in *Zynga Inc. v. IGT*, Patent Interference No. 105,747, terminated February 14, 2014 ("the Interference" or "the '747 Interference"). *Id.*

C.     *The '089 Patent*

The '089 patent is titled "Secured Virtual Network in a Gaming Environment" and discloses gaming machines and secure communications for transferring gaming software and information between a gaming machine and a gaming server.  Ex. 1001, code (54), Abstract.  The '089 patent explains also that "the transfer of gaming software between the two gaming devices may be authorized and monitored by a software authorization agent."  *Id.* code (54).  Figure 8 of the '089 patent is reproduced below.
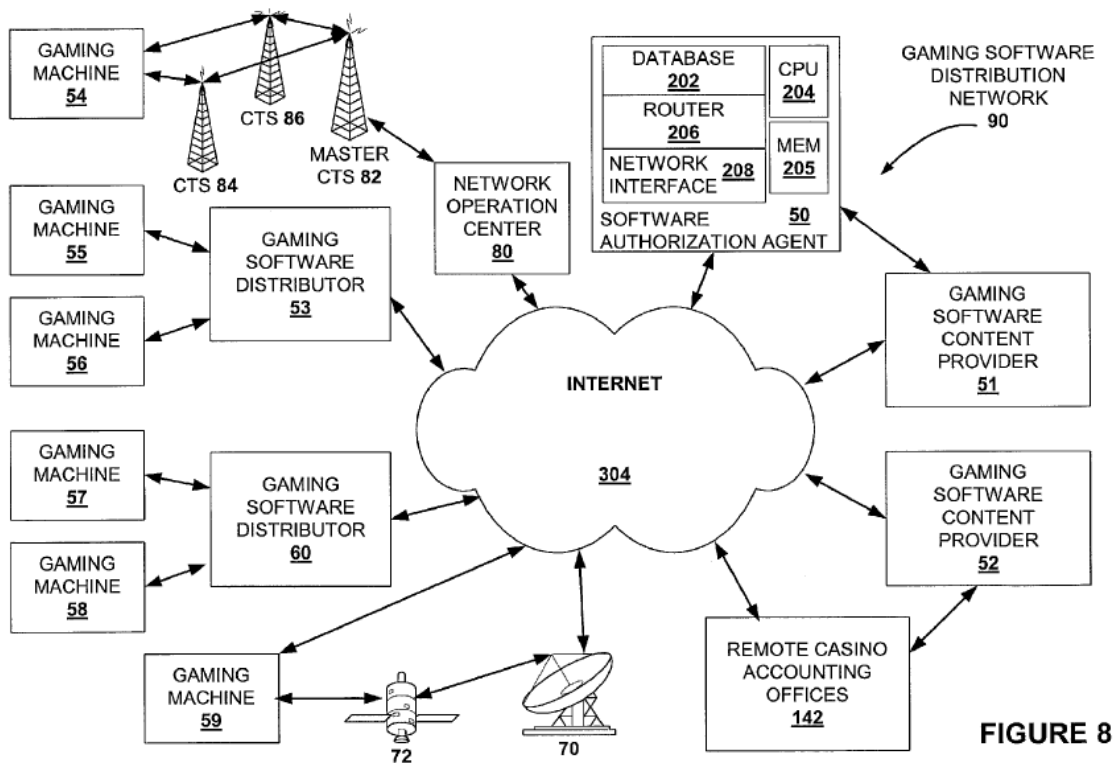


**FIGURE 8**

Figure 8 of the '089 patent, above, is a block diagram illustrating gaming software distribution network 90 including, e.g., gaming machine 57 communicating with gaming software distributor 60, which in turn communicates via internet 304 with software authorization agent 50.  The '089 patent describes that a "software authorization agent" "facilitate[s] a

transfer of gaming software" by authenticating gaming machines and "approv[ing] or reject[ing] the transfer of gaming software" to those machines. *Id.* at 4:41–56. The "gaming software authorization agent . . . allow[s] gaming software to be electronically transferred between gaming devices . . . in a manner that may be easily monitored and regulated." *Id.* at 25:1–5. Figure 9 of the '089 patent is reproduced below.
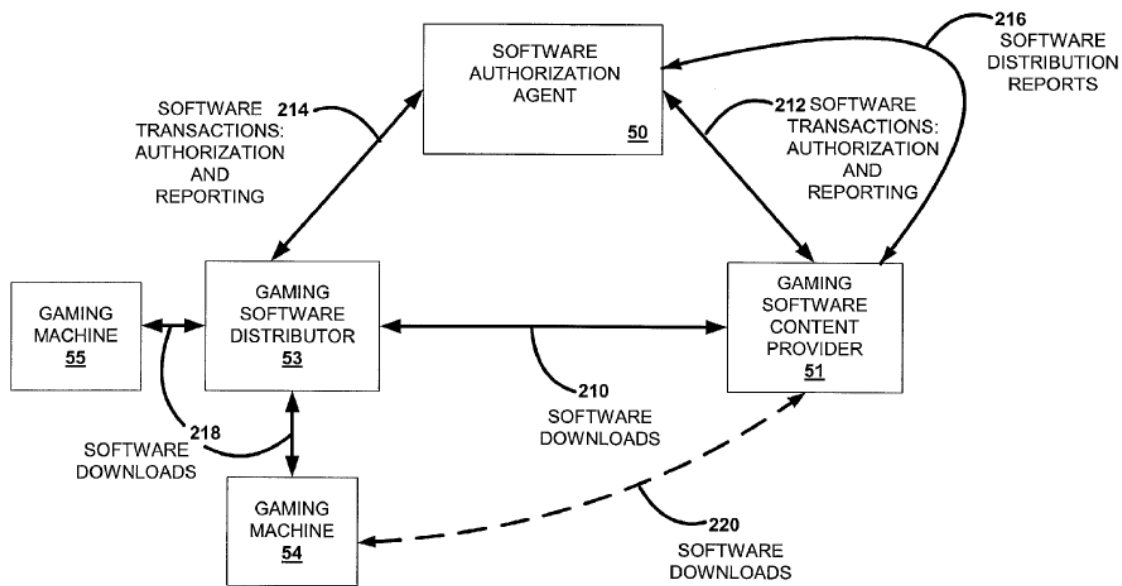


**FIGURE 9**

Figure 9 of the '089 patent, above, is a block diagram illustrating transactional communications between gaming machine 55, gaming software distributor 53, gaming software content provider 51, and software authorization agent 50. Considering Figures 8 and 9, the '089 patent describes that

> the gaming software distributor 53, which may be a game server maintained by a casino, may contact the software authorization agent 50 to request a transfer of gaming software from the gaming software provider 51 to the gaming distributor 53. The gaming distributor may also contact the software authorization agent to request a transfer of gaming software from the gaming

software provider 51 to another gaming device such as gaming machine [54].

*Id.* at 28:40–47.

D.     *Illustrative Claim*[1]

Claims 28 and 84 are independent.  Each of claims 29, 31–33, 47–50, 85–86, 90–92, and 99–100 ultimately depend from one of independent claims 28 and 84.  Claim 28 is reproduced below and illustrates the claimed subject matter including certain limitations of importance italicized:

> 28.  [28-p] In *a software authorization agent*, a method of *regulating a transfer of gaming software* between two gaming devices, the method comprising:
>
> [28-1] receiving a gaming software download request message with *gaming software transaction information* from a first gaming device;
>
> [28-2] validating the gaming software download request using the gaming software transaction information;
>
> [28-3] sending an authorization message to the first gaming device wherein the authorization message includes information indicating whether the first gaming device is authorized *to transfer the gaming software* to a second gaming device and wherein the first gaming device and the second gaming device are from the software authorization agent;
>
> [28-4] wherein the gaming software is for at least one of a) a game of chance played on a gaming machine, b) a bonus game of chance played on a gaming machine, c) a device driver for a for a device installed on a gaming machine, d) a player tracking service on a gaming machine and e) an operating system installed on a gaming machine.

Ex. 1001, 43:21–43 (emphasis added).

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[1] We refer to Zynga's claim limitation numbering scheme [28-p]–[28-4].

E.      *Prior Art and Asserted Grounds*

Zynga asserts that claims 28–29, 31–33, 47–50, 84–86, 90–92, and 99–100 would have been unpatentable on the following grounds:[2]

| Ground | Claim(s) Challenged | 35 U.S.C. § | Reference(s)/Basis |
|---|---|---|---|
| 1 | 28–29, 31–33, 47–48, 84–86, 90–92, 99–100 | 103 | Goldberg[3] and Olden[4] |
| 2 | 49, 50 | 103 | Goldberg, Olden, and D'Souza[5] |

## II.      ANALYSIS

A.      *Interference Estoppel*

At the outset, IGT argues that interference estoppel under 37 CFR § 41.127 bars Zynga from challenging the '089 patent on "the obviousness grounds it now seeks in the IPR."  Prelim. Resp. 12.  For the reasons that follow, to the extent Section 41.127(a)(1) applies, we waive any effects of Section 41.127 in this proceeding and determine that Zynga is not barred from pursuing *inter partes* review of the '089 patent based on interference estoppel.

