United States District Court,
D. Nevada.

**SHUFFLE MASTER, INC,**
Plaintiff.
v.
**Yehia AWADA and Gaming Entertainment, Inc,**
Defendants.

No. 2:04-CV-0980-BES-PAL

**Nov. 16, 2007.**

Barry F. Irwin, Kirkland & Ellis LLP, Chicago, IL, Paul D. Collier, Kirkland & Ellis, Los Angeles, CA, Donald J. Campbell, J. Colby Williams, Campbell & Williams, Las Vegas, NV, for Plaintiff.

## ORDER

BRIAN E. SANDOVAL**, District Judge.**

Presently before this Court is an Order (# 153) of Magistrate Judge Peggy A. Leen, entered on September 28, 2007. Defendants filed their Objections to Magistrate's Order (# 154) on October 9, 2007 and Plaintiff filed an Opposition to Defendants' Objections (# 160) on November 2, 2007.

## I. BACKGROUND

This case arises out of a patent dispute between Shuffle Master, Inc. ("Shuffle Master") and Yehia Awada and Gaming Entertainment, Inc. (collectively "Defendants"). Shuffle Master is the owner of United States Patent Nos. 6,273,424 ("the '424 patent") and 6,698,759 ("the '759 patent"), which generally involve methods of playing casino wagering games. Defendants have developed and offered for sale a game called 3-5-7 Poker, which allegedly involves a method of playing a wagering game that infringes Plaintiff's '424 and '759 patents. Specifically, Shuffle Master alleges Defendants have infringed at least thirteen claims of the '424 patent and eight claims of the '759 patent. The parties dispute claim construction for *III* three terms found in the asserted claims of the '424 patent and three terms found in the asserted claims of the '759 patent.

A *Markman* hearing was held on November 21, 2005 before Magistrate Judge Leen to construe the claims at issue. Meanwhile, before a *Markman* Order was issued, Defendants filed a Motion for Summary Judgment (# 136), FN1 in which they seek to invalidate or render unenforceable claims 1, 2, 4, 8, and 21 of the ' 759 patent. Defendants' motion remains before the Court. On September 28, 2007, Magistrate Judge Leen filed an Order (# 153) regarding the construction of the disputed terms and adopted Shuffle Master's proposed claim constructions. Defendants object to each of the Magistrate Judge's recommended claim constructions.

FN1. Although Defendants' Motion for Summary Judgment was docketed as one document, the filing contains four separate summary judgment motions, which Shuffle Master responded to with four separate oppositions filed as document numbers 138, 139, 140, and 141.

## II. ANALYSIS

This Court "may accept, reject, or modify, in whole or in part, the findings or recommendations made by the magistrate." 28 U.S.C. s. 636(b)(1). If a party makes a timely objection to the Magistrate Judge's recommendation, then this Court is required to "make a de novo determination of those portions of the specified findings or recommendations to which objections have been made." Id. De novo review means the court must consider the matter anew, the same as if it had not been heard before and as if no decision previously had been rendered. Ness v. Commissioner, 954 F.2d 1495, 1497 (9th Cir.1992). Thus, although the district court need not hold a de novo hearing, the court's obligation is to arrive at its own independent conclusion about those portions of the Magistrate Judge's findings or recommendation to which objections are made. United States v. Remsing, 874 F.2d 614, 617 (9th Cir.1989). This standard is consistent with that which is applied in the review of claim constructions made pursuant to *Markman*. *See* Shuffle Master v. Vendingdata Corp., 2007 WL 674290, (D.Nev.2007) (citing PC Connector Solutions LLC v. Smartdisk Corp., 406 F.3d 1359, 1362 (2005) ("Claim construction is a question of law that we review without deference.")).

Upon completion of its review of the Magistrate Judge's recommendation, the district court may issue its own findings and conclusions or adopt the findings and conclusions of the Magistrate Judge. 28 U.S.C. s. 636(b)(1); LR IB 3-1. In the event that the latter course is chosen, the findings and conclusions of the Magistrate Judge are treated as those of the district court for the purposes of any appellate issue. PC Connector, Inc., 406 F.3d at 1362 n. 2.

Here, Defendants raise objections with respect to each claim term that was construed by the Magistrate Judge. The Court, upon de novo review, overrules all objections filed by the Defendants because the Magistrate Judge's construction of the disputed terms is supported by principles of patent law and claim construction. Accordingly,

IT IS THEREFORE ORDERED that Defendants' Objections (# 154) are overruled and the Magistrate Judge's Order (# 153) is adopted and accepted without modification.

IT IS FURTHER ORDERED that the parties shall submit supplemental briefing that addresses the affect, if any, that this claim construction ruling has on Defendants' pending summary judgment motions ( *See* # 136) related to the '759 patent. Defendants' Supplemental Briefing on Summary Judgment is due no later than Friday, November 30, 2007. Plaintiff's Response is due no later than Friday, December 7, 2007. Defendants' Reply is due no later than December 14, 2007.

