

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

INTERACTIVE COMMUNICATIONS INTERNATIONAL, INC.,
Petitioner,

v.

BLACKHAWK NETWORK INC.,
Patent Owner

Case IPR2023-01235
U.S. Patent No. 9,865,135

**DECLARATION OF MICHAEL HUTTON
IN SUPPORT OF PETITION FOR *INTER PARTES* REVIEW OF
U.S. PATENT NO. 9,865,135**

I, Michael Hutton, declare as follows:

1. I have been retained on behalf of Interactive Communications International, Inc. (“Petitioner”) in connection with the above-captioned *inter partes* review (IPR). I have been retained to provide my opinions in support of Petitioner’s Petition for *inter partes* review of U.S. Patent No. 9,865,135 (the “’135 patent”). I am being compensated for my time at the rate of \$700 per hour. I have no interest in the outcome of this proceeding.

2. The statements made herein are based on my own knowledge and opinion. This Declaration represents only the opinions I have formed to date. I may consider additional documents as they become available or other documents that are necessary to form my opinions. I reserve the right to revise, supplement, or amend my opinions based on new information and on my continuing analysis.

I. QUALIFICATIONS

3. My qualifications can be found in my Curriculum Vitae, which includes my detailed employment background and professional experience.

4. I have been involved in the development of large scale Lottery point of sale systems from the time the technology was in its infancy in the late 1970s up to and including the Internet based systems being deployed today. I have contributed to the design, development, and deployment of dozens of lottery systems for public sector gaming operators around the world.

5. In the normal course of my work in the lottery technology industry, I have been personally involved in numerous design and development activities related to the sale of lottery tickets through non-dedicated Point of Sale (POS) systems, which is well subject in the industry.

6. I have specific experience with the technology that is the subject of this petition, having been involved in the development of such systems in pilot projects in multiple jurisdictions.

7. For example, I designed and developed a prototype POS system for dispensing lottery products (both physical instant tickets and online games) at the retail point of sale. The system was launched in two successful pilots in Connecticut and at Logan International airport in Massachusetts.

8. Another example was when I was design lead and principal developer of a JEE based video lottery gaming server for the Chinese National Sports Lottery. The system was constructed entirely with open source technology, including an in-memory database, and supports up to 20,000 gaming machines and process over 1,500 transactions per second. The gaming system integrates with the gaming machines and the other components of the distributed architecture using RESTful APIs

9. I also designed and developed a JEE based mobile gateway for lottery ticket sales for the Shanghai Welfare Lottery. The gateway exposed a REST API

that enabled integration between Internet based mobile sales application providers and the Lottery's legacy central gaming server.

10. I was also architect/developer for the development of an advanced lottery administration system for the Pennsylvania Lottery. The system runs all typical lottery retailer "back office" administration for the lottery (IBM Websphere).

II. LEGAL UNDERSTANDING

A. The Person of Ordinary Skill in the Art

11. I understand that a person of ordinary skill in the relevant art (also referred to herein as "person of ordinary skill in the art") is presumed to be aware of all pertinent art, thinks along conventional wisdom in the art, and is a person of ordinary creativity—not an automaton.

12. I have been asked to consider the level of ordinary skill in the field that someone would have had at the time the claimed invention was made. In deciding the level of ordinary skill, I considered the following:

- the levels of education and experience of persons working in the field;
- the types of problems encountered in the field; and
- the sophistication of the technology.

13. A person of ordinary skill in the art (“POSITA”) in January 2015 is an artisan with a working knowledge of POS activation systems and lottery systems that was gained through a mixture of training and work experience in the relevant field such as (i) having a Bachelor’s degree in computer science, computer communications, electrical engineering, or equivalent degree, coupled with at least three years of work experience; (ii) having a Master’s degree in computer science, computer communications, or electrical engineering, but having less work experience; or (iii) having no formal degree, but having experience in the relevant field of at least six years of work experience.

14. I understand that in the proceeding PGR2020-00084, which challenged a related patent, the Board adopted the above level of ordinary skill. I agree with the Board that this is the level of ordinary skill.

15. I am well-qualified to determine the level of ordinary skill in the art and am personally familiar with the technology of the ’135 patent. I was a person of at least ordinary skill in the art at the time of the priority date of the ’135 patent in 2015. Regardless, if I do not explicitly state that my statements below are based on this timeframe, all of my statements are to be understood as a person of ordinary skill in the art would have understood something as of the priority date of the ’135 patent.

B. Legal Principles

16. I am not a lawyer and will not provide any legal opinions. Though I am not a lawyer, I have been advised that certain legal standards are to be applied by technical experts in forming opinions regarding the meaning and validity of patent claims.

1. Obviousness

17. I understand that to obtain a patent, a claimed invention must have, as of the priority date, been nonobvious in view of prior art in the field. I understand that an invention is obvious when the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art.

18. I understand that the ultimate conclusion of whether a claim is obvious should be based upon several factual determinations. That is, a determination of obviousness requires inquiries into: (1) the level of ordinary skill in the field; (2) the scope and content of the prior art; (3) what difference, if any, existed between the claimed invention and the prior art; and (4) any secondary evidence bearing on obviousness.

19. I understand that, in determining the level of ordinary skill in the field that someone would have had at the time the claimed invention was made, I should

consider: (1) the levels of education and experience of persons working in the field; (2) the types of problems encountered in the field; and (3) the sophistication of the technology.

20. I also understand that, in determining the scope and content of the prior art, in order to be considered as prior art, a reference must be reasonably related to the claimed invention of the patent. A reference is reasonably related if it is in the same field as the claimed invention or is from another field to which a person of ordinary skill in the field would look to solve a known problem.

21. I also understand that a patent claim composed of several elements is not proved obvious merely by demonstrating that each of its elements was independently known in the prior art. In evaluating whether such a claim would have been obvious, I may consider whether there is a reason that would have prompted a person of ordinary skill in the field to combine the elements or concepts from the prior art in the same way as in the claimed invention.

22. I also understand that there is no single way to define the line between true inventiveness on the one hand (which is patentable) and the application of common sense and ordinary skill to solve a problem on the other hand (which is not patentable). For example, market forces or other design incentives may be what produced a change, rather than true inventiveness. I may consider whether the change was merely the predictable result of using prior art elements according to

their known functions, or whether it was the result of true inventiveness. I may also consider whether there is some teaching or suggestion in the prior art to make the modification or combination of elements claimed in the patent. I may consider whether the innovation applies a known technique that had been used to improve a similar device or method in a similar way. I may also consider whether the claimed invention would have been obvious to try, meaning that the claimed innovation was one of a relatively small number of possible approaches to the problem with a reasonable expectation of success by those skilled in the art.

23. I understand that a patent composed of several elements is not proved obvious merely by demonstrating that each of its elements was, independently, known in the prior art, and that obviousness cannot be based on the hindsight combination of components selectively culled from the prior art to fit the parameters of the patented invention.

24. I also understand that a reference may be said to teach away when a person of ordinary skill, upon reading the reference, would be discouraged from following the path set out in the reference, or would be led in a direction divergent from the path that was taken by the applicant. Even if a reference is not found to teach away, I understand its statements regarding preferences are relevant to a finding regarding whether a skilled artisan would be motivated to combine that reference with another reference.

25. Finally, I have been advised that any obviousness rationale for modifying or combining prior art must include a showing that a person of ordinary skill would have had a reasonable expectation of success.

2. My Understanding of Claim Construction Law

26. I understand that in this *inter partes* review the claims must be given interpreted under the *Phillips* standard, that is, in accordance with its plain and ordinary meaning as understood by a person of ordinary skill in the art.

III. OVERVIEW OF THE '135 PATENT AND PRIOR ART

A. State of the Art

27. The following section describes the state of the art for POA activation systems and online lottery systems as of January 2015. The prior art references, and the discussions of what was known to a POSA, provide the factual support for the general description of the state of the art at the time of the invention, the interpretation of the prior art references, and provide the basis for the motivation to modify or combine the references. Accordingly, these references should be considered by the Board.

1. Early POS Activation Systems

28. POS activation systems have been used by retailers to activate products for many years. While the details of these systems vary in certain respects, they all operate in fundamentally the same manner.

29. Specifically, with a standard POS activation system, a consumer purchases some sort of physical substrate or indicia, such as a card or coupon, bearing identifying and other information that is encoded on the indicia in either a barcode or magnetic stripe.

30. The indicia is displayed at a retail outlet for purchase along with other items (such as groceries) and has no value until the time of sale when it is activated through the retailer's existing POS system.

31. With these standard POS activation systems, the retailer scans or swipes the indicia at the POS, which reads the encoded information from the indicia's barcode or magnetic stripe and transmits the information along with a request to activate to a remote processor that has a database maintaining records of the indicia.

32. In each POS activation system, the remote processor processes the request to activate and returns a message indicating whether the indicia has been activated along with other information relevant to the transaction. Thereafter, the activated indicia can be used for its intended purpose.

33. Use of POS activation systems first began in the early 1990's in connection with prepaid phone cards that were activated at the time the consumer purchased the cards at a retail establishment.

34. Prior to these first POS activation systems, prepaid phone cards were distributed to retailers in an “active” state, meaning they could be used immediately with no additional processing.

35. Because they were active while displayed on the retailer’s shelf, these cards caused a significant problem to retailers with respect to theft, since they could be used whether or not lawfully purchased. Ex. 1013, 1:59-62.

36. To avoid that problem, in the early 1990’s, POS activation systems were developed to allow prepaid phone cards to be distributed in an “inactive” state and then “activated” at the time of purchase. These inactive cards had no value while on the shelf and thus posed no risk of theft, since they could not be used for their intended purpose unless and until purchased.

37. One early example of such a POS activation system is described in U.S. Patent No. 5,511,114 to “Stimson,” filed in June of 1994 and entitled “Telephone Pre-Paid Card System and Method” (“Stimson I”) (Ex. 1010). The Stimson I Patent recognized that by 1994, “[p]re-paid calling card services [were] well-known in the art” but that such cards were “batch-activated by the card provider” prior to distribution. Ex. 1010, 1:12; 1:24-25. An object of the invention of the Stimson I patent was to “provide a telephone pre-paid calling card system that includes on-site activation of calling cards,” including “point-of-sale activation

of calling cards using data terminals connectable to a host computer.” Ex. 1010, 1:60-66.

38. To activate the pre-paid calling cards of Stimson I, a barcode or some other type of code on the card would be scanned or swiped through a card reader at the POS. Ex. 1010, 4:16-32.