1.      *Facts and Procedural History*

In 2010, Legal iGaming, the predecessor-in-interest to Zynga, provoked the Interference with IGTs '089 patent by copying the claims of

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[2] Zynga supports its challenge with a Declaration of David Crane. (Ex. 1003).  *See infra*.

[3] Ex. 1004, U.S. Patent No. 5,823,879 (iss. Oct. 20, 1998).

[4] Ex. 1005, U.S. Patent No. 6,460,141 (iss. Oct. 1, 2002).

[5] Ex. 1011, U.S. Patent No. 6,745,224 B1 (iss. Jun. 1, 2004).

the '089 patent into Zynga's patent application no. 10/658,836. Ex. 2001, 2–3; Ex. 2002. The Board of Patent Appeals and Interferences, the predecessor to the Patent Trial and Appeal Board, declared Interference No. 105,747 (RES) on March 5, 2010.[6] Ex. 2002. Subsequently, on May 3, 2010, the Board authorized certain motions proposed by IGT and Zynga, including for Zynga:

> A motion that the IGT's involved claims are unpatentable under 35 U.S.C. § 102(e) or 103(a) in view of iGaming's patent 7,260,834 [the Carlson patent] which is asserted to be entitled to the October 26, 1999, filing date of iGaming's Application 60/161,591.

Exs. 2004, 2005. Zynga did not propose any other motions for unpatentability based on any prior art besides Carlson. *Id.*

Having received authorization, on July 9, 2013, Zynga filed its Motion for Judgment on Unpatentability including obviousness based on: (a) Carlson, (b) Carlson and Wells, and (c) Carlson, Wells, and Alcom. Ex. 2006. Zynga did not propose a motion that included any of the prior art at issue in this proceeding. Each of the instant references was published at the time of the preliminary phase of the '747 Interference.

On February 14, 2014, the Board issued its Decision on Motions filed by both parties. The Board's Decision stated that

> [b]ecause we find that Zynga's specification does not provide written descriptive support for its involved claims, it is inappropriate and unfair to allow this interference to continue based upon the unsupported claims. We therefore terminate this

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[6] Unless otherwise specified, we refer to both the Board of Patent Appeals and Interferences and the Patent Trial and Appeal Board, as "the Board."

interference with a judgment against Zynga and dismiss Zynga's motions as moot.

Ex. 2001, 2.

In its Petition, filed November 19, 2021, Zynga now asserts that claims 28, 29, 31–33, 47–50, 84–86, 90–92, 99, and 100 would have been unpatentable based on Goldberg, Olden, and D'Souza.

### 2. Summary of IGTs Arguments

IGT argues that Petitioner Zynga is the losing party in the Interference, and under 37 C.F.R. § 41.127(a)(1), "in later proceedings before the Office, such as an IPR, losing parties like Petitioner are prohibited from raising arguments that could have been, but were not, made in the interference." Prelim. Resp. 13. In other words, IGT argues that because the Board entered judgment against Zynga, and because Zynga did not propose a motion for unpatentability of the '089 patent based on Goldberg, Olden and D'Souza during the Interference, Zynga is now barred from challenging the claims of the '089 patent on such a basis in this *inter partes* review proceeding.

### 3. Summary of Zynga's Arguments

Zynga argues that interference estoppel does not apply to the circumstances and facts in this proceeding. Pet. Reply 1. Because there was no decision on unpatentability in the Interference, Zynga asserts that it is free to raise the obviousness grounds based on Goldberg, Olden, and D'Souza in this proceeding. *Id.* Zynga argues that interference estoppel is based on the principle of *res judicata* "under which 'a final judgment on the merits of an action precludes . . . relitigating issues." *Id.* at 1–2 (citing *Biogen MA, Inc. v. Japanese Found. for Cancer Research*, 785 F.3d 648, 658 (Fed. Cir. 2015)). In other words, Zynga asserts that because the Board

did not decide the merits of its unpatentability challenges in the Interference, the Board effectively prevented Zynga from litigating unpatentability to a final decision. *See id.* at 2 (Zynga arguing that "there is no estoppel if "the Board expressly *prevented the party from litigating [an] issue* during the interference.").

### 4.     *Interference Estoppel Analysis*

37 C.F.R. § 41.127(a)(1) provides:

> Estoppel. A judgment disposes of all issues that were, or by motion could have properly been, raised and decided. A losing party who could have properly moved for relief on an issue, but did not so move, may not take action in the Office after the judgment that is inconsistent with that party's failure to move, except that a losing party shall not be estopped with respect to any contested subject matter for which that party was awarded a favorable judgment.

In an interference proceeding a party may propose multiple substantive motions for unpatentability. However, regardless of whether the Board authorizes the movant to file all, some, or none of the proposed motions for unpatentability, the Board's initial focus in an Interference considers threshold issues "that if resolved in favor of the movant, would deprive the opponent of standing in the interference." 37 C.F.R. § 41.201. Threshold issues include "[u]npatentability for lack of written description under 35 U.S.C. 112 of an involved application claim." *Id.* § 41.201(2)(ii). Indeed, this was the case in the Interference involving the '089 patent, and where the Board decided the Interference on the threshold ground of written description under 35 U.S.C. 112, thus did not need to, and in fact did not, analyze or decide any issues of unpatentability based on prior art. *See* Ex. 2001 (the Board declaring Zynga's motion for unpatentability moot "[b]ecause we find that Zynga's specification does not provide written

descriptive support for its involved claims, it is inappropriate and unfair to allow this interference to continue based upon the unsupported claims.").

In the '747 Interference, because it was moot, the Board did not make a determination as to unpatentability on any prior art. Also, in the circumstances of this case, Zynga provoked the Interference in 2010, two years prior to promulgation of Part 42 under the AIA. Considering the facts of this case, we determine that it would be unfair to impose the consequences of interference estoppel on Zynga. Accordingly, to the extent Section 41.127(a)(1) applies, pursuant to 37 C.F.R. § 42.5(b), we waive the requirements of Section 41.127(a)(1) as applied to Zynga's unpatentability challenges in this proceeding. *See* 37 C.F.R. 42.5(b) ("The Board may waive or suspend a requirement of parts 1, 41, and 42 and may place conditions on the waiver or suspension.").

### B. *Discretionary Denial of Institution Under 35 U.S.C. § 314*

IGT contends we should exercise our discretion under 35 U.S.C. § 314(a) to deny institution of *inter partes* review because the '089 patent is also challenged in *IGT v. Zynga Inc.* Case No. 6:21-cv-00331*,* (W.D. Tex.) ("the district court litigation"). Prelim. Resp. 19–44; Sur-reply 5–10 (citing, *e.g.*, *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential) ("*Fintiv*")).

*Fintiv* sets forth the factors that we weigh in determining whether to exercise our discretion to deny institution of the *inter partes* review proceeding here under 35 U.S.C. § 314(a). *See Fintiv*, Paper 11 at 5–6. These factors are:

> 1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;

2. proximity of the court's trial date to the Board's projected statutory deadline for a final written decision;

3. investment in the parallel proceeding by the court and the parties;

4. overlap between issues raised in the petition and in the parallel proceeding;

5. whether the petitioner and the defendant in the parallel proceeding are the same party; and

6. other circumstances that impact the Board's exercise of discretion, including the merits.

*Id.* "These factors relate to whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding." *Id.* at 6. "[T]he Board takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review." *Id.*

For the reasons discussed below, we decline to exercise our discretion to deny institution under 35 U.S.C. § 314(a).

### 1. *Fintiv Factor 1*

*Fintiv* factor 1 recognizes that a stay of litigation pending resolution of a PTAB trial allays concerns about inefficiency and duplication of efforts, which strongly weighs against exercising the authority to deny institution. *Fintiv*, Paper 11 at 6.

Zynga asserts that it "intends to file a stay motion if the Board institutes proceedings" and argues that, until the motion is decided, it is merely speculation as to whether the district court will grant or deny a stay. Pet. 7–8; Prelim. Reply 6–7.

IGT argues that because the district court litigation is pending before Judge Albright of the U.S. District Court for the Western District of Texas, Waco Division, a stay will not be granted. Prelim. Resp. 21–27; Prelim.

Sur-reply 6. According to IGT, "Judge Albright's long track-record amply demonstrates that he will deny Petitioner's request for a stay, should Petitioner seek one." Prelim. Resp. 21–23 (citing Exs. 2018–2020 (articles containing public comments by Judge Albright) and rulings by Judge Albright denying stays). IGT argues that based on other rulings by the district court, the district court would deny any motion to stay. Prelim. Resp. 23–27.

