UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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LIGHT & WONDER, INC.,
Petitioner,

v.

EVOLUTION MALTA LIMITED,
Patent Owner.

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Case IPR2025-01072*
U.S. Patent No. 11,011,014

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# PETITIONER'S OPPOSITION TO REQUEST FOR DISCRETIONARY DENIAL

* Patent Owner filed substantially identical Requests for Discretionary Denial in each of IPR2025-01072, -01073, and -01078. Petitioner is accordingly filing identical responses in each of these proceedings. Citations herein are to IPR2025-01072.

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EX1047 *Top Hat™ Twenty-One*, ROBERTWINTER.COM (May 29, 2006) https://web.archive.org/web/20060529010957/https://www.robertwinter.com/slot/odyssey/images/flyers/th_f.jpg

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EX1053 *Bonus Spin*, AGS (2016), https://web.archive.org/web/20170227055308/http://www.playags.co m/portfolio/bonus-spin

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EX1056 U.S. Pre-Grant Pub'l. No. 2014/0094244 (published Apr. 3, 2014) to Baron ("Baron and Haushalter")

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EX1058 U.S. Patent No. 7,651,096 to Friedman ("Friedman '096")

EX1059 U.S. Patent No. 8,074,992 to Friedman ("Friedman '992")

EX1060 *Sic Bo*, WIZARD OF ODDS (Jan. 21, 2005), https://web.archive.org/web/20111007213531/http:/wizardofodds.com /sicbo/rules.html

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## I. INTRODUCTION

Light & Wonder, Inc. ("L&W") opposes Evolution Malta Limited's ("Evolution") Requests for Discretionary Denial ("Request") and respectfully requests that the IPR petitions against U.S. Patent Nos. 10,629,024 ("'024 patent"), 11,011,014 ("'014 patent"), and 11,756,371 ("'371 patent") be referred to the Board. These patents provide no technological innovations and are instead directed to an elementary, modified version of roulette: Rather than assigning each roulette position the same payout (*e.g.*, a 35:1 payout), Evolution's patents increase the payout for one or more randomly selected roulette positions. This simple tweak to roulette had been known in the art for decades, and the Examiner committed material errors in allowing the challenged patents.

Specifically, the Examiner concluded that the Yee reference (U.S. Patent No. 9,600,974, EX1009) applied during prosecution only teaches random number selection via a roulette "ball dropping into [a] position" of the roulette wheel—and not a random number selection made by a processor before the ball lands, as claimed. EX1002, 83; EX1006, 93; EX1012, 185-86. In fact, Yee discloses "activat[ing] a random number generator … programmed into or otherwise operatively connected to the processor." EX1009, 9:64:10:14. Evolution prompted the Examiner's error by misrepresenting Yee's disclosure (EX1006, 80), and the Examiner relied on Evolution's misrepresentation in erroneously allowing

all three of the challenged patents. EX1002, 83; EX1006, 93; EX1012, 185-86. It is an appropriate use of Office resources to review and correct these errors, and the petitions should therefore be referred to the Board.

L&W raised the Examiner's material errors in the petitions, yet Evolution's Request (Paper 6, "PO Req.") neither acknowledges nor attempts to justify them. Instead, Evolution argues that discretionary denial is appropriate in view of alleged settled expectations and the co-pending district court litigation, but none of these arguments has merit. The '024, '014, and '371 patents have been in force for only approximately 5, 4, and 2 years, respectively, such that settled expectations have not developed. And the district court litigation is presently stayed until at least January 16, 2026, with no case schedule and no trial date. EX2025. The IPR final written decisions (FWDs) will issue before the district court trial occurs, thus "reducing the immediate concern of inconsistent outcomes or significant duplication of efforts" and favoring referral. *See*, *e.g.*, *USAA Fed. Savings Bank v. PACid Techs., LLC*, IPR2025-00697, Paper 9 at 2 (Aug. 14, 2025).

L&W respectfully requests that the Director refer the petitions to the Board.

## II. FACTUAL BACKGROUND

### A. The Alleged Invention

The '024, '014, and '371 patents are directed to roulette, a centuries-old wagering game commonly played in casinos and other gaming establishments.

EX1005, 1:29-30; EX1014. To play roulette, a dealer spins the wheel one direction and directs the ball to spin around the wheel in the opposite direction. EX1005, 3:1-4. The ball eventually falls into a position on the wheel associated with a number. *Id.*, 3:4-6. If the player has placed a bet on that number, he or she is paid a sum. If not, the bet amount belongs to the house. EX1003, ¶¶[0104]-[0110].

Over the years, game designers have proposed tweaks to the traditional rules of roulette, hoping to make the game more exciting for players. *See*, *e.g.*, EX1008, ¶[0002]; EX1007, ¶¶[0007]-[0008]. The ’024, ’014, and ’371 patents describe one such tweak to traditional roulette, adding the random selection of one or more roulette wheel numbers and a determination of increased payouts for those randomly selected numbers. EX1015, ¶¶44, 69, 96. These steps are shown in the flowchart of the patents’ Figure 2:

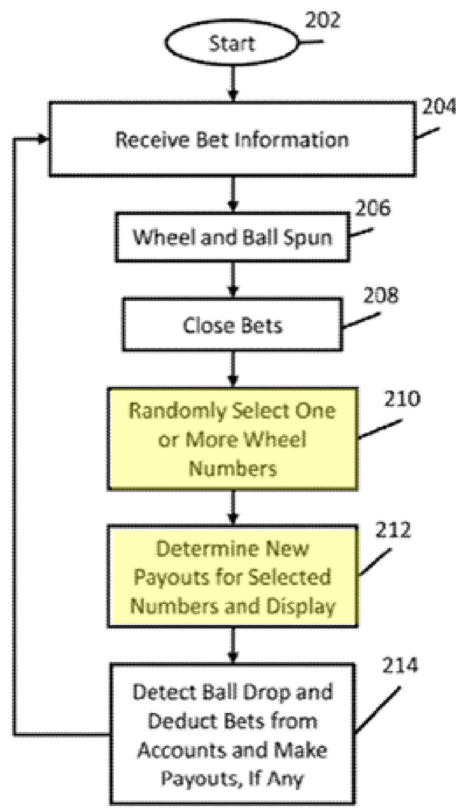



FIG. 2

EX1005, Fig. 2 (color added);[1] *id.*, 4:56-5:30.

But the tweak to roulette described in the '024, '014, and '371 patents was known in the art years before the patents' purported February 2018 priority date. For example, U.S. Patent No. 7,674,172 to Miltenberger, issued on March 9, 2010, describes "a randomizing device [that] selects and identifies which landing [of a roulette wheel] is to be associated with a bonus." EX1016, 1:65-67. In Figure 35

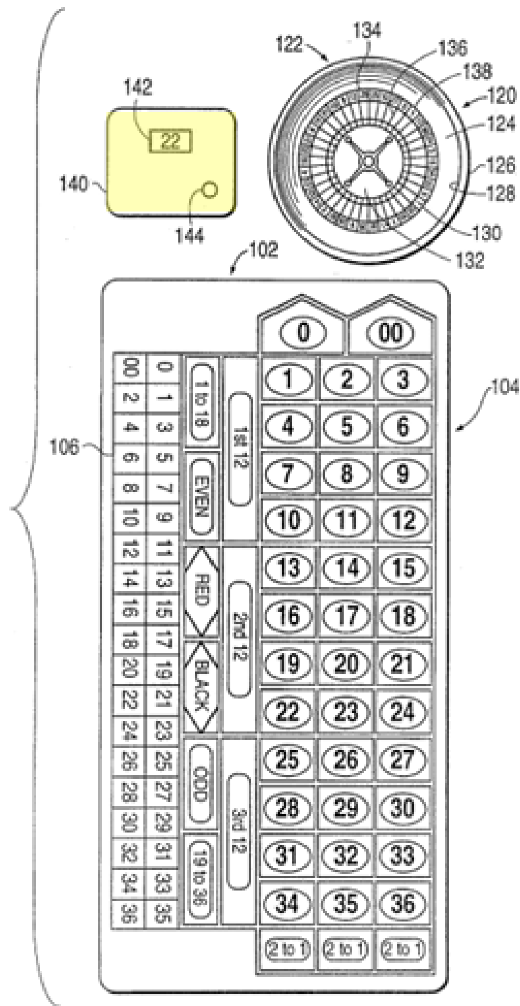
[1] All color highlighting in images and text was added by L&W; "color added" is not noted in the remainder of this brief.

of Miltenberger, for instance, a processor causes one or more landings to be illuminated, and "the landing of a ball on [an illuminated numeral 194] may result in the doubling of the award associated with the illuminated numeral 194." *Id.*, 11:19-45.

