

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 IPR2019-00320
Patent 10,096,207 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 1–5, 8, 11–17, 20, 23, and 24 of U.S. Patent No. 10,096,207 B2 (“the ’207 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 1–5, 8, 11–17, 20, 23, and 24 of the ’207 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. 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. 63; Paper 4, 2.

There are two related IPR proceedings, filed on the same day as the present proceeding, challenging related patents to the ’207 patent. Pet. 63; Paper 4, 2–3. The first is IPR2019-00319, challenging U.S. Patent

No. 9,240,098 B2 (“the ’098 patent”), to which the ’207 patent asserts continuation priority. The second is IPR2019-00317, challenging U.S. Patent No. 9,269,224 B2, which is a continuation-in-part of the ’098 patent.

B. The ’207 Patent

The ’207 patent discloses a kiosk for gaming by patrons, including wagering games. Ex. 1002, Title, Abstract. Figure 1 of the ’207 patent is reproduced below:

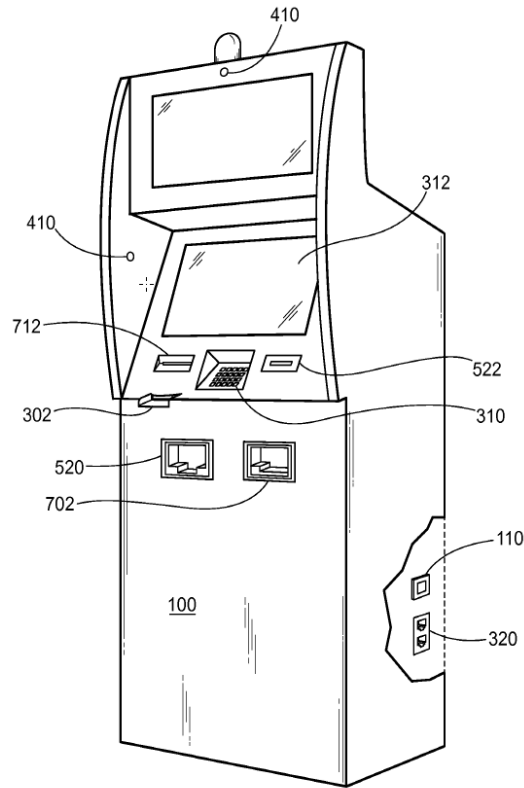


Fig. 1

**Figure 1 of the ’207 Patent
(perspective view of gaming kiosk 100).**

Id. at 2:32, 2:42. 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 2:46–58, 2:64.

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, 3:8–19.

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, 3:20–27. 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 3:37–41.

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 3:28–32.

“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 3:52–54. This verification “[i]n some cases . . . may involve a remote computer and/or remote human,” using network link(s) 320. *Id.* at 3:55–67, 5:46–47. 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 4:1–5, 5:47–57.

¹ The '207 patent specification identifies “one or more network connectors 420.” Ex. 1002, 2:48–49, 2:52–53. 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 4:13–27, 4:38–51, 4:60–5:3.

C. The Challenged Claims

The '207 patent contains twenty-four claims. Ex. 1002, 6:51–10:37. Petitioner challenges only claims 1–5, 8, 11–17, 20, 23, and 24, which include two independent claims 1 and 13. *Id.*; Pet. 3. Claim 1 illustratively recites:

2. A kiosk, comprising:
 - a kiosk housing comprising:
 - a display screen;
 - an identification scanner configured to accept a government issue identification document and to scan identification information from the government issue identification document into digital form;
 - a communications interface for communicating over a communications network;
 - at least one processor;
 - memory storing instructions that, when executed by the at least one processor, configure the kiosk to:
 - present instructions to a user of the kiosk via the display screen, including an instruction to the user to insert a government-issued identification document into the identification scanner;
 - obtain a digital form of the user's identification from the user's government-issued identification document using the identification scanner;

transmit, via the communications network, the digital form of the user's identification to a remote computing device;

receive, via the communications network, from the remote computing device verification data for the user; and

based at least in part on the received verification data, verify the identity of the user and acceptability of the user for gaming;

on verification of the user's identity and acceptability for gaming, display on the display screen an indication that the user is approved for gaming activities.

