

United States District Court,  
D. Nevada.

**IGT, a Nevada Corporation,**  
Plaintiff.

v.

**ALLIANCE GAMING CORPORATION, Nevada Corporation, et al,**  
Defendants.

**And Related Counterclaim,**  
And Related Counterclaims.

No. 2:04-CV-1676-RCJ-RJJ

**May 9, 2007.**

Darin J. Glasser, Nathaniel L. Dilger, Brett J. Williamson, David B. Murphy, O'Melveny & Myers LLP, Polaphat Veravanich, Newport Beach, CA, David P. Enzminger, Mark Samuels, O'Melveny & Myers LLP, Los Angeles, CA, James B. Fairbanks, Steve L. Morris, Rex Garner, Morris Pickering & Peterson, Las Vegas, NV, Darren Tucker, Ian Simmons, O'Melveny & Myers, Washington, DC, for Plaintiff.

Amy H. Candido, Charles K. Verhoeven, Jennifer A. Kash, Kevin Alexander Smith, Todd Kennedy, Quinn Emanuel Urquhart Oliver & Hedges LLP, Eric E. Wall, Rodham Tulloss Delk, San Francisco, CA, J. Stephen Peek, Hale Lane Peek, et al, Matthew J. Kreutzer, Holland & Hart LLP, Las Vegas, NV, for Defendants.

Court-Filed Expert Resumes

## **ORDER**

**ROBERT C. JONES, District Judge.**

This matter comes before the Court on the parties' currently pending proposed claim constructions with respect to disputed terms in six U.S. patents. The Court has considered all briefs in support of the proposed claim constructions, all related pleadings and documents on file, and oral argument on behalf of all parties and issues the following Order.

## **BACKGROUND**

Plaintiff IGT asserts that Bally Technologies, Inc., Bally Gaming International, Inc., and Bally Gaming, Inc. (collectively "Bally") have infringed certain claims in patents that IGT owns. Specifically, IGT argues that Bally has infringed six patents: (1) U.S. Patent Number 6,827,646 ("646 patent") entitled "Slot machine with additional payout indicator"; (2) U.S. Patent Number 5,848,932 ("2 patent") entitled "Method of playing game and gaming games with an additional payout indicator"; (3) U.S. Patent Number 5,788,573

("573 patent") entitled "Electronic game method and apparatus with hierarchy of simulated wheels"; (4) U.S. Patent Number 5,722,891 ("891 patent") entitled "Slot machine having two distinct sets of reels"; (5) U.S. Patent Number 6,712,698 ("698 patent") entitled "Game service interfaces for player tracking touch screen display"; and U.S. Patent Number 6,722,985 ("985 patent") entitled "Universal player tracking system." IGT and Bally dispute the meaning of certain claim terms within the six patents. The parties therefore submitted proposed claim interpretations, and this Court held a hearing pursuant to *Markman v. Westview Instruments, Inc.*, 517 U.S. 370 (1996) to construe the disputed claim terms.

## DISCUSSION

### I. Legal Standard for Claim Construction

Patent claim construction is a question of law for the Court. *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 372 (1996). When interpreting a claim, the Court looks first to the intrinsic evidence of record, which consists of the claims, the specification, and the prosecution history. *Interactive Gift Exp., Inc. v. CompuServe Inc.*, 256 F.3d 1323, 1331 (Fed.Cir.2001). " 'Such intrinsic evidence is the most significant source of the legally operative meaning of disputed claim language.' " *Id.* (quoting *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1582 (Fed.Cir.1996)).

When interpreting the intrinsic evidence, the Court looks first to the actual claim language. *Id.* If the claim language is clear on its face, then the Court considers other intrinsic evidence solely to determine if those sources show a deviation from the claim's clear language. *Id.* The Court should give the claim's words their "ordinary and customary meaning." *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312-1313 (Fed.Cir.2005) (en banc) (quotation omitted). However, the Court may construe a claim term differently from its ordinary meaning in at least four instances. *See, e.g., CCS Fitness, Inc. v. Brunswick Corp.*, 288 F.3d 1359, 1366-67 (Fed.Cir.2002). First, if a patentee "acted as his own lexicographer and clearly set forth a definition of the disputed claim term in either the specification or prosecution history." *Id.* at 1366. Second, "if the intrinsic evidence shows that the patentee distinguished that term from prior art on the basis of a particular embodiment, expressly disclaimed subject matter, or described a particular embodiment as important to the invention." *Id.* at 1366-67. Third, if a patentee's chosen term " 'so deprive[s] the claim of clarity' as to require resort to the other intrinsic evidence for a definite meaning." *Id.* at 1367 (quoting *Johnson Worldwide Assocs., Inc. v. Zebco Corp.*, 175 F.3d 985, 990 (Fed.Cir.1999)). Finally, if a patentee phrased the claim in step-or means-plus-function format, "a claim term will cover nothing more than the corresponding structure or step disclosed in the specification, as well as equivalents thereto..." *Id.* (citations omitted).

In construing a claim term's ordinary meaning, the Court must view the terms through the lens "of a person of ordinary skill in the art in question" as of the patent application filing date. *Phillips*, 415 F.3d at 1313. "Importantly, the person of ordinary skill in the art is deemed to read the claim term not only in the context of the particular claim in which the disputed term appears, but in the context of the entire patent, including the specification." *Id.* For example, other claims in the patent in question may assist in determining a claim term's meaning because courts should generally construe claim terms consistently throughout the patent. *Id.* at 1314. Additionally, differences between claims within the patent may also assist because "the presence of a dependent claim that adds a particular limitation gives rise to a presumption that the limitation in question is not present in the independent claim." *Id.* at 1314-15. Furthermore, "limitations stated in dependent claims are not to be read into the independent claim from which they depend." *Nazomi Commc'ns, Inc. v. Arm Holdings, PLC*, 403 F.3d 1364, 1370 (Fed.Cir.2005) (citation omitted).

Second, the Court looks to the specification because it " 'is always highly relevant to the claim construction analysis. Usually, it is dispositive; it is the single best guide to the meaning of a disputed term.' " Phillips, 415 F.3d at 1315 (quoting Vitronics, 90 F.3d at 1582). In reviewing the specification, the Court must not read into the claims the limitations of particular embodiments and examples appearing in the specification. Comark Commc'ns., Inc. v. Harris Corp., 156 F.3d 1182, 1187 (Fed.Cir.1998). The United States Court of Appeals for the Federal Circuit has "expressly rejected the contention that if a patent describes only a single embodiment, the claims of the patent must be construed as being limited to that embodiment." Phillips, 415 F.3d at 1323.

Third, the Court may consider the prosecution history, which consists of "the complete record of the proceedings before the [Patent and Trademark Office ("PTO") ] and includes the prior art cited during the examination of the patent." *Id.* at 1317. The prosecution history "provides evidence of how the PTO and the inventor understood the patent," and it may demonstrate whether the patentee "limited the invention in the course of prosecution, making the claim scope narrower than it would otherwise be." *Id.* However, "because the prosecution history represents an ongoing negotiation between the PTO and the applicant, rather than the final product of that negotiation, it often lacks the clarity of the specification and thus is less useful for claim construction purposes." *Id.*

If a claim limitation is not clear after reviewing the intrinsic evidence, the Court may then refer to extrinsic evidence such as expert testimony, inventor testimony, dictionaries, and learned treatises. Interactive Gift Exp., Inc., 256 F.3d at 1332. However, "[s]uch instances will rarely, if ever, occur." *Id.* at 1332 (citing Vitronics, 90 F.3d at 1585). The Court may consider extrinsic evidence throughout claim construction to understand the underlying technology, and the Court may "consult technical treatises and dictionaries at any time ... to better understand the underlying technology and may also rely on dictionary definitions when construing claim terms, so long as the dictionary definition does not contradict any definition found in or ascertained by a reading of the patent documents." Vitronics, 90 F.3d at 1584 n.6. Prior art may render expert testimony inapplicable or unnecessary because it may indicate what those skilled in the art generally believe a certain term means. *Id.* at 1584.

Counsel for both parties have thoroughly briefed their respective positions concerning the claim construction in dispute for each patent before the Court. Having considered their arguments, the Court construes the disputed terms for the patents-in-suit as follows.

## **II. The '2 Patent**

The '2 patent describes similar subject matter as the '646 patent-namely gaming machines that include a wheel game portion. The '2 and '646 patents share a nearly identical specification. Both patents stem from a common continuation-in-part ("CIP") application filed in September 1994 (the "1994 Application"). That CIP application evolved into the '2 patent, which IGT filed in August 1997 (the "1997 Application"). The 1997 Application contains new material not found in the 1994 Application, and it also deleted some material originally in the 1994 Application. The 1997 Application ultimately became the specification for the '2 patent. The '646 patent application, filed in September 2002, also continued from the 1994 Application. The specification in the '2 and '646 patents are nearly identical. During patent prosecution, the inventor claimed priority to the 1994 Application.

### **A. Disputed Constructions**

#### **1. "Movable Mechanical Bonus Payout Indicator" (Claim 10)**

**Bally's Proposed Construction**

A mechanical wheel, disc or reel that is visible to the player and movable relative to a fixed pointer to indicate the bonus payout; not flashing lights.

**IGT's Proposed Construction**

A mechanical member or structure that is capable of movement and indicates a payout amount on the bonus feature.

IGT argues this term encompasses various types of movable indicators and that Bally has improperly attempted to limit the claim language to include only a wheel, disc, or a reel. IGT further contends that no support exists to sustain the not-flashing-lights limitation. According to IGT, the payout indicator may take on multiple forms, including but not limited to, wheels, discs, reels, moving balls, and other movable members. To support their argument, IGT asserts that Bally violates basic claim-construction tenets by importing limitations into a claim from the specification. *See Phillips v. AWH*, 415 F.3d 1303, 1323 (Fed.Cir.2006) (stating that a court must not read into the claims the limitations of particular embodiments and examples appearing in the specification).

The Court begins with the claim language, which states "... a movable, mechanical bonus payout indicator for visually indicating one of a plurality of bonus payouts to a player. ..." "2 Patent, Col. 9:44-46. The claim's plain language indicates that the movable mechanical bonus payout indicator must be visible by the player. The movable mechanical bonus payout indicator is used for "*visually indicating* one of a plurality of bonus payouts to a player...." *Id.* (emphasis added). The indicator could not achieve its stated purpose if the player could not see it. A review of the specification does not alter this conclusion. Thus, the claim language supports Bally's contention that the movable mechanical bonus payout indicator "is visible to the player."

Bally also argues that the Court should limit the claim to a wheel, disc, or reel because (1) the inventor testified that his invention embodied a wheel, (2) the only enabled embodiments in the patent application were wheels, discs, or reels, (3) the PTO examiner concluded that non-wheel embodiments were not enabled, and (4) the "2 patent only discloses a wheel or a reel. Bally also avers that during patent prosecution, IGT specifically represented that lights do not move and disclaimed flashing lights as not qualifying as a movable payout indicator. The claim language does not limit the payout indicator to a wheel, disc, or reel, and it does not mention flashing lights.

What limits a specification may impose on the claim language is not an issue easily resolved. On this issue, the Federal Circuit appears to have issued contradictory opinions. IGT correctly cites to several Federal Circuit cases espousing the "familiar axiom of patent law[ ] that the scope of the claims is not limited to the preferred embodiments described in the specification." *Fuji Photo Film Co., Ltd. v. Int'l Trade Comm'n*, 386 F.3d 1095, 1106 (Fed.Cir.2004) (citing *Cordis Corp. v. Medtronic AVE, Inc.*, 339 F.3d 1352, 1365 (Fed.Cir.2003)). Other related authority warns against reading specification limitations into the claims. *E.g.*, *Alloc, Inc. v. Int'l Trade Comm'n*, 342 F.3d 1361, 1370 (Fed.Cir.2003). These rules appear to conflict with other Federal Circuit authority holding that "claims may be no broader than the supporting disclosure." *See Gentry Gallery v. Berkline Corp.*, 134 F.3d 1473, 1480 (Fed.Cir.1998); *see also LizardTech, Inc. v. Earth Res. Mapping, Inc.*, 424 F.3d 1336, 1346 (Fed.Cir.2005) ("The single embodiment would support such a generic claim only if the specification would reasonably convey to a person skilled in the art that [the inventor] had possession of the claimed subject matter at the time of filing.... Thus, a patentee cannot always satisfy the requirements of section 112, in supporting expansive claim language, merely by clearly describing one embodiment of the thing claimed."). The Federal Circuit has further taught that "a broad claim is invalid when the entirety of the specification clearly indicates that the invention is of a much narrower scope." *Cooper Cameron Corp. v. Kvaerner Oilfield Prods., Inc.*, 291 F.3d 1317, 1323

(Fed.Cir.2002); *Johnson Worldwide Assocs. v. Zebco Corp.*, 175 F.3d 985, 993 (Fed.Cir.1999) (stating that "claims in an application which are broader than the applicant's disclosure are not allowable").

This Court notes that the common ground in these apparent conflicting cases is that courts must look primarily to the specification when interpreting a claim. However, the Court further recognizes that it must apply Federal Circuit precedent holding that an embodiment or claim cannot exceed the original disclosures. *LizardTech*, 424 F.3d at 1346; *Gentry Gallery*, 134 F.3d at 1479-80; *Cooper Cameron*, 291 F.3d at 1323. In the 1994 Application, the inventor originally disclosed a wheel and tumblers having a plurality of dice or a single die, as well as model animals, such as horses or dogs, that would traverse a mechanical race course. The PTO examiner rejected these claims as not clearly enabling an embodiment of a payout indicator. (# 111 at AGC 151.) The applicant thereafter amended the application and removed any embodiments other than the wheel. However, he also stated that "[w]hile the illustrated embodiment of the present invention ... is generally in the form of a wheel, other visible, mechanical indicia can be provided ... without departing from the scope of the present invention." (*Id.* at AGC 137.) Thus, the inventor disclosed possible "indicia" other than a wheel, but he failed to illustrate or mention what those other indicia could entail; the 1994 Application only disclosed a wheel. Those of ordinary skill in the art understand a disc to be a wheel turned ninety degrees. (# 268 at 8.)