FIG. 35

*Id.*, Fig. 35 (showing three illuminated numerals 194).

As another example, U.S. Patent No. 5,540,442 to Orselli, issued on July 30, 1996 (*more than 20 years* before the challenged patents' purported February 2018 priority date) discloses a random number generator 140 "for rapidly generating random numbers from among the set of possible numbers in the game of roulette, i.e., one through 36, 0 and 00" (EX1019, 4:51-55):




*Id.*, Fig. 1.

Orselli's randomly selected roulette position is eligible for an increased payout, *e.g.*, 1000:1 (akin to the 499:1 increased payouts of the challenged patents, EX1005, 5:15-18). EX1019, 3:32-50.

In sum, variants of roulette that included Evolution's purported innovation—*i.e.*, "randomly select[ing] one or more of the roulette wheel numbers, and determin[ing] … increased payouts for those randomly selected numbers,"

EX1015, ¶¶44, 69, 96—were known years before the ’024, ’014, and ’371 patents, and the claims of these patents should not have been allowed.

**B. The Parties’ Brief Business Relationship**

In 2018, Evolution launched its “Lightning Roulette” game in an online live version format. EX1015, 7. In the ensuing years, Evolution sought to bring Lightning Roulette to land-based casinos and thus began talks with L&W and other companies interested in partnering with Evolution to produce a physical Lighting Roulette game table. *Id.*, 10. L&W and Evolution ultimately entered into an Agreement on March 29, 2021, under which L&W would develop and manufacture this physical game table. *Id.*, 12.

Just five months later, in August 2021, L&W decided “not to deploy felt-based Lightning Roulette.” EX2016, 1. L&W “had conducted a review of [its] business and determined that Lightning Roulette no longer fit within [the company’s] strategic plan.” *Id.* L&W promptly communicated its decision to Evolution, “so that Evolution would have ample opportunity to terminate the Agreement and partner with another licensee.” *Id.* In August, September, and December 2021, L&W sent Evolution a proposed amendment to the Agreement to mutually terminate it, but Evolution declined to agree to the amendment. *Id.*

On February 28, 2022, Evolution sent L&W a letter accusing L&W’s RouletteX product of infringing the ’024 and ’014 patents (the ’371 patent did not

issue until September 12, 2023).[2] EX2015, 11. Evolution's letter also accused L&W of unauthorized use of L&W's trade secrets. *Id.*, 12-13. L&W promptly responded by letter on March 17, 2022, informing Evolution "that all of the claims of the two asserted patents are invalid under at least Sections 102 and 103 of the Patent Act" and "directed to patent-ineligible subject matter in violation of Section 101." EX2016, 2. L&W further explained that it "developed Roulette X without the use of … any confidential information from Evolution." *Id.* The parties exchanged additional letters before Evolution sent a final letter on April 24, 2024, accusing L&W of infringing the '371 patent. EX1015, 15-16. Then, on May 28, 2024, Evolution filed a complaint against L&W in the District of Nevada for alleged infringement of the '024, '014, and '371 patents and trade secret misappropriation. EX1015.

### C. The Presently Stayed Litigation

On July 24, 2024, L&W filed a motion to dismiss Evolution's patent claims under Rule 12(b)(6) as lacking patent-eligible subject matter under Section 101. EX1062. While L&W's motion to dismiss was pending, little discovery occurred, with the court advising the parties in a November 7, 2024 order that "if the parties agree, … only written discovery will be permitted" prior to a decision on the

[2] RouletteX is not simply "felt-based Lightning Roulette" under a different name but rather is an electronic table game.

motion. EX2020, 4. The court further stated: "Expert disclosures and depositions may be held in abeyance to reserve resources in the event that the Court grants dismissal with prejudice of Plaintiffs' claims." *Id.* Pursuant to this order, the parties have conducted only minimal written discovery to date and have taken no depositions and not conducted any expert discovery. Further, taking the court's advice about "reserv[ing] resources" to heart and believing that Evolution's patent claims should be dismissed, L&W waited to prepare IPR petitions against the asserted patents, reasoning that IPRs would be an inefficient use of resources if the patents were ultimately held invalid under Section 101.

On February 11, 2025, the court granted L&W's motion to dismiss. EX1022. The order held that the '024, '014, and '371 patents are "invalid under *Alice*," but the motion was granted without prejudice and with leave to amend. *Id.*, 15-16. The court further referred the matter to the magistrate judge for a settlement conference and stated that if "Evolution elects to file an amended complaint, it must do so within fourteen days of the conclusion of the settlement conference." *Id.*, 16. Prior to the parties' settlement conference, L&W learned from Evolution that it would be filing an amended complaint to continue asserting the '024, '014, and '371 patents. The settlement conference occurred on April 9, 2025. No settlement was reached. The next day, on April 10, 2025, Evolution filed a First Amended Complaint (FAC) re-asserting the '024, '014, and '371

patents and sought leave to file a Second Amended Complaint (SAC) adding additional asserted patents and accused products. EX1023; EX1063.

At this point, with Evolution's continued assertion of the '024, '014, and '371 patents and no guarantee that these patents would ultimately be held invalid by the district court (and certainly not before L&W's June 3, 2025 1-year bar date for filing IPRs), L&W had no choice but to begin work on IPR petitions. L&W expeditiously prepared and timely filed its petitions less than two months later, on May 30, 2025. At the same time, L&W continued to challenge the patents' validity under Section 101, filing a motion to dismiss the FAC on May 15, 2025. EX1064. And after the Court granted Evolution leave to file the SAC, L&W filed a motion to dismiss the SAC. EX2024. With the motion to dismiss the SAC pending, the parties jointly sought a stay until January 16, 2026, "at which point the parties will likely have a more fulsome picture of the claims that will be moving forward in this case," thereby "avoid[ing] the inefficiencies and costs associated with potentially having to conduct multiple rounds of discovery." EX1065, 4.

On August 11, 2025, the district court stayed the case. EX2025. The case is stayed until at least January 16, 2026. *Id.*

## III. ARGUMENT

### A. The Office Materially Erred In Allowing Evolution's Patents.

L&W's IPR petitions should be referred to the merits panel because the Office materially erred in allowing the '024, '014, and '371 patents. The Director has repeatedly found that "it is an appropriate use of resources" to review material errors like those at issue here,[3] and material error has been found to outweigh other factors favoring discretionary denial. *See*, *e.g.*, *Anthony Inc. v. ControlTec, LLC*, IPR2025-00559, Paper 12 at 2 (July 16, 2025) ("Although the challenged patents have been in force for approximately eighteen and seventeen years, Petitioner appears to show a material error by the Office, and it is an appropriate use of Office resources to review the potential error."); *Xencor, Inc. v. Merus N.V.*, IPR2025-00604, Paper 12 at 2-3 (July 17, 2025) (referring petition notwithstanding a finding of settled expectations because "Petitioner provides persuasive reasoning … [that] the Office materially erred during prosecution").