## ***ORDER***

PEGGY A. LEEN**, United States Magistrate Judge.**

This matter was referred to the undersigned for a *Markman* hearing to determine issues of patent claim construction. Markman v. Westview Instruments, Inc., 517 U.S. 370, 390, 116 S.Ct. 1384, 134 L.Ed.2d 577

(1996) (patent claim construction defines the scope of the patentee's rights and is a question of law decided by the court). The Court has considered the arguments of the parties at the November 21, 2005 hearing, as well as the following documents and exhibits: Shuffle Master's Opening Claim Construction Brief for U.S. Patent Nos. 6,273,424 and 6,698,759, Motion and Appendices 1-4 (112-115) in four volumes FN1; Shuffle Master's Memorandum in Opposition to Defendants' Claim Construction Brief for U.S. Patent Nos. 6,273,424 and 6,698,759 (# 124); Defendants' Opening Claim Construction Memorandum (# 106), filed under seal; Declaration of Sheri M. Schwartz in Support to Defendants Opening Claim Construction Memorandum (# 107), filed under seal; Defendants' Reply Brief in Support of Claim Construction (# 110), filed under seal; and Notice of Errata to Defendants' Reply Brief in Support of Claim Construction (# 118), filed under seal.

FN1. Plaintiff originally filed its opening claim construction brief along with the materials that form Appendices 1-4 as Exhibits A-J. ( *See* 103-105.) Plaintiff explains that the new filing contains the exact same Motion and Exhibits A-C, E, and G-J, "slightly modified" versions of Exhibits D and F, and a new Exhibit K. ( *See* Notice of Shuffle Master's Filing Stand-Alone Opening Claim Construction Brief and Substitute Appendices, Including Amended Separately Bound Exhibits D and F, and New Exhibit K, # 117.) One purpose of this new filing was to make the Motion a separate document; however, when the new filing was entered into the court's electronic filing system, the Motion was consolidated into the same electronic document as Appendix 1 (# 112).

## *BACKGROUND*

This is an action brought by plaintiff Shuffle Master, Inc. ("Shuffle Master") for patent infringement. Shuffle Master is the owner of United States Patent Nos. 6,273,424 ("the '424 patent") and 6,698,759 ("the '759 patent"). The patents involve methods of playing a casino wagering game. Plaintiff's Amended Complaint (# 69) alleges that defendants have infringed the '424 and '759 patents. (Amended Compl. para. 19, 25.) Plaintiff alleges defendants have developed and offered for sale a game called 3-5-7 Poker which is a method of playing wagering games that infringes the '424 and '759 patents. Plaintiff seeks statutory monetary damages, prejudgment interest, a finding of wilful infringement, an award of reasonable attorneys' fees and costs, and injunctive relief. ( Id. at para.para. i-vi.)

## *DISCUSSION*

### I. Legal Standard for Claims Construction

Patent infringement analysis involves two steps: (1) "the proper construction of the asserted claim;" and (2) "a determination as to whether the accused method or product infringes the asserted claim as properly construed." Vitronics Corp. v. Conceptronic, Inc., 90 F.3d 1576, 1581-82 (Fed.Cir.1996), *citing,* Markman v. Westview Instruments, Inc., 52 F.3d 967, 976 (Fed.Cir.1995) (en banc), *aff'd,* 517 U.S. 370, 116 S.Ct. 1384, 134 L.Ed.2d 577 (1996). "[T]he court has the power and obligation to construe as a matter of law the meaning of language used in the patent claim." Markman, 52 F.3d at 979. *See also* Affymetrix, Inc. v. Hyseq, Inc., 132 F.Supp.2d 1212, 1218 (N.D.Cal.2001), *citing,* Markman, 517 U.S. 370, 116 S.Ct. 1384, 134 L.Ed.2d 577. In *Markman,* "[t]he Supreme Court also acknowledged that the Court's role was limited to interpreting the contents of the patent as a document, leaving to the jury the interpretation of the construction of the devices alleged to infringe the patent-and that the line drawn between these roles may be a fine one." Chad Industries, Inc. v. Automation Tooling Systems, Inc., 938 F.Supp. 601, 603-04 (C.D.Cal.1996), *citing,* Markman, 517 U.S. at 379. While the proper construction of the claims asserted is a

matter for the court, "claim construction is 'not an obligatory exercise in redundancy' and therefore does not require the court to repeat or restate every claim term." Macrovision Corp. v. Dwight Cavendish Dev. Ltd., 105 F.Supp.2d 1070, 1072 (N.D.Cal.2000). The court's duty at the claim construction stage is only to interpret disputed claims. *Id*. *See also* Wang Labs, Inc. v. Mitsubishi Elect. Amer., Inc., 103 F.3d 1571, 1583 (Fed.Cir.1997).