39. The terminal would then send an activation request to a remote host computer along with a card identifier. Ex. 1010, 5:42-60. For each distributed card, the host computer maintained records that included information such as “the card security number” and “the purchase balance of the card,” among other information. Ex. 1010, 5:5-14.

2. Expanded Use of POS Activation Systems

40. From pre-paid phone cards, use of POS activation systems quickly expanded to other types of pre-paid instruments, such as gift cards, debit cards, and the like. For example, the POS activation system claimed in Simpson I was the subject a continuation-in-part application filed on March 20, 1995 that issued as U.S. Patent No. 5,577,109 (“Stimson II”) (Ex. 1011).

41. The POS activation system of the Stimson II patent worked identically to the POS activation system of Stimson I, but included the activation of other types of prepaid cards, such as prepaid “debit cards, smart cards, or any other type

of purchasing card which is currently available or may in the future become generally available.” Ex. 1011, 6:20-44.

42. Another POS activation system for activating prepaid cards at the time of sale is described in U.S. Patent No. 5,777,305 (the “Smith I Patent”), filed in July of 1997 and entitled “Package Assembly and Method for Activating Prepaid Debit Cards.” Ex. 1012.

43. Like the Stimson Patents, the Smith I Patent notes that one of the shortcomings with prior art cards was “that they are active prior to packaging,” making “theft of the prepaid phone cards” a problem. Ex. 1012, 2:34-38. Thus, one of the principal objects of the invention was to provide a “method for activation of a prepaid debit card at a point of sale.” Ex. 1012, 2:62-64.

44. As with the Stimson cards, the cards of the Smith I Patent had “no value until [] purchased by a customer at the point of sale,” at which point the cards would be activated. Ex. 1012, 6:58-60.

45. To activate the cards, a customer would choose the “prepaid debit card having the desired dollar value, and take[] it to the cash register at the point of sale.” Ex. 1012, 7:2-5.

46. There, the mag stripe on the card would be swiped and the “identification number of the prepaid debit card together with an activation

request” would be communicated to a “host computer” located “at a remote location.” Ex. 1012, 7:22-29.

47. Upon receipt of the information, the host computer would: “[r]ecognize[] the received information as an identification number for a prepaid debit card, and immediately search[] its database for the corresponding file associated with that identification number. Once located, information for the prepaid debit card having that identification number such as the dollar value of the prepaid debit card, whether the card is active or inactive, and the dollar value of the prepaid debit card remaining [would] generally be available to the host computer. . . . The host computer [would] then process the activation request . . . , update its database with this information, and communicate this information back” Ex. 1012, 7:31-51.

48. Once activated, the card could be “used to conduct transactions.” Ex. 1012, 7:52-54.

49. Over the past 25+ years, POS activation systems for activating prepaid products at the time of purchase using a retailer’s pre-existing POS terminal in communication with a remote processor have become ubiquitous.

50. Each of the following patents and patent applications that I discuss below address POS activation systems wherein (i) a pre-printed and encoded instrument is purchased and activated at a retailer’s existing POS terminal, (ii) to

activate the instrument, data is read at the retailer's terminal from a barcode or mag stripe on the instrument and sent to a remote processor (either directly or through an intermediate transaction processor); (iii) the remote processor processes the activation request; and (iv) the processor sends a notification to the retailer's POS terminal (directly or through a transaction processor) that the instrument has been activated often with additional information, such as the amount of activation.

51. U.S. Patent No. 6,000,608 (the "Dorf Patent") was filed in July of 1997 and is entitled "Multi-function Card System" (Ex. 1013). The Dorf Patent describes a POS activation system to activate "electronic gift certificate" and other types of prepaid cards, wherein "the clerk swipes the card 101 through the POS device" and transmits the card data to "the system's processing hub" which "activates or recharges the card" in "the appropriate amount in an EC database 205 maintained at the processing hub" and returns an activation "authorization number" back "to the originating POS device." Ex. 1013, 7:35-8:10.

52. U.S. Patent No. 6,454,165 (the "Dawson Patent") was filed on July 1, 2001 and is entitled "Debit Card with Activation Control" (Ex. 1014). The Dawson Patent describes a POS activation system wherein a card is swiped at a POS and card information is transmitted to a remote processor for activation of the card, and "an appropriate message [is] transmitted to the originating data terminal." Ex. 1014, 6:32-65.

53. Publication No. WO 01/059597 (the “Tidball Publication”) was filed on February 12, 2001 (Ex. 1015). The Tidball Publication describes POS systems for activating prepaid cards through existing POS terminals in communication with an “account issuer processing center” that “receive[s] information” from the POS terminal “relating to an account to be activated and, after verification, . . . sending appropriate information . . . to the POS terminal 12 to confirm whether the account has or has not been activated.” Ex. 1015, pp. 4-7.

54. U.S. Patent No. 7,024,807 (the “Street Patent”) was filed on February 13, 2002 and is entitled “Greeting Card with Scannable Gift Card” (Ex. 1016). The Street Patent describes a greeting card containing a gift card that has “encoded information” and is “activated at the time of purchase” when “the card itself is [] read by a scanner” causing “an account corresponding to the card to be activated after scanning at the point of purchase.” Ex. 1016, 1:9-14, 2:36- 40. A “vendor scans the coded portion 46 which in turn activates the account corresponding to the card in a computer database.” Ex. 1016, 4:36-42.

55. U.S. Patent No. 8,706,630 was filed on September 5, 2003 and is entitled “System and Method for Securely Authorizing and Distributing Stored-Value Card Data” (the “Graves Patent”) (Ex. 1017). The Graves Patent discusses systems for “processing stored-value card requests, such as stored-value card activation” involving a merchant’s terminal sending to a “central processor a

specific processing request for a stored value card” after which “the central processor would generate a message indicating that the request has been accepted.” Ex. 1017, 2:28-33; 14:59-15:32.

56. U.S. Patent No. 7,093,761, filed June, 24, 2004 and entitled “System and Method for Distributing Stored Value Cards” (the “Smith II Patent”) (Ex. 1018). The Smith II Patent discusses a POS activation system for activating an indicia of value to be added to a customer’s account through a retailer’s point of sale terminal in communication with a “central system.” Ex. 1018, 6:53-7:12. “Once the customer selects the indicia, or an article bearing the indicia, the . . . merchant sends a communication to the central system confirming the transaction with the customer so that the identifier at the central system can be activated.” The indicia could be a “bar coded card” that “contain[s] information that represents the card's identifier.” At the time of “the sale of the card to the customer, the merchant could . . . scan the bar code on the card . . . and notify the central system of the sale of the article bearing the associated identifier.” Ex. 1018, 6:53-7:12; 8:22-31.

57. U.S. Patent No. 7,344,067 was filed January 14, 2005 and is entitled Systems, methods and devices for selling transaction instruments” (the “Beck Patent”). Ex. 1019. The Beck Patent describes a POS activation system that involves “hanging the pre-paid card on a rack” and “sending a message” through an existing POS “in substantially real time, causing the pre-paid open transaction

instrument to be funded” while “activating the pre-paid card right away” at the time of sale and “return[ing] an authorization/approval message.” Ex. 1019 2:35-49; 7:25-28; 8:22-24.

58. U.S. Patent No. 8,083,133 was filed on May 4, 2005 and is entitled “System and Method for Accounting for Activation of Stored Value Cards” (the Seifert Patent”) (Ex. 1020). The Seifert Patent describes POS activation systems that include “a POS device at retailer locations where stored value cards, such as prepaid gift cards,” are offered for sale and may be activated, and where the POS device receives identifying data (e.g., a product code) from each card to be activated by the retailer. The identifying data is provided to a distribution database, which creates an activation record for each activated card and “returns an approval to the POS terminal.” Ex. 1020, 2:11-21.

59. Publication No. US 2010/0051691 was filed on Sept. 4, 2009 (the “Brooks Publication”) (Ex. 1021). The Brooks Publication discusses POS activation systems that “allow activation of gift and other prepaid cards via the merchant's POS system that does not require significant software upgrades, that can use existing POS system communication networks, and that does not require interruption in normal register operations,” through the sending and receiving of information between “POS equipment and the card issuer.” Ex. 1021, pp. 1-2, ¶¶11-12.

60. U.S. Patent No. 8,862,504 was filed on February 24, 2012 and is entitled “Method and System for Activation and Funding of Prepaid Card Accounts with a Restricted Authorization Network” (the “Sobek Patent”) (Ex. 1022). The Sobek Patent describes a “method for activating and funding a stored value, prepaid card account” through “acquiring, with a point of sale (POS) device, a first data set associated with the card and purchase thereof, and a second data set associated with the card and activation, deactivation, funding, loading, and reloading thereof,” which is transmitted to an “authorization system” that sends an “approval message to the POS.” Ex. 1022, 3:14-32.

61. U.S. Patent No. 8,424,758 was filed on Sept. 23, 2011 and is entitled “Stored Value Card Transaction Control Systems and Methods” (the “Esslinger Patent”) (Ex. 1023). The Esslinger Patent describes a POS activation system wherein “a customer visits a merchant or other location where the cards are displayed for sale, selects a card for purchase, and provides it to a clerk at one of the POS terminals 116. The card ID is captured (electronically read or manually entered) at the POS terminal 116. After the customer has paid for the card, the gift card DBMS 130 activates the card and stores a record of the activation in the database 132.” Ex. 1023, 2:55-67.

62. U.S. Patent Publication No. 2013/0041768 was filed on January 7, 2011 and is entitled “System for processing, activating and redeeming value added

prepaid cards” (“Llach”) (Ex. 1006). Llach describes a method in which “a stored value card transaction processor receives an activation or redemption request for a stored value card from a point of sale terminal,” and returns information to the point of sale terminal that “may be printed on the receipt generated for the customer.” Ex. 1006, ¶¶ [0004], [00381].

63. U.S. Patent No. 10,296,895 was filed on March 14, 2014 and is entitled “System for processing, activating and redeeming value added prepaid cards” (“Llach II”) (Ex. 1025). Llach II describes “a processing and activation system providing consumers with the ability to purchase a stored value card, i.e., a gift card, of various affiliated or non-affiliated service providers with additional value added beyond the purchase price” from “a point of sale terminal.” Ex. 1025, Abstract, 1:29-32; *see also* U.S. Patent No. 7,627,497 to Szrek (filed on March 22, 2004 and disclosing the activation of lottery tickets at a retailer’s POS system, wherein “the ticket is read at the cash register and activated” by sending data to a lottery system and “[a]cknowledgement of the activation of the ticket is then printed on the cash register receipt.”).

