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Paper 6
Entered: September 2, 2016

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ELECTRONIC ARTS INC.,
Petitioner,

v.

WHITE KNUCKLE GAMING, LLC,
Patent Owner.

Case IPR2016-00634
Patent 8,540,575 B2

Before MICHAEL W. KIM, CARL M. DEFRANCO, and CHRISTA A. ZADO, *Administrative Patent Judges.*

DEFRANCO, *Administrative Patent Judge.*

DECISION TO INSTITUTE
37 C.F.R. § 42.108

I. INTRODUCTION

This is a preliminary proceeding to decide whether *inter partes* review of U.S. Patent No. 8,540,575 B2 ("the '575 patent") should be instituted under 35 U.S.C. § 314(a). White Knuckle Gaming, LLC ("White Knuckle") is the owner of the '575 patent. Electronic Arts Inc. (d/b/a "EA Sports")

filed a Petition ("Pet.") seeking *inter partes* review of claims 1–35 of the '575 patent. White Knuckle passed on the option to file a Preliminary Response. Based on our review of the Petition, we determine that EA Sports has demonstrated a reasonable likelihood of showing at least independent claims 1, 23, and 32 to be unpatentable. Accordingly, we authorize *inter partes* review to proceed on *all* of the challenged claims.

II. BACKGROUND

A. The Related District Court Action and IPR Proceeding

The '575 patent is involved in a co-pending district court action, *White Knuckle Gaming, LLC v. Electronic Arts Inc.*, No. 1:15-cv-00150 (D. Utah), which commenced on November 25, 2015.[1] Pet. 6. In addition, a patent related to the '575 patent, U.S. Patent 8,529,350, is currently involved in an *inter partes* review proceeding, IPR2015-01595, which was instituted on January 14, 2016.

B. The '575 Patent

The '575 patent describes a system and method for updating the parameters of a sports video game being played on a video game machine. Ex. 1001, 2:11–21. As described, the updated parameters are recorded onto a server and include the real-life performance statistics of a real-life athlete being simulated in the video game. *Id*. at 2:60–63, 3:8–14, 3:55–4:6, 6:10–13. A user playing the video game may connect to the server to download the updated parameters. *Id*. When downloaded to the video game machine, the updated parameters have the ability to change various attributes of the game to increase the realism of the game. *Id*. at 2:19–21, 4:4–6. For

[1] Recently, the district court issued a decision holding the '575 patent invalid under 35 U.S.C. § 101 as drawn to a patent-ineligible abstract idea.

example, if the video game is basketball, the real life parameter may be a player's field-goal percentage, free-throw percentage, or blocks-per-game. *Id*. at 5:19–24. As acknowledged by the '575 patent, "[o]ne skilled in the art will appreciate that the number and type of statistics stored will vary with the game and with the way the video game designer chooses to design the game." *Id*. at 5:24–27.

C. The Challenged Claims

Of the challenged claims, three are independent—claims 1, 23, and 32. Claims 1 and 32 are directed to a "game medium" configured to cause a video game machine to perform a method for "updating" the video game character parameters, and claim 23 is directed to a "method" for updating the video game character parameters as performed by a network server. The remaining claims depend, directly or indirectly, from these claims.

Claim 1 is illustrative of the claims under challenge:

> 1. A game medium configured to provide a sports video game in conjunction with a video game machine, the sports video game including video game rules and video game character parameters, the video game character parameters including video game character performance parameters associated with individual video game characters, the game medium being configured to cause the video game machine to perform a method comprising:
>
> loading video game data stored by the game medium into a random access memory of the video game machine for playing the video game, the video game data including the video game rules and a particular video game character performance parameter associated with a particular individual video game character associated with a particular real-life sports athlete, wherein the particular video game performance parameter is based at least in part on a real-life performance of the particular real-life sports athlete playing in one or more real-

> life sporting events, the particular video game character performance parameter affecting the manner in which the particular individual video game character performs in the sports video game;
>
> *during a single sports season, receiving a series of update video game character performance parameters from a data server via a network including the Internet, wherein each of the updated video game character performance parameters in the series is based at least in part on one or more different real-life performances of the particular real-life sports athlete in one or more sporting events performed during the single sports season;*
>
> *updating the sports video game with each of the updated video game character performance parameters received, wherein each update changes the manner in which the particular individual video game character performs in the sports video game such that the particular individual video game character more closely simulates real-life performance attributes of the particular real-life athlete in the sports video game*; and
>
> enabling a user to control the particular individual video game character in the sports video game using a video game controller connected to the video game machine.