To construe the disputed claims, "the court should look first to the intrinsic evidence of record, i.e., the patent itself, including the claims, the specification and, if in evidence, the prosecution history." Vitronics, 90 F.3d at 1582. The intrinsic evidence "is the most significant source of the legally operative meaning of disputed claim language." Vitronics, 90 F.3d at 1582. In examining the intrinsic evidence, the court must look first to the words of the claims themselves. Affymetrix, 132 F.Supp.2d at 1218. *See also* Vitronics, 90 F.3d at 1582; Bell Comm. Research, Inc. v. Vitalink Comm. Corp., 55 F.3d 615, 620 (Fed.Cir.1995); North Amer. Vaccine, Inc. v. Amer. Cyanamid Co., 7 F.3d 1571, 1575 (Fed.Cir.1993), *cert. denied,* 511 U.S. 1069, 114 S.Ct. 1645, 128 L.Ed.2d 365 (1994). The plain language of the claim defines the boundaries and scope of the claim. Teleflex, Inc. v. Ficosa North Amer. Corp., 299 F.3d 1313, 1324 (Fed.Cir.2002), *citing,* Bell Comm., 55 F.3d at 619-20. "[T]he language of the claim frames and ultimately resolves all issues of claim interpretation." *Id., quoting,* Abtox, Inc. v. Exitron Corp., 122 F.3d 1019, 1023 (Fed.Cir.1997). It is the claims, not the specification, that "provide the measure of the patentee's right to exclude." Johnson & Johnston Assoc., Inc. v. R.E. Service Co., Inc., 285 F.3d 1046, 1052 (Fed.Cir.2002), *citing,* Milcor Steel Co. v. George A. Fuller Co., 316 U.S. 143, 146, 62 S.Ct. 969, 86 L.Ed. 1332 (1942).

The language of the claims "must be construed objectively, as 'one skilled in the art would construe [it]." Chad Industries, 938 F.Supp. at 608, *citing,* SmithKline Diag. v. Helena Lab Corp., 859 F.2d 878, 882 (Fed.Cir.1988). *See also* Affymetrix, 132 F.Supp.2d at 1218 (words to be given their ordinary and customary meaning unless it is clear from the specification and prosecution history that the inventor intended a different meaning). While examination of the language of the actual claims is the court's first and foremost duty, the court should also interpret the claims in view of the specification. *See* Vitronics, 90 F.3d at 1582; Affymetrix, 132 F.Supp.2d at 1218, *citing,* Renishaw PLC v. Marposs Societa' per Azioni, 158 F.3d 1243, 1250 (Fed.Cir.1998). The court in *Vitronics* held that,

The specification contains a written description of the invention which must be clear and complete enough to enable those of ordinary skill in the art to make and use it. Thus, the specification is always highly relevant to the claim construction analysis. Usually, it is dispositive; it is the single best guide to the meaning of a disputed term.

90 F.3d at 1582. The court may also consider the prosecution history, if necessary. *Id*.

In the majority of cases, "an analysis of the intrinsic evidence alone will resolve any ambiguity in a disputed claim term." *Id*. at 1583. Moreover, "[w]hen the intrinsic evidence is unambiguous, it is improper for the court to rely on extrinsic evidence such as expert testimony for purposes of claim construction ." Bell & Howard Doc. Mgmt. Co. Prods. v. Altek Systems, 132 F.3d 701, 706 (Fed.Cir.1997). *See also* Pall Corp. v. Micron Separations, Inc., 66 F.3d 1211, 1216 (Fed.Cir.1995). *Citing Vitronics,* the court in *Bell & Howard* explained that the rationale behind this type of claim construction is clear:

The claims, specification, and file history constitute the public record of the patentee's claim, a record on which the public is entitled to rely. In other words, competitors are entitled to review the public record, apply the established rules of claim construction, ascertain the scope of the patentee's claimed invention

and, thus, design around the claimed invention.

132 F.3d at 706.

If, however, the claim terms are still ambiguous after evaluating the intrinsic evidence, the court may look to extrinsic evidence, or any evidence external to the file wrapper of the patent. Vitronics, 90 F.3d at 1584. Examples of extrinsic evidence include expert testimony, inventor testimony, dictionaries, treatises, and articles. Vitronics, 90 F.3d at 1584. Prior art references may also be included in extrinsic evidence, even if those references are not cited in the patent history. Vitronics, 90 F.3d at 1584.

The Federal Circuit indulges a "heavy presumption" that a claim term carries its ordinary and customary meaning. Johnson Worldwide Assocs., Inc. v. Zebco Corp., 175 F.3d 985, 989; Gart v. Logitech, Inc., 254 F.3d 1334, 1341 (Fed.Cir.2001); Kegel Co., v. A.M.F. Bowling, Inc., 127 F.3d 1420, 1427 (Fed.Cir.1997); C.C.S. Fitness, Inc., v. Brunswick Corp., 288 F.3d 1359, 1366 (Fed.Cir.2002). There are four ways the heavy presumption of ordinary meaning can be overcome:

1. if the patentee acted as his own lexicographer and clearly set forth a definition of the disputed claim term in either the specification or prosecution history.

2. if the intrinsic evidence shows that the patentee distinguished the term from prior art on the basis of a particular embodiment, expressly disclaimed subject matter, or described a particular embodiment as important to the invention.

3. if the claim term chosen by the patentee so deprived the claim of clarity as to require resort to the other intrinsic evidence for a definite meaning.

4. if the patentee phrased the claim in step-or means-plus-function format.

*Id*. at 1366-67.

The court's *Markman* function can be performed by looking only to the intrinsic evidence of record, *i.e.*, the patent claims themselves, the written description or specification, and prosecution history. The parties' opening briefs in support of their respective claim construction arguments rely upon the intrinsic evidence. However, the parties' reply briefs each contain citation to some limited extrinsic evidence in challenging their opponents' claim construction briefs. The court need not rely on the parties' limited references to the extrinsic evidence, and has performed its *Markman* function based solely on an analysis of the intrinsic evidence to resolve the parties' disputes concerning appropriate claim construction.

