

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

WILLIAM HILL U.S. HOLDCO, INC. and
BRANDYWINE BOOKMAKING LLC,
Petitioner,

v.

CG TECHNOLOGY DEVELOPMENT, LLC,
Patent Owner.

Case IPR2019-00319
Patent 9,240,098 B2

Before MITCHELL G. WEATHERLY, GEORGE R. HOSKINS, and
TIMOTHY G. MAJORS, *Administrative Patent Judges*.

HOSKINS, *Administrative Patent Judge*.

DECISION
Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

William Hill U.S. Holdco, Inc. and Brandywine Bookmaking LLC (collectively, “Petitioner”) have filed a Petition (Paper 1, “Pet.”) pursuant to 35 U.S.C. §§ 311–319 to institute an *inter partes* review of claims 2, 4–6, 8–15, 17–19, and 21–23 of U.S. Patent No. 9,240,098 B2 (“the ’098 patent”).

CG Technology Development, LLC (“Patent Owner”) has filed a Preliminary Response (Paper 7, “Prelim. Resp.”).

Applying the standard set forth in 35 U.S.C. § 314(a), which requires demonstration of a reasonable likelihood that Petitioner would prevail with respect to at least one challenged claim, we institute, on behalf of the Director (37 C.F.R. § 42.4(a)), an *inter partes* review to determine whether Petitioner demonstrates by a preponderance of the evidence that claims 2, 4–6, 8–15, 17–19, and 21–23 of the ’098 patent are unpatentable.

II. BACKGROUND

A. *Real Parties in Interest and Related Proceedings*

Petitioner identifies William Hill U.S. Holdco, Inc. and Brandywine Bookmaking LLC as the real parties-in-interest. Pet. 63–64. Patent Owner identifies CG Technology Development, LLC as the real party-in-interest. Paper 4, 2.

The parties identify one U.S. District Court litigation as related to this proceeding: *CG Tech. Dev., LLC v. William Hill U.S. Holdco, Inc., et al.*, Civil No. 1:18-cv-00533 (D. Del.). Pet. 64; Paper 4, 2.

There are two related IPR proceedings, filed on the same day as the present proceeding, challenging related patents to the ’098 patent. Pet. 64; Paper 4, 2–3. The first is IPR2019-00317, challenging U.S. Patent

No. 9,269,224 B2, which is a continuation-in-part of the '098 patent. The second is IPR2019-00320, challenging U.S. Patent No. 10,096,207 B2, which is a continuation of the '098 patent.

B. The '098 Patent

The '098 patent discloses a kiosk for gaming by patrons, including wagering games. Ex. 1002, Title, Abstract. Figure 1 of the '098 patent is reproduced below:

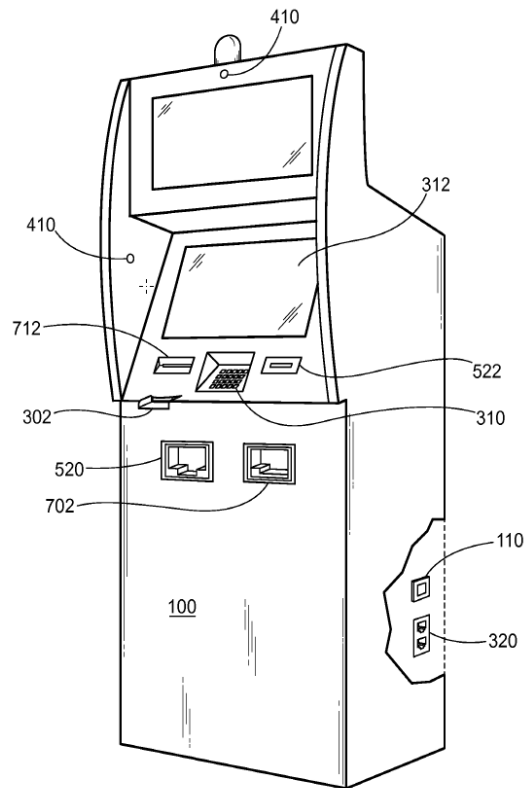


Fig. 1

**Figure 1 of the '098 Patent
(perspective view of gaming kiosk 100).**

Id. at 2:21–29. As illustrated in Figure 1, gaming kiosk 100 has one or more microprocessors 110, ID card acceptor 302, keypad 310, display screen 312

which may be a touchscreen, two network connectors 320,¹ two cameras 410, currency acceptor 520, credit/ATM card acceptor 522, currency dispenser 702, and printer 712. *Id.* at 2:33–45, 2:51.

ID card acceptor 302 is controlled by microprocessor 110 to accept and scan identification information from a casino patron card, or a driver's license or other government-issued identification card. *Id.* at Figs. 2–3, 2:62–3:5.

Camera(s) 410 are controlled by microprocessor 110 to photograph the face of a patron standing in front of kiosk 100, to be stored in digital form. *Id.* at Fig. 4, 3:6–12. Kiosk 100 may also include a fingerprint scan device, or an iris scan sensor, to gather other biological identification data regarding a patron standing in front of kiosk 100. *Id.* at 3:23–26.

Credit/ATM card acceptor 522 is controlled by microprocessor 110 to gather additional verification information, such as a digital image of a signature from an inserted card. *Id.* at 3:13–17.

“After all patron identification/verification information is received, kiosk 100 may verify the identity of the patron, and his/her suitability/acceptability for gaming activity.” *Id.* at 3:37–39. This verification “[i]n some cases . . . may involve a remote computer and/or remote human,” using network link(s) 320. *Id.* at 3:40–52, 5:25–26. In other cases, “kiosk 100 may use verification software hosted on local microprocessor 110 to analyze and verify identity and suitability of the patron.” *Id.* at 3:53–57, 5:26–34.

¹ The '098 patent specification identifies “one or more network connectors 420.” Ex. 1002, 2:35–36, 2:39–45. However, there is no “420” reference numeral in Figure 1. We believe reference numeral “320” in Figure 1 identifies the network connectors.

Once a patron is verified, the patron may use kiosk 100 to establish and fund a wagering account, to wager on games provided by kiosk 100, and to be paid any winnings resulting from the wagering games. *Id.* at 3:63–4:10, 4:19–32, 4:41–50.

C. The Challenged Claims

The '098 patent contains twenty-six claims. Ex. 1002, 6:28–10:37. Petitioner challenges only claims 2, 4–6, 8–15, 17–19, and 21–23, which include two independent claims 2 and 15. *Id.*; Pet. 3. Claim 2 illustratively recites:

2. A kiosk for gaming by patrons, comprising:
 - a kiosk housing designed hold a processor, identification scanner, and biological sensor, and to permit installation at a site for interaction with human patrons;
 - an identification scanner mounted in the kiosk housing and designed to accept an identification document and to scan identification information from the identification document into digital form for transmission over a network;
 - a biological sensor mounted in the kiosk housing and oriented to obtain biological data describing a human patron at the kiosk into digital form for transmission over a communication network;
 - input-output device(s) mounted in the kiosk housing and designed to accept registration/login information and gaming commands from a human patron and to present information to the human patron for interactive gaming;
 - one or more microprocessors mounted in the kiosk housing and programmed to:
 - present instructions to the human patron through the input-output device(s), including an instruction to the patron to insert a government-issued identification document into the identification scanner;

obtain a digital form of the patron's identification from the patron's government-issued identification document using the identification scanner;

obtain biological data describing a biological feature of the patron from the biological sensor;

verify the identity of the patron and acceptability of the patron for gaming based at least in part on the digital form of the patron's identification and the biological data; and

on verification, to offer gaming activities to the verified patron.

