

IN THE
UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

ARISTOCRAT TECHNOLOGIES AUSTRALIA PTY LIMITED
and ARISTOCRAT TECHNOLOGIES, INC.,

Plaintiffs-Appellants,

v.

INTERNATIONAL GAME TECHNOLOGY and IGT,

Defendants-Appellees.

On Appeal from the United States District Court
for the Northern District of California in Case No. 06-CV-3717,
Judge Martin J. Jenkins.

**BRIEF OF PLAINTIFFS-APPELLANTS ARISTOCRAT TECHNOLOGIES
AUSTRALIA PTY LIMITED AND ARISTOCRAT TECHNOLOGIES, INC.**

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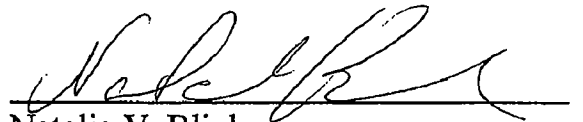
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TABLE OF CONTENTS

	Page
TABLE OF AUTHORITIES	iv
TABLE OF ABBREVIATIONS	viii
STATEMENT OF RELATED CASES	1
STATEMENT OF JURISDICTION.....	1
STATEMENT OF THE ISSUES.....	1
STATEMENT OF THE CASE.....	2
STATEMENT OF FACTS	3
A. The Parties	3
B. The '215 and '603 Patents.....	3
C. The District Court Proceedings	6
D. The District Court Opinion.....	8
STANDARD OF REVIEW	9
SUMMARY OF THE ARGUMENT	9
ARGUMENT	12
I. “IMPROPER REVIVAL” IS NOT AN INVALIDITY DEFENSE TO AN ISSUED PATENT	12
A. 35 U.S.C. § 282 Identifies The Defenses Available To Accused Infringers	13
B. “Improper Revival” Is Not A “Condition For Patentability” Within 35 U.S.C. § 282(2)	14
C. “Improper Revival” Is Not A “Fact Or Act Made A Defense” Under 35 U.S.C. § 282(4).....	16
D. Allowing Improper Revival As A Defense Contravenes Judicial Precedent	18

TABLE OF CONTENTS

(continued)

	Page
E. The District Court Erred By Finding The PTO's Grant of Revival Subject To Review Under The Administrative Procedure Act	23
II. THE DISTRICT COURT ERRONEOUSLY REQUIRED A SHOWING OF "UNAVOIDABLE" DELAY, RATHER THAN "UNINTENTIONAL" DELAY, TO REVIVE THE '215 PATENT APPLICATION UNDER 35 U.S.C. § 371	24
A. 35 U.S.C. § 371, By Incorporating The PCT, Allows For An "Unintentional Delay" In Paying The National Stage Filing Fee	25
B. 35 U.S.C. § 372(a) Requires That § 371 Be Interpreted To Allow For Revival of Applications After The National Filing Fee Is Paid After An "Unintentional" Delay	27
III. 35 U.S.C. § 41(A)(7) INDEPENDENTLY CONFIRMS THE PTO'S AUTHORITY TO ALLOW REVIVAL OF PATENT APPLICATIONS AFTER AN "UNINTENTIONAL" DELAY	28
A. 35 U.S.C. § 41(a)(7) Grants The PTO Discretion To Revive "Unintentionally" Abandoned Patent Applications	30
B. The Legislative History Of 35 U.S.C. § 41(a)(7) Confirms The Creation Of Two Different Standards For Accepting Petitions To Revive Abandoned Applications	35
C. The District Court Failed To Consider The Historical Evolution Of The Statutory "Unintentional" Standard for Revival	37
D. This Court Has Recognized The Substantive Authority Granted By 35 U.S.C. § 41(a)(7)	40
E. Rather Than Accord 37 C.F.R. § 1.137(b) Chevron Deference, The District Court Improperly Conducted A De Novo Interpretation Of The Statute	42
F. Statutory Ambiguity Should Be Resolved Liberally In Favor Of Remediation Of Administrative Mistakes	44

TABLE OF CONTENTS

(continued)

	Page
IV. BECAUSE THE '215 PATENT APPLICATION WAS PROPERLY REVIVED, THE '603 PATENT IS NOT INVALID.....	45
CONCLUSION	46

TABLE OF AUTHORITIES

	Page
Cases	
<i>Andrx Pharms., Inc. v. Biovail Corp.</i> , 276 F.3d 1368 (Fed. Cir. 2002)	23
<i>Chevron Oil Co. v. Huson</i> , 404 U.S. 97 (1971).....	30
<i>Chevron, U.S.A., Inc. v. NRDC, Inc.</i> , 467 U.S. 837 (1984).....	11
<i>Colautti v. Franklin</i> , 439 U.S. 379 (1979).....	34
<i>Conyers v. MSPB</i> , 388 F.3d 1380 (Fed. Cir. 2004)	33
<i>Duncan v. Walker</i> , 533 U.S. 167 (2001).....	17
<i>Enzo Therapeutics v. Yeda Res. & Dev. Co.</i> , 477 F. Supp. 2d 699 (E.D. Va. 2007).....	40
<i>Ferguson Beauregard/Logic Controls, Division of Dover Res., Inc. v. Mega Sys., LLC</i> , 350 F.3d 1327 (Fed. Cir. 2003)	19, 20
<i>Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.</i> , 535 U.S. 722 (2002).....	30
<i>Field Hybrids, LLC v. Toyota Motor Corp.</i> , No. 03-4121, 2005 U.S. Dist. Lexis 1159 (D. Minn. Jan. 27, 2005).....	24
<i>Graham v. John Deere</i> , 383 U.S. 1 (1966)	15
<i>In re Bennett</i> , 766 F.2d 524 (Fed. Cir. 1985) (en banc).....	30, 44
<i>In re Bogese</i> , 303 F.3d 1362 (Fed. Cir. 2002)	21
<i>Kirkendall v. Dep't of the Army</i> , 479 F.3d 830 (Fed. Cir. 2007).....	17
<i>Lawman Armor Corp. v. Simon</i> , No. 04-72260, 2005 U.S. Dist. Lexis 10843 (E.D. Mich. Mar. 29, 2005)	24
<i>Magnivision, Inc. v. Bonneau Co.</i> , 115 F.3d 956 (Fed. Cir. 1997).....	19, 20
<i>Medrad, Inc. v. Tyco Healthcare Group LP</i> , 466 F.3d 1047 (Fed. Cir. 2006).....	44
<i>Morganroth v. Quigg</i> , 885 F.2d 843 (Fed. Cir. 1989)	40

<i>Mylan Pharms., Inc. v. Thompson</i> , 268 F.3d 1323 (Fed. Cir. 2001)	17
<i>New York Univ. v. Autodesk, Inc.</i> , 466 F. Supp. 2d 563 (S.D.N.Y. 2006)	24
<i>Norian Corp. v. Stryker Corp.</i> , 363 F.3d 1321 (Fed. Cir. 2004)	20
<i>Novosteel SA v. United States</i> , 284 F.3d 1261 (Fed. Cir. 2002)	23
<i>NTP, Inc. v. Research in Motion, Ltd.</i> , 418 F.3d 1282 (Fed. Cir. 2005)	9, 31
<i>Quantum Corp. v. Rodime PLC</i> , 65 F.3d 1577 (Fed. Cir. 1995)	20, 21
<i>Rodime PLC v. Seagate Tech., Inc.</i> , 174 F.3d 1294 (Fed. Cir. 1999).	9
<i>Sacco v. United States</i> , 452 F.3d 1305 (Fed. Cir. 2006)	20
<i>SSIH Equipment S.A. v. U.S. Int’l Trade Comm’n</i> , 718 F.2d 365 (Fed. Cir. 1983)	13
<i>Superior Fireplace Co. v. Majestic Prods. Co.</i> , 270 F.3d 1358 (Fed. Cir. 2001)	45
<i>Symbol Techs., Inc. v. Lemelson Med., Educ. & Res. Found.</i> , 277 F.3d 1361 (Fed. Cir. 2002)	22
<i>Ulead Sys., Inc. v. Lex Computer & Mgmt Corp.</i> , 351 F.3d 1139 (Fed. Cir. 2003)	20
<i>United States v. American Trucking Ass’n</i> , 310 U.S. 534 (1940)	32
<i>United States v. Riverside Bayview Homes, Inc.</i> , 474 U.S. 121 (1985)	37
<i>United States v. Welden</i> , 377 U.S. 95 (1964)	32
<i>Urologix, Inc. v. ProstaLund AB</i> , 256 F. Supp. 2d 911, 913 (E.D. Wis. 2003)	41
<i>Walther v. Sec’y of HHS</i> , 485 F.3d 1146 (Fed. Cir. 2007)	34
Statutes	
1 U.S.C. § 112	32
28 U.S.C. § 1295(a)(1)	1
28 U.S.C. §§ 1331, 1338(a)	1

35 U.S.C. § 102	2, 45
35 U.S.C. § 111	<i>passim</i>
35 U.S.C. § 133	<i>passim</i>
35 U.S.C. § 151	34
35 U.S.C. § 154	22
35 U.S.C. § 185	17
35 U.S.C. § 255	45
35 U.S.C. § 271(e)(1)	18
35 U.S.C. § 273	17
35 U.S.C. § 305	20, 34
35 U.S.C. § 371(d)	<i>passim</i>
35 U.S.C. §§ 181 and 184	18
35 U.S.C. §§ 282(2) and 282(4)	<i>passim</i>
35 U.S.C. § 702	23
5 U.S.C. § 703	23

Other Authorities

130 Cong. Rec. H 10525 (Oct. 1, 1984), reprinted in U.S. Code & Ad. News 5839	38
CHISUM ON PATENTS § 11.03[2][b][iv][A]	41
CHISUM ON PATENTS § 11.02[1][d][ii] (citing § 41(a)(7))	41
H.R. Rep. No. 542, 97th Cong. Sess. 6-7 (1982), reprinted in 1982 U.S. Code Cong. & Ad. News. 770-771	35
PCT Article 22	26
PCT Rule 49.6	26

Regulations

37 C.F.R. § 1.137	<i>passim</i>
37 C.F.R. § 1.137(a).....	<i>passim</i>
37.C.F.R. § 1.137(b).....	<i>passim</i>

TABLE OF ABBREVIATIONS

Parties

Aristocrat	collectively, Aristocrat Technologies Australia Pty Ltd, and Aristocrat Technologies, Inc.
IGT	collectively, International Game Technology and IGT

Patents-In-Suit

'215 patent	U.S. Patent No. 7,056,215
'603 patent	U.S. Patent No. 7,108,603

Other Abbreviations

APA	Administrative Procedure Act
Commissioner	The Commissioner of the United States Patent and Trademark Office
PCT	Patent Cooperation Treaty
PTO	United States Patent and Trademark Office

NOTE

All emphasis appearing in this brief has been added, unless noted otherwise.

STATEMENT OF RELATED CASES

No other appeal in or from this civil action was previously before this Court or any other appellate court. Counsel is unaware of any case that will directly affect or be directly affected by the Court's decision in this appeal.

STATEMENT OF JURISDICTION

The district court had jurisdiction over this patent infringement action pursuant to 28 U.S.C. §§ 1331, 1338(a). The district court entered final judgment on September 4, 2007. Aristocrat filed a timely notice of appeal on September 12, 2007. This Court has jurisdiction over the appeal pursuant to 28 U.S.C. § 1295(a)(1).

STATEMENT OF THE ISSUES

1. Was the district court correct in using "improper revival" as a basis for invalidating the '215 patent, even though neither the Supreme Court nor this Court has ever invalidated a patent based on the PTO's alleged "improper revival" of an unintentionally abandoned patent application, and even though "improper revival" does not fall within the statutory defenses authorized by 35 U.S.C. § 282?

2. Did the district court err in holding that the PTO exceeded its statutory authority by reviving an "unintentionally" abandoned patent application, when the revival provisions of the Patent Act, such as 35 U.S.C. § 41(a)(7), expressly provide for a "petition for the revival of an unintentionally abandoned application"?

STATEMENT OF THE CASE

Aristocrat commenced these proceedings on June 12, 2006, by filing a complaint for patent infringement against IGT in the United States District Court for the Northern District of California. (JA57.) Aristocrat's First Amended Complaint, filed in December 2006, asserted that IGT infringed the '215 and '603 patents. (JA2.) IGT counterclaimed, seeking, among other things, a declaratory judgment of invalidity of those patents. (JA240-84.)

On April 3, 2007, IGT moved for summary judgment that the '215 and '603 patents are invalid based on the PTO's "improper revival" of the '215 patent application, which went abandoned during prosecution because a filing fee was received one day late. (JA356-74.) IGT argued that the alleged invalidity of the '215 patent extended to the '603 patent as well. (JA371-73.) As the '603 patent is a continuation of the '215 patent, IGT argued that the '603 patent's chain of priority was broken by the abandonment of the '215 patent application, and thus the '215 patent application became invalidating prior art to the '603 patent under 35 U.S.C. § 102. (*Id.*) Aristocrat opposed. (JA620-636.)

Following briefing and oral argument, the district court granted IGT's motion on June 13, 2007. (JA1-26.) On September 4, 2007, the district court entered final judgment. (JA27.) This appeal timely followed on September 12, 2007. (JA910.)

STATEMENT OF FACTS

The district court invalidated two Aristocrat patents based on an unintentional one-day delay in submitting a filing fee to the PTO, a delay the PTO—in its discretion—chose to excuse. The district court also threw into question the applicability and use of a PTO regulation broadly permitting revival of unintentionally abandoned applications, that has been applied by the PTO to countless patent applications for a quarter of a century.

A. The Parties

Aristocrat and IGT are competitors in the market for electronic gaming machines. Among other activities, Aristocrat makes and sells slot machines for casinos. (JA2.) IGT also designs and manufactures electronic gaming machines. (*Id.*)

B. The '215 and '603 Patents

Aristocrat owns the '215 and '603 patents, which relate to slot machines. (JA29,40.) The two patents are formally related: the '603 patent issued from a continuation application of the '215 patent application. (JA40.)

Further detail regarding the technology and the scope of the patents is not necessary to resolve this appeal. Detail regarding the prosecution history is, however, pertinent. The prosecution of the patents-in-suit began in Australia. Aristocrat filed a provisional application on July 8, 1997. (JA2.) On September 9,

1997, Aristocrat filed another provisional application (collectively, “the Australian provisional applications”). (*Id.*)

On July 8, 1998, Aristocrat filed a Patent Cooperation Treaty application in Australia (“the PCT application”). (JA2-3.) That application, which claimed priority to the Australian provisional applications, was published on January 21, 1999. (JA3.) Aristocrat was therefore required to pay the fee for the U.S. national stage of the PCT application by January 10, 2000. (*Id.*) These facts are not in dispute.

The PTO received the national filing fee on January 11, 2000—one day late. (*Id.*)

On June 13, 2000, the PTO mailed a notice of abandonment to Mr. Shahan Islam, Aristocrat’s U.S. attorney of record for the ’215 patent application. (JA641-43.) The notice stated that “Applicants may wish to consider filing a petition to the Commissioner under 37 CFR 1.137(a) or (b) requesting that the application be revived.” (JA642.) The notice detailed each of those regulations, namely, the “unavoidable” delay standard of 37 C.F.R. § 1.137(a) and the “unintentional” delay standard of 37 C.F.R. § 1.137(b). (*Id.*)

Aristocrat’s counsel responded on September 15, 2000, by filing a Petition to Correct the Date-In of the ’215 patent application. (JA645-49.) On June 5, 2001, the PTO denied the petition without prejudice. (JA651-53.) There is an

issue of fact whether Mr. Islam actually received notice of the denial at that time. (JA739.) Mr. Islam's firm did, however, receive the denial notice on January 23, 2002. On that date, Serle Mosoff, an attorney who worked with Mr. Islam, received a fax from the PTO entitled "05 June 2001 Decision," along with a copy of the denial notice. (JA655-58.)¹

On July 18, 2002, Aristocrat's attorney filed a petition to revive the '215 patent application under 37 C.F.R. § 1.137(b), stating that the delay in paying the national stage filing fee was "unintentional." (JA660-61.) On September 3, 2002, the PTO granted the petition, stating that "[a]ll of the requirements of 37 C.F.R. 1.137(b) have been met and the applicant's petition to revive is GRANTED." (JA687 (emphasis in original).)

Thereafter, Aristocrat's attorneys resumed prosecution on the merits, and the '215 patent issued on June 6, 2006. (JA29.) Aristocrat did not learn of its attorneys' actions, and the abandonment of the '215 patent application, until after the application was revived. (JA866.)

¹ Aristocrat requested an opportunity, pursuant to Federal Rule of Civil Procedure 56(f), to develop the pertinent facts relating to the prosecuting attorneys' awareness of the June 5, 2001 denial notice prior to January 23, 2002. The district court denied Aristocrat's request. (JA23-24.)

Aristocrat filed the application leading to the '603 patent on April 8, 2005, as a continuation of the '215 patent application. (JA40.) The '603 patent issued on September 19, 2006. (*Id.*)

C. The District Court Proceedings

On June 12, 2006, Aristocrat sued IGT for infringement of the '215 patent. (JA57.) After the '603 patent issued, Aristocrat amended its complaint to assert infringement of that patent as well. (JA2.)

During discovery, IGT moved for summary judgment of invalidity. (JA356-373.) In its motion, IGT alleged that the PTO improperly revived the '215 patent application after it became abandoned. IGT argued that the '215 patent application went abandoned pursuant to 35 U.S.C. § 371(d), because the national filing fee was paid one day late. In reviving the '215 application, IGT asserted, Aristocrat was required to show that its one-day delay in paying the fee was “unavoidable,” not merely “unintentional.” (JA364-65.)

IGT further argued that the '215 patent application also went abandoned pursuant to 35 U.S.C. § 133, which provides that an applicant must respond to a PTO action (in this case, the PTO’s denial of the petition to correct the “Date-In”) within six months. (JA365-67.) IGT urged that under § 133—as under § 371—Aristocrat was required to show “unavoidable” and not merely “unintentional” delay. (*Id.*)

IGT initially did not provide the district court with any basis for the argument that the PTO's supposed "improper revival" of a patent application is a valid defense against an issued patent. (*Id.*) Nor did IGT explain to the district court that 37 C.F.R. § 1.137 allows a showing of *either* "unavoidable" delay under § 1.137(a) *or* "unintentional" delay under § 1.137(b). Instead, IGT informed the district court—without more—that "Patent Office regulations and rules require a substantial 'showing' of 'unavoidable' delay." (JA369.) IGT brushed aside 37 C.F.R. § 1.137(b) as simply the "wrong standard." (JA370.)

Aristocrat opposed IGT's motion for summary judgment on multiple grounds. Aristocrat argued that "improper revival" is not a defense within any of the paragraphs in 35 U.S.C. § 282, which lays out the defenses available to accused infringers against an issued patent. (JA628.) In addition, Aristocrat argued that 37.C.F.R. § 1.137(b), the PTO regulation that allows for revival of applications after "unintentional" abandonment, is entitled to deference, and that Aristocrat's revival under this regulation was proper. (JA629.)

In reply, among other things, IGT argued for the first time that the Administrative Procedure Act gave the district court authority to hold that the PTO's revival of the '215 patent application exceeded the agency's statutory authority. (JA770-72.) But IGT never pleaded an APA claim. (JA240-285.)

Neither the United States, nor the PTO, nor the PTO Commissioner is a party to this lawsuit.

D. The District Court Opinion

On June 13, 2007, the district court granted IGT's motion for summary judgment of invalidity. (JA1.) The court held that the PTO lacked authority to revive an application abandoned under 35 U.S.C. § 371 or § 133, unless the applicant's delay was "unavoidable" rather than "unintentional." (JA20-21.) The court reasoned that 35 U.S.C. § 41(a)(7), which expressly allows for a revival of applications after an "unintentional" delay, "does not modify or alter Section 133 or Section 371, which expressly require 'unavoidable' delays in order to revive abandoned applications." (JA15.) The court did not address Aristocrat's argument that § 371 independently allows for revival after an unintentional delay in paying the filing fee, and that the district court's result improperly treats international applicants differently from domestic applicants.

The district court further held that "improper revival" by the PTO constitutes a statutory defense under 35 U.S.C. §§ 282(2) and 282(4), and thus provides grounds to invalidate an issued patent during litigation. (JA16-18.) The district court also accepted IGT's argument that the Administrative Procedure Act permitted the court in this circumstance to decide whether the PTO exceeded its statutory authority. (JA18-19.)

The court entered final judgment on September 4, 2007. (JA27.) Aristocrat's notice of appeal timely followed. (JA910.)

STANDARD OF REVIEW

The district court's grant of summary judgment is reviewed de novo. *Rodime PLC v. Seagate Tech., Inc.*, 174 F.3d 1294, 1301 (Fed. Cir. 1999). Likewise, "[t]his court reviews the statutory construction of a district court de novo." *NTP, Inc. v. Research in Motion, Ltd.*, 418 F.3d 1282, 1314 (Fed. Cir. 2005).

SUMMARY OF THE ARGUMENT

The district court erred in declaring the '215 and '603 patents invalid for "improper revival." As a threshold matter, Congress has not sanctioned "improper revival" of a patent application by the PTO as a means for accused infringers to invalidate a duly issued, presumptively valid patent. Congress enumerated the defenses available to accused infringers in four separate paragraphs within 35 U.S.C. § 282. Improper revival fits within none of those four paragraphs, and thus cannot form an invalidity defense against an issued patent.

That conclusion is consistent with this Court's repeated holdings that "procedural irregularities" during patent prosecution do not constitute independent grounds on which to invalidate an issued patent, absent inequitable conduct. Moreover, alternate remedies already in place effectively guard against potential

abuses. Adding “improper revival” as a defense would only invite defendants to scour the prosecution record for mere procedural glitches in order to defeat substantively valid patents—just as IGT has done in this case.

Even if this Court holds that “improper revival” is a defense to an issued patent, the district court’s interpretation of the Patent Act is incorrect. This erroneous interpretation has far-reaching effects—it unduly narrows the applicability of 37 C.F.R. § 1.137(b), a long-standing PTO regulation that has been applied without controversy to countless patents, and risks their retroactive invalidation.

The district court’s holding directly contravenes Title 35. Section 371 expressly allows for an “unintentional” delay in paying the national stage filing fee by incorporating the PCT, which, in turn, excuses “unintentional” delays. Moreover, section 371 must allow for “unintentional” delays because the Patent Act mandates that international patent applicants be given the same procedural benefits provided to domestic applicants—and domestic applicants are allowed to revive applications upon showing that their delay in paying the application filing fee was “unintentional” (under 35 U.S.C. § 111). If the district court’s decision stands, domestic and international applications will be improperly subject to differing procedural standards.

In addition, 35 U.S.C. § 41(a)(7) constitutes an independent source of PTO authority for reviving applications abandoned after an “unintentional” delay. In 1982, Congress amended the Patent Statute to create two different standards with two different corresponding fees by which applicants could revive an abandoned application. In an effort to give the PTO greater flexibility in reviving abandoned applications, Congress amended 35 U.S.C. § 41(a)(7) to provide for a “petition for the revival of an unintentionally abandoned application.” The district court’s holding failed to consider that § 41(a)(7) authorized an alternative means in addition to the previously existing “unavoidable” standard referenced in §§ 371 and 133 to revive an abandoned application.

The PTO’s implementing regulation, 37 C.F.R. § 1.137(b)—which went into effect on the same day that § 41(a)(7) (1982) became law—faithfully implements the literal language of § 41(a)(7) to create an “unintentional” standard for revival. As a reasonable interpretation of the statute, it is entitled to deference. *Chevron, U.S.A., Inc. v. NRDC, Inc.*, 467 U.S. 837, 843 (1984). Instead of granting the PTO regulations due deference, however, the district court reviewed the statutory scheme de novo.

The ’603 patent stands or falls with the ’215 patent. If this Court reverses the district court’s summary judgment of invalidity of the ’215 patent, it must also do so for the ’603 patent. IGT does not disagree.

ARGUMENT

I. “IMPROPER REVIVAL” IS NOT AN INVALIDITY DEFENSE TO AN ISSUED PATENT

The district court erroneously invalidated the '215 and '603 patents. The PTO's allegedly “improper revival” of a patent application does not form a statutory defense to the validity of an issued patent. The grounds on which an accused infringer may defend against infringement of an issued patent are laid out in four separate paragraphs of 35 U.S.C. § 282. “Improper revival” does not fall within any of those four paragraphs, and thus cannot constitute the basis for invalidity. Consistent with this conclusion, this Court has repeatedly held that, absent inequitable conduct, “procedural irregularities” during patent prosecution are not independent grounds to invalidate an issued patent.

Moreover, no sound reason justifies allowing accused infringers to comb through prosecution records in search of some technicality, such as a fee paid one day late, by which to defeat a duly issued patent. This is especially true where, as here, the public suffers no harm from the delay.

The district court further erred by accepting IGT's argument—never pleaded and first articulated in its summary judgment reply brief—that the Administrative Procedure Act (“APA”) provides an independent procedural vehicle for reviewing the PTO's actions.

A. 35 U.S.C. § 282 Identifies The Defenses Available To Accused Infringers

Section 282 of Title 35 begins by declaring that an issued patent “shall be presumed valid.” 35 U.S.C. § 282. This section then enumerates the four categories of defenses available to an accused infringer, which must be proven by clear and convincing evidence. *See, e.g., SSIH Equip. S.A. v. U.S. Int’l Trade Comm’n*, 718 F.2d 365, 375 (Fed. Cir. 1983) (confirming the burden of proof).

Section 282 states, in relevant part:

The following shall be defenses in any action involving the validity or infringement of a patent and shall be pleaded:

- (1) Noninfringement, absence of liability for infringement or unenforceability,
- (2) Invalidity of the patent or any claim in suit on any ground specified in part II of this title as a condition for patentability,
- (3) Invalidity of the patent or any claim in suit for failure to comply with any requirement of sections 112 or 251 of this title,
- (4) Any other fact or act made a defense by this title.

