

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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

Petitioners,

v.

CG TECHNOLOGY DEVELOPMENT, LLC,

Patent Owner.

Case IPR2019-00319
Patent 9,240,098

PATENT OWNER'S RESPONSE

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I. Introduction

Patent Owner CG Technology Development, LLC responds to the Petition for *Inter Partes* Review of claims 2, 4-6, 8-15, 17-19, and 21-23 of U.S. Patent No. 9,240,098 (the '098 patent) filed by Petitioners and instituted by the Board.

Petitioners fail to meet their burden; none of the challenged claims of the '098 patent are anticipated or obvious, and the Board should confirm patentability.

The '098 patent relates to a novel computer gaming system that allows a patron to directly register for gaming activities and, once registered (and verified), place wagers or gamble. All of this is done without requiring the patron to directly interact with a casino representative to complete registration, which was otherwise required by gaming regulations and taken into account by the prior art at the time of the '098 patent. The challenged claims are directed to this functionality, which allows the computer gaming system to be located within a casino (avoiding lines for registration) or remotely (avoiding the need to travel to the casino). None of the asserted references, alone or in combination, disclose or teach such a system.

Petitioners primarily rely on a single reference U.S. 6,612,928 (*Bradford*) and contend that it anticipates all but one of the challenged claims. Yet Petitioners separately contend the same claims are obvious over *Bradford* in view of the general knowledge of an ordinary artisan or obvious over *Bradford* in view of U.S. 2005/0054417 (*Parrott*). Petitioners' alternative grounds should be denied

outright—these grounds are not set forth with any particularity, nor is general knowledge a proper basis.

Instead of a *registration* system, *Bradford* discloses a two-factor identity *verification* system, which can only be used at a gaming device after a player registers with a casino representative in real time, i.e. the casino representative manually confirms the player's identification while directly interacting with the player, either in-person or by video. This leads to several distinctions between *Bradford* and the challenged claims. For example, *Bradford*'s system requires an authorized casino employee to verify a player's identity by manually comparing the live person with her picture on her driver's license (or other identification), i.e., perform a typical identification check (like is routinely done in various instances). Thus, the *Bradford* system does not include a gaming device that obtains a digital form of the player's identification document. Nor does it have to. *Bradford*'s system includes a separate registration process that creates a player profile in a database using first and second authenticators that are unique to the player. The player can, at the kiosk, then use the combination of her first authenticator (e.g., a player tracking card) to identify herself and her second authenticator (e.g., a fingerprint) to verify her identity and be permitted to take an action. *Bradford* focuses on automating the process of completing required tax documents that are necessary when a player wins a given amount of money or electronically transfers

funds. However, all of the actions *Bradford* describes at the kiosk merely require player verification—i.e., the player is who she says she is.

Neither general knowledge nor the secondary references cure Petitioners' deficiencies regarding *Bradford*. General knowledge cannot fill in the gaps of *Bradford* and “disclose” elements of the challenged claims. *Parrott* merely discloses a gaming device having a scanner capable of recognizing text from a player's identification. But this functionality is not compatible with *Bradford*'s system. Merely substituting the teachings of *Parrott* into *Bradford* (as Petitioners suggest) will not work. Even if the teachings of *Parrott* could be combined, doing so is completely counter to the function and purpose of *Bradford*.

Moreover, each ground that Petitioners propose runs counter to how an ordinary artisan would understand the technology, fills evidentiary gaps with overgeneralizations, and is supported only by hindsight reasoning.

Petitioners' proposed definition of an ordinary artisan omits any tie to the gaming industry, despite the '098 patent, *Bradford*, and *Parrott* all specifically describing gaming devices for the casino industry. Petitioner's witness admits he is not an expert in gaming regulations and has never worked in the gaming industry. This results in mischaracterizations of the challenged claims and unsupportable conclusions about the asserted prior art. Experience in the gaming industry, with an understanding of the guidelines, regulations, and design goals is key to

understanding the unique problems, solutions, and limitations of the field. Without it, a proper obviousness analysis cannot be made.

These deficiencies infect all of the proposed grounds, and Petitioners cannot carry their burden to show any of the challenged claims are unpatentable.

Accordingly, the Board should confirm the patentability of all challenged claims.

II. The '098 Patent Discloses and Claims a Gaming Kiosk that Enables Direct Registration

The '098 patent relates to a gaming kiosk that enables direct registration of a player for gaming activities absent any need to interact with a live gaming representative. Ex. 2013, Rothschild Declaration ("Rothschild") ¶¶ 21-22. Before the '098 patent, full-service gaming kiosks in the casino industry were unheard of, let alone those that could simultaneously comply with the relatively strict regulatory standards and provide an improved customer experience. *Id.* ¶¶ 21-23. The applicable regulations in the gaming industry at the time of the '098 patent required casinos to register patrons by personal interaction with a representative—just like *Bradford* requires. *Id.* ¶ 21; Ex. 2017 at 28. Only those pre-registered and verified users could participate in (remote) wagering activities at kiosks. Rothschild ¶¶ 21-23.

The '098 patent's gaming system provides advancements over conventional systems. *Id.* ¶ 25. Among other things, the novel system addressed practical

problems with registering patrons and verifying their identities at the gaming device. *Id.*; Ex. 1002 at 3:40-45.

The gaming system of the '098 patent uses an automated registration process, instead of the conventional manual registration disclosed in the prior art and required by applicable industry regulations at the time. Rothschild ¶¶ 21-23.

As Patent Owner's expert explains, removing the human element from the registration process made it more difficult to build customer relationships, offer promotions or credit applications, and identify high stakes players. *Id.* ¶ 24.

Additionally, casinos were averse to such an automated registration process at the time of the '098 patent, as it contradicted, not only the applicable wagering account regulations, but also conventional wisdom in the industry. *Id.* But, as the '098 patent explains, there are advantages to the gaming operator and the patron. *Id.*

¶ 25. For instance, it allows multiple patrons to quickly and efficiently create new user accounts that they can quickly use for wagering activities, avoiding the need to find ticketing counters in a crowded casino and wait in line. *Id.* ¶ 26. It also allows for remote installation of gaming devices outside of the casino, eliminating the need for patrons to travel to the casino to register. *Id.* And it reduces labor and operating costs for the gaming operator. *Id.*

In addition, the '098 patent overcomes the technical drawbacks of Petitioners' cited prior art. *Id.* ¶ 27. This includes Petitioners' primary reference,

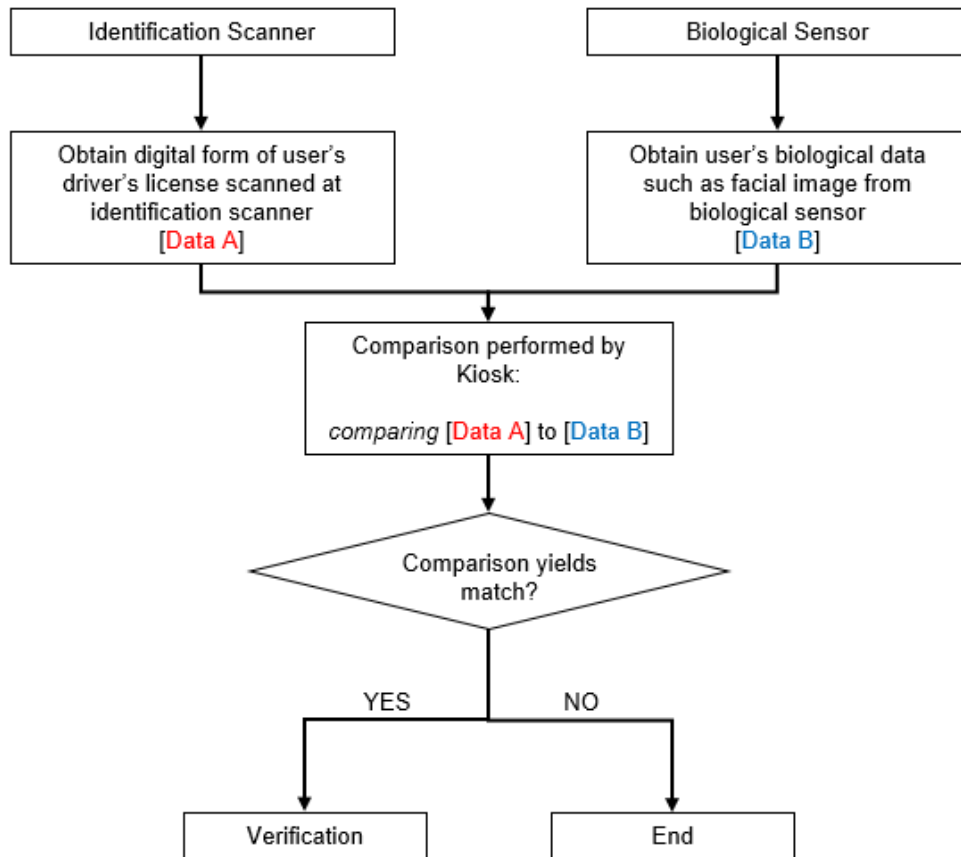
Bradford, which merely discloses a two-factor verification system that allows an already registered player to “log in” at a gaming device and take actions instead of waiting for casino personnel to verify the player’s identity at the gaming device. *Id.* *Bradford* does not eliminate the need for registration with an authorized casino representative and expressly requires it—that is, without a player profile in the database, *Bradford*’s system is not capable of verifying a player’s identify at the gaming device. *Id.*

Each challenged claim of the ’098 patent reflects the disclosed registration capability. *Id.* ¶ 28. Petitioners challenge a single independent claim, which recites (among other features) “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.” *Id.*; Ex. 1002 at 7:6-40. It also recites 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” and microprocessors programmed to “*obtain a digital form of the patron’s identification . . . using the identification scanner.*” *Id.* (emphasis added).