Zynga responds that, here with respect to this particular litigation, there is no holding or indication in the district court litigation as to how the district court would rule on a motion to stay. Prelim. Reply 6–7. Thus, according to Zynga, IGT's argument is mere speculation as to how the district court would rule. *Id.*

On this record, it is unclear how the district court would proceed in this particular litigation, and we decline to speculate whether the district court will grant a stay if *inter partes* review is instituted. Accordingly, this factor is neutral.

### 2. *Fintiv Factor 2*

*Fintiv* factor 2 looks to the "proximity of the court's trial date to the Board's projected statutory deadline." *Fintiv*, Paper 11 at 9. "If the court's trial date is earlier than the projected statutory deadline, the Board generally has weighed this fact in favor of exercising authority to deny institution under *NHK*." *Id.*

Zynga indicates that the district court entered a scheduling order in the district court litigation. Pet. 8; Ex. 1007, 4. The district court's scheduling order sets February 6, 2023 as a default date for "Jury Selection/Trial" and states that "[t]he Court expects to set these dates at the conclusion of the Markman Hearing." Ex. 1007, 4. Zynga argues that assuming it is not

rescheduled, trial would occur only a handful of months before the Board's projected final written decision date.  Pet. 8.

Zynga further argues that it is likely that the district court trial will be rescheduled because "[s]ubsequent to filing its petition, Zynga moved to transfer venue to the Austin Division of the Western District of Texas." Prelim. Reply 7.  Zynga states that "[m]any events could occur between now and then—including, but not limited to, grant of Zynga's motion to transfer—that could impact the trial date." *Id.*  Zynga also contends that IGT "has also itself significantly expanded the number of accused products which could lead to further delay." *Id.* at 7–8.

IGT responds that "Petitioner fails to cite any actual evidence suggesting a transfer would be granted or evidence of what speculative events may occur prior to trial."  Prelim. Sur-reply 7 (footnotes omitted). And, according to IGT, "Petitioner is also speculating by assuming that an intra-district transfer will affect the assigned judge or the schedule at all." *Id.*  IGT further argues that "the number of accused products has not changed since IGT served its preliminary infringement contentions" and "[t]he only change is that Petitioner is now being compelled by the District Court to provide discovery on accused products for which it improperly withheld relevant information." *Id.* at 7–8 (citing Ex. 2020 at 2, 7).

Given the statutory deadlines, our latest possible date for issuance of a final written decision in this proceeding is June 9, 2023.  35 U.S.C. §§ 314(b) (2018), 316(a)(11); *see also* 37 C.F.R. § 42.100(c).  Thus, the time period from the district court's default trial date to our projected statutory deadline for a final written decision is approximately four months.  In general, if the district court's trial date is earlier than our projected statutory deadline for a final written decision, the Board usually has weighed this fact

in favor of exercising authority to deny institution under *NHK*. *Fintiv*, Paper 11 at 9. Where the trial date and the projected date of our final written decision are at or around the same time, however, as they are here, the efficiency and fairness concerns that underlie the *Fintiv* analysis are not as strong, and the decision whether to institute will instead implicate other factors. *See Fintiv*, Paper 11 at 9 ("If the court's trial date is at or around the same time as the projected statutory deadline, . . . the decision whether to institute will likely implicate other factors discussed herein, such as the resources that have been invested in the parallel proceeding.").

Further, we recognize that a default trial date in February 2023, may be subject to change, for the reasons argued by Zynga. Therefore, we give this factor less weight in considering whether efficiency and integrity of the system are best served by denying or instituting review.

In light of the district court trial date scheduled approximately four months before a final written decision will be due in this proceeding, we find that this factor weighs slightly in favor of discretionary denial.

### 3. *Fintiv Factor 3*

*Fintiv* factor 3 considers the "investment in the parallel proceeding by the court and parties," including "the amount and type of work already completed in the parallel litigation by the court and the parties at the time of the institution decision." *Fintiv*, Paper 11 at 9.

IGT argues that "the District Court has already made significant investment in the case, including entering scheduling orders, holding a *Markman* hearing for the asserted patents, entering its rulings on claim construction, hearing argument on discovery disputes between the parties, and issuing an order on fact discovery disputes." Prelim. Resp. 30 (citing Exs. 2010, 2012, 2022) (footnotes omitted).

Zynga argues that "[t]o date, the parties and the Court have invested little in the district court action." Pet. 9. Zynga argues that "the district court [] entered a short, three-page claim construction order, devoid of any analysis (*see* Ex. 2004), and months of substantive work—including all depositions, additional fact discovery, expert discovery, and dispositive motion briefing—remain." Prelim. Reply. 3.

IGT responds that "Petitioner ignores that the District Court issued preliminary claim constructions (Ex. 2016) and held a three-hour claim construction hearing" and "Petitioner also ignores other significant investments of judicial resources by the District Court, including hearings and written orders on discovery disputes between the parties." Prelim. Sur-reply 3.

*Fintiv* states that, "[i]f, at the time of the institution decision, the district court has not issued orders related to the patent at issue in the petition, this fact weighs against exercising discretion to deny institution." *Fintiv*, Paper 11 at 10. Although some exchanges have taken place, some of the issues will have been briefed in the district court litigation and the district court issued a claim construction order, neither party asserts that the district court has issued any substantive orders as to validity of the '089 patent. The district court's claim construction order explicitly construes only one term of the '089 patent and only assigns two terms their "[p]lain and ordinary meaning." Ex. 2012, 1. It is does not provide any explanation or analysis for the constructions. *Id.* Although some investment has been made in the district court litigation, much work remains to be done.

Zynga argues that it exercised diligence in filing the Petition because "it identified prior art, prepared, and filed this petition approximately five months after the receipt of Patent Owner's June 30, 2021 initial infringement

contentions."  Pet. 10.  According to Zynga, it had "had no pre-suit notice of Patent Owner's allegations of infringement of the '089 patent."

IGT argues that "Petitioner was put on notice of its infringement of the Challenged Patent via a letter dated September 25, 2020—more than *fourteen months* before Petitioner filed its Petition."  Prelim. Resp. 32–33 (citing Ex. 2023).

Zynga responds that "the letter Patent Owner cites merely mentions the '089 patent by number."  Prelim. Reply 9.

We determine that Zynga acted reasonably diligent in filing the Petition, given the overall circumstances in this case.

Based on the limited investment by the district court relevant to the '089 patent, and in view of Zynga's diligence in filing the Petition, we find that *Fintiv* factor 3 weighs against discretionary denial.

### 4.	*Fintiv Factor 4*

*Fintiv* factor 4 considers whether "the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding."  *Fintiv*, Paper 11 at 12.  If the issues in the Petition overlap substantially with those raised in the parallel proceeding, "this fact has favored denial."  *Id.*  "Conversely, if the petition includes materially different grounds, arguments, and/or evidence . . . this fact has tended to weigh against exercising discretion to deny institution."  *Id.* at 12–13.

The grounds asserted in the Petition are a subset of the grounds asserted in the district court litigation.  Prelim. Sur-Reply. 8–9; *see* Ex. 2030, 46–48, 61–66.  Zynga argues that its stipulation eliminates any overlap in issues.  Pet. 10; Pet. Reply 9–10.  Zynga stipulates that "it will not pursue any instituted grounds as invalidity defenses in the district court."  Pet. 10.

IGT argues that Zynga's stipulation does not promote efficiency because it will not resolve the other invalidity grounds, such as § 101 and § 112 grounds, Zynga raises and the liability and damages issues in the district court litigation. Prelim. Resp. 33–34; Prelim. Sur-reply 4–5 (citing Ex. 2030, 46–48, 61–66).

We determine that Zynga's stipulation somewhat mitigates the "concerns of inefficiency and the possibility of conflicting decisions" when grounds overlap. Zynga's stipulation is narrow, not a broad stipulation that includes "any ground raised, or that *could have been reasonably raised.*" *See Sotera*, Paper 12 at 19; *see also Sand Revolution II, LLC v. Cont'l Intermodal Group – Trucking LLC*, IPR2019-01393, Paper 24 at 12 n.5 (PTAB June 16, 2020) (informative) (noting that a broad stipulation better addresses concerns of duplicative efforts and potentially conflicting decisions in a much more substantial way).

Given Zynga's stipulation, we weigh this factor marginally against exercising discretion to deny institution.

### 5. *Fintiv Factor 5*

*Fintiv* factor 5 looks to "whether the petitioner and the defendant in the parallel proceeding are the same party." *Fintiv*, Paper 11 at 13. "If a petitioner is unrelated to a defendant in an earlier court proceeding, the Board has weighed this fact against exercising discretion to deny institution." *Id*. at 13–14.

