

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

EVERI PAYMENTS INC.,
Petitioner,

v.

SIGHTLINE PAYMENTS LLC,
Patent Owner.

IPR2022-00663
Patent 9,196,123 B2

Before MITCHELL G. WEATHERLY, CARL M. DEFRANCO, and
SCOTT C. MOORE, *Administrative Patent Judges*.

DEFRANCO, *Administrative Patent Judge*.

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

Sightline Payments, LLC (“Sightline”) is the owner of U.S. Patent No. 9,196,123 B2 (Ex. 1002, “the ’123 patent”). Everi Payments Inc. (“Everi”) filed a Petition requesting *inter partes* review of claims 1, 2, 4–9, 11–17, 19, and 20 of the ’123 patent. Paper 1 (“Pet.”). Sightline did not file a

Preliminary Response. Because we determine that Everi has demonstrated a reasonable likelihood that at least claim 1 of the '123 patent is unpatentable, we institute an *inter partes* review of all claims as challenged in the Petition. See 35 U.S.C. § 314(a).

I. BACKGROUND

A. *Related Matters*

Everi challenges four related patents in separate petitions for *inter partes* review—U.S. Patent Nos. 8,708,809 B2 (IPR2022-00614), 8,998,708 B2 (IPR2022-00696), 9,466,176 B2 (IPR2022-00706), and 9,785,926 B2 (IPR2022-00707). See Pet. 1; Paper 4 at 2. Those patents, along with the '123 patent at issue here, were the subject of an infringement action in *Sightline Payments LLC v. Everi Holdings Inc.*, No. 6:21-cv-01015 (W.D. Tex.), which was filed September 30, 2021, but subsequently dismissed on June 1, 2022, for lack of proper venue. See Paper 7 at 1 (citing Ex. 1034).

B. *The '123 Patent*

The '123 patent is directed to a computer-based system and method for transferring funds electronically between various accounts associated with a gaming establishment such as a casino. Ex. 1002, 2:9–12. As described, the system allows a player wishing to play a casino game to selectively transfer funds from the player's personal account at a financial institution to the player's gaming account at the casino. *Id.* at 3:54–67. The system also allows the casino to track a player's gaming and purchase activity inside and outside the casino so as to associate such activity with a player's loyalty profile. *Id.* at 1:65–2:5.

Figure 7 of the '123 patent, as annotated and reproduced below, illustrates an embodiment of the fund transfer system in which casino

computing system 720, issuer processor computing system 726, and transaction facilitator 790 cooperate to facilitate fund transfers between the player's various accounts inside and outside the casino (i.e., gaming environment 702). *Id.* at 11:54–57.

