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Ameranth, Genesis Settle Casino IP Suit After Failed Alice Bid

By **Kelly Knaub**

Law360, New York (March 12, 2015, 7:29 PM ET) -- Genesis Gaming Solutions Inc. and Ameranth Inc. announced Thursday that the companies have reached a settlement in a lawsuit brought by Ameranth that accused Genesis of infringing its patents related to casino poker games, after a failed bid by Genesis to nix the suit under the U.S. Supreme Court's Alice decision.

Under the settlement, which is confidential, the companies have agreed to resolve claims involving U.S. Patent Numbers 7,431,650; 7,878,909; and 8,393,969 as well as Genesis' Bravo product line, and have both agreed to dismiss their respective claims in the consolidated suit. Additionally, Ameranth has granted a long-term license and covenant to not sue under the three patents and all pending patent applications for current and future Bravo products to Genesis and its casino customers.

"We are very pleased to have resolved our long dispute with Ameranth," Randy Knust, president of Genesis, said in a statement. "We believe this settlement is really good news for Genesis and our current and future casino customers. By removing the uncertainty of legal reviews and prolonged court actions, it allows us to focus on growing our business and expanding our product line."

Ameranth President Keith McNally said the company was also extremely pleased to have reached a mutually satisfactory resolution with Genesis and to have the dispute behind them.

"Looking forward, we will fully support the Genesis Bravo product line in the gaming/poker room market," McNally said. "Backed by our patents and our intellectual property, and with the breadth, depth and excellence of their product line, we believe Genesis offers the very best — near and long-term choice for casinos and poker rooms worldwide."

In January, U.S. District Judge Andrew J. Guilford **denied a motion for summary judgment** by Genesis, which argued that the claims of two Ameranth patents on computer systems for running casino poker cover patent-ineligible abstract ideas, ruling that the motion failed to consider the claims as a whole.

The judge said Genesis' motion incorrectly argued that he should ignore some claims of the patent that have been canceled during a separate re-examination by the U.S. Patent and Trademark Office.

The patents cover technology related to operational support for casino dealers, which involves the abstract idea of employee scheduling, the judge said, in his decision issued in advance of a trial that was set to begin in February.

But he said that to determine whether the patents were invalid under Section 101 of the Patent Act for claiming nothing more than that abstract idea, as required by the Alice decision, courts had to look at each claim individually and in combination.

Ameranth's suit alleged that Genesis and others infringe its patents by offering casino technology systems that include tournament and player tracking functions.

In the re-examination, the most broadly drafted claims in the two patents, referred to as claim 1, were invalidated as obvious. Genesis and co-defendant IT Casino Solutions LLC argued that the remaining claims that depend on the canceled claims are invalid for claiming patent-ineligible subject matter.

The judge said that when deciding such a motion, courts "must consider all elements of each challenged claim, not just the additional limitations recited in the dependent claims." As a result, he said he could not disregard the claims that had been canceled.

The patents-in-suit are U.S. Patent Numbers 7,431,650; 7,878,909; and 8,393,969.

Genesis is represented by David B. Abel of the Law Office of David B. Abel and Ronald C. Gorshe of Ronald C. Gorshe PLLC.

Ameranth is represented by Brandon Witkow of Witkowlaw PC, John Osborne of Osborne Law LLC, Ethan M. Watts of Watts Law Offices, Ted G. Dane and Peter E. Gratzinger of Munger Tolles & Olson LLP, and Michael D. Fabiano of Fabiano Law Firm PC.

The consolidated case is Ameranth Inc. v. Genesis Gaming Solutions Inc. et al., case numbers 8:11-cv-00189 and 8:13-cv-00720-AG, in the U.S. District Court for the Central District of California.

--Additional reporting by Ryan Davis. Editing by Kelly Duncan.

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