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[3] *See*, *e.g.*, *USAA Fed. Savings Bank*, IPR2025-00697, Paper 9 at 2; *ClearCorrect Operating, LLC v. Align Tech., Inc.*, IPR2025-00814, Paper 14 at 3-4 (Aug. 29, 2025); *Western Digital Techs., Inc. v. Godo Kaisha IP Bridge 1*, IPR2025-00701, Paper 9 at 2 (Aug. 14, 2025); *Skechers U.S.A., Inc. v. Nike, Inc.*, IPR2025-00141, Paper 23 at 3-4 (Aug. 21, 2025).

As detailed below, the Office's material errors during prosecution were blatant and prompted by Evolution's misrepresentation of the prior art. Referral to the Board to review and correct these material errors is respectfully requested.

#### 1. '024 Patent

Evolution filed the application for the '024 patent on February 5, 2019. EX1005. The as-filed claims were broad and recited, among other limitations, "a hardware processor" configured to "randomly select a first selected position on the roulette wheel":

> 1. A system for wagering, comprising:
>
> a roulette wheel;
>
> a ball configured to be used in the roulette wheel;
>
> a hardware processor configured to:
>
> receive first bet information for a first bet from a first player device of a first player, the first bet information corresponding to at least a first position on the roulette wheel;
>
> receive second bet information for a second bet from a second player device of a second player, the second bet information corresponding to at least a second position on the roulette wheel that is different from the first position;
>
> determine that the roulette wheel and the ball have been spun;
>
> randomly select a first selected position on the roulette wheel, wherein the first selected position is the same as the first position;
>
> determine a first payout for first position and a second payout for the second position, wherein the first payout is higher than the second payout;
>
> determine that the ball has fallen in the first position; and
>
> indicating that the first player is to be paid at the first payout.

EX1006, 17.

The Examiner rejected this claim and others as being anticipated by U.S. Patent No. 9,600,974 to Yee (EX1009), citing 9:31-10:14 of Yee as disclosing "randomly select a first selected position on the roulette wheel" (EX1006, 60-61):

> A number and associated color within a range of numbers and associated colors may be randomly generated, as indicated at 106. … ***Randomly generating the number and associated color may involve, for example, … activating a random number generator*** and using a result of the random number generator to select the number and associated color. More specifically, the number and associated color may be randomly generated, for example, … by receiving electronic authorization at a processor 350, 414, 428, 480, 597, or 642 (see FIGS. 4 through 6 and 8) via a dealer interface 418 (see FIGS. 5A and 5B) ***to activate a random number generator (e.g., programmed into or otherwise operatively connected to the processor 350, 414, 428, 480, 597, or 642 (see FIGS. 4 through 6 and 8) and automatically apply a formula, or by automatically, electronically activating a random number generator using a processor*** 350, 414, 428, 480, 597, or 642 (see FIGS. 4 through 6 and 8) and automatically applying a formula to generate a random number and associated color from within the range of numbers and associated colors.

EX1009, 9:31-10:14.[4]

As seen above, the Examiner's cited portion of Yee describes activating a random number generator programmed into a processor and electronically activating a random number generator using a processor, thus disclosing the

[4] All emphasis is added herein unless noted otherwise.

claimed "hardware processor" configured to "randomly select a first selected position on the roulette wheel."

In response, Evolution amended the pending claims to recite that the hardware processor is configured to "randomly select a first selected position on the roulette wheel for the spin of the roulette wheel prior to the ball falling into a position on the roulette wheel." EX1006, 72-78. Evolution argued that the Examiner's cited portion of Yee (9:31-10:14) "clearly explains that [the randomly generated number] would be the number corresponding to a position on a roulette wheel into which a ball drops":

> In rejecting claim 1 prior to the present amendments, the Examiner pointed to column 9, line 31 through column 10, line 14 of Yee as allegedly showing "randomly select a first selected position on the roulette wheel."
>
> While this portion of Yee discusses randomly generating a number, it clearly explains that this number would be the number corresponding to a position on a roulette wheel into which a ball drops. That is, the ball dropping into the position is the random generation of a number.
>
> At no point does Yee show or suggest "randomly select[ing] a first selected position on [a] roulette wheel for [a] spin of the roulette wheel prior to the ball falling into a position on the roulette wheel" as recited in claim 1 as amended.
>
> Thus, claim 1 is allowable. Likewise, claims 8 and 15 which include similar limitations to claim 1, and claims 2-7, 9-14, and 16-20, which depend from one of claims 1, 8, and 15, are also allowable.

*Id.*, 80. According to Evolution, because "the ball falling into the position is the random generation of a number" in Yee, the reference does not "show or suggest 'randomly select[ing] a first selected position … prior to the ball falling into a position' …." *Id.*

Evolution's argument materially misrepresented Yee's disclosure: In addition to disclosing a random number generated via a ball dropping into a position of a roulette wheel, the cited portion of Yee clearly discloses the generation of random numbers via a processor-controlled random number generator. The cited portion of Yee discloses, for example, "activat[ing] a random number generator (e.g., programmed into or otherwise operatively connected to the processor 350, 414, 428, 480, 597, or 642 (see FIGS. 4 through 6 and 8) and automatically apply a formula, or by automatically, electronically activating a random number generator using a processor 350, 414, 428, 480, 597, or 642 (see FIGS. 4 through 6 and 8) and automatically applying a formula to generate a random number." EX1009, 9:64-10:14. Further, Yee's random selection occurs during an immediately preceding round of roulette, *i.e.*, "prior to the ball falling into an outcome position on the roulette wheel," as claimed. *See*, *e.g.*, *id.*, Abstract, 10:15-60; EX1003, ¶¶65-67.

The Examiner relied on Evolution's misrepresentation of Yee's disclosure in allowing the claims of the '024 patent. In fact, the Examiner's Reasons for Allowance quoted Evolution's erroneous statements:

> Claim 1 corresponds to the selection made in box 210 of FIG. 2 of the present application. While this Yee (9:31-10:14) discusses randomly generating a number, it clearly explains that this number would be the number corresponding to a position on a roulette wheel into which a ball drops. That is, the ball dropping into the position is the random generation of a number. The random selection is thus made by the processor rather than merely depending on the random location of the ball stopping. The examiner respects that the applicants may have different reasons for allowance.

EX1006, 93.

Contrary to the Examiner's alleged reasons for allowance, Yee teaches random number selection beyond just "the ball dropping into the position," as explained above. Accordingly, the Examiner materially erred in allowing the '024 patent, and the Director refers petitions in cases involving similar errors. *Taiwan Semiconductor Mfg. Co. Ltd. v. Marlin Semiconductor Ltd.*, IPR2025-00847, Paper 11 (Sept. 3, 2025) ("Petitioner persuasively demonstrates that the patent examiner overlooked certain teachings in [the prior art] that appear to disclose the claim features that the patent examiner indicated were not taught by the prior art of record …"); *CSPC Pharm. Group Ltd. v. Ipsen Biopharm Ltd.*, IPR2025-00505, Paper 11 at 3 (July 16, 2025) ("the Office erred … by not considering or

overlooking specific teachings in [the applied reference]"); *Eunsung Global Corp. v. HydraFacial LLC*, IPR2025-00445, Paper 14 at 3 (July 10, 2025) ("[T]he patent examiner overlooked certain teachings in [the applied reference] that appear to disclose the allowable features of the claims. Discretionary denial is not appropriate for this reason.") (internal citation omitted).