3. Sale of Lottery Tickets Through Retailers’ Existing POS Systems

64. Lotteries have been in existence for hundreds of years and can take a number of different forms. In a random draw lottery, a player purchases a ticket for a lottery draw event that takes place in the future. Ex. 1001. The player can either

select his or her own draw numbers or the draw numbers can be randomly selected by the system. The numbers on the player's tickets are then compared to the numbers randomly selected during the draw event to determine if there is a match and thus a winning ticket.

65. While the '135 patent recognizes that the sale of lottery tickets at retail is nothing new, it suggests that lottery tickets have historically been available only through "single checkout lane environments such as convenience stores and gas stations" and not through "multi-lane environments such as grocery stores, discount and big box retailers." Ex. 1001, 1:48-52. According to the '135 patent, this means consumers must "complete their shopping and pay through any one of many checkout lanes," and then make a "second stop" at the "lottery terminal location in order to purchase the lottery draw ticket." Ex. 1001, 1:52-56. In fact however, it has long been known that lottery tickets can be sold and activated through retailer POS activation systems of the type used to activate prepaid instruments such as pre-paid calling cards. Ex. 1005, Abstract.

66. One such system is described in U.S. Patent No. 7,627,497 (2004), ("Szrek"). Szrek describes a "method and system for selling game of chance tickets at a point of sale cash register." Abstract. The lottery tickets of Szrek "ha[ve] a barcode uniquely identifying" them, but "do[] not have a play value until [they are] activated at the cash register or the lottery terminal." Ex. 1005, 3, 38-40, 4:7. The

lottery tickets are activated through a “process [that] is similar to a model following selling phone cards at the cash register.” Ex. 1005, 3:59- 61. Specifically, activation is “done on the cash register by scanning ticket bar code.” Ex. 1005, 4:19-22. After “the barcode information has been scanned, [the] cash register originates a transaction to the game provider requesting ticket activation.” Ex. 1005, 4:56-64. The game provider then authorizes the activation and sends back lottery product description, price, and activation receipt identifier” which may be printed on the “cash register receipt,” which can be “used by the ticket holder to prove that the ticket was activated.” Ex. 1005, 4:26-34. Szrek explains that the “preprinted lottery ticket activation transaction may be just another product type and may be integrated with other merchandise sales and receipt.” Ex. 1005, 5:1-5.

67. Another lottery POS activation system is described in U.S. Patent No. 6,899,621 (2001) (“Behm”). The invention of Behm “integrates the retail functions of modern point of sale systems’ with a “pre-printed lottery game ticket dispensing system.” Ex. 1026, 3:55-61. Behm explains that a “plurality of lottery game tokens[] will be provided for display with the store.” Ex. 1026, 4:15-16. A “game player traveling through the store while shopping will pick up at least one lottery game token . . . and take the token with them to the POS terminal where the token is presented to a sales clerk for being scanned thereat with the other items purchased.” Ex. 1026, 4:21-25. Each “POS terminal will have a bar code reader

adapted to scan product identification codes” including the code printed on the lottery game token. Ex. 1026, 4:66-5:4.

68. Behm also specifically addresses “on-line” lottery games wherein “pre-printed lottery game ticket[s]” have a “bar-code printed on the back of the ticket” that “is scanned by the ticket dispenser bar code reader and forwarded” to an “off-site lottery computer in the form of a new ‘Ticket Activation Message.’” Ex. 1026, 14:5-23. Thereafter, the “the lottery computer records the ticket validation number and authorizes the ticket so that the game ticket is now ‘live,’ and in play.” Ex. 1026, 14:24-27.

69. Another lottery ticket activation system is described in U.S. Patent No. 6,267,670 (1997) (“Walker”). According to Walker, the retailer’s POS terminals, which “communicate with a lottery data processing system” perform “lottery transactions in addition to merchandise transactions.” Ex. 1027, 2:63-3:1. If a consumer wishes to purchase a lottery ticket along with other merchandise, a “lottery ticket request” is sent from the POS terminal and received by “the lottery data processing system, which carries out the lottery transaction.” Ex. 1027, 3:1-8. The “lottery data processing system then transmits lottery ticket information back to the POS terminal, which prints “out a single sales receipt containing both lottery ticket information and information concerning the merchandise being purchased.” Ex. 1027, 3:8-13. In this respect, Walker “eliminates the need for a separate lottery

ticket system and terminal which in turn eliminates the added costs of the check-out counter space associated therewith.” Ex. 1027, 3:14-27.

70. A multiple in-lane lottery ticket sales system is disclosed in U.S. Patent Publication No. 2009/0163263 (2008) (“Herndon”). Herndon describes in-lane lottery sales, wherein “[l]ottery customers present a bar coded or otherwise machine-readable lottery ‘token’” to the cashier,” which token “may be any type of readable device, such as a coupon, ticket, chip, and so forth,” and which “is scanned using the point-of-sale terminal and the in-lane lottery sales computing device” which sends “lottery data” to “a centralized lottery system for handling the request,” and where “there is no lottery-specific software running on the retail point of sale system or terminals.” Ex. 1028, [0009].

71. Finally, a system and method for selling tickets through a retailer POS system is disclosed in U.S. Patent Publication No. 2005/0233797 (2005) (“Gilmore”). Gilmore discloses a system and method wherein a pre-printed lottery ticket is scanned at the POS terminal. A lottery system controller 12 (transaction processor) receives the data from the scan and, when a ticket for an online lottery game is scanned, the controller 12 either generates quick pick lottery numbers and sends the numbers to the lottery system 28, or controller 12 sends a quick pick request to the lottery system where the numbers are generated. The lottery system

28 confirms the lottery numbers are recorded and the controller 12 provides confirmation to the POS system.

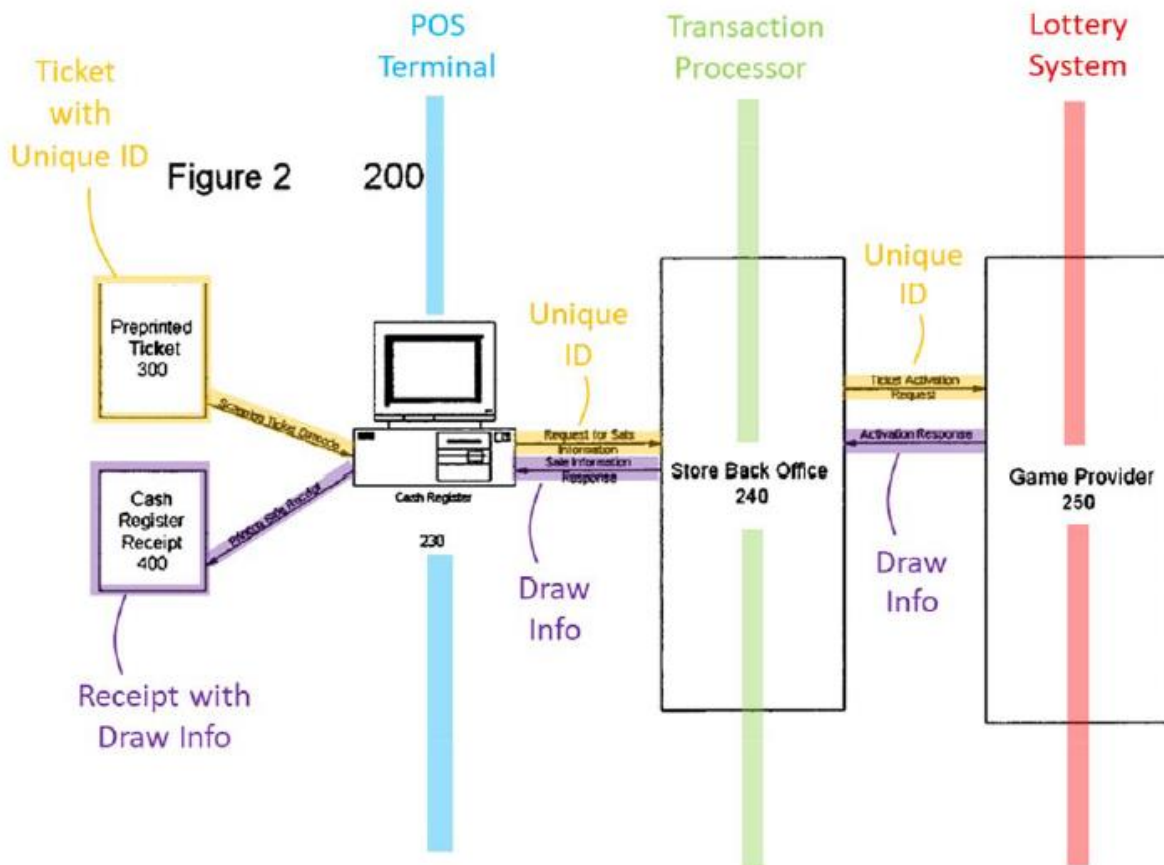
B. The Prior Art

1. Szrek (Ex. 1005)

75. U.S. Patent No. 7,627,497 titled “METHOD FOR SELLING LOTTERY TICKETS FROM A POS TERMINAL” (“Szrek”) issued on December 1, 2009 from an application filed March 22, 2004.

76. Szrek discloses a system for selling and activating pre-printed lottery tickets. Ex. 1005, Abstract. Szrek discloses that each ticket “has a barcode 310 that could be scanned on the cash register, with information identifying this barcode as lottery ticket 300 and uniquely identifying the ticket 330.” *Id.*, 6:7-10. The barcode could also include product information like the chosen bet combination or the sequence counter. *Id.*, 7:21-31. This information, along with payment confirmation, is sent to a backend game provider which uses that information to activate a lottery ticket. *Id.*, 6:32-37, 6:44-47. The game provider sends to the POS terminal details about the lottery draw, “such as draw number or draw time, [which is] printed on cash register receipt.” *Id.*, 6:54-59. Szrek also

discloses an embodiment where information sent between the cash register and game provider goes through a store back office, as depicted in the annotated Figure 2 below.



2. Llach (Ex. 1006)

77. U.S. Patent Publication No. 2013/0041768 titled “SYSTEM FOR PROCESSING, ACTIVATING, AND REDEEMING VALUE ADDED PREPAID CARDS” (“Llach”) published February 14, 2013 from an application filed July 6, 2012.

78. Llach discloses a system for activating stored value cards (*i.e.* pre-printed gift cards) at a POS terminal in a retail store. Llach discloses three

components for performing the activation: (1) the POS terminal, which communicates with the (2) transaction computer, which communicates with the (3) card issuers' activation system. These components are depicted below in Figure 1.