Ex. 1002, 7:6–40.

D. Asserted Grounds of Unpatentability

Petitioner presents the following challenges to the '098 patent in this proceeding. *See* Pet. 4.

Statutory Basis	Reference(s)	Claims Challenged
§ 102(b)	Bradford '928 ²	2, 4–6, 8–10, 12–15, 17–19, and 21–23
§ 103(a)	Bradford '928	2, 4–6, 8–10, 12–15, 17–19, and 21–23
§ 103(a)	Bradford '928 and Parrott ³	2, 4–6, 8–15, 17–19, and 21–23

² Ex. 1003, U.S. Patent No. 6,612,928 B1, iss. Sept. 2, 2003.

³ Ex. 1004, U.S. Patent App. Pub. No. 2005/0054417 A1, pub. Mar. 10, 2005.

III. ANALYSIS

A. *Claim Construction*

In this proceeding, we interpret the claims of the '098 patent using the broadest reasonable construction in light of the '098 patent specification. *See* 37 C.F.R. § 42.100(b) (2018)⁴; *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2144–46 (2016) (upholding the use of the broadest reasonable construction standard); Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,764 (Aug. 14, 2012).

Petitioner proposes a construction for one claim term, “kiosk for gaming by patrons” which appears in claims 2 and 15, as meaning “a cabinet or structure for gaming interaction with human patrons.” Pet. 5–6 (citing Ex. 1002, Fig. 1, 1:12–15). The Preliminary Response does not respond to Petitioner’s proposal, or otherwise address the proper claim construction of this term or any other term.

Based on the present record, we conclude no explicit claim construction is needed to decide whether to institute review of the '098 patent. *See Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co. Ltd.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (per curiam) (claim terms need to be construed “only to the extent necessary to resolve the controversy”) (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999)).

⁴ A recent amendment to this rule does not apply here, because the Petition was filed before November 13, 2018. *See Changes to the Claim Construction Standard for Interpreting Claims in Trial Proceedings Before the Patent Trial and Appeal Board*, 83 Fed. Reg. 51,340, 51,340 (Oct. 11, 2018).

B. Anticipation by Bradford '928

Petitioner asserts that claims 2, 4–6, 8–10, 12–15, 17–19, and 21–23 of the '098 patent are unpatentable under 35 U.S.C. § 102(b) as anticipated by Bradford '928. Pet. 4, 12–55.

At the present preliminary stage of the proceeding, Patent Owner's sole response to Petitioner's contentions is to argue that the same or substantially the same prior art or arguments previously were presented to the Office, so we should reject the Petition under 35 U.S.C. § 325(d). *See* Prelim. Resp. 1–16. We address Patent Owner's § 325(d) argument later in this Decision.

We first, here, address the substance of Petitioner's contentions as to anticipation by Bradford '928. Given the arguments and evidence of record, Petitioner has demonstrated a reasonable likelihood of prevailing on its assertions as to all claims challenged on this basis. We begin our analysis with a brief summary of the law of anticipation, then we summarize the Bradford '928 disclosure, and finally we address Petitioner's contentions as to anticipation.

1. Law of Anticipation

A patent claim is unpatentable as anticipated under 35 U.S.C. § 102 “if each and every limitation is found either expressly or inherently in a single prior art reference.” *WhitServe, LLC v. Computer Packages, Inc.*, 694 F.3d 10, 21 (Fed. Cir. 2012) (quoting *Celeritas Techs., Ltd. v. Rockwell Int'l Corp.*, 150 F.3d 1354, 1361 (Fed. Cir. 1998)).

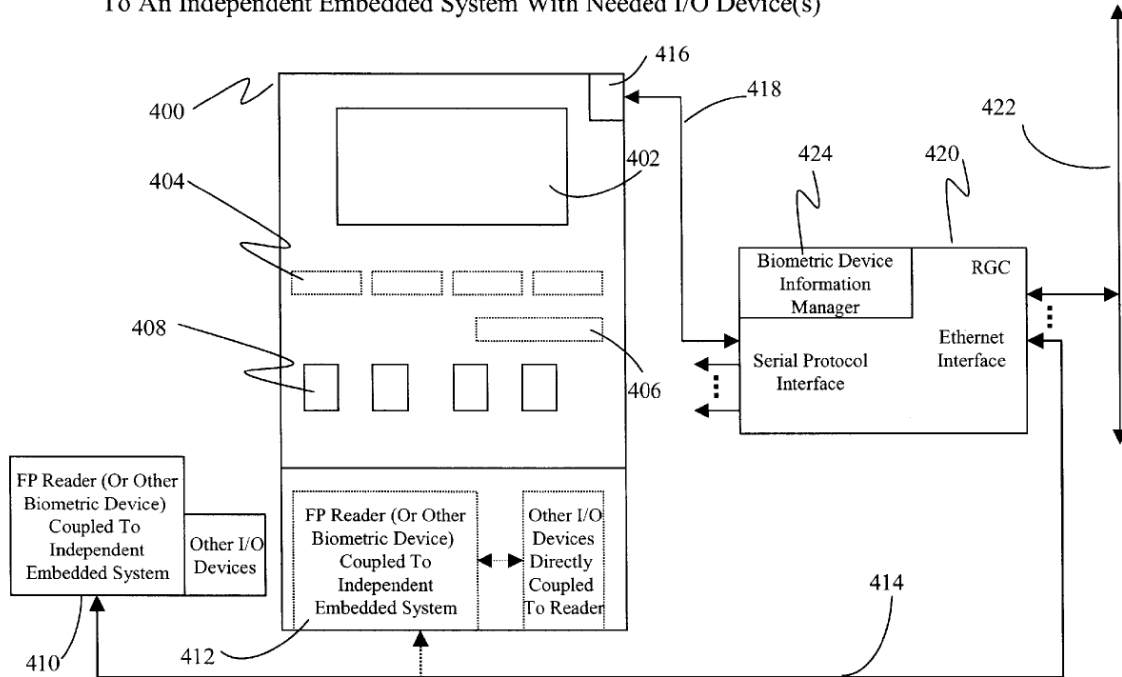
2. *Bradford '928 Disclosure*

Bradford '928 discloses “[a] system and method for using two authenticators to identify a player in a gaming environment . . . , where the second authenticator is based on biometric data.” Ex. 1003, Abstract.