Ex. 1001, 8:11–51 (emphases added).

D. The Asserted Grounds of Unpatentability

In the Petition, EA Sports specifies four grounds on which it purports the challenged claims are unpatentable for obviousness under 35 U.S.C. § 103, namely,

> (1) claims 1–3, 5, 6, 8, 11–12, 14–17, 22–25, and 27–31 would have been obvious in view of Madden NFL 2000 Manual,[2]

[2] Electronic Arts, Inc., *EA Sports Madden NFL™ 2000 Reference Manual* (1999) ("Madden NFL 2000 Manual") (Ex. 1018).

> Madden NFL 2000 Reference Card,[3] Madden 2000 Updates,[4] Playoff Week 1 Update,[5] and Super Bowl Update;
>
> (2) claims 4, 7, 9, 10, and 21 would have been obvious in view of the same references as ground 1 plus FIFA 2001 News;[6]
>
> (3) claims 1–3, 11, 12, and 23–31 would have been obvious in view of Swanberg;[7] and
>
> (4) claims 13, 18–20, and 32–35 would have been obvious in view of Swanberg and Hines.[8]

Pet. 21–22.

III. ANALYSIS

In this preliminary proceeding, we decide whether EA Sports has made a threshold showing, supported by sufficient evidence, of a reasonable likelihood that the challenged claims are unpatentable. Initially, we note that EA Sports proffers several declarations in support of the publication and authenticity of the "Madden NFL 2000" and "FIFA 2001" references in terms of qualifying as prior art. *See* Exs. 1010, 1023–1035. At this preliminary stage, the declarations submitted by EA Sports persuade us that

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[3] Electronic Arts, Inc., *EA Sports Madden NFL™ 2000 Reference Card* (1999) ("Madden 2000 Card") (Ex. 1017).
[4] Electronic Arts, Inc., *EASports.com Madden 2000 Downloads*, archived at Wayback Machine on March 2, 2000 ("Madden 2000 Updates") (Ex. 1015).
[5] Electronic Arts, Inc., *EA Sports Madden NFL(™) 2000 Roster Update–Playoff Week 1* (01/07/00) ("Playoff Week 1 Update") (Ex. 1016).
[6] *FIFA 2001 Online—News Archive for September 2000, October 2000, November 2000, December 2000, January 2001, February 2001, March 2001, April 2001, May 2001, June 2001*, archived at Wayback Machine on June 17, 2001, Apr. 25, 2001, and July 26, 2001 ("FIFA 2001 News") (Exs. 1007, 1008, 1009).
[7] U.S. Pat. Pub. No. 2002/0155893, pub. Oct. 24, 2002 ("Swanberg") (Ex. 1011).
[8] U.S. Pat. Pub. No. 2003/0234787 A1, pub. Dec. 25, 2003 ("Hines") (Ex. 1020).

the "Madden NFL 2000" and "FIFA 2001" references likely qualify as prior art. *See* Pet. 22–23.

Also, EA Sports asks us to construe a particular phrase recited in dependent claims 24 and 25—"the at least weekly transmissions." Pet. 15–16. In our view, we can measure the reasonable likelihood of proving unpatentability of the challenged claims without making an express construction of that phrase at this time.

A. The Challenge Against Claims 1–12, 14–17, 21–25, and 27–31 As Premised on the Madden NFL 2000 References

Our analysis of this challenge focuses on independent claim 1, which recites various hardware and software requirements for "loading" a sport video game into the memory of a video game machine, "enabling" a user to control the performance of a video game character associated with a real-life sports athlete, and "updating" the performance parameters of the video game character based on real-life performances of the particular real-life athlete.

In challenging claim 1, EA Sports proffers a collection of prior art publications describing the sports video game, "Madden NFL 2000," and argues that, together, they render obvious the claimed invention. Pet. 25–40. To begin, EA Sports relies on two user manuals—Madden NFL 2000 Reference Manual and Madden NFL 2000 Reference Card—for teaching the "loading" and "enabling" features of claim 1. Pet. 28–33. From our initial review, the Madden NFL 2000 user manuals collectively describe a football video game simulating real-life NFL gameplay on a personal computer. *See* Ex. 1018, 18 ("Set up your game to match that of a real NFL game."), 29 ("Make history by replaying 10 great NFL games."). According to the user manuals, the video game displays a "depth chart" and "players stats" from