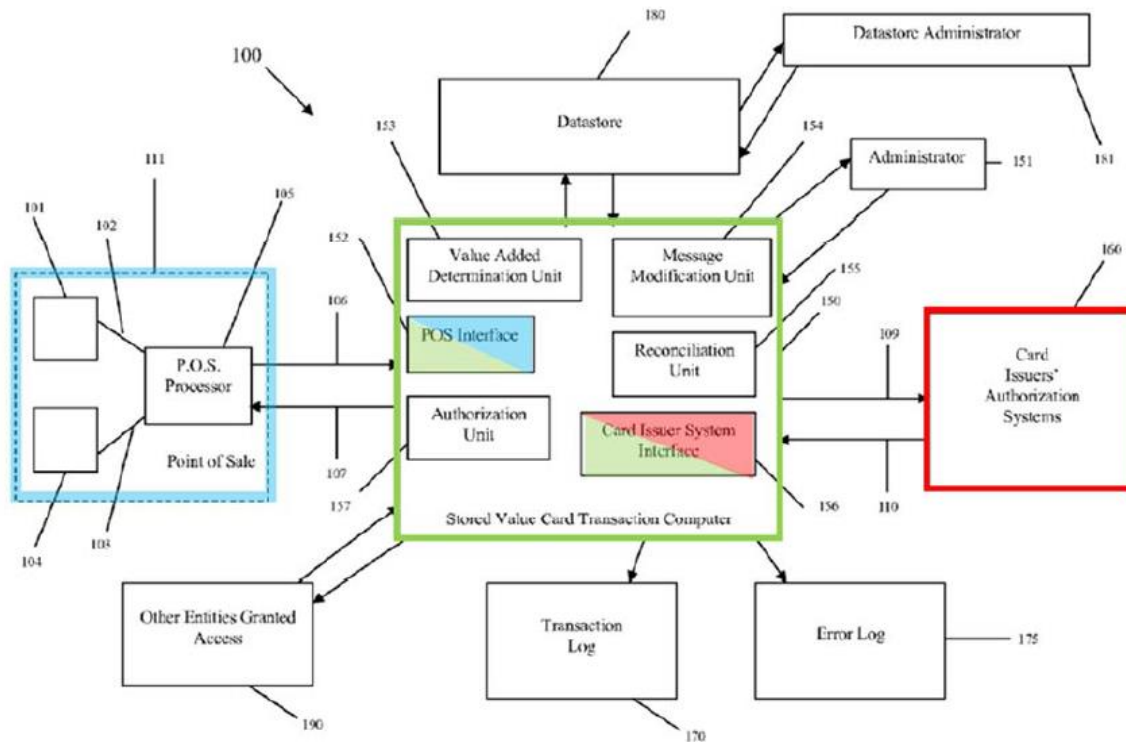


Figure 1

79. The process begins by scanning a barcode on the stored value card, from which is obtained a unique identifier and other information. Ex. 1006, [0019]. That information, along with payment confirmation, is transmitted to transaction computer 150, which processes the transmission and forwards it to the respective card issuers' authorization system. *Id.*, [0037]. The authorization system activates the card, and then sends information back to the POS terminal via the transaction computer.

C. The '135 patent

80. U.S. Pat. No. 9,865,135 (the “'135 patent”) is directed to “[a] system and method of selling pre-printed lottery tickets for random draw lotteries through the retailers POS without the use of additional lottery hardware.” Ex. 1001, Abstract. As claimed, the POS terminal scans a barcode on a pre-printed ticket and sends the encoded information to a lottery administration system. The POS terminal also confirms payment and sends said confirmation to the lottery administration system as well. The lottery administration then sends information about the lottery draw to the POS, which prints that information on a receipt. The '135 patent also claims a similar system where data that travels between the POS terminal and the lottery administration system does so via an intermediary transaction processor.

D. Prosecution History of the '135 patent

81. The '135 patent was filed April 6, 2015 as Application No. US14/679,028. Ex. 1001. The applicant successfully argued that the prior art cited by the examiner failed to disclose a “pre-printed lottery ticket.” Ex. 1002, 75-76. As a result, the claims of the '135 patent were allowed. *Id.*, 59.

E. PGR2020-00084

82. I understand that the '135 patent is related to another patent, U.S. Patent No. 10,769,894 (the “'894 patent”), which has been found by the Board to be unpatentable in a post-grant review proceeding. The '894 patent was issued

from a continuation application based off the '135 patent's application. This means that the '894 patent and the '135 patent share a substantially identical specification.

83. During the prosecution of the '894 patent, the applicant filed a terminal disclaimer to overcome a double patenting rejection in view of the '135 patent. Ex. 1003.

84. Soon after the '894 patent's issuance, Petitioner filed a petition for post-grant review against the '894 patent, PGR2020-00084, arguing that the claims of the '894 patent were obvious in view of Szrek alone or Llach in view of Szrek. The Board instituted the petition. I contributed an expert declaration in support of the petition and was deposed.

85. On March 15, 2022, the Board issued a Final Written Decision finding all challenged claims to be unpatentable in view of Szrek. PGR2020-00084, Paper 47 ("Ex. 1008"). The Board declined to decide whether the challenged claims were also unpatentable in view of Llach and Szrek. *Id.*, 24. I have reviewed the Board's decision and agree with it.

86. The Federal Circuit upheld the Board's decision in a non-precedential opinion, holding that the Board's findings were supported by substantial evidence. *Blackhawk Network, Inc. v. Interactive Communications International, Inc.*, 2022-

1650, Dkt. 43 (June 7, 2023) (Ex. 1009). I have reviewed the Federal Circuit's opinion and agree with it.

87. I have reviewed the claims of the '894 patent and the '135 patent. They are substantively similar to one another. Like the '135 patent, the '894 patent claims recite a system where a POS terminal scans a barcode of a pre-printed lottery ticket, sends identifying and product information and payment confirmation to a lottery administration system, and receives information about the random draw which is printed on a receipt. The '894 patent also describes that the information sent between the POS system and lottery administration system is sent via an intermediary transaction processor.

88. As I explain in further detail below, Szrek and Llach in view of Szrek both render obvious the claims of the '135 patent, oftentimes for reasons that are similar or identical to those presented in the PGR2020-00084 proceeding and which the Board adopted.

IV. CLAIM CONSTRUCTION

89. I understand that in an IPR proceeding, claim terms are to be construed using the standard under *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005), that is, in accordance with its plain and ordinary meaning as understood by a person of ordinary skill in the art. In my opinion, the terms of the challenged claims are all understandable, ordinary English words, and have not been imparted

any special meaning by the specification. Thus, none of the claims need to be expressly construed, and should be given their ordinary meaning to a person of ordinary skill in the art.

90. I do note, however, that in PGR2020-00084, the construction of several terms was discussed by the Board, two of which also appear in the '135 patent: (1) “transaction processor”/“transaction processor system,” and (2) “data package.” In my opinion, these terms should be given their plain and ordinary meaning as construed by the Board in PGR2020-00084. *See* '894 PGR, 13-24.

A. “transaction processor”

91. In my opinion, this term should be given its plain meaning in view of the '135 patent, which is “a processor that processes transactions between two devices.” In PGR2020-00084, the parties agreed that the plain meaning of the term “transaction processor” included “a processor that processes transactions between two devices,” and that was how the Board construed the term. Ex. 1008, 15. I agree with the Board.

92. To a POSITA, the '135 patent's claims and specification are clear that the transaction processor is a separate and distinct device from the POS terminal and the lottery administration system. With respect to the claims, claim 6 recites a “transaction processor comprising: at least one communication interface for communicating with *other computing systems*” and a “processing unit

configure[d]” to “transmit[]” and “receiv[e]” information from a POS terminal or lottery administration system. Claim 2 similarly recites that a POS terminal and lottery administration transmit or receive information from the transaction processor. The Board in PGR2022-00084 similarly held that because of nearly identical claim language in the ’894 patent, “the transaction processor, retailer POS, and lottery administration system [are] distinct components of the claimed invention.” Ex. 1008, 17-20. I agree with the Board.

93. To a POSITA, the specification of the ’135 patent further supports that these components are separate, which the Board in PGR2020-00084 agreed with respect to identical disclosures in the ’894 patent. Ex. 1008, 20-22 (“[I]t is clear that the Specification [of the ’894 patent] is referring to the retailer POS terminal and the lottery system as the external devices with which the transaction processor system communications through the I/O interface(s).”); Ex. 1001, 8:2-7 (“a retailer’s point of sale terminal 202 ..., a lottery system 220 ... and a transaction processor 630 to facilitate the exchange of data between the retailer’s point of sale 202 and the lottery system 220 each connected to one other through one or more communication networks 218; 219”); 8:51-54 (“transaction processor system 630 may include central processing unit (CPU) 604, memory unit 616 and I/O interface(s) 608 for communicating with devices external to the transaction processor system 630”); Fig. 6 (depicting transaction processor 630 as having a

separate CPU, memory and I/O interface from the POS terminal 202 and lottery administration system 220).

94. If Patent Owner argues that the construction of “transaction processor” is limited to third-party processors, as it did in PGR2020-00084, I disagree with that construction.

95. *First*, the plain meaning of the term “transaction processor” does not include any notion that it is limited to a third-party transaction processor, as the term says nothing about which party owns or operates or manufactures it. As just discussed, within the context of the claims and specification, the transaction processor is simply a processor that transmits and receives information from other devices, without regard to any party that may own or operate it.

96. In my opinion, nothing in the specification or the prosecution history shows that the patentee intended to define “transaction processor” as anything different than its plain meaning.

97. The term “transaction processor” was not discussed during the prosecution of the patent. And with respect to the specification, in some, but not all, embodiments, the specification describes that using a “transaction processor system ... *may be* effective where a third party system is already integrated with the retailers POS for the purpose of interchanging data and transactions” and depicts a “Third Party Processor” in Figures 7 and 8. Ex. 1001, 3:35-37. In my opinion,

these disclosures do not show any intent to redefine the term “transaction processor.” The specification does not state that the transaction processor is a third-party transaction processor, and in any case, the use of a third party system is written in a permissive way. Moreover, none of the other embodiments described in the specification or depicted in the other figures indicate that the transaction processor is a third-party one.