Having considered the parties' briefs, arguments, and exhibits, the court interprets the disputed terms and phrases as follows:

**A.** '424 Patent

The '424 patent developed by inventor John G. Breeding describes a method of playing a wagering game. It contains forty-eight claims, thirteen of which are in dispute here. Shuffle Master alleges defendants have infringed on six independent claims: claims 1, 30, 33, 43, 44 and 45.

**Claim 1 describes:**

A method of playing a wagering game comprising a player placing a wager comprising at least two distinct parts and providing to the player at least a portion of the player's game elements so that partial information or a game outcome is provided,
giving the player at least one opportunity, before the player's final game outcome is determined, to withdraw from engagement in the game at least one part of said at least two parts, but less than all of said at least two parts, and continuing play of the game with additional portions of the player's game elements being displayed to the player.

**Claim 30 describes:**

A betting method for a live casino card game comprising:
a player placing a wager to participate in a live casino game, the wager comprising at least two parts;

a dealer dealing at least a partial hand to the player;

the player examining the at least a partial hand and optionally withdrawing at least one of said at least two parts, but less than all of said at least two parts of the wager;

the dealer dealing at least one additional card to the at least a partial hand of the player to complete the player's hand; and

the dealer making payouts to the player holding a winning hand, wherein the winning hand is determined by rules of the live casino card game.

**Claim 33 describes:**

A betting method for a live casino game comprising a plurality of game elements, the live casino game having rules that provide that a portion of the game elements is revealed to the player prior to the conclusion of the game, wherein the game includes a dealer, the method comprising:
a player placing a wager to participate in the casino game, the wager having at least two parts;

the dealer initiating the game, wherein a portion of the game elements is revealed to the player;

the player examines the revealed portion of the game and optionally withdraws a portion of said at least two parts, but less than all parts of said wager; completing the play of the game; and

the dealer awarding payouts to a player or players having a combination of game elements that results in a winning outcome, wherein the winning outcome is defined by rules of the live casino game.

**Claim 43 describes:**

A method of playing a wagering game comprising the steps of:
placing a wager,

beginning the game,

giving the player an opportunity to withdraw a portion of the wager, continuing the game until its outcome and

resolving the remaining part of the wager.

**Claim 44 describes:**

A method of playing a wagering game comprising the steps of:
placing a wager to become a player,

providing at least one card to a player,

providing the player an opportunity to examine the at least one provided card and withdraw only a part of the wager and leave a remaining part of the wager, providing at least one additional card to the player, and

resolving the remaining part of the wager.

**Claim 45 describes:**

A method of playing a wagering game comprising the steps of:
placing a wager to become a player,

providing at least one card to a player,

providing the player an opportunity to examine the at least one provided card and withdraw at least a part of the wager and leave a remaining part of the wager, providing at least one additional card to the player, and

resolving the remaining part of the wager.

Shuffle Master asserts that defendants have infringed seven dependent claims of the patent, 3, 7, 10, 17, 19, 46 and 47.

**Dependent claim 3 describes:**

The method of claim 1 wherein said game comprises a casino table card game and the game elements comprise cards.
**Dependent claim 7 describes:**

The method of claim 3 wherein said card game comprises a poker game.
**Dependent claim 10 describes:**

The method of claim 3 wherein awards are made for predetermined ranks of hands in the card game.
**Dependent claim 17 describes:**

The method according to claim 3, wherein each of said at least two parts of said wager are equal.
**Dependent claim 19 describes:**

The method according to claim 3, wherein each of said at least two parts of said wager are unequal.
**Dependent claim 46 describes:**

The method according to claim 45 wherein the game comprises a casino game between a casino and a plurality of players.

**Dependent claim 47 describes:**

The method according to claim 45 wherein the cards are standard playing cards.

The parties dispute claim construction for the terms "withdraw," "a wager comprising at least two distinct parts," "dealing at least one additional card to the at least partial hand of the player to complete the player's hand." FN2

FN2. Defendants' preliminary claim construction disclosure identified the term "game" as a term requiring construction. ( *See* Plaintiff's Exhibit I.) However, Defendants' Opening Claim Construction Memorandum does not identify "game" as a term requiring construction, and defendants' Reply Brief states that plaintiff's "Opening Claim Construction Brief addresses a number of terms which are not raised as issues of construction by Defendants and, accordingly, such will not be addressed herein." (Defs.' Repl. at 1:24-26.) Plaintiff's Opening Claim Construction Brief identifies the term "game" in response to defendants' preliminary claim construction disclosure, but argues that construction is not necessary. Since defendants' Opening Claim Construction Memorandum does not identify "game" as a term requiring construction, and defendants' reply does not request construction of terms not identified in defendants' opening brief, the court finds construction of the term "game" is not required.