In an exemplary embodiment, disclosed in the ’098 patent and enabled by the claims, the gaming device presents instructions to a user to insert a

government-issued ID, e.g., a driver's license, into the identification scanner, which obtains a digital form of the user's ID. Ex. 1002 at 2:61-65; Fig. 2. The gaming device further includes a biological sensor for obtaining biological data, e.g., a facial image, from the same user at the kiosk. *Id.* at 1:18-20, 1:57-60.

The gaming device is also configured to compare the digital form of the biological data captured from the biological sensor, e.g., the facial image, to the digital form of the user's identification obtained from the identification scanner, e.g., the user's scanned driver's license. *Id.* at 1:33-36, 3:40-57. Based on the comparison of the data from the biological sensor with the digital data from the identification scanner, the gaming device verifies the identity of the user as well as the user's acceptability for gaming. *Id.* at 3:40-57. This functionality is show below in a flow diagram. *See* Rothschild ¶ 29.



III. None of the Asserted Prior Art Discloses or Teaches the Computer Gaming System Recited in the Challenged Claims of the '098 Patent¹

A. *Bradford*

Bradford describes a system that employs two-factor verification to confirm a player's identity while taking action at a casino gaming device. Rothschild ¶ 30. *Bradford* attempts to solve a specific problem in the casino industry—efficient and convenient remote verification that a player is who she says she is, which may be

¹ General knowledge in the art cannot teach elements. *See Arendi S.A.R.L. v. Apple Inc.*, 832 F.3d 1355, 1361 (Fed. Cir. 2016).

required depending on the player's actions. *Id.* ¶ 31; Ex. 1003, (“*Bradford*”), at 2:65-3:2.

According to *Bradford*, one such action is winning an amount that requires an income tax report form. *Bradford* at 1:28-40. Before *Bradford*, that form was created manually, *id.* at 1:41-46, and a “player [needed] to wait [for] an attendant [to enable] the payout and handle[] any required governmental forms.” *Id.* This process results in “casinos typically assign[ing] one attendant to each high stakes player, where the attendant takes care of the incessant governmental forms.” *Id.* at 1:54-56; Rothschild ¶ 31. *Bradford* also recognizes shortcomings with methods that control wagering through physical access, requiring a casino attendant to check a player's identification for admission into the casino. *Bradford* at 1:61-67; Rothschild ¶ 32.

To address these concerns, *Bradford*'s system enables a two-factor verification, which allows players to identify themselves and verify their identify when needed. *Bradford* at 2:64-3:2; Rothschild ¶ 33. But in order to take advantage of it, a player must first pre-register with a gaming representative and create an entry in a player ID database that will be used later during verification. *Bradford* at 3:50-54, 14:23-25; Rothschild ¶¶ 34-35. The pre-registration step in *Bradford*'s system is crucial; without it, *Bradford*'s two-factor verification will not work. Rothschild ¶ 37; Wolfe Tr. at 64:5-20.

During the registration process, a casino representative manually collects personal information from the player and enters it into the database. *Bradford* at 14:25-28; Rothschild ¶¶ 35-36. *Bradford* explains that this process can be tailored by the player and casino: “[a]n important aspect of the present invention is that a casino may decide how much information is required from a player to make use of the enhanced authorization system.” *Bradford* at 14:43-46; Rothschild ¶ 39. Thus, the player can decide how much personal information to share and the casino can decide what actions can be taken when using the two-factor verification based on the information given by the player. Rothschild ¶ 39. *Bradford* emphasizes that this enables its system to protect a player's personal data yet provide an efficient identity verification system. *See id.* ¶ 40; *accord Bradford* at 14:25-41 (limiting player data entry into the database to “authorized” persons only using “a privileged data entry screen” and recommending that entry of player data is limited to “selected, small subset of trusted employees” that “will be required to use their own” two-factor authentication “to be allowed access to the privileged screens on the player ID system”).

This concern carries over to other aspects of *Bradford's* system. *See Bradford* at 5:55-6:10; Rothschild ¶¶ 41-42. *Bradford* makes clear that the first authenticator is used for “data matching only,” especially when a player uses her driver's license or bank card as her first authenticator. *Bradford* at 5:57-66. “The

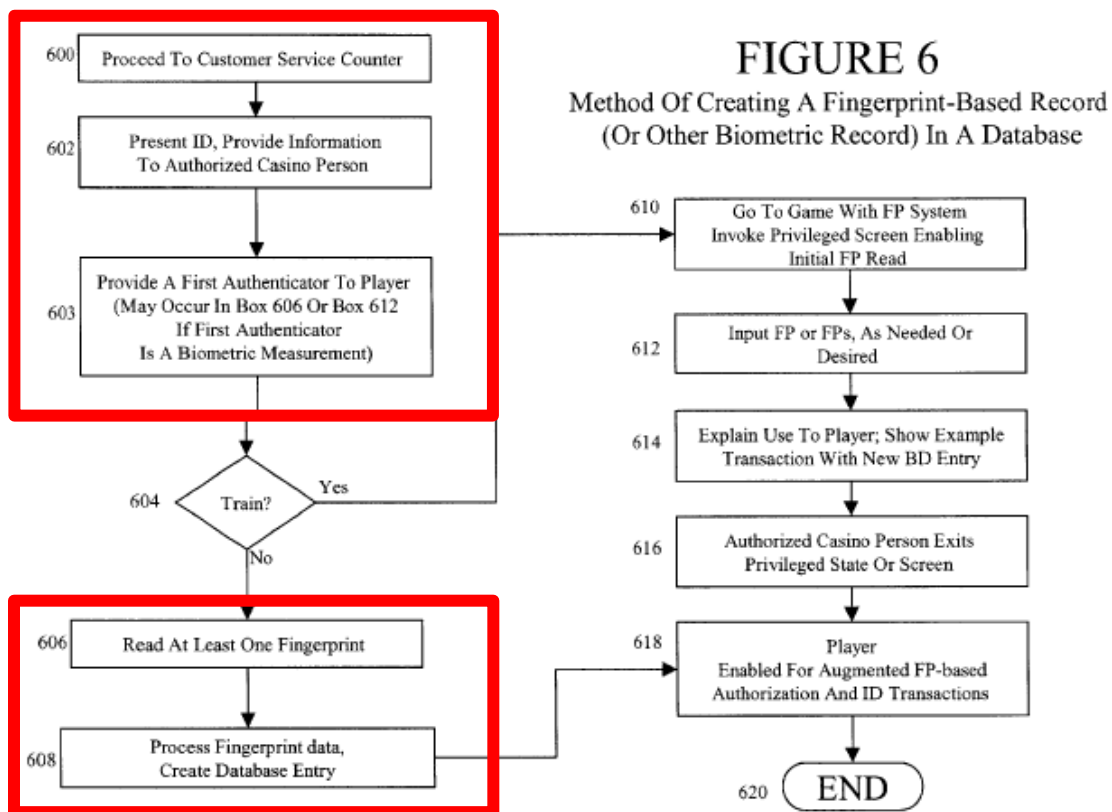
actual meaning of the data on the magnetic stripe [of the card or license] is not important; it is simply being used as a unique data sequence to find a matching data sequence in the player ID database.” *Id.* at 6:6-10. In some instances, players can even use completely anonymous information as the first authenticator data. *Id.* at 32:25-28; Wolfe Tr. at 69:20-22. This enables the *Bradford* system to securely (and privately) store personal information in the database, yet provide the player the convenience of using an existing card or other identification. Rothschild ¶ 41.

The player's entry in the database associates the player with first authenticator data and second authenticator data. *Id.* at 3:28-36, 3:54-62; Wolfe Tr. at 63:24-64:2. The first authenticator is typically a player ID card or some other card with machine readable means, e.g., a magnetic stripe or an RFID tag, having a unique alphanumeric identifier. Rothschild ¶ 43; *Bradford* at 3:6-12. The second authenticator is a biometric reading, predominantly described in *Bradford* as a fingerprint. Rothschild ¶ 43; *Bradford* at 3:23-27. Although *Bradford* suggests that other things may be used as the first authenticator, like a credit card or a driver's license, they are all used in the same manner within the *Bradford* system. Rothschild ¶ 43. Regardless of the physical form of the first or second authenticator, the *Bradford* system uses the first and second authenticator data the same way. *Id.* ¶ 43; *Bradford* at 5:63-66, 6:4-10.

The player and casino use the *Bradford* system in several steps; the first step “is to create an entry in the player identification database.” Rothschild ¶ 34; *Bradford* at 3:50-54. *Bradford* describes its registration process for its gaming embodiments with reference to Figure 6 (reproduced below with annotations).² Rothschild ¶ 35. The user must first “go to a customer service counter and ask for an account” at step 600. *Id.*; *Bradford* at 14:21-30; Fig. 6. The user then presents her identification and provides additional information to “an authorized person [who] enters the initial data from the player into the database.” *Bradford* at Fig. 6 (step 602). The casino attendant then “provide[s] the player with the player’s first

² *Bradford* reiterates the need for the player to first register in real-time with a live casino representative in conjunction with its electronic fund account and transfer embodiments, with reference to Figures 10, 11, 12. *See Bradford* at 22:25-31 (Fig. 10), 24:52-57 (Fig. 11), 27:11-13 (Fig. 12). Petitioners’ witness’s suggestion that *Bradford* “implies” other ways to register is counter to the explicit disclosure of *Bradford* and merely speculates without any direct link or reference to *Bradford* itself. *See Wayne Dec.* ¶ 38; *accord Wolfe Tr.* at 70:25-71:6 (Q: “And Bradford only discloses one way to [set up an account], that they first go to a casino personnel to set up their entry into the database?” A: “As far as I recall, it only provides the details of how to do that using a customer service representative.”)

authenticator,” which “may be a tangible card...or voucher.” *Id.* at 15:15-20; Fig. 6 (step 603). The attendant then “enters the player’s biometric measurement into the system,” which is preferably “fingerprint data, read from a fingerprint reader,” as a second authenticator for the player. *Id.* at 16:26-34; Fig. 6 (step 606). The attendant then manually “creates the entry in the player ID database corresponding to this player, associating the data corresponding to a first and second authenticator with this entry, the second of which is always a biometric authenticator.” *Id.* at 16:40-45; Fig. 6 (step 608); *see also id.* at 3:28-36, 3:54-62.