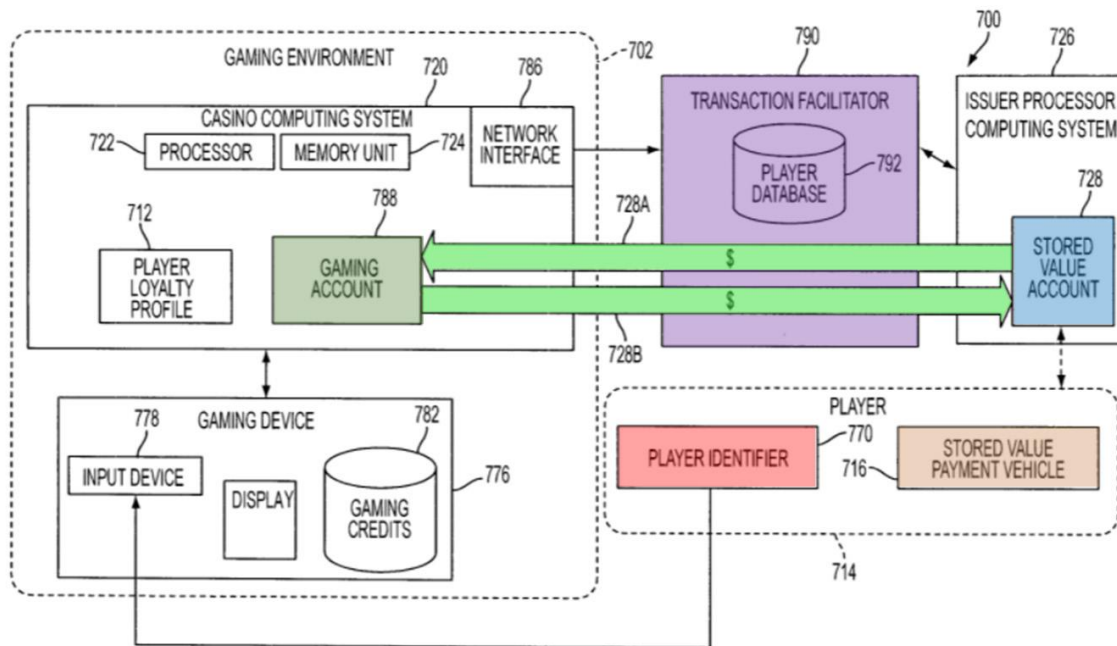


FIG. 7

As shown in Figure 7, a player maintains funds in stored value account 728 (blue) outside gaming environment 702. The stored value account is associated with issuer processor computing system 726, and funds are accessed through the use of stored value payment vehicle 716 (brown) such as a debit or credit card. *Id.* at 11:54–12:1. The player maintains gaming account 788 (green) inside the gaming environment, which communicates with gaming device 776 to allow the player to access funds while at the gaming device. *Id.* at 12:63–13:12. A transaction facilitator 790 (purple) orchestrates fund transfers between the stored value account

and the gaming account. *Id.* at 11:45–47, 13:1–6. The transaction facilitator includes a processor, memory, and server. *Id.* at 17:12–32.

To use money from a player's stored value account to fund a player's gaming account, a player provides their unique player identifier 770 (red) via a player debit card or other player identifier linked to a gaming device. *Id.* at 4:52–5:3, 12:42–50. The system identifies the player's associated gaming account and stored value account, and transfers funds from the stored value account into the gaming account (green arrow 728A). *Id.* at 5:4–7, 5:28–32; 12:51–13:12. A player can then use the funds in the gaming account for wagering at the gaming device. *Id.* at 5:36–39. When the player finishes gambling, the player cashes out by sending funds from the gaming device back to the player's gaming account and then to the stored value account. *Id.* at 5:39–46, 12:63–13:12.

Alternatively, a player may use a “remote computing device” to initiate fund transfers between the stored value account and the gaming account. *Id.* at 13:25–32. The remote computing device “can be any suitable networked computing device, such as, without limitation, a smart phone, a tablet computer, a desktop computer, a laptop computer, a gaming device, a wearable computing device, a kiosk, and ATM, and so forth.” *Id.* at 13:34–39.

C. The Asserted Challenges

Claims Challenged	35 U.S.C. §	Basis
1, 2, 4, 5, 7–9, 11–17, 19, 20	103	Smith ¹
1, 2, 4–9, 11–17, 19, 20	103	Sommer ²

In support of these challenges, Everi also submits the declaration of Dwight Crevelt. *See* Ex. 1001. At this stage, Sightline does not submit a declaration.

D. The Challenged Claims

Three of the challenged claims are independent—claims 1, 8, and 14. Claims 1 and 8 recite a “computer-based method” of transferring funds between a stored value account and a gaming account, whereas claim 14 recites a “gaming account funding system” for doing the same. *Compare* Ex. 1002, 21:56–22:14, 22:40–55, *with id.* at 23:9–27.

Claim 1 is representative and recites:

1. [preamble] A computer-based method of transferring funds between a stored value account and a gaming account, the method performed by one or more computing devices comprising instructions stored in a memory, which when executed by one or more processors of the one or more computing devices, cause the one or more computing devices to perform the method comprising:

[step 1] receiving player credentials for a player, wherein the player credentials are associated with a player identifier and a gaming account having a balance, wherein the player credentials were entered into a remote computing device;

¹ US 2013/0073447 A1, published Mar. 21, 2013 (Ex. 1005, “Smith”).