Ex. 1002, 6:52–7:17.

D. Asserted Grounds of Unpatentability

Petitioner presents the following challenges to the '207 patent in this proceeding. *See* Pet. 4.

Statutory Basis	Reference(s)	Claims Challenged
§ 102(b)	Bradford '928 ²	1–5, 8, 11–17, 20, 23, and 24
§ 103(a)	Bradford '928	1–5, 8, 11–17, 20, 23, and 24
§ 103(a)	Bradford '928 and Parrott ³	1–5, 8, 11–17, 20, 23, and 24

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 '207 patent using the broadest reasonable construction in light of the '207 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” which appears in claims 1 and 13, as meaning “a cabinet or structure for gaming interaction with human patrons.” Pet. 4–5 (citing Ex. 1002, Fig. 1, 1:19–22). 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 '207 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 1–5, 8, 11–17, 20, 23, and 24 of the '207 patent are unpatentable under 35 U.S.C. § 102(b) as anticipated by Bradford '928. Pet. 4, 11–58.

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. 1–18. 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)

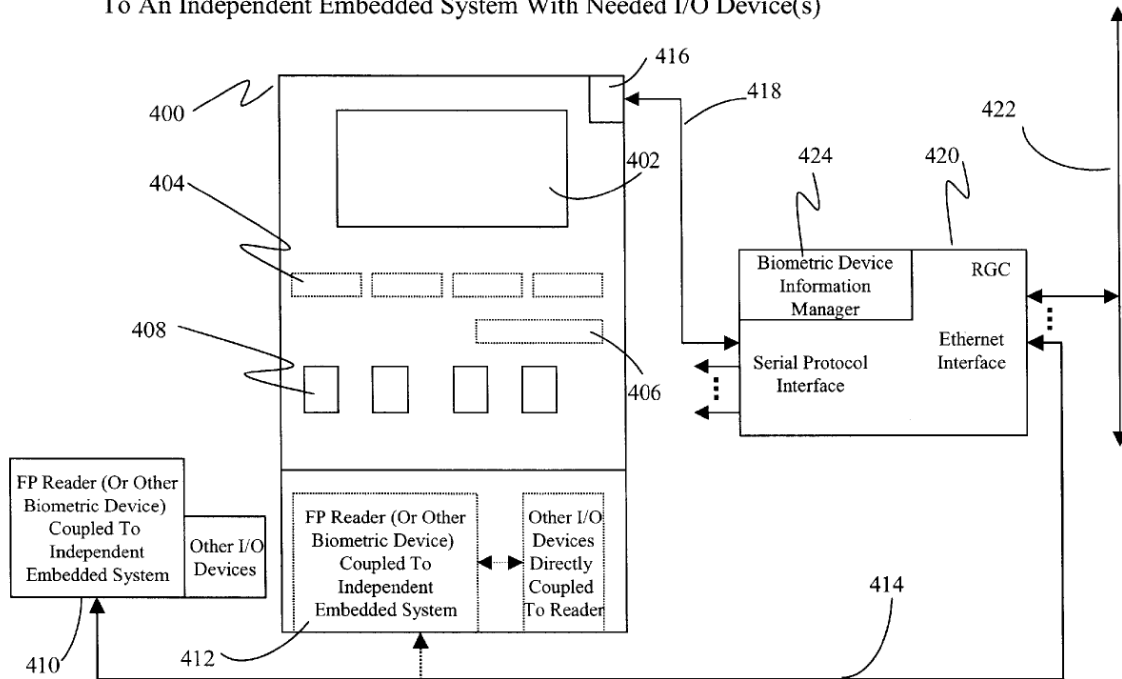


Figure 4 of Bradford '928 (functional block diagram of system with player identification means).

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 1*

Petitioner provides detailed arguments and evidence, including the Declaration of Andrew Wolfe (Ex. 1001), in support of contending claim 1 is unpatentable as anticipated by Bradford '928. Pet. 11–36; Ex. 1001 ¶¶ 52–175.