The specification specifically refers to only three "indicia" as indicators: wheels, reels, and discs. Although an inventor generally must specifically disavow other embodiments to limit the claim language to the preferred embodiments, when the specification indicates that these embodiments are the key advantage that makes the game more enjoyable and exciting to the player, the Court may construe the term as encompassing these embodiments. *See On Demand Mach. Corp. v. Ingram Indus.*, 442 F.3d 1331, 1340 (Fed.Cir.2006) (citation omitted); *see also AstraZeneca AB v. Mut. Pharm. Co.*, 384 F.3d 1333, 1339-40 (Fed.Cir.2004) ("Where the general summary or description of the invention describes a feature of the invention ... and criticizes other products ... that lack the same feature, this operates as a clear disavowal of these other products."). The '2 specification states that the preferred embodiments are key in giving the invention an advantage because they add a heightened sense of excitement and suspense over the traditional slot machines. '2 Patent, Col. 3:33-40. The specification's role is to enable and describe the invention. *Phillips v. AWH*, 415 F.3d 1303, 1321 (Fed.Cir.2006). "In turn, the claims cannot be of broader scope than the invention that is set forth in the specification." *On Demand Mach. Corp.*, 442 F.3d at 1340 (citing *Phillips*, 415 F.3d at 1321). The invention's scope reveals that the inventor intended to implement a "movable mechanical bonus payout indicator" through a wheel-like structure. The inventor himself indicates that in the 1994 Application, he intended to invent a wheel-like indicator. Mr. Adams testified at his deposition that he formulated the idea for his game while watching *Wheel of Fortune*. (Adams Dep. 80:9-15.) According to Mr. Adams, he invented a wheel-type application to create additional excitement. (*Id.* at 79:18-80:8.) He further testified that he could not recall intending to develop anything other than a wheel-like structure. (*See id.* at 159:20-160:7.) The inventor intentionally limited both his initial disclosure and all embodiments to wheels, reels, or discs. The '2 patent itself notes that these structures are what gives the patent its advantage. IGT cannot now argue that the claims are broader than the disclosures in the 1994 Application and the specification. *See Johnson Worldwide Assocs. v. Zebco Corp.*, 175 F.3d 985, 993 (Fed.Cir.1999); *see also LizardTech, Inc. v. Earth Res. Mapping, Inc.*, 433 F.3d 1373, 1375 (Fed.Cir.2006) (Lourie, J., concurring) ("Claims are not necessarily limited to preferred embodiments, but, if there are no other embodiments, and no other disclosure, then they may be so limited.").

Limiting the claims in this instance complies with the mandate that a patentee provide the public with sufficient notice of the scope of his invention through a "full, clear, concise, and exact" teaching of its

elements and limitations in order to receive the benefit of a patent monopoly. *Univ. of Rochester v. G.D. Searle & Co., Inc.*, 358 F.3d 916, 922 (Fed.Cir.2004). Indeed, if the claims were not limited, they would not be enabled because the indicator would have an infinite number of possible constructions, and the inventor's potential overreaching could not be deterred or prevented. The seemingly apposite cases cited above demonstrate that the Court may examine the written description and limit the claims to the supporting disclosure, and yet still avoid the error of reading specification limitations into the claims. The above analysis reveals Mr. Adams did not intend his invention to encompass more than a wheel-like structure.

Bally also argues that the bonus payout indicator moves relative to a fixed pointer only. The claim language does not indicate the pointer must be fixed. Likewise, the specification does not provide that the bonus payout indicator moves relative to a fixed pointer. Unlike the above analysis regarding wheel, disc, or reel, Bally has failed to provide sufficient evidence to demonstrate that the "movable mechanical bonus payout indicator" only moves relative to a fixed pointer. The specification simply indicates that the indicator for designating the payout amount needs to be stationary at the conclusion of the additional game portion.

Another limitation Bally urges the Court to adopt is that IGT specifically limited movement to not include flashing lights. As noted, the claim in dispute does not define the term "movable mechanical bonus payout indicator." A plain reading of the claim does not indicate that the term movable restricts the use of flashing lights. However, "if the intrinsic evidence shows that the patentee distinguished that term from prior art on the basis of a particular embodiment [or] expressly disclaimed subject matter," the Court may construe a term differently from its ordinary and customary meaning. *CCS Fitness, Inc. v. Brunswick Corp.*, 288 F.3d 1359, 1366-67 (Fed.Cir.2002). The '2 patent's prosecution history indicates that IGT did in fact disclaim flashing lights as not movable. During prosecution, the PTO examiner concluded that an amendment to the claims would be necessary to overcome prior art. For example, claim 17 originally stated "a mechanical bonus indicator..." The PTO examiner determined that the claims did not overcome prior art included in the British patent 2,096,376 to Barcrest. (# 122-2 at AGC 314.) The examiner stated that the Applicant agreed to amend the claims by inserting the word movable as follows: "a [movable] mechanical bonus indicator" to overcome the prior art. ( *Id.* at AGC 317-18.) According to the examiner, the prior art was a slot machine utilizing rotatable wheels. ( *Id.* at AGC 319.) The bonus payout indicator in the British patent used a display panel listing various payout values. When the bonus payout indicator operated, flashing lights would appear, and the player would have to press a button to stop those lights from flashing, and then the indicator would randomly select a payout value. ( *Id.*) The examiner worried that the mechanical or other payout indicators in the '932 patent would utilize flashing lights. The examiner noted that in the British patent, the payout indicators did not move, but instead used flashing lights to simulate movement. ( *Id.*) IGT and the examiner agreed upon an amendment whereby IGT distinguished its invention from the British patent. When a patent examiner and an applicant agree to amend a claim for the purpose of overcoming an objection or rejection, the Court may infer the applicant intended to limit the claim to that which was agreed upon in the amendment. *Schoenhaus v. Genesco, Inc.*, 440 F.3d 1354, 1358 (Fed.Cir.2006). IGT agreed to add "movable" to overcome the Examiner's concern that the claimed invention would use flashing lights, as the British patent had used. If IGT believes the limitation is "improper or unnecessary, [it] should have raised the issue by appeal before the PTO." *Id.* at 1359. Thus, the Court finds that IGT disclaimed the use of flashing lights.

Pursuant to the above analysis, the Court construes the term "movable mechanical bonus payout indicator" as "a mechanical wheel, disc, or reel that is visible to the player and indicates a bonus payout amount. A movable mechanical bonus payout indicator does not include flashing lights."

## 2. "Bonus Payout(s)" (Claims 10-12)

Bally's Proposed Construction	IGT's Proposed Construction
Extra payment(s) or prize(s) in addition to a payment won on the slot machine portion of the game.	Prize(s) indicated by the bonus payout indicator that is (are) awarded during the bonus phase of the slot machine game play.

According to Bally, its construction is correct because the inventor defined "bonus" as something given in addition to what is usual or strictly due. In addition, Bally contends that the patentee distinguished his invention from prior art as not disclosing a guaranteed, extra payment, and that the specification is consistent with its proposed construction. IGT argues that its proposal conforms to the term's plain language and that Bally's construction incorrectly presupposes that every bonus payout occurs after a payment has been won on the base game portion of the slot machine. IGT also argues that the patentee did not disclaim his invention as Bally claims.

Claims 10, 11, and 12 do not define the term "bonus payout." However, the specification and prosecution history frequently use the term "bonus payout" to refer to a secondary or additional payout. In the 1994 Application, the original application to which the '2 patent claims priority, the PTO rejected several claims as anticipated by the British patent GB 1,242,298. To overcome the prior art and the examiner's objections, the inventor stated that his invention was different because in the prior art, "[t]here is no extra payment guaranteed to a player who has won at the slot machine portion of the game." (# 116-1 at AGC 162.) The inventor further explained that his pending claims comprise means for providing a winning payout and a bonus, and referring to Webster's New Collegiate College Dictionary, he defined bonus as "'something given in addition to what is usual or strictly due.'" ( Id.) The inventor added the following:

There is clearly no suggestion or teaching in the Jacobs reference to provide a player with a bonus. According to the Jacobs game, a player is merely provided with an opportunity to play a different game wherein he may win or lose depending upon his particular skill. ***An additional payment is not guaranteed. This is clearly not a "bonus"*** according to the accepted definition of this term. Therefore, Applicant respectfully requests that the rejection of Applicant's original claims under 35 USC 102(b) be withdrawn.

( Id. at AGC 163) (emphasis added).

A patentee may not recapture "through claim interpretation specific meanings disclaimed during prosecution." *Omega Eng'g, Inc. v. Raytek Corp.*, 334 F.3d 1314, 1323 (Fed.Cir.2003) (citation omitted). The Federal Circuit will not apply the doctrine of prosecution disclaimer "where the alleged disavowal of claim scope is ambiguous." *Id.* Here, the '2 patent inventor unambiguously declared that a "bonus payout" on his game would be an additional payout. First, the inventor defined bonus as "something given in addition to what is usual or strictly due." ( Id.) IGT argues that this disavowal is ambiguous because the inventor was merely citing to part of the dictionary definition, and it does not comport with the term's plain meaning. However, a patentee "is free to act as his own lexicographer, and may set forth any special definitions of the claim terms in the patent specification or file history, either expressly or impliedly." *Schoenhaus v. Genesco, Inc.*, 440 F.3d 1354, 1358 (Fed.Cir.2006) (citing *Irdeto Access, Inc. v. Echostar Satellite Corp.*, 383 F.3d 1295, 1300 (Fed.Cir.2004)). As noted above, when the patentee acts as his own lexicographer, the Court may construe a term differently from the term's plain meaning. *CCS Fitness, Inc. v. Brunswick Corp.*, 288 F.3d 1359, 1366 (Fed.Cir.2002). The inventor's citation to the Webster's definition coupled with his statements to the examiner establish sufficient evidence that he intended to disclaim "bonus

payouts" that are not extra or additional payments.

Although sufficient evidence exists to demonstrate that the inventor limited a "bonus payout" to an extra or additional payout, he did not clearly and unmistakably disclaim "bonus payouts" awarded in addition to a payment won on the slot machine portion of the game, as Bally contends. Bally argues that the "2 patent inventor explicitly disclaimed any "bonus payouts awarded in addition to a payment won on the slot machine portion of the game." To support this argument, Bally contends that the inventor distinguished his invention over Japanese patent JP 5,131,044 to Jidoki on the basis that Jidoki did not disclose an extra payment or prize in addition to a payment won on the slot machine portion of the game. The PTO originally rejected claims 1-5 and 8-31 because Jidoki disclosed a video gaming device that comprised a wheel for "displaying a plurality of possible bonus payouts." (# 107 at 3.) In response to the examiner's objections, the inventor included an amendment to the 1994 Application stating that the claimed invention contained the following:

a second display comprising means for randomly selecting and displaying at least one additional indicia of a *bonus payout to change the prize indicated by the first gaming unit*, said additional indicia selected from a plurality of possible indicia when said first indicia set is one of a preselected plurality of winning indicia sets,....

(# 116-1 at AGC 182, 198) (emphasis added). Bally claims that this statement is a clear declaration that the inventor limited a "bonus payout" to an award received only after a player wins on the slot machine portion of the game. However, this statement establishes that a "bonus payout" is a payment or prize that is different from the initial payout-the statement does not establish that the "bonus payout" must be a payout awarded from a portion of the game other than the slot machine portion. For example, the "bonus payout" could be a payout received as a direct result from slot machine play so long as it is an extra payout from that received during normal game play.

Bally further claims that a "bonus payout" may be a "payment" or a "prize," while IGT argues that it can only be a "prize." The specification states that the bonus payout may be a prize such as a new automobile, luxury vacation, or a very large sum of money. "2 Patent, Col. 4:62-64.

Based on the foregoing, the Court construes the term "bonus payout" as "an extra payment(s) or prize(s) indicated by the bonus payout indicator that is (are) awarded in addition to the payment(s) or prize(s) awarding during normal game play."

### 3. "Bonus Payout Actuator" (Claims 11-12)

<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
This term is indefinite and thus invalid.	A bonus payout actuator is an actuator that is used to start the movement of the bonus payout indicator.

Bally does not offer a proposed construction for this claim; rather, it argues the claim is indefinite and therefore invalid. IGT argues that the claim language and specification support its construction.

If the Court determines that a claim is not "amenable to construction," then the claim is invalid as indefinite under 35 U.S .C. s. 112[2]. Exxon Research & Eng'g Co. v. United States, 265 F .3d 1371, 1375



(Fed.Cir.2001). The definiteness requirement under s. 112[2] "focuses on whether the claims, as interpreted in view of the written description, adequately perform their function of notifying the public of the patentee's right to exclude." *S3 Inc. v. nVIDIA Corp.*, 259 F.3d 1364, 1371-72 (Fed.Cir.2001) (citing *Solomon v. Kimberly-Clark Corp.*, 216 F.3d 1372, 1379 (Fed.Cir.2000)). Definiteness requires "that the claims be amenable to construction, however difficult that task may be." *Exxon Research*, 265 F.3d at 1375. Because a claim is presumed valid, a claim is indefinite only if the "claim is insolubly ambiguous, and no narrowing construction can properly be adopted." *Id.* To overcome this validity presumption, Bally must provide clear and convincing evidence establishing indefiniteness. *Budde v. Harley-Davidson, Inc.*, 250 F.3d 1369, 1376-77 (Fed.Cir.2001). Further, if the claim "read in light of the specification reasonably apprise[s] those skilled in the art of the scope of the invention, s. 112 demands no more." *Miles Lab v. Shandon, Inc.*, 997 F.2d 870, 875 (Fed.Cir.1993). Thus, the Court presumes the claim is definite and therefore valid unless Bally can present clear and convincing evidence that it is not.

Claims 10 and 11 indicate that the "bonus payout actuator" is connected to the bonus payout indicator and that it is switchable from an inoperable state to an operable state as a result of receiving a signal. Both IGT and Bally point to evidence in the specification to support their arguments. The claim does not state what the "bonus payout actuator" looks like. However, as noted above, the claims do state its function and location. Further, while the claim does not indicate the actuator's appearance, the specification provides several examples of bonus actuators. In two different locations, the inventor refers to the bonus payout actuator as a "button" or "switch." "2 Patent, Col. 3:57, 8:25-35. Bally contends that the language is indefinite because the patent teaches that the actuator may actually be a person, and thus there is no way for an individual to know if the actuator is a person or a button. However, this language does not describe the actuator as a person; rather, the language describes a method in which the actuator may be activated (by an attendant).

A patent is presumed valid and the language in the claims is presumed definite. Bally has not provided clear and convincing evidence, as it must, demonstrating the term "bonus payout actuator" is indefinite. Indeed, as noted in the briefs, before Bally ultimately decided the term was indefinite, it argued in favor of its own definitions. Although the claim is not indefinite, IGT cannot argue the claims are broader in scope than set forth in the specification. *On Demand Mach. Corp.*, 442 F.3d at 1340 (citing *Phillips*, 415 F.3d at 1321). Therefore, the Court construes the term "bonus payout actuator" as follows: "A bonus payout actuator is a device, such as a button or switch, used to activate the bonus payout indicator."