35 U.S.C. § 282.

In holding Aristocrat’s patents invalid, the district court reasoned that “improper revival” of an application abandoned during prosecution under 35 U.S.C. § 371(d) and/or 35 U.S.C. § 133 falls within the scope of § 282. (JA16-18.) Section 371(d) relates to payment of the national stage filing fee for a PCT application. It provides, in pertinent part:

The requirements with respect to the national fee . . . shall be complied with by the date of the commencement of the national stage or by such later time as may be fixed by the Director. . . Failure to comply with these requirements shall be regarded as abandonment of the application by the parties thereof, unless it be shown to the satisfaction of the Director that such failure to comply was unavoidable.

Section 133 sets the time for responding to a PTO action. It provides, in pertinent part:

Upon failure of the applicant to prosecute the application within six months after any action therein, of which notice has been given or mailed to the applicant . . . the application shall be regarded as abandoned by the parties thereto, unless it be shown to the satisfaction of the Director that such delay was unavoidable.

Neither of the above statutes constitutes grounds for invalidity under § 282.

IGT does not dispute that “improper revival” of a patent application does not fall within either § 282(1) or § 282(3). That leaves § 282(2) and § 282(4), both of which the district court accepted as vehicles for IGT’s “improper revival” defense. (JA17-18.) But “improper revival” falls within neither.

B. “Improper Revival” Is Not A “Condition For Patentability” Within 35 U.S.C. § 282(2)

Section 282(2) provides that an accused infringer may raise “[i]nvalidity of the patent or any claim in suit on any ground specified in part II of this title as a condition for patentability.” Thus, in order to fall within § 282(2), the purported defense must be: (1) “in part II” of Title 35; and (2) “a condition for patentability.”

The district court held that § 282(2) allows for an improper revival defense “[b]ecause Section 133’s six-month deadline for prosecuting an application is specified within part II of Title 35. . .” (JA18.) True. But the court wholly failed to consider the second requirement, namely, whether § 133 and § 371 constitute “a condition for patentability.”²

What constitutes a “condition for patentability” is clearly defined by the Patent Act, and does not include “improper revival.” Sections 102 and 103 of Title 35 are explicitly titled “conditions for patentability.” Together with Section 101 (“inventions patentable”), these provisions spell out the statutory “conditions for patentability,” as the Supreme Court recognized in *Graham v. John Deere*, 383 U.S. 1, 12 (1966):

The [1952 Patent] Act sets out the *conditions of patentability* in three sections. An analysis of the structure of these three sections indicates that *patentability is dependent upon three explicit conditions*: novelty and utility as articulated and defined in § 101 and § 102, and nonobviousness, the new statutory formulation, as set out in § 103.

² In addition, section 371 is not in part II of Title 35, and thus meets neither requirement of § 282(2).

Because improper revival does not fall within the scope of §§ 101, 102, or 103, it is not a “condition for patentability” under § 282(2). IGT must look elsewhere to find a statutory basis for its alleged improper revival defense.³

C. “Improper Revival” Is Not A “Fact Or Act Made A Defense” Under 35 U.S.C. § 282(4)

Section 282(4) provides that a defense to an issued patent may include “[a]ny other act or fact made a defense by this title.” The district court agreed with IGT that improper revival is an invalidity defense under this paragraph. The fact that Section 133 and Section 371 are not specifically listed this paragraph, the court reasoned, “does not mean that they are not included in the catch-all provision of ‘any other act or fact made a defense by this title.’” (JA17.)

This analysis cannot stand. It is a non sequitur to say that even though improper revival does not appear in § 282(4), it *might not be excluded* by § 282(4)—therefore, it *must be included* within § 282(4). Such flawed reasoning makes § 282(4) utterly boundless, as the provision lists nothing in particular. If Congress had intended to make any and every statutory provision of Title 35 a defense, the four separate paragraphs of § 282 would be superfluous. A statutory interpretation reaching this result should be avoided. *See Duncan v. Walker*, 533

³ As noted above, Section 112, which deals with the requirements for a proper patent application, is explicitly made a defense under § 282(3).

U.S. 167, 174 (2001) (interpreting a statute to avoid rendering the statute's language "insignificant, if not wholly superfluous"); *Kirkendall v. Dep't of the Army*, 479 F.3d 830, 855 (Fed. Cir. 2007) (same). If Congress had truly intended to place no limits on what constitutes a defense in patent litigation, it would have simply said—in one paragraph rather than four—that a defense to any action involving patent validity or infringement lies in "any section of this Title." Congress, however, declined to do so.

Instead, the plain language of § 282(4) provides clear limits by considering whether Congress "*made*" the act or fact a "*defense*." Thus, that section looks to whether there is evidence that Congress intended a particular section of Title 35 to be a defense in patent infringement litigation. In other words, a purported defense must be tied to one or more paragraphs of § 282. *See Mylan Pharms., Inc. v. Thompson*, 268 F.3d 1323, 1331 (Fed. Cir. 2001) (holding that whether a patent owner complied with the "Orange Book" listing requirements set forth in the FDCA was not a defense, where it was not tied to 35 U.S.C. § 282).

Indeed, when Congress intended to make a section of the Patent Act available as a defense (beyond those specified in §§ 282(1)-(3)), Congress has said so. For example, 35 U.S.C. § 273 is titled "*Defense to infringement based on earlier inventor*," and explicitly provides that "*it shall be a defense to an action for infringement.*" *Id.* § 271(b)(1). Likewise, 35 U.S.C. § 185 provides that an issued

patent “*shall be invalid*” for failure to proscribe to the secrecy provisions in 35 U.S.C. §§ 181 and 184. *See also* 35 U.S.C. § 271(e)(1) (“It *shall not be an act of infringement* to make, use, offer to sell, or sell within the United States a patented invention. . . which is primarily manufactured using recombinant DNA. . .”); *id.* § 272 (temporary presence in the United States “*shall not constitute infringement* of any patent. . .”). Congress plainly knows how to specify which acts or facts not specifically mentioned in §§ 282(1)-(3) form a “defense” under § 282(4).

Having defined three specific, distinct categories of defenses in § 282(1)-(3), and having made clear when a statutory section is otherwise “made a defense,” Congress plainly did not intend for all of the requirements of Title 35 to fall within the ambit of § 282(4). The fourth paragraph of § 282 should not be stretched beyond its limit to include improper revival.

Because improper revival does not fall within any of the four paragraphs of 35 U.S.C. § 282, it is not a proper invalidity defense.

D. Allowing Improper Revival As A Defense Contravenes Judicial Precedent

Interpreting 35 U.S.C. § 282 to invalidate issued patents based on prosecution glitches would needlessly defeat countless issued patents and burden courts with litigants’ attempts to second-guess the patent prosecution process for litigation advantage. Inaugurating a new defense—“improper revival”— would yield no benefit.

Consistent with the structure and mandate of § 282—and common sense—this Court has repeatedly refused to allow any and all prosecution irregularities to become grounds to invalidate an issued patent, where there is no inequitable conduct. For example, in *Ferguson Beauregard/Logic Controls, Division of Dover Res., Inc. v. Mega Sys., LLC*, 350 F.3d 1327, 1344 (Fed. Cir. 2003), this Court affirmed a district court’s determination that it lacked authority to take action based on the PTO’s alleged “improper revival” of a patent after the owner failed to timely pay a maintenance fee. Because the defendant did not plead inequitable conduct (and the Court declined to infer such a pleading where none existed), the defendant stated no valid claim for relief. *See id.*

Similarly, in *Magnivision, Inc. v. Bonneau Co.*, 115 F.3d 956, 960 (Fed. Cir. 1997), the Court refused to sanction a variety of “prosecution irregularities” as invalidity defenses to a valid patent. In that case, the PTO examiner did not properly file a written statement of interview. *Id.* at 959. The Court declared that “[i]mperfection in patent examination, whether by the examiner or the applicant, does not create a new defense called ‘prosecution irregularities’. . .” *Id.* at 960. The Court added that “[p]rocedural lapses during examination, should they occur, do not provide grounds of invalidity. Absent proof of inequitable conduct, *the examiner’s or the applicant’s absolute compliance with the internal rules of patent examination becomes irrelevant after the patent has issued.*” *Id.*

This proposition is not limited to *Ferguson Beauregard* and *Magnivision*. See also *Norian Corp. v. Stryker Corp.*, 363 F.3d 1321, 1329 (Fed. Cir. 2004) (“[F]lawed prosecution arguments do not affect patent validity, whether or not they raise questions of inequitable conduct. After a patent has issued, validity is determined objectively based on prior art and the other requirements of patentability.”); *Ulead Sys., Inc. v. Lex Computer & Mgmt Corp.*, 351 F.3d 1139, 1148-50 (Fed. Cir. 2003) (the PTO’s decision to accept a late payment of a fee should not be reviewed to determine whether the patent owner acted in good faith).

Finally, Aristocrat notes that this Court’s decision in *Quantum Corp. v. Rodime PLC*, 65 F.3d 1577, 1584 (Fed. Cir. 1995) is not to the contrary. In *Quantum*, the Court held that 35 U.S.C. § 305, the statutory provision prohibiting broadening claims during reexamination, can serve to invalidate improperly broadened claims. *Id.* at 1582-83. In dicta,⁴ the *Quantum* panel suggested that 35 U.S.C. § 282 may not constitute an exclusive list of defenses to the validity of issued patents. See *id.* at 1584.

⁴ Whether 35 U.S.C. § 282 forms the exclusive list of possible defenses to an issued patent was not squarely before the Court in *Quantum*, as both parties agreed that claims not in compliance with § 305 cannot stand. See *Sacco v. United States*, 452 F.3d 1305, 1308 n.2 (Fed. Cir. 2006) (“[I]f a decision does not squarely address an issue, a court remains free to address the issue on the merits in a subsequent case.”) (citations omitted).

However, whether this Court *can* imply a defense not within § 282 and whether it *should* in this circumstance present two wholly different questions. In *Quantum*, the Court held that § 305 was a defense because to hold otherwise would expressly frustrate the statute. *Id.* The Court recognized that a contrary rule would foster gamesmanship by encouraging applicants to try for broad claims during re-exam, yet enable them to fall back on their original claims. *See id.* In addition, Congress arguably intended for § 305 to be a defense, based upon its parallel with the reissue statute, which is explicitly made a defense by § 282(3).

No similar need exists for an “improper revival” defense. Patent applicants have no legitimate incentive to abandon their applications. Indeed, the whole point of the statutory scheme for revival of applications is the remediation of unintentional or unavoidable errors by patent applicants. Moreover, any egregious or intentional attempts by applicants to delay may be addressed through existing defenses, such as prosecution laches or inequitable conduct. *See, e.g., In re Bogese*, 303 F.3d 1362, 1370 (Fed. Cir. 2002) (affirming the PTO’s application of prosecution laches to reject patent claims due to unreasonable delay in prosecution); *Symbol Techs., Inc. v. Lemelson Med., Educ. & Res. Found.*, 277

F.3d 1361 (Fed. Cir. 2002) (affirming the invalidation of issued patents based on unreasonable delay during patent prosecution).⁵

In addition, for patents subject to the 1994 GATT amendments—as is the case here—the patent’s term runs 20 years from the effective filing date. 35 U.S.C. § 154. An applicant’s delay in prosecution only serves to shorten the duration of the applicant’s exclusionary rights. But any delay by the applicant does *not* delay the date upon which the patent expires and the public gains free use of the invention. Thus, the applicant, not the public, already bears the burden of any delay. Indeed, Aristocrat has already suffered, paying a substantial late fee and losing time in gaining issuance of the ’215 patent and hence, infringement damages. IGT has never explained why the facts of this case deserve the additional—and extreme—remedy of invalidating two patents.

For the above reasons, “improper revival” should not be a defense by which accused infringers can nitpick procedural details of patent prosecution to invalidate duly issued patents.

⁵ Indeed, IGT has asserted both prosecution laches and inequitable conduct defenses, although both of these defenses lack merit.

E. The District Court Erred By Finding The PTO's Grant of Revival Subject To Review Under The Administrative Procedure Act

The district court held that the Administrative Procedure Act provided an independent basis for it to review the PTO's revival of the '215 patent application in this lawsuit. (JA18-19.) That was legal error.

First, IGT never properly pleaded an APA claim. *See Andrx Pharms., Inc. v. Biovail Corp.*, 276 F.3d 1368, 1379-1380 (Fed. Cir. 2002) (APA claims must be pleaded). IGT also raised this argument too late in the district court briefing—in its reply brief in support of summary judgment. *See Novosteel SA v. United States*, 284 F.3d 1261, 1273 (Fed. Cir. 2002) (arguments first raised in a summary judgment reply brief to a district court may be waived).

Aside from its procedural deficiencies, IGT's APA argument fails on the merits. The problem is fundamental: the APA provides a vehicle for suit for non-monetary relief *against the government*. But IGT has not properly invoked the APA by suing the government. *See* 5 U.S.C. § 703 (the form of proceeding under the APA is to bring suit pursuant to a “special statutory review proceeding” if one exists, or, if none exists, “otherwise against the United States, the agency by its official title, or the appropriate officer”); *id.* § 702 (specifying the scope of the government's limited waiver of sovereign immunity under the APA); *see also Andrx Pharms.*, 276 F.3d at 1380 (an APA claim “can hardly lie” without the government as a party). The problem with applying the APA here is plain: the

district court held that the PTO exceeded its statutory authority, yet the PTO was not a party to the litigation and had no opportunity to defend itself.

The APA does not provide a private litigant with some sort of generalized affirmative defense of “government agency wrongdoing” during civil litigation between two private litigants. The district court here, as well as the other recent district court decisions on which it relied,⁶ overlooked the fact that review under the APA hinges on a properly pleaded claim against the government.

For the above reasons, improper revival is not, and properly should not be, a defense to invalidate an issued patent. This Court should therefore reverse the district court’s grant of summary judgment of invalidity in favor of IGT and remand the case for further proceedings.

II. THE DISTRICT COURT ERRONEOUSLY REQUIRED A SHOWING OF “UNAVOIDABLE” DELAY, RATHER THAN “UNINTENTIONAL” DELAY, TO REVIVE THE ‘215 PATENT APPLICATION UNDER 35 U.S.C. § 371

Even if this Court holds that IGT may raise improper revival as an invalidity defense, the district court’s grant of summary judgment of invalidity must nonetheless be reversed. In invalidating the ‘215 patent, the district court held that

⁶ *New York Univ. v. Autodesk, Inc.*, 466 F. Supp. 2d 563 (S.D.N.Y. 2006); *Lawman Armor Corp. v. Simon*, No. 04-72260, 2005 U.S. Dist. Lexis 10843 (E.D. Mich. Mar. 29, 2005); *Field Hybrids, LLC v. Toyota Motor Corp.*, No. 03-4121, 2005 U.S. Dist. Lexis 1159 (D. Minn. Jan. 27, 2005).

the PTO lacked statutory authority to revive the application abandoned for an “unintentional” rather than “unavoidable” delay. (JA20-21.)

The district court’s conclusion stems from a flawed interpretation of the statutory scheme. Section 371 expressly grants statutory authority to the PTO to accept PCT national filing fees paid late due to an “unintentional” delay. This statutory authority derives from two separate sources. First, Section 371 incorporates the PCT by reference, and the PCT, in turn, explicitly allows for “unintentional” delays in paying the national stage filing fee. Second, 35 U.S.C. § 372(a) mandates that the PTO give international patent applicants the same procedural benefits as domestic applicants. Since 35 U.S.C. § 111 allows domestic applicants to revive applications deemed abandoned for “unintentional” delay in paying the filing fee, Section 372(a) mandates that § 371 should be interpreted to afford international applicants equal benefits.

A. 35 U.S.C. § 371, By Incorporating The PCT, Allows For An “Unintentional Delay” In Paying The National Stage Filing Fee

Section 371 governs the commencement of the national stage of a PCT application. In particular, section 371(b) provides, in pertinent part:

(b) Subject to subsection (f) of this section, the national stage shall commence with the expiration of the applicable time limit under article 22(1). . .

Section 371 thus directly incorporates the time limits of Article 22 of the PCT itself. This is important because Article 22 of the PCT gives the PTO discretion to

accept late filings. The broad language of Article 22(c) does not specify a standard for showing delay and thus may be fairly read to encompass both “unavoidable” and “unintentional” delays. PCT Article 22 provides, in pertinent part:

Copy, Translation, and Fee, to Designated Offices

(1) The applicant shall furnish a copy of the international application (unless the communication provided for in Article 20 has already taken place) and a translation thereof (as prescribed), and pay the national fee (if any), to each designated Office not later than at the expiration of 30(i) months from the priority date. . .

* * *

(3) Any national law may, for performing the acts referred to in paragraphs (1) or (2), fix time limits which expire later than the time limit provided for in those paragraphs.

Were there any further doubt, it is removed by PCT Rule 49.6.⁷ PCT Rule 49.6(a) is an interpretive rule that was promulgated to interpret PCT Article 22. Expressly adopted by the United States,⁸ the rule provides for “unintentional” delays in filing the appropriate fees:

⁷ Available at http://www.wipo.int/pct/en/texts/rules/r49.htm#_49_6.

⁸ The Editor’s Note to PCT Rule 49.6 explains that the rule applies to applications filed before January 1, 2003, unless notified by a Contracting State that the rule is incompatible with that State’s national law. The United States has not made such a notification. See http://www.wipo.int/pct/en/texts/reservations/res_incomp.pdf. Thus, this Rule is applicable in the United States, and to the ’215 patent in particular.

(a) Where the effect of the international application provided for . . . has ceased because the applicant failed to perform the acts referred to in Article 22 within the applicable time limit, **the designated Office shall**, upon request of the applicant, and subject to paragraphs (b) to (e) of this Rule, **reinstate the rights of the applicant with respect to that international application if it finds that any delay in meeting that time limit was unintentional** or, at the option of the designated Office, that the failure to meet that time limit occurred in spite of due care required by the circumstances having been taken.

Thus, built into the “commencement” of the national stage of a PCT application under § 371 is the fact that the PTO has discretion to accept delayed payment of a national stage filing fee if such delay was “unintentional.” The language of § 371(d) further confirms this discretion. Under § 371(d), the filing fee is due “by the date of the commencement of the national stage or by such later time as may be fixed by the Director. . .” Thus it is only after the deadline, and after the “such later time as may be fixed by the Director,” that the delay must be shown to be “unavoidable.” *See id.* A reasonable interpretation of § 371(d), in accordance with § 371(b), thus demonstrates that the PTO Commissioner may fix a later deadline if an applicant was late due to an “unintentional” delay, just as the PCT envisions.

B. 35 U.S.C. § 372(a) Requires That § 371 Be Interpreted To Allow For Revival of Applications After The National Filing Fee Is Paid After An “Unintentional” Delay

A second, independent reason that § 371 expressly allows for an “unintentional” delay standard is the mandate of 35 U.S.C. § 372(a). Section

372(a) directs that the PTO must accord international applicants the same procedural treatment as domestic applicants:

National stage: Requirements and procedure

(a) All questions of substance and, within the scope of the requirements of the [PCT] and Regulations, procedure in an international application designating the United States shall be determined as in the case of national applications regularly filed in the Patent and Trademark Office.

Applying this “same treatment” mandate from Congress, because 35 U.S.C. § 111(a)(4) expressly allows for “unintentional or unavoidable” delays in the filing fee for domestic applications, that same procedural treatment must be afforded to international applicants. Despite urging by Aristocrat, the district court’s opinion did not address this point. (JA1-26.)

For the above reasons, the PTO has statutory authority to revive applications abandoned after an applicant missed the national filing fee deadline due to an “unintentional” delay. The PTO’s implementing regulation, 37 C.F.R. § 1.137(b), must be upheld as a reasonable interpretation of § 371.

III. 35 U.S.C. § 41(A)(7) INDEPENDENTLY CONFIRMS THE PTO’S AUTHORITY TO ALLOW REVIVAL OF PATENT APPLICATIONS AFTER AN “UNINTENTIONAL” DELAY

In addition to the authority provided by § 371, Title 35 further gives the PTO broad authority to revive patent applications abandoned after an “unintentional” delay. In 1982, Congress passed legislation specifically creating two different

standards for revival of abandoned applications, with two different corresponding fees. That law was codified at 35 U.S.C. § 41(a)(7), which provides for a “petition for the revival of an *unintentionally* abandoned application for a patent, for the *unintentionally* delayed payment of the fee for issuing each patent, or for an *unintentionally* delayed response by the patent owner in any reexamination proceeding. . . .” *Id.*

On the same day that the statute became law, the PTO promulgated the modern version of 37 C.F.R. § 1.137, which affords applicants a choice between reviving an application under the “unavoidable” standard of 37 C.F.R. § 1.137(a) or the “unintentional” standard of 37 C.F.R. § 1.137(b). Applicants seeking revival pay a different late fee appropriate under each standard. The PTO regulation states:

(a) Unavoidable. If the delay in reply by applicant or patent owner was unavoidable, a petition may be filed pursuant to this paragraph to revive an abandoned application, a reexamination prosecution terminated . . . , or a lapsed patent.

* * *

(b) Unintentional. If the delay in reply by applicant or patent owner was unintentional, a petition may be filed pursuant to this paragraph to revive an abandoned application, a reexamination prosecution . . . , or a lapsed patent.

* * *

37 C.F.R. § 1.137. In the quarter century since these statutory and regulatory provisions went into place, the PTO has accepted countless petitions for revival

after an “unintentional” delay. Many a patent, like ‘215, has issued after a procedural lapse during prosecution, followed by a petition for revival under the “unintentional” standard of 37 C.F.R. § 1.137(b).⁹

IGT’s arguments to the district court ignored the statutory framework viewed as a unified whole, as well as the historical evolution of the statute. IGT’s arguments further brushed aside the considerable deference to which the PTO regulations are entitled. The district court accepted IGT’s arguments. This Court decidedly should not.

A. 35 U.S.C. § 41(a)(7) Grants The PTO Discretion To Revive “Unintentionally” Abandoned Patent Applications

Statutory interpretations begins “with the words of the statute,” but courts “may consult dictionaries, and legislative history, if necessary. . . .” *NTP, Inc. v. Research in Motion, Ltd.*, 418 F.3d 1282, 1314-1315 (Fed. Cir. 2005) (citation omitted). Importantly, “all of the provisions of a unified statute must be read in harmony. . . .” *In re Bennett*, 766 F.2d 524, 528 (Fed. Cir. 1985) (en banc).

⁹ This fact is particularly problematic because the district court’s ruling retroactively disrupts the settled expectations of myriad patent applicants who used the “unintentional” standard for revival in the last 25 years. *Cf. Chevron Oil Co. v. Huson*, 404 U.S. 97 (1971) (only prospectively applying ruling, on equitable grounds); *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 739 (2002) (“[C]ourts must be cautious before adopting changes that disrupt the settled expectations of the inventing community.”).

The plain language 35 U.S.C. § 41(a)(7) shows that Congress granted the PTO authority to revive an “unintentionally” abandoned patent application, whether that application went abandoned under the deadlines imposed by 35 U.S.C. § 371, § 133, or some other provision of Title 35.

Prior to 1982, a patent applicant could only excuse a missed deadline by showing that the delay was “unavoidable.” In 1982, however, Congress relaxed this requirement by amending the Patent Act to create an additional standard for revival of an abandoned patent application—one based on “unintentional” delay. This statutory amendment was codified into 35 U.S.C. § 41(a)(7), which now provides:

On filing each petition for the revival of an unintentionally abandoned application for a patent, for the unintentionally delayed payment of the fee for issuing each patent, or for an unintentionally delayed response by the patent owner in any reexamination proceeding, \$1500, unless the petition is filed under section 133 or 151 of this title, in which case the fee shall be \$500.

The 1982 amendments, therefore, created two different standards for revival of abandoned applications, with two different corresponding fees.

On its face, section 41(a)(7) applies to a “petition for the revival of an unintentionally abandoned application. . .” This 1982 amendment was the first time that the statute allowed for revival after an “unintentional” as opposed to an “unavoidable” delay. The fact that Congress set a fee for the revival of

“unintentionally abandoned applications” shows that Congress intended for the PTO to be able revive unintentionally abandoned patent applications.

Recognizing that the statute contemplates “two possible standards,” the district court correctly rejected IGT’s untenable argument that § 41(a)(7) is a fee statute, “nothing more.” (JA14-15.) It would be absurd for Congress to set a fee for petitions to revive “unintentionally abandoned applications,” yet not intend to give the PTO the power to accept such petitions in the first place. *See, e.g., United States v. Am. Trucking Ass’n*, 310 U.S. 534, 543 (1940) (statutes should not be interpreted to lead to “absurd” or “futile” results).¹⁰

The district court, however, erred in interpreting § 41(a)(7) to exclude the possibility of “unintentional” revivals of petitions that went abandoned under § 133 or § 371(d). Even though the court recognized that § 41(a)(7) created “two possible standards,” the court held that § 41(a)(7) “does not modify or alter Section 133 or Section 371, which expressly require ‘unavoidable’ delays in order to revive

¹⁰ IGT’s argument that § 41(a)(7) is only a “fee” statute, because of its codification with other fee provisions, is incorrect. It is the statutory language passed by Congress, *not* that language’s particular placement within the United States Code, that is controlling. *See* 1 U.S.C. § 112 (it is the Statutes at Large which provide the evidence of federal law); *United States v. Welden*, 377 U.S. 95, 98 (1964) (a statute must be interpreted “in the context of the entire Act, rather than in the context of the ‘arrangement’ selected by the codifier”); *Conyers v. MSPB*, 388 F.3d 1380, 1382 n.1 (Fed. Cir. 2004) (the codification of an enacted statute into a “statutory note” in the United States Code does not alter that statute’s legal significance).

abandoned applications.” (JA14-15.) It appears that the district court read the “unless” clause of § 41(a)(7), which includes abandonment under § 133, as an exception to the “unintentional” standard of § 41(a)(7).