**1. "Withdraw"**

The parties' proposed definitions of the phrase "withdraw" are as follows:

| Plaintiff's Proposed Construction | Defendants' Proposed Construction |
|---|---|
| Plain meaning: To remove or retrieve (does not exclude surrender) | The return of the entire "part wager" to the player. It does not include "surrender." |

Plaintiff argues that the term "withdraw" should be construed according to its plain and ordinary meaning, which is "to remove or retrieve." (Pl. Br. at 16:1-2.) Plaintiff cites to the language of the specification, which uses the term "withdraw" interchangeably with the words "remove or retrieve" as evidence that the plain and ordinary meaning is consistent with the meaning of the claim language. ( Id. at 16:6-22.) (citing Summary of the Invention, col. 2, ln. 36-42 and col. 2, ln 58-col. 3, ln. 8.) Plaintiff also argues that the term "withdraw" does not exclude the casino term "surrender," and that Shuffle Master did not disclaim the term "surrender" from "withdraw." Plaintiff explains that the casino term "surrender" means a game-ending maneuver in which a player relinquishes half of the original bet to the dealer and keeps the other half of the bet. Plaintiff contends that the specification does not disclaim surrender, but rather distinguishes the patent claim from games involving a single bet where a withdrawal is always a surrender.

Defendants counter that to "withdraw" means to return the entire "part wager," which is different from a "surrender." (Defs.' Br. at 10:18-19.) Defendants assert that a surrender is a player's declaration to the dealer that the player "surrenders" his bet, resulting in the house taking half of the bet and the player getting back half of the bet. ( Id. at 10:19-21.) Defendants argue that "[t]his is important because 3-5-7 permits a player to surrender his seven card poker stud wager (which is not a part wager) upon viewing the first three cards of his hand. There is no withdrawal in the 3-5-7 game, and such has been conceded by the patentee himself in the '424 patent." ( Id. at 10:23-26.)

The court finds that the plain and ordinary meaning of the term "withdraw" is to remove or retrieve and that this construction comports with the language of the patent, and the interchangeable use of the terms "withdraw" and "remove or retrieve" in the specification. One ordinarily skilled in the art would understand that the specification teaches that to withdraw a part wager may, but does not necessarily, involve a surrender of a player's wager. Defendants' arguments which are based on the operation of the accused 3-5-7 poker device are not appropriately addressed at the claim construction phase, but in determining whether the accused device infringes.

The court construes the term "withdraw" to mean "to remove or retrieve."

**2. "Wager"/"Wager with at Least Two Distinct Parts"**FN3

FN3. Defendants' preliminary claim construction disclosure asserted that the claim term "wager" in the '424 patent is indefinite and, therefore, requires construction. However, defendants' reply brief and oral argument focused on the term "a wager comprising at least two distinct parts," asserting the claim imposes a limitation to construe placing a wager on a single wagering outcome.

The parties' proposed definitions of the term "wager"/"a wager comprising at least two distinct parts" are as follows:

| Plaintiff's Proposed Construction | Defendants' Proposed Construction |
|---|---|
| -> Wager: No construction necessary. | -> Wager: A bet dependent on a single outcome. |
| -> A wager comprising at least two distinct parts: Plain meaning: A bet with more than one part. | -> A wager comprising at least two distinct parts: A fractionalized or partitioned single wager. This can NOT include multiple wagers having no parts, or those having separate outcomes. |

The plaintiff argues that the term "wager" does not require any construction because the language of the claim does not introduce any restrictions on that term beyond its plain and ordinary meaning. The court agrees. In addition, the plaintiff argues that the term "a wager comprising at least two distinct parts" must likewise take on its plain and ordinary meaning because the words are clear and unambiguous. Defendants maintain that the term "wager" means a bet dependent on a single outcome because the '424 patent specification distinguishes a wager having no parts and a multi-part wager. Defendants point to language in the Summary of the Invention at col. 2, lines 26-29 which distinguishes between a wager having no parts and a multi-part wager, and assert that a wager must, therefore, logically relate to a single outcome. (Defs.' Repl. at 7:19-23.) Defendants argue that had the plaintiff wished to allow a wager to have multiple outcomes, the applicant would have used the term wagers (plural) rather than use language referring to them as a multi-part wager (singular). ( Id.) Finally, defendants rely upon Mr. Breeding's declaration which describes plaintiff's "Let It Ride" game as evidence that the applicant of the '424 understood that the term "wager" means a single wager, although divided into three "stacks" which is dependent on a single outcome. ( Id. at 7:24-8:12.)

The court finds that the language of the claim is clear and unambiguous and does not require construction. Contrary to defendants' argument, language in the summary of the invention does not impose a limitation that a multi-part wager requires a wager with a single outcome. The language defendants rely upon makes no reference to a specific outcome, nor does it logically preclude the existence of multiple outcomes.

Defendants' arguments that focus on the rules of plaintiff's "Let It Ride" game also does not support the limitation on the claim terms defendants seek to impose because it is a basic tenant of claim construction that it is improper to read a limitation into claims of a patent based on the preferred embodiment. Comark Commissioners, Inc. v. Harris Corp., 156 F.3d 1182, 1186 (Fed.Cir.1998.)

**3. "Dealing at Least One Additional Card to the at Least Partial Hand of the Player to Complete the Player's Hand"**

The parties' proposed definitions of the term "dealing at least one additional card to the at least partial hand of the player to complete the player's hand" are as follows:

| Plaintiff's Proposed Construction | Defendants' Proposed Construction |
|---|---|
| Plain meaning: Providing at least one card to the partial hand to complete the hand. | The claim requires "sequential dealing," that is, the cards are dealt in discrete increments. |

The term "dealing at least one additional card to the at least partial hand of the player to complete the player's hand" is used in dependent claim 30. Defendants seek a claim construction that would impose a limitation requiring "sequential dealing." The plaintiff argues that the plain meaning of this term is clear, and that there is nothing in the claim language or specification that supports limiting the term as defendants propose. The plaintiff also argues that the defendants' proposed construction would exclude the preferred embodiment at col. 2, lines 31-33, which is "rarely, if ever, correct." ( *See* Dow Chemical Co. v. Sumitomo Chem. Co., 257 F.3d 1364, 1378 (Fed.Cir.2001).