Figure 4 of Bradford '928 is reproduced below:

FIGURE 4

General Game Device Having A Fingerprint (Or Other Biometric) Reader Coupled To An Independent Embedded System With Needed I/O Device(s)



**Figure 4 of Bradford '928
(functional block diagram of system with player identification means).**

Id. at 4:25–28. Figure 4 illustrates game device 400 having view area 402, first authentication readers 404, printer 406, play buttons 408, biometric reader 412, and slot machine interface board (SMIB) 416.⁵ *Id.* at 10:21–29.

⁵ There is some confusion between reference numerals 404, 406, and 408 in Figure 4, and the written description of those reference numerals. *Compare* Ex. 1003, Fig. 4, *with id.* at 10:21–29. In this Decision, we have chosen to

First authentication readers 404 “may be . . . of many types,” such as a device to read data from a player ID card, a credit card, or a driver’s license, or a device to accept a unique alphanumeric sequence (i.e., a PIN). *Id.* at 3:6–22, 5:36–63. A second authentication reader is provided by biometric reader 412, which may scan a player’s fingerprints, hand geometry, retina, iris, or facial feature(s). *Id.* at 3:22–27, 6:49–64.

Game device 400 confirms the identity of a player of game device 400 when “the player presents their first authenticator to the game device, which is used to get [previously stored information regarding] the associated second authenticator,” and then “the player presents their second authenticator” to be checked against the previously stored information. *Id.* at 3:53–4:2, 5:16–27. Once the player’s identity is confirmed using the first and second authenticators, the player may use game device 400 to complete an action such as transferring funds or playing a wagering game. *Id.* at 1:29–34, 3:58–62, 7:66–8:6.

SMIB 416 of game device 400 uses a serial-protocol-based connection 418 to communicate with remote game controller 420, to present wagering games on device 400 for play by the player. *Id.* at 8:27–28, 10:22–24, 10:66–11:1. Biometric reader 412 uses Ethernet connection 414 to communicate with remote game controller 420. *Id.* at 10:60–66, 11:3–7.

cite the reference numerals *from the Figure* that we understand, from our reading of Bradford ’928 as a whole, to correspond to the written description of the illustrated elements. *See, e.g., id.* at 8:22–27 (Fig. 1), 8:33–37 (Fig. 2), 8:51–56 (Fig. 3), 10:21–29 (Fig. 4). This resolution of the confusion is consistent, further, with the written description of the authentication readers and the printer being shown “by dotted lines” in Figure 4. *Id.* at 10:21–29.

3. *Claim 2*

Petitioner provides detailed arguments and evidence, including the Declaration of Andrew Wolfe (Ex. 1001), in support of contending claim 2 is unpatentable as anticipated by Bradford '928. Pet. 12–38; Ex. 1001 ¶¶ 52–161.

Petitioner contends Bradford '928 discloses a gaming kiosk, such as game device 200 shown in Figure 2, or game device 400 shown in Figure 4. *See* Pet. 13–15; Ex. 1003, 7:35–39, 7:66–8:6, 8:34, 10:21; Ex. 1001 ¶¶ 58–64. In this Decision, we focus on game device 400, which appears to be representative of Petitioner's contentions, based on the present record. According to Petitioner, game device 400 comprises a housing designed to hold a processor, an identification scanner (e.g., first authentication readers 404), and a biological sensor (e.g., biometric reader 412). *See* Pet. 15–17; Ex. 1003, 8:7–14, 10:21–29, 11:4–8, 44:5–8 (claim 50); Ex. 1001 ¶¶ 65–73.

Petitioner argues first authentication readers 404 may accept and scan information from a government-issued identification document, such as a driver's license, to identify a user of game device 400. *See* Pet. 18–19; Ex. 1003, 5:58–63; Ex. 1001 ¶¶ 74–78. Further according to Petitioner, the microprocessors within game device 400 store this identification information in digital form for transmission over a communication network, namely, either Ethernet connection 414 or standard serial connection 418. *See* Pet. 19–22, 31–32; Ex. 1003, 5:36–64, 10:21–29, 10:60–11:50, 44:42–56 (claim 55), 46:4–28 (claim 65); Ex. 1001 ¶¶ 79–86, 129–133.

Petitioner argues biometric reader 412 is a biological sensor comprising a fingerprint reader or a camera used to recognize facial features

to identify a user of game device 400 via the user's biological data. *See* Pet. 22–23, 32–33; Ex. 1003, 6:53–56, 11:22–31, 16:50–63; Ex. 1001 ¶¶ 87–89, 134–142. Further according to Petitioner, the microprocessors within game device 400 store this biological data in digital form for transmission over a communication network, namely, either Ethernet connection 414 or standard serial connection 418. *See* Pet. 23–25; Ex. 1003, 10:21–29, 10:60–11:12, 11:21–50, 46:4–28 (claim 65); Ex. 1001 ¶¶ 91–98.

Petitioner next contends game device 400 includes an input-output device such as play buttons 406 and/or a touchscreen to accept information and gaming commands from, and present information to, a human patron for interactive gaming. *See* Pet. 25–27; Ex. 1003, 8:7–21, 10:20–29, 11:13–20; Ex. 1001 ¶¶ 99–109. This includes, according to Petitioner, accepting registration/login information from the patron, for example to request an electronic funds transfer (EFT) via game device 400. *See* Pet. 26–27; Ex. 1003, 3:58–62, 8:2, 13:19–23, 24:58–67; Ex. 1001 ¶¶ 105–109.

Petitioner further contends game device 400 includes one or more microprocessors, including “at least one central processor” which controls gaming activities (Ex. 1003, 8:7–21), and a separate processor in biometric reader 412 (*id.* at 11:21–31). *See* Pet. 27–28; Ex. 1001 ¶¶ 110–114. Petitioner asserts the microprocessors within game device 400 are programmed to instruct a human patron to use first authentication readers 404, for example by presenting a driver's license to be read by readers 404, as set forth above. *See* Pet. 28–31; Ex. 1003, 13:27–29, 24:52–25:3 (Fig. 11), 37:14–15 (claim 4); Ex. 1001 ¶¶ 116–123, 126–128.

Petitioner further contends the microprocessors within game device 400 are programmed to verify the identity of the patron, and the

acceptability of the patron for gaming, based at least in part on the patron's driver's license information and the patron's biological data. *See* Pet. 33–36; Ex. 1003, 3:53–4:7, 5:16–24, 37:6–30 (claim 4), 46:4–28 (claim 65); Ex. 1001 ¶¶ 143–149. In particular, according to Petitioner, the microprocessors within game device 400 are “at least involved in” this verification, even if other remote processors at remote game controller 420 also are involved. Pet. 34–35 (citing, *inter alia*, '098 patent claim 6); Ex. 1001 ¶¶ 148–149. Moreover, in Petitioner's view, even if claim 2 is interpreted to require that the microprocessors within game device 400 are programmed to verify the identity of the patron without the involvement of remote processors, a person of ordinary skill in the art “would have at once envisaged” using game device 400 in that manner, based on game device 300 in Bradford '928.⁶ Pet. 35–36 (citing Ex. 1003, Fig. 3, 8:51–9:4); Ex. 1001 ¶¶ 150–151.