The court erred, as the converse is actually true. Section 41(a)(7) created an additional, separate standard by which applicants could choose to revive an abandoned application. The plain language of § 41(a)(7) allows for revival of applications abandoned after an “unintentional” delay, upon payment of the specified fee, “unless” the applicant chooses to file the petition under the previously-existing “unavoidable” standard (e.g., as specified in § 133 or § 151), in which case the petition requires a lower fee.

Thus, the reference in § 41(a)(7) to other statutes (such as § 133) after the “unless” clause only confirms the existence of the “unavoidable” standard as a lower-fee alternative to the unintentional standard laid out in § 41(a)(7) before the “unless” clause.

The very language of § 41(a)(7) confirms this reading. Section 41(a)(7) permits revival after “an unintentionally delayed response by the patent owner in any reexamination proceeding. . .” But the timing for responses in reexam is governed by § 133. *See* 35 U.S.C. § 305. Congress thus expressly intended that the “unintentional” standard in § 41(a)(7) be used for applications that went

abandoned under the deadline set forth in § 133. Otherwise, these statutes would be irreconcilable.

The same is true with regard to § 151, also referred to after the “unless” clause. Section 41(a)(7) provides for petitions for revival of an “unintentionally delayed payment of the fee for issuing each patent”—a requirement governed by § 151—for a fee of \$1,500, “**unless the petition is filed under section 133 or 151 of this title, in which case the fee shall be \$500.**” Yet like § 133, Section 151 specifies only the “unavoidable” standard for late payment of the issue fee. *See* 35 U.S.C. § 151.

The only way to read § 41(a)(7) and § 151 together, without rendering parts of one or the other superfluous, is that § 41(a)(7) provides for revival after late payment of the issue fee if the delay was “unintentional” (for a fee of \$1500), “unless” the applicant chooses to file the petition under the “unavoidable” standard in § 151 (for a fee of \$500). *See Colautti v. Franklin*, 439 U.S. 379, 392 (1979) (It is an “elementary canon of construction that a statute should be interpreted so as not to render one part inoperative”); *Walther v. Sec’y of HHS*, 485 F.3d 1146, 1150 (Fed. Cir. 2007) (same). The relationship between § 41(a)(7) and § 151 provides further evidence that § 41(a)(7) is as an alternative, higher-fee standard to the “unavoidable” standard specified in other statutory sections, such as in §§ 133 and 151.

In short, nothing in Title 35 makes § 41(a)(7) mutually exclusive to any other statutory section. The plain language of § 41(a)(7) contemplates the “unintentional” and “unavoidable” standards as alternate routes for revival, with the former simply triggering a higher fee. In fact, the legislative history, discussed below, confirms that this reading was exactly what Congress intended. The district erred by accepting IGT’s myopic argument to the contrary, focused solely on the word “unavoidable” in § 371 and § 133. That argument does not fully consider the relationship between § 41(a)(7) and the remainder of Title 35.

B. The Legislative History Of 35 U.S.C. § 41(a)(7) Confirms The Creation Of Two Different Standards For Accepting Petitions To Revive Abandoned Applications

The legislative history of Section 41(a)(7) makes plain that Congress intended to allow two different fees *and two different standards* for filing petitions for revival. The House Report accompanying § 41(a)(7) (1982) explained:

Section 41(a)7 establishes two different fees for filing petitions **with different standards** to revive patent applications. . . Since the section provides for two alternative fees with different standards, the section would permit the applicant seeking revival or acceptance of a delayed payment of the fee for issuing a patent **to choose one or the other of the fees and standards** under such regulations as the Commissioner may establish.

H.R. Rep. No. 542, 97th Cong. Sess. 6-7 (1982), reprinted in 1982 U.S. Code Cong. & Ad. News. 770-771. Congress could not make its objective more clear—an applicant could now choose between two routes to revival:

[Section § 41(a)(7)] establishes a fee of \$50 for filing a petition under sections 133 or 151 of title 35 in accordance with standards presently in effect requiring that the delay resulting in the abandonment. . . be unavoidable. Under this section a petition accompanied by either a fee of \$500 or a fee of \$50 would not be granted where the abandonment . . . *was intentional as opposed to being unintentional or unavoidable.*

Id. at 771. The report further shows that the 1982 statutory amendments gave the PTO more discretion to accept petitions for revival:

[Section 41(a)(7)] would permit the Commissioner to have more discretion than present law to revive abandoned applications and accept late payment of the fee for issuing a patent in appropriate circumstances.

Id. The legislative history clearly demonstrates the creation of a two-track system for revival—one that affords applicants a choice between the unintentional and the unavoidable standard. The district court’s statutory interpretation is contrary to both the plain language of the statute, and the express intent of Congress.

C. The District Court Failed To Consider The Historical Evolution Of The Statutory “Unintentional” Standard for Revival

Acknowledging the existence of two separate standards for revival, the district court nonetheless thought that, by not adding the magic word “unintentional” to § 133 or § 371 during amendments in 1984, Congress must not have intended for the “unintentional” delay standard to apply to applications abandoned under those sections. (JA15.)

But in 1984, Congress did not amend § 133 or § 371 to add the word “unintentional” because Congress *did not need to do so*. Congress had *already* given the PTO the flexibility to set an “unintentional” standard two years earlier, by enacting § 41(a)(7).¹¹ And the PTO had already implemented this authority by promulgating regulations allowing for revival after “unintentional” delays, including abandonment under § 133. *See* 37 C.F.R. § 1.137 (1982).

The fact that the PTO had already promulgated its regulations establishing two standards in 1982—which Congress did not disturb in 1984—further shows that the PTO’s “unintentional” delay regulation, 37 C.F.R. § 1.137(b), is well within the agency’s statutory authority. *See United States v. Riverside Bayview Homes, Inc.*, 474 U.S. 121, 137 (1985) (“[A] refusal by Congress to overrule an

¹¹ In addition, as discussed above *supra* § II, Section 371 independently allows for “unintentional” delays.

agency's construction of legislation is at least some evidence of the reasonableness of that construction . . .").

In fact, the legislative history of the 1984 amendments to § 371(d) shows that Congress not only approved of its prior 1982 amendments, but wished to ensure that international applicants could utilize the same relaxed standard:

As a general proposition, the amendments made by subsections 402(a)-(d) to 35 U.S.C. § 371 set forth a legislative scheme to provide greater flexibility in the Patent and Trademark Office for the handling of international applications. In addition, these subsections, by relaxing the requirements which international applicants must satisfy by the commencement of the national stage, **give international applicants benefits similar to those given national applicants by P.L. 97-247¹² with respect to the time for filing the national fee and oath or declaration.**

130 Cong. Rec. H 10525 (Oct. 1, 1984), reprinted in U.S. Code & Ad. News 5839.¹³

In a similar vein, the district court also failed to consider the parallel history of 35 U.S.C. § 111(a)(4). Section 111(a)(4) relates to the time for filing the patent application fee. Congress amended this section in 1994 to allow for revival upon showing of an “unintentional or unavoidable” delay. *See* 35 U.S.C. § 111 (1994).

¹² PL 97-247 was the 1982 law adding the “unintentional” revival language to 35 U.S.C. § 41(a)(7).

¹³ Interpretation of § 371(d) is further discussed, *supra* in Section III.

In a footnote, the district court observed that “If Congress had truly intended for Section 371 or Section 133 to encompass the ‘unintentional’ standard, it would have amended them [to include the word ‘unintentional’] as it did with Section 111.” (JA15.)

But this reasoning again ignores the evolution of the pertinent statute and regulations. After 1982, Congress did not need to amend Title 35 to include the word “unintentional,” because Congress had already given the PTO authority to implement a dual-standard system, and the PTO had already implemented it.

The district court’s reasoning in regard to § 111 would render § 41(a)(7) inoperable. If Congress needed to amend every statutory deadline provision in Title 35 to add the word “intentional” in order to allow for revival after an unintentional delay, that would have rendered § 41(a)(7) wholly inoperable from 1982 until 1994, when the word “unintentional” was first placed into § 111. From 1982 to 1994, the only reference to the “unintentional” revival standard in Title 35 was in § 41(a)(7). The district court’s flawed reasoning should not be adopted.

In sum, neither the 1984 amendment to § 371 nor the 1994 amendment to § 111 shows any Congressional intent to override the authority granted to the PTO in 1982. In fact, these amendments *reaffirm* Congressional intent for the “unintentional” revival standard.

D. This Court Has Recognized The Substantive Authority Granted By 35 U.S.C. § 41(a)(7)

Almost twenty years ago, this Court correctly recognized the two-tier statutory framework put in place by Congress in the 1980s. In *Morganroth v. Quigg*, 885 F.2d 843, 847 (Fed. Cir. 1989), the Court considered whether the Commissioner's authority to revive abandoned applications extended to abandonment by failure to appeal a federal district court decision. The Court agreed with the Commissioner that no such authority existed. But the Court's analysis recognized that the Commissioner's existing authority stems in part from § 41(a)(7). The Court explained:

Section 41(a)(7), which provides for the “filing” of a “petition for the revival of an unintentionally abandoned application,” is part of a section that sets the fees the Commissioner is to charge in connection with various procedures before the Patent and Trademark Office.

885 F.2d at 847. This Court, therefore, explicitly recognized that although § 41(a)(7) resides in a section of the United States Code that also sets fee amounts, the statutory provision grants the PTO authority to accept petitions for revival of an “unintentionally” abandoned patent application.

District courts have recognized this as well. See *Enzo Therapeutics v. Yeda Res. & Dev. Co.*, 477 F. Supp. 2d 699, 703 (E.D. Va. 2007) (noting that the “unintentional” standard set forth in 37 C.F.R. § 1.137(b) “finds authority in 35 U.S.C. § 41(a)(7), which specifies the filing fee for a ‘petition for the revival of an

unintentionally abandoned application for a patent . . .”); *Urologix, Inc. v. ProstaLund AB*, 256 F. Supp. 2d 911, 913 (E.D. Wis. 2003) (explaining that under § 41(a)(7) a patentee “can petition the PTO to revive an abandoned application and, thereby, correct a failure of copendency”).

Commentators, too, have recognized the authority granted by § 41(a)(7) in the 1982 statute. *See, e.g.*, CHISUM ON PATENTS § 11.02[1][d][ii] (citing § 41(a)(7)) (“The 1982 statute granted greater authority to the Commissioner to revive abandoned applications. The statute and implementing rules provide a fee. . . for petitions to revive applications abandoned ‘unintentionally’ and a lower fee. . . for petitions to revive applications abandoned ‘unavoidably’. . .”); *id.* § 11.03[2][b][iv][A] (“Once abandoned, an application may be revived by two methods. First, an applicant may pay a fee and show that the abandonment was unavoidable. . . . Second, the applicant may pay a higher fee and state that the abandonment was unintentional.”) (citing § 41(a)(7) as supportive authority).

The district court’s decision ignored the PTO’s widely recognized authority under § 41(a)(7) to accept petitions for revival based on “unintentional” delay. This universal recognition shows that § 41(a)(7) is, and has been, an independent source of authority for a higher-fee alternative to the previously-existing “unavoidable” standard for revival. The district court erred by looking for the magic word “unintentional” in other statutory sections, such as § 133 and § 371.

This reasoning would have rendered § 41(a)(7) wholly inoperable from 1982 until 1994, when the word “unintentional” first appeared in another statutory section (§ 111).

E. Rather Than Accord 37 C.F.R. § 1.137(b) *Chevron* Deference, The District Court Improperly Conducted A De Novo Interpretation Of The Statute

The amendments to add the “unintentional” standard to 35 U.S.C. § 41(a)(7) became law in October 1982. Effective on the same day that the statute became law, the PTO amended 37 C.F.R. § 1.137 to establish two different standards for petitions for revival. The regulation broadly allowed for the “unintentional” standard without regard for which statutory deadline was missed by the applicant, i.e., whether the application went abandoned under 35 U.S.C. § 371(d), under 35 U.S.C. § 133, and/or under some other section of Title 35. See 37 C.F.R. § 1.137(b) (1982).

The district court, based on its own interpretation of the statute, held that the PTO “abused its discretion” in reviving the ’215 patent application. (JA21.) The court erred by proceeding from its own interpretation of the statute, and then holding the PTO regulation (37 C.F.R. § 1.137(b)) inapplicable and/or overbroad

simply because it departed from the court's own reading of Title 35.¹⁴ A court, however "does not simply impose its own construction on the statute, as would be necessary in the absence of an administrative interpretation. Rather, if the statute is silent or ambiguous with respect to the specific issue, the question for the court is whether the agency's answer is based on a permissible construction of the statute." *Chevron, U.S.A., Inc. v. NRDC, Inc.*, 467 U.S. 837, 843 (1984).

Importantly, a reviewing court "need not conclude that the agency construction was the only one it permissibly could have adopted to uphold the construction, or even the reading the court would have reached if the question initially had arisen in a judicial proceeding." *Id.* at 843 n.11.

Thus, the question before the district court, and now before this Court, is whether § 1.137(b) is a *reasonable* interpretation of Title 35's provisions regarding revival of abandoned applications. This inquiry does not turn on whether § 1.137(b) is the *only* possible interpretation of the pertinent statutory revival

¹⁴ Indeed, in light of the district court's ruling, the status of 37 C.F.R. § 1.137(b) is not entirely clear. On its face, § 1.137(b) broadly allows for revival after an "unintentional" delay, regardless of the statutory deadline which caused the abandonment. If the district court's ruling stands, however, then in some situations using the "unintentional" revival provisions of § 1.137(b) will be contrary to Title 35.

provisions. *See id.* In other words, any ambiguity in the statute should be resolved in favor of the PTO's interpretation.

F. Statutory Ambiguity Should Be Resolved Liberally In Favor Of Remediation Of Administrative Mistakes

The PTO's reasonable implementation of § 41(a)(7) requires deference. The statute should be liberally construed for another reason: its remedial nature. For example, like 35 U.S.C. § 251, the reissue statute, the revival provisions of § 41(a)(7) are intended to allow correction of errors. This Court has noted that the because § 251 is "based on fundamental principles of equity and fairness," the statute "should be construed liberally." *Medrad, Inc. v. Tyco Healthcare Group LP*, 466 F.3d 1047, 1051 (Fed. Cir. 2006); *see also In re Bennett*, 766 F.2d 524, 528 (Fed. Cir. 1985) (en banc) ("These fundamental principles [of equity and fairness] must not be forgotten in implementation of the statute.").

Section 41(a)(7) is no different. Congress expressly recognized that delays and errors might occur during prosecution of a patent application. Patents should not be invalidated due to procedural lapses that do not prejudice the public interest.¹⁵ As such, this Court should interpret the revival provisions of the Patent Act liberally, to give the PTO the full power delegated to it by Congress to fix

¹⁵ Paying a fee late may create more ministerial work for the PTO, but an applicant compensates the public for this transaction cost by paying the mandatory late fee.

trivial errors. *See Superior Fireplace Co. v. Majestic Prods. Co.*, 270 F.3d 1358, 1370 (Fed. Cir. 2001) (declining to narrowly interpret the remedial provisions of 35 U.S.C. § 255, concerning certificates of correction, “without express indication from the statute”).

IV. BECAUSE THE '215 PATENT APPLICATION WAS PROPERLY REVIVED, THE '603 PATENT IS NOT INVALID

The district court erred in holding that the '215 patent application was not properly revived. As IGT admitted at the hearing before the district court, the only basis for invalidity of the '603 patent was under 35 U.S.C. § 102(b), based on the publication of the '215 patent application. (JA850.) IGT asserted that if the '215 patent application was abandoned, then it became §102(b) prior art to the '603 patent application. (JA371-73, 851.)

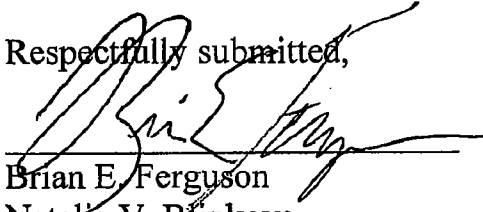
If the '215 patent application was properly revived, however, then the '603 patent retains priority to the '215 patent application, and the '215 patent is not prior art to the '603 patent. Therefore, if the Court reverses the judgment regarding the '215 patent, the judgment of invalidity of the '603 patent must be reversed as well.

CONCLUSION

Because the district court erred in granting summary judgment that the '215 and '603 patents are invalid, Aristocrat respectfully requests that this Court reverse the grant of summary judgment and remand the case to the district court for further proceedings.

December 4, 2007

Respectfully submitted,



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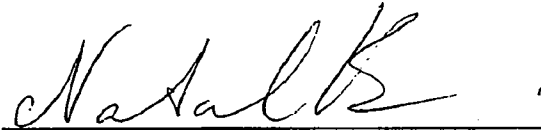
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CERTIFICATE OF SERVICE

I hereby certify that two copies of the foregoing **BRIEF OF PLAINTIFFS-
APPELLANTS ARISTOCRAT TECHNOLOGIES AUSTRALIA PTY
LIMITED AND ARISTOCRAT TECHNOLOGIES, INC.** were served this 4th
day of December, 2007, by Federal Express and Electronic Mail on the following
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A handwritten signature in black ink, appearing to read 'Natalia V. Blinkova', written over a horizontal line.

Natalia V. Blinkova
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CERTIFICATE OF COMPLIANCE

I, Natalia Blinkova, attorney for Plaintiffs-Appellants Aristocrat Technologies Pty Limited and Aristocrat Technologies Inc. ("Aristocrat"), and a member of the bar of this Court, hereby certify that the Brief of Plaintiffs-Appellants filed herewith complies with the type-volume limitations prescribed by Fed.R.App.P. 37(a)(7)(B) and Fed.Cir.R. 32(b). As counted by the word processing program used to prepare it, Microsoft Word 2003 for Windows, the Brief contains 10,423 words, which is less than the 14,000 maximum.

Dated: December 4, 2007


Natalia V. Blinkova

ADDENDUM

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

ARISTOCRAT TECHNOLOGIES
AUSTRALIA PTY LIMITED and
ARISTOCRAT TECHNOLOGIES, INC.,

Plaintiffs,

v.

INTERNATIONAL GAME TECHNOLOGY
and IGT,

Defendant.

No. C06-3717 MJJ

**ORDER GRANTING DEFENDANTS'
MOTION FOR SUMMARY JUDGMENT
OF INVALIDITY ON GROUNDS THAT
THE '215 APPLICATION WAS
ABANDONED UNDER 35 U.S.C. § 371
AND § 133.**

I. INTRODUCTION

Before the Court is Defendants International Game Technology and IGT's (collectively, "Defendants") Motion for Summary Judgment of Invalidity on Grounds that the '215 Patent Was Abandoned Under 35 U.S.C. § 371 and § 133.¹ Plaintiffs Aristocrat Technologies Australia Pty Limited ("ATA") and Aristocrat Technologies, Inc. ("ATI") (collectively "Plaintiffs" or "Aristocrat") oppose the motion. For the following reasons, the Court GRANTS Defendants' Motion for Summary Judgment.

II. FACTUAL BACKGROUND

This action presents a patent infringement dispute pertaining to certain technology related to electronic gaming machines. Unless otherwise noted, for purposes of the pending motion, the Court

¹Docket No. 166.

1 finds the following facts to be undisputed.

2 **A. The Parties**

3 Plaintiff ATA is an Australian company with its principal place of business in Australia,
4 (First Amended Complaint ("FAC") ¶ 1; Def.'s Ans. ¶ 1.) ATA provides a range of gaming
5 solutions such as software, systems, and hardware, including electronic gaming machines. (FAC ¶
6 1.) Plaintiff ATI is a Nevada corporation with its principal place of business in Las Vegas, Nevada.
7 (FAC ¶ 2; Def.'s Ans. ¶ 1.) ATI develops and distributes ATA products. (FAC ¶ 2.)

8 Defendants International Game Technology and IGT are Nevada corporations with their
9 principal places of business in Reno, Nevada. (FAC ¶¶ 3-4; Def.'s Ans. ¶¶ 3-4.) IGT designs and
10 manufactures electronic gaming machines for sale in the United States, including the State of
11 California. (Def.'s Ans. ¶ 5.) The parties are in dispute as to the particular type of business
12 conducted by International Game Technology. (FAC ¶ 5; Def.'s Ans. ¶ 5.)

13 **B. The Operative Claims and Counterclaims**

14 On December 15, 2006, Plaintiffs filed their First Amended Complaint alleging two claims:
15 (1) Infringement of U.S. Patent No. 7,056,215 B1 ("the '215 Patent"); and (2) Infringement of U.S.
16 Patent No. 7,108,603 B2 ("the '603 Patent").² On January 2, 2007, Defendants filed their responsive
17 pleading consisting of an answer, a list of affirmative defenses, and six counterclaims: (1)
18 Declaration of Non-Infringement as to the '215 Patent; (2) Declaration of Patent Invalidity as to the
19 '215 Patent; (3) Declaration of Patent Unenforceability as to the '215 Patent; (4) Declaration of
20 Non-Infringement as to the '603 Patent; (5) Declaration of Patent Invalidity as to the '603 Patent;
21 and (6) Declaration of Patent Unenforceability as to the '603 Patent.³

22 **C. The File History**

23 On July 8, 1997 and September 9, 1997, Plaintiffs filed in Australia provisional patent
24 applications PO 7780 and PO 9090, respectively. (Joint Statement of Undisputed Fact ("JS") at ¶¶
25 1-2.) One year later, on July 8, 1998, Plaintiffs filed in Australia, under the Patent Cooperation
26

27 _____
28 ²Docket No. 76.

³Docket No. 79.

Treaty ("PCT")⁴, an international application ("PCT Application") claiming priority to the above-referenced provisional applications. (*Id.* at ¶¶ 3-4.)⁵ As more fully described below, the July 8, 1998 international PCT Application ultimately issued in the United States in 2006 as the '215 Patent.

The World Intellectual Property Organization published the PCT Application on January 21, 1999. (*Id.* at ¶ 5.) The resulting deadline for Plaintiffs to file the national fee for the U.S. national stage of its PCT Application in the United States Patent & Trademark Office ("PTO") was January 10, 2000⁶. (*Id.* at ¶ 6.) One day after the deadline expired, on January 11, 2000, the PTO received the national fee for the U.S. national stage of Plaintiffs' PCT Application. (*Id.* at ¶ 7.) Accordingly, the PTO gave Plaintiff's PCT Application a filing date of January 11, 2000. (*Id.*)

On or about June 13, 2000, the PTO mailed a "Notice of Abandonment" of the '215 Application to Plaintiffs' attorney of record, Mr. Islam,⁷ (*Id.* at ¶ 9, Ex. 9.) The "Notice of Abandonment" included the following statements:

COMMUNICATION

The above-identified application was **ABANDONED** on 11 January 2000 for failure to pay the basic national fee 30 month [sic] from the priority date for international application no. PCT/AU98/00525.

RECOMMENDATION

Applicants may wish to consider filing a petition to the Commissioner under 37 CFR

⁴The Patent Cooperation Treaty is an international patent law treaty, concluded in 1970, amended in 1979, and modified in 1984 and 2001. It provides a unified procedure for filing patent applications to protect inventions in each of its Contracting States.

⁵An international PCT application can fairly be thought of as a bundle of many national applications; from it, one may pursue the application in many nations. But, for each such national patent to issue, the PCT application must eventually be prosecuted as a national application in each country, in accordance with that country's patent laws. *See, e.g., Voda v. Cordis Corp.*, 476 F.3d 887, 890, 899 (Fed. Cir. 2007) ("The foreign patents issued from a common Patent Cooperation Treaty ('PCT') application. . . . [T]he text of the PCT maintains the independence of each country's patents."); *See also* Patent Cooperation Treaty, 28 U.S.T. 7645.

⁶January 10, 2000 is 30 months, plus a weekend, after July 8, 1997. 35 U.S.C. § 371.

⁷On April 10, 2000, Plaintiff had filed with the PTO a "Declaration and Power of Attorney," signed by Scott Olive, dated January 17, 2000, stating: "As a named inventor, I hereby appoint Stanley I. Rosen [], Richard I. Samuel [], Shanan Islam [], Theresa A. O'Rourke [], and Nicholas DuBois [] whose address is Friedman Siegelbaum, Seven Becker Farm Road, Roseland, New Jersey, 07068-1757 as my attorneys, to prosecute this application, and to transact all business in [the PTO] connected therewith." (*Id.* at ¶ 8, Ex. 1.)

1 1.137(a) or (b) requesting that the application be revived. Any petition filed under 37
2 CFR 1.137(a) and/or a petition under 37 CFR 1.137(b) requesting that the application
3 be revived must meet the criteria in the recent revision of 37 CFR 1.137. See 62 Fed.
Reg. 53131 (October 10, 1997); 1203 Off. Gaz. Pat. Office 63 (October 21, 1997)
(Effective Date: 01 December 1997).

4 Under 37 CFR 1.137(a), a petition requesting that the application be revived on the
5 grounds of unavoidable delay must be filed promptly after applicant becomes aware
6 of the abandonment and such petition must be accompanied by: (1) an adequate
7 showing of the cause of unavoidable delay, (2) a proper reply, (3) the petition fee
8 required by law and (4) a terminal disclaimer and fee in all applications filed before
9 08 June 1995.

10 Under 37 CFR 1.137(b), a petition requesting that the application be revived on the
11 grounds of unintentional delay must be accompanied by: (1) a proper reply; (2) the
12 petition fee required by law, (3) a statement that the "entire delay in filing the
13 required reply from the due date for the reply to the filing of a grantable petition
14 pursuant to this paragraph was unintentional" and (4) any terminal disclaimer and fee
15 required pursuant to 37 CFR 1.137(c). The Commissioner may require additional
16 information where there is a question whether the delay was unintentional. The
17 petition fee required by law is \$1210.00 for a small entity.