**2. '014 Patent**

The Examiner committed the same material error in allowing the '014 patent, which is a continuation of the '024 patent filed on April 17, 2020. EX1001. On June 24, 2020, before examination, Evolution amended the claims to recite "randomly select a first selected position on the roulette wheel for the spin of the roulette wheel prior to the ball falling into an outcome position on the roulette wheel," similar to the allowed claims of the '024 patent. EX1002, 49-58. On January 22, 2021, the Examiner allowed all pending claims without any rejections. *Id*., 77. The Notice of Allowance provided Reasons for Allowance mirroring those for the '024 patent, again relying on Evolution's misrepresentation of Yee:

> the same as the first position. Generally speaking the "position" being selected in this portion of Claim 1 corresponds to the selection made in box 210 of FIG. 2 of the present application. While this Yee (9:31-10:14) discusses randomly generating a number, it clearly explains that this number would be the number corresponding to a position on a roulette wheel into which a ball drops. That is, the ball dropping into the position is the random generation of a number. The random selection is thus made by the processor rather than merely depending on the random location of the ball stopping. The examiner respects that the applicants may have different reasons for allowance.

*Id.*, 83.

For the same reasons explained above for the ’024 patent, the Examiner materially erred in allowing the ’014 patent.

**3. ’371 Patent**

The Examiner materially erred again in allowing the ’371 patent, a continuation of the ’014 and ’024 patents. The application that eventually issued as the ’371 patent was filed on April 30, 2021. EX1011. On April 1, 2022, the Patent Office rejected all claims as being anticipated by Yee. EX1012, 62-69. In response, Applicant argued that the claims of the related ’024 and ’014 patents had been allowed over Yee, and that the pending claims should likewise be allowed over this reference. *Id.,* 82-93. Nevertheless, the Examiner continued to reject the claims over Yee in a subsequent Final Office Action. *Id.,* 107-16.

Patent Owner then filed a Request for Continued Examination with amendments to the claims. *Id.*, 130-42. Patent Owner argued that these amendments "clarify that claim 1 is directed to a single bet on a single spin." *Id.*, 140-41. In contrast, Patent Owner argued, the Examiner's cited portions of Yee disclose "two different wagers made on the same spin of a roulette wheel" and "two wagers over two different spins of a roulette wheel," such that claim 1 is allegedly allowable over Yee. *Id.*

On April 17, 2023, the Patent Office allowed all of the claims. *Id.*, 143-52. In the Notice of Allowance, the Examiner copied his reasons for allowance of the '024 and '014 patents nearly verbatim, again reaching the erroneous conclusion that the claims are patentable over Yee because Yee's "ball dropping into the position is the random generation," whereas the claimed random selection is "made by the processor rather than merely depending on the random location of the ball stopping":

> Generally speaking the "position" being selected in this portion of Claim 1 corresponds to the selection made in box 210 of FIG. 2 of the present application. While this Yee (9:31-10:14) discusses randomly generating a number, it clearly explains that this number would be the number corresponding to a position on a roulette wheel into which a ball drops. That is, the ball dropping into the position is the random generation of a number. The presently claimed random selection for the potential first increased payout is thus made by the processor rather than merely depending on the random location of the ball stopping. This differs from typical roulette play in that it adds more variety to the possible game outcomes and possible higher payouts. See Fig. 2 and Paras. 29 to 38 of the specification. The examiner respects that the applicants may have different reasons for allowance.

*Id.*, 185-86.

The Examiner thus materially erred in allowing the ’371 patent for the same reasons explained above for the ’024 and ’014 patents.

*　　　*　　　*

IPR is warranted so that the Office can address and correct the Examiner’s material errors in allowing the ’024, ’014, and ’371 patents, these errors being prompted by Evolution’s misrepresentations. As detailed further in Section III.D.6 below, the primary prior-art references cited in the petitions, Kido (EX1007) and Baron (EX1008), both disclose a random selection “made by the processor rather than merely depending on the random location of the ball stopping” (EX1012,

186), as does Yee, which is applied in the petitions as a secondary reference. The petitions should accordingly be referred to the Board.

### B. Evolution Cited Almost No Prior Art To The Patent Office During Prosecution

Beyond misrepresenting Yee's disclosure to the Examiner, Evolution committed further misconduct during prosecution by failing to cite relevant prior art. Pursuant to 37 C.F.R. § 1.56, "[e]ach individual associated with the filing and prosecution of a patent application has a duty of candor and good faith in dealing with the Office, which includes a duty to disclose to the Office all information known to that individual to be material to patentability." Here, the duty-bound individuals involved in the prosecution of the '024, '014, and '371 patents cited almost no prior art to the Patent Office during prosecution. EX2018, 55-58. This favors referral.

Specifically, the named inventor of the Asserted Patents, Mr. Todd Haushalter, has been Chief Product Officer at Evolution since August 2015, continuing to the present day. *Id.*, 56. In his capacity as Chief Product Officer, Mr. Haushalter is "[r]esponsible for the overall product and marketing strategy" and is "the chief inventor, motivator and activist for [Evolution's] games" (*id.*):

**Chief Product Officer**
Evolution Gaming
Aug 2015 - Present · 9 yrs 2 mos
Malta

Responsible for the overall product and marketing strategy and the chief inventor, motivator and activist for the games. Keep the teams laser-focused on ensuring our product is constantly evolving. Foster and push a culture of constant innovation. Ensure the games are easily understood by all new players, while continually evolving and appealing to the most aggressive players. Optimize for all mobile devices and desktop so games can be enjoyed any time any place with equally high quality. In short, think about the player first and make games players will love.

Ensure the timely delivery of the product roadmap. Push a culture that operates more on data and less by feel and work closely with business intelligence and risk departments to gain deeper insights into how we can improve games and protect them from advantage play. Constantly challenge the roadmap and reprioritise based on industry trends and company needs.

Above all, offer a product that our players will love, will make our operators successful, and will further separate us from the competition.

*Id.*

Mr. Haushalter and the other duty-bound individuals cited no prior art at all to the Office during the prosecution of the ’024 Patent. EX1005; EX1006. In the prosecution of the ’014 Patent, Mr. Haushalter and the other duty-bound individuals did not cite any new prior art to the Office, instead filing an Information Disclosure Statement (IDS) that only listed documents of record in the earlier-filed application for the ’024 Patent. EX1001; EX1002, 72-73. Likewise, in the prosecution of the ’371 Patent, Mr. Haushalter and the other duty-bound

individuals only cited Office Actions and a Notice Allowance from the prosecutions of the ’024 and ’014 Patents. EX1011; EX1012, 100.

It is not credible that Mr. Haushalter, in his role as Chief Product Officer for Evolution—responsible for “offer[ing] a product that … will further separate us from the competition”—was not aware of any information material to patentability beyond that cited by the Office during the prosecutions of the Asserted Patents. As established in Section II.A above and throughout the IPR petitions, the concept of randomly selecting a roulette position and increasing the payout for that position was well-known in the art as of the claimed February 5, 2018 priority date of the Asserted Patents. A person in Mr. Haushalter’s position would have been aware of prior art teaching this concept. The failure of Mr. Haushalter and the other duty-bound individuals to cite relevant prior art to the Office during examination supports referral.