Petitioner contends Bradford '928 discloses a kiosk, such as game device 200 shown in Figure 2, or game device 400 shown in Figure 4. *See* Pet. 11–13; Ex. 1003, 7:35–39, 7:66–8:6, 8:34, 10:21; Ex. 1001 ¶¶ 59–64. 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. *See* Pet. 13–14; Ex. 1003, 8:33–37 (Fig. 2 shows “game device (including a cabinet) 200”), Fig. 4 (game device 400, like game device 200, includes a cabinet); Ex. 1001 ¶¶ 65–71. Petitioner argues the kiosk housing comprises a display screen (e.g., video or slot view area 402), an identification scanner (e.g., first authentication readers 404), a communication interface and network (e.g., either SMIB 416 and standard serial connection 418, or Ethernet connection 414), at least one processor, and a memory for storing processor instructions. *See* Pet. 14, 15, 20–21, 23–25; Ex. 1003, 8:7–14, 10:21–29, 10:60–11:43, 33:54–65; Ex. 1001 ¶¶ 72–74, 77–78, 100–104, 111–114, 118–122.

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. 14–18; Ex. 1003, 5:36–63; Ex. 1001 ¶¶ 77–93. Further according to Petitioner, the microprocessors within game device 400 present instructions to a user, for

example via video area 402, to insert such a document into first authentication readers 404. *See* Pet. 25–28; Ex. 1003, 3:53–62, 8:7–21, 10:21–29, 13:19–29, 24:58–67, 37:14–15 (claim 4), 39:65 (claim 25); Ex. 1001 ¶¶ 123–138. Petitioner argues the microprocessors within game device 400 store this identification information in digital form. *See* Pet. 19, 28–29; Ex. 1003, 5:36–64, 11:4–50; Ex. 1001 ¶¶ 94–99, 139–143.

Petitioner asserts the microprocessors within game device 400 transmit, via either Ethernet connection 414 or standard serial connection 418, the digital form of the user’s identification to a remote device (e.g., remote game controller 420). *See* Pet. 20–23, 29–31; Ex. 1003, 10:60–11:50, 44:42–56 (claim 55), 46:4–28 (claim 65); Ex. 1001 ¶¶ 103–110, 144–150.

Petitioner next contends the microprocessors within game device 400 receive, via either Ethernet connection 414 or standard serial connection 418, verification data for the user from remote game controller 420. *See* Pet. 31–32; Ex. 1003, 46:4–28 (claim 65); Ex. 1001 ¶¶ 151–157. According to Petitioner, based at least in part on the received verification data, the microprocessors within game device 400 verify the user’s identity and acceptability for gaming. *See* Pet. 33–34; Ex. 1003, 3:53–4:7, 5:16–24, 37:6–30 (claim 4), 46:4–28 (claim 65); Ex. 1001 ¶¶ 158–165. Petitioner finally contends that, on the user’s identity and acceptability being verified, the microprocessors within game device 400 display for example in video area 402 an indication that the user is approved

for gaming activities.⁶ *See* Pet. 34–36; Ex. 1003, 3:53–4:7, 7:66–8:21, 37:29–30 (claim 4), 46:27–28 (claim 65); Ex. 1001 ¶¶ 166–175.

Based on the foregoing arguments and evidence, Petitioner has shown sufficiently that Bradford ’928 discloses each and every limitation of claim 1 to demonstrate a reasonable likelihood of prevailing on the challenge to claim 1 as anticipated by Bradford ’928. We, therefore, institute a review of this challenge.

4. *Claims 2–5, 8, 11–17, 20, 23, and 24*

Petitioner provides detailed arguments and evidence, including the Wolfe Declaration, in support of contending claims 2–5, 8, 11–17, 20, 23, and 24 are unpatentable as anticipated by Bradford ’928. Pet. 36–44 (independent claim 13), 44–58 (dependent claims); Ex. 1001 ¶¶ 176–299. 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)

⁶ As discussed below, Petitioner offers an obviousness ground to the extent Bradford ’928 is found not to disclose this limitation. *See infra* Section III.C.3.b.