98. The Board reached a similar conclusion in PGR2022-00084, stating that “[i]dentifying the transaction processor as a ‘Third Party Processor’ in two illustrative figures depicting a process (Ex. 1001, Figs. 7, 8), without anything more in the written description to explain why a ‘third party processor’ may be an important or significant aspect of the transaction processor or invention as a whole, does not justify limiting the plain meaning of a ‘transaction processor’ to the ‘third party processor’ shown.” Ex. 1008, 17. I agree with the Board.

99. *Second*, the term “third party” is a relative term that does not have a well-defined meaning as used in the ’135 patent. In my opinion, adding the term would simply add confusion and ambiguity. The specification does not explain what the term “third party” means, for example, whether it is a vendor that manufactures the processor, or a retailer that operates the processor, or a lottery administration that owns the processor. In fact, in PGR2020-00084, Patent Owner itself could not clearly define the “third party.” On the one hand, Patent Owner

construed “third party” to “exclude the retailer and lottery administration system,” yet on the other hand, Patent Owner’s expert testified that “third party” means “a retailer or a vendor.” Ex. 1032, 9-10. As a result, the Board in PGR2020-00084 rejected Patent Owner’s construction, “agree[ing] with Petitioner that adding ‘third party’ to the plain meaning simply creates uncertainty.” Ex. 1008, 16. I agree with the Board.

B. “data package”

100. In my opinion, the term “data package” should be given its plain meaning, a position both parties agreed with in PGR2020-00084. Ex. 1008, 22.

101. If Patent Owner argues that the plain meaning of “data package” is limited to a “grouping of more than one datum together in some sort of packaging syntax,” I disagree with that construction for similar reasons explained by the Board in PGR2020-00084. Ex. 1008, 23-24.

102. In my opinion, the intrinsic evidence does not support Patent Owner’s construction. Claim 3 of the ’135 patent broadly recites that the lottery administration system transmits a “data package containing at least the draw details,” *i.e.* there is no notion of “more than one datum” or any required “packaging syntax.” Moreover, the specification describes that draw details may broadly “be communicated in the form of an image, ***text or any other message format deemed appropriate.***” Ex. 1001, 4:50-52. Again, these are broad

descriptions of how the draw details are sent and not limited to Patent Owner's construction. Thus, neither the claims nor the specification justify Patent Owner's proposed narrowing of "data package."

103. I note that the language the Patent Owner proposed came from my deposition testimony from PGR2020-00084. But that testimony was simply my personal opinion on the term as generally referred to in 2015. It was not testimony regarding how a skilled artisan would understand the term within the context of the '894 patent. Also, it is my understanding that my testimony was extrinsic evidence and does not override the intrinsic evidence I discussed above.

V. GROUND 1: CLAIMS 1-6 ARE OBVIOUS IN VIEW OF SZREK ALONE

104. In my opinion, Szrek alone renders obvious claims 1-6.

105. Szrek expressly discloses each and every limitation of the Challenged Claims, specifically POS terminals that scan identifying and product information from a pre-printed lottery ticket, and send that information to a game provider (*i.e.* a lottery administration system) (whether directly or indirectly through a store back office computer, *i.e.* a transaction processor). As the Board in PGR2020-00084 also held, Szrek renders obvious the provision of payment confirmation from the POS terminal to the lottery administration system. The lottery administration system then responds with draw details for the ticket (either directly or indirectly

through a store back office computer), which is printed on a receipt. I note that this is exactly what the Board found Szrek to disclose in PGR2020-00084. Ex. 1008.

A. Claim 1

1. 1[pre]: A method of providing a lottery ticket for a random draw comprising:

106. To the extent the preamble is limiting, in my opinion, Szrek discloses *a method for providing a lottery ticket for a random draw*. Szrek is titled “Method for *selling lottery tickets* from a POS terminal” and is directed to a “method and system for *selling game of chance tickets* at a point of sale cash register.” Ex. 1005, Title, Abstract. Szrek discloses that these tickets include a “*draw* identifier 460, such as *draw number* or *draw time*.” *Id.*, 6:58. Szrek further discloses that “[t]he ticket can be preprinted ... as a computer generated selections (quick pick).” *Id.*, 3:28-31. A POSITA would understand that “quick pick” refers to a random draw lottery game, because within the field of lottery systems and consistent with Szrek’s disclosure of “computer generated selections,” “quick pick” is understood to mean an option for a customer to allow the computer to randomly pick the numbers for a lottery ticket for a random draw lottery game. Because Szrek discloses lottery/game of chance tickets with draw information, a POSITA would therefore understand that Szrek discloses the *sale of lottery tickets for a random draw*.

107. I note that in PGR2020-00084, the Board found “no patentable differences exists between the subject matter Szrek discloses to a skilled artisan and the subject matter recited by independent claims 1, 6, 7, 29, and 33 [of the ’894 patent],” including the preamble of claim 7, which like the preamble of the ’135 patent’s claim 1, claims “[a] method of providing a lottery ticket for a random draw.” Ex. 1008, 30; Ex. 1007, 53-54. I also note that Patent Owner did not dispute that Szrek discloses the preamble of the ’894 patent’s claim 7. I agree with the Board that Szrek discloses “[a] method of providing a lottery ticket for a random draw,” which is recited in the ’135 patent’s claim 1.

2. 1[a]: scanning at a point-of-sale (POS) terminal a pre-printed lottery ticket to obtain unique identification information and product information from the pre-printed lottery ticket;

108. In my opinion, Szrek discloses “scanning at a point-of-sale (POS) terminal a pre-printed lottery ticket to obtain unique identification information and product information from the pre-printed lottery ticket.”

109. For the term “*scanning at a point-of-sale (POS) terminal a pre-printed ticket to obtain unique information ... from the pre-printed lottery ticket,*” Szrek discloses “*Preprinted tickets* (PT) 300,” where “[e]ach ticket 300 preferably has a barcode 310 that could be *scanned* on the cash register [*i.e. POS terminal*], with information allowing identifying this *barcode as lottery ticket 300* and *uniquely identifying* the ticket 330,” element 330 being the “*unique ticket*

identifier 330.” Ex. 1005, 5:57, 5:67, 6:7-10. Thus, Szrek discloses that a pre-printed lottery ticket contains a **barcode** which **uniquely identifies** the ticket when **scanned at a POS terminal**.

110. I note that the Board in PGR2020-00084 similarly held, and Patent Owner did not dispute, that Szrek discloses “provid[ing] unique identification information from a pre-printed lottery ticket” because “Szrek describes using preprinted ticket 300 that has a unique ticket identifier 330 and a barcode 310 that includes the unique ticket identifier.” Ex. 1008, 33. The Board in PGR2020-00084 further held that, for the ’894 patent claim 3’s “scan of the pre-printed lottery ticket,” “Petitioner provides arguments and evidence identifying where the recited subject matter ... is taught or suggested by Szrek” and that “Patent Owner does not dispute that Szrek discloses or suggests” claim 3’s limitation. *Id.*, 46. I agree with the Board that Szrek discloses these limitations from the ’894 patent which are nearly identical to the ’135 patent’s limitations.

111. For the term **scanning ... to obtain ... product information from the pre-printed lottery ticket**, Szrek further discloses that the “fixed part of the [pre-printed lottery ticket’s] barcode should **indicate the product type**,” *i.e. product information*. Ex. 1005, 6:11-12. Szrek also discloses that “the information in the barcode ... may contain other information such as **lottery product code, ticket price or other data**,” *i.e. product information*. *Id.*, 4:44-46. Szrek also discloses that

the ticket identifier scanned from the barcode contains **product information** in addition to the identification information. For example, Szrek discloses that “part of ticket identifier 330 could correspond to the bet combination 350 chosen by the players [or] some element making this ticket unique, such as issued tickets sequence counter on said self-service terminal 130 or kiosk 130,” *i.e.* **product information**. Ex. 1005, 7:21-31. A POSITA would understand that product type, product code, ticket price, bet combination, or sequence counter are **product information** because they are information about the product that was purchased, *i.e.* the lottery ticket.

112. I note that the Board in PGR2020-00084 held, and Patent Owner did not dispute that “[Szrek’s] ‘transaction request’ received by the transaction processor from a point of sale (POS) system includes ‘unique product information associated with the pre-printed lottery ticket,’” a limitation from claim 11 of the ’894 patent. Ex. 1008, 56. I agree with the Board that Szrek discloses this limitation from the ’894 patent which is nearly identical to the ’135 patent’s limitation.

3. **1[b]: transmitting the unique identification information and product information from the POS terminal to a lottery administration system;**

113. In my opinion, Szrek discloses “transmitting the unique identification information and product information from the POS terminal to a lottery administration system.”

114. For the term “*transmitting ... information from the POS terminal to a lottery administration system*,” Szrek discloses that “[a]fter the barcode has been scanned, a cash register [*i.e. POS terminal*] originates a *transaction* to the game provider [*i.e. lottery administration systems*] requesting ticket activation.” Ex. 1005, 4:56-58. Szrek further discloses that “the checkout register 230” (*i.e. POS terminal*) sends a “transactional request to the game provider 250 [*i.e. lottery administration system*] who verifies if this Checkout Play 300 was already activated.” *Id.*, 6:32-37. Thus, Szrek discloses that a transactional request is sent from a POS terminal to the lottery administration system.

115. For the term “*transmitting the unique identification information*,” Szrek discloses that its transaction request sent to the game provider includes the unique identification information obtained from the lottery ticket’s barcode. Szrek states that, “during ticket activation, the game provider ... recognizes *from the ticket identifier* what transaction is activated (e.g. lotto, 6 specific boards known to the system and the player),” thereby indicating the game provider received the

ticket identifier. Ex. 1005, 3:47-50; *see also id.*, 6:36-39 (“game provider ... will activate this ticket by marking a status or state of **corresponding identifier**.”) A POSITA would therefore understand that when the checkout register (*i.e.* **POS terminal**) sends a transactional request to game provider (*i.e.* **lottery administration system**) to activate a lottery ticket, the request includes the lottery ticket’s unique ticket identifier that was scanned (*i.e.* **unique identification information**), because the game provider needs to have the identifier to activate the correct lottery ticket.

116. Also, in my opinion, a POSITA would have also considered it obvious to transmit the ticket identifier to the game provider because the game provider “recognizes **from the ticket identifier** what transaction is activated,” and thus transmitting the ticket identifier beneficially allows the game provider to know which ticket to activate and to perform the recited function of activating the ticket. Ex. 1003, ¶116. It would have also been beneficial to transmit the ticket identifier with the transaction request because sending them separately would be slower, more inefficient, and more difficult to implement than sending them in a single transaction. Sending them separately would require some mechanism for the game provider to map requests with ticket identifiers—whereas sending them together would allow the game provider to handle the activation request in its entirety. A POSITA would have reasonably expected transmitting the ticket identifier with the

transaction request to succeed since transmitting information was a conventional computer process and implementation was within the capabilities of a POSITA, and indeed would be trivial.