**4. "Means for Generating at Least one Signal Corresponding to at Least one of a Plurality of Displays of said Indicia; Said Signal Generating means" (Claims 10-11)**

<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
This term is indefinite and therefore invalid.	A signal generator, which is a device for generating one or more signals, that generates at least one signal corresponding to at least one of the reel displays of indicia.

At the outset, the parties disagree as to whether the Court should interpret this term pursuant to 35 U.S.C. s. 112[6] as a means-plus-function element. The word "means" in a claim creates a rebuttable presumption that s. 112[6] applies. *CCS Fitness, Inc. v. Brunswick Corp.*, 288 F.3d 1359, 1360 (Fed.Cir.2002) ("A claim limitation that actually uses the word 'means' will invoke a rebuttable presumption that s. 112[6] applies...."). The Federal Circuit has established two rules, however, which overcome this presumption. *E.g.*, *Rodime*

PLC v. Seagate Tech., Inc., 174 F.3d 1294, 1302 (Fed.Cir.1999). First, if "a claim element uses the word 'means' but recites no function corresponding to the means," the claim language does not invoke the presumption. *Id.* (citing Sage Prods. Inc. v. Devon Indus., Inc., 126 F.3d 1420, 1427 (Fed.Cir.1997)). Second, "even if the claim element specifies a function, if it also recites sufficient structure or material for performing that function, s. 112, P 6 does not apply." *Id.* (citation omitted). Bally asserts that the function described is that of generating at least one signal corresponding to at least one of a plurality of displays. IGT does not refute this assertion, and it does not argue the first rule articulated above applies; rather, it asks the Court not to apply the presumption because the claim element recites sufficient structure or material for performing that function.

Claim 10 states that the gaming device comprises a "means for generating at least one signal corresponding to at least one of a plurality of displays of said indicia;" but it does not state the structure by which the gaming machine will carry out that function. '2 Patent, Col. 9:42-58. IGT argues that claim 11 defines sufficient structure and cites to *Rodime PLC v. Seagate Tech., Inc.*, to support its argument. 174 F.3d 1294, 1304 (Fed.Cir.1999). According to IGT, " 'the means for generating at least one signal' recited in claim 10 is in fact nothing more than a signal generator that inherently describes sufficient structure to perform the entire claimed function." (# 108 at 18.) However, the claim language does not refer to any signal generator. To support its argument, IGT introduces expert testimony that a "signal generator is a device well known in the art and would have been readily implemented by one of ordinary skill in the art reading the '2 patent. ( *Id.*) However, IGT cannot use expert testimony to overcome the claim's lack of reference to any such structure. *See* Default Proof Credit Card Sys., Inc. v. Home Depot U.S.A., Inc., 412 F.3d 1291, 1302 (Fed.Cir.2005). IGT also cites to *Rodime* to support its argument. However, the claim at question in *Rodime* provided a detailed list of the structures underlying the means. *Rodime*, 174 F.3d at 1303-04. In contrast, claim 11 simply states that the signal generating means is connected to the bonus payout actuator and that it sends signals to the bonus payout actuator. IGT also points to *Personalized Media Commc'ns. LLC v. Int'l Trade Comm'n*, 161 F.3d 696, 704 (Fed.Cir.1998). However, *Personalized* involved an analysis where the presumption did not apply because the claim did not use the word "means." *Id.* at 703-04. The claim at issue explains what the means is, but it does not explain the structure by which the means will be carried out. Thus, the Court construes the term "means for generating at least one signal ..." pursuant to s. 112[6].

Construing a claim term pursuant to s. 112[6] involves a two-step process. *E.g.*, *Epcon Gas Sys., Inc. v. Bauer Compressors, Inc.*, 279 F.3d 1022, 1032 (Fed.Cir.2002). First, the Court must identify the function. *Id.* Second, the Court must identify the corresponding structure in the specification. *Id.* The parties do not dispute the function; thus, the Court must only conduct the second step.

To meet the definiteness requirement under step two, the "structure disclosed in the specification must be clearly linked to and capable of performing the function claimed by the means-plus-function limitation." *Default Proof*, 412 F.3d at 1299. The function at issue appears in claims 10 and 11 is a means for generating at least one signal corresponding to at least one of a plurality of displays of said indicia-or in other words, generating signals that correspond to displays of "said indicia." '2 Patent, Col. 9:42-56. Further, the claim language clearly indicates that "said indicia" refers to indicia on the slot machine reels. *Id.* at Col. 9:36-56. Thus, the signals generated by the signal generated means must correspond to the slot machine reels. IGT argues that the specification clearly refers to a random generator as the structure used to carry out the function. *Id.* at Col. 4:36-43. However, the specification does not link this generator to the means format described in claim 10. The specification describes the random generator as a device connected to a control unit that is in turn connected to a bonus indicator. *Id.* The only function to which the generator corresponds is to decrease "the rate of movement of the bonus indicator before the bonus indicator stops." *Id.* at Col.

4:36-37. With respect to the random generator, the specification fails to make any connection to the slot machine reels or to any signals sent to such reels. To overcome this fact, IGT relies on expert testimony that a random generator comprises a "microcontroller or microprocessor, with its associated circuitry and firmware" to generate signals. (# 268 at 20 .) However, the specification discloses no structure, and "the testimony of one of ordinary skill in the art cannot supplant the total absence of structure from the specification." Default Proof, 412 F.3d at 1302. IGT cites other cases for the proposition that the specification need only include sufficient structure to perform the function and not every detail. "While corresponding structure need not include all things necessary to enable the claimed invention to work, it must include all structure that actually performs the recited function." Id. at 1298 (citing *Cardiac Pacemakers, Inc. v. St. Jude Med., Inc.*, 296 F.3d 1106, 1119 (Fed.Cir.2002)). Here, the specification simply does not refer to any structure that actually performs the recited function. Because the specification discloses no structure capable of "generating at least one signal corresponding to at least one of a plurality of displays of said indicia," and expert testimony cannot compensate for the lack of disclosure, the Court finds that the term "means for generating at least one signal corresponding to at least one of a plurality of displays of said indicia" is indefinite, and thus claims 10 and 11 are invalid. As the Federal Circuit has stated, the primary purpose behind "the definiteness requirement is to ensure that the claims are written in such a way that they give fair notice to the public of the extent of the legal protection afforded by the patent, so that ... competitors of the patent owner[ ] can determine whether or not they infringe." *All Dental Prodx LLC v. Advantage Dental Prods.*, 309 F.3d 774, 779-80 (Fed.Cir.2002). The "2 patent fails to provide such notice with respect to this term. Although the Court finds this term indefinite and thus also finds the claims implementing such term invalid, it nevertheless construes the remaining disputed terms in the event the Federal Circuit disagrees.

**5. "Signal / at least one signal"(Claims 10-11)**

<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
Bally fails to oppose.	A signal or signals of the variety generated by the signal generating means.

In its briefs, Bally failed to construe this term or to otherwise oppose IGT's construction. The Court therefore adopts IGT's proposed construction.

**6. "Operatively Connected to" Claims 10-11)**

<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
Bally fails to oppose.	To bring into such close proximity as to permit mutual influence.

Claims 10 and 11 use the term "operatively connected to" to indicate that one device must be connected to another in such a manner that the two devices may operate in conjunction with one another. IGT's proposed construction satisfies this interpretation. Further, Bally failed to oppose IGT's proposed construction. The Court adopts IGT's proposal.

**II. The '646 Patent**

The '646 patent is a patent for a slot machine with an additional payout indicator. According to IGT, the '646 patent "describes and claims gaming machines that combine both a 'traditional' base game having several rotatable reels, with a 'wheel' game portion that is typically located above the base game." (# 108 at 9.) The embodiments in the '646 patent are designed to "provide added excitement to a board/table game or gaming device in order to increase the enjoyment to players and to serve as an added attraction to potential players." '646 Patent, Col. 3:35-38. IGT argues that the '646 patent achieves this objective by claiming various patent protections such as a gaming device that utilizes unique reels, wheels, and bonus payout indicators. Just as with the "2 patent, the '646 patent originated from the 1994 Application. As discussed above, IGT claimed priority to the 1994 Application. Further, specifications in the '646 and "2 patents are nearly identical. Thus, the prosecution history for both the "2 and '646 patents may especially assist the Court in construing the '646 patent claims in dispute.

## A. Disputed Constructions

### 1. "Movable," "Moved," & "Move "

Claim Term	Bally's Proposed Construction	IGT's Proposed Construction
Movable	Capable of changing in physical position from one point to another; not flashing lights on and off.	Possible to change in position from one point to another; to progress in sequence; go forward.
Move	To change in physical position from one point to another; not flashing lights on and off.	To change in position from one point to another; to progress in sequence: go forward.
Moved	Changed in physical position from one point to another; not flashed lights on and off.	Changed in position from one point to another; to progress in sequence: go forward.

Both parties contend their respective constructions conform with the terms' plain and ordinary meanings. While much of their proposed constructions are identical, IGT and Bally disagree on the limitations that each offers.

Bally argues that "to progress in sequence; go forward" is inconsistent with the use of movable in the patent. According to Bally, the specification clearly establishes that the related terms which "movable" modifies cannot move in a linear fashion. Bally further contends that during prosecution, IGT specifically represented that lights do not move and disclaimed flashing lights as not movable.

IGT responds that nothing in the claim language limits the term movable to include "not flashing lights." They also argue that to include such a limitation directly contradicts controlling Federal Circuit precedent. IGT also asserts that the term movable necessarily equates with progressing forward and in sequence.

Beginning with the claim language, the claims in dispute do not define the term movable; the claim simply indicates that the mechanical bonus payout indicators, the bonus payout indicators, and certain mechanical wheel elements are movable. A plain reading of the claims does not indicate that the term movable restricts the use of flashing lights, or that it should be limited to moving forward or in sequence. Thus, the Court should give the term movable its "ordinary and customary meaning." *Phillips v. AWH Corp.*, 415 F.3d 1030, 1312-13 (Fed.Cir.2005) (quotation omitted).

However, "if the intrinsic evidence shows that the patentee distinguished that term from prior art on the

basis of a particular embodiment [or] expressly disclaimed subject matter," the Court may construe a term differently from its ordinary and customary meaning. *CCS Fitness, Inc. v. Brunswick Corp.*, 288 F.3d 1359, 1366-67 (Fed.Cir.2002). Just as with the "2 patent, the prosecution history to the '646 patent indicates that IGT did in fact disclaim flashing lights as not movable. During patent prosecution, the PTO examiner concluded that an amendment to the claims would be necessary to overcome prior art. For example, claim 17 originally stated "a mechanical bonus indicator...." The examiner determined that the claims did not overcome prior art included in the British patent 2,096,376 to Barcrest. (# 122-2 at AGC 314.) The examiner stated that IGT agreed to amend the claims by inserting "movable" as follows: "a [movable] mechanical bonus indicator" and in other claims to overcome the prior art. ( *Id.* at AGC 317-18.) As discussed above, the prior art was a slot machine utilizing rotatable wheels. The bonus payout indicator in the British patent used a display panel listing various payout values. When the bonus payout indicator operated, flashing lights would appear, and the player would have to press a button to stop those lights from flashing, and then the indicator would randomly select a payout value. The examiner worried that the mechanical or other payout indicators in the "2 patent would utilize flashing lights. Accordingly, IGT agreed to amend the patent and insert "movable" to indicate that the payout indicators would move and not use flashing lights. When a patent examiner and an applicant agree to amend a claim for the purpose of overcoming an objection or rejection, the Court may limit the claim to that which was agreed upon in the amendment. *Schoenhaus v. Genesco, Inc.*, 440 F.3d 1354, 1358 (Fed.Cir.2006). IGT agreed to add "movable" to overcome the examiner's concern that the claimed invention would use flashing lights, as the British patent used. While this prosecution history relates to the 1994 Application, the "2 and the '646 patents originated from the same 1994 Application. The 1994 Application evolved into the "2 patent application in 1997. The 1997 Application ultimately became the "2 specification, which is identical to the '646 specification. The PTO Examiner explicitly noted during the '646 patent prosecution that the '646 patent claimed priority to the 1994 Application. (# 130 at AGC 2579-80.) Further, the 1997 application also developed into the '646 application filed in 2002. Therefore, the Court finds that IGT disclaimed flashing lights in both the "2 and '646 patents. While the record indicates that IGT disclaimed flashing lights, it does not establish that movement must be physical movement. The Court construes "movable" as "capable of changing in position from one point to another; not flashing lights on and off." In conjunction with this construction, the Court construes "move" as "to change in position from one point to another; not flashing lights," and "moved" as "changed in position from one point to another; not flashing lights."

**2. "Movable Mechanical Payout Indicator Comprising a Rotatable Wheel Payout Indicator" (Claims 3 & 10)**

<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
A mechanical wheel that is visible to the player and rotatable about an axis relative to a fixed pointer to indicate the payout; not flashing lights.	A rotatable wheel that serves as a payout indicator and that is both movable and mechanical.

Bally and IGT agree in many respects as to how the Court should construe this term. For example, both parties agree this term includes a rotatable wheel that is movable and mechanical. They further agree the payout indicator indicates the payout, or serves as a payout indicator. The claim language provides this Court with clear guidance. Claim 1 states, as the parties agree, that this term is a mechanical, rotatable wheel. The claim language also defines the term as movable. The Court has already defined the term movable above. For the same reasons it did with the term "movable mechanical bonus payout indicator" in the "2 patent, Bally argues that the Court must import the "fixed pointer" limitation. However, the Court rejected Bally's argument because the claim language did not indicate that the pointer must be fixed, and the

specification did not mandate the bonus payout indicator move relative to a fixed pointer. The same holds true with this term.

Bally also asks this Court to construe the term to include "visible to the player." While the claim language does not explicitly state that the indicator must be visible, an indicator could not indicate unless those to whom it "indicated" could see it, at least when it performs the "indicating." The specification notes that in the most preferred embodiments, the indicators are "clearly visible." '646 Patent, Col. 4:30-35. The patentee consistently states that the '646 patent seeks to instill a heightened anticipation and excitement level into the player by allowing the player to visualize the indicators.

Because the claim language is clear on its face, the Court need only consider other intrinsic evidence to determine if those sources demonstrate a deviation from the claim's clear language. *Interactive Gift Exp., Inc. v. Compuserve Inc.*, 256 F.3d 1323, 1331 (Fed.Cir.2001). Neither party has presented sufficient evidence to convince the Court that it must deviate from the claim's plain language or deviate from the parties' agreed upon meanings. The Court therefore construes "movable mechanical payout indicator comprising a rotatable wheel payout indicator" as a "a movable and mechanical rotatable wheel that is visible to the player so as to indicate a payout." Because the Court has already defined movable as not including flashing lights, it need not "double-define" that term here by repeating that limitation as Bally requests.