The second step is using the two-factor verification when “[t]he player then goes and uses a game device.” *Id.* at 3:50-54; Wolfe Tr. at 68:25-69:3, 80:22-81:1. Eventually, the player will take an action that requires her to confirm her identity. *Bradford* at 3:55-56. For example, the player may engage in wagering activity at the slot machine and may win an amount requiring the casino to prepare an income tax form documenting her winnings. *Id.* at 3:54-62. The *Bradford* system streamlines this process by allowing the player to use the two-factor verification system, authorize the required form, and continue gambling with minimal interruptions. *Cf. id.* at 1:52-60 (“In the case of high stakes games, every winning event requires a governmental form to be filled out in the U.S.” and explaining how the casino assigns an attendant to shadow each high stakes player).

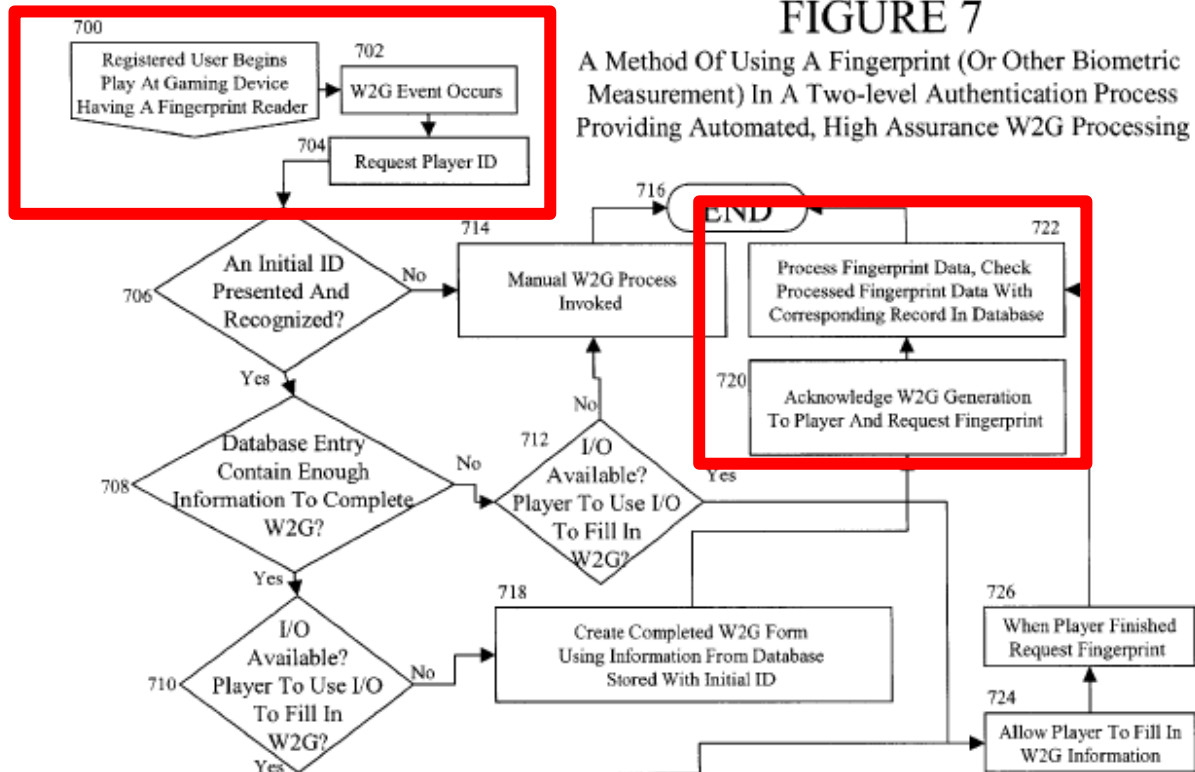
Bradford explains the two-factor verification process with reference to Figure 7 (reproduced below with annotations). After registering an account with a gaming representative, the player can use the two-factor verification process at a gaming device. *See id.* at 5:63-66; 16:48-53; Fig. 7 (step 700). When a game event requiring the player to identify herself occurs, she is asked “for a first authenticator.” *Id.* at 17:5-12; Fig. 7 (step 704). The player presents her first authenticator and the first authenticator reader reads the player’s unique data sequence from her first authenticator. *Id.* at 3:56-57, 5:63-66, 17:5-12. The system uses the unique data sequence read at the gaming device to determine if there is a

corresponding match in the player ID database. *Id.* at 17:14-20, 17:46-51; Fig. 7 (step 706). If there is, the system checks for an associated second authenticator, which the player is then prompted to enter at the gaming device. *See id.* at 18:26-30; Fig. 7 (step 720).

The player scans her fingerprint or other biometric data at the gaming device. *Id.* at 19:1-5; Fig. 7 (step 722). Because the player's entry in the player ID database was already found in step one, the second authenticator is used to confirm identity. *Id.* at 3:54-58. The system does this by comparing the player's fingerprint scanned at the gaming device with the fingerprint associated with that player in the database. *Id.* In other words, the player's second authenticator data provided at the gaming device is compared and matched to the stored second authenticator data the player provided when she registered. *See id.* at 3:54-58. Because the player had already pre-registered with a gaming representative, the quick scan of the player's fingerprint at the gaming machine provides the necessary assurance that that player is authorized to take the action. *Id.* at 3:54-58; Rothschild ¶ 46.

FIGURE 7

A Method Of Using A Fingerprint (Or Other Biometric Measurement) In A Two-level Authentication Process Providing Automated, High Assurance W2G Processing



Although the first and second authenticator data are associated with a player's entry in the player identification database, the *Bradford* system never compares them to each other. Rothschild ¶ 47. This is for several reasons. First, the first and second authenticator data are different—if they were the same, the *Bradford* system would not provide two-factor verification, merely single-factor verification. *Id.* Second, as *Bradford* explains, the first authenticator is used to find a match from all of the entries in the player database. *Id.* The second authenticator is then used to verify the player by comparing the second authenticator data presented at the gaming device with the second authenticator data the player provided during pre-registration. *Id.* This also helps reduce computing time as

Bradford uses a simple alphanumeric data sequence, which is easily read and compared to numerous (different) entries to identify the player, and uses more detailed biometric data to verify identity, which is more data intensive but is compared against a single stored entry only. *Id.*

In the same vein, *Bradford*'s system fails to work if the registered player attempts to use a first or second authenticator that is different from the first or second authenticator the player used during pre-registration. *Id.* ¶ 48. The system simply cannot find the matching entry if a player uses a different authenticator. *Id.* ¶¶ 45, 48; *accord Bradford* at 6:4-7. Therefore, if a player pre-registers with her credit card, the player cannot then use her driver's license at the game device because any unique data sequence read from the player's license is not associated with the player's entry in the database. Rothschild ¶ 48; Wolfe Tr. at 97:3-19.

Bradford makes clear that the first authenticator is used for data matching purposes only. *Bradford* at 5:63-66. The actual meaning of the unique data sequence is not important, it is only used to find a matching entry in the player ID database. *See id.* at 6:4-7; Rothschild ¶ 45. The alphanumeric data on the card is simply "read off of the card [and] used to find matching first authenticator data in the player ID database." *Bradford* at 6:4-6. *Bradford* never discloses or even suggests that personal identification information might be obtained from the player's first authenticator. Rothschild ¶ 42.

Thus, *Bradford's* system does not obtain a digital form of the players first authenticator, even if the first authenticator is a player's driver's license. *Id.* ¶ 49.

B. *Parrott*

Parrott discloses a gaming device for use in a casino. Rothschild ¶ 50; Ex. 1004, *Parrott*, ¶ [0002]. In a particular embodiment, the gaming machine may include a card reader for reading data from a player tracking card, credit card, or similar cards with magnetic stripes. *Id.* ¶ [0040]. *Parrott* discloses several gaming options including video poker, video blackjack, slots, video keno, video bingo, and a multi-purpose gaming unit. Some of these games include a scanner 650 for inputting gaming selections. *See, e.g., id.* ¶¶ [0061], [0067], [0073], [0079], [0086]. *Parrott* describes a method of scanning an object 648 into the gaming unit with the scanner 650. Rothschild ¶ 50. As part of this method, *Parrott* explains that a player may apply for a player tracking card by scanning a driver's license. *Parrott* ¶ [0105]. The system may be able to gather sufficient data to have the player automatically apply for a tracking card or may allow the user to fill-in additional information that is needed. *Id.*

Parrott explains that an optical character recognition (OCR) routine may be implemented to quickly allow a user to apply for a player tracking card, and a user can scan a driver's license or credit card, and the OCR routine will complete a player tracking card application. Rothschild ¶ 51. The gaming machine can then

print the player tracking card. *See Parrott* ¶ [0039]. *Parrott* explains an example where a user inserts a driver's license and information from the license may be stored and checked against known databases to determine if the license is accurate and should be authorized. *Id.* ¶ [0102]. *Parrott*, however, does not check if the player uses her own driver's license; it is a single-level identification system without player verification. Rothschild ¶ 51.

Parrott does not relate to any of the fundamental features of the '098 patent, nor can its simple disclosure of OCR technology be combined with *Bradford*.³ Rothschild ¶¶ 51-52.

C. Petitioners' Definition of One of Ordinary Skill in the Art Is Incomplete

Petitioners' proposed definition of an ordinary artisan is incomplete. They suggest that someone without any knowledge of gaming industry regulations, market incentives, or design implications could be an ordinary artisan. *See Pet.* at

³ Moreover, Petitioners and their witness merely rely on *Parrott* to suggest that *Bradford*'s system can include a scanner at the game device to scan a player's driver's license. This fails to cure the deficiencies of *Bradford*, *see infra* Section V, and Petitioners cannot supplement those grounds or present new theories, *see SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1358 (2018); *see also Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1369 (Fed. Cir. 2016).