Finally, Petitioner contends that, upon the patron's identity being verified, the microprocessors within game device 400 offer gaming activities to the verified patron. *See* Pet. 36–38; Ex. 1003, 3:66–4:2, 32:43–67 (Fig. 15), 44:34–41 (claim 54), 46:27–28 (claim 65); Ex. 1001 ¶¶ 154–159, 161. Moreover, in Petitioner's view, even if claim 2 is interpreted to require that the microprocessors within game device 400 are programmed to offer gaming activities without the involvement of remote processors, a person of ordinary skill in the art “would have at once envisaged” using game

⁶ As discussed below, Petitioner offers an alternative obviousness ground, to the extent the anticipation ground's reliance on an “at once envisaged” theory falls short. *See infra* Section III.C.

device 400 in that manner, based on game device 300 in Bradford '928. Pet. 38 (citing Ex. 1003, Fig. 3, 8:51–9:4); Ex. 1001 ¶ 160.

Based on the foregoing arguments and evidence, Petitioner has shown sufficiently that Bradford '928 discloses each and every limitation of claim 2 to demonstrate a reasonable likelihood of prevailing on the challenge to claim 2 as anticipated by Bradford '928. We, therefore, institute a review of this challenge.

4. *Claims 4–6, 8–10, 12–15, 17–19, and 21–23*

Petitioner provides detailed arguments and evidence, including the Wolfe Declaration, in support of contending claims 4–6, 8–10, 12–15, 17–19, and 21–23 are unpatentable as anticipated by Bradford '928. Pet. 38–46 (independent claim 15), 46–55 (dependent claims); Ex. 1001 ¶¶ 162–250. On the present record, we are persuaded that Petitioner has shown sufficiently that Bradford '928 discloses each and every limitation of these claims, to demonstrate a reasonable likelihood of prevailing on the challenge to these claims as anticipated by Bradford '928. Furthermore: “As required by [*SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348 (2018)], the PTAB will institute as to all claims or none,” and “[a]t this time, if the PTAB institutes a trial, the PTAB will institute on all challenges raised in the petition.” *Guidance on the Impact of SAS on AIA Trial Proceedings* (Apr. 26, 2018) (available at <https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/trials/guidance-impact-sas-aia-trial>, last accessed May 9, 2019) (“*SAS Guidance*”). For these reasons, we institute a review of this challenge to these claims.

C. Obviousness over Bradford '928

Petitioner asserts that claims 2, 4–6, 8–10, 12–15, 17–19, and 21–23 of the '098 patent are unpatentable under 35 U.S.C. § 103(a) as having been obvious over Bradford '928 and the knowledge of a person of ordinary skill in the art. Pet. 4, 56–57.

At the present preliminary stage of the proceeding, Patent Owner's sole response to Petitioner's contentions is to argue that the same or substantially the same prior art or arguments previously were presented to the Office, so we should reject the Petition under 35 U.S.C. § 325(d). *See* Prelim. Resp. 1–16. We address Patent Owner's § 325(d) argument later in this Decision.

We first, here, address the substance of Petitioner's contentions as to obviousness over Bradford '928. Given the arguments and evidence of record, Petitioner has demonstrated a reasonable likelihood of prevailing on its assertions as to all claims challenged on this basis. We begin our analysis with a brief summary of the law of obviousness, then we address the level of ordinary skill in the art, and finally we address Petitioner's contentions as to obviousness.

1. Law of Obviousness

A patent claim is unpatentable under 35 U.S.C. § 103 if the differences between the claimed subject matter and the prior art are such that the subject matter, as a whole, would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying

factual determinations including: (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of ordinary skill in the art; and (4) objective evidence of nonobviousness, if made available in the record. *See Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966).

2. *Level of Ordinary Skill in the Art*

Petitioner contends a person having ordinary skill in the art pertaining to the '098 patent “would have had at least a bachelor’s degree in computer or electrical engineering, or related field of study, and at least two years of professional computer system design experience or equivalent.” Pet. 11–12; Ex. 1001 ¶ 25. The Preliminary Response does not take a position as to the level of ordinary skill in the art. We determine on the current record that the level of ordinary skill proposed by Petitioner is consistent with the '098 patent and the asserted prior art. We, therefore, adopt that level in deciding whether to institute trial.

3. *Claims 2, 4–6, 8–10, 12–15, 17–19, and 21–23*

Petitioner provides detailed arguments and evidence, including the Wolfe Declaration, in support of contending claims 2, 4–6, 8–10, 12–15, 17–19, and 21–23 would have been obvious over Bradford '928 and the knowledge of a person of ordinary skill in the art. Pet. 56–57; Ex. 1001 ¶¶ 251–254.

Petitioner presents this obviousness ground based on Bradford '928, as an alternative to the anticipation ground based on Bradford '928, in the event that:

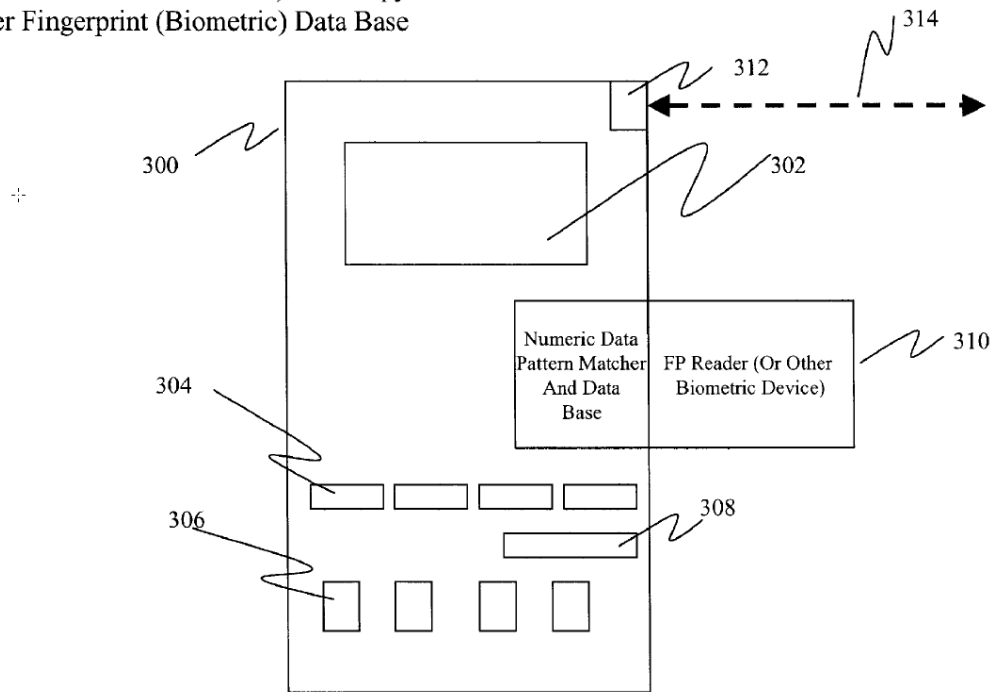
it is found that one of ordinary skill in the art would not have at once envisaged combining all of the features of the embodiment of Figure 4 in Bradford ['928] in a fully embedded standalone system that includes at least one microprocessor configured to perform the entirety of each of the functions [recited] in claim 2 [and claim 15].