### 3. "*Mechanical Member that is Movable About an Axis*" (Claims 27 & 33)

<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
A wheel or reel that is visible to the player and movable about an axis relative to a fixed pointer to indicate the payout; not flashing lights.	A mechanical member or structure that is capable of movement around or about an axis.

The claim language in question states that one embodiment of the slot machine includes a "mechanical member that is movable about an axis." '646 Patent, 12:58, 13:50. The Court has already defined the term movable as used in the '646 and '2 patents; thus, it need not define this term a second time. Further, the parties do not dispute what "about an axis" or "mechanical" entails; hence, the only word left to construe is "member."

Bally argues that "mechanical member" is synonymous with "payout indicator." The claim language at issue does not define "member." Further, the specification never uses the word "member ." However, other undisputed claims refer to a payout indicator as a "mechanical member." '646 Patent, Claim 13. Moreover, during the '646 application process, IGT claimed priority to the 1994 Application. The PTO examiner specifically allowed the '646 Application because IGT claimed priority to the 1994 Application. During prosecution, the examiner approved the patent in part because IGT's assertions that the mechanical member was based on the "movable mechanical bonus payout indicator" in the 1994 Application. (# 130 at AGC 2581-83; 2593-94.) The Court has already construed this term to include a wheel-like structure. IGT argues that the member is not necessarily a wheel-like indicator; yet they disclaimed it as such during prosecution. When a patent applicant represents that a later patent does not exceed the scope of an earlier application, the prosecution history limits the patent's scope; thus, the claim language must be consistent with the way the term or language was used in the priority application. *York Prods ., Inc. v. Cent. Tractor Farm & Family Cent.*, 99 F.3d 1568, 1575 (Fed.Cir.1996). Further, IGT admits that the "mechanical member" is wheel-like. In its opening brief, when construing the term "actuator button," IGT states that the "mechanical member" is

a variation of the wheel game. (# 108 at 12 n.5.) The Court therefore construes "mechanical member that is movable about an axis" as "a wheel-like structure that is movable about an axis."

**4. "Payout Indicator that is Movable About an Axis" (Claims 11, 16, 17, & 25)**

Bally's Proposed Construction	IGT's Proposed Construction
A mechanical wheel or reel that is visible to the player and movable about an axis relative to a fixed pointer to indicate the payout; not flashing lights	A payout indicator is an indicator that points to or indicates an amount to be paid to or provided to a player.

In approving the '646 patent application, the PTO examiner relied on IGT's statement that the "payout indicator" (new claims 89 and 96 in the prosecution history cited herein) was patterned after the "bonus payout indicator" in the 1994 Application. (# 130 at AGC 2581-83; 2593-94.) The PTO examiner issued the patent with the understanding that the "payout indicator that is movable about an axis" derived from the bonus payout indicator described above in this Order. When a patent applicant represents that a later patent does not exceed the scope of an earlier application, the prosecution history limits the patent's scope; thus, the claim language must be consistent with the way the term or language was used in the priority application. York, 99 F.3d at 1575. For the same reasons as stated above, the Court does not import the "fixed pointer" limitation. The Court construes this term as "a wheel-like structure, such as a disc, wheel, or reel, that is movable about an axis and indicates a payout." Because the Court has construed movable in this patent to exclude flashing lights, it need not restate the limitation again.

**5. "Payout Amount" & "Payout" (Claims 3, 10, 11, 16, 17, 25, 27, 30 & 35)**

Bally's Proposed Construction	IGT's Proposed Construction
"Payout" = An extra payment or prize in addition to a payment won on the slot machine portion of the game.	"Payout Amount" = The quantity or value to be provided the player upon a win.
"Payout Amount" = The amount of a possible payout.	

Pursuant to Court Order, the parties submitted their Joint Claim Construction and Prehearing Statement (# 94) wherein they submitted to this Court all disputed claims. "Payout" did not appear on that list, and the parties never agreed to have this Court construe that term. Indeed, IGT was unaware that Bally had been conducting discovery and formulating a definition for "payout" until after Bally and IGT had filed their briefs. Because Bally asks this Court to construe a term in contravention of Court Order, the Court declines to construe the term "payout"; rather, the Court construes the agreed-upon term "payout amount."

Both IGT and Bally agree in principal that the "payout amount" is an amount payable upon a player winning a game. The claim language is clear that a "payout amount" is "an amount or value to be provided upon a win," and the Court construes the term in this manner.

**6. "Actuator Button" (Claims 10, 11, & 27)**

Bally's Proposed Construction	IGT's Proposed Construction
The button that (1) is activated after a predetermined plurality of reel symbols are displayed to the player and (2) must be pressed by the player in order to start	The button that is (1) placed in an active or operative state after the reel symbols are displayed to the player and (2) must be pressed by the player in order to activate or start [the rotation of the rotatable wheel payout indicator/ the movement

any movement or rotation of the payout indicator or member.

of the payout indicator/ the movement of the movable mechanical member.]

Both IGT and Bally agree that a player must press the actuator button to activate or start the applicable rotation. Claims 10, 11, and 27 are clear: "an actuator button that, upon actuation by a player, causes said movable payout indicator to move [or rotate]." '646 Patent, Col. 10:52-56; 11:13-14; 13:11-12. The parties dispute, however, whether the "actuator button" is placed in an operative state after a "predetermined" plurality of reels are displayed or after any number of reel symbols are displayed. The claim language does not mention whether predetermined reels are required to trigger the actuator button. However, IGT relied on the 1994 Application to avoid prior art. In that application, IGT stated that "when the reels display a particular indicia set, or one of a predetermined plurality of indicia sets, then ... a bonus activator button 50 is placed in an operative state." (# 130 at AGC 2587.) The examiner noted that these statements were key in overcoming the prior art. IGT represented that the '646 patent did not exceed the scope of the 1994 Application. When a patent applicant represents that a later patent does not exceed the scope of an earlier application, the prosecution history limits the patent's scope; thus, the claim language must be consistent with the way the term or language was used in the priority application. *York Prods., Inc. v. Cent. Tractor Farm & Family Cent.*, 99 F.3d 1568, 1575 (Fed.Cir.1996). The Court construes "actuator button" as follows: "The button that (1) is activated after a predetermined plurality of reel symbols are displayed to the player and (2) must be pressed by the player in order to start any movement or rotation of the payout indicator or member."

***7. "Based on an Action Performed by said Random Generator, After said Payout Amount has been Selected, said Control unit then Causing said [Rotatable Wheel Payout Indicator/Movable Payout Indicator/Movable Mechanical Member] to stop at a stop Position Based on said Selected Payout Amount." (Claims 3, 11, 17, & 27)***

<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
After selecting the payout amount, the random generator communicates the selected payout amount to the control unit which uses the selected payout amount to determine a corresponding stop position and stops the [rotatable wheel payout indicator/ movable payout indicator /movable mechanical member] at that stop position relative to the fixed pointer.	Based on an action performed by said random generator, after said payout amount has been selected, said control unit then causing said rotatable wheel payout indicator to stop at a stop position based on said selected payout amount has three portions: "a causative portion ("based on an action performed by said random generator") which requires that the random generator be causative of the selection; a temporal requirement ("after said payout amount has been selected, said control unit then causing") and "a functional requirement ("control unit then causing said rotatable wheel payout indicator to stop at a stop position based on said selected payout amount") that the control unit cause the rotatable wheel.

Claim construction favors a plain language interpretation and should allow a jury to "intelligently determine the questions presented." *Sulzer Textil A.G. v. Picanol N.V.*, 358 F.3d 1356, 1366 (Fed.Cir.2004). IGT's construction, while ultimately similar in meaning to Bally's, complicates the term's meaning by dividing it into three portions, none of which are identified in the claims. Additionally, in its "causative portion," IGT's construction fails to distinguish between two discrete actions: the selection of the payout amount and the action performed by the random generator that communicates the selected payout amount to the control unit. The Court adopts Bally's construction for this term because it comports with the claim's plain language.



## 8. "Operatively Coupled to" (Claims 11, 27 & 34)

Bally's Proposed Construction	IGT's Proposed Construction
Bally does not oppose IGT's construction.	To bring into such close proximity as to permit mutual influence.

Bally does not oppose IGT's proposed construction. The claim language states that the "control unit" is "operatively coupled" to the random generator. The plain language establishes that the two components must be close enough to permit mutual influence. The Court adopts IGT's proposal and construes "operatively coupled to" as "to bring into such close proximity as to permit mutual influence."

## IV. The '573 Patent

The '573 patent describes innovations relating to mechanical and video slot machines with an additional wheel of fortune game. The patent involves a gaming machine that allows a player to participate in a game of chance on a slot machine base game and, depending on the outcome of the base game, play an additional wheel of fortune game located above the base game on the machine. In the game, a player places a wager on the base game and spins the base game reels to determine an outcome. If a player achieves a specific winning outcome, the machine allows the player to play the additional wheel game, which rotates to achieve another outcome. The '573 patent protects novel methods of game play utilizing this base and wheel of fortune machine. One embodiment utilizes a virtual mapping system of possible random numbers to a given outcome in order to weight the chance of achieving that given outcome relative to other outcomes in the additional wheel game portion. This allows the additional game portion to pay out a far greater maximum amount than would otherwise be possible utilizing traditional equal weighting of payout amounts. This method of game play includes a notation displaying to the player the "next level indicium" during base game play that informs the player he may participate in the additional game portion.

### A. Disputed Constructions

#### 1. "Display Device" (Claims 1 & 4)

Bally's Proposed Construction	IGT's Proposed Construction
A device that presents a visual representation of graphics or other data on a screen (such as a video screen); not physical slot machine reels.	A device that provides a visual representation or image. Examples include a video depiction of reels and/or wheel(s) as well as physical reels and/or wheel(s) themselves.

Both Bally and IGT agree that a display device is a device that provides a visual representation or image. The parties disagree as to whether such representation may include physical wheels, which the parties have stipulated to mean "an actual, physical wheel of fortune." (# 95-3.) Neither claim 1 nor claim 4 states that the display device provides a physical display-i.e. actual physical wheels. However, in construing a claim term's ordinary meaning, the Court must view the claim terms through the lens of a person of "ordinary skill in the art in question." *Phillips v. AWH Corp.*, 415 F.3d 1303, 1313 (Fed.Cir.2005). "Importantly, the person of ordinary skill in the art is deemed to read the claim term not only in the context of the particular claim in which the disputed term appears, but in the context of the entire patent, including the specification." *Id.*

Both parties agree that a person of ordinary skill in the art, when reading the claims and the specification

together, would understand the term "display" to encompass both a video and physical wheel of fortune. However, although Bally admits that "display" includes physical wheels, it argues that the device which reveals the display somehow cannot present a physical reel. Thus, Bally asks the Court to define "display" differently when used alone or when used together with "display device." To support its argument, Bally argues that the specification consistently uses the term "simulate" in conjunction with "display device," and that "simulate" refers to displaying video images on a video screen. The specification does not sustain Bally's argument. For example, the specification teaches that "[i]t should be understood that it is possible to use physical wheels for implementing this invention" and "the use of the term simulated wheel or video screen wheel shall include physical wheels having corresponding virtual wheels in the computer memory of the device." '573 Patent, Col. 2:21-22, 32-36. Thus, the '573 patent does not distinguish between "display" as used alone and "display" when used as "display device." The Court therefore construes the term "display device" as "a device that provides a visual representation or image. Such representation may include a video image or a physical wheel."

## 2. "Simulate" & "Simulated" (Claims 1 & 4)

Bally's Proposed Construction	IGT's Proposed Construction
Imitate[d] the appearance of something, using computer generated images.	To have or take on the appearance, form or sound of: imitate.

Bally and IGT essentially disagree over whether the term "simulate" must necessarily refer to computer generated images only. Claim 4 states that the display device is used "to simulate selection of an indicia in said first simulated value range...." Id. at Col. 10:53-54. Claim 1 also states that the display device displays an image that may include a simulated value range. As discussed above, Bally has already conceded that the term "display" includes physical wheels. The claim language clearly contemplates that the display device, which may include physical wheels, simulates "selection of an indicia...." Id. Thus, a simulated image is not required to be a computer generated image. Certainly the specification teaches that "simulate" in certain contexts may be a computer or video image, *see, e.g.*, id. at Col. 6:3-6. However, the specification also teaches that in certain contexts, "the use of the term simulated wheel or video screen wheel shall include physical wheels...." Id. at Col. 2:32-36. The Court therefore construes the term "simulate" as "to take the appearance of or to imitate."

## 3. "Image" (Claim 1)

Bally's Proposed Construction	IGT's Proposed Construction
A representation or reproduction of an object on a video screen.	A representation of data or information, whether on a physical object, such as graphical symbols on a reel, or as a video image on a screen.

Claim 1 states in part that the display device displays an "image." As discussed above, the display device provides a representation or image that may include a video image or a physical wheel. Because the Court construes display device to encompass video images or physical wheels, it also construes the term "image" as not limited solely to video images, as Bally asserts. Nothing in the claim language or specification restricts "image" to video images only. The Court therefore construes the term "image" as "a representation of an object, data, or information displayed by the display device."

## 4. "Wheel of Fortune" (Claims 1, 7, 9, & 11)

**Bally's Proposed Construction**

A wheel or disc with a plurality of numbers, symbols or other prize indicators positioned on its face near its perimeter that rotates around on an axis relative to a fixed pointer to indicate a selected number, symbol or other prize indicator after the wheel has rotated and stopped.

**IGT's Proposed Construction**

A real or simulated relatively movable wheel, having prize indicators on its face, and pointer for playing a game of chance.

Bally and IGT disagree as to whether the term "wheel of fortune" includes a fixed pointer. The claim language does not define pointer or state that the pointer must be fixed. Bally contends that the '573 Patent's inventor acted as his own lexicographer and specifically defined wheel of fortune as Bally's proposed construction. A "patentee is free to act as his own lexicographer, and may set forth any special definitions of the claim terms in the patent specification or file history, either expressly or impliedly." *Schoenhaus v. Genesco, Inc.*, 440 F.3d 1354, 1358 (Fed.Cir.2006) (citing *Irdeto Access, Inc. v. Echostar Satellite Corp.*, 383 F.3d 1295, 1300 (Fed.Cir.2004)). Moreover, the Federal Circuit has stated the following:

... a claim term may be clearly redefined without an explicit statement of redefinition. Indeed, we have specifically held that the written description of the preferred embodiments can provide guidance as to the meaning of the claims, thereby dictating the manner in which the claims are to be construed, even if the guidance is not provided in explicit definitional format. In other words, the specification may define claim terms by implication such that the meaning may be found in or ascertained by a reading of the patent documents.