### C. Evolution Has Not Developed Settled Expectations.

#### 1. The ’024, ’014, And ’371 Patents Have All Been In Force For Five Years Or Less.

Neither the parties nor the public have developed settled expectations as to the ’024, ’014, and ’371 patents. These patents issued in 2020, 2021, and 2023, respectively, and the Director has repeatedly recognized the lack of settled

expectations for patents of a similar vintage.[5] And as detailed below, the '024, '014, and '371 patents have had a cloud over them since March 2022, when L&W informed Evolution "that all of the claims of the … asserted patents are invalid under at least Sections 102 and 103 of the Patent Act" and "directed to patent-ineligible subject matter in violation of Section 101," dispelling any expectations as to the patents' alleged validity. EX2016, 2.

#### 2. The Parties' Agreement, In Force For Less Than 5 Months, Did Not Give Rise To Settled Expectations.

On March 29, 2021, less than one year after the '024 patent had issued and before issuance of the '014 and '371 patents, L&W and Evolution entered into an Agreement under which L&W would develop and manufacture a physical game table for Evolution's Lightning Roulette game. EX1015, 12. Under the Agreement, Evolution granted L&W an exclusive license to the Asserted Patents, "but only for purposes of developing a physical Lightning Roulette game table." EX2017, 8. Less than five months later, in August 2021, L&W decided "not to deploy felt-based Lightning Roulette" because doing so "no longer fit within [L&W's] strategic plan." EX2016, 1. L&W promptly communicated its decision

[5] *See*, *e.g.*, *Yealink Network Tech. Co., Ltd. v. Barco NV*, IPR2025-00491, Paper 18 at 3 (June 25, 2025) (no settled expectation of validity for patent issued in 2020); *Cambridge Indus. USA, Inc. v. Applied Optoelecs., Inc.*, IPR2025-00434, Paper 11 at 2-3 (June 26, 2025) (no settled expectation of validity for patents issued in 2019 and 2020).

to Evolution, "so that Evolution would have ample opportunity to terminate the Agreement and partner with another licensee." *Id.*

The parties' abbreviated, 5-month business agreement, ending in August 2021 was far too short an amount of time for any settled expectations to have developed.

#### 3. The Ensuing Dispute And Lawsuit Did Not Give Rise To Settled Expectations

The parties' subsequent dispute further dispels any notion that there were settled expectations as to the alleged validity and enforceability of the ’024, ’014, and ’371 patents. On February 28, 2022, six months after L&W decided to not deploy felt-based Lightning Roulette, Evolution wrote a letter accusing L&W of infringing the ’024 and ’014 patents. EX2015, 11. Just weeks later, on March 17, 2022, L&W informed Evolution that the ’024 and ’014 patents are invalid under Sections 101, 102, and 103. EX2016, 2. From that point, less than 2 years after issuance of the ’024 patent and only 10 months after the ’014 patent issued, Evolution could have no expectation as to the validity and enforceability of these patents. The parties' subsequent exchange of letters, ending in April 2024 just before Evolution filed suit in May 2024, further established the cloud over the patents, with L&W continuing to maintain that the patents are invalid.

On May 28, 2024, Evolution sued L&W for alleged infringement of the ’024, ’014, and ’371 patents and trade secret misappropriation. EX1015. Less than two months later, on July 24, 2024, L&W filed a motion to dismiss the patent claims as being invalid under Section 101. EX1062. Then, on November 12, 2024, less than 6 months after Evolution’s complaint was filed, L&W provided detailed invalidity and unenforceability contentions for the Asserted Patents. EX2018. The contentions reiterated the patents’ invalidity under Sections 101, 102, and 103, consistent with L&W’s Rule 12(b)(6) motion and previous statements to Evolution. *Id.*, 6-41. L&W’s contentions further detailed why the patents are invalid under Section 112 and unenforceable due to inequitable conduct. *Id.*, 41-61.

L&W’s invalidity and unenforceability contentions also stated that L&W would be filing IPR petitions against the ’024, ’014, and ’371 patents: “Defendants intend to petition for *inter partes* review (IPR) of the Asserted Patents before the PTO. The IPR petitions are expected to challenge all of the Asserted Claims of the Asserted Patents based on one or more of the prior art references disclosed herein.” *Id.*, 61. At this point, the ’024, ’014, and ’371 patents had only been in force for approximately 4.5, 3.5, and 1.25 years, respectively. L&W made good on its promise on May 30, 2024 by filing IPR petitions against all three

patents, further dashing any alleged expectation as to the patents' validity and enforceability.

In sum, there are no settled expectations as to the validity and enforceability of the '024, '014, and '371 patents. These patents have been in force for short amounts of time (approximately 5, 4, and 2 years, respectively), and L&W informed Evolution of the patents' invalidity back in 2022, during the infancies of the '024 and '014 patents and before the '371 patent had issued. The parties' subsequent dispute further cemented the cloud over the patents as to their validity. As detailed below, none of Evolution's arguments establish settled expectations.

#### 4. Evolution's Arguments Do Not Establish Settled Expectations.

*First*, Evolution argues that L&W had actual or constructive knowledge of the '024, '014, and '371 patents yet failed to seek early review of them. PO Req., 14-16. But the patents have only been in force for approximately 5, 4, and 2 years, respectively, and L&W's IPR challenges were therefore "early." *See*, *e.g.*, *Yealink Network Tech*., IPR2025-00491, Paper 18 at 3 ("In addition, the challenged patent issued recently, in 2020. Early challenges to patents favor robust, predictable patent rights and weigh against discretionary denial.") (internal citation omitted); *OnePlus Tech. (Shenzhen) Co., Ltd. v. Pantech Corp*., IPR2025-00762, Paper 12 at 2 (Sept. 12, 2025) ("[T]he patent challenged ... has not been in force for a

significant amount of time (issued in 2020). Early challenges favor robust, predictable patent rights and weigh against discretionary denial.”).

None of Evolution’s cases suggest the development of settled expectations under facts similar to those present here. In *Google LLC v. Soundclear Techs., LLC*, the challenged patents had been in force for approximately 10 years, and the petitioner had knowledge of them for nearly 6 years before filing IPR petitions. IPR2025-00344, Paper 15 at 2-3 (Aug. 4, 2025). In *iRhythm Techs., Inc. v. Welch Allyn, Inc.*, the patents had been in force since as early as 2012, and the petitioner had knowledge of them since 2013. IPR2025-00363, Paper 10 at 3 (June 6, 2025). And in *Nvidia Corp. v. Neural AI, LLC*, the petitioner received notice of the patent owner’s portfolio in 2017. IPR2025-00606, Paper 16 at 2-3 (July 31, 2025). These cases do not indicate the development of settled expectations as to Evolution’s patents (just 5, 4, and 2 years old at the time of the petitions’ filings), and none of Evolution’s cases involve material error by the Examiner, as present here. Evolution’s cases also do not involve a petitioner putting the patent owner on notice of a patent’s invalidity very early in the patent’s lifetime, as is the case here.