18 The filing of any petition under the unintentional standard cannot be intentionally
19 delayed. A person seeking revival due to unintentional delay cannot make a
20 statement that the delay was unintentional unless the entire delay was unintentional.
21 A statement that the delay was unintentional is not appropriate if the petitioner
22 intentionally delayed the filing of a petition for revival under 37 CFR 1.137(b).
23 There are three periods to be considered during the evaluation of a petition under 37
24 CFR 1.137: (1) the delay in the reply that originally resulted in the abandonment; (2)
25 the delay in filing an initial petition under 37 CFR 1.137 to revive the application;
26 and (3) the delay in filing a grantable petition under 37 CFR 1.137 to revive the
27 application. See 62 Fed. Reg. 53131 (October 10, 1997); 1203 Off. Gaz. Pat. Office
63 (October 21, 1997).

18 This recommendation to file a petition under 37 CFR 1.137(a) or (b) should not be
19 construed as an indication as to whether or not any such petition(s) will be favorably
20 considered.

20 (*Id.* at ¶ 10, Ex. 2.)

21 On September 15, 2000, Mr. Islam filed a "Petition Under 27 C.F.R. § 1.10(c) or § 1.10(d) to
22 Correct Date-In' of the '215 Application." (*Id.* at ¶ 11.) On or about June 5, 2001, the PTO issued a
23 notice addressed to Plaintiffs' attorney of record, Mr. Islam, denying Plaintiffs' petition to change
24 the "date-in" of the '215 Application and reaffirmed abandonment of the '215 Application. (*Id.* at ¶
25 14, Ex. 3.) The notice stated, among other things:

26 On March 21 2000, the United States Designated /Elected Office (DO/EO/US)
27 mailed a Notification of Missing Requirements (Form PCT/DO/EO905) and
28 Notification of a Defective Oath or Declaration (Form PCT/DO/EO/917) indicating
that the declaration was not executed in accordance with 37 CFR 1.66 or 37 CFR
1.68. The notification set a one-month time limit to respond. On 10 April 2000,
applicant filed a Response to Notification of Missing requirements Under 35 U.S.C.

371 in the United States Designated/Elected Office (DO/EO/US' which was accompanied by executed declaration and power of attorney. On 13 June 2000, the PCT Legal Office mailed Communication and Notification of Abandonment. On 19 September, 2000 applicant filed present petition stating that 'we are filing this petition under 37 CFR 1.10(c) or 1.10(d) to amend the "date in" to reflect the actual date the undersigned deposit with the United States Postal Express Mail under 37 Cfr [sic] 1.10(a) the application and requisite national fee. . . . For the reasons discussed above, applicant's request that the office accept the national application papers as filed on 10 January 2000 is **DISMISSED** without prejudice. The application remains **ABANDONED**. Any reconsideration on the merits of this petition must be filed within **TWO (2) MONTHS** from the mail date of this decision. Any reconsideration request should include a cover letter entitled "Renewed Petition Under 37 CFR 1.182. No petition fee is required. Extensions of time may be obtained under 37 CFR 1.136(a).

(*Id.* at ¶ 15, Ex. 3.) The PTO determined that Mr. Islam's petition to correct the "Date-In" had not provided sufficient corroborative evidence under 37 C.F.R. 1.10, such as "a copy of the Express Mail Label,"⁸ or "a statement from a USPS employee having firsthand knowledge of the time of the last pickup on 10 January 2000." (*Id.*)⁹ Neither Mr. Islam or anyone else filed any additional written papers with the PTO pertaining to the '215 Application until July 18, 2002. (*Id.* at ¶ 16.)

On July 18, 2002, Mr. Islam filed a petition to revive the '215 Application, entitled "Petition For Revival Of An Applicatio [sic] For Patent Abandoned Unintentionally Under 37 C.F.R. 1.137(b)." (*Id.* at ¶¶ 17-18.) The petition to revive contained the following statement, among other things, on page 1:

Burden Hour Statement: This form is estimated to take 1.0 hour to complete. Time will vary depending upon the needs of the individual case. Any comments on the amount of time you are required to complete this form should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, Washington, D.C. 20231. **DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Assistant Commissioner for Patents, Washington, DC 20231.**

⁸Mr. Islam did not submit an Express Mail receipt to the PTO in support of the Petition to Correct "Date-In." (*Id.* at ¶ 12.) Plaintiff has not produced in this case, and based on its current information, does not now have in its possession, custody or control, an Express Mail receipt, among other things, that could have supported its Petition to Correct "Date-In." (*Id.* at ¶ 13.)

⁹As discussed in more detail below, Plaintiffs contend there is a question of fact as to whether or not Mr. Islam actually received the June 5, 2001 letter, thereby precluding summary judgment on the current record. As support for the existence of this question of fact, Plaintiffs point to a January 23, 2002 facsimile from Anthony Smith of the PTO to Serle Mosoff (an attorney who worked with Mr. Islam). (Declaration of Arturo E. Sandoval ("Sandoval Decl.") Ex. D.) The January 23, 2002 facsimile bore the words "05 June 2001 Decision" and attached a copy of the PTO's June 5, 2001 decision notifying Mr. Islam that he had failed to provide sufficient corroborative evidence in support of his "Date-In" petition. Plaintiffs contend that if Mr. Islam and Plaintiffs did not receive the PTO's June 5, 2001 decision until January 23, 2002, then Plaintiffs' July 18, 2002 Petition to Revive the '215 Patent is timely under 35 U.S.C. § 133. (Pls.' Opp. at 4:2-6.)

1 (*Id.* at ¶ 19, Ex. 4.) The petition to revive contained the following statement, among other things, on
2 page 2:

3 STATEMENT: The entire delay in filing the required reply until the filing of a
4 grantable petition under 37 CFR 1.137(b) was unintentional. [NOTE: The United
5 States Patent and Trademark Office may require additional information if there is a
6 question as to whether either the abandonment or the delay in filing a petition under
7 37 CFR 1.137(b) was unintentional (MPEP 711.02(e)(III)(C) and (D))].

8 (*Id.*) A portion of the statement, and the unsigned signature line immediately below it, appeared as
9 follows:

10 4. STATEMENT: The entire delay in filing the required reply until the filing of a grantable petition under 37 CFR
11 1.137(b) was unintentional. [NOTE: The United States Patent and Trademark Office may require additional information
12 if there is a question as to whether either the abandonment or the delay in filing a petition under 37 CFR 1.137(b) was
13 unintentional (MPEP 711.02(e)(III)(C) and (D))]

14 WARNING: Information on this form may become public. Credit card information should not be included on this
15 form. Provide credit card information and authorization on PTO-203B.

Date	Signature
Telephone	Shaban Islam
Number (212) 240-8564	Typed or printed name
	Address
	KMZ Roszman
	575 Madison Avenue
	New York, NY 10022

16 (*Id.*)

17 Also on July 18, 2002, Mr. Islam filed a "Second Preliminary Amendment" and a "Petition
18 For Accelerated Examination Under MPEP 708.02(VIII)." (*Id.* at ¶¶ 22-23.) Mr. Islam filed a
19 signed Affidavit In Support Of Petition For Accelerated Examination Under MPEP 708.02(VIII).
20 (*Id.* at ¶ 24.) Paragraph 5 of Mr. Islam's Affidavit states, in its entirety,

21 5. A pre-examination search was made in various computerized databases. The search
22 yielded the same results as in the prior international proceedings of this application. The
23 following references were noted as being most relevant:

- 24 1. Australian Patent Abstract AN A 5,3370/86 Poker Machine
- 25 2. U.K. Patent Application 2153572A Gaming Machine
- 26 3. Australian Patent AU A 33868/89 Controlling Apparatus For Gaming
27 Machine

28 (*Id.* at ¶ 25.)

The PTO's September 3, 2002 Decision on Petition stated, among other things: "All of the
requirements of 37 C.F.R. 1.137(b) [of unintentional delay] have been met and the applicant's
petition to revive is **GRANTED**." (*Id.* at ¶ 26.) Subsequent to Mr. Islam's filing of the petition to

1 revive, the PTO has not requested and Plaintiffs have not provided any additional information
2 supporting the petition. (*Id.* at ¶ 27.)

3 On April 8, 2005, Plaintiffs' counsel of record filed the application for the '603 Patent, (*Id.*
4 at ¶ 28.) On June 6, 2006 and September 19, 2006, the '215 Patent and the '603 Patent issued,
5 respectively. (*Id.* at ¶¶ 29-30.)

6 According to Defendants, the PTO's file history provides the undisputed facts necessary to
7 decide the pending motion and enter a final judgment in their favor for the entire case. Defendants
8 seek an order granting summary judgment on their Second Defense and Second and Fifth
9 Counterclaims, declaring that: (1) the '215 Patent is invalid because Plaintiff abandoned the '215
10 Application under 35 U.S.C. § § 371 and 133, and never lawfully revived it on the grounds required
11 by those statutes; and (2) the '603 patent is invalid under 35 U.S.C. § 102(b), because the '215
12 Application has the same specification and was published in 1999 and abandoned in 2000, years
13 before the '603 Application was filed in 2005.

14 III. LEGAL STANDARD

15 Federal Rule of Civil Procedure 56(c) authorizes summary judgment if there is no genuine
16 issue as to any material fact and the moving party is entitled to judgment as a matter of law. *See*
17 *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 247-48 (1986). The moving party bears the initial
18 burden of demonstrating the basis for the motion and identifying the portions of the pleadings,
19 depositions, answers to interrogatories, affidavits, and admissions on file that establish the absence
20 of a triable issue of material fact. *Celotex Corp. v. Catrett*, 477 U.S. 317, 323 (1986). If the moving
21 party meets this initial burden, the burden then shifts to the non-moving party to present specific
22 facts showing that there is a genuine issue for trial. Fed. R. Civ. P. 56(e); *Celotex*, 477 U.S. at 324;
23 *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 586-87 (1986). The non-movant's
24 bare assertions, standing alone, are insufficient to create a material issue of fact and defeat a motion
25 for summary judgment. *Anderson*, 477 U.S. at 247-48. An issue of fact is material if, under the
26 substantive law of the case, resolution of the factual dispute might affect the case's outcome. *Id.* at
27 248. Factual disputes are genuine if they "properly can be resolved in favor of either party." *Id.* at
28 250. Thus, a genuine issue for trial exists if the non-movant presents evidence from which a

1 reasonable jury, viewing the evidence in the light most favorable to that party, could resolve the
2 material issue in its favor. *Id.* However, “[i]f the [non-movant’s] evidence is merely colorable, or is
3 not significantly probative, summary judgment may be granted.” *Id.* at 249-50 (internal citations
4 omitted).

5 Summary judgment is as appropriate in a patent case as it is in any other case. *C.R. Bard Inc.*
6 *v. Advanced Cardiovascular Systems*, 911 F.2d 670, 672 (Fed. Cir. 1990). A patent is presumed
7 valid. 35 U.S.C. § 282. The burden is on the party challenging the patent to show, by clear and
8 convincing evidence, that the patent is invalid. *See, e.g., Hybritech Inc. v. Monoclonal Antibodies,*
9 *Inc.*, 802 F.2d 1367 (Fed. Cir. 1986); *See also Invitrogen Corp. v. Clontech Laboratories, Inc.*, 429
10 F.3d 1052, 1063 (Fed. Cir. 2005) (citing *Apotex USA, Inc. v. Merck & Co., Inc.*, 254 F.3d 1031,
11 1036 (Fed. Cir. 2001) (requiring the party asserting invalidity to prove by clear and convincing
12 evidence that the invention was not abandoned, suppressed, or concealed under § 102(g)). Because
13 this standard must be employed at the summary judgment stage just as it would be used at trial,
14 Defendants have the burden of showing that there is an undisputed record from which a finder of
15 fact would find by clear and convincing evidence that the ’215 Patent and ’603 Patent are invalid.
16 *Teton West Const. Inc. v. Two Rivers Const. Inc.*, 961 F. Supp. 1422, 1426 (D. Idaho 1997).

17 IV. ANALYSIS

18 A. Summary of the Parties’ Arguments

19 A short summary of the parties’ arguments is helpful in framing the issues now before
20 the Court.

21 1. Defendants’ Arguments

22 In their motion, Defendants argue that both the ’215 Patent and the ’603 Patent are invalid on
23 grounds of abandonment. Initially, as to the ’215 Patent, Defendants insist that Plaintiffs abandoned
24 their ’215 Application by: (1) failing to timely file the national fee that was due on January 10, 2000
25 under 35 U.S.C. § 371; (2) failing to timely file a response to the PTO’s June 5, 2001 notice
26 reaffirming abandonment under 35 U.S.C. § 133; and (3) failing to make an adequate “showing” in
27 their Petition to Revive that their delays were “unavoidable,” as specifically required under Sections
28 133 and 371. Defendants’ positions are based on the premise that the PTO improperly revived the

1 '215 Application by failing to apply the "unavoidable" standard set forth in Sections 133 and 371,
2 and instead applied a lower "unintentional" standard, which is not authorized by the pertinent
3 statutory provisions. Defendants insist that the PTO's actions in reviving the patent were thus
4 "arbitrary, capricious, an abuse of discretion, [and] otherwise not in accordance with the law," 5
5 U.S.C. § 706(2)(A), and were "in excess of statutory ... authority," 5 U.S.C. § 706(2)(C), and
6 therefore must be set aside.

7 Next, as to the '603 Patent, Defendants declare that it is similarly invalid because the '603
8 Application was filed in 2005 as a "continuation" of the '215 Application – more than one year after
9 the '215 PCT Application was published in 1999. Because the '603 Patent is based upon the
10 abandoned '215 Application, Defendants aver that the '603 Patent is necessarily barred under 35
11 U.S.C. § 102(b).

12 2. Plaintiffs' Arguments

13 In their opposition, Plaintiffs make four primary arguments. First, they argue that the PTO
14 had authority to accept the petition to revive the allegedly abandoned '215 Patent application under
15 the "unintentional" prong of 37 C.F.R. § 1.137(b). Second, they argue that Sections 371 and 133
16 address only the timing of patent applications and PTO responses, and do not independently provide
17 grounds for invalidating an issued patent. 35 U.S.C. §§ 371 and 133. In support of this argument,
18 Plaintiffs accord significance to Sections 282(2)-(4), which specify the applicable invalidity defenses
19 available to an accused infringer. 35 U.S.C. § 282(2)-(4). Plaintiffs maintain that because neither
20 Section 371 or Section 133 is a "condition for patentability" under Title 35, neither section may
21 serve as a basis for invalidating the patents at issue. Third, Plaintiffs argue that Section 41(a)(7)
22 specifically empowers the PTO with the discretion to accept petitions to revive unintentionally
23 abandoned patent applications. 35 U.S.C. § 41(a)(7). Fourth, Plaintiffs insist that a number of
24 factual disputes exist which preclude summary judgment.¹⁰

25 The Court now turns to the '215 Patent Application and the '603 Patent Application in order
26 to determine whether Plaintiffs abandoned them.

27 B. The '215 Patent

28 ¹⁰Plaintiffs also request time for additional discovery pursuant to Federal Rule of Civil Procedure 56(f).

1 The relevant statutory landscape in deciding whether Plaintiffs abandoned the '215 Patent
2 Application is as follows.

3 Section 101 provides that "Whoever invents or discovers any new and useful process . . .
4 may obtain a patent therefore, *subject to the conditions and requirements of this title.*" 35 U.S.C. §
5 101 (emphasis added). In the pending motion, Defendants' abandonment argument focuses on
6 Plaintiffs' failure to satisfy two timing requirements taken from Title 35 – Section 371(d) and
7 Section 133.

8 Section 371, entitled, "National Stage: Commencement," provides that failure to timely file a
9 timely national fee "shall be regarded as abandonment of the application by the parties thereof,
10 unless it be shown to the satisfaction of the Director that such failure to comply was *unavoidable.*"
11 35 U.S.C. § 371(d) (emphasis added). Section 133, entitled, "Time for Prosecuting Application,"
12 provides that "failure of the applicant to prosecute the application within six months after any action
13 therein, of which notice has been given or mailed to the applicant . . . the application *shall* be
14 regarded as abandoned by the parties thereto, unless it be shown to the satisfaction of the Director
15 that such delay was *unavoidable.*" 35 U.S.C. § 133 (emphasis added). Accordingly, both of these
16 requirements prescribe the patentee to "show" that its delay was "*unavoidable,*" otherwise the patent
17 application "shall be regarded as abandoned."

18
19 **1. Which Standard of Review Governs the Revival of the '215 Patent
Application – "Unavoidable" or "Unintentional" Delay?**

20 Defendants insist that because Section 133 and Section 371 explicitly require a showing of
21 "unavoidable" rather than "unintentional" delay, it was improper for the PTO to revive the '215
22 Application on grounds of "unintentional" delay under 37 C.F.R. 1.137(b).¹¹ Plaintiffs argue that the
23

24 ¹¹37 C.F.R. 1.137 provides, in relevant part,

25 (a) Unavoidable. If the delay in reply by applicant or patent owner was unavoidable, a petition may be filed
26 pursuant to this paragraph to revive an abandoned application, a reexamination proceeding terminated
under §§ 1.550(d) or 1.957(b) or (c), or a lapsed patent. A grantable petition pursuant to this paragraph
must be accompanied by:

27 (1) The reply required to the outstanding Office action or notice, unless previously filed;
28 (2) The petition fee as set forth in § 1.17(l);
(3) A showing to the satisfaction of the Director that the entire delay in filing the required reply
from the due date for the reply until the filing of a grantable petition pursuant to this paragraph

1 PTO had authority to accept the petition to revive the allegedly abandoned '215 Patent application
2 under the "unintentional" prong of 37 C.F.R. § 1.137(b). As further support for the existence of
3 PTO discretion in reviving patent applications, Plaintiffs contend that Section 41(a)(7) specifically
4 empowers the PTO with the discretion to revive "unintentionally" abandoned patent applications.

5 The Court will now address the plain meaning of the statutory text and the distinction
6 between the "unavoidable" and "unintentional" standards and the relevant legislative history and
7 evolution of the statutes at issue to determine the appropriate standard to apply to Plaintiffs' delay in
8 filing their national fee and their subsequent delay in filing their response to the PTO's notice
9 reaffirming abandonment.

10 a. Plain Meaning

11 Initially, the Court notes that "[s]tatutory interpretation begins with the plain meaning of the
12 statute's language, [and] [w]here the statutory language is clear and consistent with the statutory
13 scheme at issue, the plain language of the statute is conclusive and the judicial inquiry is at an end."
14 *Botosan v. Paul McNally Realty*, 216 F.3d 827, 831 (9th Cir. 2000) (citations omitted); *see also BP*
15 *Am. Prod. Co. v. Burton*, 127 S. Ct. 638, 643 (2006) ("Unless otherwise defined, statutory terms are
16 generally interpreted in accordance with their ordinary meaning."). Only where a statute yields to
17 more than one reasonable interpretation, should a court turn to the statute's legislative history for
18

19 was unavoidable; and

20 (4) Any terminal disclaimer (and fee as set forth in § 1.20(d)) required pursuant to paragraph (d)
of this section.

21 (b) Unintentional. If the delay in reply by applicant or patent owner was unintentional, a petition may be
22 filed pursuant to this paragraph to revive an abandoned application, a reexamination proceeding terminated
under §§ 1.550(d) or 1.957(b) or (c), or a lapsed patent. A grantable petition pursuant to this paragraph
must be accompanied by:

23 (1) The reply required to the outstanding Office action or notice, unless previously filed;

24 (2) The petition fee as set forth in § 1.17(m);

25 (3) A statement that the entire delay in filing the required reply from the due date for the reply
until the filing of a grantable petition pursuant to this paragraph was unintentional. The Director
may require additional information where there is a question whether the delay was unintentional;
and

26 (4) Any terminal disclaimer (and fee as set forth in § 1.20(d)) required pursuant to paragraph (d)
of this section.

27 37 C.F.R. 1.137(a), (b).
28

1 evidence of congressional intent. *United States v. Daas*, 198 F.3d 1167, 1174 (9th Cir. 1999); *see*
 2 also *United States v. Gonzales*, 520 U.S. 1, 6 (1997) ("Given the straightforward statutory command,
 3 there is no reason to resort to legislative history.").

4 Here, the plain language of Section 133 and 371(d) is clear and unambiguous. Both statutes
 5 explicitly prescribe that a patent application "shall be regarded" as abandoned unless it can be shown
 6 that the delay was "unavoidable." 35 U.S.C. §§ 133, 371(d). Neither section references an
 7 "unintentional" standard. In turning to Congress's use of the terms, "unavoidable" and
 8 "unintentional" delay, it is evident that Congress intended a distinction between the "unavoidable"
 9 and "unintentional" standards. For example, Congress has explicitly identified the circumstances
 10 under which it intends to authorize the PTO to revive an abandoned application for "unintentional"
 11 and/or "unavoidable" failures. *See* 35 U.S.C. § 111(a)(4) and (b)(3)(C) (application abandoned for
 12 failure to timely submit fees or oath unless delay was "unavoidable or unintentional"); 35 U.S.C. §
 13 122(b)(2)(B)(iii) (application abandoned for failure to timely notify PTO of the filing of an
 14 international application unless delay was "unintentional"); *Ray*, 55 F.3d at 608-609, n.1 (noting that
 15 amendment to 35 U.S.C. § 41(c) authorized revival for "unintentional" delays, in addition to
 16 "unavoidable" delays). Congress's deliberate use of, and distinction between, the terms,
 17 "unintentional" and "unavoidable," within Title 35 is evidence that Congress has created different
 18 standards in evaluating certain delays on the part of a patentee. Based on the express language of
 19 the statutes at issue, the Court finds clear support on their face that the "unavoidable" standard
 20 governs the review of delays under Section 133 and Section 371(d). Although the Court's inquiry
 21 can end here, a review of the legislative history and evolution of Section 133 and Section 371(d)
 22 provide further support for the Court's finding.

23 b. Legislative History of Sections 133 and 371

24 The relevant legislative history and evolution of Section 133 and Section 371 indicates that
 25 those sections contemplate application of the "unavoidable" standard, and not the "unintentional"
 26 standard.

27 Turning to Section 133, the Court notes that the "unavoidable" standard "as it is contained in
 28 35 U.S.C. § 133 has remained unchanged since first enacted in 1861." *Haines v. Quigg*, 673 F.

1 Supp. 314, 316-17 (N.D. Ind. 1987). Despite opportunities to amend Section 133, Congress has
 2 elected not to include an "unintentional" standard therein. For example, in 1982 Congress enacted
 3 35 U.S.C. § 41(a)(7), which established the amount of certain statutory fees for revival of an
 4 "unintentionally" abandoned patent application. See Pub. L. 97-247, § 3(a)-(e) (Aug. 27, 1982); 35
 5 U.S.C. § 41(a)(7). Despite the enactment of Section 41(a)(7) and subsequent amendments to that
 6 section, Congress has not chosen to amend Section 133 to add an "unintentional" standard to the
 7 existing "unavoidable" standard which governs review under Section 133. *Id.*; see also Pub. L. 106-
 8 113 § 4732(a)(10)(A) (Nov. 29, 1999), as amended by Pub. L. 107-273, § 13206(b)(1)(B) (Nov. 2,
 9 2002).

10 Next, turning to Section 371, the legislative history similarly reveals no Congressional intent
 11 to import an "unintentional" standard therein. As originally enacted in 1975, Section 371 did not
 12 provide any mechanism to excuse abandonment whatsoever. See Pub. L. 94-131 (Nov. 14, 1975).
 13 In 1984, after the enactment of Section 41(a)(7) - which referenced the concept of "unintentional"
 14 delay - Congress amended Section 371 to excuse abandonment, only if the delay was
 15 "unavoidable." See Pub. L. 98-622 (Nov. 8, 1984). Thus, despite the opportunity to include or
 16 otherwise reference an "unintentional" standard within Section 371, Congress has refrained from
 17 doing so. Accordingly, Court finds additional support in the legislative history of the statutes at
 18 issue that the "unavoidable" standard governs the review of delays under Section 133 and Section
 19 371(d).¹²

20 For these reasons the Court finds that Section 133 and Section 371 contemplate the
 21 application of the "unavoidable" standard only, and not the "unintentional" standard.

22
 23 ¹²Finally, turning to the apposite decisions, it is evident that courts have continued to adhere to the distinction
 24 between the "unavoidable" and "unintentional" standards. In determining whether a delay was "unavoidable," for purposes
 25 of abandonment analysis, one looks to whether the party exercised the due care of a reasonably prudent person. *Ray v.*
 26 *Lehman*, 55 F.3d 606, 608-09 (Fed. Cir. 1995) (citing *Douglas v. Manbeck*, 21 U.S.P.Q. 2d 1697, 1700, 1991 WL 237823
 27 (E.D. Pa. 1991); *In re Mattullath*, 38 App. D.C. 497, 514-15 (D.C. Cir. 1912)). "Unintentional" conduct is not enough to
 28 meet the stringent standard of "unavoidable delay." *Femspec, L.L.C. v. Dudas*, 2007 U.S. Lexis 8482, *26 (N.D. Cal. 2007);
 See also *Smith v. Mossinghoff*, 671 F. 2d 533 (D.C. Cir. 1982) (holding that where applicant's attorney missed deadline
 because he was preoccupied with other legal matters and was in the process of moving his residence, applicant did not
 establish unavoidable delay); *Rydeen v. Quigg*, 748 F.Supp. 900 (D. D.C. 1990) (holding that failure to pay maintenance
 fee because patentee's attorney had not received customary notice from PTO alerting him it was due was not sufficient to
 establish unavoidable delay because PTO has no duty to provide notice that maintenance fee is due). Consequently, it is clear
 that federal courts have recognized that under Title 35 the "unavoidable" standard is distinct from the "unintentional"
 standard.