*Bell Atl. Network Servs., Inc. v. Covad Commc'ns Group, Inc.*, 262 F.3d 1258, 1268 (Fed.Cir.2001) (internal quotations and citations omitted).

Here, the patentee defined the claim term "by implication." When describing what a wheel of fortune entails, "even before the electronic age," the patentee states that it utilizes a "stationary pointer, such as a flexible resilient flipper." '573 Patent, Col. 1:15. The patentee consistently uses pointer in agreement with this statement throughout the patent. For example, the specification describes another embodiment where the player may select a pointer or flipper from various pointers or flippers that will indicate the stop position indicium of the wheel. *Id.* at Col. 5:60-65. These examples refer to drawings, all of which indicate the pointer or flipper is stationary. "[W]hen a patentee uses a claim term throughout the entire patent specification, in a manner consistent with only a single meaning, he has defined that term 'by implication.'" *Bell Atl.*, 562 F.3d at 1271 (citing *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1582 (Fed.Cir.1996)).

IGT points to one reference in the specification to refute Bally's argument. However, while this reference uses the word pointer, it clearly does so in a context other than with a "wheel of fortune." *See* '573 Patent, Col. 10:1-5. IGT further argues that Bally improperly narrows the claims to a preferred embodiment or specific example in the specification. However, this is not a case of limiting the claims by importing a preferred embodiment. This is a case where the patentee impliedly defined the term "wheel of fortune" to include a fixed pointer. Accordingly, the Court construes the term "wheel of fortune" as "a wheel or disc, whether physical or video based, with a plurality of prize indicators on its face such as numbers, symbols, or other prize indicia, that rotates around an axis relative to a fixed pointer to indicate a selected number, symbol, or other prize indicator after the wheel has rotated and stopped."

**5. "Pointer" (Claim 1)****Bally's Proposed****IGT's Proposed Construction**

<b>Construction</b>	
A fixed pointer or flipper.	A structure, image, light, or other indicator that directs, or points.

In agreement with the "wheel of fortune" construction, the Court construes "pointer" as "fixed." While the specification refers to a pointer as a flipper in several instances, as noted above, the wheel upon which a pointer functions may be a physical wheel or a video or other virtually-produced wheel. On a video-produced wheel of fortune, the pointer cannot be an actual physical flipper. Bally's proposed definition appears only to take into account pointers used with physical wheels. The term "pointer" must take into account the "virtual wheels" as IGT's definition does. However, unlike IGT's definition, the specification never refers to a pointer as a light or other alternative indicator. In addition, using the term indicator would necessitate a separate definition because that term includes a myriad of possible constructions. Thus, the Court construes the term "pointer" in claim 1 as "a fixed flipper or other similar structure, or an image of such structure."

#### 6. "First Simulated Value Range" (Claims 1 & 4)

<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
The term is indefinite.	A range of numbers representing a set of indicia displayed during a first portion of a game.

According to Bally, the term "first simulated value range" is indefinite. A claim is indefinite if the Court determine it is not "amenable to construction." 35 U.S.C. s. 112[2]; Exxon Research & Eng'g Co. v. United States, 265 F.3d 1371, 1375 (Fed.Cir.2001). The definiteness requirement "focuses on whether the claims, as interpreted in view of the written description, adequately perform their function of notifying the public of the [scope of the] patentee's right to exclude." S3 Inc. v. VIDA Corp., 259 F.3d 1364, 1371-72 (Fed.Cir.2001) (citation omitted). Because a claim is presumed valid, a claim is indefinite only if the "claim is insolubly ambiguous, and no narrowing construction can properly be adopted." Exxon Research, 265 F.3d at 1375.

As noted above, the '573 patent claims a virtual mapping system, in which a very large range of virtual numbers are mapped to the stop positions, or indicia, on a wheel or reel to allow weighted game play. Claim 1 recites the step of "display[ing] an image of at least a portion of a first simulated value range." '573 Patent at Col. 10:16-17. The claim language and specification provide sufficient guidance to construe the term. The Court must "read the claim term not only in the context of the particular claim in which the disputed term appears, but in the context of the entire patent, including the specification." Phillips v. AWH Corp., 415 F.3d 1303, 313 (Fed.Cir.2005). First, the claim language and specification indicate that the "first simulated value range" refers to the range of numbers corresponding to the indicia, or stop positions on the wheel. For example, claim 4 describes the "first simulated value range" as "contain[ing] J indicia where J is an integer." A "first integer between 1 and M designated as x" is then randomly selected and mapped to the "first simulated value range" to simulate selection of one of the wheel or reel indicia corresponding to the "first simulated value range." The specification repeatedly describes the process in claim one as one involving integers. See, e.g., '573 Patent, Col. 6:19-50. Further, for months Bally has plead that this term was in fact definite and provided its own construction, which it retracted shortly before the *Markman* hearing. The Court construes "first simulated value range" as "a range of numbers representing a set of indicia displayed during a first portion of a game."

## 7. "First Period of Said Display" & "First Period" (Claim 1)

Bally's Proposed Construction	IGT's Proposed Construction
The period of time during which the main slot machine and puzzle completion game screen is displayed.	<p>"First period" = A first part or period of time in a game process.</p> <p>"First period of said display" = A first part or period of time in a game process during which said display is operating.</p>

According to Bally, one "of ordinary skill in the art would understand the terms 'first period of said display' and 'first period' to refer to the period of time during which the main slot machine and puzzle completion game screen is displayed." (# 107 at 24.) Bally thus seeks to limit this term to cover only the period during which a slot machine and a puzzle completion game are displayed together. IGT asserts a broader interpretation.

Both sides agree that "period" refers to a "period of time." In addition, Bally agrees with IGT that the "first period" refers to the "first portion" of game play. ( *See* # 107 at 24) ("Thus, 'first period' must refer to the 'first portion' of the game or the first 'image' displayed on the display device.") In addition, Bally does not refute IGT's argument that the first portion relates to base game play. Nevertheless, Bally argues that the "first portion" may only be a combination electronic slot machine and puzzle completion game. The specification makes clear, however, that the "first portion" does not necessarily equate with an electronic slot machine and puzzle completion game. The specification merely provides that one preferred embodiment is such a combination. '573 Patent, Col. 3:66-4:1-5. Indeed, the specification explicitly states that "[a] number of other types of games can be used for the first portion." *Id.* at Col. 3:67-4:1. The specification also provides examples where the first portion of the game may include games such as keno, blackjack, poker, and other similar games. *Id.* at Col. 9:49-10:10. Bally attempts to limit the claim to a preferred embodiment. Absent circumstances such as a patentee's express or implied claim limitation, the Court may not construe a claim as being limited to a specific embodiment in the specification. *E.g.*, *Comark Commc'ns., Inc. v. Harris Corp.*, 156 F.3d 1182, 1187 (Fed.Cir.1998). With regards to the "first period of said display," the claim language states that "said display" refers to the display coming from the display device "of at least a portion of a first simulated value range." '573 Patent, Col. 10:16-18. In accordance with the above reasoning, the Court construes "first period" as "the first part or first portion of game play." The Court further construes "first period of said display" in claim 1 as "the first period or first portion of game play during which the display device displays at least part of the first simulated value range."

## 8. "Top Award Indicium" (Claim 1)

Bally's Proposed Construction	IGT's Proposed Construction
Indicium that indicates the largest prize that can be won on the gaming machine.	An indicator of a greatest prize.

The claim language states that a wheel of fortune in part is "a wheel having a plurality of prize indicators on a face thereof ... said plurality of prize indicators including at least one top award indicium." '573 Patent, Col. 10:35-37. The claim language is clear: a wheel has several prize indicators and at least one is the "top

award indicium." Neither the claim language nor the specification limit this term to the top award that can be won on the gaming machine. As noted above, claim 1 contemplates that the wheel has a "top award indicium." The claim language and specification indicate that other top awards are awarded in addition to that contemplated in claim 1. For example, claim 14 contemplates a second "top award indicium" used during the "second time period ." Under Bally's construction, the "top award indicium" in the "first period" would have to be the same as the "top award indicium" in the "second time period" because that term must represent the highest award possible on the entire gaming machine. The Court construes the term "top award indicium" as "the indicium or indicator of the largest or greatest prize."

### 9. "Next Level Indicium" (Claim 1)

<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
Indicium indicating that the wheel of fortune will begin rotating.	An indicator that a chance to play a subsequent game containing a rotatable wheel of fortune has been won.

The claim states that during the "first period," a "next level indicium" may be selected, and that such a selection will trigger a display of "at least a portion of a wheel of fortune...." '573 Patent, Col. 10:20, 24-26. Thus, the claim language indicates that at least part of a wheel of fortune will rotate if the "next level indicium" is selected. IGT and Bally dispute whether the "next level indicium" means that the wheel of fortune bonus wheel automatically starts spinning or whether it indicates an opportunity to play a subsequent game and to thus rotate the wheel of fortune if the player selects the "next level indicium." To support its argument, Bally points to an isolated statement made during patent prosecution that "upon selection of the next level indicium, a wheel of fortune is permitted to begin rotating about a first axis." (# 107 at 26.) However, this statement does not provide sufficient support that "next level indicium" means the wheel of fortune automatically starts spinning. Indeed, this statement supports IGT's argument that the "next level indicium" permits, or provides the opportunity for, the wheel of fortune to rotate and to thus allow a player to play a secondary game. The Court therefore construes "next level indicium" as "an indicium or indicator, which if selected, will trigger a display of at least a portion of a rotatable wheel of fortune." This construction comports with the claim's plain language.

## V. The '891 Patent

The '891 patent claims a "slot machine having two distinct sets of reels." According to the patentee, the '891 patent configures the reels to "heighten the player's interest in games played therewith." '891 Patent, Col. 1:10-11. The gaming machine envisioned in the '891 patent uses two distinct set of reels: "normal reels" and "specific reels." These reels rotate and stop to determine a "win."

### A. Disputed Claim Terms

#### 1. "Normal Reels" (Claims 1 & 10)

<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
The slot machine reels that rotate during a normal game, but do not rotate during a bonus game.	Slot machine reels used during play of a normal game.

Claim 1 unequivocally states that the "normal reels" rotate during a normal game. The claim language also clearly indicates that the "normal reels" have symbols on their peripheries that may indicate either a "specific win" or "normal win" when the reels stop rotating. Both Bally and IGT agree that the "normal

reels" rotate or are in use during normal game play. Bally argues, however, that the Court should also define "normal reels" as not rotating during a bonus game. Nothing in the claim language mandates that the "normal reels" may not rotate during a bonus game, but the claim language does state that the "normal reels" must stop for a player to achieve a "normal win" or a "specific win." The specification further clarifies that the normal reels must stop if a player is to obtain a "normal win" or a "specific win." Just as claim 1 establishes, the specification notes numerous times that the normal reels rotate in a normal game and stop to determine a win. '891 Patent, Abstract; Col. 2:38; 4:48-52; 5:41-56. In fact, at least one embodiment states that if a player never stops the "normal reels" by failing to actuate a stop button, the "normal reels" will automatically stop by themselves to avoid unduly prolonging the normal game. Id. at Col. 5:48-52. The claim language and specification make clear that the normal reels rotate during normal game play and stop so as to determine if a player wins or loses, but the patent does not support Bally's contention that it would be impossible for the "normal reels" to rotate during a bonus game. The Court refuses to read into the claims limitations that do not appear in the claim language, specification, or prosecution history. The Court construes "normal reels" as "the slot machine reels that rotate during normal game play and stop to indicate whether a player has won a normal win, specific win, or no win."

## 2. "Specific Reel" & "Specific Reels" (Claims 1, 5, & 10)

<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
Specific reel = The slot machine reel that rotates during a bonus game, but does not rotate during a normal game.	Specific reel = A slot machine reel spaced from the set of normal reels, that is rotated in a bonus game and may provide a bonus win.
Specific reels = more than one specific reel.	Specific reels = At least one specific reel.

The claim language plainly states that a "specific reel" rotates during a bonus game. Id. at Col. 8:54-55. Claim 1 also provides that the "specific reel" stops to display a bonus win in a window separate from the window "spaced" from the "first window ." Id. at Col. 8:55-58. According to claim 1, the "normal reels" are located in the "first window." Id. at Col. 8:46-52. While the claim language clearly states that the "specific reels" stop to display a "bonus win," the specification clarifies that the specific reel "stops to determine the bonus win, in accordance with whether a symbol on the specific reel stops on a predetermined second winning line." Id. at Col. 2:44-46. Thus, while the "specific reel" stops to indicate a bonus prize or win, a "bonus win" is not guaranteed every time the "specific reel" stops. Unlike with the "normal reels" above, the patent teaches that the "specific reels" are only used during a bonus game. While the claim language establishes that the "specific reels" rotate during a bonus game, the specification states that "[i]n the present invention, bonus games are played with specific reels that are exclusive to the bonus games...." Id. at Col. 7:8-11. While it is true that a court "may not read a limitation into a claim from the written description, ... one may look to the written description to define a term already in a claim limitation, for a claim must be read in view of the specification of which it is a part." *Reinshaw PLC v. Marposs Societa' Per Azioni*, 158 F.3d 1243, 1248 (Fed.Cir.1998). Further, the "written description can provide guidance as to the meaning of the claims, thereby dictating the manner in which the claims are to be construed, even if the guidance is not provided in explicit definitional format." *SciMed Life Sys., Inc. v. Advanced Cardiovascular Sys., Inc.*, 242 F.3d 1337, 1344 (Fed.Cir.2001). Moreover, "[c]laims are not correctly construed to cover what was expressly disclaimed." Id. at 1342. Here, the patentee further defined the "specific reels" limitation in the claims; namely, the patentee dictated that "specific reels" are to be construed as "exclusive to bonus games." '891 Patent, Col. 7:8-11. Thus, the Court construes "specific reel" as "a slot machine reel that rotates during a bonus game and stops to indicate a bonus win or no bonus win. The specific reel is exclusive to, and thus only used in, a bonus game."

The parties also disagree as to whether "reels" means more than one or at least one reel. The plain language of specific reels is the plural of specific reel. The claim language and specification support this plain language interpretation, and IGT fails to offer any evidence to refute this reading. The Court therefore interprets "specific reels" as "more than one specific reel."

### 3. "Normal Game" (Claim 1)

Bally's Proposed Construction	IGT's Proposed Construction
The primary game, separate from any bonus game, in which (1) the normal reels, but not the specific reel or reels, are rotated and stopped to determine either a normal win, a specific win or a loss, and (2) coins are paid out for either a normal win or a specific win .	A game played using a set of "normal" slot machine reels, having at least one outcome that allows a bonus game, and at least one outcome that provides a payout on the normal reels only.