Defendants respond that claim 30 is specific and requires that the cards be dealt in discreet increments, or "sequential dealing." Defendants respond to plaintiff's argument that defendants' construction would preclude the preferred embodiment by citation to Robotic Vision Systems, Inc. v. View Engineering, Inc., 189 F.3d 1370, 1374 (Fed.Cir.1999) for the proposition that "when a specification includes several embodiments, as opposed to one, the proper interpretation of one claim does not have to cover all of the embodiments." (Reply, 9:5-8.) The *Robotic* decision defendants rely upon affirmed the district court's claim construction order which referred to the written description of the claim for clarification of disputed terms. The Federal Circuit found that the written description of the patent "clearly discloses embodiments of the patent, consistent with the language used in claim 1." *Id*. at 1375. In short, the court does not read the *Robotic* decision as supporting defendants' limitation that the claim in dispute requires "sequential dealing" which would exclude the preferred embodiment. The court, therefore, construes the disputed term in accordance with its plain meaning-"providing at least one card to the partial hand to complete the hand."

**4. Alleged Typographical Error**

Plaintiff argues that the phrase "partial information *or* a game outcome is provided" (emphasis added) in claim 1 contains a typographical error, using the word "or" instead of the word "of." Although the defendants identified this phrase as a term requiring the court's construction in its preliminary claim construction disclosure, they did not identify it in either their opening brief or their reply brief. ( *See* Pl.'s Ex. I.) When the plaintiff addressed the issue of this typographical error at the Markman hearing, the defendants responded that the court lacked the power to correct typographical errors, but did not argue the merits of the matter.

The courts have long had the power to interpret a patent to correct an obvious error. I.T.S. Rubber Co. v.

Essex Rubber Co., 272 U.S. 429, 47 S.Ct. 136, 71 L.Ed. 335 (1926). A court can correct typographical errors in a patent "if (1) the correction is not subject to reasonable debate based on consideration of the claim language and the specification and (2) the prosecution history does not suggest a different interpretation of the claims." Novo Industries, L.P. v. Micro Molds Corp., 350 F.3d 1348, 1357 (Fed.Cir.2003). Since the enactment of 35 U.S.C. s. 254 and s. 255, however, the courts' power to make corrections has been limited to "obvious minor typographical and clerical errors in patents," whereas "major errors are subject only to correction by the [Patent and Trademark Office]." *Novo Industries,* 350 F.3d at1357 (citing 35 U.S.C. 254-55). In *Novo Industries,* the Federal Circuit reversed a district court's correction of an alleged typographical error because the nature of the error was not apparent from the face of the patent. *Id*. at 1357. As a result, the Federal Circuit did not know what correction was most appropriate, and ruled that the district court should have deferred that decision to the superior expertise of the Patent and Trademark Office. *Id*. at 1357-58.

Applying these principles, the court finds that the phrase "partial information or a game outcome is provided" contains a typographical error which is obvious on its face. The defendants do not contend otherwise. The claim language and specification makes it clear that the word "or" is an obvious minor typographical error. A review of the claim language and specification makes this clear, and nothing in the prosecution history suggests a different interpretation. It would make no sense to provide a player with elements to know the game outcome and then give the player the opportunity to withdraw part of his wager. Reviewing the intrinsic evidence as a whole makes it plain that this claim describes a method of playing a wagering game which provides the player with partial information **of** a game outcome. Additionally, the detailed description of the invention in the specification provides:

A method of playing a wagering game comprises a player placing a wager comprising at least two distinct parts and providing to the player at least a portion of game elements so that a partial evaluation of the player's game outcome in at least a single game is provided....

(See Plaintiff's Opening Claim Construction Brief, Exhibit "A," col. 4, ln. 30-47.) Finally, plaintiff's proposed correction merely changes a single letter.FN4 Accordingly, the court finds the word "or" in claim 1 of the ' 424 patent is a typographical error that should be corrected to read "of."

FN4. The court notes that the "r" and "f" keys are adjacent to one another on the standard "QWERTY" layout keyboard used with most computers, reenforcing the court's conclusion this is a typographical error.

**B. The** '759 Patent

The '759 patent developed by inventors Derek J. Webb and Roger M. Snow describes a casino wagering game. It contains forty-eight claims, eight of which are in dispute here. Shuffle Master alleges defendants have infringed on two independent claims, claims 1 and 21.

**Claim 1 describes:**

A method of playing a wagering game, comprising:
placing a first single part wager to participate in a casino three-card poker-type game;

a dealer dealing a hand consisting of three cards to each player who placed a first wager; and resolving each player's three card hand according to a predetermined hierarchy of poker hands.