11-12; *see* Ex. 1001, (“*Wolfe*”), ¶¶ 25-27 (both suggesting the requisite level of skill for the ’098 patent as someone with 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). Notably, Petitioners’ witness admits he does not have expertise regarding gaming industry regulations, *Wolfe* Tr. at 46:11-12 (“I’m not an expert at regulation”), and that the gaming industry has different incentives compared to other industries like banking, *id.* at 45:12-13 (“there would be some motivations that would be different.”). This leads to inaccurate interpretations of the ’098 patent as well as the asserted prior art and leads to overly broad obviousness conclusions. *See* Rothschild ¶¶ 56-57.

The Board should reject Petitioners’ flawed definition because it disregards the disclosure of the ’224 patent and the claimed subject matter. *Daiichi Sankyo Co. v. Apotex, Inc.*, 501 F.3d 1254, 1257 (Fed. Cir. 2007) (holding a generalist is insufficient when the claimed invention relates to a specific field).

The invention of the ’098 patent is directed to advances to gaming devices in the casino industry. Rothschild ¶ 57. Each challenged claim is directed to “[a] kiosk for gaming” that includes input and output devices designed to accept “gaming commands from a human patron and to present information to the human patron for interactive gaming” and “to offer gaming activities to [a] verified patron.” Ex. 1002 at 7:6-40. Petitioners’ witness acknowledges that the disclosure

of the underlying patent is pertinent in determining the appropriate level of ordinary skill. Wolfe Tr. at 42:15-18 (“The thing that I would consider to be the primary factor is the level of skill required to understand and practice what’s disclosed in the patent at issue itself.”). Yet, he did not consider the disclosure of the ’098 patent when he provided his proposed level, instead relying on the three references he analyzed relative to the ’098 patent. *Wolfe* ¶ 25 (“*The prior art* discussed herein demonstrates that a POSITA in the 2012-2013 timeframe . . .”).

Because the ’098 patent claims are directed to a kiosk for gaming, including specific gaming activities, an ordinary artisan would also have experience with and an understanding of the gaming industry, including regulations, design implications, and the relevant design motivations in the specific field. The gaming industry is highly regulated and has specific objectives that are not common in other fields. Rothschild ¶¶ 21-23, 56. All of which informs the problems encountered, as well as the solutions and limitations faced, by the industry. *Id.* For instance, the registration and creation of a wagering account is specifically governed by regulations. *Id.* ¶ 21. This would be highly relevant to an ordinary artisan in understanding not only the ’098 patent, but also *Bradford* and *Parrott*, as well as how all of the asserted references would be understood and considered. *Id.* ¶ 59.

While a technical understanding of computer system design may be valuable, an ordinary artisan in the relevant field of the '098 patent would also understand and be familiar with the market and regulatory conditions as well as market drivers and design consideration pertinent in the casino industry. *Id.* Said another way, an ordinary artisan would have knowledge or experience with the gaming industry, the systems and operations of gaming devices, and the industry standards and regulatory compliance in the gaming industry. *Id.*

Thus, the proper level of ordinary skill in the art relevant to the '098 patent is someone with a B.S. in computer or electrical engineering or related field of study including mechanical engineering, at least two years of professional gaming system design experience or equivalent, as well as two years of experience with, or equivalent knowledge of, the gaming industry, including knowledge of the standards and regulatory compliance required in the gaming industry as well as design and market drivers relating to gaming devices in the casino fields.

Rothschild ¶ 54.

IV. Claim Construction

The challenged claims are construed using the “broadest reasonable construction in light of the specification.” 37 C.F.R. § 42.100(b). When applying the BRI standard, it is important “to not read ‘reasonable’ out of the standard.” *SAS Inst., Inc. v. ComplementSoft, LLC.*, 825 F.3d 1341, 1348 (Fed. Cir. 2016), *rev'd*

and remanded sub nom. SAS Inst., Inc. v. Iancu, 138 S. Ct. 1348 (2018). The construction must be read in light of the specification and teachings of the patent. *Microsoft Corp. v. Proxyconn, Inc.*, 789 F.3d 1292, 1298 (Fed. Cir. 2015). Under the BRI standard, “the Board’s construction cannot be divorced from the specification and the record evidence.” *Id.* The interpretation of a claim limitation is one “that corresponds with what and how the inventor describes his invention in the specification, *i.e.*, an interpretation that is ‘consistent with the specification.’” *In re Smith Int’l, Inc.*, 871 F.3d 1375, 1383 (Fed. Cir. 2017) (citation omitted).

The Board need only construe the following terms:

- (1) “designed to accept registration/login information;”
- (2) “scan identification information from the identification document into digital form;”
- (3) and, related to the previous term, “obtain a digital form of the patron’s identification from the identification acceptor.”

The Board found that these terms did not require construction for purposes of institution. *See* Institution at 7. Patent Owner focused its pre-institution arguments on reasons why the Board should not institute under § 325(d) and specific claim construction was not necessary. After institution, however, construing these terms is warranted.

A. “Designed to Accept Registration/Login Information”

For the purpose of this proceeding, the term “designed to accept registration/login information” in independent claim 2 means “designed to be capable of accepting both registration and login information of a patron.”

Rothschild ¶ 59. This interpretation is consistent with the plain meaning of the term, the context of the claims in which the term appears, and the specification of the '098 patent. *Id.* ¶¶ 61-65.

The specification discusses registration as creating a new user account. *Id.* ¶ 63. The '098 patent explains that the “kiosk 100 for gaming applications may have components that permit verification and registration of a patron.” Ex. 1002 at 2:28-31. The '098 patent also explains that “the patron may establish a patron wagering account.” Ex. 1002 at 3:63-64. Separately, the '098 patent explains that a returning patron is “able to use a shorter-form sign-in, by entering an account number and PIN, or a card and PIN, or the like.” Ex. 1002 at 4:11-15. “This *login* may fail if the account is expired or locked out.” *Id.* (emphasis added).

Logically, a player can only login to a pre-existing account. Rothschild ¶ 62. Thus, a player must first register for an account and set a login username and password. *Id.* And the '098 patent explains that a patron will be assigned an ID and password to *login* after the patron successfully registers for an account. *Id.* ¶ 65; Ex. 1002 at 4:10-15 (a patron may sign-in “by entering an account number and

PIN.”). Thus, the '098 patent considers registration and login as separate steps.

Rothschild ¶ 63. And a returning player will be able to use the login information to access the account after previously registering an account. *Id.*; Ex. 1002 at 4:10-15.

Registration includes scanning a government-issued identification document and capturing the identification information from it. Ex. 1002 at 2:66-3:5.

Whereas, login merely requires that a returning player enter an account number and PIN to access their preexisting account. *Id.* at 4:10-15. Both registration and login functions are performed at the gaming kiosk. Rothschild ¶ 63. Thus, it is capable of registering a new patron *and* logging in returning patrons. *Id.* And the challenged claims reflect this functionality. Claim 2 (and independent claim 15) recites “input/output device(s) . . . designed to accept registration/login information and gaming commands from a human patron.” *Id.* at 7:6-40. Claim 2 also recites an “identification scanner . . . designed to accept an identification document and to scan identification information” from it. *Id.* If the claimed device does not need to be capable of registering a patron, the identification acceptor would not need to scan identification information from the identity document. Rothschild ¶ 64. Said another way, the identification acceptor scans identity information (and captures it in digital form for further transmission) because the claimed gaming device is configured to accept registration information from the patron. *Id.*

The intrinsic record of the '098 patent uses the term “registration/login” to refer to a gaming kiosk that is capable of both operations. Similarly, the specification and claims use the term “input/output devices” to refer to both input devices and output devices. Rothschild ¶ 65.

For example, the '098 patent describes components of the kiosk or gaming device that include (among other things) a processor, *input/output* devices, currency acceptor, and dispenser. *Id.*; Ex. 1002 at 2:33-37, 52-54 (emphasis added). The '098 patent also explains that “*input-output* device(s) mounted in the kiosk housing is designed to *accept* registration/login information and gaming commands from a human patron and to *present* information to the human patron for interactive gaming. *Id.* at 1:23-25. That is, input-output devices refer to both an input device that is capable of accepting registration/login information (and gaming commands) as well as an output device that is capable of presenting information to the patron. Rothschild ¶ 65.

Patent Owner's proposed construction is also consistent with how an ordinary artisan would have understood the conjunctive *registration/login* term to refer to both *registration and login*. Rothschild ¶¶ 63-65.

B. “Scan Identification Information From the Identification Document into Digital Form”

For the purpose of this proceeding, and under the still applicable broadest reasonable interpretation standard, the terms “scan identification information from

the identification document into digital form” in independent claim 2 means

“convert, by scanning, the identification information from the physical identification document into a digital representation of that information.”

Rothschild ¶ 66. Similarly, the term “obtain a digital form of the patron’s identification

. . . using the identification acceptor” in independent claim 2 means “convert the identification information from the physical identification document into a digital representation of that information.” *Id.* This interpretation is consistent with the plain meaning of the terms, the context of the claims in which the term appears, and the specification of the '098 patent. *Id.*

The '098 patent explains that its disclosed gaming device permits registration of a player at the kiosk itself, without the need for the player to appear in-person before an authorized gaming representative and for that representative to physically examine and verify a patron’s identity in the patron’s presence. *Id.* ¶ 69. As part of this, the '098 patent describes a system that scans the patron’s identification document, obtains information from it, converts it to a digital form so it can be digitally transmitted. *Id.*

Independent claim 2 is consistent and recites 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” and microprocessors being programmed to “*obtain a digital form* of a patron’s identification . . . using the identification scanner.” That is, the identification acceptor scans the identification document and converts the physical information into a form that can be transmitted digitally. *Id.* This functionality is different from simply reading machine-readable data or symbols from a document. *Id.* ¶ 71. If the claimed “scan identification information from the identification document” only required reading the machine-readable symbols on the surface of the card or from a magnetic stripe or chip on the card, a *digital form* of the user’s identification would not be obtained. Instead, it would simply attain the recognized characters from that user’s government-issued identification, missing key elements of a government-issued identification, such as the person’s photograph or signature. That is, the ’098 patent would describe and claim a system that *reads* data from a patron’s identification (that is automatically in digital form), not *scan* identification information into digital form or *obtain* a digital form. *Id.*

Moreover, limiting the scan to merely read machine readable symbols on the surface of the card is inconsistent with the specification as a whole. The ’098 patent explains how a live photograph of the patron obtained from the camera of the computing device can be compared “against the *photo scanned from the ID card photograph*” (i.e., the government-issued ID) to verify the patron’s identity.