(“*SAS Guidance*”). For these reasons, we institute a review of this challenge to these claims.

C. Obviousness over Bradford ’928

Petitioner asserts that claims 1–5, 8, 11–17, 20, 23, and 24 of the ’207 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, 58–60.

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. 1–18. 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 '207 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. 10; 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 '207 patent and the asserted prior art. We, therefore, adopt that level in deciding whether to institute trial.

3. *Claims 1–5, 8, 11–17, 20, 23, and 24*

Petitioner provides detailed arguments and evidence, including the Wolfe Declaration, in support of contending claims 1–5, 8, 11–17, 20, 23, and 24 would have been obvious over Bradford '928 and the knowledge of a person of ordinary skill in the art. Pet. 58–60; Ex. 1001 ¶¶ 300–303. Petitioner’s case for obviousness differs from its challenge that Bradford '928 anticipates these claims in relation to the following two aspects of the claims: a potential standalone machine claim requirement of

claims 1 and 13, and the final limitations of claims 1 and 13, which recite “display[ing] on the display screen an indication that the user is approved for gaming activities.”

a) Petitioner’s Case as to a Standalone Machine

Petitioner presents this obviousness ground based on Bradford ’928, in addition to the anticipation ground based on Bradford ’928, in the event that:

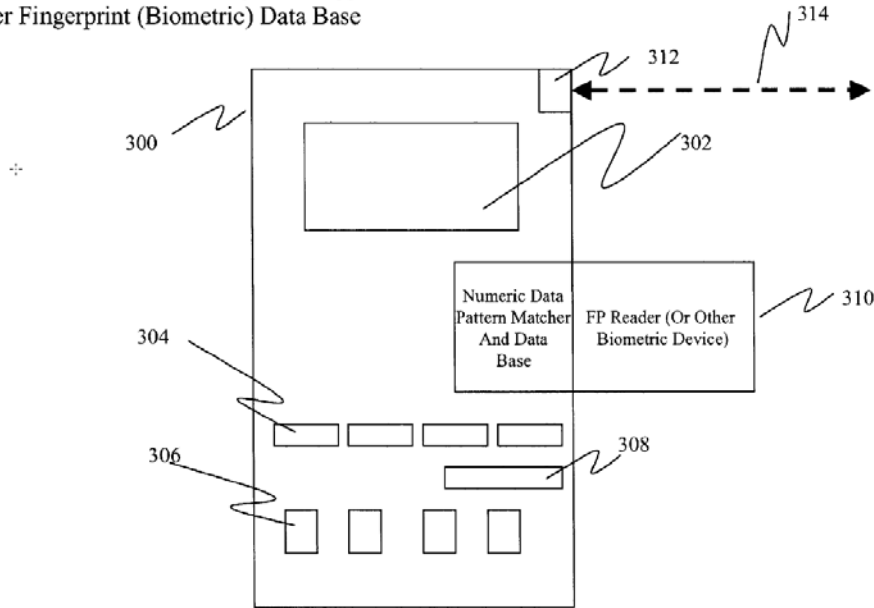
it is found that one of ordinary skill in the art would not have at once envisaged combining all of the features of the embodiment of Figure 4 in Bradford [’928] in a fully embedded standalone system that includes at least one microprocessor configured to perform the entirety of each of the functions [recited] in claims 1 and 13.

Pet. 58; Ex. 1001 ¶ 300. For obviousness, Petitioner relies on Figure 3 in Bradford ’928, and its accompanying written description. Pet. 58; Ex. 1001 ¶ 301.

