

TECH TRENDS



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Technology is a nearly-unavoidable part of American life. The clock radio wakes us up in the morning. The telephone, wired to the wall or worn on the belt, connects us to our family and friends. The computer is waiting on our desk when we arrive at the office. The television is almost too obvious to mention. With little effort, we could all make long lists of the way technology touches our lives. Many companies large and small – manufacturers, distributors, and retailers – exist to meet the ever-growing consumer and commercial demand for technology.

The sheer ubiquity of technology even makes it possible to be a hobbyist. Everyone knows, or knows of someone, usually a man, who has to have every latest gadget. It is easy to buy for your "gadget guy" around the holidays. Just open the Sunday paper to the latest sale at the electronics store. Knowing such a person, one is sometimes left to wonder why it is necessary to have the flat-screen TV as soon as it comes out, or the pocket MP3 player, or the eBook reader, or the stylus computer, or whatever it is that Sony is coming out with this month. The answer seems to be that there is no real need. It is rather a desire for technology for its own sake – a hobby or an avocation.

Technology as a hobby is quite attractive because, lets face it, some of this stuff is really cool. In the commercial world, however, that attractiveness sometimes gets in the way. That is, reduced to its essentials, any piece of technology, no matter how cool, is really just a Swiss army knife. That is, any given piece of technology is just a tool – often a very flexible and capable one, but a tool nonetheless – and it

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is designed to accomplish a specific task or set of tasks. When used for these set of tasks, technology can be a powerful tool, often resulting in significant cost savings and increases in productivity. But if you have ever used a Swiss Army knife to prepare a meal, you realize that coolness has its limits and that using technology in a way that it isn't intended doesn't get you much but time, money and effort wasted.

We have written before about the casino industry's relationship with technology and how it has often been historically slow to adopt technology that has been common in other industries for years. There is a virtue to that deliberateness, however, in that the adoption of technology by the casino industry has tended to be marked by thoughtful and useful implementations of technology to meet specific ends, with the result that customer service and enjoyment improves, and the operators save and earn more money. Indeed, sometimes a new technology is so well suited toward its specific end that it causes a wholesale change in the way the industry does business.

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One obvious example, going back some years, is the 1984 Telnaes patent. Prior to the introduction of this idea, an operator or manufacturer that wanted to increase the probability of hitting the top award on a given machine, and thereby increase the size of the top awards offered to patrons, would have changed the size or the number or the mechanical reels in the machine. More possible combinations mean larger awards. For example, you would have to make a machine with four reels instead of three.

The Telnaes patent allowed manufacturers to

avoid this problem and make machines of uniform size and design, i.e. a uniform number of reels, and number of stops per reel, but nonetheless change the available probabilities, and thus the size of available awards, through virtual reel stops. Instead of 22 stops on each of 3 reels, the patron would actually be playing a machine with 500 stops per reel. This is, ultimately, why the large jackpots we see today exist. Beyond this, introduction of uniform machines gave manufacturers the benefit of economies of scale in production. Effectively identical boxes differ in software, not hardware. It is no wonder, then, that not long after the introduction of the Telnaes patent, slot machines became dominant money makers in the industry.

In the current day, ticket-in ticket-out-systems are having the same dramatic effect on casino floors. Networking the slot machines together and paying by voucher is, ultimately, on its way to eliminate coins and the burdens of coin handling, not to mention the much-hated hopper fills.

The industry has even addressed the transition from this day to the coinless future with the implementation of payment technologies made by companies such as Toronto's NRT. Hand pays are now much easier with NRT's QuickJack machine, which essentially modifies an ATM to the specific task of dispensing jackpots and accounting for them as well. Instead of a player waiting for a slot attendant to go to the cage, fill out paperwork, and return, NRT has automated the process.

No one's crystal ball is ever good enough to say what the next "killer" piece of technology will be. But in its deliberateness, the casino industry also finds technologies so well suited to their ends that they become effectively revolutionary.

Attorney Michael Gross contributed to this article.

If you have any questions, or would like more information, please call our Casino Law Department at (609) 344-3161.

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