2. Does Section 41(a)(7) Alter the Application of the Unavoidable Standard?

The Court now turns to Plaintiffs' contention that the 1982 enactment of Section 41(a)(7) empowered the PTO with discretion to accept petitions to revive an "unintentionally" abandoned patent application. Plaintiffs argue that Congress enacted Section 41(a)(7) as a "remedial" statute to provide the PTO with greater discretion in reviving abandoned patent applications. Plaintiffs insist that because Section 41 created two different filing fees for applications that had been either "unavoidably" or "unintentionally" abandoned, Congress necessarily afforded the PTO discretion to apply either the "unintentional" or "unavoidable" standard in evaluating requests to revive abandoned patent applications. Thus, according to Plaintiffs, the PTO's revival of the '215 Application is supported by Section 41(a)(7). Defendants disagree. Defendants posit that Section 41(a)(7) does not change the "unavoidable" standard explicitly set forth in Section 133 and Section 371. Defendants claim that Section 41(a)(7) is a fee statute – nothing more – and cannot override the clear Congressional intent and plain meaning of Section 133 and Section 371. The Court finds Plaintiffs' reliance on Section 41(a)(7) problematic.

Section 41 of the Patent Act is entitled, "Patent fees; patent and trademark search systems." 35 U.S.C. § 41. It does not state, or otherwise indicate, an intent to change or curtail the "unavoidable" standard set forth in Sections 133 and 371. To the contrary, Section 41(a)(7) explicitly refers to other sections of the Patent Act that are exclusively subject to the "unavoidable" standard – namely Section 133 and Section 151:

On filing each petition for the revival of an unintentionally abandoned application for a patent, for the unintentionally delayed payment of the fee for issuing each patent, or for an unintentionally delayed response by the patent owner in any reexamination proceeding, \$1,210, unless the petition is filed under *section 133 or 151* of this title, in which case the fee shall be \$110.

35 U.S.C. § 41(a)(7) (emphasis added)¹³. Accordingly, the express language of Section 41(a)(7) recognizes the continuing existence of the "unavoidable" standard in the review of patent applications pursuant to Section 133, Section 151, and Section 122. Therefore, the Court finds that Section 41(a)(7) sets forth the amount of fees applicable for revival under the two possible standards

¹³Section 151 provides, in part, "If any payment required by this section is not timely made, but is submitted with the fee for delayed payment and the delay in payment is shown to have been *unavoidable*, it may be accepted by the Director as though no abandonment or lapse had ever occurred." 35 U.S.C. § 151 (emphasis added).

1 (“unavoidable” and “unintentional”); however, it does not modify or alter Section 133 or Section
2 371, which expressly require “unavoidable” delays in order to revive abandoned applications.¹⁴

3 Notwithstanding the Court’s reasoning above, at the hearing in this matter, Plaintiffs’ counsel
4 argued that the decisions in *Enzo Therapeutics, Inc. v. Veda Research and Dev. Co. of the Weizmann*
5 *Inst. of Science*, 2007 U.S. Dist. Lexis 14831 (E.D. Va. Feb. 28, 2007) compels a different result
6 under Section 41(a)(7). However, *Enzo Therapeutics* is distinguishable from the current case on
7 multiple grounds. There, the patentee failed to timely respond to a three month-deadline created by
8 the PTO under its own regulations – specifically, 37 C.F.R. § 1.134. *Id.* at *5. Here, the Plaintiff
9 [patentee] failed to timely respond to a statutory requirement created by Congress. The Court
10 recognizes a significant distinction between procedural rules promulgated by the PTO on the one
11 hand, and statutory requirements promulgated by Congress on the other hand. Certainly, the PTO
12 would have more discretion to allow an exception to one its own regulatory standards than it would
13 to allow an exception to a statutory standard created by Congress. Plaintiffs have failed to provide
14 this Court with authority allowing it to depart from the applicable statutory standards of review set
15 forth in Sections 133 and 371.

16
17 “The Court notes that Congress’s amendments to other provisions in the Patent Act are further support for the
18 Court’s conclusion that Section 371 provides for the application of the “unavoidable” standard exclusively. Most compelling
19 is that when Congress has amended other provisions to explicitly include an “unintentional” standard where it did not
20 previously exist, Congress did not make such inclusions within Section 371. The amendments to Section 111 are particularly
21 instructive here because Section 111 sets forth the initial requirements for a U.S. patent application, and Section 371 sets
22 forth the analogous initial requirements in the PCT context. Although Section 371 and Section 111 address similar subject
23 matter, the respective amendments of the sections is instructive on Congress’s intent. The relevant amendments of Section
24 111 are as follows.

25 Before 1982, neither Section 111 nor Section 371 included a clause about forgiving a failure to comply under either
26 standard. As part of the same 1982 Amendments, which enacted Section 41(a)(7), discussed above, Congress revised Section
27 111 to excuse abandonment only if failure to comply was “unavoidable.” See Pub. L. 97-247 (Aug. 27, 1982). This reveals
28 that the enactment Section 41(a)(7) was not intended to impose an “unintentional” standard, otherwise Congress would have
simultaneously included the “unintentional” language in Section 111 as well.

In 1984, Congress revised Section 371 to excuse abandonment only if the failure was “unavoidable,” See Pub. L.
98-622 (Nov. 8, 1984). By implementing an “unavoidable” standard exclusively, this revision brought Section 371 in line
with Section 111. The 1984 amendment to Section 371 gave “international applicants benefits similar to those given national
applicants by P.L. 97-247 with respect to the time for filing the national fee and oath or declaration.” See 130 Cong. Rec.
H. 10525 (Oct. 1, 1984). As of the 1984 amendment, Section 111 and Section 371 had equivalent standards for revival.
Subsequently, in 1994, Congress again amended Section 111, this time excusing abandonment where the failure to comply
was “unavoidable or unintentional.” See Pub. L. 103-465, Title V, Subt. C, §532(b)(3) (Dec. 8, 1994). However, to date,
no such amendment was made to Section 371 and the “unintentional” standard has not been added to that provision.

Accordingly, the Court finds that in amending parallel statutes, Section 111 and 371, Congress’s failure to amend
Section 371 to include the unintentional standard, allows an inference that Congress’s intended revival under Section 371
to be governed by the “unavoidable” standard only. If Congress had truly intended for Section 371 or Section 133 to
encompass the “unintentional” standard, it would have amended them as it did with Section 111.

1 Because *Enzo Therapeutics* involved a regulatory requirement rather than a statutory one,
2 and because the court's inquiry pertained to the "unintentional" standard, rather than the
3 "unavoidable" standard applicable here, the Court finds Plaintiffs' reliance on *Enzo Therapeutics*
4 unconvincing.

5 3. Does Section 282 Preclude a Finding of Patent Invalidity?

6 In opposing the current motion, Plaintiffs also rely on 35 U.S.C. § 282. Plaintiffs maintain
7 that Sections 282(2)-(4) provide the exhaustive list of available invalidity defenses, and that
8 Defendants have not sufficiently shown that Congress intended Section 133 and/or Section 371 to be
9 included within that list. Plaintiffs explain that the list of defenses includes, in relevant part,
10 "[i]nvalidity of the patent . . . in suit on any ground specified in part II of this title as a condition for
11 patentability" or "[a]ny other fact or act made a defense by this title." 35 U.S.C. §§ 282(2), (4)
12 (emphasis added). Plaintiffs state that the two statutory provisions listed as "conditions for
13 patentability" are "novelty" and "non-obviousness," under 35 U.S.C. § 102 and § 103, respectively.
14 Because Congress did not similarly designate Section 133 or Section 371, as "condition[s] for
15 patentability," Plaintiffs contend that Defendants' invalidity arguments premised on Section 133 and
16 Section 371 necessarily fail.

17 Defendants reply that their motion for invalidity is authorized by Section 282 for four
18 reasons. First, Defendants point out that they have moved to declare the '603 Patent invalid under
19 Section 102(b) – which is an available invalidity defense under Section 282(2) – and in order to
20 make that determination the Court must decide whether the prior '215 Application remains
21 abandoned under Section 133 and/or Section 371. Thus, Defendants contend that the issue of
22 abandonment under Section 133 and/or Section 371 is inescapably tethered to the Court's invalidity
23 inquiry under Section 102(b). Second, Defendants point out that they have moved to declare both
24 the '215 Patent and the '603 Patent invalid under Section 102(c) – which is also an available
25 invalidity defense under Section 282(2). Third, Defendants state that Section 282(2) is not limited to
26 the defenses found in Section 102 and Section 103, as Plaintiffs contend. Defendants note that
27 Section 282(2) broadly authorizes them to assert as a defense the "[i]nvalidity of the patent . . . in
28 suit on any ground specified in part II of this title as a condition for patentability" and that part II

1 includes the six-month deadline for prosecuting an application in Section 133 as a condition;
2 therefore, Section 133 is an available defense under Section 282(2). Fourth, Defendants insist that
3 Section 133 and Section 371 are available invalidity defenses under Section 282(4) because they are
4 specifically incorporated therein (“[a]ny other fact or act made a defense by this title.”) 35 U.S.C. §
5 282(4).

6 Having considered the parties’ arguments, the Court finds Defendants’ fourth argument most
7 persuasive for the reasons set forth below. Section 282(4) clearly references “[a]ny other fact or act
8 made a defense by this title” as an invalidity defense that must be pleaded. 35 U.S.C. § 282(4). A
9 fortiori, Section 282(4) must therefore incorporate Section 133 and 371(d). This conclusion is
10 supported by a recent district court decision. *New York Univ. v. Autodesk, Inc.*, 466 F. Supp. 2d 563
11 (S.D.N.Y. 2006). In *Autodesk*, the court implicitly rejected the same argument made by Plaintiff
12 here. *Id.* at 565. There, the court stated,

13 Plaintiff argues that the structure of § 282 of the patent statute provides a “specific
14 framework for challenging the validity of a patent in the context of an infringement
15 action” that precludes judicial review of PTO decisions that revive abandoned
16 patents. . . . Section 282 lists three specific defenses that may be raised in an
17 infringement action and also permits a defendant to raise “[a]ny other fact or act
18 made a defense by this title.” Although improper revival would appear to be covered
19 by this catch-all language, plaintiff argues that “improper revival” [under § 133] is
20 not explicitly “made a defense” under the patent statute, and so is not reviewable in
21 this proceeding. The fact, however, that “improper revival” is not specifically listed
22 as a defense in § 282 does not provide clear and convincing evidence of legislative
23 intention to preclude judicial review.

24 *Id.*; See also *Quantum Corp. v. Rodime, PLC*, 65 F.3d 1557, 1584 (Fed. Cir. 1995) (stating “Section
25 282 does not state that the list of invalidity defenses contained therein are the only ones available;
26 the statute merely says ‘[t]he following shall be defenses.’ The express words of Section 282
27 therefore allow for the existence of other invalidity defenses.”)¹⁵ Similarly, in this case, the fact that
28 Section 133 and Section 371 are not specifically listed under Section 282, does not mean they are
not included in the catch-all provision of “[a]ny other fact or act made a defense by this title.” 35

26 ¹⁵At the hearing, and in supplemental briefing, Plaintiffs’ counsel argued that the court’s reasoning in *Quantum*
27 *Corp.* is inapposite to the current case. Plaintiffs claim that because the invalidity defense in *Quantum Corp.* was premised
28 on a reexamination that violated Section 305, the issue was “substantive.” Plaintiffs contend that Section 282 is limited to
only those types “substantive” defenses, and not to the “ministerial” issues in the current case. However, Plaintiffs have
failed to adduce any legal authority supporting their distinction between these two semantic categories. For that reason, the
Court is not persuaded that Section 282 should be read as imposing such a limitation.

1 U.S.C. § 282(4). Both Section 133 and Section 371 are other “defenses” within Title 35.

2 Accordingly, the Court finds that Section 282 does not preclude their application here.

3 The Court also finds Defendants’ third argument, relying on Section 282(2), also to be well-
4 taken. Section 282(2) *broadly* authorizes a party to assert as a defense the “[i]nvalidity of the patent
5 . . . in suit on any ground specified in *part II* of this title as a condition for patent ability.” 35 U.S.C.
6 § 282(2) (emphasis added). Because Section 133’s six-month deadline for prosecuting an
7 application is specified within part II of Title 35, it necessarily provides an available defense where a
8 patentee has abandoned, and failed to lawfully revive, a patent application, 35 U.S.C. §§ 282, 133.¹⁶

9 For these reasons, the Court finds that Section 282 does not preclude Defendants’ motion for
10 summary judgment under Section 133 and/or Section 371. Having determined the applicability of
11 Section 133 and Section 371, the Court must now turn its attention to the whether it may review the
12 PTO’s decision to revive the ’215 Application under the “unintentional” standard set forth in 37
13 C.F.R. 1.137(b).

14 4. Administrative Procedure Act

15 Without citing any legal authority, Plaintiffs assert in their brief that the PTO’s granting of a
16 petition to revive is not subject to judicial review. (Pls.’ Opp. at 5:24-6:9.) At the hearing on this
17 matter, Plaintiffs’ counsel clarified that the Court may review the PTO’s decision, but should give
18 deference to the PTO when doing so.

19 A PTO action is generally reviewable under the Administrative Procedure Act, 5 U.S.C. §§
20 701 *et seq.* (“APA”), and “may be set aside if it is ‘arbitrary, capricious, an abuse of discretion, or
21 otherwise not in accordance with law.’” *Ray*, 55 F.3d at 608 (quoting 5 U.S.C. § 706(2)(A)).¹⁷ The

22
23 ¹⁶In addressing Defendants’ second argument pertaining to Section 282, the Court notes that Defendants have failed
24 to adduce legal authority where a court has applied Section 102(c) as a bar in this factual context. Section 102(c) provides:
25 “A person shall be entitled to a patent unless . . . (c) he has abandoned the invention.” 35 U.S.C. § 102(c). Because the Court
has already determined, on other grounds, that Section 282 does not preclude the applicability of Section 133 or Section 371,
it need not reach the merits of Defendants’ second argument under Section 102(c).

26 ¹⁷*See also Morganroth v. Quigg*, 885 F.2d 843, 848 (Fed. Cir. 1989) (holding that the Patent Office’s interpretation
27 of statutory and regulatory provisions regarding abandonment and revival of patent applications is entitled to “considerable
deference”). Accordingly, this court may “not [] substitute its own judgment for that of the agency.” *Ray*, 55 F.3d at 608.
28 Indeed, this court should only set aside decisions of the Patent Office if they “lack any basis in reason or common sense.”
Smith v. Mosshoghoff, 671 F.2d 533, 538 (D.C. Cir. 1982). At the same time, however, a court “should not supply a reasoned
basis for the agency’s action that the agency itself has not given.” *Motor Vehicle Mfrs. Ass’n of U.S. v. State Farm Mutual*

1 APA confers a general cause of action upon persons "adversely affected or aggrieved by agency
2 action within the meaning of a relevant statute," 5 U.S.C. § 702, but withdraws that cause of action
3 to the extent the relevant statute "preclude[s] judicial review," 5 U.S.C. § 701(a)(1). *Autodesk, Inc.*,
4 466 F. Supp. 2d 563 at 565. Whether a statute precludes judicial review "is determined not only
5 from its express language, but also from the structure of the statutory scheme, its objectives, its
6 legislative history, and the nature of the administrative action involved." *Id.* (citing *Block v. Cnty.*
7 *Nutrition Inst.*, 467 U.S. 340, 345 (1984)). There is a "general presumption favoring judicial review
8 of administrative action," *id.* at 351, and this presumption is overcome only when there is "clear and
9 convincing evidence of legislative intention to preclude review," *Japan Whaling Ass'n v. Am.*
10 *Cetacean Soc'y*, 478 U.S. 221, 230 n. 4 (1986). Here, the record before the Court evinces no basis
11 upon which to find the existence of clear and convincing evidence of Congress's intent to preclude
12 judicial review. *See Autodesk, Inc.*, 466 F. Supp. 2d 563 at 565 (finding same).

13 Plaintiffs also assert in their brief, without authority, that judicial review of the PTO's *denial*
14 of a petition to revive is distinguishable from Defendants' invalidity theory which challenges the
15 PTO's *grant* of a petition to revive. To the contrary, courts have recognized that pursuant to the
16 APA, an accused infringer may challenge the PTO's *grant* of a petition to revive as an invalidity
17 defense in a later-filed action. *See Arrow Int'l v. Spire Biomedical, Inc.*, 443 F. Supp. 2d 182, 185
18 (D. Mass. 2006) (stating that if the patentee is successful on its petition to revive before the PTO, the
19 alleged infringer may challenge the revival and argue its implications before a District Court in a
20 subsequently refiled patent litigation.); *See also Autodesk, Inc.*, 466 F. Supp. 2d 563, 564-65 (finding
21 that court was empowered under ADA to review and set aside the PTO's granting of a petition to
22 revive); *Lawman Armor Corp. v. Simon, No. 04-72260*, 2005 U.S. Dist. Lexis 10843 (E.D. Mich.
23 Mar. 29, 2005) (same). Because there is a general presumption favoring judicial review of
24 administrative action, and because Plaintiff has failed to identify clear and convincing evidence of a
25 legislative intention to preclude judicial review, the Court finds that it may review the of the PTO's
26 decision to revive the '215 Patent.

27 5. Did the PTO Abuse its Discretion in Reviving the '215 Application?

28 *Auto. Ins. Co.*, 463 U.S. 29, 43 (1983) (internal quotations omitted).

1 Having determined that the Court may review the PTO's decision to revive the '215
2 Application and that the proper standard was "unavoidable," and not "unintentional," the Court must
3 now decide whether there is undisputed and clear and convincing evidence to conclude that the PTO
4 abused its discretion in failing to applying the "unavoidable" standard and the related timing
5 requirements of Section 133 and Section 371. In support of their motion, Defendants emphasize that
6 Plaintiffs' petition to revive the '215 Patent was substantively and procedurally flawed.
7 Substantively, Plaintiffs' petition was allegedly flawed because it provided no explanation for the
8 delay, as required by 37 C.F.R. 1.137, and instead stated in a conclusory fashion, that "[t]he entire
9 delay in filing the required reply until the filing of a grantable petition under 37 CFR 1.137(b) was
10 unintentional." (JS at ¶ 19, Ex. 4.)¹⁸ Procedurally, Plaintiffs' petition was allegedly flawed because
11 it was not signed. (*Id.*) In opposition, Plaintiffs insist that significant deference should be given to
12 the PTO's interpretation of its own regulations and that the existence of material factual disputes
13 preclude summary judgment.

14 Under circumstances similar to the current case, a district court has found that the PTO's
15 revival of an abandoned application under 37 C.F.R. § 1.137 was an abuse of discretion under
16 Section 706(2)(A) of the APA, and therefore subject to being overturned. *Field Hybrids, LLC v.*
17 *Toyota Motor Corp.*, 2005 U.S. Dist Lexis 1159 *22 (D. Minn. 2005). In *Field Hybrids*, the plaintiff
18 patentee failed to respond to a PTO office action within the prescribed six-month period set forth in
19 Section 133. *Id.* at *3. The patentee subsequently filed a petition to revive the abandoned
20 application fifteen months later on grounds that the delay was "unintentional," *Id.* at *5. After
21 initially dismissing the patentee's first petition, the PTO subsequently granted the patentee's second
22 petition for revival on grounds that the patentee's delay was "unintentional." *Id.* In reviewing the
23 propriety of the PTO's decision, the district court found that the factual record did not support the
24 PTO's finding that the patentee's delay was unintentional. *Id.* at *21. To the contrary, the factual
25 record revealed that the patentee's delay in responding to the PTO was intentional because the

26
27 ¹⁸Defendants contend that Plaintiffs' petition to revive fails under the "unintentional" standard also. In particular,
28 Defendants argue that because Plaintiffs simultaneously filed other documents (such as a "Second Preliminary Amendment"
and a "Petition for Accelerated Examination Under MPEP 708.02 (VII)") that would have required extensive time to prepare,
it cannot follow that the entire delay was "unintentional." (Def.'s Mot. at 12:12-22.)

1 factual record demonstrated that the patentee and the patentee's attorney were aware of the pertinent
2 deadline. *Id.* at *21-23.

3 Here, the Court similarly finds that the PTO abused its discretion in reviving the '215
4 Application. As described above, the applicable statutory requirements for the revival of an
5 application in these circumstances are set forth in Section 133 and Section 371(d). As more fully set
6 forth below, a review of the undisputed factual record before the Court indicates that Plaintiffs failed
7 to comply with both sections.

8 a. Section 371

9 Turning to the national fee timing requirement of Section 371, the parties do not dispute that
10 the deadline for Plaintiff to file the national fee for the U.S. national stage of its PCT application at
11 the PTO was January 10, 2000. (JS at ¶ 6.) The parties also do not dispute that the PTO did not
12 receive Plaintiffs' national fee until January 11, 2000. (*Id.* at ¶ 7.) A subsequent revival of the
13 application therefore requires the patentee to "show to the satisfaction of the Director that such
14 failure to comply [with the deadline] was unavoidable." 35 U.S.C. § 371(d). Here, Plaintiffs failed
15 to do that. A review of Plaintiffs' July 22, 2002 Petition for Revival of the '215 Patent, shows that
16 Plaintiffs made no showing that their delay was "unavoidable" as required by Section 371(d). (JS at
17 ¶ 18, Ex. 4.) For these reasons, the Court finds there is undisputed and clear and convincing
18 evidence to find that the PTO's decision to revive the '215 Patent – without a showing to the
19 Director that the failure was unavoidable – was an abuse of discretion because the decision was "not
20 in accordance with law." *Ray*, 55 F.3d at 608.

21 b. Section 133

22 Next, the Court turns to the applicable timing requirement of Section 133 mandating a
23 patentee to respond to the PTO within six-months after notice has been given. The parties do not
24 dispute that the PTO issued a denial notice addressed to Plaintiffs' attorney of record dated June 5,
25 2001. (*Id.* at 14.) However, the parties do dispute whether Plaintiffs' attorney of record actually
26 received the PTO's denial notice. (Pls.' Opp. at 11:25-12:16.) If the PTO provided notice or
27 otherwise timely mailed the June 5, 2001 denial notice, then Plaintiffs' subsequent response on July
28 18, 2002 was untimely, thereby resulting in another basis for abandonment of the '215 Application,

1 unless the delay was "unavoidable." 35 U.S.C. § 133. If, however, the PTO did not provide notice,
2 or otherwise timely mail the June 5, 2001 denial notice, then Plaintiffs would not have been on
3 notice to respond until the next correspondence from the PTO to Plaintiffs' attorneys, which did not
4 occur until January 23, 2002. (Sandoval Decl. Ex. D.) The January 23, 2002 facsimile bore the
5 words "05 June 2001 Decision" and attached a copy of the PTO's June 5, 2001 denial notice. (*Id.*)
6 If Plaintiffs did not receive the PTO's June 5, 2001 decision until January 23, 2002 – as Plaintiffs
7 contend is a possibility – then Plaintiffs July 18, 2002 Petition to Revive the '215 Patent would
8 appear timely under 35 U.S.C. § 133. (Pls.' Opp. at 4:2-6.)

9 In examining the factual record, it is undisputed that the PTO reaffirmed the abandonment of
10 the '215 Application in the June 5, 2001 denial notice addressed to Plaintiffs' attorney of record, Mr.
11 Islam. (*Id.* at ¶ 14, Ex. 3.) Because it is presumed that a notice by a government agency is mailed
12 on the date shown, *Molnar v. Legal Sea Foods, Inc.*, 473 F. Supp. 2d 428, 430 (S.D.N.Y. 2007)
13 (citing *Sherlock v. Montefiore Medical Ctr.*, 84 F.3d 522, 525 (2d Cir. 1996)¹⁹), and because there is
14 a rebuttable presumption that the document has been received by the addressee, *Schikore v.*
15 *BankAmerica Supplemental Retirement Plan*, 269 F.3d 956, 961 (9th Cir. 2001) (citations omitted),
16 the Court must presume that the PTO sent, and Plaintiff received, the June 5, 2001 denial notice at
17 that time.

18 In response, Plaintiffs do not offer any competent evidence in an effort to rebut the
19 presumption of receipt of the denial notice. Plaintiffs do not offer a declaration from their *own*
20 *patent counsel*, Mr. Islam or Mr. Mosoff, indicating they did not receive the denial notice. Instead,
21 Plaintiffs provide the Court with a single declaration containing speculation only. (Blanch Decl. at ¶
22 2-5) (stating "Aristocrat hopes to establish through the testimony of Mr. [] Islam and/or [Mr.] []
23 Mosoff that they had not received the Patent Office's June, 2001 Decision on Petition until January
24 23, 2002, thereby eliminating the allegedly unexcused six month period of alleged delay." . . .
25 "Based on the existence of Exhibit D to the Sandoval Declaration (the January 23, 2002 facsimile
26 from Anthony Smith of the Patent Office to [Mr.] Mosoff), it is believed that the facts sought exist.")

27
28 ¹⁹There is a further presumption that a mailed document is received three days after the date on which it is sent. See Fed. R. Civ. P. 6(e); *Sherlock*, 84 F.3d at 525.

1 However, contrary to Plaintiffs' speculation, the existence of the January 23, 2002 facsimile does
2 not have any tendency to prove that the PTO failed to previously provide the June 5, 2001 denial
3 notice to Plaintiff. The January 23, 2002 facsimile only tends to prove that the June 5, 2001 denial
4 notice was transmitted to Plaintiffs' counsel a second time. Without competent evidence indicating
5 otherwise, the Court must conclude that the June 5, 2001 denial notice was timely mailed and
6 received. Plaintiffs' speculation that the June 5, 2001 notice might not have been received, without
7 more, is not sufficient to rebut the applicable presumptions of mailing and receipt. For these
8 reasons, the Court finds there is undisputed and clear and convincing evidence to find that the PTO's
9 decision to revive the '215 Patent – without a showing to the Director that the failure was
10 unavoidable – was an abuse of discretion because the PTO's decision was "not in accordance with
11 law." *Ray*, 55 F.3d at 608.