117. I note that the Board in PGR2020-00084 similarly held, and Patent Owner did not dispute, that “Szrek describes preprinted ticket 300 with unique identifier 330 that, when scanned at the POS terminal (cash register 230), is communicated in a transaction request ... to a lottery administration system (game provider 250).” Ex. 1008, 42 (citing Ex. 1005, 5:52-69, 6:28-38). I agree with the Board that Szrek discloses that the POS terminal sends the unique identifier to a lottery administration system.

118. For the term “***transmitting ... the product information***,” as discussed above, Szrek also discloses that “part of ticket identifier 330 could correspond to the bet combination 350 chosen by the players [or] some element making this ticket unique, such as issued tickets sequence counter on said self-service terminal 130 or kiosk 130,” *i.e. product information*. Ex. 1005, 7:21-31. Szrek discloses that the ticket identifier 330 is sent by the cash register (*i.e. POS terminal*) to the game provider (*i.e. lottery administration system*) via a transaction request. Ex. 1005, 3:47-50; 6:36-39. Thus, since the ticket identifier 330 also includes product information such as bet combination or sequence counter, a POSITA would understand product information is sent to the game provider from the POS terminal

because the ticket identifier (which contains the product information) is sent with the activation request.

119. I note that the Board in PGR2020-00084 found, and Patent Owner did not dispute, that Szrek discloses that a “transaction request” received ... from a point of sale (POS) system includes “unique product information associated with the pre-printed lottery ticket.” Ex. 1008, 56. I agree with the Board that Szrek discloses that a POS terminal sends product information to the lottery administration system.

4. 1[c]: receiving at the POS terminal payment confirmation;

120. In my opinion, Szrek discloses “receiving at the POS terminal payment confirmation.”

121. Szrek discloses that “[t]he preprinted ticket is not eligible to win unless **payment** and activation occurs” and that “[a] cash register receipt is used by the ticket holder to prove that the ticket was activated.” Ex. 1005, 4:28-31. A POSITA would understand that a “cash register receipt” indicates that the POS terminal received payment confirmation, because a “receipt” is understood to be proof of payment.

122. A POSITA would further understand that payment confirmation is received at the POS terminal because Szrek discloses that the POS terminal is where a customer purchases the ticket, which would require first providing proof

of payment in order to receive an activated ticket. Ex. 1005, 1:16-19 (“The goal of the present invention is to enable the secure ***sale of lottery tickets*** at general retail point of sale (POS) checkout points, such as standard cash registers, and other similar devices.”). By definition, a “sale” does not occur unless payment is given.

123. Szrek also discloses that “lottery terminals or kiosks [are] equipped with ***bill acceptors for payment,***” which is another form of payment confirmation. Ex. 1005, 2:55-57. A POSITA would understand that bill acceptors are devices that accept and scan bank notes (*i.e.* physical cash) and, after scanning and verifying the value of the bank note, will confirm that payment was received.

124. I note that in PGR2020-00084, the Board devoted several pages discussing a similar limitation from the ’894 patent, where a “transaction processor system ... provide[s], to the lottery administration system, payment confirmation for the pre-printed lottery ticket.” While Patent Owner disputed that the game provider received payment confirmation from a store back office (which lies in between the cash register and the game provider and will be discussed below for claim 2), Patent Owner did not dispute that the POS terminal first receives payment confirmation. Ex. 1008, 38-39 (“Patent Owner contends ... the customer must also possess the cash register receipt as ***proof of payment,***” *i.e.* ***payment confirmation***). The Board found that, in Szrek, “a natural result flowing from the game provider system being able to determine a winning ticket *and* provide

authorization of a winning payment is that the store back office provided payment confirmation for the ticket to the game provider system *before* that determination.”

Id., 44.

125. In my opinion, both the Board and the parties agreed that the POS terminal received payment confirmation, but the dispute was whether that payment confirmation was sent from the transaction processor to the lottery administration system. The Board held that it was, therefore necessitating that the payment confirmation was sent by the POS terminal to the transaction processor (and to the lottery administration), which further necessitates that the POS terminal receives payment confirmation. I agree with the Board’s analysis on this point.

5. 1[d]: transmitting payment confirmation from the POS terminal to the lottery administration system;

126. In my opinion, Szrek renders obvious “transmitting payment confirmation from the POS terminal to the lottery administration system.”

127. Szrek discloses that “[t]he preprinted ticket is not eligible to win unless **payment** and activation occurs,” and that, after a ticket is scanned, the game provider system can transmit information to the POS terminal that “the ticket is a winner and authorize winner payment.” Ex. 1005, 4:28-29, 6:44-47. A POSITA would understand that, because a winning ticket is not eligible unless **ticket payment is confirmed**, in order for game provider 250 (*i.e. lottery administration system*) to authorize payment of a winning ticket, the POS terminal must have

provided said ticket payment confirmation to the game provider. Szrek clearly states that the game provider “authorize[s] winner payment,” which cannot occur “unless [ticket] payment ... occurs.” Thus, a POSITA would understand that the game provider cannot authorize a winner payment unless it receives ticket payment confirmation from the POS terminal.

128. A POSITA would further find it obvious that Szrek’s cash register transmits ticket payment confirmation to the game provider. Again, Szrek requires that “payment ... occurs” before a ticket is “eligible to win.” Ex. 1005, 4:28-29. And Szrek states that it is the **game provider** that decides whether a ticket is a winner and then “authorize[s] winner payment.” *Id.*, 6:44-47. A POSITA would have considered it obvious for the game provider to confirm payment of the ticket (and that the ticket is eligible to win) before it “authorize[s] winner payment,” which would require receiving ticket payment confirmation from the cash register. *Id.*, 6:44-47.

129. First, it would have been obvious to a POSITA for the POS terminal to transmit payment confirmation to the game provider in the form of the transaction request. As discussed above, Szrek discloses that the POS terminal transmits a transaction request to the game provider to request authorization of the purchased ticket. A POSITA would have found it obvious and beneficial to have the game provider treat the transaction request as ticket payment confirmation.

This is because a POSITA would have been well aware that typical contracts between lottery systems and retailers will require that any activation request that is not canceled be for a ticket where payment has been confirmed. In other words, a retailer is contractually obligated to only send a transaction request after payment is confirmed. Moreover, at the time of the '135 patent, lottery providers were increasingly using their own designed POS terminals for purchase and authorization of lottery tickets, and they were typically designed to require payment confirmation before sending an authorization request (for example, the POS terminal as disclosed in Szrek). Because of these contractual obligations and the increasing use of trustworthy lottery-owned POS terminals for activating lottery tickets, a POSITA would find it beneficial for Szrek's game provider to treat the transaction request as payment confirmation, as that would allow the game provider to authorize winner payments without the need to process additional information, thereby increasing efficiency and decreasing cost of the authorization process. A POSITA would have reasonably expected having the game provider treat the transaction request as payment confirmation to succeed, since implementing such functionality was trivial and well-within the capabilities of a POSITA, and the use of lottery-owned POS terminals and a retailer's contractual obligations was typical in the industry.

130. A POSITA would have also considered it obvious to send data representing payment confirmation concurrent with the transaction request. A POSITA would have considered it obvious to transmit such payment confirmation in order to allow the game provider to independently confirm payment of the ticket before authorizing the ticket and winner payment. A POSITA would have found this desirable because it would add an extra layer of security to have both POS terminal and game provider confirm ticket payment. A POSITA would have reasonably expected this to succeed, as implementing a POS terminal to send payment confirmation concurrently with the transaction request was trivial and well-within the capabilities of a POSITA, as it would simply require sending additional information about the payment to the game provider.

131. As I mentioned with the previous limitation, in PGR2020-00084, one of the primary disputes between Petition and Patent Owner was whether Szrek disclosed a similar limitation in the '894 patent that requires the “lottery administration system [to receive] payment confirmation for the pre-printed lottery ticket.” Ex. 1008, 38-40. Patent Owner argued that “the cash register never provides an affirmative confirmation of payment to the lottery administration system.” Ex. 1008, 38. Rejecting Patent Owner’s argument, the Board concluded that in Szrek, “it logically follows that the game provider system possessed the information necessary to establish payment” and that “a natural result flowing from

the game provider system being able to determine a winning ticket *and* provide authorization of a winning payment is that the store back office provided payment confirmation for the ticket to the game provider system *before* that determination.” *Id.*, 44. This limitation was the only basis for Patent Owner’s appeal to the Federal Circuit. The Federal Circuit held that the “Board’s findings were supported by substantial evidence,” and specifically that “because Szrek taught that from scanning a ticket, the lottery administration system could alone determine whether the ticket was eligible to win a prize, it logically followed that the lottery administration system possessed the information necessary to establish payment.” Ex. 1009, 4. I agree with the Board and the Federal Circuit’s conclusion that Szrek taught and rendered it obvious that the POS terminal sends payment confirmation to the lottery administration system so that it could authorize winner payments.

6. 1[e]: receiving at the POS terminal from the lottery administration system draw details associated with the pre-printed lottery ticket; and

132. In my opinion, Szrek discloses “receiving at the POS terminal from the lottery administration system draw details associated with the pre-printed lottery ticket.”

133. Szrek discloses that after the game provider (*i.e. lottery administration system*) activates a ticket, it “sends activation receipt info to the cash register” (*i.e. POS terminal*) and that “**only** an activation receipt for the

transaction is printed at cash register.” Ex. 1005, 3:53-56. Szrek also refers to the “activation receipt” as a “cash register receipt [which] is used by the ticket holder to prove that the ***ticket was activated.***” Ex. 1005, 4:29-30. A POSITA would understand that within Szrek’s teachings, the “cash register receipt” is simply another name for the “activation receipt” because the activation receipt is the “only” receipt that is “printed at [the] cash register” and the cash register receipt “prove[s] that the ticket was activated.” *Id.*, 3:53-56, 4:29-30.