² US 2008/0113776 A1, published May 15, 2008 (Ex. 1006, “Sommer”).

[step 2] based at least partially on the player identifier, identifying a stored value account, wherein the stored value account is associated with a stored value payment vehicle issued to the player, and wherein a balance of the stored value account is maintained by an issuer processor computing system;

[step 3] receiving a funding instruction, wherein the funding instruction identifies a balance amount to be transferred from the stored valued account to the gaming account, wherein the funding instruction was entered into the remote computing device; and

[step 4] causing a decrease of the balance of the stored value account and an increase of the balance of the gaming account.

Id. at 21:56–22:14 (bracketed text added).

II. ANALYSIS

A. Level of Ordinary Skill in the Art

Everi’s declarant, Mr. Crevelt, testifies that one skilled in the art during the relevant time frame “would have at least a Bachelor’s degree in Computer Engineering or Computer Science, or an equivalent degree, with at least two years of experience in casino or gaming transaction facilitation, or related technologies.” Ex. 1001 ¶ 37. At this stage, Everi’s formulation of the relevant skill in the art appears reasonable. Hence, we adopt it for purposes of institution. We also note that Everi’s formulation appears consistent with the level of skill reflected in the asserted prior art.

B. Claim Construction

We apply the claim construction standard set forth in *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312–13 (Fed. Cir. 2005) (en banc). That is, “the words of a claim ‘are generally given their ordinary and customary meaning’ . . . that the term would have to a person of ordinary skill in the art in question at the time of the invention.” *Id.* at 1312–13. Here, neither party

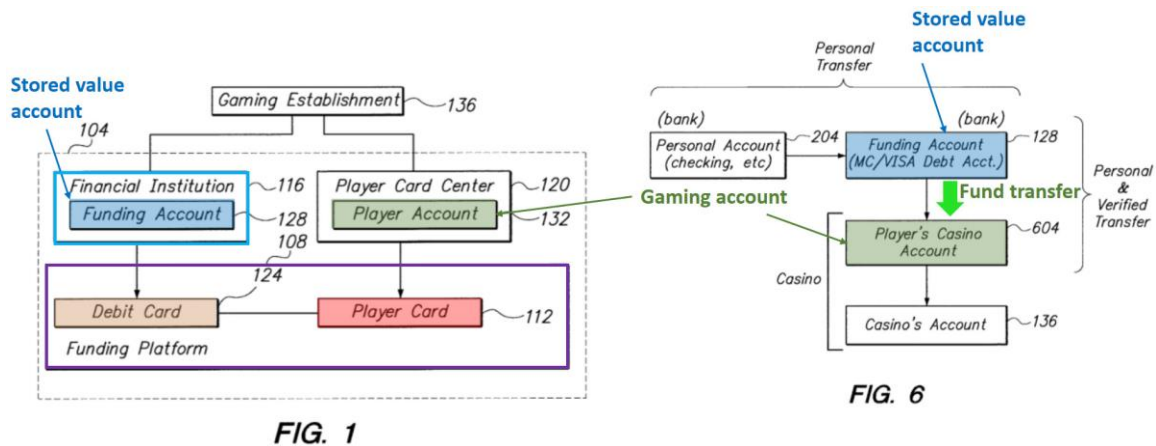
proposes an express construction of the claim terms beyond their ordinary and customary meaning. *See* Pet. 10. Thus, at this stage, we see no reason to further construe any claim terms.

C. Threshold for Institution

Everi challenges claims 1, 2, 4, 5, 7–9, 11–17, 19, and 20 as obvious over Smith. *See* Pet. 10–47. In challenging claim 1, Everi provides a detailed mapping of how Smith satisfies each of the recited steps. *See id.* at 17–27. Although Sightline does not respond to Everi’s challenge at this stage, we nonetheless consider Everi’s showing with respect to each of the recited steps of method claim 1.