12 Having failed to establish a triable issue of material fact, Plaintiffs rely on the existence of
13 the January 23, 2002 facsimile as a basis for a Rule 56(f) request, contending that future depositions
14 of Plaintiffs' attorneys, Mr. Islam and Mr. Mosoff, are necessary to resolve the factual question of
15 when Plaintiffs actually received the June 5, 2001 denial notice. Plaintiffs aver that this possible
16 factual dispute precludes a grant of summary judgment.

17 The Court finds Plaintiffs' request under Rule 56(f) to be problematic on two fronts. First,
18 the Court has already determined that Plaintiffs' failure to comply with Section 371(d) resulted in
19 abandonment of the '215 Application. In their opposition, Plaintiffs do not identify any factual
20 disputes pertaining to their failure to pay the national fee and the resulting abandonment under
21 Section 371(d). Neither do Plaintiffs identify any facts from which this Court could find that they
22 made a showing of "unavoidable" delay to the PTO regarding the filing of their national fee.
23 Accordingly, even if there were a disputed issue of fact surrounding Plaintiffs' receipt of the June 5,
24 2001 denial notice, it would not preclude a grant of summary judgment under Section 371(d).

25 Second, Plaintiffs' reliance on Rule 56(f) is procedurally deficient. Rule 56, provides that a
26 Court may allow a party to obtain additional discovery where it "appear[s] from the affidavits . . .
27 that the party cannot for reasons stated present by affidavit facts essential to justify the party's
28 opposition." Fed. R. Civ. Proc. 56(f). "The burden is on the party seeking additional discovery to

1 proffer sufficient facts to show that the evidence sought exists . . . and that it would prevent
 2 summary judgment.” *Nidds v. Schindler Elevator Corp.*, 113 F.3d 912, 920 (9th Cir. 1996). To
 3 obtain postponement or denial for further discovery, the opposing party’s declaration must show the
 4 following: (1) facts establishing a likelihood that controverting evidence may exist as to a material
 5 fact; (2) the specific reasons why such evidence cannot be presented at the present time; and (3) the
 6 steps or procedures which the opposing party intends to utilize to obtain such evidence. Hon.
 7 William W. Schwarzer, *supra*, § 14:114 (citing Fed. R. Civ. P. 56(f); *Kelly v. Marcantonio*, 187 F.3d
 8 192, 203 (1st Cir. 1999); *Terrell v. Brewer*, 935 F.2d 1015, 1018 (9th Cir. 1991)). The opposing
 9 party must also explain how additional time will enable him or her to rebut the movant’s allegations
 10 of no genuine issue of material fact. *Id.* (citing *Tatum v. City & County of San Francisco*, 441 F.3d
 11 1090, 1101 (9th Cir. 2006); *Trask v. Franco*, 446 F.3d 1036, 1042 (10th Cir. 2006); *Stearns Airport*
 12 *Equip. Co., Inc. v. FMC Corp.*, 170 F.3d 518, 535 (5th Cir. 1999)). Plaintiffs’ affidavit fails to make
 13 the necessary showing. As set forth above, the Court notes that the existence of the January 23,
 14 2002 facsimile does not, by itself, have any tendency to prove that the PTO failed to previously
 15 provide the June 5, 2001 denial notice to Plaintiff. Additionally, Plaintiffs’ affidavit is insufficient
 16 because it contains only speculation as to when its counsel may have received the June 5, 2001
 17 denial notice. Such speculation is inadequate to raise a genuine issue of material fact. Likewise,
 18 Plaintiffs’ affidavit does not present facts establishing the likelihood that the evidence sought
 19 actually exists. Plaintiffs’ affidavit also fails to explain why they could not present declarations
 20 from their *own patent counsel* – Mr. Islam and/or Mr. Mosoff – who are the alleged holders of the
 21 allegedly existing evidence.

22 In conclusion, the Court finds that there is undisputed clear and convincing evidence on this
 23 record to conclude that the PTO abused its discretion in failing to applying the “unavoidable”
 24 standard and the related timing requirements of Section 133 and Section 371(d). Accordingly,
 25 Plaintiffs abandoned the ’215 Application, and did not lawfully revive it, because they failed to meet
 26 the “unavoidable” standard and the related timing requirements of Section 133 and Section 371(d).
 27 The Court now addresses the resulting impact on the validity of the ’603 Patent.

28 C. The ’603 Patent

1 Defendants argue that because the '603 Patent purports to be a "continuation" of the '215
2 Application, it would normally be entitled to the '215 Application's filing date under 35 U.S.C. §
3 120. However, that is not true if the abandoned '215 Application was never lawfully revived. On
4 that basis, Defendants contend that because the '215 Application was abandoned, and not lawfully
5 revived, years before the '603 Application was filed, the '603 Patent is not entitled to the filing date
6 of the '215 Application. Accordingly, Defendants insist that the '603 Patent is necessarily invalid
7 under Section 102(b) because "the invention was . . . described in printed publication in this or a
8 foreign country . . . more than one year prior to the date of the application for patent in the United
9 States." 35 U.S.C. § 102(b). Plaintiffs do not substantively respond to Defendants' argument.

10 If a given application qualifies as a continuation, continuation-in-part, or divisional
11 application, it may be entitled to the effective filing date of a prior application under Section 120. 35
12 U.S.C. § 120. Section 120 requires that the two applications be "co-pendent," *Baxter Int'l, Inc. v.*
13 *McCaw, Inc.*, 149 F.3d 1321, 1333 (Fed. Cir. 1998). Specifically, in order for a continuation patent
14 application to benefit from an earlier patent's effective filing date, the continuation patent
15 application must be filed before abandonment of the first patent application. 35 U.S.C. § 120. In
16 such a case, the filing date of the prior application is the measure for statutory bars under Section
17 102(b). *Chisum, supra*, at § 6.02[9] (citing *Li Second Family Limited Partnership v. Toshiba Corp.*,
18 231 F.3d 1373, 1379-80 (Fed. Cir. 2000)).

19 Section 102(b), provides that "a person shall be entitled to a patent unless . . . (b) the
20 invention was patented or described in a printed publication in this or a foreign country or in public
21 use or on sale in this country, more than one year prior to the date of the application for patent in the
22 United States." 35 U.S.C. § 102(b). A person who invents a product or process that meets the
23 conditions of patentability (statutory subject matter, novelty, utility, nonobviousness) is under no
24 categorical duty to file an application for the patent within any certain period of time, but, once one
25 of the events described in Section 102 occurs (patenting, publication, public use or sale in this
26 country), whether by the inventor's action or the action of others, he or she must apply for a patent
27 within the prescribed period or be barred from obtaining a patent. *Chisum, supra*, at § 6.02
28

1 (citations omitted.). Courts refer to the date one year²⁰ before the effective application filing date as
2 the "critical date." *Id.* The statutory bars in Section 102(b) apply when they occur "more than one
3 year prior to the date of the application for patent in the United States." 35 U.S.C. § 102(b).

4 Here, because the '215 Application was not properly revived, its abandonment date
5 was either January 10, 2000 or December 5, 2001, under Section 371(b) and Section 133,
6 respectively. The next correspondence in the chain resulting in the '215 and '603 Patents was
7 Plaintiffs' "Petition For Revival Of An Application [sic] For Patent Abandoned Unintentionally
8 Under 37 C.F.R. 1.137(b)" filed on July 18, 2002. (*Id.* at ¶¶ 17-18.) The '603 Application was not
9 filed until April 8, 2005. (*Id.* at ¶ 28.) Thus, under either abandonment date, there exists a gap
10 between the '215 and '603 Applications, there exists no co-pendency between the applications under
11 Section 120, and the '603 Application cannot claim the effective filing date of the '215 Application.
12 Accordingly, the '603 Patent is necessarily invalid because it was described in the published '215
13 PCT Application more than one year prior to its date of application. *See Field Hybrids*, 2005 U.S.
14 Dist. Lexis at *23.

15 **V. CONCLUSION**

16 For the foregoing reasons, the Court GRANTS Defendant's Motion for Summary Judgment
17 and finds that Defendants have shown, by clear and convincing evidence, that both patents in suit are
18 invalid because the '215 Application was abandoned, and not lawfully revived.

19
20 **IT IS SO ORDERED.**

21
22
23 Dated: June 13, 2007


MARTIN J. JENKINS
UNITED STATES DISTRICT JUDGE

24
25
26
27 ²⁰In computing the one-year period, the general rule excluding the day the event occurs applies. Furthermore, 35
28 U.S.C. Section 21 provides that "[w]hen the ... last day for taking any action ... in the United States Patent Office falls on
Saturday, Sunday, or a holiday within the District of Columbia, the action may be taken, or the fee paid, on the next
succeeding secular or business day."

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15
16 IN THE UNITED STATES DISTRICT COURT
17 FOR THE NORTHERN DISTRICT OF CALIFORNIA
18 SAN FRANCISCO DIVISION

19 ARISTOCRAT TECHNOLOGIES
AUSTRALIA PTY LIMITED and
20 ARISTOCRAT TECHNOLOGIES, INC.,
21 Plaintiffs and Counterclaim-Defendants,
22 v.
23 INTERNATIONAL GAME TECHNOLOGY,
24 Defendant,
and IGT,
25 Defendant and Counterclaim-Plaintiff.

Case No.: C-06-3717-MJJ (JLL)

ELECTRONIC CASE FILING

[PROPOSED]
FINAL JUDGMENT

26
27
28 **[PROPOSED] FINAL JUDGMENT**

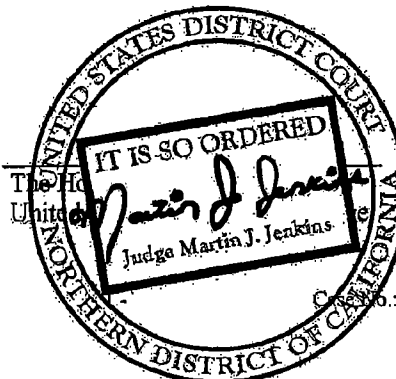
1 In this action, Plaintiffs Aristocrat Technologies Australia Pty Limited and Aristocrat
2 Technologies, Inc. (collectively, "Aristocrat") alleged that Defendants IGT and International Game
3 Technology infringed U.S. Patent Nos. 7,056,215 and 7,108,603 (Amended Complaint, Docket No.
4 76). Defendants alleged in defenses, and IGT in counterclaims, that those patents were not infringed
5 and are invalid and unenforceable (Answer and Counterclaims, Docket No. 79). The Court, in an
6 Order dated June 13, 2007 (Docket No. 344), granted Defendants' motion for summary judgment of
7 invalidity (Docket No. 166), holding that the asserted patents are invalid. The Court, finding all
8 remaining counterclaims moot except for Defendants' claim for costs and attorney fees, therefore

9 IT IS HEREBY ORDERED, ADJUDGED AND DECLARED that:

- 10 1) U.S. Patents Nos. 7,056,215 and 7,108,603 are invalid (Answer at Second Defense and
11 Second and Fifth Counterclaims, Docket No. 79);
12 2) Aristocrat's claims are dismissed with prejudice and they take nothing in this action;
13 3) IGT's remaining counterclaims are dismissed without prejudice, including IGT's First
14 and Fourth Counterclaims for declarations of non-infringement and Third and Sixth
15 Counterclaims for declarations of unenforceability (Counterclaims, Docket No. 79);
16 4) Defendants, as prevailing parties, are awarded their taxable costs in this action in an
17 amount to be determined in accordance with Fed. Rule Civ. Proc. 54 and Civil L.R. 54;
18 5) The Court retains jurisdiction to decide Defendants claim for attorney fees (Answer at
19 Prayer for Relief, Docket No. 79), including any inequitable conduct or litigation
20 misconduct issues asserted as grounds therefore, by separate order upon motion in
21 accordance with Fed. Rule Civ. Proc. 54, Civil L.R. 54 and applicable statutes, including
22 35 U.S.C. § 285 ("The court in exceptional cases may award reasonable attorney fees to
23 the prevailing party").

24 Dated this 4 day of Sept., 2007.

25 By: _____



[PROPOSED] FINAL JUDGMENT

Case No.: C-06-3717-MJJ (JLL)



(12) **United States Patent**
Olive

(10) **Patent No.:** **US 7,056,215 B1**
(45) **Date of Patent:** **Jun. 6, 2006**

(54) **SLOT MACHINE GAME AND SYSTEM
WITH IMPROVED JACKPOT FEATURE**

4,652,998 A 3/1987 Koza et al.

(Continued)

(75) **Inventor:** Scott Olive, Balgowlah (AU)

FOREIGN PATENT DOCUMENTS

(73) **Assignee:** Aristocrat Leisure Industries Pty
Ltd., Lane Cove (AU)

AU B524709 9/1982

(*) **Notice:** Subject to any disclaimer, the term of this
patent is extended or adjusted under 35
U.S.C. 154(b) by 0 days.

(Continued)

OTHER PUBLICATIONS

(21) **Appl. No.:** 09/462,717

U.S. Appl. No. 60/035,513, filed Jan. 15, 1997, Torango and
Lannoy.

(22) **PCT Filed:** Jul. 8, 1998

(Continued)

(86) **PCT No.:** PCT/AU98/00525

Primary Examiner—Kim Nguyen

§ 371 (c)(1),
(2), (4) **Date:** Apr. 10, 2000

(74) **Attorney, Agent, or Firm:** McAndrews, Held &
Malloy, Ltd.

(87) **PCT Pub. No.:** WO99/03078

(57) **ABSTRACT**

PCT Pub. Date: Jan. 21, 1999

(30) **Foreign Application Priority Data**

Jul. 8, 1997 (AU) PO7780
Sep. 9, 1997 (AU) PO9090

(51) **Int. Cl.**
A63F 13/00 (2006.01)

(52) **U.S. Cl.** 463/27

(58) **Field of Classification Search** 463/16-22,
463/25-28, 30, 37, 40-42; 273/138.1, 143 R
See application file for complete search history.

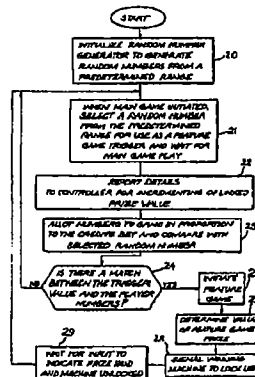
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A plurality of electronic gaming machines (10) are connected to a network (11), to which a feature jackpot controller (12) and display means (13) are also connected. Each of the electronic gaming machines (10) are provided with a network interface arranged to provide a signal onto the network (11) on each occurrence of an operation of a respective machine and the jackpot controller (12) is arranged to receive each of the machine operation signals and to increment the value of a random jackpot prize on the occurrence of each of these operation signals. Prior to each game, the gaming machine (10) selects a random number from a range of numbers and during each game, the machine allocates the first n numbers in the range, where n is the number of credits bet by the player in that game. At the end of the game, the randomly selected number is compared with the numbers allocated to the player and if a match occurs the particular machine is switched into a feature game mode in which a jackpot game is played for all or part of the incremental jackpot prize.

5 Claims, 3 Drawing Sheets



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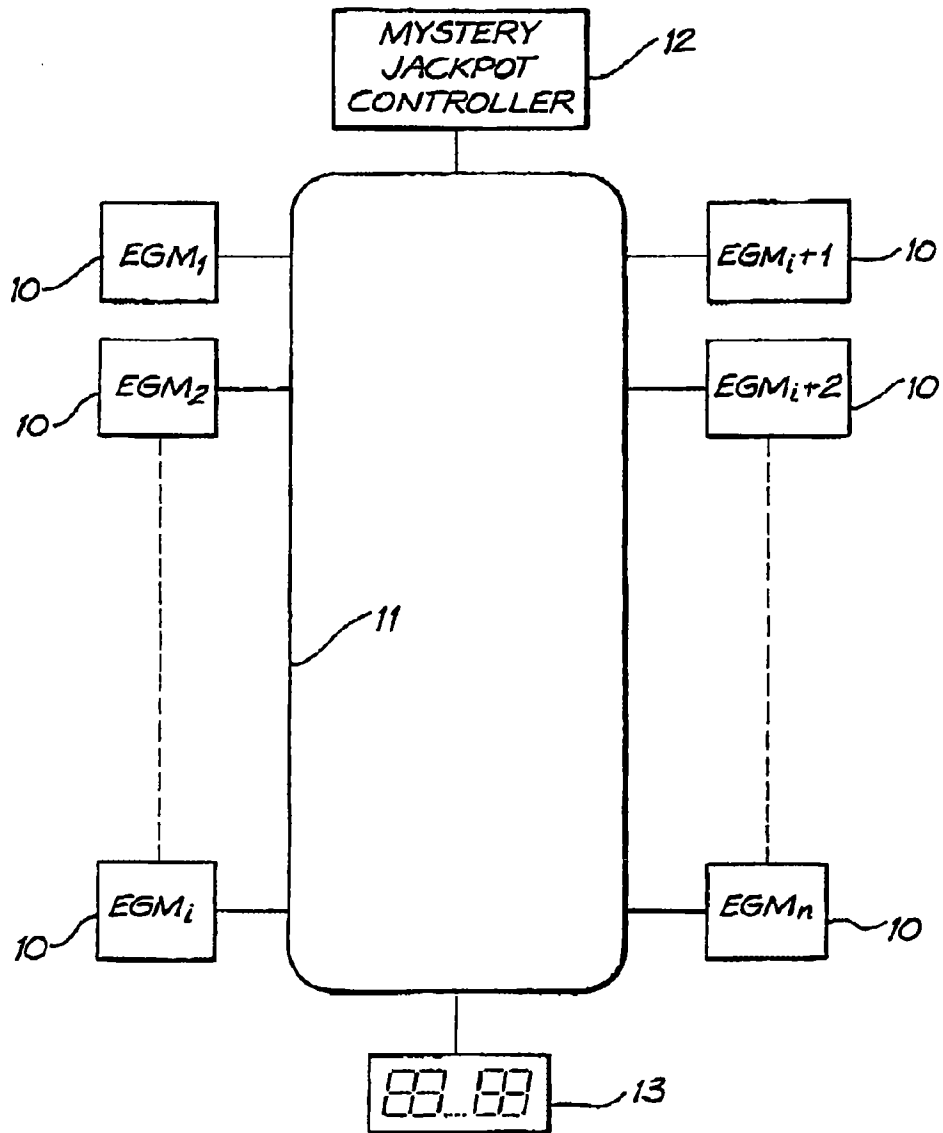


FIG. 1

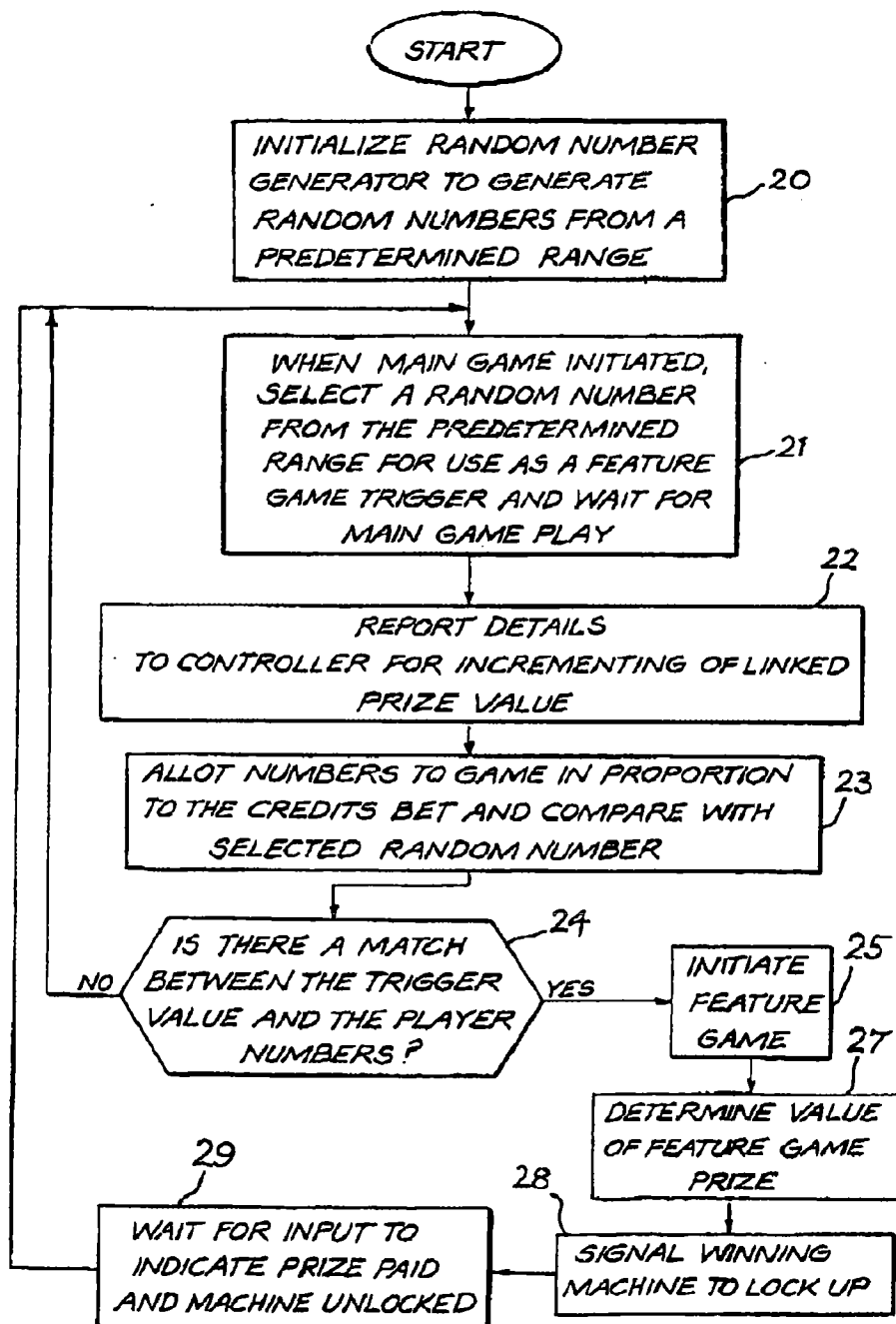


FIG. 2

20	11	11	3	7
12	10	18	13	22
9	12	13	24	9

Figure 3

1

SLOT MACHINE GAME AND SYSTEM WITH IMPROVED JACKPOT FEATURE

INTRODUCTION

The present invention relates to apparatus for use with a system of linked poker machines and in particular the apparatus provides an improved jackpot mechanism for use with such a poker machine system.

BACKGROUND OF THE INVENTION

Many schemes have been devised in the past to induce players to play slot machines including schemes such as specifying periods during which jackpot prizes are increased or bonus jackpots paid. Other schemes involve awarding an additional prize to a first player to achieve a predetermined combination on a poker machine. These methods, while effective, add to club overheads because of the need for additional stuff to ensure that the scheme is operated smoothly.

More recently, with the advent of poker machines linked through electrical networks it has been possible to automatically generate jackpot prizes on the basis of information received from the machines being played which are connected to the system and one such prior art arrangement, commonly known as "Cashcade™", counts turnover on all machines in the network, increments a prize value in accordance with the turnover and pays the jackpot prize when the count reaches some predetermined and randomly selected number. In a more recent prior art arrangement, each game played on each machine in a gaming system is allocated a randomly selected number and the prize is awarded to a machine when the game number it is allocated matches a preselected random number.

In another recent prior art arrangement, the winning machine is selected by randomly selecting a number at a point in time and decrementing the number as games played on the system are counted until the number is decremented to zero at which time the game (or associated machine) causing the final decrement is awarded the jackpot.

With some prior art combination based trigger arrangements there is a serious disadvantage in that the player betting a single token per line, is just as likely to achieve a jackpot as the player playing multiple tokens per line. This has the effect of encouraging players playing for the bonus jackpot to bet in single tokens, rather than betting multiple tokens per game.

Jackpot games have traditionally been popular in Casinos. However, in their conventional format these games have inherent limitations:

(i) Games which use specific combinations of symbols to trigger jackpots are perceived by many players as being unwinnable. The games are typically designed in such a way that the big jackpots should not be won until large amounts are accumulated. With such low frequency the jackpots are never seen to be won by most players. Anecdotal evidence suggests that many players have learnt to disregard the chance of winning the major jackpots and are realistically playing for the lesser jackpots (ie the minor and mini jackpots). The increasing popularity of small mystery jackpots with higher frequencies of occurrence tends to support this argument;

(ii) Due to the increasing demand of players for a more complex and diverse game range, conventional jackpot games with combination triggers have become superseded. However, it is extremely complex to develop a wide variety

2

of combinations which support both a feature game and mathematically exact jackpot triggers;

(iii) Typically, it would be expected that the game return (RTP) is independent of the number of coins bet per line. With conventional progressive jackpot games though, increasing the credits bet per line creates a relative disadvantage as far as RTP is concerned. Lets say the start-up amount for a feature jackpot is \$10000. A player who is playing 1 credit per line has a chance for \$10000 for each credit played, whereas a player playing 5 credits per line only has a chance for \$2000 for each credit played. This creates a scale of diminishing returns. The smart player who gambles for the feature jackpot only, will always cover all playlines, but will only bet 1 credit per line because the prize paid for the feature jackpot is the same irrespective of the bet. This is supported by data collected from casinos.

(iv) Typical combination triggered progressive jackpots have fixed hit rates which removes from the operator's control the ability to vary jackpot frequency.