which a user can select and substitute various players. *Id*. at 17–18 (instructing the user on how "To control your own subs or re-arrange the depth chart" and "View game and player stats"), 22 (instructing on how to "Manage Rosters" and "View player and team stats"). The depth chart, shown in a screenshot from the video game, permits the user to select real-life NFL players (e.g., "B. Sanders," "T. Davis," etc.) for the game based on various "Player attributes." *Id*. at 28, 32. Those descriptions persuade us, at this stage, that a skilled artisan would have understood the Madden NFL 2000 user manuals to describe a sports video game with character parameters "associated with a particular real-life sports athlete" and "based at least in part on a real-life performance of the particular real-life sports athlete," as required by the "loading" and "enabling" limitations of claim 1. *See* Ex. 1004 ¶¶ 100–101.

With respect to "updating" the performance parameters of the simulated real-life sports athlete, as also required by claim 1, EA Sports points to several archived webpages—Madden 2000 Updates, Playoff Week 1 Roster Update, and SuperBowl Update—which describe zipfiles for downloading from a remote server to update the video game. Pet. 31–32 (citing Exs. 1015, 1016, 1019). As described, the zipfiles provide the user with the ability to update player rosters on the Madden NFL 2000 game with the latest real-life performance statistics of a particular NFL player. For instance, the archived webpages inform the user that the zipfile contains "adjusted rosters *and player abilities* leading into the NFL playoffs" and direct the user to "[c]opy the roster update file into your Madden2000\Roster directory." Ex. 1016, 2 (emphasis added). The webpages further instruct that "[t]his update brings the Madden NFL™ 2000 Rosters into alignment

with the *actual NFL team rosters*" and "[e]ach week the roster file will be updated to denote *player performance* in each eligible teams playoff game." *Id*. (emphases added); *see also* Ex. 1004 ¶¶ 122–125, 132–138. Those disclosures evince a sports video game capable of "receiving a series of updated video game character performance parameters from a data server" and "updating the sports video game with each of the . . . performance parameters received," as required by claim 1.

As a reason for combining the Madden NFL 2000 Updates with the Madden NFL 2000 User Manuals, EA Sports relies on the declaration of David Crane, who testifies that the Madden NFL 2000 references describe features and operation of the same video game "whose teachings are intended to be combined to allow full functionality and realism of the video game." Ex. 1004 ¶ 127. That testimony, along with the disclosures of the Madden NFL 2000 references themselves, persuade us of a reasonable likelihood that at least claim 1 of the '575 patent is unpatentable for obviousness. And because independent claim 23 is similar in scope to independent claim 1, the same analysis discussed above with respect to independent claim 1 applies as well to independent claim 23.

Having decided that the Madden NFL 2000 references evince a reasonable likelihood that at least one of the claims challenged in the Petition is unpatentable, we exercise our discretion under 37 C.F.R. § 42.108 to have the review proceed on *all* of the challenged claims on which the Madden NFL 2000 references serve as the basis for unpatentability. In doing so, we seek to achieve finality of review at the Board and avoid parallel or serial review in the district court, at least with respect to EA Sports and the Madden NFL 2000 references proffered in the Petition. *See*

Intex Recreation Corp. v. Bestway Inflatables & Material Corp., IPR2016-00180, Paper 13, at 8–11 (PTAB Jun. 6, 2016); *see also Synopsys, Inc. v. Mentor Graphics Corp.*, 814 F.3d 1309, 1316 (Fed. Cir. 2016) (stating that "[t]he validity of claims for which the Board did not institute inter partes review can still be litigated in district court").

B. The Challenge Against Dependent Claims 4, 7, 9, 10, and 21 As Premised on the Madden NFL 2000 References and FIFA 2001 News

We are also persuaded EA Sports has made a sufficient threshold showing as to its second challenge, which simply builds on its first challenge by combining the Madden NFL 2000 references with FIFA 2001 News. *See* Pet. 40–45. Specifically, dependent claims 4, 9, and 10 add that the update be to visual aspects of the "stadium" in which the video game is played, claim 7 adds that the update be performed "periodically and automatically," and claim 21 adds that the video game be a "soccer" game.

FIFA 2001 News describes a video soccer game in which the game is played in a simulated real-life soccer stadium. Ex. 1007, 3, 4, 10, 12, 16. As part of playing the game, the user can download and update the visual parameters of the stadium, including real-life changes to the field, advertising boards, and team flags. *Id*. at 60, 73, 74, 97; *see also* Ex. 1008, 20, 44, 45. The updates can be "automatically install[ed] . . . in the FIFA 2001 directory on a periodic basis." *Id*. at 37.