1. Preamble—“method of transferring funds between a stored value account and a gaming account” using “one or more computing devices comprising instructions stored in a memory, which [are] executed by one or more processors”

To the extent the preamble is limiting,³ Everi submits annotated Figures 1 and 6 of Smith, reproduced below, to show how Smith discloses this limitation. *See* Pet. 14–15.

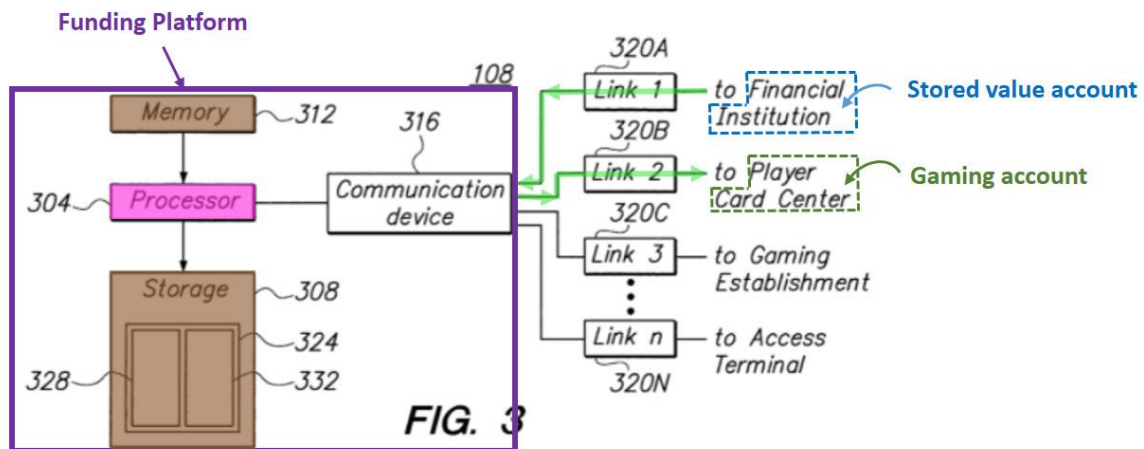


³ We need not decide whether the preamble of claim 1 is limiting for purposes of institution, given Everi’s showing of a reasonable likelihood that the asserted prior art teaches the preamble.

Annotated Figure 1 of Smith is a block diagram illustrating an exemplary “arrangement of components or parts of the funding system,” and annotated Figure 6 of Smith is a block diagram illustrating an exemplary “flow of funds from a player to a gaming establishment using the funding system” of Figure 1. Ex. 1005 ¶¶ 32, 84. Together, annotated Figures 1 and 6 show how Smith’s system electronically transfers funds between a player’s “personal bank account” (funding account 128) and a player’s “casino account” (player account 132) using a “player tracking card” (player card 112) to verify the funds transfer before it occurs. *Id.* ¶¶ 9–14.

Smith’s system includes “linking platform 108” (purple), which Smith also calls “funding platform 108,” for performing the funds transfer between the player’s funding account 128 (blue) at a bank or other financial institution and the player’s casino account 132/604 (green) at a gaming establishment. *Id.*, Abstract, ¶¶ 36–39, 84–87, 92. As shown and described, linking platform 108 corresponds to the claimed “computing device,” funding account 128 corresponds to the claimed “stored value account,” and player casino account 132/604 corresponds to the claimed “gaming account.”

Everi also submits annotated Figure 3 of Smith, reproduced below, to show that linking/funding platform 108 includes processor 304, storage 308, memory 312, and communication device 316, which “execute instructions” to transfer funds to and from the player’s gaming account. Pet. 15 (citing ¶¶ 43–45).