These arrangements have been in use in the State of New South Wales and in other jurisdictions for a considerable period of time, however, as with other aspects of slot machine games, players become bored with such arrangements and new and more innovative schemes become necessary in order to stimulate player interest.

In this specification, the term "combinations" will be used to refer to the mathematical definition of a particular game. That is to say, the combinations of a game are the probabilities of each possible outcome for that game.

SUMMARY OF THE INVENTION

According to a first aspect the present invention provides a random prize awarding feature to selectively provide a feature outcome on a gaming console, the console being arranged to offer the feature outcome when a game has achieved a trigger condition, the console including trigger means arranged to test for a trigger condition and to initiate the feature outcome when the trigger condition occurs, the trigger condition being determined by an event having a probability related to credits bet per game on the console.

According to a second aspect, the present invention provides a random prize awarding system associated with a network of gaming consoles, the system being arranged to offer a feature outcome on a particular console when a trigger condition occurs as a result of a game being played on the respective console the prize awarding system including trigger means arranged to test for a trigger condition and to initiate the feature outcome on the respective console when the trigger condition occurs, the trigger condition being determined by an event having a probability related to credits bet per game on the respective console.

According to a third aspect, the present invention provides a gaming console including a random prize awarding feature to produce a feature outcome, the gaming console being arranged to offer the feature outcome when a game has achieved a trigger condition, the console including trigger means arranged to test for the trigger condition and to initiate the feature outcome when the trigger condition occurs, the trigger condition being determined by an event having a probability related to credits bet per game on the console.

According to a fourth aspect, the present invention provides a method of awarding a random prize associated with a gaming console arranged to offer a feature outcome when a game has achieved a trigger condition, the method including testing for a trigger condition and initiating the feature

outcome when the trigger condition occurs, the trigger condition being determined by an event having a probability related to credits bet per game on the respective console.

According to a fifth aspect, the present invention provides a random prize awarding features to selectively provide a feature outcome on a gaming console, the console being arranged to offer the feature outcome when a game has achieved a trigger condition, the console including trigger means arranged to test for the trigger condition and to initiate the feature outcome when the trigger condition occurs, each console being arranged to play a main game during which testing for the trigger condition occurs, and wherein the feature outcome initiated by the trigger condition is the awarding of one or more feature games, there being one or more gaming consoles associated with a gaming system, each of the gaming consoles being connected to a gaming network and including a signal output means arranged to produce an output signal in response to operation of the respective console, such that a central feature jackpot system connected to the network provides an incrementing jackpot pool which increases in response to signals from the connected consoles, and the feature jackpot game on each machine awards a jackpot drawn from the jackpot pool.

According to a sixth aspect, the present invention provides a gaming system providing a progressive jackpot feature, and including at least one gaming console having a random prize awarding feature to selectively provide a feature outcome, the console being arranged to offer the feature outcome when a game has achieved a trigger condition, and including trigger means arranged to test for the trigger condition and to initiate the feature outcome when the trigger condition occurs, the console being arranged to play a main game, during which testing for the trigger condition occurs, and wherein the feature outcome initiated by the trigger condition is the awarding of one or more feature games, the gaming console being connected to a gaming network and including a signal output means arranged to produce an output signal in response to operation of the respective console, such that the progressive jackpot feature is implemented using a central feature jackpot system connected to the network to provide an incrementing jackpot pool which increases in response to signals from each of the at least one connected consoles, and each feature game awards a jackpot drawn from the jackpot pool.

Preferably, the trigger condition is determined by an event having a probability related both to expected turnover between consecutive occurrences of the trigger condition, on the respective console and the credits bet on the respective game.

In a preferred embodiment of the invention, the trigger condition is determined by selecting a random number from a predetermined range of numbers to be associated with each bought game, and for each credit bet on the respective game, allotting to the game, one or more numbers from the predetermined range of numbers, and in the event that one of the numbers allotted to the player matches the randomly selected number, indicating that the trigger condition has occurred.

In one embodiment, one or more gaming consoles are connected in a gaming network, each of the consoles including signal output means arranged to produce an output signal in response to operation of the respective console, such that a central feature jackpot system connected to the network provides an incrementing jackpot which is increased in response to signals from the consoles connected to the network.

Preferably also, the console is arranged to play a first main game and the feature outcome initiated by the trigger condition is a second feature game.

The function of triggering a feature jackpot game may either be performed by a central feature game controller or may be performed within each console in the system.

In the preferred embodiment, the predetermined range of numbers is determined as a function of expected turnover between consecutive occurrences of the trigger condition, expected jackpot amounts and jackpot frequencies and will equal the expected average turnover per machine between successive initiations of progressive jackpot games divided by the credit value for that machine. For example, if the progressive jackpot is to be played for an average every \$5,000 of turnover played and the credit value on the machine is \$0.05, then the number range will be 1 to 100,000 (i.e. $5,000/0.05$). In the preferred embodiment, the gaming machine will allocate the lowest numbers in the range to the player such that if the player plays 20 credits he will be allocated numbers 1-20 giving him a 1 in 5,000 chance of triggering a jackpot feature game.

Alternatively, the number range can be set to the average expected turnover between jackpot occurrences expressed in cents (500,000 in the above example), in which case the numbers allocated to the player, will be proportional to his total wager expressed in cents (i.e. 1-100 in the above example).

Preferably, the feature game is a simplified game having a higher probability of success than the first game. In a particularly preferred embodiment, the second game is a pseudo-spinning-reel game having a reduced number of symbols on each reel and a jackpot is activated if after spinning the reels a predetermined combination of symbols appears on the win line of each reel. In particular embodiments, 2, 3 or 4 symbols might be provided on each reel.

In one particular example, the second screen game is a five reel game with two different symbols on each reel, however, 2, 3, 4, 5, 6 or 16 pseudo-reel games might be employed. The symbols may be of equal value and equally weighted (i.e. same number of instances) on each reel or alternatively, the prizes might be of different values (eg: different fractions of the pool) and the symbols have different weightings on at least one reel.

Preferably, the prize awarded in a jackpot game by the system of the present invention, is a monetary amount the value of which is incremented with each game played on each gaming machine or console in the system. Alternatively, the incrementation can take place on a per token bet basis.

Where used above, the term 'console' is used to indicate a gaming machine, a gaming terminal or other device arranged to be connected to a communications system and to provide a user gaming interface. In the following description, examples are given which are applicable to traditional slot machines, however the invention should be taken to include gaming systems which include user interfaces other than traditional slot machines.

BRIEF DESCRIPTION OF THE DRAWINGS

Embodiments of the invention will now be described by way of example, with reference to the accompanying drawings, in which:

FIG. 1 is a block diagram of a network of electronic gaming machines to which a mystery jackpot controller according to the present invention is connected;

5

FIG. 2 is a flow chart showing a game arrangement according to the invention; and

FIG. 3 shows an example of a 5 reel by 3 window display.

DETAILED DESCRIPTION OF THE PREFERRED EMBODIMENTS

In a preferred embodiment of the invention, a new jackpot trigger mechanism provides the Casino operator with a far higher degree of flexibility. Unlike conventional combination triggered jackpots, the jackpots here are won from a feature game. The feature game is triggered randomly as a function of credits bet per game. When a feature is triggered, a feature game appears. Each jackpot can only be won from this feature game. During the feature game a second set of reel strips appears and a "spin and hold" feature game commences. The feature prize score is calculated by the total of the points appearing on the centre line of all 5 reels.

Feature jackpots in this format exhibit significant differences over previous jackpot systems:

(i) A jackpot game is provided which is compatible with any existing game combination within an installation independent of the platform, denomination or type of game (eg. slot machines, cards, keno, bingo or pachinko). This will allow for the linking of combinations between game type, platform type and denomination. Using this system, jackpot games can now be developed using specific combinations for the base game which were previously unsuitable for Link Progressive Systems. These games will compete with the appeal of the latest games on the market.

(ii) There is no longer a need to develop mathematically exact combinations in the base game.

(iii) Unlike the multiplier game in combination triggered jackpot embodiments the present invention provides a direct relationship between the number of credits bet and the probability of winning the jackpot feature game on any one bought game. Betting 10 credits per line will produce ten times as many hits into the feature game than betting 1 credit per line. This is achieved by using a jackpot trigger which is directly related to the wager bet on a respective game and the turnover, instead of using conventional combination triggers.

(iv) Jackpot hit rates can now be changed without making changes to the base game. This was previously not possible using combination triggered jackpots.

(v) The jackpot feature system can be used across a wide-area-network (WAN), local-area-network (LAN), used as a stand-alone game independent of a network or used with a mystery jackpot. Flexibility is available to change combinations at will.

Referring to FIG. 1 a plurality of electronic gaming consoles 10 are connected to a network 11, to which a feature jackpot controller 12 and display means 13 are also connected.

Each of the electronic gaming consoles 10 are provided with a network interface arranged to provide a signal onto the network 11 on each occurrence of an operation of a respective console and the jackpot controller 12 is arranged to receive each of the console operation signals and to increment the value of a random jackpot prize on the occurrence of each of these operation signals.

A flow chart for a prize awarding algorithm is illustrated in FIG. 2.

Referring to the algorithm of FIG. 2, machine contributions go into the prize pool as with known prior art jackpot systems, while the overhead display shows the incrementing prize value.

6

In the EGM, an average value of machine turnover between jackpot hits, is programmed and is used to randomly generate trigger data for the jackpot feature games. In step 20 of the algorithm of FIG. 2, the actual number range and therefore probability of a feature jackpot game being awarded will depend upon the value of a credit in the particular machine and is calculated by dividing the turnover value by the value of a credit (eg., \$5000/\$0.05=100,000). The average turnover value is fixed for the EGMs and the random number generator is initialised (see step 20) at startup to generate numbers from the preprogrammed range determined from that value.

For every game that is played, a random trigger value is selected (see step 21) in the preprogrammed range as determined from the average turnover value. When the game is commenced, it is then reported (see step 22) to the controller, which allocates a contribution to the prize pool. Each game is also allotted (see step 23) numbers from the same number range that from which the random number was selected, one number in the range being allotted for each credit bet such that the player's probability of being awarded a jackpot feature game is proportional to the bet.

The previously selected random number is then used as a trigger value and compared with the values allotted to the player, if there is a match (see step 24) between the trigger value and the player values, the player is given an opportunity to play a jackpot feature game (see step 25). Alternatively, at step 23, a number is allocated which is equal to, or proportional to the number of credits bet in the respective game and in step 24, the trigger value is compared with the single player value and a jackpot feature awarded if the trigger value is less than or equal to the player value. It will be appreciated that this alternative arrangement is mathematically equivalent to the previously described arrangement, the range of numbers below the allotted number in the alternative arrangement being equivalent to the set of allotted numbers in the previously described arrangement.

In the preferred embodiment, a prize is always awarded in the jackpot feature game, the feature game being used to determine the size of the prize to be awarded (see step 27). The winning machine is then locked up (see step 28) and the controller awaits an indication that the prize has been paid before allowing the machine to be unlocked (see step 29). In some embodiments, the machine will not be locked up in steps 28 and 19, but instead the prize will simply be paid and the program will return to step 21. The machine then returns to step (see step 21) and commences a new game. If the trigger value does not match (see step 27) then there is no feature game awarded for that bought game and the machine returns to step (see step 22) and waits for the next game to commence.

By way of example, a feature game might be triggered by an EGM every \$5000 of turnover played, which is equivalent to 100,000 credits on a \$0.05 machine. This is referred to as the jackpot feature game hit rate in credits. A random number is generated within a prescribed range of numbers at the EGM at the commencement of each bought game. The prescribed range of numbers is determined by the jackpot feature game hit rate which has been determined previously, from typical values of casino turnover, expected jackpot amounts and jackpot frequencies. The prescribed range in this example is therefore 1 to 100,000 and before the commencement of each bought game a random number is generated within this range.

A bet of 20 credits will result in the numbers between 1 and 20 (inclusive) being allotted to the game (note that statistically it does not matter if the numbers are randomly

selected or not or allotted as a block or scattered, the probability of a feature game being awarded is unchanged). If the number 7 is produced by the random number generator, then the feature game will be triggered. If any number between 21 and 100,000 is produced by the random number generator, the feature game will not be triggered. Similarly, a bet of 200 credits will result in the numbers between 1 and 200 (inclusive) being allotted to the game. If any numbers between 1 and 200 is produced by the random number generator, then the feature game will be triggered. If any number between 201 and 100,000 is produced by the random number generator, the feature game will not be triggered.

The example below has been developed using example turnover data. A trigger of the second screen feature game is expected every \$5000 of turnover (ie. 100000 credits on a \$0.05 machine). Increasing the number of credits bet increases the chance of triggering the feature on any bought game.

Number of credits bet	Range numbers assigned	Games to hit	Bet/game	Turnover of EOM since last hit (\$)
1	1 to 1	100000	\$0.05	\$5000
2	1 to 2	50000	\$0.10	\$5000
3	1 to 3	33333.33	\$0.15	\$5000
5	1 to 5	20000	\$0.25	\$5000
10	1 to 10	10000	\$0.50	\$5000
15	1 to 15	6666.66	\$0.75	\$5000
20	1 to 20	5000	\$1.00	\$5000
25	1 to 25	4000	\$1.25	\$5000
30	1 to 30	3333.33	\$1.50	\$5000
40	1 to 40	2500	\$2.00	\$5000
45	1 to 45	2222.22	\$2.25	\$5000
50	1 to 50	2000	\$2.50	\$5000
60	1 to 60	1666.66	\$3.00	\$5000
75	1 to 75	1333.33	\$3.75	\$5000
100	1 to 100	1000	\$5.00	\$5000
150	1 to 150	666.66	\$7.50	\$5000
200	1 to 200	500	\$10.00	\$5000

Preferably, when a jackpot feature game is triggered, all players are alerted by a jackpot bell that a possible grand jackpot is about to be played for. This is done so that all players share in the experience of a jackpot win. Anecdotal evidence of players watching feature games being played in Australian casinos suggests that the drawing power of such games is immense.

Players are alerted by the jackpot bell instantaneously at any point during a game, but the feature game will not appear until the current game (including base game features) are completed.

In this embodiment the feature game appears with the new reel strips already spinning and accompanying feature game tunes playing. The player stops the reels spinning by pressing the corresponding playline buttons in order. The feature prize score is calculated by the total of the points appearing on the centre line of all 5 reels. Across the top of the screen, a sum of the scores is displayed.

The 4 feature prize meters in descending order of value are:

- (i) Grand Feature Prize. A score of 2-100 wins the grand feature jackpot;
- (ii) Major Feature Prize. A score of 90-99 (inclusive) wins the major feature jackpot;
- (iii) Minor Feature Prize. A score of 80-89 (inclusive) wins the minor feature jackpot;

(iv) Mini Feature Prize. A score of ≤ 79 wins the mini feature jackpot.

By way of example, referring to FIG. 3, a 5 reel by 3 row window is displayed. If the reels of the feature game stop on the numbers shown in FIG. 3, then the progressive jackpot won is the sum of the numbers on the centre line ie. $12+10+18+13+22=75$ which is within the range for the mini feature jackpot.

The instant the feature game is completed and the sum of scores from all 5 reels is shown, the feature jackpot screen and signs display which jackpot has been won. This celebration of the jackpot win is conducted in a traditional manner (i.e. flashing displays, jackpot alarms, music etc).

As the time between jackpot game awards is related to turnover, the number of jackpot games played by a player between feature games and hence their chance of winning is directly related to the size of each bet on each game played.

(1) All machines on the link have a feature game, be it a second screen animation game or a second set of reel strips.

(2) The link has a number of feature jackpot meters (up to 8). All feature jackpots may be linked.

(3) The feature game is activated as a function of machine turnover. This means that on average the feature game will occur one in, for example every \$5000.00. There are a number of advantages of activating the feature game on turnover. For example, it enables for the first time, a relatively simple mechanism for allowing mixed denomination on a link. The feature game gives the player the chance of winning one of the available feature jackpots if a certain outcome appears. For example, a new set of reel strips might appear with only 2 or 4 different symbols: Jackpot 1, Jackpot 2, or (Jackpot 1, Jackpot 2, Jackpot 3, Jackpot 4). The first time 5 of the same appear on the centre line the stated feature jackpot is won.

(4) Another advantage of using a random trigger for a feature game, is that it can be applied to any game.

It will be appreciated by persons skilled in the art that numerous variations and/or modifications may be made to the invention as shown in the specific embodiments without departing from the spirit or scope of the invention as broadly described. The present embodiments are, therefore, to be considered in all respects as illustrative and not restrictive.

The invention claimed is:

1. In a network of gaming machines, each of said gaming machines having a user interface activatable by a player to affect game display, each of said gaming machines being capable of accepting different wager amounts made by the player, a method of randomly awarding one progressive prize from a plurality of progressive prizes using a second game to select said one progressive prize, a display of said second game being triggered upon an occurrence of a random trigger condition having a probability of occurrence related to the amount of the wager, comprising:

making a wager at a particular gaming machine in the network of gaming machines;

initiating a first main game at said particular gaming machine;

causing a second game trigger condition to occur as a result of said first main game being initiated, said second game trigger condition occurring randomly and having a probability of occurrence dependent on the amount of the wager made at said particular gaming machine, said step of causing the second game trigger condition including:

(1) selecting a random number from a predetermined range of numbers;

9

(2) allotting a plurality of numbers from the predetermined range of numbers in proportion to the amount of the wager made at said particular gaming machine, said step of allotting including allotting one number for each unit of currency of the amount 5 wagered; and

(3) indicating the occurrence of the second game trigger condition if one of the allotted numbers matches the selected random number;

triggering a second game to appear at said particular 10 gaming machine in response to said occurrence of said second game trigger condition, said second game appearing after completion of said first main game; randomly selecting said one progressive prize from said plurality of progressive prizes that has been won; 15 displaying said second game to the player at said particular gaming machine in response to said triggering; activating said user interface at said particular gaming machine by said player during said displaying of said second game to affect the display of said second game; 20 identifying to the player said one progressive prize from said plurality of progressive prizes that has been won; and

awarding said one progressive prize from said plurality of progressive prizes that has been won. 25

2. In a network of gaming machines, each of said gaming machines having a user interface activatable by a player to affect game display, each of said gaming machines being capable of accepting different wager amounts made by the player, a method of randomly awarding one progressive 30 prize from a plurality of progressive prizes using a second game to select said one progressive prize, a display of said second game being triggered upon an occurrence of a random trigger condition having a probability of occurrence related to the amount of the wager, comprising: 35

making a wager at a particular gaming machine in the network of gaming machines;

initiating a first main game at said particular gaming machine;

causing a second game trigger condition to occur as a 40 result of said first main game being initiated, said

10

second game trigger condition occurring randomly and having a probability of occurrence dependent on the amount of the wager made at said particular gaming machine, said step of causing a second game trigger condition to occur including:

(1) selecting a random number from a predetermined range of numbers;

(2) allotting a plurality of numbers from the predetermined range of numbers in proportion to the amount of the wager made at said particular gaming machine; and

(3) indicating the occurrence of the trigger condition if one of the allotted number matches the selected random number;

triggering a second game to appear at said particular gaming machine in response to said occurrence of said second game trigger condition, said second game appearing after completion of said first main game; randomly selecting said one progressive prize from said plurality of progressive prizes that has been won; displaying said second game to the player at said particular gaming machine in response to said triggering; activating said user interface at said particular gaming machine by said player during said displaying of said second game to affect the display of said second game; identifying to the player said one progressive prize from said plurality of progressive prizes that has been won; and

awarding said one progressive prize from said plurality of progressive prizes that has been won.

3. The method of claim 2 wherein the amount of the wager is an amount in credits.

4. The method of claim 2 wherein said step of making a wager includes betting a plurality of credits, and wherein said step of allotting includes allotting one number for each credit bet.

5. The method of claim 2 wherein said step of selecting a random number includes generating a random number from a random number generator.

* * * * *

UNITED STATES PATENT AND TRADEMARK OFFICE
CERTIFICATE OF CORRECTION

PATENT NO. : 7,056,215 B1
APPLICATION NO. : 09/462717
DATED : June 6, 2006
INVENTOR(S) : Scott Olive

Page 1 of 1

It is certified that error appears in the above-identified patent and that said Letters Patent is hereby corrected as shown below:

At col. 1, line 20, delete "stuff" and substitute therefore -- staff --.

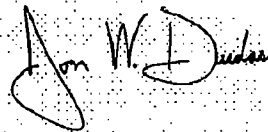
At col. 7, line 25, delete "(S)" and substitute -- (\$) --.

At col. 7, line 62, delete "2" and substitute therefore -- \geq --.

At col. 10, line 13 (claim 2), delete "number" and substitute therefore
-- numbers--.

Signed and Sealed this

Fifteenth Day of August, 2006

A handwritten signature in black ink, appearing to read "Jon W. Dudas", is written over a rectangular area of the document that has been filled with a fine grid of small dots.

JON W. DUDAS

Director of the United States Patent and Trademark Office

JA0039



US007108603B2

(12) **United States Patent**
Olive

(10) **Patent No.:** **US 7,108,603 B2**
(45) **Date of Patent:** ***Sep. 19, 2006**

(54) **SLOT MACHINE GAME AND SYSTEM
WITH IMPROVED JACKPOT FEATURE**

(75) **Inventor:** Scott Olive, Balgowlah (AU)

(73) **Assignee:** Aristocrat Leisure Industries Pty Ltd,
Lane Cove (AU)

(*) **Notice:** Subject to any disclaimer, the term of this
patent is extended or adjusted under 35
U.S.C. 154(b) by 0 days.

This patent is subject to a terminal dis-
claimer.

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Related U.S. Application Data

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Apr. 10, 2000, now Pat. No. 7,056,215.

(30) **Foreign Application Priority Data**

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Sep. 9, 1997 (AU) PO9090

(51) **Int. Cl.**
A63F 13/00 (2006.01)

(52) **U.S. Cl.** 463/27

(58) **Field of Classification Search** 463/20-22,
463/25, 42, 16
See application file for complete search history.

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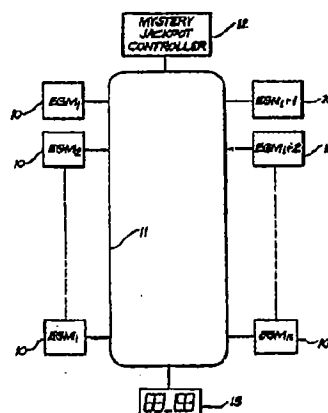
(Continued)

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Ltd.

(57) **ABSTRACT**

Certain embodiments provide a method and system for
awarding a progressive prize. The system includes a bank of
gaming machines accepting different bets per play as
selected by a player. A random number is selected from a
predetermined fixed range of numbers that does not change
during play of a gaming machine. The player is allotted one
or more numbers for each credit bet. The allotted numbers
represent a subset of the predetermined fixed range of
numbers. A feature game is triggered for the progressive
prize based on a numerical comparison between the selected
random number and the number(s) allotted to the player.
Certain embodiments provide a trigger condition for a
feature outcome based on an event having a probability
related to credits bet per game at a gaming machine. A
probability of success in the feature game may be higher
than a probability of success in the base game.