Zynga is the defendant in the district court litigation. Pet. 10–11. We weigh this factor slightly for exercising discretion to deny institution.

6.      *Fintiv Factor 6*

*Fintiv* factor 6 looks to whether "other circumstances" exist that might "impact the Board's exercise of discretion, including the merits." *Fintiv*, Paper 11 at 14.

Zynga argues that the Petition "has significant substantive merit." Pet. 11; *see also* Prelim. Reply 10.  IGT responds that the weakness of the Petition on the merits favor denying institution.  Prelim. Resp. 36–44; Prelim. Sur-reply 10.

We have reviewed the asserted prior art references and the arguments of both Zynga and IGT.  As discussed in more detail below, we find the evidence and arguments presented by Zynga persuasive on this preliminary record and sufficient to meet our standard for instituting *inter partes* review.

Additionally, IGT argues that the Zynga has created inefficiencies because "Petitioner has filed, on a rolling basis, petitions on only a subset (four of six) of the patents asserted in the District Court proceeding." Prelim. Resp. 36–37.  IGT, however, does not apprise us of any statute or rule that requires Zynga to file for *inter partes* review of all patents on which it has been sued for infringement in order to be able to file a petition for *inter partes* review.

We find that factor 6 is neutral.

7.      *Conclusion*

Applying a holistic consideration of the relevant facts and the particular circumstances of this case, we conclude that the facts and factors counseling against exercising discretion collectively outweigh those counseling in favor of exercising discretion.  Accordingly, we do not exercise our discretion to deny institution under 35 U.S.C. § 314(a).

C.      *Principles of Law*

A patent claim is unpatentable under 35 U.S.C. § 103(a) if the differences between the claimed subject matter and the prior art are such that the subject matter, as a whole, would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.  35 U.S.C. § 103(a); *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007).  "[W]hen a patent claims a structure already known in the prior art that is altered by the mere substitution of one element for another known in the field, the combination must do more than yield a predictable result."  *KSR*, 550 U.S. at 416 (citing *United States v. Adams*, 383 U.S. 39, 50–51 (1966)).  The question of obviousness is resolved based on underlying factual determinations including: (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of ordinary skill in the art; and (4) objective evidence of non-obviousness.  *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966).

D.      *Level of Ordinary Skill in the Art*

We review the grounds of unpatentability in view of the understanding of a person of ordinary skill in the art at the time of the invention. *Graham*, 383 U.S. at 13, 17. Zynga asserts

> [a] POSITA in the technology field of the '089 patent
> would have had a degree in computer engineering, computer
> science, or a similar discipline, along with 2 years of professional
> experience in the fields of networking and network-based
> systems or applications, such as client-server and web-based
> systems, in the context of gaming or an equivalent level of skill,
> knowledge, and experience. (*See* Ex. 1003, ¶¶ 42–45.) This
> POSITA would be aware of and generally knowledgeable about
> casino gaming systems, including the types of software running
> on casino gaming machines, the types of software casinos
> employ to allow customers to engage in remote gaming, and the

types of authentication and network security systems employed
by casinos at the time the '089 patent was filed. (*Id.*, ¶ 44.) This
POSITA would have had the same basic level of skill and
background knowledge regardless of whether the '089 patent is
entitled to a December 2000 or April 2002 filing date. (*Id.*, ¶ 45.)

Pet. 25–26.

IGT does not dispute this level of skill at this stage of the proceeding.
*See generally* Prelim. Resp.

For purposes of this Decision, we adopt Zynga's proposal as
reasonable and consistent with the prior art. *See Okajima v. Bourdeau*, 261
F.3d 1350, 1355 (Fed. Cir. 2001) (the prior art may reflect an appropriate
level of skill in the art).

### E.    Claim Construction

In an *inter partes* review, claims are construed using the same claim
construction standard that would be used to construe the claims in a civil
action under 35 U.S.C. § 282(b), including construing the claims in
accordance with the ordinary and customary meaning of such claims as
understood by one of ordinary skill in the art and the prosecution history
pertaining to the patent. 37 C.F.R. § 42.100(b).  Thus, we apply the claim
construction standard as set forth in *Phillips v. AWH Corp.*, 415 F.3d 1303
(Fed. Cir. 2005) (en banc).  In addition to the specification and prosecution
history, we also consider use of the terms in other claims and extrinsic
evidence including expert and inventor testimony, dictionaries, and learned
treatises, although extrinsic evidence is less significant than the intrinsic
record. *Id.* at 1312–17.  Usually, the specification is dispositive, and it is the
single best guide to the meaning of a disputed term. *Id.* at 1315.

Zygna provides constructions for the terms "gaming software,"
"software authorization agent," and "gaming machine." Pet. 15–18.
Zynga's constructions are set forth in the table below. *Id.*

IGT asserts that "[d]uring the claim construction phase of the case,
Petitioner sought construction of three terms of the '089 patent" and the
"District Court ruled" as to Zynga's proposed constructions. Prelim. Resp.
11 (citing Ex. 2015, i, 5-12; Ex. 2012, 1). The District Court's constructions
also are set forth in the table below. *Id.* at 12; Ex. 2012, 1. IGT asserts "[f]or
purposes of the present response only, IGT adopts such constructions, but
also maintains its objections that plain and ordinary meaning should
control." *Id.*

| Claim Term | Zynga's Proposed Claim Construction | Construction in the Parallel District Court Proceeding |
|---|---|---|
| "gaming software" | "instructions that are executed to run a game or component of a game, as distinct from stand-alone data" | "Plain and ordinary meaning. (Note: data alone is not gaming software)." |
| "software authorization agent" | "a device that authorizes (that is approves or rejects) specific transfers of gaming software based on applicable rules, and monitors (that is tracks) these transfers" | "a device that authorizes (that is approves or rejects) specific transfers of gaming software based on applicable rules, and monitors (that is tracks) these transfers" |
| "gaming machine" | "a special purpose machine like a slot machine or video | "Plain and ordinary meaning." |

| | poker machine, not a general-purpose computer" | |
|---|---|---|

For purposes of this decision, we adopt the constructions in the parallel district court proceeding, which have been adopted by IGT, because at this early juncture Zynga has made a sufficient showing under those constructions. *See Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017)), cert. denied, 138 S. Ct. 1695 (April 30, 2018) (noting that "we need only construe terms 'that are in controversy, and only to the extent necessary to resolve the controversy'") (citing *Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999)).

F.      *Ground 1: Claims 28, 29, 31–33, 47, 48, 84–86, 90–92, 99 and 100 – Alleged Obviousness over Goldberg and Olden*

On this record, Zynga has established a reasonable likelihood of prevailing on its assertion that at least one of claims 28, 29, 31–33, 47, 48, 84–86, 90–92, 99 and 100 would have been obvious over Goldberg and Olden for the reasons explained below.