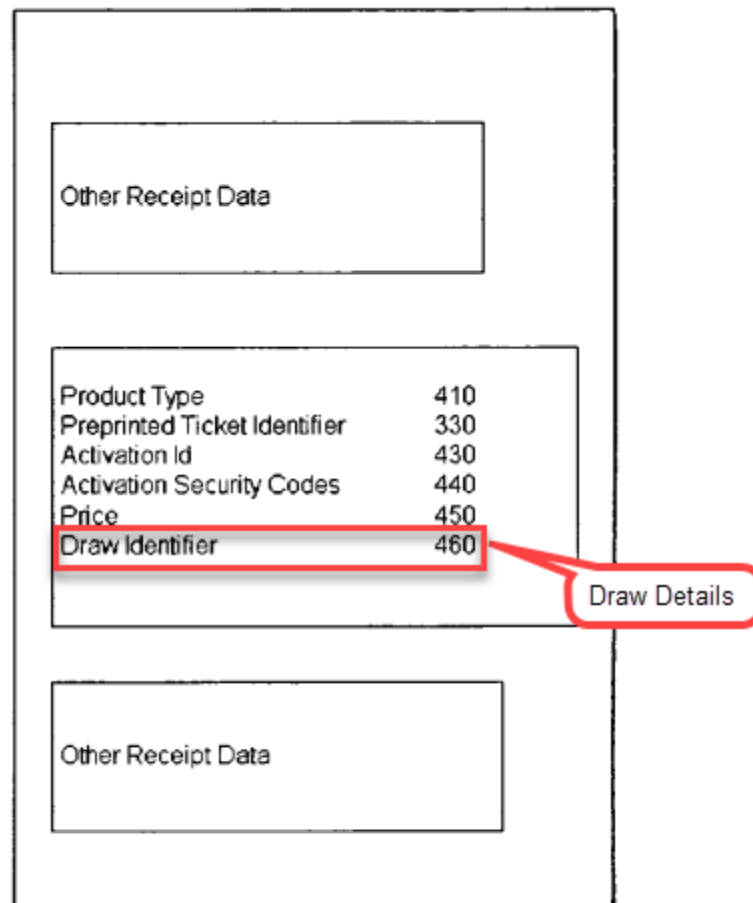
134. Szrek discloses that the “activation receipt”/“cash register receipt” contains ***draw details associated with the pre-printed lottery ticket.*** Specifically, Szrek discloses that “[o]nce the ticket 300 is activated, product type 410 ..., the ***original preprinted ticket identifier 330***, activation identifier 430, security codes 440, an activation price 450 and valid ***draw identifier 460, such as draw number or draw time, [i.e. draw details]*** are printed on cash register receipt.” Ex. 1005, 6:54-59. Because the draw details are included with the “original preprinted ticket identifier,” they are ***associated with the pre-printed lottery ticket.*** Thus, a POSITA would understand from these teachings that the game provider (*i.e. lottery administration system*) transmits to the cash register (*i.e. POS terminal*) information about the pre-printed lottery ticket to print on an activation receipt, including draw identifier, draw number and draw time (*i.e. draw details associated with the pre-printed lottery ticket*).

135. I note that in PGR2020-00084, for similar reasons, the Board found that Szrek discloses the '894 patent's limitation of "receive, from a lottery administration system, a determined draw information associated with the unique identification information." Ex. 1008, 30; Ex. 1007, 45-47. I agree with the Board that Szrek discloses this limitation in the '894 patent, and therefore also discloses the nearly identical limitation in the '135 patent.

7. 1[f]: printing the draw details on a receipt.

136. In my opinion, Szrek discloses "printing the draw details on a receipt."

137. Szrek discloses that "[o]nce the ticket 300 is activated, product type 410 ..., the original preprinted ticket identifier 330, activation identifier 430, security codes 440, an activation price 450 and valid ***draw identifier 460, such as draw number or draw time, [i.e. draw details]*** are ***printed on cash register receipt.***" Ex. 1005, 6:54-59. Figure 4, annotated below, is a "diagrammatic view of activation information printed on the cash register receipt," and depicts that draw details are printed on the receipt. *Id.*, 5:48-49.



400
Cash Register
Receipt Figure 4

138. I note that the Board in PGR2020-00084 held, and Patent Owner did not dispute, that for claim 12, which recites “wherein draw information is made available on a printed receipt,” “Petitioner provides argument and evidence identifying where the recited subject matter, respectively, is taught or suggested by Szrek.” Ex. 1008, 46; Ex. 1007, 66-67. I agree with the Board that Szrek discloses

claim 12 of the '894 patent, and therefore also discloses the nearly identical limitation in the '135 patent.

B. Claim 2

139. I note initially that Szrek renders obvious Claim 2 much for the same reasons as it renders obvious Claim 1 above. Claim 2 is similar to claim 1 in that it recites the same information sent between the POS terminal and the lottery administration system. Claim 2, however, further recites a “transaction processor” which sits in between the POS terminal and the lottery administration system and forwards information from one to the other. Claim 2 does not require that the transaction processor transmit any other information beyond what the POS terminal and lottery administration system provide (which, again, is the same information recited in claim 1).

140. In other words, where claim 1 recites that a POS terminal sends identifying information, product information, and payment confirmation to a lottery administration system, and the lottery administration system sends draw details to the POS terminal, claim 2 is nearly the same except that all this information is sent through a “transaction processor” which sits in between the POS terminal and lottery administration system.

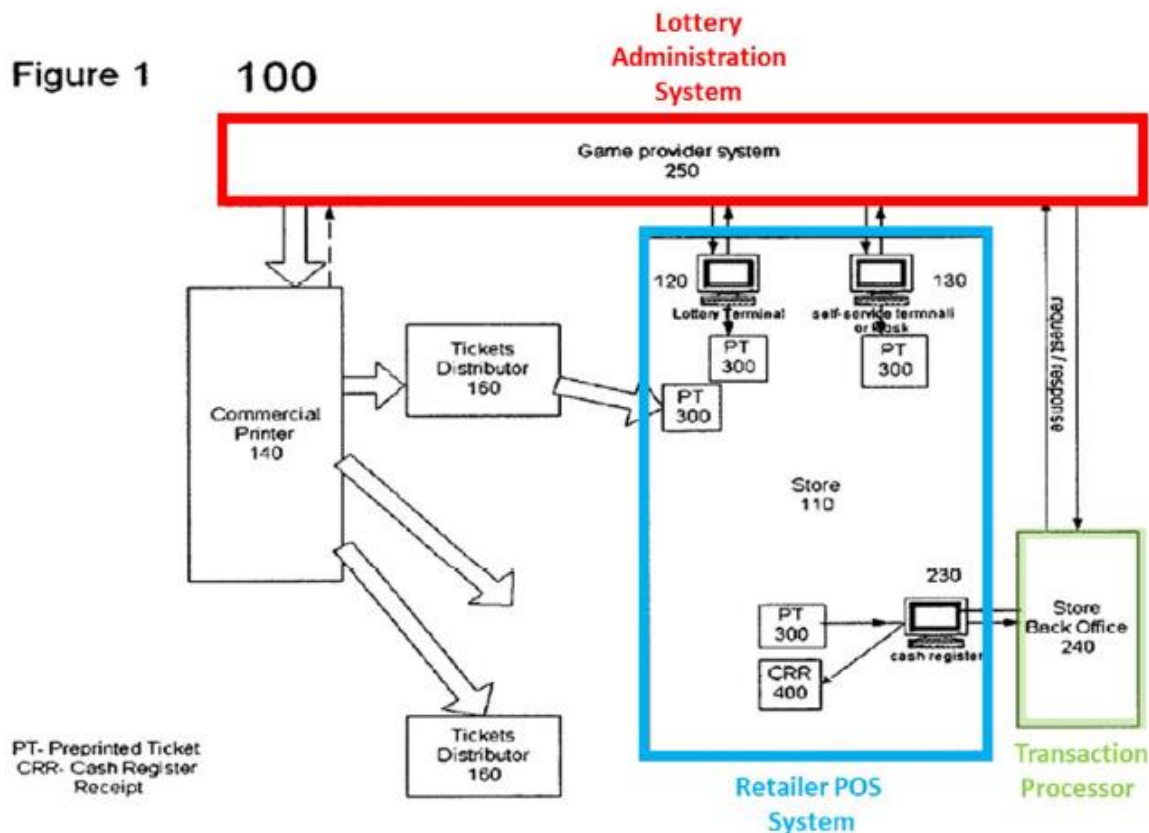
141. As I discussed above, I believe that “transaction processor” be construed consistent with its plain meaning as “a processor that processes

transactions between two devices,” as the Board construed it in PGR2020-00084.

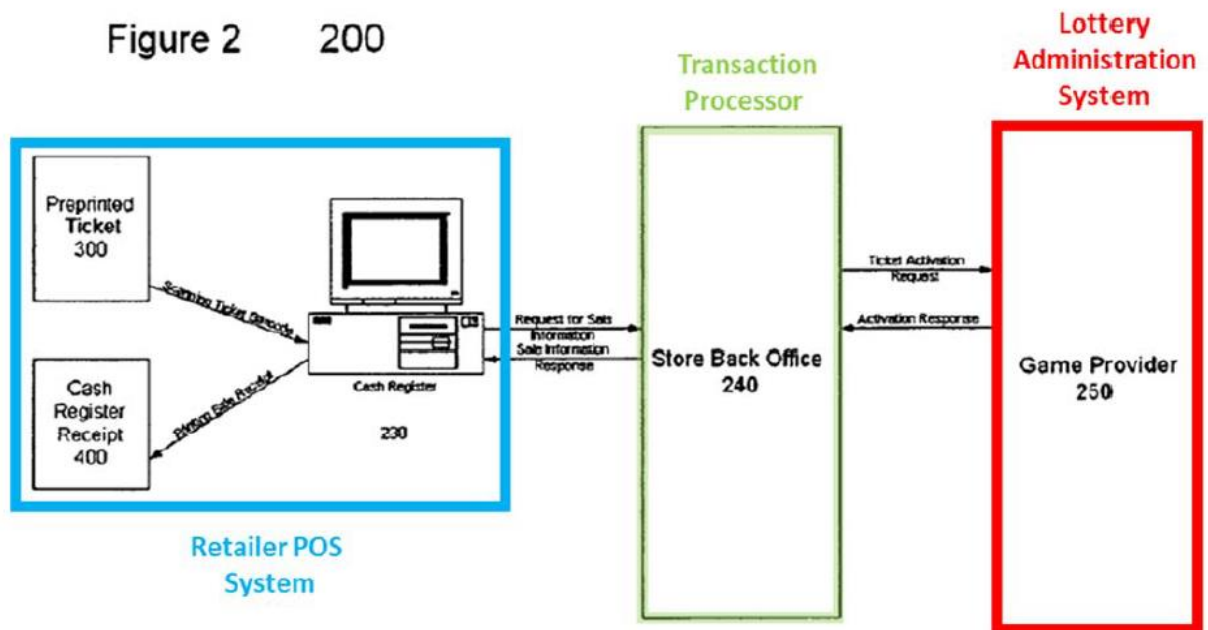
’894 PGR, 22.