5 Claims, 3 Drawing Sheets



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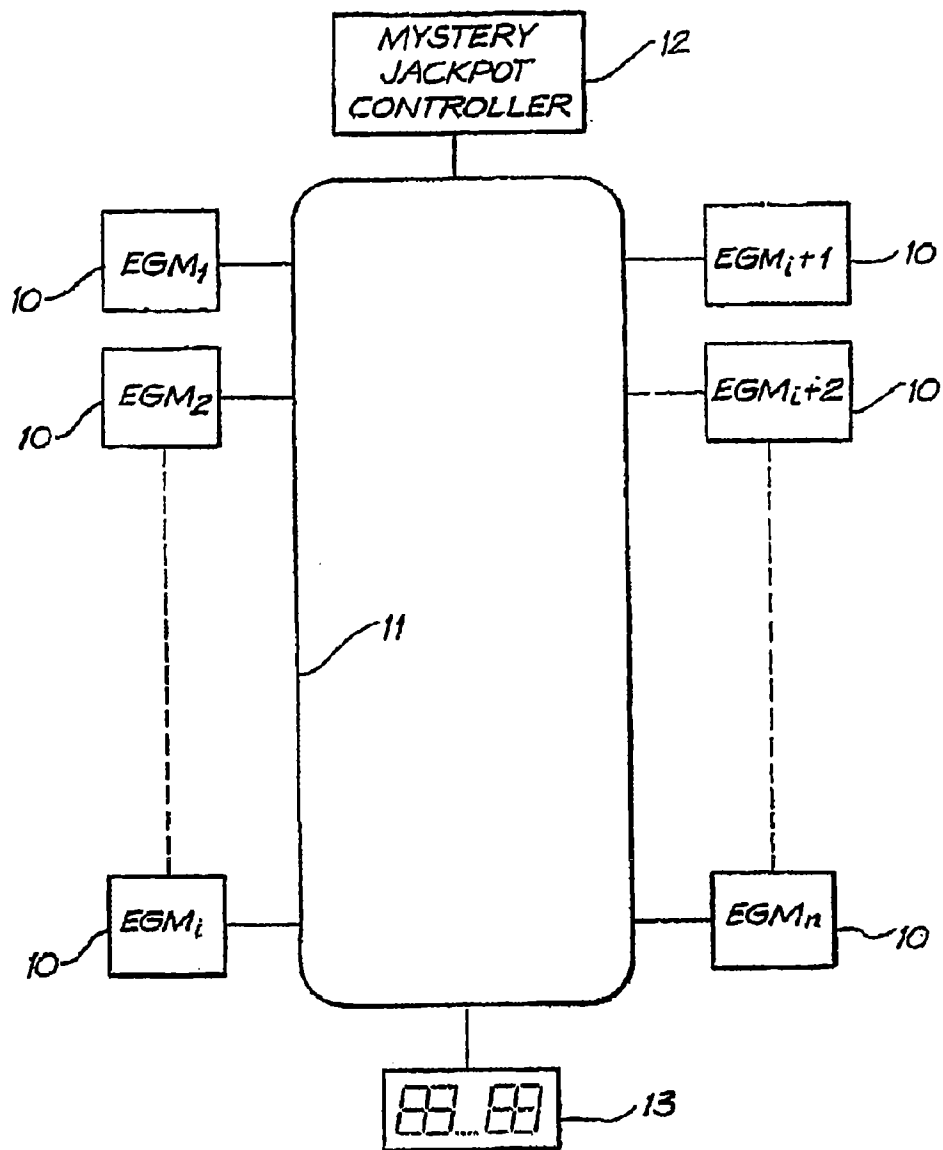


FIG. 1

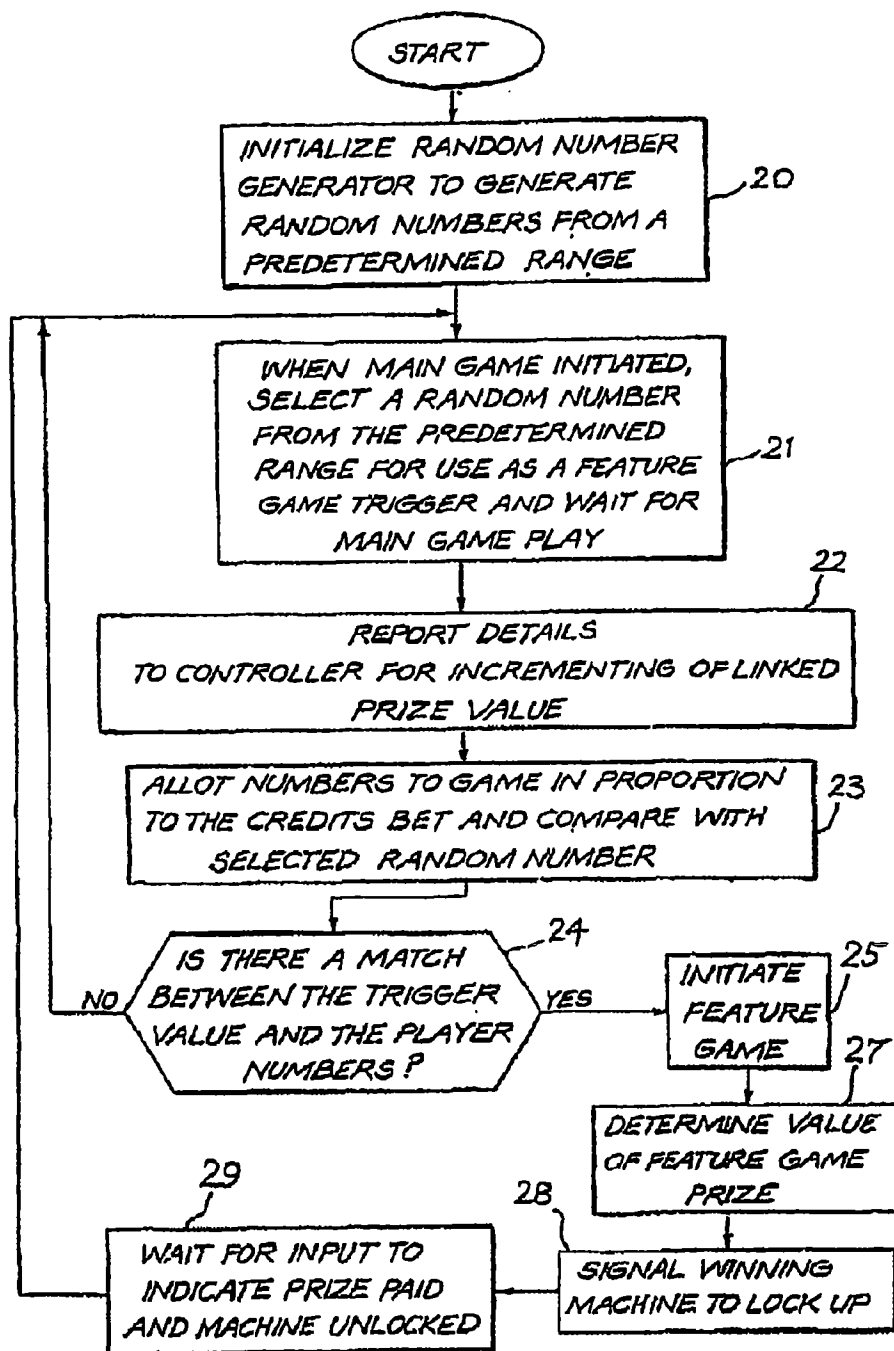


FIG. 2

20	11	11	3	7
12	10	18	13	22
9	12	13	24	8

Figure 3

SLOT MACHINE GAME AND SYSTEM WITH IMPROVED JACKPOT FEATURE

CROSS REFERENCE TO RELATED APPLICATIONS

This is a continuation of Ser. No. 09/462,717, filed on Apr. 10, 2000, and now issued as U.S. Pat. No. 7,056,215.

The present invention relates to apparatus for use with a system of linked poker machines and in particular the apparatus provides an improved jackpot mechanism for use with such a poker machine system.

BACKGROUND OF THE INVENTION

Many schemes have been devised in the past to induce players to play slot machines including schemes such as specifying periods during which jackpot prizes are increased or bonus jackpots paid. Other schemes involve awarding an additional prize to a first player to achieve a predetermined combination on a poker machine. These methods, while effective, add to club overheads because of the need for additional staff to ensure that the scheme is operated smoothly.

More recently, with the advent of poker machines linked through electrical networks it has been possible to automatically generate jackpot prizes on the basis of information received from the machines being played which are connected to the system and one such prior art arrangement, commonly known as "Casheade™", counts turnover on all machines in the network, increments a prize value in accordance with the turnover and pays the jackpot prize when the count reaches some predetermined and randomly selected number. In a more recent prior art arrangement, each game played on each machine in a gaming system is allocated a randomly selected number and the prize is awarded to a machine when the game number it is allocated matches a preselected random number.

In another recent prior art arrangement, the winning machine is selected by randomly selecting a number at a point in time and decrementing the number as games played on the system are counted until the number is decremented to zero at which time the game (or associated machine) causing the final decrement is awarded the jackpot.

With some prior art combination based trigger arrangements there is a serious disadvantage in that the player betting a single token per line, is just as likely to achieve a jackpot as the player playing multiple tokens per line. This has the effect of encouraging players playing for the bonus jackpot to bet in single tokens, rather than betting multiple tokens per game.

Jackpot games have traditionally been popular in Casinos. However, in their conventional format these games have inherent limitations:

(i) Games which use specific combinations of symbols to trigger jackpots are perceived by many players as being unwinnable. The games are typically designed in such a way that the big jackpots should not be won until large amounts are accumulated. With such low frequency the jackpots are never seen to be won by most players. Anecdotal evidence suggests that many players have learnt to disregard the chance of winning the major jackpots and are realistically playing for the lesser jackpots (ie the minor and mini jackpots). The increasing popularity of small mystery jackpots with higher frequencies of occurrence tends to support this argument;

(ii) Due to the increasing demand of players for a more complex and diverse game range, conventional jackpot games with combination triggers have become superseded. However, it is extremely complex to develop a wide variety of combinations which support both a feature game and mathematically exact jackpot triggers;

(iii) Typically, it would be expected that the game return (RTP) is independent of the number of coins bet per line. With conventional progressive jackpot games though, increasing the credits bet per line creates a relative disadvantage as far as RTP is concerned. Lets say the start-up amount for a feature jackpot is \$10000. A player who is playing 1 credit per line has a chance for \$10000 for each credit played, whereas a player playing 5 credits per line only has a chance for \$2000 for each credit played. This creates a scale of diminishing returns. The smart player who gambles for the feature jackpot only, will always cover all paylines, but will only bet 1 credit per line because the prize paid for the feature jackpot is the same irrespective of the bet. This is supported by data collected from casinos;

(iv) Typical combination triggered progressive jackpots have fixed hit rates which removes from the operator's control the ability to vary jackpot frequency.

These arrangements have been in use in the State of New South Wales and in other jurisdictions for a considerable period of time, however, as with other aspects of slot machine games, players become bored with such arrangements and new and more innovative schemes become necessary in order to stimulate player interest.

In this specification, the term "combinations" will be used to refer to the mathematical definition of a particular game. That is to say, the combinations of a game are the probabilities of each possible outcome for that game.

SUMMARY OF THE INVENTION

According to a first aspect the present invention provides a random prize awarding system associated with a gaming console, the console being arranged to offer a feature outcome when a game has achieved a trigger condition, the console including trigger means arranged to test for a trigger condition and to initiate the feature outcome when the trigger condition occurs, the trigger condition being determined by a event having a probability related to credits bet per game on the console.

According to a second aspect, the present invention provides a random prize awarding system associated with a network of gaming consoles, the system being arranged to offer a feature outcome on a particular console when a trigger condition occurs as a result of a game being played on the respective console the prize awarding system including trigger means arranged to test for a trigger condition and to initiate the feature outcome on the respective console when the trigger condition occurs, the trigger condition being determined by an event having a probability related to credits bet per game on the respective console.

According to a third aspect, the present invention provides a gaming console including a random prize awarding feature, the gaming console being arranged to offer a feature outcome when a game has achieved a trigger condition, the console including trigger means arranged to test for the trigger condition and to initiate the feature outcome when the trigger condition occurs, the trigger condition being determined by an event having a probability related to credits bet per game on the console.

According to a fourth aspect, the present invention provides a method of awarding a random prize associated with

a gaming console arranged to offer a feature outcome when a game has achieved a trigger condition, the method including testing for a trigger condition and initiating the feature outcome when the trigger condition occurs, the trigger condition being determined by an event having a probability related to credits bet per game on the respective console.

Preferably the trigger condition is determined by an event having a probability related both to expected turnover between consecutive occurrences of the trigger condition, on the respective console and the credits bet on the respective game.

In a preferred embodiment of the invention, the trigger condition is determined by selecting a random number from a predetermined range of numbers to be associated with each bought game, and for each credit bet on the respective game, allotting to the game, one or more numbers from the predetermined range of numbers, and in the event that one of the numbers allotted to the player matches the randomly selected number, indicating that the trigger condition has occurred.

In one embodiment, one or more gaming consoles are connected in a gaming network, each of the consoles including signal output means arranged to produce an output signal in response to operation of the respective console, such that a central feature jackpot system connected to the network provides an incrementing jackpot which is increased in response to signals from the consoles connected to the network.

Preferably also, the console is arranged to play a first main game and the feature outcome initiated by the trigger condition is a second feature game.

The function of triggering a feature jackpot game may either be performed by a central feature game controller or may be performed within each console in the system.

In the preferred embodiment, the predetermined range of numbers is determined as a function of expected turnover between consecutive occurrences of the trigger condition, expected jackpot amounts and jackpot frequencies and will equal the expected average turnover per machine between successive initiations of progressive jackpot games divided by the credit value for that machine. For example, if the progressive jackpot is to be played for an average every \$5,000 of turnover played and the credit value on the machine is \$0.05, then the number range will be 1 to 100,000 (i.e. $5,000/0.05$). In the preferred embodiment, the gaming machine will allocate the lowest numbers in the range to the player such that if the player plays 20 credits he will be allocated numbers 1-20 giving him a 1 in 5,000 chance of triggering a jackpot feature game.

Alternatively, the number range can be set to the average expected turnover between jackpot occurrences expressed in cents (500,000 in the above example), in which case the numbers allocated to the player, will be proportional to his total wager expressed in cents (i.e. 1-100 in the above example).

Preferably, the feature game is a simplified game having a higher probability of success than the first game. In a particularly preferred embodiment, the second game is a spinning reel game having a reduced number of symbols on each reel and a jackpot is activated if after spinning the reels a predetermined combination of symbols appears on the win line of each reel.

In one particular example, the second screen game is a five reel game with two different symbols on each reel. The symbols may be of equal value and equally weighted (i.e. same number of instances) on each reel or alternatively, the

prizes might be of different values (eg. different fractions of the pool) and the symbols have different weightings on at least one reel.

Preferably, the prize awarded in a jackpot game by the system of the present invention, is a monetary amount the value of which is incremented with each game played on each gaming machine or console in the system. Alternatively, the incrementation can take place on a per token bet basis.

Where used above, the term 'console' is used to indicate a gaming machine, a gaming terminal or other device arranged to be connected to a communications system and to provide a user gaming interface. In the following description, examples are given which are applicable to traditional slot machines, however the invention should be taken to include gaming systems which include user interfaces other than traditional slot machines.

BRIEF DESCRIPTION OF THE DRAWINGS

Embodiments of the invention will now be described by way of example, with reference to the accompanying drawings, in which:

FIG. 1 is a block diagram of a network of electronic gaming machines to which a mystery jackpot controller according to the present invention is connected;

FIG. 2 is a flow chart showing a game arrangement according to the invention; and

FIG. 3 shows an example of a 5 reel by 3 row window display.

DETAILED DESCRIPTION OF THE PREFERRED EMBODIMENTS

In a preferred embodiment of the invention, a new jackpot trigger mechanism provides the Casino operator with a far higher degree of flexibility. Unlike conventional combination triggered jackpots, the jackpots here are won from a feature game. The feature game is triggered randomly as a function of credits bet per game. When a feature is triggered, a feature game appears. Each jackpot can only be won from this feature game. During the feature game a second set of reel strips appears and a "spin and hold" feature game commences. The feature prize score is calculated by the total of the points appearing on the centre line of all 5 reels.

Feature jackpots in this format exhibit significant differences over previous jackpot systems:

(i) A jackpot game is provided which is compatible with any existing game combination within an installation independent of the platform, denomination or type of game (eg. slot machines, cards, keno, bingo or pachinko). This will allow for the linking of combinations between game type, platform type and denomination. Using this system, jackpot games can now be developed using specific combinations for the base game which were previously unsuitable for Link Progressive Systems. These games will compete with the appeal of the latest games on the market.

(ii) There is no longer a need to develop mathematically exact combinations in the base game.

(iii) Unlike the multiplier game in combination triggered jackpot embodiments, the present invention provides a direct relationship between the number of credits bet and the probability of winning the jackpot feature game on any one bought game. Betting 10 credits per line will produce ten times as many hits into the feature game than betting 1 credit per line. This is achieved by using a jackpot trigger which is

5

directly related to the wager bet on a respective game and the turnover, instead of using conventional combination triggers.

(iv) Jackpot hit rates can now be changed without making changes to the base game. This was previously not possible using combination triggered jackpots.

(v) The jackpot feature system can be used across a wide-area-network (WAN), local-area-network (LAN), used as a stand-alone game independent of a network or used with a mystery jackpot. Flexibility is available to change combinations at will.

Referring to FIG. 1 a plurality of electronic gaming consoles 10 are connected to a network 11, to which a feature jackpot controller 12 and display means 13 are also connected.

Each of the electronic gaming consoles 10 are provided with a network interface arranged to provide a signal onto the network 11 on each occurrence of an operation of a respective console and the jackpot controller 12 is arranged to receive each of the console operation signals and to increment the value of a random jackpot prize on the occurrence of each of these operation signals.

A flow chart for a prize awarding algorithm is illustrated in FIG. 2.

Referring to the algorithm of FIG. 2, machine contributions go into the prize pool as with known prior art jackpot systems, while the overhead display shows the incrementing prize value.

In the FIG. 2, an average value of machine turnover between jackpot hits, is programmed and is used to randomly generate trigger data for the jackpot feature games. In step 20 of the algorithm of FIG. 2, the actual number range and therefore probability of a feature jackpot game being awarded will depend upon the value of a credit in the particular machine and is calculated by dividing the turnover value by the value of a credit (e.g., \$5000/\$0.05=100,000). The average turnover value is fixed for the EGMs and the random number generator is initialised (see step 20) at startup to generate numbers from the preprogrammed range determined from that value.

For every game that is played, a random trigger value is selected (see step 21) in the preprogrammed range as determined from the average turnover value. When the game is commenced, it is then reported (see step 22) to the controller, which allocates a contribution to the prize pool. Each game is also allotted (see step 23) numbers from the same number range that from which the random number was selected, one number in the range being allotted for each credit bet such that the player's probability of being awarded a jackpot feature game is proportional to the bet.

The previously selected random number is then used as a trigger value and compared with the values allotted to the player, if there is a match (see step 24) between the trigger value and the player values, the player is given an opportunity to play a jackpot feature game (see step 25). Alternatively, at step 23, a number is allocated which is equal to, or proportional to the number of credits bet in the respective game and in step 24, the trigger value is compared with the single player value and a jackpot feature awarded if the trigger value is less than or equal to the player value. It will be appreciated that this alternative arrangement is mathematically equivalent to the previously described arrangement, the range of numbers below the allotted number in the alternative arrangement being equivalent to the set of allotted numbers in the previously described arrangement.

In the preferred embodiment, a prize is always awarded in the jackpot feature game, the feature game being used to

6

determine the size of the prize to be awarded (see step 27). The winning machine is then locked up (see step 28) and the controller awaits an indication that the prize has been paid before allowing the machine to be unlocked (see step 29). In some embodiments, the machine will not be locked up in steps 28 and 29, but instead the prize will simply be paid and the program will return to step 21. The machine then returns to step (see step 21) and commences a new game. If the trigger value does not match (see step 27) then there is no feature game awarded for that bought game and the machine returns to step (see step 22) and waits for the next game to commence.

By way of example, a feature game might be triggered by an EGM every \$5000 of turnover played, which is equivalent to 100,000 credits on a \$0.05 machine. This is referred to as the jackpot feature game hit rate in credits. A random number is generated within a prescribed range of numbers at the EGM at the commencement of each bought game. The prescribed range of numbers is determined by the jackpot feature game hit rate which has been determined previously, from typical values of casino turnover, expected jackpot amounts and jackpot frequencies. The prescribed range in this example is therefore 1 to 100,000 and before the commencement of each bought game a random number is generated within this range.

A bet of 20 credits will result in the numbers between 1 and 20 (inclusive) being allotted to the game (note that statistically it does not matter if the numbers are randomly selected or not or allotted as a block or scattered, the probability of a feature game being awarded is unchanged). If the number 7 is produced by the random number generator, then the feature game will be triggered. If any number between 21 and 100,000 is produced by the random number generator, the feature game will not be triggered. Similarly, a bet of 200 credits will result in the numbers between 1 and 200 (inclusive) being allotted to the game. If any number between 1 and 200 is produced by the random number generator, then the feature game will be triggered. If any number between 201 and 100,000 is produced by the random number generator, the feature game will not be triggered.

The example below has been developed using example turnover data. A trigger of the second screen feature game is expected every \$5000 of turnover (i.e. 100,000 credits on a \$0.05 machine). Increasing the number of credits bet increases the chance of triggering the feature on any bought game.

Number of Range numbers credits bet assigned	Games to hit	Bet/game	Turnover of EGM since last hit (\$)
1 1 to 1	100000	\$0.05	\$5000
2 1 to 2	50000	\$0.10	\$5000
3 1 to 3	33333.33	\$0.15	\$5000
5 1 to 5	20000	\$0.25	\$5000
10 1 to 10	10000	\$0.50	\$5000
15 1 to 15	6666.66	\$0.75	\$5000
20 1 to 20	5000	\$1.00	\$5000
25 1 to 25	4000	\$1.25	\$5000
30 1 to 30	3333.33	\$1.50	\$5000
40 1 to 40	2500	\$2.00	\$5000
45 1 to 45	2222.22	\$2.25	\$5000
50 1 to 50	2000	\$2.50	\$5000
60 1 to 60	1666.66	\$3.00	\$5000
75 1 to 75	1333.33	\$3.75	\$5000
100 1 to 100	1000	\$5.00	\$5000
150 1 to 150	666.66	\$7.50	\$5000
200 1 to 200	500	\$10.00	\$5000

Preferably, when a jackpot feature game is triggered, all players are alerted by a jackpot bell that a possible grand jackpot is about to be played for. This is done so that all players share in the experience of a jackpot win. Anecdotal evidence of players watching feature games being played in Australian casinos suggests that the drawing power of such games is immense.

Players are alerted by the jackpot bell instantaneously at any point during a game, but the feature game will not appear until the current game (including base game features) are completed.

In this embodiment the feature game appears with the new reel strips already spinning and accompanying feature game tunes playing. The player stops the reels spinning by pressing the corresponding playline buttons in order. The feature prize score is calculated by the total of the points appearing on the centre line of all 5 reels. Across the top of the screen, a sum of the score is displayed.

The 4 feature prize meters in descending order of value are:

- (i) Grand Feature Prize. A score of ≥ 100 wins the grand feature jackpot;
- (ii) Major Feature Prize. A score of 90-99 (inclusive) wins the major feature jackpot;
- (iii) Minor Feature Prize. A score of 80-89 (inclusive) wins the minor feature jackpot;
- (iv) Mini Feature Prize. A score of ≤ 79 wins the mini feature jackpot.

By way of example, referring to FIG. 3, a 5 reel by 3 row window is displayed. If the reels of the feature game stop on the numbers shown in FIG. 3, then the progressive jackpot won is the sum of the numbers on the center line i.e. $12+10+18+13+22=75$ which is within the range for the mini feature jackpot.

The instant the feature game is completed and the sum of scores from all 5 reels is shown, the feature jackpot screen and signs display which jackpot has been won. This celebration of the jackpot win is conducted in a traditional manner (i.e. flashing displays, jackpot alarms, music etc).

As the time between jackpot game awards is related to turnover, the number of jackpot games played by a player between feature games and hence their chance of winning is directly related to the size of each bet on each game played.

- (1) All machines on the link have a feature game, be it a second screen animation game or a second set of reel strips.
- (2) The link has a number of feature jackpot meters (up to 8). All feature jackpots may be linked.
- (3) The feature game is activated as a function of machine turnover. This means that on average the feature game will occur one in, for example every \$5000.00. There are a number of advantages of activating the feature game on turnover. For example, it enables for the first time, a relatively simple mechanism for allowing mixed denomination on a link. The feature game gives the player the chance of winning one of the available feature jackpots if a certain outcome appears. For example, a new set of reel strips might appear with only 2 or 4 different symbols: Jackpot 1, Jackpot 2, or (Jackpot 1, Jackpot 2, Jackpot 3, Jackpot 4). The first time 5 of the same appear on the centre line the stated feature jackpot is won.
- (4) Another advantage of using a random trigger for a feature game, is that it can be applied to any game.

It will be appreciated by persons skilled in the art that numerous variations and/or modifications may be made to the invention as shown in the specific embodiments without departing from the spirit or scope of the invention as broadly described. The present embodiments are, therefore, to be considered in all respects as illustrative and not restrictive.

The invention claimed is:

1. In a network of gaming machines, each of said gaming machines being capable of accepting different wager amounts made by a player, a method of randomly awarding one progressive prize from a plurality of progressive prizes using a second game to select said one progressive prize, a display of said second game being triggered upon an occurrence of a random trigger condition having a probability of occurrence related to an amount of the wager, comprising: making a wager at a particular gaming machine in the network of gaming machines;

initiating a first main game at said particular gaming machine;

causing a second game trigger condition to occur as a result of said first main game being initiated, said second game trigger condition occurring randomly and having a probability of occurrence dependent on the amount of the wager made at said particular gaming machine, said step of causing a second game trigger condition to occur including:

- (1) selecting a random number from a predetermined range of numbers;
- (2) allotting a plurality of numbers from the predetermined range of numbers in proportion to the amount of the wager made at said particular gaming machine; and
- (3) indicating the occurrence of the trigger condition if one of the allotted numbers matches the selected random number;

triggering a second game to appear at said particular gaming machine in response to said occurrence of said second game trigger condition, said second game appearing after completion of said first main game; randomly selecting said one progressive prize from said plurality of progressive prizes that has been won; displaying said second game to the player at said particular gaming machine in response to said triggering; identifying to the player said one progressive prize from said plurality of progressive prizes that has been won; and awarding said one progressive prize from said plurality of progressive prizes that has been won.

2. The method of claim 1, wherein the amount of the wager is an amount in credits.

3. The method of claim 1, wherein said step of making a wager includes boning a plurality of credits, and wherein said step of allotting includes allotting one number for each credit bet.

4. The method of claim 1, wherein said step of allotting includes allotting one number for each unit of currency of the amount wagered.

5. The method of claim 1, wherein said step of selecting a random number includes generating a random number from a random number generator.

* * * * *

UNITED STATES PATENT AND TRADEMARK OFFICE
CERTIFICATE OF CORRECTION

PATENT NO. : 7,108,603 B2
APPLICATION NO. : 11/102427
DATED : September 19, 2006
INVENTOR(S) : Scott Olive

Page 1 of 1

It is certified that error appears in the above-identified patent and that said Letters Patent is hereby corrected as shown below:

At col. 8, line 8 (claim 1), delete "gaining" and substitute therefore -- gaming --.

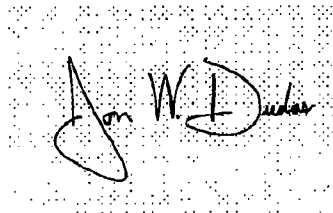
At col. 8, line 43 (claim 1), delete "gaining" and substitute therefore -- gaming --.

At col. 8, line 52 (claim 3), delete "boning" and substitute therefore -- betting --.

This certificate supersedes Certificate of Correction issued January 9, 2007.

Signed and Sealed this

Sixth Day of February, 2007

A handwritten signature in black ink, appearing to read "Jon W. Dudas", is written over a rectangular area of the document that has been filled with a fine grid of dots.

JON W. DUDAS
Director of the United States Patent and Trademark Office