**Claim 21 describes:**

A method of playing a live casino table card game with physical cards comprising:
placing a single part wager to participate in a casino wagering three-card poker-type game;

dealing a hand consisting of three cards to each player who placed a single part wager; and

resolving each player's hand according to the rules of poker against a payout table providing payouts for predetermined ranks of poker-type hands;

wherein at least some payouts proportional to the single part wager are available in resolving hands for obtaining a predetermined rank of a hand.

Shuffle Master asserts that defendants have infringed six dependent claims of the patent, 2, 4, 8, 22, 23 and 24.

**Dependent claim 2 describes:**

The method of claim 1, wherein a payout is made to the player on the first wager for one of a plurality of predetermined winning outcomes.
**Dependent claim 4 describes:**

The method of claim 2, wherein the hands are resolved according to a pay table that pays a proportional payout on the first bet for each predetermined winning outcome.
**Dependent claim 8 describes:**

The method of claim 2 wherein the predetermined winning outcome is at least one pair.
**Dependent claim 22 describes:**

The method of claim 21, consisting essentially of:
placing a single part wager to participate in a casino wagering three-card poker-type game;

dealing a hand consisting of three cards to each player who placed a single part wager; and

resolving each player's hand according to the rules of poker against a payout table providing payouts for predetermined ranks of poker-type hands;

wherein at least some payouts proportional to the single part wager are available in resolving hands for obtaining a predetermined rank of a hand.

**Dependent claim 23 describes:**

The method of claim 21 wherein the proportional payouts include possible payouts of between at least 1 to 1 and 100 to 1 against the single part wager.
**Dependent claim 24 describes:**

The method of claim 23 wherein the proportional payouts include at least two possible payouts of at least 10 to 1.

The parties dispute claim construction for the terms "single part wager" FN5 and "dealing a hand consisting of three cards to each player who placed a first wager" and "playing in a three card poker type game."

FN5. Defendants' opening brief suggested the terms "part wager" and "wager" should be separately construed. However, defendants' reply brief appears to acknowledge that the term "single part wager" is the term requiring construction.

**1. "Single Part Wager"**

The parties' proposed definitions of the phrase "single part wager" are as follows:

| Plaintiff's Proposed Construction | Defendants' Proposed Construction |
|---|---|
| Plain meaning: A wager having one part. | Indefinite |

Defendants contend the term "single part wager" contained in claims 1 and 21 of the '759 patent cannot be construed because it is "insolubly ambiguous" and indefinite. Thus, pursuant to the provisions of 35 U.S.C. s. 112, these claims are invalid. Plaintiff argues that the term "single part wager" should be construed according to its plain and ordinary meaning as "a wager having one part.," is amenable to construction and is, therefore, not indefinite as defendants maintain. Plaintiff relies on language in the specification which discloses playing three card poker against the pay table and against the dealer. (See Plaintiff's Claim Construction Brief, Exhibit "B," col. 2, ln. 20-46.) Plaintiff points to the language of the claim as a whole as evidence that the phrase "single part" was placed in front of the word "wager" in claims 1 and 21 to distinguish play against a pay table, which involves a wager having one part, from play against a dealer, which involves a wager having two or more parts. Finally, the plaintiff points out that the defendants' arguments rely on their analysis of Shuffle Master's Let It Ride game, the preferred embodiment of the '424 patent, not the '759 patent at issue.

Defendants respond that the plaintiff is attempting to rewrite the term "single part wager" to avoid indefiniteness, and that plaintiff's proposed construction renders the words "single" and "part" superfluous.

The court finds the term "single part wager" is not ambiguous when taken in the context of the rest of the claim language, and the language of the specification. This meaning is clear and unambiguous. The court also observes that all of the claims of the '759 patent use the phrase "single part wager," and that the term "part wager" does not appear without the modifier "single" in the claims or in the patent specification. The '759 patent's reference to the preferred embodiment of the '424 patent, plaintiff's Let It Ride, is a game that has a multi-wager. The three card poker game disclosed in the '759 patent uses a single part wager and the modifier "single part" before the term "wager" in the '759 patent distinguishes the three card poker game disclosed from a game that has multi-part wagers such as Let It Ride.

In short, the court finds that the term "single part wager" should be construed according to its plain and ordinary meaning as a "wager having one part."

The court adopts the plaintiff's definition of "single part wager": "A wager having one part."

**2. "Dealing a Hand Consisting of Three Cards to Each Player Who Placed a First Wager"**

The parties' proposed definitions of the phrase "dealing a hand consisting of three cards to each player who placed a first wager" are as follows:

| Plaintiff's Proposed Construction | Defendants' Proposed Construction |
|---|---|
| Plain meaning: Each player who places a wager is dealt a hand of three cards that resolves the single part wager. | Limits the players hand to exactly three cards total, and does not mean a player's partial hand of three cards, nor does it include a hand having more than three cards, whether exposed or unexposed [up/down]. |

Plaintiff argues that the term "dealing a hand consisting of three cards to each player who placed a first wager" should be construed according to its plain and ordinary meaning. Plaintiff also argues that the claim is a "comprising" claim, meaning that it is an "open" claim in which infringement may occur if the claimed steps are performed, regardless of whether additional steps are performed subsequent to the performance of the claimed steps. Plaintiff argues that the phrase "consisting of," within the context of a "comprising" claim only limits the claim language that follows the phrase "consisting of," and not any other language of the "comprising" claim. Plaintiff contends that defendants ignore the word "comprising" and expand the scope of the phrase "consisting of" to create a three card limit on steps other than the one that contains the language immediately following the phrase "consisting of."