*Second*, Evolution argues that it is inequitable “to consider an IPR petition from L&W against a patent family it previously licensed.” PO Req., 17. But Evolution’s license to Evolution’s patents lasted less than 5 months, far too short an amount of time for Evolution to have developed settled expectations. And

L&W's received the license to facilitate the parties' business venture and "only for purposes of developing a physical Lightning Roulette game table"—not because L&W believed the patents to be valid. EX2017, 8. Such facts are far afield from those of Evolution's cited cases. In *RegenX Science, Inc. v. NextGen Biologics, Inc.*, the petitioner held a license to the patents for 8 years and also had the "right to monitor and provide optional input in the prosecution of the challenged patents." IPR2025-00620, Paper 13 at 2 (July 31, 2025). L&W received no such right here, and its five-month license is not comparable to the 8-year license of *RegenX.*

In *Microsoft Corp. v. Dialect LLC*, the petitioner's subsidiary owned and maintained the challenged patents from 2015 to 2021 and then retained a license to the patents after selling them. IPR2025-00659, Paper 12 at 2 (Aug. 14, 2025). Further, the patents had been in force for between 8-15 years at the time of the IPR filings. *Id.*, 2-3. Here, Evolution's patents are much younger, L&W never owned them, and its license only lasted five months. And in *Microsoft Corp. v. TS-Optics Corp.*, the patent had been in force for 17 years, 7 of which the petitioner held a license. IPR2025-00767, Paper 13 at 2 (Aug. 14, 2025). None of Evolution's cases suggest that a brief, 5-month license for the purpose of fulfilling a contractual obligation to the patentee results in settled expectations. L&W's license was to facilitate the parties' business venture and not based on any

evaluation of the patents' merits. A reasonable patent owner would have no such expectations under these facts.

*Third*, Evolution argues (at 18) that settled expectations can develop despite the '024, '014, and '371 patents all being in force for five years or less, citing *Nvidia Corp. v. Neural AI, LLC,* IPR2025-00606, Paper 16 (July 31, 2025). But the young patent at issue in *Nvidia* was a 2023 reissue of a patent originally issued in 2015, and the petitioner had notice of the original patent since 2017. *Id.*, 2-3. The circumstances that led the Director to find settled expectations for the 2023 reissue patent are not present here, with L&W having notice of the '024 patent no earlier than 2020.

*Finally*, Evolution argues that its investments in "developing, marketing, and getting approval for Lightning Roulette and other products that embody the challenged claims" support settled expectations. PO Req., 19. But any such investments after March 17, 2022 do not support a claim of settled expectations. On that date, less than 2 years after issuance of the '024 patent and only 10 months after the '014 patent issued, L&W put Evolution on notice that the '024 and '014 patents are invalid. EX2016, 2. Any subsequent investment by Evolution was made with full awareness of the substantial cloud over the patents' validity. Under these circumstances, Evolution cannot claim that its post-notice activities create settled expectations that would support discretionary denial.

### D. The *Fintiv* Factors Favor Referral.

The parallel district court proceeding does not support discretionary denial. The litigation is currently stayed, and there is no trial date (indeed, no case schedule at all). Accordingly, and given the District of Nevada's median-time-to-trial of 59.6 months (nearly 5 years), the Board's FWDs will almost certainly issue before any trial occurs. EX1066, 73. For these reasons and those below, the *Fintiv* factors favor referral.

#### 1. Factor 1, "evidence exists that [a stay] may be granted if a proceeding is instituted," favors referral.

As Evolution concedes (at 12), the district court case is stayed until at least January 16, 2026, which supports referral. *See*, *e.g.*, *Advanced Micro Devices, Inc. v. Concurrent Ventures, LLC*, IPR2025-00479, Paper 10 at 2 (July 10, 2025) (referring petition when the "co-pending district court litigation has been stayed pending the completion of venue discovery and the district court resolving the defendants' Opposed Motion to Transfer Venue"); *Western Digital Techs., Inc. v. Godo Kaisha IP Bridge 1*, IPR2025-00701, Paper 9 at 2 (Aug. 14, 2025) (referring petition when "the parallel district court proceeding involving the parties has been stayed").

The Board's institution decisions are due by December 24, 2025, and, should IPR be instituted, L&W will move to extend the district court stay—a type

of motion that the District of Nevada has frequently granted. *See*, *e.g.*, *FaceTec, Inc. v. iProov, Ltd.*, No. 2:21-CV-02252, Dkt. 188 (D. Nev. June 18, 2025) (staying both patent and non-patent claims in view of instituted IPRs); *Unwired Planet LLC v. Google Inc.*, No. 3:12-cv-00504, 2014 WL 301002, at *4-8 (D. Nev. Jan. 27, 2014) (granting partial stay as to patents for which post-grant proceedings were instituted); *Applications in Internet Time, LLC v. Salesforce.com, Inc.*, No. 3:13-cv-00628, Dkt. 82 at 6-7 (D. Nev. June 14, 2016) (granting stay in view of instituted IPRs and noting the "nearly uniform pattern of staying a case once the PTAB has instituted inter partes review proceedings").

Evolution speculates that "the court is not likely to grant a further stay" (PO Req., 29), but neither party has requested a stay pending these IPRs, and the Board "decline[s] to infer … how the District Court would rule" on a stay motion under such circumstances. *Apple, Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 12 (May 13, 2020) (Informative).

#### 2. Factor 2, proximity of the "trial date to the Board's projected statutory deadline for a final written decision," favors referral.

The projected statutory deadline for the FWDs in these IPRs is December 24, 2026, and there is no trial date in the district court proceeding. With the district court case being stayed until at least January 16, 2026, and the District of Nevada's median-time-to-trial of 59.6 months (nearly 5 years), the FWDs will

almost certainly issue before any trial. EX1066, 73. Evolution does not argue otherwise. Accordingly, "there is no immediate concern of inconsistent outcomes or duplication of efforts resulting from the two proceedings operating in parallel." *See*, *e.g.*, *Godo Kaisha*, IPR2025-00701, Paper 9 at 2. This factor therefore strongly favors referral.

#### 3. Factor 3, "investment in the parallel proceeding," favors referral.

This factor also strongly favors referral because the litigation is still in its infancy. Although the parties have briefed Section 101 and exchanged invalidity and infringement contentions, there have been no depositions, no work on claim construction, and no expert reports. L&W has not yet filed an answer, fact discovery is currently stayed, and there is no case schedule and no trial date. The minimal investment in the litigation favors referral. *See*, *e.g.*, *Tesla, Inc. v. Autonomous Devices, LLC*, IPR2023-01172, Paper 21 at 8-9 (Jan. 8, 2024) (finding that few district court resources had been dedicated to the patentability of the challenged patent when fact discovery was still ongoing, expert discovery had not started, and no claim construction order had issued, among other factors); *Advanced Micro Devices*, IPR2025-00479, Paper 10 at 2 (referring petition where "[t]he co-pending district court litigation has been stayed … [and] [t]he district court also cancelled the scheduled *Markman* hearing").

Further, as the district court recognized, "the parties have conducted little affirmative discovery." EX2023, 1. Per the court's November 7, 2024 order, the parties have engaged only in written discovery, with "[e]xpert disclosures and depositions" being "held in abeyance." EX2020, 4; *see* Section II.C above. Each side has served and responded to two sets of requests for production and interrogatories, but additional written discovery remains to be completed. While the parties have disclosed custodians, non-custodial repositories, and negotiated ESI search terms relevant to the originally asserted patents, the parties have not produced discovery from the search terms applied to the agreed upon custodians. EX1065, 3.

And, significantly, the most burdensome tasks of the district court litigation—including claim construction, dispositive motions, trial preparation, and trial—remain to be completed. *See Smartflash v. Apple Inc.*, 621 F. App'x 995, 1005 (Fed. Cir. 2015) ("Despite the substantial time and effort already spent in this case, the most burdensome task"—the trial—"is yet to come."); *CyWee Grp. Ltd. v. Samsung Elecs.*, No. 17-CV-00140, 2019 WL 11023976, at *6 (E.D. Tex. Feb. 14, 2019) ("even after the completion of claim construction and most of the discovery in the case, the most burdensome part of the case, for both the parties and the court, is the period immediately before, during, and after trial.").

