UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GSN Games, Inc., f/k/a Worldwinner.com, Inc.

Petitioner,

v.

Arcade Planet, Inc.

Patent Owner.

U.S. Patent No. 5,816,918
Filing Date: November 14, 1996
Issue Date: October 6, 1998
Title: Prize Redemption System for Games

Covered Business Method Case No. (Pending)

DECLARATION OF WILLIAM K. BERTRAM, PH.D.

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I, Dr. William K. Bertram, declare as follows:

1. I have been retained by Knobbe, Martens, Olson & Bear, LLP ("Knobbe Martens") on behalf of GSN Games, Inc. ("GSN"), to provide my opinion regarding the validity or invalidity of claims 1, 15-22, 24, 25, 28, 32-34, 39, 73-75, 77 of U.S. Patent No. 5,816,918 ("the '918 Patent").

2. My time in connection with this matter is being billed at my customary consulting rate of $390 per hour. My compensation is not contingent on the outcome of this matter or the specifics of my testimony. The fact that I am being compensated has not altered the opinions I have given or will give in this case.

3. Since 1997, I have been President and founder of WKB Associates, providing engineering development, mathematical analysis, and consulting services for the gaming industry. I am very familiar with the gaming industry and have experience with many types of games and game equipment, including those described in the '918 Patent.

4. I have attached a copy of my CV to this declaration. As detailed in my CV, I have worked in the gaming industry for over 32 years as an employee and a consultant. I received my Ph.D. degree in physics from the University of Michigan and spent several years in the academic world conducting research in high-energy electromagnetic interactions while on the faculty at the Massachusetts

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Institute of Technology, in Cambridge, MA. While working in the gaming business, I have had fifteen patents issued, many of which are related to gaming. I have also served as a technical expert in numerous patent infringement and trade secret cases, including in cases before the P.T.A.B.

5. In preparing this declaration, I reviewed the ’918 Patent and its file history.

6. I understand that GSN will include all the documents I identified above as exhibits to its petition for covered business method patent review in this matter.

7. In forming my opinion, I have relied upon my experience, education and knowledge related to gaming machine systems. GSN’s counsel has also explained certain legal principles to me that I have relied upon.

8. I understand that my opinion must be undertaken from the perspective of what would have been known or understood by a person having ordinary skill in the art at the time of the filing of the ’918 Patent in November of 1996. From analyzing the’918 Patent and the prior art, it is my opinion that a person having ordinary skill in the art for the ’918 Patent would have had a technical degree, such as a Bachelor of Science degree in either science or engineering, and at least two years of experience designing and developing gaming machine systems, or equivalent training or industry experience. A person with education in and

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experience using general principles of engineering and computers would have ordinary skill in the technological area of the ‘918 Patent. A person who had worked in the gaming machine industry for a couple of years would have ordinary skill in the subject matter of the ‘918 Patent.

9. With over 32 years of experience with gaming machines and the gaming industry, I am well acquainted with the level of ordinary skill required to implement the subject matter of the ’918 Patent. My opinion regarding the ’918 Patent in this declaration is from the perspective of a person having ordinary skill in the art.

10. GSN’s counsel has informed me that, in a covered business method patent review, the claims of the ’918 Patent are to be given their broadest reasonable constructions in light of the specification of the ’918 Patent.

11. I understand that a patent claim is invalid under 35 U.S.C. § 101 if it claims a law of nature, natural phenomenon, or an abstract idea. I further understand that a patent claim would be ineligible for patent protection, and therefore invalid under 35 U.S.C. § 101, if it claims a “building block of human ingenuity,” or if it merely recites a generic computer implementation of an abstract idea. I further understand that a patent claim is invalid under 35 U.S.C. § 101, if, setting aside any insignificant computer-based or field of use limitations, the claim is directed solely to an abstract idea. Limiting an abstract idea to a single field of

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use or adding token post-solution elements does not make an abstract concept patentable.

12. I understand that a patent claim involving an abstract idea must contain "other elements or combination of elements, sometimes referred to as an 'inventive concept,'" that are "sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [abstract idea] itself." I understand that an abstract idea with nothing more than "well-understood, routine, conventional activity" added is not patentable. Similarly, merely requiring a generic computer implementation fails to transform an abstract idea into a patent-eligible invention.

13. I also understand that the "machine or transformation" test can be an important tool in determining the patent eligibility of claims. The "machine or transformation" test examines whether the claims are tied to a particular machine or apparatus, or transform a particular article into a different state or thing. If neither, then the test points to unpatentability.

14. I further understand that in determining whether a patent claim recites patentable subject matter, the claim must be considered as a whole.

15. I understand that a general purpose computer is not a "particular machine or apparatus" under this test.

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