Defendants argue that the phrase "consisting of" "excludes any element, step or ingredient not specified in the claim" (Defs.' Br. at 8:17-18.) Defendants also contest plaintiff's argument that the word "comprising" renders the claim "open," arguing that the placement of the word "comprising" in the preamble merely provides "context" for the claim, and in no way limits the claim. Thus, the defendants contend the term "dealing a hand consisting of three cards to each player who placed a first wager" limits the claim to a hand consisting of exactly three cards total.

"It is well-established that 'comprising' is a term of art used in claim language which means that the named elements are essential, but other elements may be added and still form a construct within the scope of the claim." In re James F. Crish, 393 F.3d 1253, 1257 (Fed.Cir.2004) (quoting Genentech, Inc. v. Chiron Corp., 112 F.3d 495, 501 (Fed.Cir.1997)). When the phrase "consisting of" appears in a clause, rather than the preamble, of the claim, the phrase "consisting of" limits only the language within the clause containing the phrase "consisting of," not the claim as a whole. Mannesmann Demag Corp. v. Engineered Metal Products Co., Inc., 793 F.2d 1279, 1282 (Fed.Cir.1986). Plaintiff's proposed construction "each player who places a wager is dealt a hand consisting of three cards that resolves the single part wager" is consistent with this case law. While the instant clause is limited by the presence of the phrase "consisting of" to a hand containing three cards, the presence of the term of art "consisting of" cannot be exported to other clauses or claims, particularly in light of the presence of the other term of art "comprising" which means that "the named elements are essential, but other elements may be added and still form a construct within the scope of the claim." In re James F. Crish, 393 F.3d at 1257.

Defendants cited *Apple Computer, Inc. v. Articulate Systems, Inc.* for the exact opposite proposition. 234 F.3d 14 (Fed.Cir.2000). That case, however, did not involve either of the terms of art in question in plaintiff's claim. Instead, it concerned whether the placement of a term in the preamble served as a limitation on the meaning of that term within the language of subsequent clauses. Id. at 22. In that case, Apple Computer, Inc. argued that the word "data" in the preamble limited the meaning of the word "data"

within a subsequent clause. *Id*. By contrast, in the instant case, the parties are arguing over the effect of the relative respective positioning of the terms of art "comprising" and "consisting of" within the preamble and a clause. Thus *Apple Computer* is inapposite and the case law cited by the plaintiff is precisely on point.

The court construes the term "dealing a hand consisting of three cards to each player who placed a first wager" to mean "each player who places a wager is dealt a hand of three cards that resolves the single part wager."

**3. "Playing in a Three Card Poker Type Game"**

The parties' proposed definitions of the phrase "playing in a three card poker type game" are as follows:

| Plaintiff's Proposed Construction | Defendants' Proposed Construction |
|---|---|
| Plain and ordinary meaning: A game that has a three-card hand that is resolved based on the rules of poker. | Means only a game where the total hand of the player is three cards, and is not one that combines cards in multiple games. |

Plaintiff argues that the term "playing in a three card poker type game" must be construed according to its plain and ordinary meaning as "a game that has a three-card hand that is resolved based on the rules of poker." Plaintiff argues that defendants' arguments have no support in the intrinsic evidence. Plaintiff also makes the same arguments concerning the use of the terms of art "comprising" and "consisting of" that it made for the term "dealing a hand consisting of three cards to each player who placed a first wager" to rebut defendants' argument that the instant term should be limited to a hand consisting of only three cards that cannot be combined with cards in multiple games.

Defendants' argument in support of it proposed construction of "playing a three card poker type game" is the same as its argument in support of its proposed construction of "dealing a hand consisting of three cards to each player who placed a first wager."

The court finds the defendants' argument in favor of its proposed construction of the instant term as unpersuasive as their argument in favor of their proposed construction of "dealing a hand consisting of three cards to each player who placed a first wager." The court construes the term "playing a three card poker type game" to mean "a game that has a three-card hand that is resolved based on the rules of poker."

For the reasons stated, and good cause appearing,

**IT IS ORDERED** that the disputed claims of the asserted patents are construed as follows:

**U.S. PATENT NO. 6,273,424**

| CLAIM TERM | CCONSTRUCTION |
|---|---|
| withdraw | To remove or retrieve |
| dealing at least one additional card to the at least partial hand of the player to complete the player's hand | Providing at least one card to the partial hand to complete the hand. |

**U.S. PATENT NO. 6,698,759**

| CLAIM TERM | CONSTRUCTION |
|---|---|
| single part wager | A wager having one part |

| | |
|---|---|
| dealing a hand consisting of three cards to each player who placed a first wager | Each player who places a wager is dealt a hand of three cards that resolves the single part wager. |
| playing in a three card poker type game | A game that has a three-card hand that is resolved based on the rules of poker |

**IT IS FURTHER ORDERED** that the word "or" in claim 1 of U.S. Patent No. 6,273,424 is a typographical error that is corrected to read "of."

D.Nev.,2007.
Shuffle Master, Inc. v. Awada

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