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. 58 (citing Ex. 1003, 9:10–12); Ex. 1001 ¶ 301. 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. 59; Ex. 1001 ¶ 302. 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. 59 (quoting Ex. 1003, 9:57–63); Ex. 1001 ¶ 302. 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. 59 (quoting Ex. 1003, 10:4–12); Ex. 1001 ¶ 302.

b) Petitioner’s Case as to Displaying an Indication that the User is Approved for Gaming Activities

The final limitations of claims 1 and 13 each recite “display[ing] on the display screen an indication that the user is approved for gaming activities.” Ex. 1002, 7:15–17, 8:66–67. Petitioner presents this obviousness ground based on Bradford ’928, in addition to the anticipation ground based on Bradford ’928, in the event that “it is found that a virtual button on a touchscreen becoming enabled after verification is not displaying on the display screen an indication that the user is approved for

gaming activities.” Pet. 59; Ex. 1001 ¶ 303. Petitioner contends that “it would have been obvious to store instructions in the memory to control a processor to display such an indication on the display screen,” because “the enablement of the play button was already intended to indicate that approval was complete so as to allow play,” and displaying the claimed indication would advantageously “ensure that the user recognizes that the user can now begin to play the game.” Pet. 59–60; Ex. 1001 ¶ 303.

c) Conclusion

Based on the foregoing arguments and evidence, Petitioner has demonstrated a reasonable likelihood of prevailing on the challenge to claims 1–5, 8, 11–17, 20, 23, and 24 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 1–5, 8, 11–17, 20, 23, and 24 of the ’207 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, 60–63.

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. 1–18. 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:

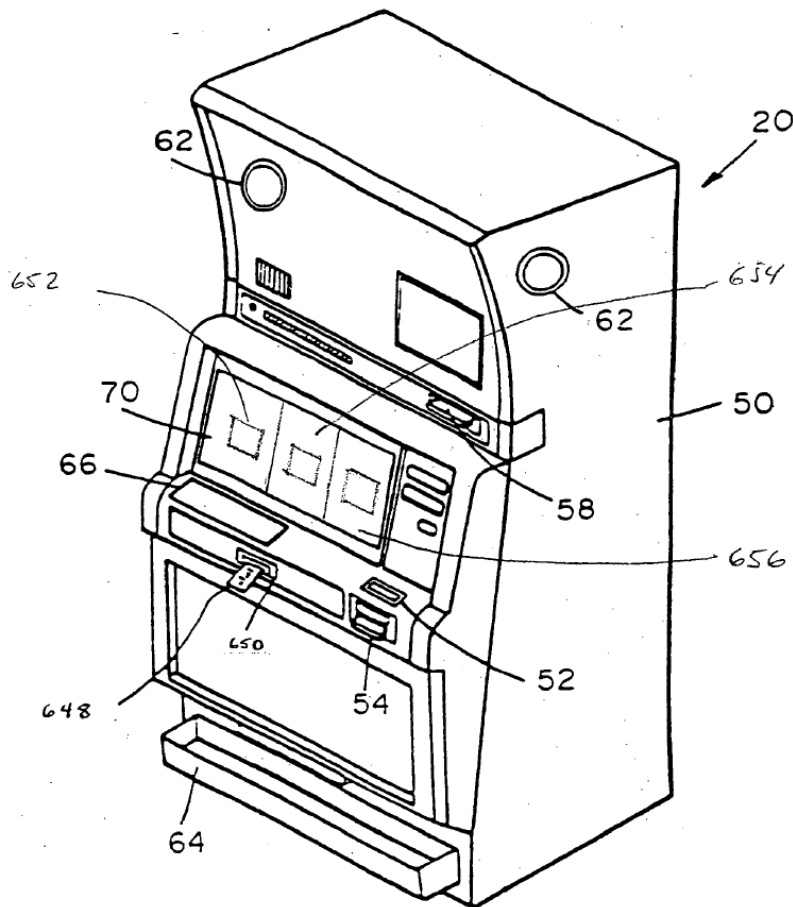


FIG. 16 a

**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).

2. Claims 1–5, 8, 11–17, 20, 23, and 24

Petitioner provides detailed arguments and evidence, including the Wolfe Declaration, in support of contending claims 1–5, 8, 11–17, 20, 23, and 24 would have been obvious over Bradford ’928, Parrott, and the knowledge of a person of ordinary skill in the art. Pet. 60–63; Ex. 1001 ¶¶ 304–317.