Annotated Figure 3 of Smith is a block diagram illustrating an exemplary linking/funding platform 108 (purple). Ex. 1005 ¶¶ 24, 36–37. As shown and described, Smith’s linking/funding platform “functions as a hub to orchestrate fund transfers between a player, various accounts, and the gaming establishment 136.” *Id.* ¶ 39. “A first communication link 320A may form a connection with a financial institution while a second communication link 320B may form a connection with a gaming establishment.” *Id.* ¶ 46.

Everi’s declarant confirms that, collectively, Smith’s Figures 1, 3, and 6 disclose the preamble’s recitation of transferring funds between a player’s “stored value account” (i.e., funding account 128) and a player’s “gaming account” (i.e., casino account 604). See Ex. 1001 ¶¶ 103–106. At this stage, we have no reason to doubt that unrebutted testimony from Everi’s declarant. Thus, having reviewed Smith’s disclosures along with the testimony of Everi’s declarant, we agree with Everi that Smith satisfies the preamble limitation of claim 1.

2. *Method Step 1—“receiving player credentials . . . associated with a player identifier and a gaming account . . . entered into a remote computing device”*

Everi contends that Smith meets the step of “receiving player credentials” by disclosing “player tracking card 112 for accessing a player’s account(s) at a gaming establishment and/or financial institution.” Pet. 16 (citing Ex. 1005 ¶¶ 34–36). According to Smith, player tracking cards are “use[d] by players in accessing their player accounts at a gaming establishment” and “have information stored thereon or . . . otherwise associated therewith that identifies a player’s account at a gaming establishment and/or financial institution.” Ex. 1005 ¶¶ 34–36; *see also id.* ¶¶ 77–78 (describing process of receiving player identification and authorization information from a player’s tracking card). Smith also teaches that, in order to initiate the transfer of funds, “player card information, such as a player account number and PIN or other password” are “provided to the funding platform via a kiosk, gaming machine computer, or other access terminal.” *Id.* ¶ 77. “A player may also be permitted to transfer funds by accessing a server of the system on-line, such as from their home or work computer.” *Id.* ¶ 90. And, according to Everi’s declarant, because annotated Figure 1 of Smith shows that player tracking card 112 (red) is linked to gaming account 132 (green), Smith necessarily discloses that the player credentials are “associated with . . . a gaming account having a balance,” as recited by claim 1. Ex. 1001 ¶¶ 107–114.

Based on the preliminary record, we agree with Everi that Smith’s method of transferring funds between a stored value account and a gaming account performs the step of “receiving player credentials” in the manner recited by claim 1.

3. *Method Step 2—“identifying a stored value account . . . associated with a stored value payment vehicle issued to the player, and . . . maintained by an issuer processor computing system”*

Everi contends that Smith’s “funding account 128” is a “stored value account,” as claimed, because Smith discloses that it can be a “debit card, checking, savings, or other account” issued by a “bank or other financial institution 116 . . . for holding and transferring a player’s funds.” Pet. 20 (citing Ex. 1005, Abstract, ¶¶ 33, 41, 84, 91, 93, 94, Figs. 1, 6). Everi further contends that the debit card or the like issued by the bank or financial institution is a “stored value payment vehicle,” as claimed, because it “has information that identifies a player’s account at . . . financial institution 116.” *Id.* at 22–23 (citing Ex. 1005 ¶¶ 33, 35). And, as disclosed by Smith, once a player enters the debit card into an access terminal or other remote computing device and player card information is read from the debit card and received by funding platform 108, the funding platform retrieves funding account information 332 from storage 308, which identifies the player’s funding account 128 (i.e., stored value account). Ex. 1005 ¶¶ 34, 49, 77–78, Figs. 3, 5; *see also* Ex. 1001 ¶ 122.

Based on the preliminary record, we agree that Smith’s method of transferring funds between a stored value account and a gaming account performs the step of “identifying a stored value account” in the manner recited by claim 1.