1.      *Goldberg (Ex. 1004)*

Goldberg is titled "Network Gaming System" and issued on October 20, 1998. Ex. 1004, codes (54), (45). Goldberg "is related to a method and apparatus for automating the playing games such as blackjack so that they can be played continuously and asynchronously by a potentially large plurality of players substantially." *Id.* at 1:10–14. Figure 3 of Goldberg is reproduced below.
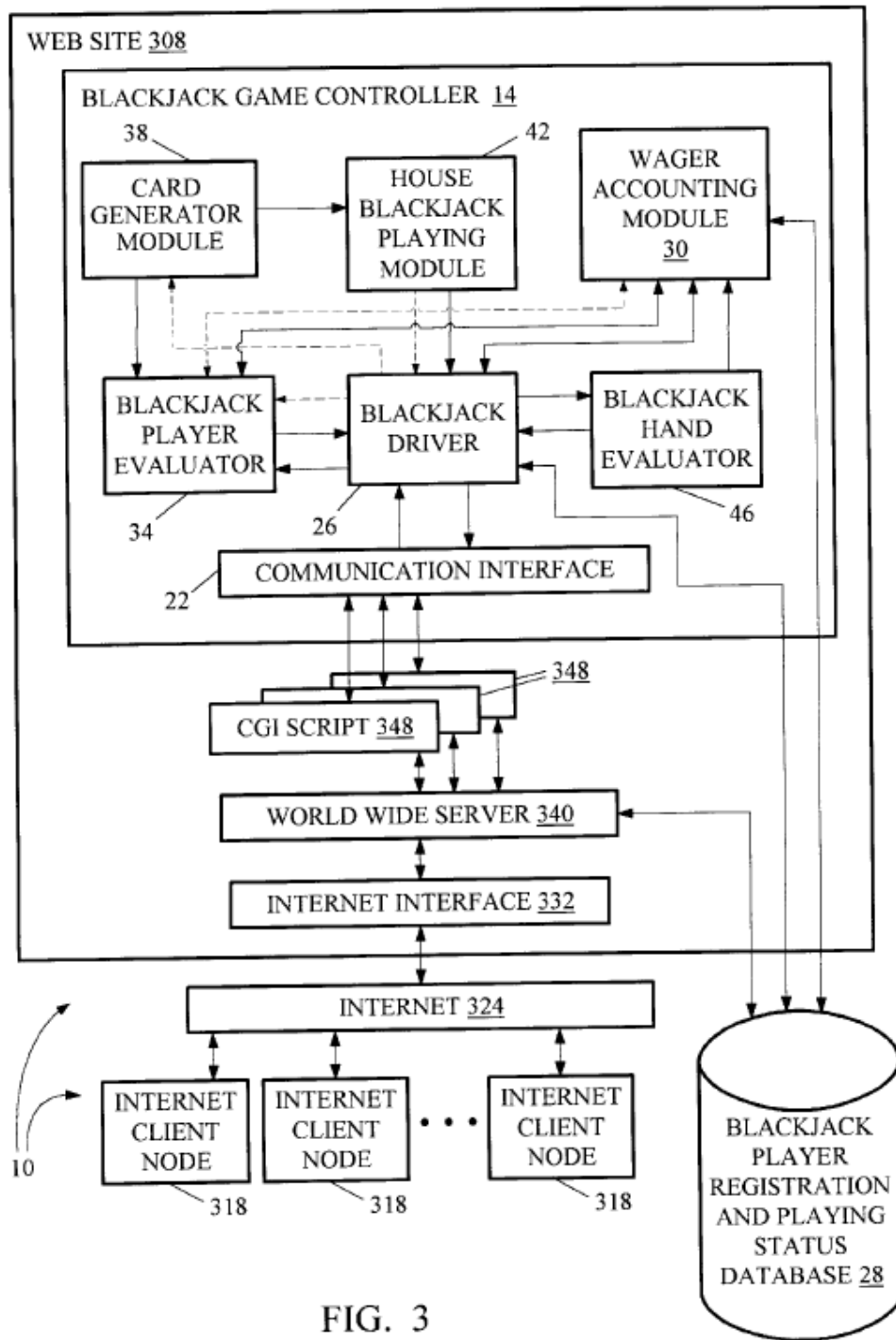
WEB SITE 308

BLACKJACK GAME CONTROLLER 14

38

CARD GENERATOR MODULE

42

HOUSE BLACKJACK PLAYING MODULE

WAGER ACCOUNTING MODULE 30

BLACKJACK PLAYER EVALUATOR

BLACKJACK DRIVER

BLACKJACK HAND EVALUATOR

34

26

46

22

COMMUNICATION INTERFACE

348

CGI SCRIPT 348

WORLD WIDE SERVER 340

INTERNET INTERFACE 332

INTERNET 324

INTERNET CLIENT NODE

INTERNET CLIENT NODE

• • • •

INTERNET CLIENT NODE

BLACKJACK PLAYER REGISTRATION AND PLAYING STATUS DATABASE 28

10

318

318

318

FIG. 3

Figure 3 illustrates a blackjack gaming system including blackjack gaming controller 14 accessible through Internet Web Site 308 by Internet client nodes 318 via Internet 324. *Id.* at 14:30–35.

Internet Web Site 308 comprises blackjack gaming controller 14, Internet interface 332, World Wide Web server 340, and CGI script 348. *Id.* at 14:38–65, Fig. 3. Internet interface 332 receives and supplies communications between Internet 324 and the remainder of Internet Web Site 308. *Id.* at 14:37–40. Internet interface 332 communicates with World Wide Web server 340 "(a) for validating and/or initiating registration of web site users (e.g., blackjack players) at web site 308; and (b) for interpreting Internet requests for routing and/or activating web site 308 modules that can fulfill such requests." *Id.* at 14:40–45. World Wide Web server 340 accesses database system 28 for determining the registration identity of a blackjack player. *Id.* at 14:45–48. Upon receiving user registration confirmation, World Wide Web server 340 activates instantiations of modules known as common gateway interface (CGI) scripts. *Id.* at 14:50–52. Each CGI script is "(a) for interpreting and processing Internet requests according to the semantics of a web site 308 application associated with the CGI script; and (b) for constructing Internet responses" from the associated application. *Id.* at 14:54–58.

2.      *Olden (Ex. 1005)*

Olden is titled "Security and Access Management System for Web-Enabled and Non-Web-Enabled Applications and Content on a Computer Network" and issued on October 1, 2002. Ex. 1005, codes (54), (45). Olden "relates to computer networks and, more particularly, to a computer network in which execution of applications and use of content by users of the computer network is controlled." *Id.* at 1:7–10. Figure 1 of Olden is reproduced below.
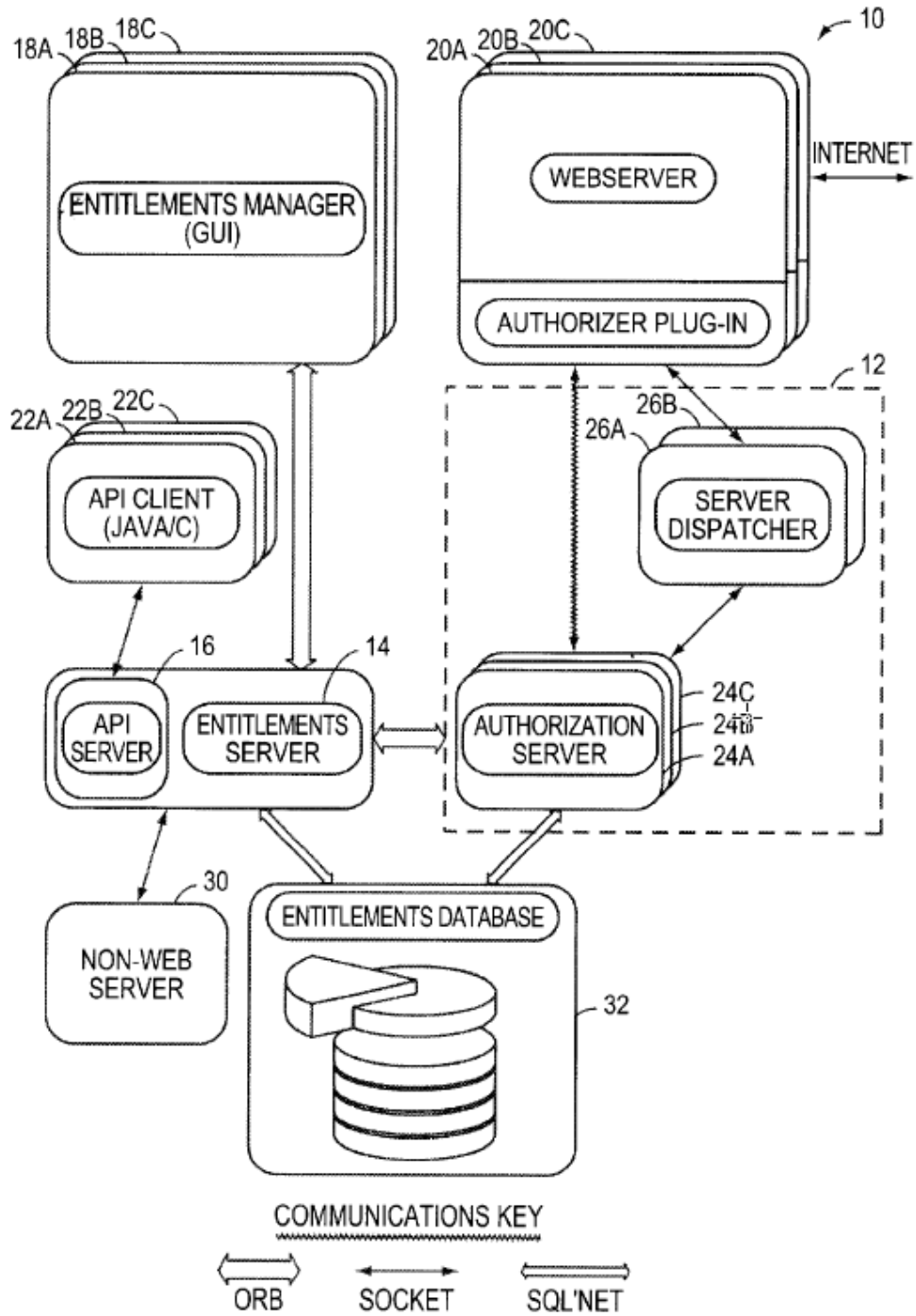
FIG. 1

Figure 1 illustrates security and access management system 10 comprising, among other things, authorization component 12 and Web server 20 connected to the remainder of the computer network over the Internet. *Id.*

3:45–50, Fig. 1.  Authorization component 12 comprises authorization servers 24A, 24B, and 24C and authorization dispatchers 26A and 26B.  *Id.* at 3:54–60, Fig. 1.

