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Paper 8
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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

EVERI PAYMENTS INC.,
Petitioner,

v.

SIGHTLINE PAYMENTS LLC,
Patent Owner.

IPR2022-00696
Patent 8,998,708 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. 8,998,708 B2 (Ex. 1002, "the '708 patent"). Everi Payments Inc. ("Everi") filed a Petition requesting *inter partes* review of claims 1, 2, 6, 8–12, and 15–20 of the '708 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 '708 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), 9,196,123 B2 (IPR2022-00663), 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 '708 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. 1032).

B. The '708 Patent

The '708 patent is directed to a computer-based system and method for performing electronic transactions between various accounts associated with a gaming establishment such as a casino. Ex. 1002, 2:7–24. 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 4:50–60. The system also allows the casino to track a player's gaming and purchase transactions inside and outside the casino so as to associate such transactions with a player's loyalty profile. *Id*. at 3:5–62.

C. The Asserted Challenges

Claims Challenged	35 U.S.C. §	Basis
1, 2, 6, 8, 9, 11, 12, 15, 16, 18–20	103	Smith[1]
1, 2, 6, 8–12, 15–20	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, 11, and 18. Claims 1 and 11 recite a "computer-based method" of transferring funds between a stored value account and a gaming account, whereas claim 18 recites a "system for a gaming environment" that executes the same. *Compare* Ex. 1002, 21:17–18, 22:29–30, *with id.* at 23:15.

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 comprising:
>
> [step 1] receiving, by one or more computing devices, a player identifier of a player, wherein the player identifier is associated with a gaming account having a balance maintained by a casino computing system;
>
> [step 2] identifying, by any of the one or more computing devices, a stored value account based at least partially on the player identifier, wherein the stored value account is associated with a stored value payment vehicle issued to the player, and

[1] US 2013/0073447 A1, published Mar. 21, 2013 (Ex. 1005, "Smith").
[2] US 2008/0113776 A1, published May 15, 2008 (Ex. 1006, "Sommer").

> wherein a balance of the stored value account is maintained by an issuer processor computing system;
>
> [step 3] instructing, by any of the one or more computing devices, the issuer processor computing system to decrease the balance of the stored value account; and
>
> [step 4] instructing, by any of the one or more computing devices, the casino computing system to increase the balance of the gaming account.

Id. at 21:17–36 (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, 6, 8, 9, 11, 12, 15, 16, and 18–20 as obvious over Smith. *See* Pet. 10–49. We begin with Everi's challenge of method claim 1, for which Everi provides a detailed mapping of how Smith satisfies each of the recited steps. *See id.* at 13–24. In doing so, Everi cites the following evidence in support of its contention that Smith teaches or suggests each of the steps as claimed:

> Preamble—"computer-based method of transferring funds between a stored value account and a gaming account" (Pet. 13–15 (citing Ex. 1005 ¶¶ 36, 39, 43, 45, 92, Figs. 1, 3, 6;; Ex. 1001 ¶¶ 99–102));
>
> Method Step 1—"receiving, by one or more computing devices, a player identifier of a player, wherein the player identifier is associated with a gaming account having a balance maintained by a casino computing system" (Pet. 15–19 (citing Ex. 1005 ¶¶ 9–19, 34–36, 39, 41–46, 47, 49, 59, 73, 76–78, 85–86, Figs. 1, 3, 6; Ex. 1001 ¶¶ 104–113));
>
> Method Step 2—"identifying, by any of the one or more computing devices, a stored value account based at least partially on the player identifier, 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" (Pet. 19–23 (citing Ex. 1005, Abstract, ¶¶ 17, 33–35, 41, 43–44, 49, 56, 58, 75, 77–78, 84, 91, 93–94, Figs. 1, 3, 5, 6; Ex. 1001 ¶¶ 114–124)); and
>
> Method Steps 3 and 4—"instructing, by any of the one or more computing devices, the issuer processor computing system to decrease the balance of the stored value account; and instructing, by any of the one or more computing devices, the casino computing system to increase the balance of the gaming account." (Pet. 23–24 (citing Ex. 1005 ¶¶ 44–45, 77–79, 85, Figs. 3, 6; Ex. 1001 ¶¶ 125–130)).

At this stage, Sightline does not respond to Everi's showing. After reviewing the preliminary record (including Everi's contentions, the cited

portions of Smith, and the testimony of Everi's declarant), we are persuaded that Everi demonstrates a reasonable likelihood that challenged claim 1 is unpatentable as obvious over Smith.

Aside from claim 1, Everi also challenges claims 2, 6, 8, 9, 11, 12, 15, 16, and 18–20 as obvious over Smith. Pet. 24–49. In addition, Everi challenges claims 1, 2, 6, 8–12, and 15–20 as obvious over Sommer. *See* Pet. 50–85. 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.

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 '708 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, 6, 8–12, and 15–20 of the '708 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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