4. *Method Step 3—“receiving a funding instruction . . . [that] identifies a balance amount to be transferred from the stored value account to the gaming account . . . [and] was entered into the remote computing device”*

Referring again to annotated Figures 3 and 6, Everi contends that Smith’s funding platform 108, which includes processor 304, storage 308,

and communication device 316, instructs the financial institution's server, which corresponds to the claimed "issuer processor computing system," to transfer funds from the player's stored value account 128 to the player's casino/gaming account 604/132. Pet. 24–26 (citing Ex. 1005 ¶¶ 13, 39, 43–45, 77–79, 85, 90, Figs. 3, 6). We agree.

More specifically, Smith explains that communication device 316 is "in communication with a financial institution's server to communicate transfer instructions to transfer funds from the funding account to the gaming establishment." Ex. 1005 ¶ 15. Smith also explains that, to initiate the funding instruction, "player card information may be read from a player tracking card and provided to the funding platform via a kiosk, gaming machine computer or other access terminal." *Id.* ¶ 77. The access terminal "may be configured to receive the player tracking account identifier and to request a fund transfer utilizing the funding account identifier." *Id.* ¶ 13. Upon receiving verification from a player, the funding platform 108 "may electronically initiate a funds transfer from the financial institution 116 by communicating an account number, *amount to be transferred*, authorization information" so as to transfer funds from the player's stored value account to the player's gaming account. *Id.* ¶¶ 39–40.

Based on the preliminary record, we agree that Smith's method of transferring funds between a stored value account and a gaming account includes the step of "receiving a funding instruction" in the manner recited by claim 1.

5. *Method Step 4—“causing a decrease of the balance of the stored value account and an increase of the balance of the gaming account”*

Everi contends that because Smith transfers funds from stored value account 128 to the player’s casino/gaming account 604, “[t]he transfer necessarily causes a decrease in the balance of the stored value account 128, and a corresponding increase in the balance of player’s casino/gaming account 604.” Pet. 27 (citing Ex. 1005 ¶ 85). Everi’s declarant corroborates as much. Ex. 1001 ¶ 136. Based on our review of the preliminary record, we agree with Everi that Smith discloses this step.

6. *Conclusion*

We have fully considered Everi’s showing with respect to how Smith discloses or renders obvious each of the steps of method claim 1. See Pet. 14–27. In doing so, we conclude that Everi demonstrates a reasonable likelihood that the method of challenged claim 1 is unpatentable as obvious over Smith.

D. Everi’s Other Challenges

Aside from claim 1, Everi challenges claims 2, 4, 5, 7–9, 11–17, 19 and 20 as obvious over Smith. Pet. 28–47. In addition, Everi challenges claims 1, 2, 4–9, 11–17, 19, and 20 as obvious over Sommer. See Pet. 47–78. Because, as discussed above, Everi meets the threshold for institution by demonstrating a reasonable likelihood that at least claim 1 is unpatentable as obvious over Smith, we need not decide whether Everi’s other challenges demonstrate the same. Those challenges, in our view, are best left for trial after full development of the record. Because “[e]qual treatment of claims and grounds for institution purposes has pervasive support in SAS,” we

institute review of all the challenges as raised in the Petition. *See PGS Geophysical AS v. Iancu*, 891 F.3d 1354, 1360 (Fed. Cir. 2018).

III. CONCLUSION

For the above reasons, we determine that the information presented in the Petition demonstrates a reasonable likelihood that at least claim 1 of the '123 patent is unpatentable as obvious over Smith. Because Everi satisfies the threshold for institution, we institute an *inter partes* review of all claims as challenged in the Petition. 37 C.F.R. § 42.108(c); *SAS Inst. v. Iancu*, 138 S. Ct. 1348, 1359–60 (2018).

IV. ORDER

Accordingly, it is:

ORDERED that, pursuant to 35 U.S.C. § 314(a), an *inter partes* review of claims 1, 2, 4–9, 11–17, 19, and 20 of the '123 patent is *instituted*; and

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

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