As support for combining FIFA 2001 News with the video football game of the Madden NFL 200 references, EA Sports relies on its declarant, Mr. Crane, who testifies that, because "there is no technological difference" between updating the performance parameters of a simulated video character over updating the visual parameters of a simulated stadium or field, it would

have been obvious to select from a finite number of updatable parameters for a particular sport to increase realism within the simulated game. Ex. 1004 ¶ 202. On this record, we are persuaded of a reasonable likelihood that EA Sports will succeed in challenging the patentability of claims 4, 7, 9, 10, and 21.

C. The Challenge Against Claims 1–3, 11, 12, and 23–31 As Premised on Swanberg

For the challenge based on Swanberg, we again focus on independent claim 1. EA Sports contends that Swanberg teaches or suggests each of the limitations of claim 1 and proffers the declaration of Mr. Crane in support thereof. Pet. 45–50 (citing Ex. 1004 ¶¶ 214–231). Based on our initial review, Swanberg discloses a video game system capable of simulating "major league" sports games, such as "baseball, football, [or] basketball." Ex. 1011 ¶ 5; *see also id*. ¶¶ 43, 83–84 (describing the video game in the context of baseball and basketball). As taught by Swanberg, the video game utilizes a smart card that stores data about real-life sports figures and their actual performance in real-life games. *Id*. ¶¶ 30, 32, 40, 83–85, Figs. 1A, 1B, 1C. Notably, and similar to the '575 Patent, updated statistics reflecting the sports figures' most recent performance are stored in a database of a remote server. *Id.* ¶¶ 40, 41, 48–49, 85, 95, Fig. 2. When the user wishes to play the video sports game, the updated performance statistics are downloaded from the remote server to the smart card such that, when game play begins, the sports figure will perform in the video game based upon their updated statistics. *Id.* ¶¶ 32, 36, 41, 49, 85, 95.

On this record, we are persuaded that a skilled artisan would have understood Swanberg as teaching the ability to update the video character

parameters of a video sports game to reflect real-life changes in the performance of the simulated real-life player in the video game, as required by claim 1. *See* Ex. 1004 ¶¶ 223–231. Accordingly, we determine that EA Sports has demonstrated a reasonable likelihood of proving that at least independent claim 1 is unpatentable for obviousness over Swanberg. Having reached that conclusion, we exercise our discretion to institute *inter partes* review on *all* of the claims challenged on the basis of Swanberg, specifically, claims 1–3, 11, 12, and 23–31.

D. The Challenge Against Claims 13, 18–20, and 32–35 As Premised On Swanberg and Hines

For this challenge, we turn our attention to independent claim 32, which recites the video game in the context of "basketball" and the updated statistics as including "free-throw completion percentage." As discussed above, Swanberg discloses "basketball" as one of the simulated games, however, it does not speak specifically to the types of statistics that might be updated on the video game, at least not expressly, as claim 32 does. For that, EA Sports relies on Hines, which teaches, as a matter of common sense, that one of the statistics stored in a system for tracking and updating the performance of real-life basketball players would be "free throws made and attempted." Ex. 1020 ¶¶ 15, 19.

Combining the teaching of Hines with the basketball video game of Swanberg, EA Sports contends "it is simply a design choice to select from a finite number of specific, known mathematical statistics in each of a finite number of sports" and that "choosing one statistic . . . over another statistic" would have been obvious. Ex. 1004 ¶ 269. On this record, we determine that EA Sports has demonstrated a reasonable likelihood of proving that

independent claim 32 is unpatentable over Swanberg and Hines. Having made that determination, we exercise our discretion to institute *inter partes* review on *all* of the claims challenged on the basis of Swanberg and Hines, specifically, claims 13, 18–20, and 32–35.

IV. CONCLUSION

After considering the evidence and arguments presented in the Petition, we determine that EA Sports has demonstrated a reasonable likelihood of proving that at least independent claims 1, 23, and 32 of the '575 patent are unpatentable. And, in keeping with our mission of resolving patent validity disputes in a just, speedy, and inexpensive manner, we exercise our discretion to institute *inter partes* review on all of the claims as challenged in the Petition.

V. ORDER

Accordingly, it is hereby:

ORDERED that, pursuant to 35 U.S.C. § 314(a), an *inter partes* review of claims 1–35 of the '575 patent is *instituted*; and

FURTHER ORDERED that, pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4(b), *inter partes* review of the '575 patent shall commence on the entry date of this Order, and notice is hereby given of the institution of a trial.

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