Pet. 56; Ex. 1001 ¶ 251. For obviousness, Petitioner relies on Figure 3 in Bradford '928, and its accompanying written description. Pet. 56; Ex. 1001 ¶ 252.

Figure 3 of Bradford '928 is reproduced below:

FIGURE 3

General Gaming Device Having A Fingerprint Reader (Or Other Biometric Reader) And Copy Of A Player Fingerprint (Biometric) Data Base



**Figure 3 of Bradford '928
(functional block diagram of system with player identification means).**

Ex. 1003, 4:21–24. Figure 3 illustrates game device 300 having view area 302, first authentication readers 304, play buttons 306, printer 308, biometric reader 310, and SMIB 312. *Id.* at 8:51–56. “[R]eader 310

includes the hardware and software needed to do initial processing of the image, scan, or read of the biometric data . . . and will further do the actual database lookup and attempted match for the authorization.” *Id.* at 8:56–60. Further, “the internals of reader 310 would include a processor, memory, and software dedicated to reader 310 that are sufficient to provide the compute resources needed for a database and the software used to match the reader data and the entries in the database.” *Id.* at 8:60–65. Bradford ’928 also indicates that in certain small casino installations, “each game device could be essentially a standalone machine if configured as shown in FIG. 3, with database updates being carried out by the use of CD-ROMs individually delivered to each game device.” *Id.* at 9:5–17.

Petitioner describes game device 300 as being “essentially a standalone machine . . . , and thus the entirety of every function of the machine is performed by one or more microprocessors within the gaming machine itself.” Pet. 56 (citing Ex. 1003, 9:10–12); Ex. 1001 ¶ 252. Based on that understanding of the Bradford ’928 disclosure, Petitioner argues it would have been obvious “to incorporate the features of the embodiment illustrated in Figure 4 of Bradford into a standalone machine.” Pet. 56; Ex. 1001 ¶ 253. Petitioner asserts this would have been known “to provide better (faster) service to players . . . [by] allowing for the local caching of (for example) the database entries or records corresponding to the last 10 players to use the game device.” Pet. 56–57 (quoting Ex. 1003, 9:57–63); Ex. 1001 ¶ 253. It would further, according to Petitioner, be used advantageously within “a very small casino or gambling room where each machine is a standalone machine.” Pet. 56–57 (quoting Ex. 1003, 10:4–12); Ex. 1001 ¶ 253.

Based on the foregoing arguments and evidence, Petitioner has demonstrated a reasonable likelihood of prevailing on the challenge to claims 2, 4–6, 8–10, 12–15, 17–19, and 21–23 as unpatentable for having been obvious over Bradford '928 and the knowledge of a person of ordinary skill in the art. *See also SAS Guidance, supra.* Thus, we institute a review of this challenge to these claims.

D. Obviousness over Bradford '928 and Parrott

Petitioner asserts that claims 2, 4–6, 8–15, 17–19, and 21–23 of the '098 patent are unpatentable under 35 U.S.C. § 103(a) as having been obvious over Bradford '928, Parrott, and the knowledge of a person of ordinary skill in the art. Pet. 4, 57–63.

At the present preliminary stage of the proceeding, Patent Owner's sole response to Petitioner's contentions is to argue that the same or substantially the same prior art or arguments previously were presented to the Office, so we should reject the Petition under 35 U.S.C. § 325(d). *See* Prelim. Resp. 1–16. We address Patent Owner's § 325(d) argument later in this Decision.

We first, here, address the substance of Petitioner's contentions as to obviousness over Bradford '928 and Parrott. Given the arguments and evidence of record, Petitioner has demonstrated a reasonable likelihood of prevailing on its assertions as to all claims challenged on this basis. We begin our analysis with a brief summary of the Parrott disclosure, then we address Petitioner's contentions as to obviousness.

1. *Parrott Disclosure*

Parrott discloses a gaming machine with scanning capability.

Ex. 1004, Title. Figure 16a of Parrott is reproduced below:

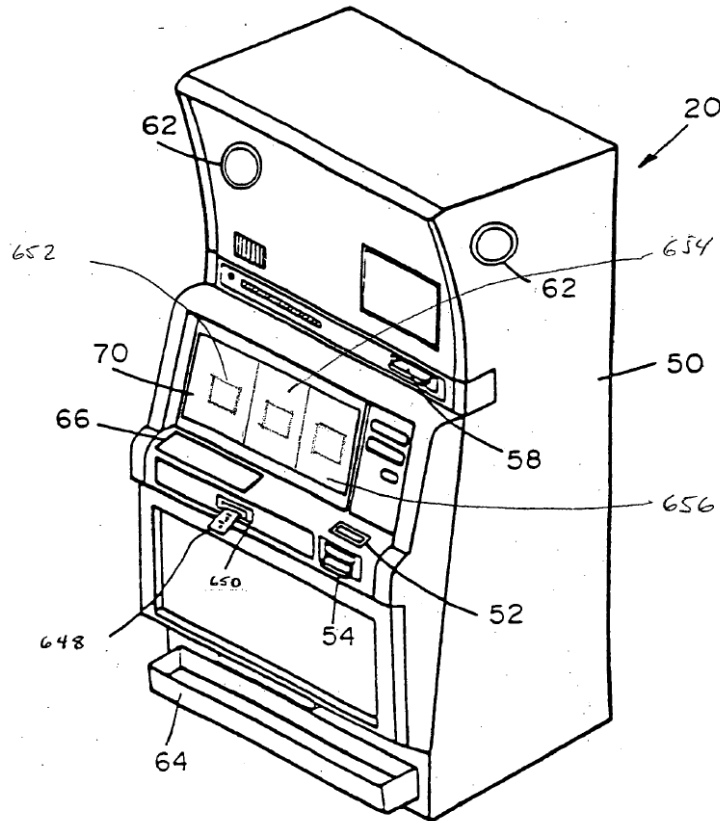


FIG. 16a

**Figure 16a of Parrott
(perspective view of gaming unit 20).**

Id. ¶¶ 25, 96. Gaming unit 20 has various scanners 650 to scan various kinds of objects 648. *Id.* ¶¶ 96–98. Thus, paper currency acceptor 54 accepts and scans paper currency, ticket reader 56 (*see id.* Fig. 2) accepts and scans ticket vouchers, and card reader 58 accepts and scans cards such as credit cards, player tracking cards, or driver’s licenses. *Id.* ¶¶ 38–40, 96–98. Each such scanner 650 “may transmit data representing a digital

representation or scan 652 of the object 648 to the controller 100” of gaming unit 20. *Id.* ¶ 98; *see also id.* at Fig. 3, ¶ 48 (describing controller 100).

Gaming unit 20 additionally has coin slot or acceptor 52 and coin payout tray 64. *Id.* ¶¶ 38, 41.