Ex. 1002 at 3:45-50 (emphasis added). If the scanned “identification information from the identification document” was merely reading machine-readable data or symbols, it would not be possible to compare any meaningful information from the patron’s license with a photograph of the patron taken at the kiosk. And doing so would improperly divorce the claims from the specification. *See, e.g., Proxyconn, Inc.*, 789 F.3d at 1298.

Patent Owner’s proposed construction is also consistent with how an ordinary artisan would have understood the claim term “scan identification information from the identification document into digital form” at the time of the filing date of the ’098 patent. An ordinary artisan would understand the difference between scanning identification information into digital form and reading the alphanumeric sequence from the magnetic stripe of a machine-readable card. *Rothschild ¶¶ 69-70.*

V. Petitioners Fail to Carry Their Burden to Show the Challenged Claims are Unpatentable

The Board instituted review of claims 2, 4-6, 8-15, 17-19, and 21-23. Nonetheless, Petitioners bear the burden of proving that the challenged claims are unpatentable by a preponderance of the evidence. *See* 35 U.S.C. § 316(e). To do so, Petitioners must have made “their case in their petition to institute.” *Intelligent Bio-Sys., Inc.*, 821 F.3d at 1369. Petitioners are limited to the grounds presented in their petition; they cannot supplement those grounds post institution. *Id.*; *SAS Inst.*,

138 S. Ct. at 1358 (“the petition [is] the centerpiece of the proceeding both before and after institution”). And the petition must have identified with particularity “the grounds on which the challenge to each claim is based” with evidence. 35 U.S.C. §312(a). Petitions that do not, fail to carry a petitioner’s burden. *Intelligent Bio-Sys., Inc.*, 821 F.3d at 1369.

Here, Petitioners have not carried their burden to show that any of the challenged claims are anticipated or obvious. The Board should hold accordingly and confirm the patentability of claims 2, 4-6, 8-15, 17-19, and 21-23 of the '098 patent.

A. *Bradford* Does Not Anticipate Any of Claims 2, 4-6, 8-10, 12-15, 17-19, or 21-23

As an initial matter, Petitioners improperly combine different embodiments of *Bradford* as if they are a single embodiment. *See e.g., Kyocera Wireless Corp. v. International Trade Commission*, 545 F.3d 1340, 1351-52 (Fed. Cir. 2008); *see also Enovate Med., LLC v. InterMetro Indus. Corp.*, IPR2015-00300, Paper 12 at 3, 11-12 (P.T.A.B. May 20, 2015); *accord KSR International Co. v. Teleflex Inc.*, 550 U.S. 398 (2007). When alleging anticipation, Petitioners rely on the embodiments of Figs. 2, 3, and 4, the embodiments of Fig. 15, Fig. 16, and various claims. *See e.g.,* Pet. at 15-17, 51, 56 (embodiments 2-4); 17, 32-33, and 40, (embodiments 15 and 16); 17, 21, 24-25, 33-34, 37, 39, 44-45, 49, 53 (claims). But Petitioners provide no arguments as to why an ordinary artisan would combine

these embodiments. Fig. 15 relates to *Bradford*'s separate embodiment for "age verification" using an anonymous legal age account requiring a different first authenticator than *Bradford*'s other embodiments. Petitioners also rely on various claims in *Bradford* as if the claims were part of a disclosed embodiment without any analysis to how or why an ordinary artisan would combine teachings from the disclosure with alleged teachings from the claims. Petitioners further rely on *Bradford*'s electronic fund transfer ("EFT") embodiment as if it was part of *Bradford*'s gaming kiosk embodiment without any rationale as to how or why an ordinary artisan would combine features from these different embodiments. *See, e.g.,* Pet. at 28-29.

Petitioners' witness's bald statements to the contrary during his deposition are unavailing and cannot supersede the Petition. *See* 35 U.S.C. § 312(a) (a petition must identify "in writing and with particularity" the grounds relied on).

"A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631 (Fed. Cir. 1987). "[I]t is not enough [in an anticipation rejection] that the prior art reference discloses part of the claimed invention, which an ordinary artisan might supplement to make the whole, or that it includes multiple, distinct teachings that the artisan might somehow combine to achieve the claimed invention." *Net*

MoneyIn, Inc. v. Verisign, Inc., 545 F.3d 1359, 1369 (Fed. Cir. 2008). Instead, “there must be no difference between the claimed invention and the reference disclosure, as viewed by a person of ordinary skill in the field of the invention.” *Scripps Clinic & Research Found. v. Genentech, Inc.*, 927 F.2d 1565, 1576 (Fed. Cir. 1991). Petitioners fail to show how any claim of the '098 patent is anticipated by *Bradford*.

Bradford's system requires a patron to pre-register and create a player account before using the two-factor verification process. Rothschild ¶ 37. And *Bradford* discloses only one way in which a patron registers: interacting in real-time with a designated casino representative. Rothschild ¶ 38. *Bradford* does not disclose any method or explain any manner in which an unregistered patron can register (and create a player account) at a gaming kiosk. *Id.* In the same context, *Bradford*'s two-factor verification process does not scan a patron's identification document to obtain a digital form of it. *Id.* ¶¶ 66, 84. Nor would it. *Bradford* explicitly states that whatever first authenticator a player chooses (or the casino provides) no identification information is obtained from it. *Id.* ¶ 41, 45. Only after first interacting with a casino representative and pre-registering can a player use the two-factor verification disclosed in *Bradford* to verify identity and enable game play, generate tax forms, and transfer funds. *Id.* ¶ 44; *Bradford* at 3:50-54, 14:23-

27, Fig. 6, Fig. 10. This prevents the direct registration capabilities of the '098 patent's invention.

**1. *Bradford* Does Not Disclose a Computer Gaming System
“Designed to Accept Registration/Login Information”**

Bradford does not disclose “input-output device(s) . . . *designed to accept registration/login information* and gaming commands from a human patron” as recited in independent claim 2. Ex. 1002 at 7:20-23 (emphasis added). Petitioners rely exclusively on *Bradford* for teaching this limitation. Pet. at 29-31. In other words, Petitioners do not rely on (nor is it disclosed by) general knowledge or *Parrott* to show this element.

Consistent with the regulations in effect at the time of *Bradford* and the '098 patent, *Bradford* repeatedly explains that a player must first pre-register by interacting with an authorized casino employee before using the two-factor verification system at the gaming device. Rothschild ¶¶ 49, 74. *Bradford* explains that the first step is to create an entry in the player identification database, which associates a player's entry with a first authenticator and second authenticator. *Bradford* at 3:50-54. The player can then go and use a game device. *Id.*

Bradford discloses only one way for a player to register and be able to use the two-factor verification system—by first interacting with an authorized casino representative in real time (in person or by video) and creating a player account with first and second authenticator data. Rothschild ¶¶ 38, 74; *Bradford* at 3:50-54,

14:21-27, 16:50-52, 22:27-35, 24:54-55, 27:11-13, Figs. 6, 7, 10, 11, and 12. In conjunction with Figure 6, to establish a gaming account, *Bradford* explains that a “player currently without an entry in the player ID database would first go to a customer service counter and ask for an account, box 600. The process then moves to box 602, where an authorized person enters the initial data from the player into the database.” *Id.* at 14:23-27. In conjunction with Figure 10, to establish an electronic fund account, *Bradford* likewise explains that “a player go[es] to a customer service counter or other location where an attendant having access to a terminal (or station) where the attendant can invoke a privileged screen where they can enable an [electronic funds account] EFA.” *Id.* at 22:25-31.

Petitioners argue that *Bradford* discloses a kiosk “designed to accept registration/login information” because it has input/output devices that may be used to request an EFT. Pet. at 26. Petitioners assert that “to perform an ordinary EFT, it would be necessary to provide registration/login information through the gaming device . . . to be able to access the electronic fund account.” *Id.* Yet, Petitioners ignore *Bradford*'s explanation that in order to take any action with the two-factor verification (including an EFT), the patron must first pre-register, which is not done at the gaming kiosk. Rothschild ¶¶ 37, 76. There is no real dispute that a patron must be registered in the *Bradford* system in order to perform an EFT. *Id.*;

Wolfe Tr. at 64:15-20. Petitioners simply ignore the fact that *Bradford* does not disclose any manner in which this is done at the gaming kiosk.

Bradford requires the same pre-registration step with an authorized casino employee regardless of whether the player intends to use the two-factor verification system to enable game play, authorize a tax form, or electronically transfer funds. Rothschild ¶¶ 74, 76-77. The *Bradford* system is, therefore, incapable of independently accepting registration information at a gaming kiosk. An authorized casino representative is needed to manually verify the player's identity and create an entry in the player identification database. *Bradford* at 3:50-54. Petitioners' witness also confirmed that *Bradford* provides details for only one way to set up an entry in the player database. Wolfe Tr. at 70:21-71:11.

Further, the *Bradford* system could not independently register a player at the gaming device because it does not extract identification information from the player's first authenticator, even if the first authenticator is the player's driver's license. As *Bradford* describes, it reads the alphanumeric data from the magnetic stripe of a player's card to associate that player with a unique identifier. *Bradford* at 6:4-10. It specifically explains that the player's personal, identifying information is neither important nor gathered. *Id.* The first authenticator data is used to find matching first authenticator data in the player ID database. *Id.* Thus, the first

authenticator data is devoid of the necessary information to register a player for an account. *See Bradford* at 14:42-62 (explaining information needed to register).