Authorization component 12 performs authorization processing on behalf of either Web server 20 or application programming interface (API) client 22.  *Id.* 3:53–55.  Web server 20 provides Web-enabled applications and content to network computer users.  *Id.* 4:55–57.

Access management system 10 assigns user 68 access rights to application function 84. *Id.* 8:44–50.  Application 88 has application function 84, which is used to determine access rights of user 68 to application 88.  *Id.* at 8:51–55.

3.  *Independent Claim 28*

a)  *Zynga's Arguments*

(1)  *[28-p] – In a software authorization agent, a method of regulating a transfer of gaming software between two gaming devices, the method comprising:*

Zynga argues that to the extent the preamble is limiting, Goldberg teaches transferring gaming software, for example an automated blackjack casino-style game, between gaming machines.  Pet. 27 (citing Ex. 1004, 1:11–12, 14:29–36; Fig. 3; Ex. 1003 ¶¶ 160–167).  Zynga asserts that "[t]he HTML files transmitted by Goldberg are analogous to [] 'gaming software' identified in the '089 patent."  *Id.* at 28 (citing Ex. 1001, 25:51–54; Ex. 1013, Abstract).  Zynga argues further that Goldberg discloses "a separate 'blackjack player registration and playing status database 28' that is used to 'determin[e] the registration identity of, for example, a blackjack player' before the CGI scripts needed to facilitate blackjack play are activated and generate the game play HTML files for the user."  *Id.* at 29

26

(citing (Ex. 1004, 7:65–8:2, 14:45–48). According to Zynga, Goldberg's "database [28] performs the same function as the claimed *'software authorization agent'*: it monitors and authorizes access to gaming software." *Id.*

> *(2)    [28-1] – receiving a gaming software download request message with gaming software transaction information from a first gaming device;*

Zynga argues that Goldberg teaches a first gaming device, namely web site 308, requesting from the registration database 28, i.e., the authorization agent, a gaming software download for a specified player that can be allowed or denied based on the player's registration status. Pet. 32–33 (citing Ex. 1004, 14:29–36, 25:24–40). Zynga argues that where Goldberg is short on technical explanation, Olden teaches details about authorizing software download requests, namely that such requests would include "gaming software transaction information." *Id.* at 34. Zynga contends that transaction information is included in the request because, for example, "Olden's system can employ 'an encrypted cookie' that includes a 'Web user's credentials.'" *Id.* (citing Ex. 1005, 23:55–61). Zynga argues that a user's credentials are "the very same type of 'gaming software transaction request' and 'gaming software transaction information' the '089 patent requires." *Id.* at 35. For instance, Zynga points out that the '089 patent describes that "transaction information" includes, *inter alia*, identification information, operator information, gaming software identification information, and gaming software title. *Id.* (citing Ex. 1001, 8:45–64).

> *(3)     [28-2] – validating the gaming software download request using the gaming software transaction information;*

According to Zynga, Goldberg describes that "[b]efore a user is provided with HTML files needed for game play, 'database system 28' is 'access[ed]' for purposes of 'determining the registration identity of, for example, a blackjack player.'" *Id.* at 37 (citing Ex. 1004, 14:45–48). Zynga argues that Goldberg teaches that database 28 stores player information, such as "player[] financial status" and therefore "can employ the database to assess and verify a game request received from a user device." *Id.* (citing Ex. 1004, 14:45–48).

> *(4)     [28-3] – sending an authorization message to the first gaming device wherein the authorization message includes information indicating whether the first gaming device is authorized to transfer the gaming software to a second gaming device and wherein the first gaming device and the second gaming device are from the software authorization agent;*

Zynga argues that Goldberg describes that after receiving user registration confirmation from database 28 . . . the World Wide Web server 340 activates instantiations of" "CGI . . . scripts" 348. *Id.* at 40 (citing Ex. 1004, 14:48–52). Zynga contends that "the data output by the CGI scripts for transmission back 'to an intended Internet client node 318 having an appropriate World Wide Web browser' may be in the form of 'a plurality of high level executable programs' (like customized HTML files)." *Id.* (citing Ex. 1004, 24:55–64). Zynga explains that "[b]y its use of CGI scripts, Goldberg's system is able to tailor the response it provides to the user based on the user's original request. *Id.* at 41 (citing Ex. 1004, 15:61–64).

Zynga argues that these limitations are shown in Goldberg's Figure 3, as annotated by Zynga, below.
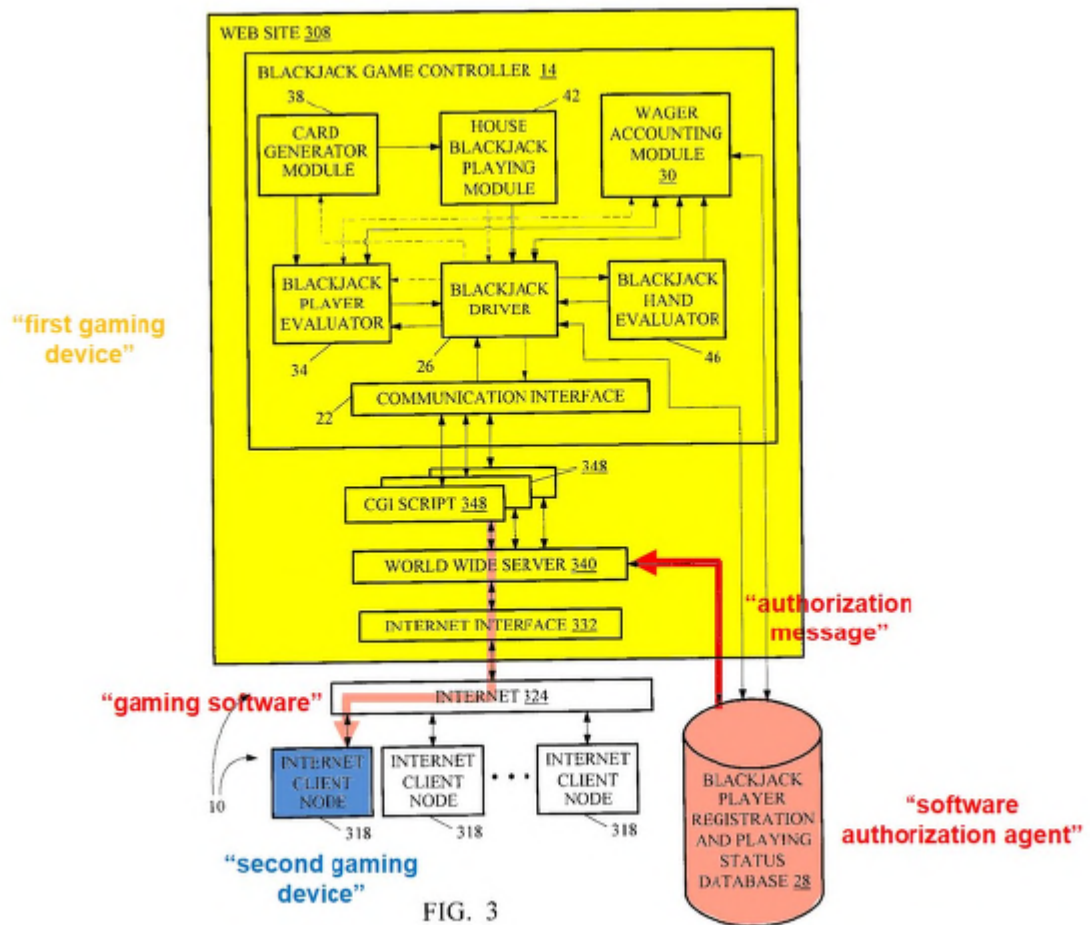


FIG. 3

Goldberg's Figure 3, above, as annotated by Zynga, is a block diagram illustrating communication between client nodes 318, website 308, and registration status database 28. As Zynga explains it, Goldberg transmits "an 'authorization message' (the user request confirmation) from its 'software authorization agent' (database system 28) to its 'first gaming device' (web site 308) to 'authorize[]' the "transfer of gaming Software' (the custom HTML files or similar software) to a 'second gaming device' (Internet client node 318)." *Id.* at 43 (citing Ex. 1003 ¶¶ 192–193, 272).