2. *Claims 2, 4–6, 8–10, 13, and 14*

Petitioner provides detailed arguments and evidence, including the Wolfe Declaration, in support of contending independent claim 2 and its dependent claims 4–6, 8–10, 13, and 14 would have been obvious over Bradford ’928, Parrott, and the knowledge of a person of ordinary skill in the art. Pet. 57–59, 63; Ex. 1001 ¶¶ 256–263, 287–291.

This challenge focuses on the limitation in claim 2 reciting “an identification scanner . . . to *scan* identification information from the identification document *into digital form for transmission over a network.*” Ex. 1002, 7:11–15 (emphases added); Pet. 58; Ex. 1001 ¶¶ 255–256. In the event Bradford ’928 is found not to disclose that subject matter, Petitioner contends Parrott correspondingly discloses scanners that scan identification information from an identification document, such as a driver’s license, into digital form for transmission over a network. Pet. 58–59; Ex. 1004 ¶¶ 40, 96, 98, 102, 105, 106; Ex. 1001 ¶¶ 256–261. Petitioner argues:

Because Bradford [’928] and Parrott are both disclosing a similar system for the same purpose, *i.e.*, obtaining digital information from a physical driver’s license, within casino gaming machines, it would have been obvious to one of ordinary skill in the art to use the specific routines disclosed in Parrott to perform the reading of driver’s license disclosed in Bradford [’928].

Pet. 59, 63; Ex. 1001 ¶¶ 262–263, 287–291.

Based on the foregoing arguments and evidence, Petitioner has demonstrated a reasonable likelihood of prevailing on the challenge to claims 2, 4–6, 8–10, 13, and 14 as unpatentable for having been obvious over Bradford '928, Parrott, and the knowledge of a person of ordinary skill in the art. *See also SAS Guidance, supra*. Thus, we institute a review of this challenge to these claims.

3. *Claim 11*

Claim 11 depends from claim 2, and adds that the claimed kiosk comprises “a currency acceptor and dispenser.” Ex. 1002, 8:15–16.

Petitioner provides detailed arguments and evidence, including the Wolfe Declaration, in support of contending claim 11 would have been obvious over Bradford '928, Parrott, and the knowledge of a person of ordinary skill in the art. Pet. 60–61, 63; Ex. 1001 ¶¶ 264–277, 287–291.

Petitioner contends Bradford '928 discloses game devices having a currency *acceptor*, as a “monetary input device[.]” (Ex. 1003, 8:11), which may include “a combination bill and voucher reader” (*id.* at 11:33). Pet. 60 (citing Ex. 1003, 8:7–14, 11:31–36); Ex. 1001 ¶¶ 266–267. Petitioner also contends Parrott discloses game devices having a currency *acceptor* and a currency *dispenser*, as coin slot or acceptor 52, paper currency acceptor 54, card reader 58, and coin payout tray 64. Pet. 60–61; Ex. 1004, Fig. 2, ¶¶ 38, 42; Ex. 1001 ¶¶ 269–273.

Based on the similar structure and function of game device 400 in Bradford '928 and gaming unit 20 in Parrott, including the need to accept and dispense funds to play wagering games, Petitioner contends it would have been obvious “to add a currency acceptor and dispenser as described in

Parrott to the game machine of Bradford [’928], in order to provide a mechanism for accepting and dispensing funds without the need for an additional device” such as the electronic funds account station of Bradford ’928. Pet. 61, 63; Ex. 1001 ¶¶ 274–277, 287–291.

Based on the foregoing arguments and evidence, Petitioner has demonstrated a reasonable likelihood of prevailing on the challenge to claim 11 as unpatentable for having been obvious over Bradford ’928, Parrott, and the knowledge of a person of ordinary skill in the art. *See also SAS Guidance, supra*. Thus, we institute a review of this challenge to this claim.

4. Claim 12

Claim 12 depends from claim 2, and adds that the claimed kiosk comprises “a credit card acceptor.” Ex. 1002, 8:17–18.

Petitioner provides detailed arguments and evidence, including the Wolfe Declaration, in support of contending claim 12 would have been obvious over Bradford ’928, Parrott, and the knowledge of a person of ordinary skill in the art. Pet. 61–63; Ex. 1001 ¶¶ 278–291.

Specifically, in the event Bradford ’928 is found not to disclose the credit card acceptor of claim 12 for anticipation pursuant to Petitioner’s first challenge, Petitioner contends Parrott correspondingly discloses gaming unit 20 having card reader 58 which may accept a credit card. Pet. 61–62; Ex. 1004, Fig. 2, ¶ 38; Ex. 1001 ¶¶ 278–284. Based on the similar structure and function of game device 400 in Bradford ’928 and gaming unit 20 in Parrott, including the need to accept and dispense funds to play wagering games, Petitioner contends it would have been obvious “to add a credit card

reader/acceptor as described in Parrott to the game machine of Bradford [’928], in order to provide a mechanism for accepting and dispensing funds without the need for an additional device” such as the electronic funds account station of Bradford ’928. Pet. 62–63; Ex. 1001 ¶¶ 285–291.

Based on the foregoing arguments and evidence, Petitioner has demonstrated a reasonable likelihood of prevailing on the challenge to claim 12 as unpatentable for having been obvious over Bradford ’928, Parrott, and the knowledge of a person of ordinary skill in the art. *See also SAS Guidance, supra*. Thus, we institute a review of this challenge to this claim.

5. *Claims 15, 17–19, and 21–23*

Petitioner provides detailed arguments and evidence in support of contending independent claim 15 and its dependent claims 17–19 and 21–23 would have been obvious over Bradford ’928, Parrott, and the knowledge of a person of ordinary skill in the art. Pet. 57–59, 63.

This challenge focuses on the limitations in claim 15 reciting “*scanning . . . a digital form of the patron’s identification*” and “*scan[ning] identification information from the identification document into digital form for transmission over a network.*” Ex. 1002, 8:37–43 (emphases added); Pet. 58. In the event Bradford ’928 is found not to disclose that subject matter, Petitioner contends it would have been obvious to incorporate the subject matter into Bradford ’928 based on Parrott, for the same reasons identified above in relation to claim 2. *See* Pet. 58–59, 63; *supra* Section III.D.2.

Based on the foregoing arguments and evidence, Petitioner has demonstrated a reasonable likelihood of prevailing on the challenge to claims 15, 17–19, and 21–23 as unpatentable for having been obvious over Bradford '928, Parrott, and the knowledge of a person of ordinary skill in the art. *See also SAS Guidance, supra*. Thus, we institute a review of this challenge to these claims.

E. 35 U.S.C. § 325(d) Discretion

Pursuant to 35 U.S.C. § 325(d), when determining whether to institute an *inter partes* review, we “*may take into account whether, and reject the petition . . . because, the same or substantially the same prior art or arguments previously were presented to the Office.*” 35 U.S.C. § 325(d) (emphases added). In deciding whether to reject a petition on this basis, the Board typically weighs several non-exclusive factors, such as:

- (a) the similarities and material differences between the asserted art and the prior art involved during examination;
- (b) the cumulative nature of the asserted art and the prior art evaluated during examination;
- (c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection;
- (d) the extent of the overlap between the arguments made during examination and the manner in which Petitioner relies on the prior art or Patent Owner distinguishes the prior art;
- (e) whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art; and
- (f) the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments.