Neither the portions of *Bradford* cited by Petitioners nor any other portion of *Bradford* describe a registration process absent direct intervention from authorized casino personnel who manually verifies the player's identity before creating an account. For at least these reasons, Petitioners cannot show that *Bradford* anticipates any of claims 2, 4-6, 8-15, 17-19, and 21-23.⁴ Rothschild ¶ 78.

2. *Bradford* Does Not Disclose “Scan[ning] Identification Information From the Identification Document into Digital Form”

Bradford does not “scan identification information from the identification document into digital form” as recited in independent claim 2. Instead, *Bradford* simply discloses a “reader” capable of reading the unique alphanumeric data sequence from a magnetic stripe of a card. Rothschild ¶¶ 80-81; *Bradford* at 6:4-10. And this is consistent with *Bradford*'s system because it does not enable a player to register at the gaming device and instead explains that a player must register with an authorized casino employee. *See id.* at 3:50-54, 14:21-28.

⁴ *Bradford* cannot anticipate dependent claims 4-6, 8-14, 17-19, and 21-23 at least because it cannot anticipate independent claims 2 and 15, which they depend from.

Petitioners assert that if the first authenticator is a document, card, or the like that is machine readable, the associated input device would be a scanner. Pet. at 19-20. Petitioners correctly call this device a reader but then mischaracterize it by referring to it as a scanner. *Bradford* consistently refers to this element as “the first authentication *reader*” throughout the specification. See e.g., *Bradford* 8:23-24; 8:36; 8:54-55; and 10:24-25 (emphasis added). Petitioners rely on the conclusory statements of their witness that the “‘reader’ of [the machine-readable] symbols is a scanner, and it scans the machine-readable symbols into digital form.” Pet. at 42 (citing *Wolfe* ¶ 173, which says the same thing without any support).

But the reader disclosed in *Bradford* does not convert, by scanning, the identification information from the physical identification document into a digital representation of that information. Rothschild ¶¶ 80-81. Instead, it merely reads first authenticator data on the magnetic stripe of a debit card or the like for data matching purposes. *Id.*; *Bradford* at 5:63-6:3. And *Bradford* explains that the card itself or substance on the card is not important. *Id.* at 6:4-10 (“[T]he actual meaning of the data on the magnetic stripe is not important; it is simply being used as a unique data sequence to find a matching data sequence in the player ID database.”).

Petitioners suggest (without support) that “the identification information collected from the first authenticator . . . is made into digital form for transmission

over . . . [a] network.” Pet. at 19-20. It is true that *Bradford* transmits digital data that is read from the player's first authenticator, but this misses the point. Just because *Bradford* transmits digital data does not mean that *Bradford* scans identification information from an identification document. Instead, it means just what *Bradford* explains—the unique data sequence read from the player's first authenticator (whether it is an RFID, driver's license, pin code, or credit card) is digital data that can be digitally transmitted. Petitioners implication that this limited disclosure somehow transforms *Bradford*'s first authenticator reader into a scanner that obtains a digital form of a player's driver's license is misleading.

Neither the portions of *Bradford* cited by Petitioners nor any other portion of *Bradford* describe an “identification scanner . . . designed . . . to scan identification information from the identification document into digital form for transmission over a network.” Ex. 1002 at 7:10-14 (claim 2). For at least these reasons, Petitioners cannot show that *Bradford* anticipates any of claims 2, 4-6, 8-15, 17-19, and 21-23.⁵ Rothschild ¶ 82.

⁵ *Bradford* cannot anticipate dependent claims 4-6, 8-14, 17-19, and 21-23 at least because it cannot anticipate independent claims 2 and 15, which they depend from.

**3. *Bradford* Further Does Not Disclose the Limitations of
Dependent Claim 12**

Bradford separately fails to disclose the arrangement of elements set forth in dependent claim 12. Claim 12 recites that the kiosk must further comprise “a credit card acceptor.” Ex. 1002 at 8:17-18. Dependent claim 12, therefore, requires both “an identification scanner mounted in the kiosk housing and designed to accept [a government-issued] identification document” (claim 2) *and* “a credit card acceptor” (claim 12). Rothschild ¶ 83.

This is consistent with the specification and figures of the '098 patent. Figure 1(a) discloses a computing device that has an “ID card acceptor 302,” and a “credit/ATM card acceptor 522.” Ex. 1002 at 2:33-38.

Petitioners' three-sentence analysis is completely deficient. Pet. at 53-54. Regardless, Petitioners seem to argue that *Bradford* discloses the additional limitation of claim 12 because it suggests that a player may use a credit card, check card, debit card, and the like as her first authenticator. *Id.*

But Petitioners previously characterized *Bradford*'s first authenticator as a driver's license. Pet. at 20. While *Bradford* explains that the first authenticator could alternatively be a credit card, it does not disclose using both. Rothschild ¶ 85. Nor do Petitioners structure their argument as such. Said another way, *Bradford*'s two-factor verification system includes one first authenticator (and one second authenticator) for each player. *Bradford* never discloses or suggests how or

even why a player could register using multiple first authenticators or multiple second authenticators. *Id.* Indeed, *Bradford* explains that the first authenticator is used to find matching first authenticator data in the player database. Therefore, a player using the *Bradford* system could not use a driver's license as her first authenticator (as Petitioners allege regarding claim 2) *and* a credit card acceptor (as Petitioners allege regarding claim 12). Instead, the player must use the same first authenticator at the gaming device as that she used to register. *Id.*

B. Petitioners Failed to Show That the Challenged Claims Are Obvious Over the Cited References

An invention “composed of several elements is not proved obvious merely by demonstrating that each of its elements was, independently, known in the prior art.” *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 418 (2007). There must be “a reason that would have prompted a person of ordinary skill in the relevant field to combine the [prior art] elements in the way the claimed new invention does.” *Id.*

1. *Bradford* in Combination with General Knowledge Does Not Render the Challenged Claims Obvious

Petitioners present this obviousness ground as an alternative to the anticipation ground based solely on *Bradford*. Pet at 56-57. But Petitioners do not provide any meaningful analysis—they provide no evidence and merely assume (in a total of just two pages) that the claims are obvious and ask the Board do the same. *See id.* Petitioners do not even suggest that *Bradford* is missing features of

the challenged claims, never describe any features that may be in dispute or that Patent Owner may argue *Bradford* omits, and do not present any rationale as to why an ordinary artisan would be motivated to combine features or how those features would be combined. Petitioners merely conclude that an ordinary artisan would have envisaged combining features from the various embodiments into a system that meets the challenged claims. *Id.*; Rothschild ¶¶ 86-89.

This superficial obviousness assertion is deficient and fails on its face. Single-reference obviousness requires substantial evidence and non-conclusory reasoning that the missing limitation would be obvious. *See Arendi S.A.R.L. v. Apple Inc.*, 832 F.3d 1355, 1361 (Fed. Cir. 2016). And Petitioners cannot later cure deficiencies in the original petition. *Intelligent Bio-Sys., Inc.*, 821 F.3d at 1369.

Moreover, their analysis fails to cure any of the deficiencies of *Bradford* alone. As explained above, *supra* Section V.A., *Bradford* does not anticipate any of the challenged claims. General knowledge or common sense cannot provide an element missing from the prior art. *Arendi*, 832 F.3d at 1363. Nor can Petitioners' witness. "[R]arely . . . will the skill in the art component operate to supply missing knowledge or prior art to reach an obviousness judgment." *Al-site Corp. v. VSI Int'l, Inc.*, 174 F.3d 1308, 1324 (Fed. Cir. 1999). That is because "[s]kill in the art does not act as a bridge over gaps in substantive presentation of an obviousness case." *Id.* There must be "a reason for why a person of ordinary skill in the art

would have made the specific design choice,” *Cutsforth, Inc. v. MotivePower, Inc.*, 636 F. App'x 575, 578 (Fed. Cir. 2016). Petitioners have failed to even attempt to meet this requirement.

2. *Bradford* in Combination with *Parrott* Does Not Render the Challenged Claims Obvious

Petitioners present this obviousness ground as another alternative to the anticipation ground and again provide only superficial analysis. Pet at 57-63. The Board should deny this ground for several reasons. First, Petitioners improperly conflate an obviousness ground as a suggestion that *Parrott* is evidence showing *Bradford*'s first authenticator reader, which *Bradford* explicitly explains does not capture any identifying information, is an OCR scanner. *Id.* Second, Petitioners provide no rationale to show how or why a skilled artisan would substitute the OCR scanner of *Parrott* into *Bradford*'s system. *Id.* Third, even if such a substitution could be made, which Patent Owner denies, doing so is counter to the express teachings of *Bradford*, the intended function of its first authenticator, and would not work in *Bradford*'s system. Rothschild ¶¶ 93-94. Moreover, Petitioners do not offer any independent arguments that *Parrott* cures any of the deficiencies of *Bradford* addressed *supra* Section V.B.2. See Pet. at 58-59.

Bradford ensures that the first authenticator is used strictly for data matching, and it will not be used to access or record anything having to do with the meaning of the card. *Bradford* at 3:56-58, 5:63-66. And, if the player does not

present the same first authenticator that was used to register an account, the

Bradford system will never locate the player's account. Rothschild ¶ 92.

Petitioners rely on *Parrott*'s disclosure of a card reader mounted in a gaming machine and designed to accept a player's identification to create a player tracking card. Pet. at 58-59. *Parrott* discloses a "card reader" that may, magnetically or optically, read a card and may be used to read data from or write data to a player tracking card. *Parrott* ¶ [0105]. *Parrott*, however, is simply a single-level identification system without player verification; it does not verify a player's identity. Rothschild ¶ 93.

Regardless of *Parrott*'s teachings, it cannot change the express disclosure of *Bradford*. Moreover, Petitioners' assertion that OCR scanners were well known at the time of *Bradford*, a position their witness shares, is not evidence that *Bradford*'s first authenticator reader scans personal information from a player's identification document, but is evidence that it does not. If the *Bradford* inventors intended to scan personal information, they could have easily explained doing so. But they did not, and expressly disclosed the opposite. *Bradford* at 3:36-38, 5:63-6:10.