Evolution complains that L&W filed multiple motions to dismiss under Section 101 and waited nearly a year after being sued to file its IPR petitions. PO Req., 21-22. But the multiple motions to dismiss were a problem of Evolution's making, and L&W's IPR challenges do not reflect eleventh-hour petitions timed to gain some unfair tactical advantage. Specifically, on July 24, 2024, L&W filed its motion to dismiss the patent claims of the original complaint under Section 101. EX1062. Believing that Evolution's patent claims should be dismissed, L&W waited to prepare IPR petitions against the asserted patents, reasoning that IPRs would be an inefficient use of resources if the patents were held invalid under Section 101.

Following a seven-month wait, on February 11, 2025, the district court granted L&W's motion to dismiss but did so without prejudice and with leave to amend. EX1022, 16. The district court also referred the matter to the magistrate judge for a settlement conference scheduled for April 9, 2025, stating that if "Evolution elects to file an amended complaint, it must do so within fourteen days of the conclusion of the settlement conference." *Id.* Hoping that the dispute could be resolved at the settlement conference, L&W continued to hold off on preparing IPR petitions. No settlement was reached, and the next day, on April 10, 2025, Evolution filed the FAC re-asserting the '024, '014, and '371 patents and also

sought leave to file a SAC adding additional asserted patents and accused products. EX1023; EX1063.

With the 1-year bar date of June 3, 2025 fast approaching and no guarantee that Evolution's patents would ultimately be held invalid by the district court, L&W worked diligently to prepare and file IPR petitions totaling over 240 pages and challenging all 65 of the asserted claims of the '024, '014, and '371 patents. L&W engaged a technical expert who investigated and analyzed the prior art, and submitted a comprehensive declaration totaling 339 pages in support of the three IPRs. That this effort took time is unsurprising and does not reflect gamesmanship or unnecessary delay on L&W's part. At the same time, L&W continued to challenge the patents' validity under Section 101, filing a motion to dismiss the FAC on May 15, 2025. EX1064. And after the Court granted Evolution leave to file the SAC, L&W filed a motion to dismiss the SAC. EX2024.

Thus, it was Evolution that prompted the "multiple motions to dismiss" and these IPRs. Had Evolution accepted the court's ruling that the '024, '014, and '371 patents are invalid under Section 101 and withdrawn its patent claims from the litigation, Evolution could have avoided L&W's additional motions to dismiss and these IPR petitions. With Evolution continuing to assert its patents even after the court's initial invalidity ruling, and with L&W having no guarantee that court will render a final judgment of invalidity, Evolution cannot be heard to complain that

the IPRs are unfair or unwarranted. And as explained above, the timing of L&W's IPR petitions was driven by a desire to avoid unnecessary expenditure of resources, not to delay or gain some tactical advantage.

Evolution argues (at 29-32) that discretionary denial is appropriate in view of the court's initial holding that the '024, '014, and '371 patents are invalid under Section 101, citing *Hulu, LLC v. Piranha Media Distribution, LLC*, IPR2024-1252, Paper 27 (Apr. 27, 2025) (informative), *Highlevel, Inc. v. Etison LLC*, IPR2025-00235, Paper 11 at 6 (June 2, 2025), and *Google LLC v. TJTM Technologies, LLC*, IPR2025-00586, Paper 12 (Aug. 14, 2025). These cases are inapposite: In each, the district court dismissed the patent claims *with prejudice*, and the patent owners proceeded to file Federal Circuit appeals. Here, by contrast, the district court's dismissals were without prejudice and with leave to amend, and Evolution accordingly proceeded to file its FAC and SAC, as detailed above. Under these circumstances, with Evolution continuing to assert the '024, '014, and '371 patents, the district court's prior invalidity holding should not be a free pass to avoid IPR.

Moreover, Evolution should not be permitted to wield Section 101 as both sword and shield: Because Evolution argues in the district court that the '024, '014, and '371 patents are *not* invalid under Section 101, it cannot now invoke the district court's initial holding of invalidity under Section 101 as a reason for

discretionary denial. The Director should reject this inconsistent posture and refer L&W's petitions to the Board notwithstanding the non-final Section 101 decision.

#### 4. Factor 4, "overlap between issues raised in the petition and in the parallel proceeding," favors referral.

Factor 4 weighs in favor of referral because Petitioner provided a *Sotera* stipulation, which "mitigates any concerns of duplicative efforts between the district court and the Board, as well as concerns of potentially conflicting decisions." Ex. 2026. *Sotera Wireless v. Masimo*, IPR2020-01019, Paper 12 at 18-19 (Dec. 1, 2020) (Precedential as to § II.A) (such stipulations "weigh[] strongly in favor of not exercising discretion to deny institution under 35 U.S.C. § 314(a)").

Evolution complains that L&W's *Sotera* stipulation does not give up reliance on system prior art. PO Req., 24-25. But since "the present case does not involve 'substantial investment' in the District Court Litigation per *Fintiv* factor 3 … even discounting the weight of [L&W's] *Sotera* stipulation as the Director did [in *Motorola*, IPR2024-01205, Paper 19], … the *Fintiv* factors as a whole indicate that the efficiency and integrity of the patent system are best served by instituting review." *Liberty Energy, Inc. v. U.S. Well Svcs., LLC*, IPR2025-00031, Paper 9 at 18-19 (Apr. 29, 2025); *see also Nikon Corp. v. Optimum Imaging Techs., LLC*, IPR2024-01374, Paper 19 at 20-22 (Apr. 29, 2025) ("even considering the

presence of system art as a mitigating factor in favor of Patent Owner, we still find that the *Sotera* stipulation significantly reduces the overlap between the district court litigation and this IPR"). Moreover, the system art that L&W relies on is not related to the references asserted in the IPR and therefore does not present concerns about overlap.

#### 5. Factor 5, "whether the petitioner and the defendant in the parallel proceeding are the same party," is neutral.

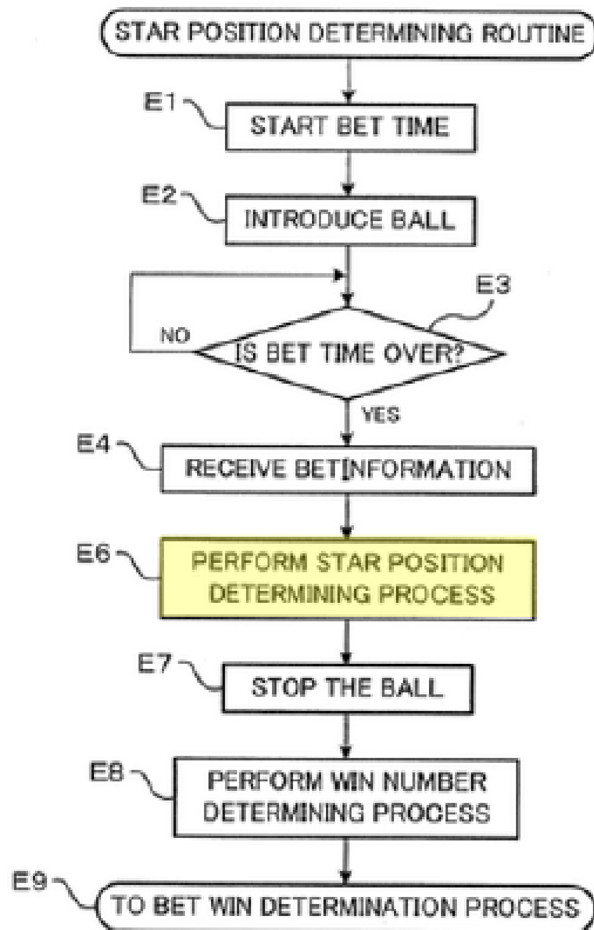
When the IPR petitioner and the defendant in the parallel proceeding are the same party, this "adds little if anything to the discretionary denial analysis." *Aylo Freesites Ltd. f/k/a MG Freesites Ltd. v. WellcomeMat, LLC*, IPR2024-00710, Paper 13 at 17-18 (Sept. 5, 2024). Such overlap is commonplace and does not itself favor denial "unless the petitioner is not named as a defendant (or declaratory judgment plaintiff) in parallel district court patent litigation." *Id.* Here, Petitioner L&W is a defendant in the related litigations, and this factor is therefore neutral and adds little to the discretionary denial analysis.