Becton, Dickinson & Co. v. B. Braun Melsungen AG, Case IPR2017-01586, Paper 8, at 17–18 (PTAB Dec. 15, 2017) (informative).

Patent Owner urges us to deny the Petition under § 325(d) on the basis that the Petition presents the same or substantially the same prior art or arguments previously presented to the Office during prosecution of the '098 patent. Prelim. Resp. 1–16. Petitioner requested, and was granted, authorization to file a Reply to the Preliminary Response to address § 325(d). *See* Paper 9. Patent Owner was granted authorization to file a Sur-Reply to the Reply. *See id.*

1. Patent Owner's Preliminary Response

Patent Owner asserts the Petition “merely rehash[es] prior art disclosures already considered by the Examiner during prosecution.” Prelim. Resp. 1, 4–7. Patent Owner argues Bradford '928 has “the same disclosure” as U.S. Patent No. 6,709,333 B1 to Bradford et al. (Ex. 2009, “Bradford '333”), which was filed as a continuation of the application that issued as Bradford '928. *Id.*; Ex. 2009, (63); Ex. 1003, (21). Bradford '333 and Parrott are both identified as “References Cited” during prosecution of the '098 patent, with the former being “cited by” the Examiner. *See* Prelim. Resp. 4–7; Ex. 1002, (56); Ex. 2001, 87, 90.

Patent Owner additionally asserts that the Petition relies on the “same,” or at least “*substantially similar*,” arguments considered by the Examiner of the '098 patent during its prosecution. Prelim. Resp. 1 (emphasis added), 7–14. In this regard, Patent Owner relies on the Examiner's consideration of the International Search Report (“the ISR”) and the Written Opinion (“the WO”) issued in connection with International

Application No. PCT/US 2014/022632 (“the Related PCT Application”).⁷ Prelim. Resp. 1, 7–14; Ex. 2001, 90 (Examiner of ’098 patent acknowledging the ISR and the WO were considered), 142–145 (the ISR), 146–159 (the WO). The Related PCT Application claimed priority to the application that issued as the ’098 patent. Ex. 2003, 4; Ex. 1002, (21).

Patent Owner further contends the claims of the Related PCT Application were “substantially similar” to the ’098 patent claims. Prelim. Resp. 7–10 (comparing claim 2 of the ’098 patent with claim 1 of the Related PCT Application). Patent Owner points out that the ISR identified Bradford ’333 and Parrott as being, in relation to claim 1 of the Related PCT Application, “of particular relevance” such that “the claimed invention cannot be considered to involve an inventive step when” combined with other prior art references, “such combination being obvious to a person skilled in the art.” Ex. 2001, 145; Prelim. Resp. 10–11. Further, the ISR was accompanied by the WO, which provided analysis in support of concluding claim 1 of the Related PCT Application “lack[ed] an inventive step under PCT Article 33(3) as being obvious over Bradford [’333] in view of Parrott[.]” Ex. 2001, 148–149; Prelim. Resp. 10–11.

Patent Owner, finally, points out that the Petition largely fails to address the prosecution history of the ’098 patent in relation to 35 U.S.C. § 325(d). Prelim. Resp. 14–16. Further, according to Patent Owner, the Petition is misleading and wrong when it states that “the Bradford reference

⁷ The ISR and the WO were issued by the USPTO as the International Searching Authority responsible for the Related PCT Application. *See* Ex. 2001, 142, 146. The PCT Officer was Blaine R. Copenheaver, whereas the Primary Examiner of the ’098 patent was Sunit Pandya. *See id.*; Ex. 1002, Front Page.

used in this Petition [i.e., Bradford '928] was not considered during prosecution of the application that led to the '098 patent," because Bradford '333 was considered during that prosecution. *Id.* at 1, 4–5.

2. *Petitioner's Reply to the Preliminary Response*

Petitioner filed a Reply (Paper 10, "Reply") to Patent Owner's Preliminary Response to address § 325(d). Petitioner asserts that the respective disclosures of Bradford '928 and Bradford '333 are not identical or even substantially similar, because Bradford '928 contains six pages of sixty-eight claims that are not in Bradford '333. Reply 1–2; Ex. 1005. Petitioner points out that the Petition relies on the claims of Bradford '928 as disclosing subject matter claimed in the '098 patent, and the Bradford '928 claims were not presented to the Examiner during prosecution of the '098 patent. Reply 2–3, 4–5. Petitioner also points out the Examiner did not cite either Bradford '333 or Parrott to reject any claims during prosecution of the '098 patent. *Id.* at 3–4. Petitioner finally asserts that it is not clear, from the present record, what consideration the Examiner gave to Bradford '333 and Parrott during prosecution of the '098 patent, and that if such consideration were made, "the Examiner more likely than not" failed to appreciate fully the analysis set forth in the Related PCT Application. *Id.* at 3 n.2, 5.

3. *Patent Owner's Sur-Reply*

Patent Owner filed a Sur-Reply (Paper 12, "Sur-Reply") to Petitioner's Reply concerning § 325(d). Patent Owner contends Petitioner's Exhibit 1005 supports Patent Owner's assertion that the respective disclosures of Bradford '928 and Bradford '333 "are identical."

Sur-Reply 1–2. This is consistent, according to Patent Owner, with Bradford ’333 being filed as a continuation of Bradford ’928, “because basic patent law holds that ‘continuations are based on the same disclosure’ as their parent and ‘continuations can claim no new invention not already supported in the earlier issued patents.’” *Id.* (citations omitted). Thus, Patent Owner’s view is that the claim differences between Bradford ’928 and Bradford ’333 are “irrelevant for purposes of analyzing prior art disclosure,” because the Bradford ’928 claims must have written description support in the disclosure which is the same in both patents. *Id.* at 2–3. Patent Owner finally argues that Petitioner’s assertions of Examiner error in considering the WO from the Related PCT Application are based on speculation, and the evidence instead establishes the Examiner fully considered the WO. *Id.* at 4–5.

4. *Analysis and Conclusion*

Upon review of the foregoing, we first consider whether the Petition presents the same or substantially the same prior art as was presented to the Examiner during prosecution of the ’098 patent. The evidence of record indicates that the respective “Background of the Invention,” “Brief Description of the Invention,” “Brief Description of the Drawings,” and “Detailed Description of the Preferred Embodiments” portions of Bradford ’928 and Bradford ’333 are substantively identical. *See* Ex. 1005, 13–49. The respective Figures of Bradford ’928 and Bradford ’333 are, likewise, substantively identical. *Compare* Ex. 1003 (Figs. 1–16), *with* Ex. 2009 (Figs. 1–16). The only substantive differences between the respective disclosures of Bradford ’928 and Bradford ’333 that we can

discern are found in the Abstracts (Ex. 1005, 1) and in the claims (*id.* at 3–13).