This challenge focuses on the limitation in claim 1 reciting “an identification scanner . . . to *scan* identification information from the government issue identification document *into digital form*,” and the limitation in claim 13 reciting “obtaining . . . *a digital form* of the user’s identification from the user’s government-issued identification document.” Ex. 1002, 6:55–58 (claim 1), 8:51–54 (claim 13) (emphases added); Pet. 60–61; Ex. 1001 ¶ 305. This challenge presumes Bradford ’928 does not disclose such an identification scanner. Pet. 60–61; Ex. 1001 ¶ 305.

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. 61–62; Ex. 1004 ¶¶ 40, 96, 98, 102, 105, 106; Ex. 1001 ¶¶ 306–310.

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. 62–63; Ex. 1001 ¶¶ 311–317.

Based on the foregoing arguments and evidence, Petitioner has demonstrated a reasonable likelihood of prevailing on the challenge to claims 1–5, 8, 11–17, 20, 23, and 24 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 '207 patent. Prelim. Resp. 1–18. 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 '207 patent, with the former being “cited by” the Examiner. *See* Prelim. Resp. 4–7; Ex. 1002, (56); Ex. 2001, 608, 618, 634.

Patent Owner additionally asserts that the Petition relies on the “same,” or at least “*substantially similar*,” arguments considered by the Examiner of the '207 patent during its prosecution. Prelim. Resp. 1 (emphasis added), 7–13. 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, 7–13; Ex. 2001, 618 (Examiner of '207 patent acknowledging the ISR and the WO were considered); Ex. 2002, 142–145 (the ISR), 146–159 (the WO). The Related PCT Application claimed priority to the application that issued as the '098 patent, to which the '224 patent similarly claims priority as a continuation. Ex. 2003, 4; Ex. 2011, (21); Ex. 1002, (63).

Patent Owner further contends the claims of the Related PCT Application were “substantially similar” to the '207 patent claims. Prelim. Resp. 8–11 (comparing claim 2 of the '207 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

⁷ The ISR and the WO were issued by the USPTO as the International Searching Authority responsible for the Related PCT Application. *See* Ex. 2002, 142, 146. The PCT Officer was Blaine R. Copenheaver, whereas the Primary Examiner of the '207 patent was Sunit Pandya. *See id.*; Ex. 1002, Front Page.

with other prior art references, “such combination being obvious to a person skilled in the art.” Ex. 2002, 145; Prelim. Resp. 12. 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. 2002, 148–149; Prelim. Resp. 11.

Patent Owner, finally, points out that the Petition largely fails to address the prosecution history of the ’207 patent in relation to 35 U.S.C. § 325(d). Prelim. Resp. 16–17.

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 ’207 patent, and the Bradford ’928 claims were not presented to the Examiner during prosecution of the ’207 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 ’207 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 ’207 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 '207 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. 20–22 (discussing written description), 22–23 (discussing claims 55 and 65); *id.* at 25–26 (discussing written description), 26–27 (discussing claims 4 and 25). 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 '207 patent. *See* Ex. 1002, (56); Ex. 2001, 618. 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 '207 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 '207 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, 618. 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. 2002, 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 '207 patent. *See* Prelim. Resp. 8–11. However, Patent Owner does not offer a 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 8–13. 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 ’207 patent as unpatentable over Bradford ’928 and Parrott. *Compare* Ex. 2002, 148–149 (PCT Officer’s reasoning), *with* Pet. 11–36, 44–51, 60–63 (Petitioner’s contentions). At the same time, the Petition differs from the WO in asserting that ’207 patent claim 2 is unpatentable as anticipated by Bradford ’928 (*see supra* Section III.B.3–4), 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 ’207 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 ’207 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 '207 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 '207 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 '207 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 1–5, 8, 11–17, 20, 23, and 24 of the '207 patent, under 35 U.S.C. § 102(b) as anticipated by Bradford '928;
- (2) claims 1–5, 8, 11–17, 20, 23, and 24 of the '207 patent, under 35 U.S.C. § 103(a) as unpatentable over Bradford '928; and
- (3) claims 1–5, 8, 11–17, 20, 23, and 24 of the '207 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.

IPR2019-00320
Patent 10,096,207 B2

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