

# International Gaming Institute Center for Gaming Innovation at UNLV

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Project Progress from Inception

Reporting Period: Inception to June 30, 2015

October 15, 2015

## **Table of Contents**

**Project Purpose**.....2

**Section I: Proposal Progress** .....2

**1. Major Accomplishments**.....2

**Gaming Innovation Class and Patent Applications Filed** .....2

**Commercialization** .....3

**Shaping the Future** .....3

**2. Additional Accomplishments**.....4

**3. Looking Forward** .....4

**Section II: Performance** .....6

    Table 1: Commercialization Successes .....6

    Table 2: Patent Applications Filed .....7

    Project Scorecard Narrative .....9

## **Project Purpose**

UNLV International Gaming Institute (IGI) stands as the academic world's foremost center for educational programs in gaming. It builds on Nevada's strength as an entertainment and gaming magnet and plays a vital role in the state's economic well-being. In this role IGI helps ensure that UNLV and Nevada maintain its status as the "global intellectual capital of the gaming industry," which is an especially important designation in today's expanding global economy.

With support from the Nevada Governor's Office of Economic Development through a Knowledge Fund grant, in 2014 the IGI launched the Center for Gaming Innovation (CGI). CGI's foundations are set in entrepreneurial-based gaming education and design, as it offers what is believed to be the world's first, and perhaps only, class dedicated to studying, inventing, patenting, and commercializing casino games.

Essentially, CGI is an incubator with a Nevada purpose; it seeks to create innovative and commercially viable games that expand the consumer market and attract the next generation of players. The gaming industry is challenged to continually develop gaming experiences that sustain its growth and CGI is a partner in this pursuit.

## **Section I: Proposal Progress**

Since inception, the Center for Gaming Innovation has made significant progress toward meeting proposed metrics. Major accomplishments for the reporting period include:

### **1. Major Accomplishments**

#### **Gaming Innovation Class and Patent Applications Filed:**

The gaming innovation class is the very core of CGI. In August 2014, UNLV held its second gaming innovation class, this time with the benefit of substantial funding from GOED. CGI reached through campus networks and media appearances to attract students from diverse programs at UNLV as well as non-student members of the greater community. In all, 23 students completed the class including seven non-students. From these 23 students, a total of 16 provisional or utility patent applications were filed. The Center also offered patent support to students from the original 2013 class who were ready to proceed. CGI has drafted and filed a total of 23 patent applications since inception.

**Commercialization:**

Finding the right company to license or purchase our students' products is an equally important goal of CGI. During the reporting period, CGI helped to sell and place five games including one patent for a new slot design (sold to Konami) and four patents for table games (sold to Big Bet Gaming). Three of these games: Flip Card Blackjack, 40X Blackjack, and Pai-Wow Poker were submitted and approved for use in Nevada casinos by the Nevada Gaming Control Board. Two of these games have already debuted in two different Las Vegas casinos. Although it is too early yet to know the extent to which any of these games will grow in the future, it is a major accomplishment to have three games approved and two games offered in Nevada casinos in less than two years since their creation. In addition to these sales, Dr. Yoseloff opened lines of communication with other major game distributors including Scientific Games, IGT, AGS, Konami, Interbloc, as well as seeking out interest and investment from casino operators like MGM Resorts, Caesars, Station Casinos and other potential sources for investment.

One unexpected challenge CGI faced in its goal to commercialize student inventions was adjusting to the significant disruption among the largest casino game distributors. Multiple small, mid-sized and large companies in the industry merged in late 2014 and early 2015 radically shifting the landscape of casino game distributors. These mergers created a climate of uncertainty in the industry that severely limited the willingness of distributors both big and small acquire new games.

**Shaping the Future:**

CGI found itself quickly becoming an important consultant within the gaming industry on the question of what the future of casino gaming will look like. The unique and acclaimed format of our innovation class, our early successes, and the increased awareness within the industry of the need to innovate gambling games to appeal to younger customers have positioned CGI as an important voice in the discussion about the future of gambling. Dr. Yoseloff has consulted with more than a dozen casino operators, game distributors, investors, and journalists regarding the current state of gambling game design as well as the future. In addition, Dr. Yoseloff has been an invited to speak on panels regarding the future of gaming innovation at industry events like the G2E Global Gaming Expo.