The claim language enables two types of games-a "normal game" and a "bonus game." Claim 1 specifies that during "normal game" play, the "normal reels" rotate. The claim's plain language also states that a "normal game" may result in a "normal win," or a "specific win." Id. at Col. 8:40-52. The claim language further provides that game play may result in a loss. Id. at Col. 8:39. In addition, as noted above, the patentee specifically defined "specific reels" as exclusive to "bonus game" play. The Court therefore construes "normal game" as "a game played using only the normal reels during which the normal reels rotate and then stop to indicate whether game play results in a normal win, specific win, or a loss."

### 4. "Normal Win" (Claim 1)

Bally's Proposed Construction	IGT's Proposed Construction
A win in a normal game indicated by the normal reels that pays out coins and ends the game without the specific reel or reels being rotated.	An outcome of a normal game causing a payout to be paid or credited to the player, resulting from a winning combination on the normal reels where a bonus game is not allowed.

The claim language states that a "normal win" may only result from "normal game" play, but it does not state what that normal win entails. The specification does state that a payout or credit of coins is a possible "normal win." Id. at Col. 5:60. Both parties agree that a bonus game cannot be awarded as a result of normal game play. Further, because the Court has already defined "normal game" to provide for the exclusion of "specific reels," it need not duplicate such definition here. The Court therefore construes "normal win" as "a win, other than a specific win, achieved during normal game play as a result from a winning combination on the normal reels. Such win may include a payout or credit of coins."

### 5. "Specific Win" (Claim 1)

Bally's Proposed Construction	IGT's Proposed Construction
A win in a normal game indicated by the normal reels that pays out a greater number of coins than a normal win, before allowing a bonus game to be played.	An outcome of a normal game in which a winning symbol combination on the normal reels allows a bonus game.

Claim 1 states that a "specific win" is a possible result in a "normal game." The claim further provides that a



specific win grants the player a "bonus game." Id. at Col. 8:43-45. The claim language does not indicate that a "specific win" pays out a greater number of coins than a normal win. The claim language is also silent regarding when the possible payout occurs. Bally cites to the specification to support its contention that a "specific win" pays out more coins than a "normal win." Id. at Col. 5:65-6:2; 1:33-39. However, this specification language describes a particular embodiment. The Court may not limit the claim language to specific embodiments absent an indication that the patentee intended to limit the claim in such a manner. *Phillips v. AWH*, 415 F.3d 1303, 1323 (Fed.Cir.2006). No such intention exists. The Court construes "specific win" as "a possible win in a normal game in which a winning combination on the normal reels indicates a specific win. A specific win results in a bonus game."

## 6. "Bonus Game" (Claim 1)

Bally's Proposed Construction	IGT's Proposed Construction
A separate bonus game played with at least one specific reel that rotates only during the bonus game, not the normal reels that rotate only during a normal game, that is allowed only when a specific win occurs in the normal game and an additional coin is inserted.	A game played using a specific reel or reels that is allowed to affect the payout that a player receives only when a specific win occurs in the normal game.

The claim language makes clear, and the parties do not dispute, that a "bonus game" is awarded only as a result of a specific win during normal game play. The claim language also clearly states that the specific reels rotate during a "bonus game." Bally asks the Court to include in this term's definition that the specific reels rotate only during the "bonus game," and that normal reels do not. As discussed above, the '891 patent teaches that the specific reels are exclusive to bonus play. This limitation is already reflected in the specific reel definition. Further, the Court noted above that nothing in the claim language or specification similarly restricts the normal reels.

Bally seeks to add limitations that do not appear in the claim language. For example, the claim language does not state that an additional coin must be inserted before a player may play a "bonus game." The specification does state that "[t]o start a bonus game, one coin is inserted." '891 Patent, Col. 6:16-18. However, this is just one sentence in the specification. The Court may not import a limitation from the specification into the claim language unless the patentee clearly limited the claim in such a manner. *Phillips*, 415 F.3d at 1323. The claim language simply states that a "bonus game" is allowed upon a "specific win." The claim language does not establish that a player must insert a coin to play the "bonus game." Accordingly, the Court construes "bonus game" as "a game awarded a result of a specific win during normal game play and played using at least one specific reel." Because the terms specific reel, specific win, and normal game are separately defined or construed, the Court need not repeat those constructions and their scope.

## 7. "Bonus Win" (Claim 1)

Bally's Proposed Construction	IGT's Proposed Construction
A win on the specific reel or reels that rotate only during the bonus game.	A payout of coins or coin credits resulting from a bonus game, in accordance with at least one winning symbol on the specific reel(s) stopping on a predetermined winning line.

The claim language plainly indicates that after a specific reel finishes rotating during bonus play, that the

specific reel may display a "bonus win." '891 Patent, Col. 8:54-57. Thus, a "bonus win" is awarded, if at all, after the specific reels stop rotating during a bonus game and at least one symbol on the specific reel(s) indicates a "predetermined winning position." Id. at Col. 8:55-59. While nothing in the claim states that the prize is a coin payout, the specification indicates that coins are a possible "bonus win" prize. Id. at Col. 5:22-25. The Court construes the term "bonus win" as "a win indicated by the specific reels as they stop during a bonus game."

## VI. The '698 Patent

The '698 patent relates to casino tracking units. The '698 patent claims player tracking units with touch screen displays, which IGT claims is a significant advance from traditional player tracking units with simple, non-interactive displays and outdated mechanical key pads. IGT contends that the claimed invention provides advantages such as increased interactivity and presentation quality. IGT asserts that Bally's iView product infringes at least ten claims in the '698 patent that recite player tracking units incorporating a touch screen interface and methods for presenting game services on touch screen player tracking units.

### A. Disputed Claim Terms

#### 1. "Bonus Game Interface" (Claim 1)

Bally's Proposed Construction	IGT's Proposed Construction
Bally does not oppose IGT's proposed construction.	An interface displayed on the touch screen of the player tracking unit that is used to provide information regarding a bonus game offered as part of a loyalty program.

Claim 1 requires that the player tracking unit be adapted to generate a "bonus game interface on the display and receiving input signals from the touch screen corresponding to input areas on the bonus game interface wherein the bonus game interface is used to present a bonus game." The specification describes a bonus game interface as one of many interfaces the player tracking unit may provide as part of a loyalty program. '698 Patent, Col. 8:7-33. IGT's proposal matches the claim language except in one respect. While the specification language quoted above describes that interface as one of many involved in a loyalty bonus program, that example describes the preferred embodiments. The Court does not interpret these preferred embodiments as mandatory. The Court construes "bonus game interface" as "an interface displayed on the touch screen of the player tracking unit that is used to provide information regarding a bonus game. The said bonus game may be offered as part of a loyalty program."

#### 2. "Key Pad Interface" (Claims 67 & 69)

Bally's Proposed Construction	IGT's Proposed Construction
An interface with a grid or cluster of keys arranged in close physical proximity to one another for efficient data entry.	An interface incorporating keys usable by a user to communicate with player tracking unit.

The claim language provides that a "key pad interface" has a plurality of input buttons. Neither the claim language nor the specification establish that the interface must be arranged in a grid or cluster. Bally nevertheless asks the Court to construe the term in such a manner. Bally cites to the prosecution history to support its proposed construction. The PTO examiner originally rejected IGT's application as unpatentable

over the prior art U.S. Patent No. 5,429,361 ("Raven"). The examiner noted that Raven disclosed a telephone style keypad, or a keypad in close proximity. (# 109 at 19.) This argument actually favors IGT. If the examiner originally rejected IGT's claim because he believed IGT claimed a telephone style keypad, then IGT would have had to overcome this fact to gain approval. Further, the Court doubts the keypad which Bally envisions could qualify as non-obvious. The claim language and specification fail to limit the claim to a telephone-like cluster or grid, and the prosecution history does not reveal a disclaimer by IGT. The specification also indicates that a player uses the key pad interface to communicate with the player tracking unit. *See, e.g.*, '698 Patent, Col. 6:35-55. The Court construes the claim "key pad interface" as "an interface with keys or input buttons arranged in a manner to allow a player to easily input data and communicate with the player tracking unit."

### 3. "Key Pad Interface for Entering Alpha-Numeric Data" (Claim 1)

<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
A key pad interface with both alphabetic and numeric keys.	An interface incorporating keys with any combination of letters, numbers, punctuation marks, mathematical, and other conventional symbols sufficient for a user to provide information to the player tracking unit.

The claim language states that the player tracking unit contains a key pad interface for entering alpha-numeric data. The specification provides that key pads may be used to enter alphabetic, numeric, and other functional symbols. *Id.* at Col. 3:31-33. The claim's plain language indicates that this term means "a key pad interface capable of imputing alphabetic, numeric, and functional symbols."

### 4. "Prize Redemption Interface" (Claim 29)

<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
An interface used by a player to collect an award for a win on a gaming machine.	An interface displayed on the touch screen of the player tracking unit used by a player to collect an award.

IGT and Bally both agree that a "prize redemption interface" is an interface used by a player to collect an award. However, Bally argues that a player may only use the interface to collect an award won on the actual gaming machine, while IGT contends that the invention claims a broader scope of awards. The claim language does not limit the prize to an award that must be won on the gaming machine. *Id.* at Col. 35:44-49. The claim language simply states that a player may use the interface, which is located on the display of the player tracking unit, to redeem a "prize." *Id.* While the specification teaches that the interface may be used to collect prizes awarded on a gaming machine, it also teaches that these awards are not always based on a "win on a gaming machine" as Bally proposes. For example, the specification notes that a player may use the "prize redemption interface" to collect awards based solely on a player's gaming history as part of a loyalty program, or to collect awards that are given away as casino promotions. The Court cannot limit the claim as Bally urges when the claim language, specification, and prosecution history do not establish such a limitation. *See Liebel-Flarsheim v. Medrad*, 358 F.3d 898, 906 (Fed.Cir.2004) (stating that patent claims shall "not be read restrictively unless the patentee has demonstrated a clear intention to limit the claim scope"). The Court construes "prize redemption interface" as "an interface displayed on the touch screen of the player tracking unit that a player uses to collect an award."

### "Generating ... a/an ... Interface on the Display" (Claims 1 & 29)

<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
Generating the visual elements required to present images, graphics or text on the display for a/an ... interface and receive instructions and data.	To present an interface to display and receive instructions and data.

Both parties concede that this term includes receiving instructions and data. Claim 1 specifies that the player tracking unit includes a logic device adapted for "generating video images for a plurality [of] game interfaces on the display." Claim 29 includes gaming logic for "generating a prize redemption interface on the display." The specification teaches that players use the interface to navigate the individual interface. The claim's plain meaning supports the following construction: "Generating or producing an interface to display and receive instructions and data."

#### **6. "Generating Input Data Corresponding to Touches in the Input Area" (Claim 1)**

<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
Producing game service transaction information using the x and y coordinates of a touch on the touch screen sensor.	To produce input data representing touch screen inputs.

The claim language makes clear that the claimed invention includes a logic device adapted to generating input data as a result of, and corresponding to, touches in the input area. Bally asks the Court to limit the "input data" to game service transaction information, and that the touch in the input area must be an x-y coordinate. The claim language does not limit the input data to game service information. While the specification describes one embodiment in which "[t]he location on the touch screen may allow the processor to generate game service transaction information," nothing in the claim language, specification, or prosecution history mandates that the input data must be game service transaction information. The Court may not limit the claim to one preferred embodiment without evidence that the inventor disclaimed his invention to include such limitation. *See, e.g., Phillips v. AWH*, 415 F.3d 1303, 1323 (Fed.Cir.2005).

Likewise, the claim language does not indicate that the location must be in x-y format. The specification teaches that the location may include x-y coordinates, but it also specifies other measures to identify a screen location such as attenuation of ultrasonic waves, reading infrared beams, voltage change, pixel locations, and other input events. '698 Patent, Col. 14:4-17; 24:1-28; 25:57-58; 28:12-16. The Court construes "generating input data corresponding to touches in the input area" as "producing information or data as a result of, and corresponding to, inputs from the touch screen."

#### **7. "Information Indicating an/the Activated Location on the Touch Screen Sensor" (Claim 1)**

<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
The x and y coordinates of a touch on the touch screen sensor.	Data representing a location on the touch screen of the player tracking unit touched by a user.

As noted above, the claim language, specification, and prosecution history do not limit the location activated on the touch screen sensor to x and y coordinates only. Claim 1 uses this term in two locations. First, claim 1 recites "a touch screen including ... a touch screen controller for detecting an activation of the touch screen sensor and for sending input signals with information indicating an activated location on the touch screen sensor." Second, claim 1 specifies that "a logic device [is] adapted for ... receiving input signals from the touch screen controller with the information indicating the activated location on the touch screen sensor."

The plain language indicates that this "information" comprises the data representing a location on the touch screen touched by a user as described above. The Court therefore construes this term as "information or data representing a location on the touch screen on the player tracking unit that corresponds to user inputs from the touch screen."

**8. "Input Signal" (Claims 1, 29, & 67)**

<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
The x and y coordinates of a touch on the touch screen.	Information about a user action.

As with the discussion above, Bally attempts to limit this term to x-y coordinates. However, just as the Court has already noted, the claim language and specification do not limit the signal to x-y coordinates only. Construing the claim term as x-y coordinates only would limit the claim to one type of input signal. While the claim language indicates that the input signal is "information" as IGT asserts, the claim language and specification also indicate that the input signal comes from the touch screen and corresponds to a user's selection or touch. The Court construes "input signal" as "information given to the player tracking unit from a touch screen that corresponds to a user's selection or activation on the interface."

**9. "Receiving Input Signals from the Touch Screen Controller with the Information Indicating the Activated Location on the Touch Screen Sensor and Receiving Input Signals from the Touch Screen Corresponding to Input Areas" (Claims 1 & 29)**

<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
Receiving the x and y coordinates of a touch on the touch screen from the touch screen controller.	Receiving information from the touch screen indicating a location or distinct space on the touch screen of the player tracking unit touched by a user.

As it has with all the related input signal claims, Bally asks the Court to limit the claim to x-y coordinates only. The Court has already rejected Bally's x-and-y-only argument. This claim's meaning is clear on its face. The claim language establishes that receiving input signals refers to receiving information indicating the location on the touch screen controller activated by the user. The Court construes this term as "receiving information from the touch screen controller indicating the location on the touch screen selected or activated by a user."

**10. "Touch Screen Controller" (Claim 1)**

<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
The device that detects a touch on the touch screen sensor and converts the location of the touch into x and y coordinates.	A component that processes signals from the touch screen sensor of the player tracking unit.