> *(5)     [28-4] –   wherein the gaming software is for at least one of a) a game of chance played on a gaming machine, b) a bonus game of chance played on a gaming machine, c) a device driver for a for a device installed on a gaming machine, d) a player tracking service on a gaming machine and e) an operating system installed on a gaming machine.*

Zynga asserts that "Goldberg's system allows users to play various *'games of chance.'* This includes "blackjack, craps, roulette, poker, pai gow or the like." *Id.* at 46 (citing Ex. 1004, 3:66–4:1).  Zynga argues that Goldberg also discloses that the gaming machine can be either a general purpose computer, or a specific casino gaming station or machine. *Id.* (citing Ex. 1004, 4:43–50, 5:55–58, 24:60–64, Fig. 1).  Zynga argues that "the same 'information' and 'blackjack game configuration[s]' can be output by its gaming controller 14 to either type of device." *Id.* at 47 (citing Ex. 1004, 17:39–42, 18:16–20, 18:59–64; Ex. 1003 ¶¶ 289–300.)

> b)     *IGTs Arguments*

Initially, IGT argues that neither Goldberg nor Olden, either alone or as combined, discloses "a software authorization agent" as called for in claim 1.  Prelim. Resp. 38.  Further, IGT argues that even if the references would have been combined, Goldberg and Olden fail to disclose transferring any gaming software, only "the transfer of data or information which Petitioner specifically excluded from its own construction of 'gaming software.'" *Id.* at 41.  We address IGTs specific arguments in greater detail, below, in our analysis.

*c)*     *Analysis*

*(1)     Whether Goldberg and Olden disclose "a software authorization agent" as recited in independent claim 28*

As discussed above, Zynga's argument is that Goldberg discloses

[a] separate "software authorization agent" (a player registration and status database) provides authorization for the transfer. Olden similarly teaches a method for validating and authorizing software transfers. Its separate "software authorization agent" (one or more authorization servers) receives and uses the very type of information the '089 patent requires—"gaming software transaction information" (like user information, the identity of the requested software, and time)—to validate and authorize a software download request.

Pet. 26–27.

We have construed "software authorization agent" consistent with the District Court to mean "a device that authorizes (that is, approves or rejects) specific transfers of gaming software based on applicable rules, and monitors (that is tracks) these transfers." Section II.E. Zynga's declarant, David Crane, agrees with this definition and testifies that "a POSITA would consider this database to be analogous to the ***"software authorization agent"*** required by the '089 patent. As required, the database both monitors and authorizes access to gaming software." Ex. 1003 ¶ 190. For details regarding authorization functions Mr. Crane turns to Olden, testifying that Olden's "'authorization component 12' 'performs authorization processing' and, is 'configured to perform various types of logging,' including 'user activity logs and system logs.'" Ex. 1003 ¶ 199 (citing Ex. 1005, 25:43–46). Considering the teachings in Olden, Mr. Crane testifies that "[t]he 'log[ged]' information can include, for instance, whether a '[u]ser [is] allowed' access

to software functions 'based on smart rule[s]' applied by the authorization component." *Id.* (citing Ex. 1005, 25:58–26:9).

We appreciate that Goldberg does not explicitly state that database 28 "authorizes" the transfer of gaming software, but reading Goldberg in context it is reasonable to understand that the player information and status, including financial status persistently maintained by database 28, would be used to determine, i.e., approve or reject, requests for specific blackjack games the player could access. In addition, in Olden's security and access system 10, consistent with Mr. Crane's testimony, there is described more specifically that based on user activity and system logs "there are thirteen types of events that can occur during the authentication/authorization process, and each one represents a user request and the resulting action taken by the security and access management system 10." Ex. 1005, 25:51–55.

IGT also argues that a person of ordinary skill in the art would not have been motivated to combine Goldberg and Olden because they are non-analogous art and Zynga's reasoning to combine the references is insufficient. Prelim. Resp. 39–40. As to analogous art, we consider two criteria when evaluating whether prior art is analogous: (1) whether the art is from the same field of endeavor, regardless of the problem addressed, and (2) if the reference is not within the field of the inventor's endeavor, whether the reference still is reasonably pertinent to the particular problem with which the inventor is involved. *In re Clay*, 966 F.2d 656, 658–59 (Fed. Cir. 1992).

Goldberg describes a computer network gaming system, including playing games on the internet, for automating games such as blackjack, poker and craps. Ex 1004, Abstract. Olden describes, more broadly, a web and non-web-based security and access management system including

specific authorization protocols for web-based and non-web-based computer system users. Ex. 1005, Abstract. Although Olden is not drawn to a specific software application, such as casino style game software, Olden explains that for any computer network there are internal and external threats and risks "and fundamental challenges associated with providing effective Web security." *Id.*, 1:50–2:2. Goldberg's registration and information database and Olden are not so far afield as to be entirely different endeavors and are also within the same field of endeavor as the '089 patent. For example, where Goldberg describes user registration database 28, Olden describes further that "security management tools secure the systems upon which applications execute including operation system level security and access control for traditional client/server database applications or file systems." *Id.*, 1:41–45. Moreover, Mr. Crane explains that "when implementing Goldberg, a POSITA would have had to look to other, known user validation and software authorization systems to supplement and complete what Goldberg itself already discloses to ensure that Goldberg's system functions as intended." Ex. 1003 ¶ 408. We are persuaded, on the evidence before us at this point in the proceeding, that a person of ordinary skill in the art would have found Olden's teachings as to network security for computer network systems very relevant to issues of player authorization, information and access to gaming software described by Goldberg, and also pertinent to the validation issue addressed in the '089 patent.

With respect to motivation to combine, Mr. Crane testifies that a person of ordinary skill in the art would have understood that like Goldberg, "Olden employs a database with stored 'entitlement[]' data that it uses to validate and authorize user device application function requests." Ex. 1003 ¶ 413. Mr. Crane testifies that "when Olden's authorization component 12

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and authorization server 24 is used in place of database 28 in Goldberg, a POSITA would have understood that Goldberg's system would beneficially become more readily expanded (since Olden's system is scalable and highly compatible), employ a more flexible and up-to-date access scheme." *Id.* ¶ 435.

At this stage of the proceeding we have before us only Mr. Crane's testimony regarding the structure and function of Goldberg's registration database 28 and Olden's security and access management system 10 and authorization component 12 which appears reasonably consistent with the construction of "software authorization agent." And, on the present record, we find Zynga and Mr. Crane have presented sufficient articulated reasons and evidentiary underpinnings to show that a person of ordinary skill in the art, attempting to provide secure authorization and software access functions for Goldberg's data processing and computer casino-style gaming applications, would have been motivated to look to known computer network security and authorization systems such as described by Olden.

> (2)  *Whether Goldberg, in combination with Olden, fails to disclose transferring gaming software, and only teaches "the transfer of data or information which Petitioner specifically excluded from its own construction of 'gaming software.'"*

IGT argues that "[t]he entire idea of Goldberg is to transmit *advertisements* and related *information* to a user, not 'gaming software'" as properly construed. Prelim. Resp. 42. IGT contends that Goldberg's system is intended mainly to provide advertising to users and "'is useful for test marketing of products, advertisements, and reduces advertising costs.'" *Id.* at 43, (quoting Ex. 1004, 1:36–39). According to IGT, using Goldberg's system "the user would *not* expect to receive (nor would it welcome

receiving) 'instructions that are executed' (Petition at 15) or other executable code disguised as, or in place of, the expected advertisements while playing a game of blackjack." *Id.*

Zynga acknowledges that "gaming software" would have been understood by one of ordinary skill in the art as "instructions that are executed to run a game or component of a game, as distinct from stand-alone data." Pet. 15 (citing Ex. 1003 ¶¶ 74–75). Also acknowledging that Goldberg mostly discusses HTML and use of CGI ("common gateway interface") scripts that reside on a server and permit a web page to be interactive, Zynga argues specifically that "a POSITA would not have considered Goldberg limited to just the transmission of HTML generated by CGI scripts . . . [c]lient-side applets in particular, including Java applets, were in routine use and were known alternatives to 'CGI program[s]' when creating interactive web pages." *Id.* at 28 (citing (Ex. 1009, 4:13–16; Ex. 1010, 4:17–23). Mr. Crane testifies that "'[a]n applet is a (small) application program that typically is stored on the Web server. The applet is downloaded (i.e. transfers from the Web server to the user's PC system) with the HTML of the Web page when a Web page is requested by the user.'" Ex. 1003 ¶ 180 (quoting Ex. 1009, 4:16–20). Based on such knowledge, Mr. Crane explains "[s]uch an applet is an example of gaming software that could obviously be transmitted from Goldberg's web site to user devices to facilitate game play. The applet would perform the same function as the customized HTML file: it would present the user with the appropriate blackjack game and collect user input relating to game play." *Id.* ¶ 182.

We appreciate that Goldberg discusses transferring advertising data and information to a user's computer. *See, e.g.*, Ex. 1004 4:9–11 (Goldberg

explaining that "it is also an aspect of the present invention that each player or user is presented with advertisements for produce and/or services.)" However, on the evidence before us at this early stage of the proceeding, we find Mr. Crane's testimony persuasive including his testimony that a person of ordinary skill in the art understood that there were other ways besides CGI scripts to create an interactive web page. *See*, *e.g.*, Ex. 1003 ¶¶ 168–183. One known alternative method was the use of applets that would facilitate game play by a user where the applets downloaded to a user's computer included executable instructions to facilitate casino-style game play. Ex. 1003 ¶¶ 182–183.