## 2. Additional Accomplishments

- a. **Positive media exposure.** In its first year, CGI generated a tremendous amount of positive news coverage both local and national. The most high-profile appearance was a national piece on CBS This Morning which featured the program, selected student inventors, and Dr. Yoseloff. The Center also generated great media with local entities including the Las Vegas Sun, the Review Journal, and local television newscasts. In July of 2014, within a span of a month, Dr. Yoseloff and GGI were on the cover of the two largest industry magazines: Global Gaming Business and Casino Enterprise Management. This media coverage gave a great boost, not just to CGI and UNLV as it works to establish itself as a premier research and teaching university, but also to the positive image of Nevada as a place of business innovation.

## 3. Looking Forward

The Center for Gaming Innovation will continue to foster the development of new gambling games that not only improve upon conventional gambling games but also challenge what a gambling game can be. The significant lack of participation in gaming among younger visitors to Las Vegas casinos represents a significant issue that the industry must address. Fortunately for Las Vegas, we remain a popular destination for visitors in their 20s and early 30s; it's just that they aren't gambling very much.

The Center believes that to ignore this market not only damages gaming revenues for Nevada today but imperils the future of our key industry. Las Vegas has always excelled at offering products and services that appeal to our visitors. We believe that the solution lies in innovative new game designs that blend traditional gambling gameplay with elements of skill combined with the creation of new spaces that bring gambling to the environment younger players want to be in. We will be working with our students to invent these radically new games and will continue to work with casino operators and game distributors to bring these products to the casino floor.

The first and second year of the Center focused heavily on creating innovative improvements to traditional gambling games. Moving forward, CGI will continue to improve conventional games, but we are also encouraging our students to shake things up and be daring with their visions. To support these new games we are working on forging new alliances with industries not always associated with gambling (e.g. video game developers) so that our students' creativity and ingenuity has willing commercial partners to help make these new games a reality.



## Section II: Performance

**Table 1: Commercialization Successes**

| Primary Inventor | Application No. | Application Date | Type        | Commercialization Status    |
|------------------|-----------------|------------------|-------------|-----------------------------|
| Hien Nguyen      | N/A             | N/A              | Provisional | Sold Konami (June 2014)     |
| Aron Kock        | 62/214,920      | 09/05/15         | Provisional | Sold Big Bet (June 2014)    |
| Taylor Ross      | 62/018,996      | 6/30/2014        | Provisional | Sold Big Bet (June 2014)    |
| Bao Wang         | 62/033,102      | 8/4/2014         | Provisional | Sold Big Bet (Aug 2014)     |
| Yurong Hurang    | 62/089,856      | 12/10/2014       | Provisional | Sold Big Bet (January 2015) |

**Table 2: Patent Applications Filed**

| Primary Inventor        | Department                        | Application No. | Application Date | Type        |
|-------------------------|-----------------------------------|-----------------|------------------|-------------|
| Steven Koza             | Student                           | 62/001,130      | 5/19/2015        | Utility     |
| Taylor Ross             | Student                           | 62/018,996      | 6/30/2014        | Provisional |
| Bao Wang                | Student /<br>Hotel Administration | 62/033,102      | 8/4/2014         | Provisional |
| Dan Sahl                | Student /<br>Hotel Administration | 62/077,952      | 11/11/2014       | Provisional |
| Dan Sahl                | Hotel Administration              | 62/083,304      | 11/23/2014       | Provisional |
| Dongsun Lee             | Student /<br>Hotel Administration | 62/089,859      | 12/10/2014       | Provisional |
| Sarah St. John          | Student /<br>Hotel Administration | 62/089,854      | 12/10/2014       | Provisional |
| Yurong Hurang           | Student /<br>Hotel Administration | 62/089,856      | 12/10/2014       | Provisional |
| Sean McCabe             | Student                           | 62/092,835      | 12/17/2014       | Provisional |
| Robert Barragan         | Student                           | 14/586,960      | 12/31/2014       | Utility     |
| Andres Gonzalez<br>–Roa | Student /<br>Hotel Administration | 62/106,134      | 1/21/2015        | Provisional |
| John Lukasik            | Student                           | 62/105,799      | 1/21/2015        | Provisional |
| Weng Chan               | Student /<br>Hotel Administration | 62/105,789      | 1/21/2015        | Provisional |
| He Lin                  | Student                           | 14/192,877      | 2/19/2015        | Utility     |
| Aron Kock               | Student                           | 14/634,836      | 3/1/2015         | Utility     |
| Phujon Nguyen           | Student                           | 62/126,612      | 3/1/2015         | Provisional |
| Angel Salinas<br>Cantu  | Student /<br>Hotel Administration | 62/139,827      | 3/30/2015        | Provisional |
| Angel Salinas<br>Cantu  | Student /<br>Hotel Administration | 62/139,797      | 3/30/2015        | Provisional |
| Nanice Bowen            | Student /<br>Hotel Administration | 62/139,794      | 3/30/2015        | Provisional |
| John Davis              | Student                           | 62/144,930      | 4/9/2015         | Provisional |
| Jeffrey Hwang           | Student                           | 62/089,860      | 5/4/2015         | Utility     |
| Travis Walters          | Student                           | N/A             | 5/6/2015         | Provisional |
| Gael Hancock            | N/A                               | N/A             | 2015             | Utility     |