The "touch screen controller's" purpose is clear from the claim language: to detect an activation on the touch screen sensor and to send an input signal with information indicating the activated location on the touch screen. '698 Patent, Col. 33:28-33. While both IGT and Bally agree in principle what function the touch screen controller performs, Bally argues again that the controller detects only x-y coordinates. As noted, the

claim language and specification are not so limited. The Court construes "touch screen controller" as "the device or component that detects a touch or activation on the touch screen sensor and sends input signals indicating the activated location to the touch screen sensor ."

**11. "Communicating With" (Claim 1)**

<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
Transmitting information between devices using a communication protocol resident on both devices.	Transmitting or receiving information.

Claim 1 clearly states that the logic device communicates with other devices; thus, the "communicating with" necessarily entails communication between devices as Bally suggests. However, nothing in claim 1 indicates that the logic device and the various other devices with which it communicates must have a common protocol. Bally's expert contends that one of ordinary skill in the art recognizes that devices cannot "communicate with" one another unless those devices have common protocols. However, claim 1 indicates that one of the devices with which the logic device communicates with is a sound projection device. Both parties acknowledge that a sound projection device may be a speaker. IGT's expert notes that speakers often do not contain communication protocols. (# 263-1 at 4.) Further, claims 16 and 17, which are dependent on claim 1, introduce a communication protocol, yet no protocol is mentioned in claim 1. Courts should not construe an independent claim by adding a limitation from dependant claims. *E .g.,* Curtiss-Wright Flow Control v. Velan, 438 F.3d 1374, 1380 (Fed .Cir.2006). This doctrine carries a presumption that independent claims do not require the limitations mentioned in the independent claims. *Id.* Bally has not overcome this presumption. The Court construes "communicating with" as "transmitting or receiving information between devices."

**12. "Game Services" (Claims 1, 67, & 71)**

<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
Service(s) provided to a user.	Services, over and above play on the gaming machine, provided to a user utilizing the touch screen of the player tracking unit.

The claim language does not define "game services." However, claim 67 and the specification explicitly note that these services are "varied" according to the user. Further, the specification lists several services such as playing a game, playing a bonus game, registering to loyalty programs, displaying gaming machine metering information, performing arithmetic operations, making reservations, providing gaming machine diagnostic information, displaying loyalty account information, redeeming prizes, making a food, lodging, or entertainment reservation, communication with other players, providing web-based services, providing banking transactions, and machine diagnostics. ' 698 Patent, Col. 7:12-22.

Bally and IGT essentially disagree whether these services include game play on the main gaming machine. Bally argues that it may, while IGT argues that it may not. The specification includes playing games as a potential "game service." The specification does not limit service game play to the gaming machine only. One embodiment provides for game services on a "gaming machine" and includes game play as such a service. *Id.* at Col. 6:61-7:22. The Court construes "game services" as "services on a game machine provided to a user, which may include services on the gaming machine or the player tracking unit."

**13. "Housing for Securing the Display, the Sound Projection Device, the Card Reader, and the Logic Device" (Claim 1)**

<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
A single component enclosing and protecting the display, the sound projection device, the card reader and the logic device.	A component that covers, protects, or supports, especially a frame, bracket, mount, faceplate, or box for holding or protecting the display, sound projection device, card reader, and logic device, such as to prevent tampering or damage.

The claim language states that the housing secures the display, the sound projection device, the card reader, and the logic driver. The specification teaches that in particular embodiments, the housing "may" enclose certain devices, while in others it does not. '698 Patent, Col. 20:13-17. Thus, the specification envisions some embodiments that are not completely enclosed, or at the least the specification teaches that the housing need not enclose the devices it protects. The specification also teaches that the housing's shape "is variable and is not strictly limited to rectangular shapes." *Id.* at Col. 20:53-63. While the specification uses examples such as brackets or frames, it does not require the housing to take on such shapes. The Court construes the "housing" device as "a component that covers, protects, or supports the display, sound projection device, card reader, and logic device."

**14. "PIN Number" (Claim 69)**

<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
A sequence of one or more numbers used for personal identification.	Group of characters entered as a code to gain access to a system.

Both parties agree that the "PIN number" identifies a player or otherwise authorizes that player to gain access to the system. However, IGT argues that the "PIN number" may include non-numerical characters, while Bally urges that it may not. The claim language does not disclose whether the "PIN number" may consist of non-numerical characters. IGT cites one statement from the specification to support its argument. The specification notes the following:

In other embodiments, the input buttons on the key pad interface may be selected from the group consisting of alphabetic symbols, numeric symbols and functional. The input buttons on the key pad interface may be used to input player tracking identification information such as [a] PIN number or may be used to order a drink.

'698 Patent, Col. 3:31-36. This statement does not definitively provide that the PIN number consists of nonnumerical characters. This language simply notes that the key pad interface contains characters other than numerals, and that a player may use the interface to enter his PIN number. The specification does not teach that the PIN number must or may include characters other than numerals. At least one embodiment illustrating a PIN number only uses numbers. *Id.* at 15:61-62. Bally's and IGT's experts offer conflicting testimony about what one of ordinary skill in the art would understand as a "PIN number." As the Court would expect, Bally's expert argues that it includes numbers only, while IGT's expert contends that the term envisions nonnumerical characters as well. While the Court hesitates to read limitations into the claim language that do not exist in the specification, the Court notes that "[i]n turn, the claims cannot be of broader scope than the invention that is set forth in the specification." *On Demand Mach. Corp.*, 442 F.3d at 1340

(citing Phillips, 415 F.3d at 1321). The Court therefore construes "PIN number" as "a sequence of one or more numbers used for personal identification."

**15. "Sound Projection Device" (Claim 1)**

<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
A device (such as a speaker) that projects sound by converting electrical signals into sound waves.	A device designed to produce sound.

The claim language is clear on its face. A "sound projection device" is designed to produce or project sound messages in response to a player's actions on the player tracking unit. The claim language and specification lack a description of converting electrical signals into sound waves. The Court construes "sound projection device" as "a device designed specifically to produce or project sound messages in response to operations performed by a player on the player tracking unit."

**16. Order of Claim 67**

<b>Claim 67</b>	<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
A method of providing one or more game services on a gaming machine using a touch screen display mounted in a player tracking unit, the method comprising:	Steps [1], [2], [3], [4], [5], [6] and [7] must be performed in the order in which they are recited in the claim.	Steps [1] and [2] are a group and must be performed in order, steps [3] to [6] are a group and must be performed in order, but step [7], the group of [1] and [2], and the group of [3] to [6] may be performed in any order relative to each other.
[1] displaying a key pad interface with a plurality of input buttons to the touch screen display;	[1] (Does not need construction)	[1] presenting a key pad interface on the touch screen of the player tracking unit
[2] receiving one or more first input signals from a touch screen wherein each input signal corresponds to a selection of one of the plurality of input buttons on the key pad interface;	[2] (Does not need construction)	[2] receiving at least one input signal corresponding to a selection of an input button on the key pad interface from a user touching the touch screen
[3] displaying a list of game services on the touch screen display;	[3] (Parties agreed not to construe)	[3] (Parties agreed not to construe)
[4] receiving a second input signal from the touch screen that contains information indicating a selected game service from the list of game services;	[4] (Does not need construction)	[4] receiving at least one input signal corresponding to a selection of a game service from the list of game services from a user touching the touch screen
[5] displaying a game service interface with a plurality of input buttons for the selected game service to the touch screen display wherein the input buttons are used to provide the selected game service;	[5] (Does not need construction)	[5] presenting an interface on the touch screen that is used to provide game services to a user and having two or more input buttons for a user to give input
[6] receiving a plurality of third input	[6] (Does not need construction)	[6] receiving two or more input signals, each



signals from the touch screen wherein said plurality of third input signals are used to select input buttons on the game service interface; and	construction)	input signal corresponding to a selection of an input button from a user touching the touch screen
[7] initiating a loyalty program session.	[7] beginning a period of time when loyalty program activities occur.	[7] beginning a period of time when loyalty program activities occur.

First, the parties disagree as to the order in which the steps above must proceed. While the claim language does not actually number the clauses in this claim, IGT and Bally both have numbered the individual statements as one through seven. Bally argues that "steps" one through seven must proceed in numerical order. IGT asserts that steps one through two must proceed in order relative to one another, steps three through six must proceed in order relative to one another, and step seven may occur at anytime.

In the claim construction context, "[u]nless the steps of a method actually recite an order, the steps are not ordinarily construed to require one." *Interactive Gift Express v. Compuserve*, 256 F.3d 1323, 1342 (Fed.Cir.2001) (citation omitted). Claim 67 does not recite an order. If the claim language does not state a specific order, the Federal Circuit applies a two-step test to determine if the steps must be performed in the order they are written. *Altiris v. Symantec Corp.*, 318 F.3d 1363, 1369 (Fed.Cir.2003). First, the Court must examine the "claim language to determine if, as a matter of logic or grammar, they must be performed in the order written." *Id.* If not, the Court must "next look to the rest of the specification to determine whether it 'directly or implicitly requires such a narrow construction.'" *Id.* at 1370 (quoting *Interactive Gift*, 256 F.3d at 1343).

Beginning with the claim language, Bally argues that the Court must construe the terms to require a strict sequential order because the claim uses the terms, first, second, and third when referring to the input signals. The Federal Circuit noted that "[t]he use of the terms 'first' and 'second' is a common patent-law convention to distinguish between repeated instances of an element or limitation." *E.g.*, *3M Innovative Props. v. Avery Dimension*, 350 F.3d 1365, 1371 (Fed.Cir.2003) (citations omitted). While it is true that "[t]he use of the terms 'first' and 'second' is a common patent-law convention to distinguish between repeated instances of an element or limitation," *see id.*, the patent-in-suit does not use the terms first, second, and third to distinguish between repeated instances of the same thing. The claim language appears to use the terms "first," "second," and "third" to distinguish between three different types of input signals. For example, the "first" input signals correspond to input button selections on the key pad interface, while the "second" input signals refer to information regarding selected game services from the list of game services, and the "third" input signals "are used to select input buttons on the game service interface." '698 Patent, Col. 40:25-45. The language is not clear whether this requires a strict sequential interpretation. Thus, the Court looks "to the rest of the specification to determine whether it 'directly or implicitly requires such a narrow construction.'" *Interactive Gift*, 256 F.3d at 1343).

The specification implies that steps one through two must occur before steps three through seven. For example, Figure 8 describes these steps in a sequential flowchart manner. Further, the specification repeats these steps but does so in numerical sequence. '698 Patent, Col. 6:61-7:12. This language describes the invention as providing a method of generating game services and then describes that process in the exact language from claim 67 in numerical, step-by-step format. The specification indicates that an advantage of

this invention is the ability to provide game service information based on a player's identity. The invention could not comply with this goal unless it initiated the first two steps before steps three through six. This teaching from the specification together with Figure 8 provides the implicit evidence necessary to narrow the construction. However, although steps three through six must occur after steps one through two, step seven may occur after step two but before steps three through six or it may occur after step six. The specification notes that once a player's identity is known, the machine may initiate loyalty programs with that player. *Id.* at Col. 17:7-21. Thus, the Court construes claim 67's order as "Steps [1] and [2] must occur in the order they are recited in the claim, and must be performed before steps [3] to [7]. Steps [3] to [6] must occur in order, but step [7] may be performed after steps [1] to [2] and before steps [3] to [6]. The Court further construes the terms in the language in which they appear in the claim language with the exception of step [7], which the parties have stipulated to mean 'beginning a period of time when loyalty program activities occur.' "

## VII. The '985 Patent

The '985 patent claims methods by which gaming machines such as slot machines and video poker machines may provide player tracking services to casinos and game players. The player tracking units store different communication protocols allowing the player tracking unit to communicate with other gaming machines and player tracking units. IGT contends that Bally's iVIEW device infringes at least two claims (82 and 89) in the '985 patent. These claims recite player tracking units that are capable of storing communication protocols.

### A. Disputed Claim Terms

#### 1. "*Accounting Information*" and "*Gaming Information*" (Claim 82)

<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
Information regarding all game play and monetary transactions on a gaming machine.	Information relating to the player's game play on the gaming machine.

The parties dispute whether "gaming" and "accounting information" is player-specific or whether it pertains the entire individual gaming machine. The claim language does not define "gaming information" or "accounting information." Claim 82 provides that the logic device collects this information and sends it to a player tracking server. Thus, while the claim does not define the terms, it notes that the entire purpose behind gathering such information is to send it to the player tracking server. Claim 82 describes a player tracking unit. Thus, when it discusses "gaming information" and "accounting information," it does so in the player tracking unit, or player-specific context. The player tracking unit tracks information regarding a player's game play. The claim language suggests that "gaming information" and "accounting information" refers to player-specific information. The specification supports this view. For example, the specification teaches that the player tracking unit (claim 82) polls the gaming machine for information. '985 Patent, Col. 3:25-29. The specification states that this information consists of "how much money the game player has wagered." *Id.* The master gaming controller sends the requested game player information to the player tracking unit. The specification specifically refers to this player-specific information as "gaming information." *Id.* at Col. 3:31-35. Further, the evidence to which Bally cites discusses "gaming information" and "accounting information" in the floor management context, not in the player tracking unit context. While "gaming information" and "accounting information" may refer to information on the entire machine in some situations, claim 82 discusses this information in the player-specific realm. The Court construes "accounting information" and "gaming information" as "information relating to a player's game play and/or

monetary transactions."

**2. "Memory Arranged to Store a Plurality of Different Communication Protocols...." (Claim 82)**

<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
Memory that (i) stores two or more different communication protocols allowing the logic device to communicate with at least two different types of gaming machines using different communication protocols and (ii) stores two or more different communication protocols allowing the logic device to communicate with at least two different types of player tracking servers using different communication protocols.	A unit capable of storing different communication protocols for the logic device to communicate with different gaming machines and player tracking servers.

The claim language is clear on its face. First, claim 82 states that the player tracking unit comprises a "memory *arranged* to store a plurality of different communication protocols...." *Id.* at Col. 31:36-37 (emphasis added). Bally argues that the memory must contain two or more different communication protocols. While the Court agrees that "plurality" means two or more, the fact the claim uses the term "arranged" indicates that the memory is designed or capable of storing two or more protocols; nothing in the claim language dictates that it must. The language also states that these plurality of communication protocols allow the logic device to (1) communicate with a "plurality [two or more] of different types of gaming machines using different communication protocols to communicate with the player tracking unit...." *Id.* at Col 31:37-40. This language establishes that memory allows the logic device to communicate with other gaming machines and to relay the communicated information to the player tracking unit. The specification supports this reading. The specification teaches that the player tracking unit is designed in a manner to allow the logic device to communicate with other machines and their master gaming controllers so as to collect player information from those other machines to relay such information to the player tracking unit. *E.g.*, *id.* at Col. 11:14-20. The claim language and specification teach the same as to the second clause in question: the memory allows the logic device to communicate with different player tracking servers and relay or communicate this information to the player tracking unit. The Court therefore construes this term as "memory arranged or capable of storing two or more different communication protocols to allow the logic device (1) to communicate with two or more different types of gaming machines using different communication protocols and relay or communicate such information to the player tracking unit, and (2) to communicate with two or more different types of player tracking servers using different communication protocols and relay or communicate such information to the player tracking server."