#### 6. Factor 6, "other circumstances that impact the Board's exercise of discretion, including the merits," favors referral.

Factor 6 weighs in favor of referral because the petitions present strong merits. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 14-15 (Mar. 20, 2020) (Precedential) ("[I]f the merits of a ground raised in the petition seem particularly strong on the preliminary record, this fact has favored institution.").

Evolution does not identify any substantive deficiencies in the petitions, which address each challenged claim limitation with clear and specific disclosures, including the allegedly novel features. As detailed above, the Examiner allowed the '024, '014, and '371 patents because the applied prior art (Yee, EX1009) allegedly only discloses random number generation via "the ball dropping into [a] position," and does not disclose a processor-based random number selection occurring "prior to the ball falling into a position on the roulette wheel," as claimed. EX1002, 83; EX1006, 93; EX1012, 185-86. The Examiner materially erred in reaching this conclusion, but in any case, the petitions' primary references, Kido and Baron, both disclose this limitation.

Kido discloses, for example, a CPU 81 that randomly selects a roulette position for enhanced payouts "after the bet receiving time is over," but before "the ball rolled in the roulette unit is stopped" (EX1007, ¶¶[0114], [0250], [0265]). This can be seen in Kido's Figure 14, which shows that the CPU 81's random selection of a position for the star mark 88 in step E6 occurs before the ball is stopped at step E7, i.e., "prior to the ball falling into an outcome position on the roulette wheel," as claimed:




*Id.*, Fig. 14; *see also* ¶[0114].

Baron likewise discloses randomly selecting roulette positions prior to the ball falling into an outcome position on the roulette wheel. Baron explains that its processors "randomly generate one or more roulette outcomes … at the close of wagering or at the beginning of a new round of play." EX1008, ¶[0088]. In any of these sequences in Baron, the roulette outcomes are randomly generated prior to the ball falling into a position on the roulette wheel. EX1003, ¶¶[0473]-[0475].

### E. Evolution's Trade Secret Misappropriation Claims Do Not Provide A Basis For Discretionary Denial.

Evolution argues that discretionary denial is appropriate because its patent and trade secret misappropriation claims should be considered together in the district court. PO Req., 32. But even if the Director were to discretionarily deny the petitions, it is not clear that the patent and trade secret claims would be tried together because L&W has moved to compel arbitration of the trade secret claims. EX1067.

Moreover, the invalidity of the asserted patents based on "patents and printed publications"—as will be considered by the Board and removed from the district court matter upon IPR institution pursuant to L&W's stipulation—has *no overlap* with Evolution's trade secret misappropriation claims. This is evident from L&W's IPR petitions, which make no mention of Evolution's trade secret misappropriation claims or its "math files" constituting the alleged trade secrets. Evolution's math files and L&W's alleged misappropriation of them are simply not relevant to the patent claims' invalidity over patents and printed publications, and no efficiencies would be gained by keeping these invalidity theories before the district court. To the contrary, resolving these theories at the Board will simplify issues for trial at the district court.

More generally, there is minimal, if any, overlap between Evolution's patent and trade secret misappropriation claims. Trade secret misappropriation is a separate cause of action than patent infringement, governed by different legal standards and remedies. The primary issues for Evolution's patent infringement claims include the technical functionality and structure of L&W's accused products and the state of the art relative to Evolution's patent claims. Such issues are unrelated to Evolution's development of its math files, its measures to secure and protect those files, and L&W's alleged unauthorized use of those files. *See XpandOrtho, Inc. v. Zimmer Biomet Holdings, Inc.*, No. 3:21-cv-00105, 2022 WL 18110171, at *8 (S.D. Cal. Nov. 22, 2022) (granting plaintiffs' motion to sever and transfer the patent infringement counterclaim because "[t]he elements of Plaintiffs' trade secret, tort, and copyright claims require different factual proof than that of patent infringement").

Evolution (at 33) cites *Sig Sauer Inc., v. Lone Star Future Weapons, Inc.* as allegedly supporting its position. IPR2025-00410, Paper 13 (June 26, 2025). But the reason the Director found discretionary denial appropriate in *Sig Sauer* was because the patent had "issued over 10 years ago," so "Patent Owner's settled expectations weigh in favor of discretionary denial." *Id.*, 2. The Director did not discretionarily deny in *Sig Sauer* to enable patent and trade secret misappropriation claims to be considered together. Moreover, in *Sig Sauer*, there was a "persuasive

argument that the filing of the Petition [was] inappropriate." *Id.*. "Petitioner [in *Sig Sauer*] filed its Petition after Patent Owner filed a trade secret misappropriation suit against Petitioner in district court, which did not involve the challenged patent." *Id.* The Director cited the patent owner's discretionary denial briefing where the patent owner argued that the petitioner had no reasonable apprehension of being sued for infringing the challenged patent, and that the timing of the IPR was gamesmanship to apply pressure to the patent owner. *Id.* Those are not the facts here. Evolution sued L&W for infringing the '024, '014, and '371 patents, and L&W responded appropriately by timely filing IPR petitions against those patents. And the timing of L&W's IPR petitions was not gamesmanship, as detailed in Section III.D.3 above.

Evolution also accuses L&W of engaging in "unfair dealings" by "taking a license to [the asserted] patents[,] … terminating the license without making even one table for Evolution, and then instead launching an infringing product." PO Req., 34. These accusations are baseless. As detailed above, L&W had legitimate reasons for deciding to terminate the Agreement with Evolution, and L&W "promptly communicated [its] decision to [Evolution], so that Evolution would have ample opportunity to terminate the Agreement and partner with another licensee." EX2016, 1. These are not unfair dealings; L&W acted in accordance with its contractual rights and standard business practices.

Further, L&W did not seek to "unilaterally" terminate the agreement. After informing Evolution of its decision to not deploy felt-based Lightning Roulette in August 2021, L&W proposed amendments to the Agreement in August, September, and December 2021, pursuant to which the parties would mutually terminate the Agreement. *Id.* Evolution declined to agree to the proposed amendments.

## IV. CONCLUSION

L&W respectfully requests that the Director refer the petitions to the Board.

Dated: September 24, 2025

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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies the foregoing document, PETITIONER'S OPPOSITION TO REQUEST FOR DISCRETIONARY DENIAL, and Exhibits 1062-1067 were served via electronic mail on the date below, upon the following:

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**CERTIFICATE OF WORD COUNT UNDER 37 C.F.R. § 42.24(a)**

I, the undersigned, do hereby certify that the attached PETITIONER'S OPPOSITION TO REQUEST FOR DISCRETIONARY DENIAL contains 8,588 words, as measured by the Word Count function of Microsoft Word. This is less than the limit of 14,000 words as specified by 37 C.F.R. § 42.24 and the March 26, 2025 "Interim Processes for PTAB Workload Management" memorandum.

Respectfully submitted,

Dated: September 24, 2025

*/Joshua R. Nightingale/*

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