## International Gaming Institute / Center for Gaming Innovation (CGI) Progress Dashboard

| Nevada Governor's Office of<br><b>ECONOMIC DEVELOPMENT</b><br><i>Empowering Success</i>             |  | <b>KNOWLEDGE FUND</b>                    |  |  |
|---|--|--|--|--|
| <b>GOED Requested Metrics</b>   | <b>Current Result / Year-end Target</b>  |  |  |  |
|   | <b>To 6/30/15</b>                        | <b>By 6/30/16</b>                        | <b>By 6/30/17</b>                        |  |
| Number of Companies that moved to Nevada as a result of IGI KF project                              | 0 / 0                                    | 0 / 0                                    | 0 / 0                                    |  |
| Number of start-ups   | 0 / 0                                    | 0 / 0                                    | 0 / 1                                    |  |
| Number of jobs created  | 0 / 0                                    | 0 / 0                                    | 0 / 10                                   |  |
| Intellectual property licenses / options  | 0 / 0 <sup>A</sup><br>5 / 0 <sup>B</sup> | 0 / 0 <sup>A</sup><br>0 / 4 <sup>B</sup> | 0 / 0 <sup>A</sup><br>0 / 6 <sup>B</sup> |  |
| Intellectual Property Revenue Received by University  | \$25,500/<br>0                           | 0 /<br>\$20,000                          | 0 /<br>\$30,000                          |  |
| Amount of research grants awarded to (and received) the IGI research teams and faculty <sup>C</sup> | 0 / 0                                    | 0 / 0                                    | 0 / 0                                    |  |
| Amount of research funding received by IGI research team from industry of public sector agencies    | 0 / 0                                    | 0 / 0                                    | 0 / 0                                    |  |
| Number of sponsored research contracts executed on behalf of IGI research team                      | 0 / 0                                    | 0 / 0                                    | 0 / 0                                    |  |
| Number of patent applications filed   | 23 / 0                                   | 0 / 10                                   | 0 / 10                                   |  |
| Number of issued patents  | 0 / 0                                    | 0 / 0                                    | 0 / 0                                    |  |
| Number of students placed with companies  | 0 / 0                                    | 0 / 2                                    | 0 / 2                                    |  |
| Number of faculty hired   | 1 / 0                                    | 0 / 1                                    | 0 / 0                                    |  |
| Amount/value of gifts/donation received by UNLV in support of IGI                                   | \$5,000/<br>0                            | 0 /<br>\$20,000                          | 0 / \$20,000                             |  |
| Total number of student internships   | 1 / 0                                    | 0 / 4                                    | 0 / 4                                    |  |

A. Number of IP licenses  
 B. Number of options  
 C. Excludes sponsored research and KF funding  
 For the period up to 6/30/15 actual performance only has been reported for the revised metrics (targets were based on previous metrics)

|                  |                       |                   |              |                         |               |
|------------------|-----------------------|-------------------|--------------|-------------------------|---------------|
| <b>Color Key</b> | n/a or target of zero | Too early to tell | Goal not met | Close to achieving goal | Goal achieved |
|------------------|-----------------------|-------------------|--------------|-------------------------|---------------|

### Project Scorecard Narrative

**Intellectual Property Revenue Received by University:** This figure reflects the initial 20% received from the five student sales. Of the five, one sale accounts for the majority of the amount received.

**Number of Patent Applications Filed:** 23 reflects the total number of patent applications filed on behalf of students enrolled in the 2014 class as well as some students from the initial 2013 class (before the start of the CGI).

**Number of Faculty Hired:** Dr. Mark Yoseloff was hired as Executive Director

**Amount/ value of gifts/donations received by UNLV in support of IGI:** This figure deviates significantly from figures provided in earlier reports. The Center for Gaming Innovation has received a pledge for a donation in the first year that has not arrived yet. We chose to count a pledge as part of the gift reporting. The amount pledged was not received by June 30 2015, as such we have revised the figure to \$5,000 which reflects a generous donation from the Kish foundation that was applied towards student awards. We do expect to receive the outstanding pledged funds in the near future.

**Total number of student internships:** In June of 2014 the Center hired graduate student Daniel Sahl to work as the graduate assistant for the center.