**3. "Standard Logic Housing Device, Enclosing the Logic Device and Separate from a Housing Adapted for Coupling the one or more Peripheral Devices to the Gaming Machine, Designed or Configured to fit in one of a Plurality of Different Types of Gaming Machines" (Claim 82)**

<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
(1) A component enclosing the logic device and having dimensions specified in a standard that is distinct and kept apart from (2) a component enclosing the one or more peripheral devices and connecting them to the gaming machine.	A component having commonly used dimensions that covers, protects, or supports, especially a frame, bracket, mount, faceplate, or box for holding or protecting a logic device; this component is differentiated from a component that covers, protects, or supports, especially a frame, bracket, mount, faceplate, or box for coupling a peripheral to the gaming machine.

Unlike with the "housing device" discussed in the '698 patent, claim 82 specifically notes that the "housing device" encloses the logic device. *Id.* at Col. 31:44. Both parties agree that the "housing" conforms to standard or commonly used dimensions. The claim language specifies that the "housing" is standard, and the specification notes that the "housing" "may be designed to conform to one or more standards to produce a standard housing device." *Id.* at Col. 20:24-25. However, the claim language does not state that the separate housing for the peripheral devices necessarily covers those devices or that it is standard. The specification supports this conclusion. With regards to the separate "housing device," the claim language clearly indicates that this housing "couples" the peripheral devices to the gaming machine. *Id.* at Col. 31:46-47. Thus, this separate housing connects or joins the peripheral devices to the gaming machines. While IGT offers examples of housing shapes, neither the claim language nor the specification require that the "housing" be a certain shape. The Court construes this term as "a standard component enclosing the logic device and that is separate from the housing component that joins or connects the peripheral devices to the gaming machines."

### C. Disputed Terms Common to the '985 and '698 Patents.

Both parties have construed terms they argue are common to both the '985 and the '698 patents. IGT and Bally agree the Court should construe these terms consistently in both patents.

#### 1. "Logic Device" ('698 Patent, *Claim 1*; '985 Patent, *Claim 82*)

<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
A single device that executes player tracking software or code.	A device that includes a processor capable of executing software or code.

In asserted claim 82 of the '985 patent, "logic device" appears as follows: "a logic device designed or configured 1) to collect player tracking information from the peripheral devices, 2) to collect gaming information from a master gaming controller that controls a game played on a gaming machine and 3) to send the player tracking information and accounting information to a player tracking server." "Logic device" is used in claim 1 of the '698 patent to define a component adapted for "communicating with the display, the touch screen, the card reader, the sound projection device, a master gaming controller, and a player tracking server," "receiving input signals from the touch screen controller," and "executing gaming logic." The specifications in both patents explain that the "logic device" may include various components including a processor, EPROM, comm board, a network interface board, and other memory such as a non-volatile memory, hard drive, or a flash memory. '985 Patent, Fig. 3, Col. 15, 1. 4-19; '698 Patent, Fig. 5; Col. 24, 1. 10 to Col. 27, 1. 54. The "logic device" may include a processor to execute code and software for various functions including player tracking functions and communicating with other components such as a player tracking server, master gaming controller, or peripherals. '985 Patent, Col. 15:4-10; '698 Patent, Col. 17:23-28, Col. 24:19-41.

The claim language clearly states that the "logic device" is part of the player tracking unit. The specification also teaches that while the "logic device" executes player tracking software or code, it may also execute gaming logic. '698 Patent, Col. 33:48-50. Bally argues that if the Court does not limit the construction to a single device that executes player tracking information, then the device could be anything, including the gaming machine itself. However, the claim language specifically states that the "logic device" is part of the player tracking unit; hence, it cannot be the gaming machine or other devices not part of the player tracking unit. The Court construes "logic device" as "a device that is part of the player tracking unit and that executes

software or code."

## 2. "Player Tracking Server" ('698 Patent, *Claim 1*; '985 Patent, *Claim 82*)

<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
A computer on a network that serves as a central repository for player tracking data and programs and which can be accessed over the network by multiple gaming machines.	A computer used to communicate, store, and maintain player tracking information or information for implementing a player tracking program.

Claim 82 in the '985 patent uses this term as follows: "a player tracking unit comprising ... a logic device designed or configured ... 3) to send the player tracking information and accounting information to a *player tracking server* ... [and] a memory arranged to store a plurality of different communication protocols allowing the logic device to communicate with ... a plurality of different types of *player tracking servers* ...". This term appears in claim 1 of the '698 patent as follows: "a player tracking unit comprising ... a logic device adapted for a) communicating with ... a *player tracking server*." According to the '698 patent, a player tracking program is implemented using a "player tracking server," in addition to a player tracking unit. '698 Patent, Col. 1:60-2:8. The invention accomplishes this act through the "player tracking server" providing player tracking software and related information to the player tracking unit. '698 Patent, Col. 24:29-49; '985 Patent, Col. 24:51-25:14 (stating that "the logic device may download player tracking software from the remote server"). Both specifications describe the "player tracking server" as being capable of storing player information. '985 Patent, Col. 11:19-20; '698 Patent, Col. 12:31-33.

Both parties agree that the "player tracking server" is a computer that stores player tracking data or information. The claim language indicates, as discussed above, that the logic device may access information from various player tracking servers that may or may not be located on a single machine. The logic device may thus access player tracking servers over a network, and the player tracking servers may communicate player information to the logic device. The Court construes "player tracking server" as "a computer used to store, maintain, and communicate player tracking data or information, and which may be accessed over a network by the logic device."

## 3. "Player Tracking Information" ('698 Patent, *Claim 1*; '985 Patent, *Claim 82*)

<b>Bally's Proposed Construction</b>	<b>IGT's Proposed Construction</b>
Information regarding a player's game play.	Information regarding a player.

IGT and Bally both contend that "player tracking information" is information regarding a player. However, Bally asserts that the information is specific to game play, while IGT argues a broader definition. In the '985 patent, this term appears in asserted claim 82 as follows: "a player tracking unit comprising ... a logic device designed or configured 1) to collect *player tracking information* from the peripheral devices ... and 3) to send the *player tracking information* and accounting information to a player tracking server...." The logic device collects information regarding a player from the peripheral devices. These peripheral devices contain information regarding a player that may not include game play. For example, one peripheral device with which the logic device communicates is the biometric input mechanism. '985 Patent, Col. 5:3-5. Examples of such a biometric mechanism include cameras, finger readers, and microphones. '698 Patent, Col. 29:5-15.

These devices are used to identify the player. Id.

While the specification teaches that "player tracking information" includes information regarding a player's game play, it also teaches that it includes personal identification information. The Court construes "player tracking information" as "information regarding a player's game play and personal identification."

### CONCLUSION

IT IS HEREBY ORDERED that the disputed claim terms in U.S. Patent Nos. 5,848,932, 6,827,646, 5,788,573, 5,722,891, 6,712,698, and 6,722,985 are construed as follows:

<b>U.S. Patent No. 5,848,932</b>	
Movable mechanical bonus payout indicator	A mechanical wheel, disc, or reel that is visible to the player and indicates a bonus payout amount. A movable mechanical bonus payout indicator does not include flashing lights.
Bonus payout(s)	Extra payment(s) or prize(s) indicated by the bonus payout indicator that is (are) awarded in addition to the payment(s) or prize(s) awarding during normal game play.
Bonus payout actuator	A bonus payout actuator is a device, such as a button or switch, used to activate the bonus payout indicator.
Means for generating at least one signal corresponding to at least one of a plurality of displays of said indicia; Said signal generating means	This term is indefinite.
Signal / at least one signal	A signal or signals of the variety generated by the signal generating means.
Operatively connected to	To bring into such close proximity as to permit mutual influence.
<b>U.S. Patent No. 6,827,646</b>	
Movable	Capable of changing in position from one point to another; not flashing lights on and off.
Move	To change in position from one point to another; not flashing lights on and off.
Moved	Changed in position from one point to another; not flashing lights on and off.
Movable mechanical payout indicator comprising a rotatable wheel payout indicator	A movable and mechanical rotatable wheel that is visible to the player so as to indicate a payout.
Mechanical member that is movable about an axis	A wheel-like structure that is movable about an axis.
Payout indicator that is movable about an axis	A wheel-like structure, such as a disc, wheel, or reel, that is movable about an axis and indicates a payout.
Payout amount	An amount or value to be provided upon a win.
Actuator button	The button that (1) is activated after a predetermined plurality of reel symbols are displayed to the player and (2) must be pressed by the player in order to start any

	movement or rotation of the payout indicator or member.
Based on an action performed by said random generator, after said payout amount has been selected, said control unit then causing said [rotatable wheel payout indicator/movable payout indicator/movable mechanical member] to stop at a stop position based on said selected payout amount	After selecting the payout amount, the random generator communicates the selected payout amount to the control unit which uses the selected payout amount to determine a corresponding stop position and stops the [rotatable wheel payout indicator/ movable payout indicator /movable mechanical member] at that stop position relative to the fixed pointer.
Operatively coupled to	To bring into such close proximity as to permit mutual influence.

**U.S. Patent No. 5,788,573**

Display device	A device that provides a visual representation or image. Such representation may include a video image or a physical wheel.
Simulate(d)	To take the appearance of or to imitate.
Image	A representation of an object, data, or information displayed by the display device.
Wheel of fortune	A wheel or disc, whether physical or video based, with a plurality of prize indicators on its face such as numbers, symbols, or other prize indicia, that rotates around an axis relative to a fixed pointer to indicate a selected number, symbol, or other prize indicator after the wheel has rotated and stopped.
Pointer	A fixed flipper or other similar structure, or an image of such structure.
First simulated value range	A range of numbers representing a set of indicia displayed during a first portion of a game.
First period	The first part or first portion of game play.
First period of said display	The first period or first portion of game play during which the display device displays at least part of the first simulated value range.
Top award indicium	The indicium or indicator of the largest or greatest prize.

Next level indicium      An indicium or indicator, which if selected, will trigger a display of at least a portion of a rotatable wheel of fortune.

**U.S. Patent No. 5,722,891**

Normal reels	The slot machine reels that rotate during normal game play and stop to indicate whether a player has won a normal win, specific win, or no win.
Specific reel	A slot machine reel that rotates during a bonus game and stops to indicate a bonus win or no bonus win. The specific reel is exclusive to, and thus only used with, a bonus game.
Specific reels	More than one specific reel.
Normal game	A game played using only the normal reels during which the normal reels rotate and then stop to indicate whether game play results in a normal win, specific win, or a loss.
Normal win	A win, other than a specific win, achieved during normal game play as a result from a winning combination on the normal reels. Such win may include a payout or credit of coins.
Specific win	A possible win in a normal game in which a winning combination on the normal reels indicates a specific win. A specific win results in a bonus game.
Bonus	A game awarded a result of a specific win during normal game play and played using at least one

game specific reel.

Bonus win A win indicated by the specific reels as they stop during a bonus game.

<b>U.S. Patent No. 6,712,698</b>	
Bonus game interface	An interface displayed on the touch screen of the player tracking unit that is used to provide information regarding a bonus game. The said bonus game may be offered as part of a loyalty program.
Key pad interface	An interface with keys or input buttons arranged in a manner to allow a player to easily input data and communicate with the player tracking unit.
Key pad interface for entering alpha-numeric data	A key pad interface capable of imputing alphabetic, numeric, and functional symbols.
Prize redemption interface	An interface displayed on the touch screen of the player tracking unit that a player uses to collect an award.
generating ... a/an ... interface on the display	Generating or producing an interface to display and receive instructions and data.
Generating input data corresponding to touches in the input area	Producing information or data as a result of, and corresponding to, inputs from the touch screen.
Information indicating an/the activated location on the touch screen sensor	Information or data representing a location on the touch screen on the player tracking unit that corresponds to user inputs from the touch screen.
Input signal	Information given to the player tracking unit from a touch screen that corresponds to a user's selection or activation on the interface.
Receiving input signals from the touch screen controller with the information indicating the activated location on the touch screen sensor and receiving input signals from the touch screen corresponding to input areas	Receiving information from the touch screen controller indicating the location on the touch screen selected or activated by a user.
Touch screen controller	The device or component that detects a touch or activation on the touch screen sensor and sends input signals indicating the activated location to the touch screen sensor.
Communicating with	Transmitting or receiving information between devices.
Game services	Services on a game machine provided to a user, which may include services on the gaming machine or the player tracking unit.
Housing for securing the display, the sound projection device, the card reader and the logic device	A component that covers, protects, or supports the display, sound projection device, card reader, and logic device.
PIN number	A sequence of one or more numbers used for personal identification.
Sound projection device	A device designed specifically to produce or project sound messages in response to operations performed by a player on the player tracking unit.

Claim 67 Steps [1] and [2] must occur in the order they are recited in the claim, and must be performed before steps [3] to [7]. Steps [3] to [6] must occur in order, but step [7] may be performed after steps [1] to [2] and



before steps [3] to [6]. The Court further construes the terms in the language in which they appear in the claim language with the exception of step [7], which the parties have stipulated to mean 'beginning a period of time when loyalty program activities occur.

**U.S. Patent No. 6,722,985**

Accounting information and gaming information	Information relating to a player's game play and/or monetary transactions.
Memory arranged to store a plurality of different communication protocols	Memory arranged or capable of storing two or more different communication protocols to allow the logic device (1) to communicate with two or more different types of gaming machines using different communication protocols and relay or communicate such information to the player tracking unit, and (2) to communicate with two or more different types of player tracking servers using different communication protocols and relay or communicate such information to the player tracking server.

Standard logic housing device, enclosing the logic device and separate from a housing adapted for coupling the one or more peripheral devices to the gaming machine, designed or configured to fit in one of a plurality of different types of gaming machines

A standard component enclosing the logic device and that is separate from the housing component that joins or connects the peripheral devices to the gaming machines.

**Disputed Terms Common to the '698 and '985 Patents**

Logic device	A device that is part of the player tracking unit and that executes software or code.
Player tracking server	A computer used to, store, maintain, and communicate player tracking data or information, and which may be accessed over a network by the logic device.
Player tracking information	Information regarding a player's game play and personal identification.

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