### 4. *Dependent claims 28–29, 31–33, and 47–48*

Each of dependent claims 28–29, 31–33, and 47–48 depends directly from independent 28. Ex. 1001, 43:44–45:2. Dependent claim 29, for example recites the further limitations "wherein the second gaming device is at least one of a game server and a gaming machine." *Id.* at 43:44–46. Zynga argues that a person of ordinary skill in the art would have understood that by facilitating transfer of gaming software via, e.g., an applet, to a user's machine "Goldberg allows users to obtain games from a remote 'gaming controller 14' using either an 'Internet client node 318 having an appropriate World Wide Web browser' or a dedicated 'gaming station 18.'" Pet. 47 (citing Ex. 1003 ¶¶ 301–304).

IGT does not provide specific arguments for claim 29, or any of the remaining dependent claims 31–33 and 47–48. *See*, *generally*, Prelim. Resp. We have considered, and on the record at this point in the proceeding, accept as our own, Zynga's arguments and evidence set forth at pages 47–51 of the Petition. Accordingly, we determine that Zynga has shown a reasonable

likelihood that claims 28–29, 31–33, and 47–48 would have been obvious in view of Goldberg and Olden.

> 5. *Independent claim 84*

Independent claim 84 includes similar limitations to independent claim 28, but instead of "a method of *regulating* a transfer of gaming software between two gaming devices," claim 84 is directed to "a method of transferring gaming software to a second device." *Compare* Ex. 1001, 43:21–23 *with id.*, at 47:52–54. IGT argues that "nowhere . . . does Petitioner cite to **any evidence** that Goldberg contemplates transferring or transmitting anything other than data or information." Prelim. Resp. 42 (citing Pet. 54).

IGTs argument for independent claim 84 appears to be essentially the same as that discussed above for independent claim 28, i.e., that Goldberg simply discloses transfer data and information to a user device, such as advertising data. *See* Prelim. Resp. 42 (IGT arguing that "Goldberg repeatedly explains that the only thing transferred or transmitted is advertising, or data or other information relating to advertising."). IGT argues that different from the claimed invention in the '089 patent, "Petitioner does not cite any evidence that Goldberg discloses transferring gaming software that executes "instructions to run a game or component of a game, as distinct from stand-alone data" as the proper claim construction requires. *See id.* at 43–44.

For similar reasons as discussed above for claim 28, based on the evidence before us at this early stage of the proceeding, we find Petitioner's showing sufficient. For instance, we find Mr. Crane's testimony persuasive that regardless of the transfer of advertising data, a person of ordinary skill in the art understood that there were other ways besides CGI scripts to create

an interactive web page.  Mr. Crane testifies that considering the knowledge of a person of ordinary skill in the art and Goldberg's Figure 3, for example, "other web-based components like an applet or a script, or a 'viewer program 812 and a communications daemon,' is transmitted from [Goldberg's] web site 308 to a requesting user's device like Internet client node 318 after authorization is received."  Ex. 1003 ¶ 363.  On the arguments and evidence we have at this stage of the proceeding, Zynga and Mr. Crane have shown a reasonable likelihood that a person of ordinary skill in the art would have known how to facilitate game play by a user where, for example, applets downloaded to a user's computer included executable instructions to facilitate casino-style game play.

> 6.    *Dependent claims 85–86, 90–92, and 99–100*

IGT does not specifically address dependent claims 85–86, 90–92, and 99–100.  Dependent claim 85, for example recites the further step of "receiving an approval of the gaming software transaction request from the gaming software authorization agent."  Ex. 1001, 48:8–10.  Zynga argues that similar to the "validating" step in limitation [28-3] "Olden explains that its 'authorization server 24' can authorize software access by generating an 'ALLOW' message that 'permit[s] the user … to access the resource without any further rule processing.' Pet. 54–55 (citing Ex. 1003 ¶¶ 366–370; Ex. 1005, 8:22–25).

We have considered, and on the record at this point in the proceeding, accept as our own, Zynga's arguments and evidence set forth at pages 54–57 of the Petition.  Accordingly, we determine that Zynga has shown a reasonable likelihood that dependent claims 85–86, 90–92, and 99–100 would have been obvious in view of Goldberg and Olden.

*7.      Conclusion as to obviousness of claims 28–29, 31–33, 47–48, 84–86, 90–92, 99–100*

On the record before us, we are persuaded that Zynga's arguments and evidence have shown a reasonable likelihood that at least one of the challenged claims 28–29, 31–33, 47–48, 84–86, 90–92, 99–100 would have been obvious over Goldberg and Olden.

*G.      Ground 2: Claims 49 and 50 – alleged Obvious over Goldberg, Olden, and D'Souza*

On this record, Zynga has established a reasonable likelihood of prevailing on its assertion that claims 49 and 50 would have been obvious over Goldberg, Olden, and D'Souza for the reasons explained below.

*1.      D'Souza (Ex. 1011)*

D'Souza is titled "Object Framework and Services for Periodically Recurring Operations" and issued on June 1, 2004. Ex. 1011, codes (54), (45). D'Souza "relates generally to an object-oriented software framework that provides service to support periodically recurring operations, including change monitoring and updating of locally stored copies of remote documents so as to be available for off line use." *Id.* at 1:7–11.

D'Souza describes browsing an HTML document on-line by retrieving the document from its site on the Internet using "well-known windows sockets network programming interface (also known as 'winsock')." *Id.* at 6:17–22. D'Souza's system implements operations that serve to monitor for changes or to periodically update data in the system. *Id.* at 6:65-67. D'Souza describes "[s]pecifically, the agent programs in the illustrated system implement updating operations for use by the operating system and application software (such as browser 51) to automatically monitor a specified document (e.g., HTML document 60) residing at a

remote site on a computer network for changes and maintain an up-to-date locally stored copy of the document for later off-line use." *Id.* at 7:1–7.

### 2. Claims 49 and 50

Claims 49 and 50 each depend directly from independent claim 28. Ex. 1001, 45:3–8. Claim 49, for example, recites the additional limitation "wherein the gaming software is used to upgrade a gaming software component on the second gaming device." *Id.* at 45:3–5. Zynga remarks that although neither Goldberg or Olden discuss upgrading software games or components, "it was well known at the time the '089 patent was filed that downloaded software can be—and in fact should be—routinely upgraded to ensure that the user has the most up-to-date version of a piece of software." Pet. 64–65 (citing Ex. 1003 ¶¶ 448–452). In support, Mr. Crane testifies that D'Souza is an example of an update checking system for web browsers and downloaded materials in HTML files such as "images, audio, video, executable programs, etc." from Web sites over the Internet." Ex. 1003 ¶ 455 (citing Ex. 1011, 5:16–43, 6:8–12, 6:18–22). According to Mr. Crane, "[o]nce an HTML file or other Web-based content is downloaded to a user's device, D'Souza's 'system 50 … implement[s] operations that serve to monitor for changes or to periodically update' the downloaded files." *Id.* ¶ 456 (citing Ex. 1011, 6:65–67).

IGT does not provide specific arguments for claims 49 and 50. *See, generally*, Prelim. Resp. We have considered, and on the record at this point in the proceeding, accept as our own, Zynga's arguments and evidence set forth at pages 64–68 of the Petition. Accordingly, we determine that Zynga has shown a reasonable likelihood that claims 49 and 50 would have been obvious in view of Goldberg, Olden, and D'Souza.

## III.   CONCLUSION

After considering the evidence and arguments of record, we determine that Zynga has demonstrated a reasonable likelihood of prevailing with respect to at least one of the challenged claims, and thus, we institute an *inter partes* review of all challenged claims on all presented challenges. *SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1359–60 (2018); *PGS Geophysical AS v. Iancu*, 891 F.3d 1354, 1360 (Fed. Cir. 2018) (interpreting the statute to require "a simple yes-or-no institution choice respecting a petition, embracing all challenges included in the petition").

At this stage of the proceeding, the Board has not made a final determination as to the patentability of any challenged claim or any underlying factual and legal issues.

## IV.   ORDER

In consideration of the foregoing, it is

ORDERED that, pursuant to 35 U.S.C. § 314(a), an *inter partes* review of claims 28, 29, 31–33, 47–50, 84–86, 90–92, and 99–100 of U.S. Patent No. 7,168,089 B2 is instituted with respect to all grounds set forth in the Petition; and

FURTHER ORDERED that, pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4(b), *inter partes* review of U.S. Patent No. 7,168,089 B2 shall commence on the entry date of this Order, and notice is hereby given of the institution of a trial.

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