Concerning the differences in the claims, we agree with Patent Owner’s argument that the overall disclosures of Bradford ’928 and Bradford ’333 are “the same or substantially the same” (35 U.S.C. § 325(d)) despite those differences. Petitioner does not identify any specific claim of Bradford ’928 as differing in any material respect versus the shared disclosures of Bradford ’928 and Bradford ’333. *See, e.g.*, Reply 1–2. Indeed, Petitioner’s arguments in support of anticipation by Bradford ’928 generally begin with seeking to establish that the written description outside of the claims of Bradford ’928 discloses the claimed subject matter, and then turn to the claims of Bradford ’928 for additional support. *See, e.g.*, Pet. 15–17 (discussing written description), 17 (discussing claims 50, 52, and 55); *id.* at 18–21 (discussing written description), 21–22 (discussing claims 55 and 65). Thus, while we appreciate that the claims of Bradford ’928 and Bradford ’333 are different, we conclude that the two references are nonetheless the same or, at minimum, *substantially the same* prior art for purposes of 35 U.S.C. § 325(d) because the respective disclosures outside of the claims are substantively identical.

Bradford ’333 and Parrott were both presented to and considered by the Examiner during prosecution of the ’098 patent. *See* Ex. 1002, (56); Ex. 2001, 90. Thus, we conclude the Bradford ’928 and Parrott prior art references cited in the Petition are the same or substantially the same prior art as was presented to the Examiner during prosecution of the ’098 patent, for purposes of 35 U.S.C. § 325(d). Therefore *Becton, Dickinson* factors (a) and (b) weigh in favor of denying the Petition.

We next consider whether the Petition presents the same or substantially the same argument as was presented to the Examiner during prosecution of the '098 patent. In this regard, the Examiner was presented with the ISR and the WO from the Related PCT Application. *See* Ex. 1002, (56); Ex. 2001, 90. The ISR pertinently characterizes each of Bradford '333 and Parrott as being “of particular relevance” to claims 1–22 of the Related PCT Application, such that “the claimed invention cannot be considered to involve an inventive step when [Bradford '333 or Parrott] is combined with one or more other such documents, such combination being obvious to a person skilled in the art.” Ex. 2001, 145. The WO then spells out one basis for that conclusion, providing the view of the PCT Officer that claims 1–22 of the Related PCT Application “lack an inventive step under PCT Article 33(3) as being obvious over Bradford ['333] in view of Parrott.” *Id.* at 148–159.

Patent Owner focuses on the PCT Officer’s consideration of claim 1 of the Related PCT Application, which Patent Owner contends is substantially similar to claim 2 of the '098 patent. *See* Prelim. Resp. 7–10. We agree with that contention.⁸ However, Patent Owner does not offer a

⁸ The differences between the two claims that we discern as being potentially significant are: (1) '098 patent claim 2 recites a “kiosk,” whereas PCT claim 1 recites a “computing device”; (2) '098 patent claim 2 specifies that several elements are “mounted in the kiosk housing,” whereas PCT claim 1 specifies only that the computing device comprises the same elements; (3) '098 patent claim 2 recites an “identification scanner,” whereas PCT claim 1 recites an “identification acceptor”; and (4) '098 patent claim 2 recites instructing the patron to insert “a government-issued identification document,” whereas PCT claim 1 recites instructing the patron to insert “an identification document.” *Compare* Ex. 1002, 7:6–40 ('098 patent claim 2), *with* Ex. 2001, 127 (PCT claim 1).

meaningful comparison between the actual analysis of the PCT Officer on the one hand, and the analysis presented by the Petition on the other hand. *See id.* at 7–12. Nonetheless, there is at least some overlap between the PCT Officer’s reasoning in support of concluding claim 1 of the Related PCT Application was unpatentable over Bradford ’333 and Parrott, and Petitioner’s reasoning in support of its challenge to claim 2 of the ’098 patent as unpatentable over Bradford ’928 and Parrott. *Compare* Ex. 2001, 148–149 (PCT Officer’s reasoning), *with supra* Section III.D.2 (Petitioner’s contentions). At the same time, the Petition differs from the WO in asserting that ’098 patent claim 2 is unpatentable as anticipated by Bradford ’928 (*see supra* Section III.B.3), and as obvious over Bradford ’928 even without considering Parrott (*see supra* Section III.C.3). Without fully considering these factors, we will assume, for purposes of this Decision, that the Petition presents the same or substantially the same analysis as the WO presented to the Examiner during prosecution of the ’098 patent. Therefore a portion of *Becton, Dickinson* factor (d), “the extent of the overlap between the arguments made during examination and the manner in which Petitioner relies on the prior art,” weighs in favor of denying the Petition.

However, other *Becton, Dickinson* factors weigh in favor of granting the Petition. For example, factor (c) is “the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection,” and factor (d) includes “the extent . . . Patent Owner distinguishes the prior art.” *Becton, Dickinson*, at 17–18. Here, the evidence of record establishes only that Bradford ’333, Parrott, the ISR, and the WO were in fact considered by the Examiner of the ’098 patent during

prosecution. There is no evidence to reflect the *extent* of such consideration. Even more importantly, there is no evidence of record indicating why the Examiner of the '098 patent did not reject claims as being unpatentable over Bradford '333 or Parrott, given the analysis of the PCT Officer in the ISR and the WO.

Concerning *Becton, Dickinson* factors (e) and (f), we have concluded the Petition demonstrates a reasonable likelihood of prevailing on the challenges to various '098 patent claims as being anticipated by Bradford '928, or as being obvious over Bradford '928, or as being obvious over Bradford '928 and Parrott. That conclusion, when considered in light of the Examiner's failure to address Bradford '333 and Parrott expressly and substantively during prosecution of the claims at issue here, weighs heavily in favor of granting the Petition.

Weighing all the foregoing factors, we decline to exercise our discretion to deny institution under § 325(d).

IV. CONCLUSION

For the above reasons, we determine the information presented in the record establishes there is a reasonable likelihood that Petitioner would prevail with respect to at least one claim of the '098 patent challenged in the Petition. We further decline to exercise our discretion to deny institution under § 325(d). Accordingly, we institute an *inter partes* review. 35 U.S.C. § 314(a). At this preliminary stage, the Board has not made a final determination with respect to the patentability of the challenged claims or any underlying factual or legal issue. The Board's final determination will be based on the record as developed during the *inter partes* review.

V. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that, pursuant to 35 U.S.C. § 314(a), an *inter partes* review is instituted for:

- (1) claims 2, 4–6, 8–10, 12–15, 17–19, and 21–23 of the '098 patent, under 35 U.S.C. § 102(b) as anticipated by Bradford '928;
- (2) claims 2, 4–6, 8–10, 12–15, 17–19, and 21–23 of the '098 patent, under 35 U.S.C. § 103(a) as unpatentable over Bradford '928; and
- (3) claims 2, 4–6, 8–15, 17–19, and 21–23 of the '098 patent, under 35 U.S.C. § 103(a) as unpatentable over Bradford '928 and Parrott; and

FURTHER ORDERED that pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4, notice is hereby given of the institution of a trial, which commences on the entry date of this decision.

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Patent 9,240,098 B2

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