Petitioners also fail to provide any rationale as to how or why an ordinary artisan would combine *Bradford* and *Parrott*. The two references disclose opposite approaches. Rothschild ¶ 94. *Bradford* describes concerns for protecting player

privacy and ensures that the first authenticator is used strictly for data matching.

Bradford at 5:63-66, 14:25-41. The system avoids the use of any personal data as the player's first authenticator, and even provides for player anonymity. *Id.* at 5:55-6:10, 32:25-28; *see also* Wolfe Tr. at 69:20-22. *Parrott*, however, intentionally seeks to gather a player's personal information from an identification card to aid in the player tracking card application process. *Parrott* ¶ [0105]. Modifying *Bradford* as Petitioners suggest undermines *Bradford*'s intent and is not obvious. Rothschild ¶ 94; *see In re Ratti*, 270 F.2d 810, 813 (CCPA 1959).

Petitioners' cursory analysis also ignores the inherent difficulty with simply adding or subtracting various elements without analyzing what effect changing the configuration of the elements would have on the operation of the system. For instance, replacing the first authenticator reader in *Bradford* with the OCR-capable card reader of *Parrott* would render the *Bradford* system inoperable. Rothschild ¶ 93. For the *Bradford* system to work, the player must use the same first authenticator while at the game device that she presented to the authorized gaming representative during pre-registration. *Id.*; *Bradford* at 3:54-62; Wolfe Tr. at 66:5-9. Therefore, if the first authenticator in *Bradford* was scanned and subjected to an OCR routine, the system would not be able to locate the unique alphanumeric identifier associated with the player's entry in the database. Rothschild ¶¶ 93-94.

Such a modification is inappropriate. *See In re Fritch*, 972 F.2d 1260, 1265 n.12 (Fed. Cir. 1992).

Moreover, Petitioners do not suggest changing both the first authenticator reader of *Bradford* and the first authenticator data that a player uses to pre-register. *See* Pet. at 58-59. They only contend changing the first authenticator reader of *Bradford* with one that has OCR-capability as they allege *Parrott* and do so based only on the suggest that *Bradford* and *Parrott* disclose similar systems with similar purposes. *Id.* This rationale is insufficient and Petitioners are limited to the grounds presented in their petition; they cannot supplement now. *Intelligent Bio-Sys., Inc.*, 821 F.3d at 1369; *SAS Inst.*, 138 S.Ct. at 1358.

In any event, changing the first authenticator reader and the first authenticator data that a player uses to pre-register to use personal identifying information would fundamentally change *Bradford*'s system and is contrary to its specific teachings regarding player privacy. Rothschild ¶¶ 93-94. *Bradford*'s system avoids the use of any personal data as the player's first authenticator data. *Bradford* at 5:63-64, 6:6-10. Thus, using the personal information gathered from an OCR routine of a player's driver's license or bank card, instead of merely reading a unique alphanumeric code, would directly contradict *Bradford*'s disclosure. Rothschild ¶ 94. Such a modification is not obvious. *In re Ratti*, 270 F.2d at 813.

VI. The Petition is Deficient Because Petitioners Failed to List the Required Real Parties in Interest

This proceeding should be terminated because Petitioners failed to identify William Hill PLC and American Wagering, Inc. as RPIs as required by 35 U.S.C. § 312(a)(2). They not only failed to identify all RPIs but wrongly asserted in their Petition that William Hill PLC, a controlling publicly-traded parent corporation and former co-defendant in a parallel district court litigation, “is *not* a real party-in-interest to this proceeding.” Pet. at 63 (emphasis added). The Board has held that “[t]he America Invents Act (‘AIA’) is unequivocal: a petition for *inter partes* review ‘may be considered *only if* it identifies all RPIs.’ *Reflectix, Inc. v. Promethean Insulation Tech. LLC*, IPR2015-00039, Paper 18 at 7 (P.T.A.B. Apr. 24, 2015). Petitioners failed to do so here, and misleadingly represent that William Hill PLC is not an RPI.

Petitioners’ representation is contradicted by the public information that Petitioners had in their possession when they filed their Petition. That information establishes William Hill PLC as a direct beneficiary of this proceeding, with a CEO that holds prominent management positions at both petitioner entities. Public records show that American Wagering was purchased by William Hill PLC to start its United States-based gaming operations. It is a direct subsidiary of Petitioner William Hill U.S. Holdco, Inc. and is responsible for the products accused of infringement in the parallel district court proceeding.

Petitioners' failure was not a mere oversight or a clerical error. Petitioners made a conscious choice to not name American Wagering, Inc. and declare William Hill PLC is not a real party-in-interest. Estoppel cannot be avoided merely by omission or a attorney statement that an entity is not a real party-in-interest. *See Worlds Inc. v. Bungie, Inc.*, 903 F.3d 1237, 1246 (Fed. Cir. 2018). Accordingly, Petitioners should be barred under principals of judicial estoppel and the interest of justice from retracting their earlier statements to correct their Petition. *See Wi-Fi One, LLC v. Broadcom Corp.*, 878 F.3d 1364, 1374 n.9 (Fed. Cir. 2018).

A. The RPI Inquiry is Flexible and Has an Expansive Approach

“Congress intended for [“real party-in-interest”] to have an expansive formulation.” *Applications in Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336, 1350 (Fed. Cir. 2018); *see also id.* at 1351. “Determining whether a non-party is a ‘real party in interest’ demands a flexible approach that takes into account both equitable and practical considerations, with an eye toward determining whether the non-party is a clear beneficiary that has a preexisting, established relationship with the petitioner.” *Id.* at 1351.

For the RPI inquiry, the pertinent question is whether the unnamed party would “benefit from an instituted IPR, even where the petitioning party might separately have its own interest in initiating an IPR.” *Id.* at 1347. “[T]he focus of the real-party-in-interest inquiry is on the patentability of the claims challenged in

the IPR petition, bearing in mind *who will benefit from having those claims canceled or invalidated.*” *Id.* at 1348 (emphasis added). The “common law seeks to ascertain who, from a ‘practical and equitable’ standpoint, will benefit from the redress that the chosen tribunal might provide.” *Id.* at 1349.

1. Petitioners Must Identify All RPIs and Bear the Burden of Proving that They Have Done So

A petitioner bears the burden to “establish that it has complied with the statutory requirement to identify all real parties-in-interest” under 35 U.S.C. § 312(a)(2), since “a petitioner is far more likely to be in possession of, or have access to, evidence relevant to the issue than the patent owner.” *Amazon.com, Inc. v. Appistry, Inc.*, IPR2015-00480, Paper 18 at 3 (P.T.A.B. July 13, 2015); *see also Worlds Inc.*, 903 F.3d at 1243 (the Board, faced with an RPI dispute, can “no longer merely rely upon [Petitioner’s] initial identification of the real parties in interest” and instead must “make any factual determinations necessary to evaluate whether [Petitioner] had satisfied its burden”). And attorney argument cannot “outweigh” actual evidence presented by the patent owner. *Id.*

2. A Petition Not Properly Filed Within a Year After an RPI Is Served with a Complaint Is Time-Barred and Retroactive Amendment Is Limited

In no case can an RPI be added to a Petition if that party would have been statutorily time barred if originally joined the petition. *Wi-Fi One*, 878 F.3d at 1374 n.9. An unnamed RPI that was not statutorily barred as of the filing date may

be joined. *Id.* But to do so there must be “a showing of good cause or upon a Board decision that consideration on the merits would be in the interests of justice.”

Mayne Pharma Int'l Pty. Ltd. v. Merck Sharp & Dohme Corp., 927 F.3d 1232 (Fed. Cir. 2019) (quoting 37 C.F.R. § 42.5(c)(3)). Here, Petitioners cannot meet this limited exception at least because of their affirmative statements to the contrary.

B. William Hill PLC Is the Parent Company for Both Petitioners and is an RPI

The Board has regularly found that parent corporations are RPIs to an IPR brought by a subsidiary when there is a close and controlling relationship. Indeed, a parent-subsidiary relationship alone “weighs heavily in favor of finding [a parent] to be a real party-in-interest.” *Atlanta Gas Light Co. v. Bennett Regulator Guards, Inc.*, IPR2013-00453, Paper 88 at 11 (P.T.A.B. Jan. 6, 2015). This is not surprising. Parent corporations, by definition, have a “financially controlling interest” in subsidiaries, and control of the subsidiary is inherent in the parent-subsidiary relationship. *Copperweld Corp. v. Independence Tube Corp.*, 467 U.S. 752, 771-72 (1984).

One test for determining if an unnamed party is an RPI is “whether the non-party exercised control or could have exercised control over a party’s participation in a proceeding.” Trial Practice Guide, 77 Fed. Reg. 48,612, 48,759 (Aug. 14, 2012). “Factors for determining actual control or the opportunity to control include

existence of a financially controlling interest in the petitioner.” *Id.*, 48,617. The Board must make an inquiry, *see RPX Corp.*, 897 F.3d at 1351, and has found parent corporations to be unnamed RPIs, *see. e.g., Aceto Agric. Chems. Corp. v. Gowan Co.*, IPR2015-01016, Paper 15 at 5 (P.T.A.B. Oct. 2, 2015); *ZOLL Lifecor Corp. v. Phillips Elecs. N. Am. Corp.*, IPR2013-00606, Paper 13 at 10 (P.T.A.B. Mar. 20, 2014).

1. William Hill PLC Is Intimately Involved with Petitioners' Business Operations in the United States

William Hill PLC has made massive capital investments into its U.S. operations and has a very close relationship with Petitioners. Each shows it is an RPI. In 2011, William Hill PLC acquired Brandywine Bookmaking for \$15.7 million and American Wagering, Inc. for \$18 million to start its U.S. based gaming operations. Ex. 2024; Ex. 2025. Those companies were reorganized under a new company named William Hill U.S. Holdco, Inc. formed by William Hill PLC to lead its growth in the U.S. Ex. 2026 (“William Hill became the leading sports betting operator in the US in 2012, when we merged three businesses based in Nevada to form William Hill US.”).

William Hill PLC's CEO stated that “[t]he combination of William Hill's expertise and long track-record in the UK's regulated market with these three leading businesses presents a good opportunity for William Hill to grow a leadership position in the US sports-betting industry while investing in Nevada and

Delaware.” Ex. 2025. William Hill PLC’s 2011 Annual Report stated the combination would be “backed by William Hill’s product range and financial muscle.” Ex. 2027 at 9. At that same time, Brandywine Bookmaking’s CEO—now the CEO of William Hill U.S. Holdco, Inc.—stated: “I feel good about the strategic and cultural fit between our organizations and look forward to working with the William Hill team in the future as we explore ways to grow the sports betting business in the U.S.” Ex. 2024.

After the Supreme Court overruled PASPA,⁶ William Hill PLC’s CEO again noted intimate involvement with U.S. operations, referring to William Hill PLC working in unison with Petitioners. He said, “[i]n the U.S., from a small but highly successful business, we’re now looking at a significant opportunity to grow business of scale.” Ex. 2028 at 2. He noted that “Delaware took the first bet in a post-PASPA world and *we were* the risk manager for that bet.” *Id.* at 9 (emphasis

⁶ The Professional and Amateur Sports Protection Act (PASPA), enacted in 1992, made sports gambling unlawful in the U.S., with the exception of specific states, like Nevada. Wayne Dec. ¶ 23; 28 U.S.C. § 3702. The Supreme Court overruled this Act in May 2018, allowing any state to authorize sports gambling schemes. *See Murphy v. Nat’l Collegiate Athletic Ass’n*, 138 S. Ct. 1461 (2018).

added). He went on to discuss the rapid pace of decisions that he and William Hill PLC must make for its United States investments in the near term. *Id.*

More recently (and still before Petitioners filed their Petition in this proceeding), William Hill PLC's CEO reiterated that "[w]e are now taking sports bets in five states and have signed deals to secure access in a total of 17, accepting the sports lottery market as well as retail and mobile operation -- opportunities." Ex. 2029. He said it is "still early days, but we're very encouraged by the volumes we're seeing in the new states" and that "we've taken in excess of \$200 million in handle since the PASPA was overturned, very much in line with what we would hope to see." *Id.* He said it is "fair to say these first few months of reinforced our view on the great potential of the U.S. sports betting market." *Id.*

At least these statements confirm that William Hill PLC is an "involved and controlling parent." *See Aceto Agric. Chems. Corp.*, IPR2015-01016, Paper 15 at 5. These statements show that William Hill PLC and William Hill U.S. Holdco act as one entity under the "William Hill" branded sports betting products worldwide and William Hill PLC. Ex. 2026. In addition, William Hill's investor presentations and Capital Markets Day presentations show that it heavily factors U.S. operations in its earnings and growth potential. Ex. 2030 at 8.

2. William Hill PLC's CEO Holds Prominent Positions in Petitioners' Corporate Management

The Board has also repeatedly found parent corporations to be required RPIs when senior personnel have positions with both the parent and the subsidiary. *See, e.g., Radware, Inc. v. F5 Network, Inc.*, IPR2017-01187, Paper 9 at 12 (P.T.A.B. Oct. 11, 2017). And the fact that an unnamed entity and a named petitioner “had overlapping members on their respective boards of directors” cannot be overlooked. *RPX, Corp.*, 897 F.3d at 1354.

Here, the CEO of William Hill PLC, is now or has been as a corporate officer on the management for both Petitioners and has held overlapping corporate positions at the same time. Ex. 2031; Ex. 2032. The CEO of William Hill PLC is also a corporate officer for American Wagering, Inc., another unnamed RPI that is a wholly owned subsidiary of Petitioner William Hill U.S. Holdco, Inc. These companies do not operate independently but are intertwined both financially and operationally with William Hill PLC.

The extent of management control and influence is pervasive. William Hill PLC's CEO is listed as “President/ Secretary/ Treasurer/ Director” for both Petitioner William Hill U.S. Holdco, Inc. and its wholly-owned subsidiary American Wagering, Inc. in Nevada Gaming Control Board filings. Ex. 2032 at 11. William Hill's CEO is listed as a “Member of Board of Managers” for Petitioner Brandywine Bookmaking, Inc. Ex. 2031 at 11. And William Hill PLC's

predecessor CEO likewise held high ranking management positions at Petitioner William Hill U.S. Holdco. Ex. 2033 at 6. Thus, William Hill PLC has had and continues to have direct management influence and control over Petitioners.

3. William Hill PLC and Its Corporate Officer Hold Gaming Licensures in the United States

William Hill PLC's acquisition of Petitioner Brandywine Bookmaking, Inc. in 2011 was contingent on William Hill PLC and its key employees applying for and receiving gaming licenses in the U.S., including in Nevada. Ex. 2024; Ex. 2025. The acquisition was successful, with William Hill PLC holding an "Order of Registration" from the Nevada Gaming Commission that deems it competent and suitable to be the controlling parent corporation of subsidiaries operating in the United States.

States like Nevada, where sports wagering is legal, require an Order of Registration because the gaming commissions understand that parent corporations, like William Hill PLC, directly influence and control the subsidiaries' business of licensed gaming entities in the United States. William Hill PLC's Order of Registration is public and places additional and exacting managerial requirements on William Hill PLC. Among other strictures, the Order of Registration specifically requires William Hill PLC to

establish and maintain a gaming compliance program for the purpose of, at a minimum, performing due diligence, determining the suitability of relationships with other entities and individuals, and to review and

ensure compliance by William Hill plc and its subsidiaries with the Act, as amended, the Regulations, as amended and the law and regulations of any other jurisdictions in which William Hill plc and its subsidiaries may conduct gaming.

Ex. 2034 at 5.

As part of the Order of Registration Process, William Hill PLC was required to provide “the names of all officers, directors and any employees actively and directly engaged in the administration or supervision of the activities of the gaming licensee.” NRS 463.635. Here, this includes Petitioners as well as American Wagering, Inc. by virtue of them being a direct subsidiary of William Hill PLC. *See* Ex. 2037.

The Nevada Gaming Commission further required William Hill PLC's current CEO to undergo a personal investigation and receive Commission approval based on his position at William Hill PLC and his management position at Petitioners. This investigation included an in-person hearing before the Nevada Gaming Control Board where it analyzed his “suitability as an officer and director and for licensure as an officer and director and a member of the board of managers for the multiple William Hill entities.” Ex. 2035 at 3.

This is evidence of precisely the overlap of management that warrants a finding that a parent company as an RPI. *See Atlanta Gas*, Paper 88 at 11.

4. William Hill PLC Shares the Same Counsel as Petitioners in This Proceedings and in the District Court

Another factor demonstrating that an unnamed party is a RPI and has direction and control over an IPR proceeding is the overlap of counsel between Petitioners and the unnamed party. *See, e.g., Zoll*, Paper 13 at 10. Here, the same attorneys provided legal advice and prepared briefing for both William Hill PLC and Petitioners in the parallel district court proceeding in the District of Delaware. Ex. 2036. Those same attorneys then provided legal advice regarding this proceeding and prepared this Petition. This also shows the unity of interest between Petitioners and William Hill PLC.

C. American Wagering, Inc. Is Also an RPI

As noted above, American Wagering, Inc. is a subsidiary of Petitioner William Hill U.S. Holdco and William Hill PLC. Ex. 2037. It is the company that William Hill PLC acquired to establish its U.S.-based operations in Nevada. Ex. 2024; Ex. 2025. The CEO of Petitioner William Hill U.S. Holdco is a Board Member of Petitioner Brandywine Bookmaking, LLC, and is listed as the “Chief Executive Officer/Director” of American Wagering, Inc. Ex. 2033 at 7. The CEO of William Hill PLC is listed as the “President/ Secretary/ Treasurer/ Director” of American Wagering, Inc. Ex. 2032 at 11; *see also* Ex. 2038.

D. The Petition Must Be Terminated Because It Incorrectly Names RPIs and Retroactively Correcting the Petition Is Not in the “Interests of Justice”

Petitioners affirmatively stated in their Petition that William Hill PLC “is *not* a real party-in-interest to this proceeding.” Pet. at 63. Petitioners thus failed to comply with 35 U.S.C. § 312(a)(2) and their Petition should not be considered. This is not the case where Petitioners made a clerical error or overlooked an RPI that they then attempted to merely correct it later. *See, e.g., Mayne Pharma*, 927 F.3d at 1232. Rather, Petitioners made a deliberate decision and affirmative statement to the contrary. Pet. at 63.

Assuming that Petitioners ask the Board for leave to amend its RPI, the Board should not permit them to retract their prior statements and retroactively correct their Petition. Doing so would not be in the “interests of justice,” since judicial fairness demands that a party who takes an affirmative position to avoid a loss of right (like estoppel under § 316(e)), should not be later allowed to change course with an inconsistent position in order to salvage its case. *See Transclean Corp. v. Jiffy Lube Int’l, Inc.*, 474 F.3d 1298, 1307 (Fed. Cir. 2007). The “interests of justice” also demand that Petitioners be forthcoming on the issue of RPI as Congress mandated under § 312(a) that “a petitioner is far more likely to be in possession of, or have access to, evidence relevant to the issue than the patent owner.” *See Amazon.com*, IPR2015-00480, Paper 18 at 3.

VII. Conclusion

For these reasons, Patent Owner respectfully requests that the Board confirm the patentability of all of the challenged claims—claims 2, 4-6, 8-15, 17-19, and 21-23—of the '098 patent.

Dated: October 21, 2019

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE

Pursuant to 37 C.F.R. § 42.24(d), I, Timothy McNulty, certify that
PATENT OWNER'S RESPONSE contains 12,897 words, excluding those
portions identified in 37 C.F.R. § 42.24(a), as measured by the word-processing
system used to prepare this paper.

Dated: October 21, 2019

Respectfully submitted,

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Attorney for Patent Owner

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing **PATENT OWNER'S RESPONSE** was served electronically on October 21, 2019 via e-mail directed to counsel of record for the Petitioner at the following:

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