142. Szrek discloses that information transmitted between the cash register (i.e. **POS terminal**) and game provider (i.e. **lottery administration system**) can also pass through an intermediary store back office, as shown in Figures 1 and 2.

Figure 1 depicts several types of POS terminals, some of which directly communicate with the game provider, and some which communicate via the “store back office 240,” i.e. a **transaction processor**.



143. Figure 2 similarly depicts a POS system that communicates with the game provider via the store back office.



1. **2[pre]: A method of providing a lottery ticket, for a random draw comprising:**

144. To the extent the preamble is limiting, in my opinion, Szrek discloses this limitation for the same reasons I discussed above for limitation 1[pre].

2. **2[a]: scanning at a point-of-sale (POS) terminal a pre-printed lottery ticket to obtain unique identification information and product information from the pre-printed lottery ticket;**

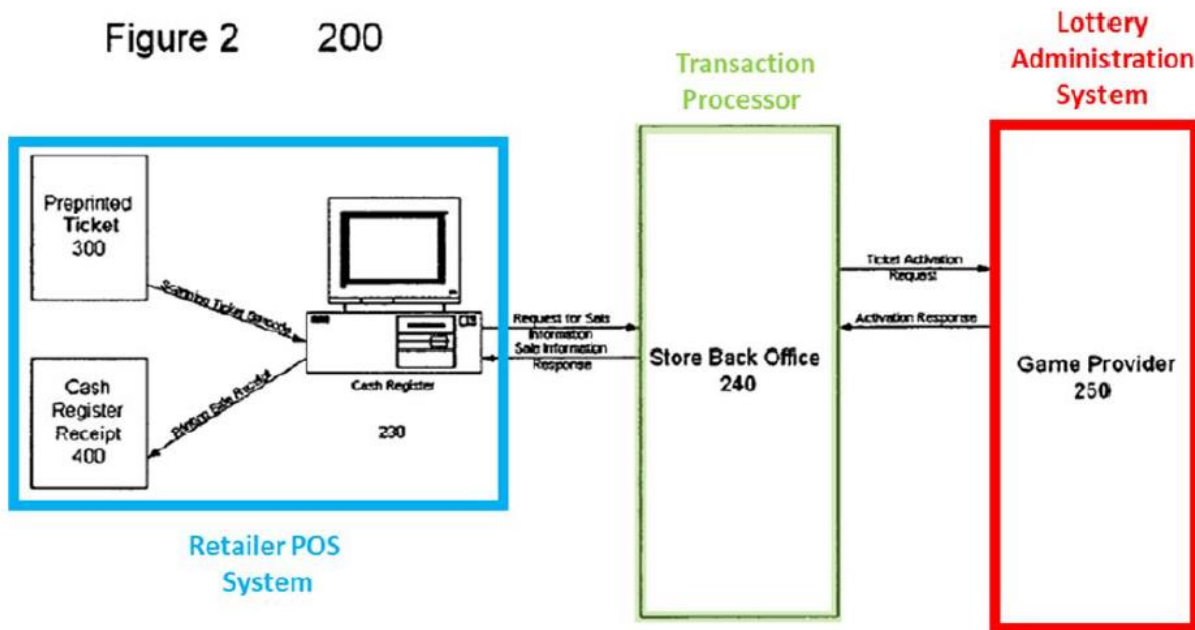
145. In my opinion, Szrek discloses this limitation for the same reasons I discussed above for limitation 1[a].

3. **2[b]: transmitting the unique identification information and product information from the POS terminal to a transaction processor;**

2[c]: transmitting the unique identification information and product information from the transaction processor to a lottery administration system;

146. In my opinion, Szrek discloses these limitations.

147. For the term “*a transaction processor*,” Szrek discloses a “store back office,” *i.e.* *a transaction processor*. The proper construction of a “transaction processor” is “a processor that processes transactions between two devices.” A POSITA would understand that Szrek’s “store back office” includes a processor because Szrek discloses that the back office can perform computing tasks such as “connect[] to store chain network,” “transform” a “request ... into an activation request,” and “append its own security code,” each of which would require a processor to perform. Ex. 1005, 2:50-51, 4:59-64. Figure 2 also depicts that the store back office processes requests and responses, which a POSITA would similarly understand would require a processor.



148. Szrek also discloses that the store back office *processes transactions between two devices*, specifically a cash register and game provider. This is clearly depicted in Figure 2, where requests from the cash register are forwarded to the game provider, and responses from the game provider are forwarded to the cash register.

149. I note that in PGR2020-00084, the Board similarly concluded that “[f]rom Szrek’s description and illustration of the disclosed activation process for a pre-printed lottery ticket at a POS terminal, cited by Petitioner, we are persuaded a skilled artisan would have recognized that store back office 240 includes: (1) a system with at least a processing unit that executes instructions” Ex. 1008, 40. The Board also concluded that “a skilled artisan would have viewed store back office 240 to be a transaction processor or transaction processor system because

the processor [system] in store back office 240 processes a transaction (i.e., the activation of a pre-printed lottery ticket) between two devices (i.e., the POS terminal and the lottery administration system). Ex. 1008, 40-41. I agree with the Board's finding that Szrek's store back office is a transaction processor.

150. For the term “***transmitting the unique identification information and product information from the POS terminal to a transaction processor [and] from the transaction processor to a lottery administration system,***” as I discussed above for limitation 1[b], Szrek discloses transmitting an authorization request containing unique identification information and product information from the cash register (i.e. ***POS terminal***) to the game provider (i.e. ***lottery administration system***).

151. Szrek further discloses different embodiments where “the authorization request is sent to the game provider either directly from the cash register ***or indirectly via the store ‘back office’.***” Ex. 1005, 4:23-25. Thus, a POSITA would understand that the authorization request (which contains ***unique identification and product information***) is transmitted from POS terminal to the back office (i.e. ***transaction processor***) to the game provider (i.e. ***lottery administration system***).

152. I note that in PGR2020-00084, for similar reasons, the Board found that “Szrek describes preprinted ticket 300 with unique identifier 330 that, when

scanned at the POS terminal (cash register 230), is communicated in a transaction request to a transaction processor (store back office 240) that then provides the transaction request to a lottery administration system (game provider 250).” Ex. 1008, 42. The Board also found that Szrek discloses that a “transaction request” received by the transaction processor from a point of sale (POS) system includes “unique product information associated with the pre-printed lottery ticket.” Ex. 1008, 56. I agree with the Board’s conclusion that Szrek discloses these limitations in the ’894 patent and therefore also discloses nearly identical limitations in the ’135 patent.

4. 2[d]: receiving at the POS terminal payment confirmation;

153. In my opinion, Szrek discloses this limitation for the same reasons I discussed above for limitation 1[c].

5. 2[e]: transmitting payment confirmation from the POS terminal to the transaction processor;

2[f]: transmitting payment confirmation from the transaction processor to the lottery administration system;

154. In my opinion, Szrek discloses these limitations. As I discussed above, Szrek discloses a “Store back office” which is a *transaction processor*.

155. As I discussed above for limitation 1[d], a POSITA would understand from Szrek’s teachings that, in order for the game provider (*i.e. lottery*

administration system) to authorize payment of a winning ticket, it must have received the payment confirmation that was provided to the **POS terminal**.

156. Szrek discloses an embodiment depicted in Figure 2 where communications between the cash register and game provider are sent via the store back office. A POSITA would therefore understand that, in such an embodiment, in order for the game provider (*i.e. lottery administration system*) to receive the payment confirmation to authorize payment of a winning ticket, the payment confirmation would have been **transmitted from the POS terminal to the back office** (*i.e. transaction processor*) and then **transmitted from the back office to the game provider**.

157. I note that in PGR2020-00084, the Board agreed with a similar argument and concluded that in Szrek, “a natural result flowing from the game provider system being able to determine a winning ticket *and* provide authorization of a winning payment is that the store back office provided payment confirmation for the ticket to the game provider system *before* that determination.” *Id.*, 44. I agree with the Board that Szrek discloses that payment confirmation is sent from the transaction processor to the lottery administration system. This conclusion would also require that the POS terminal (which initially receives the payment confirmation) sends the payment confirmation to the transaction processor.

6. **2[g]: receiving by the transaction processor from the lottery administration system draw details associated with the pre-printed lottery ticket;**

2[h] receiving at the POS terminal from the transaction processor draw details associated with the pre-printed lottery ticket; and

158. In my opinion, Szrek discloses these limitations. As I discussed above for limitation 2[b], Szrek discloses a “store back office” that is ***a transaction processor***.

159. As I also discussed above for limitation 1[e], Szrek discloses that the game provider (*i.e. lottery administration system*) sends an activation receipt, which contains draw details, to the cash register (*i.e. POS terminal*).

160. Szrek further discloses an alternative embodiment where the game provider “sends back” the activation receipt to the store back office, and that “[t]he store back office may append its own security code” to the activation receipt. Ex. 1005, 4:60-64. A POSITA would therefore understand that Szrek discloses that the activation receipt is sent by the game provider to the store back office which may or may not provide a security code before transmitting it to the POS terminal

161. Moreover, Szrek discloses an embodiment depicted in Figure 2 where communications between the game provider and cash register are sent via the store back office. A POSITA would therefore understand that, in such an embodiment, in order for the game provider (*i.e. lottery administration system*) to send the

activation receipt (containing the **draw details**) to the cash register, the activation receipt would have been first **transmitted from the game provider to the back office** (i.e. **transaction processor**) and then **transmitted from the back office to the POS terminal**.

162. I note that in PGR2020-00084, for similar reasons, the Board found that Szrek discloses the '894 patent's limitation of a transaction processor system that "receive[s], from a lottery administration system, a determined draw information associated with the unique identification information." Ex. 1008, 30; Ex. 1007, 45-47. I agree with the Board's finding that Szrek discloses that the game provider sends draw details to the transaction processor.

7. 2[i]: printing the draw details on a receipt.

163. In my opinion, Szrek discloses this limitation for the same reasons I discussed above for limitation 1[f].

C. Claim 3: The method of claim 1 or 2, further comprising transmitting the draw details by the lottery administration system, wherein transmitting the draw details generating at the lottery administration system an image or data package containing at least the draw details.

164. In my opinion, Szrek discloses this limitation.

165. As I discussed above for limitations 1[e] and 2[g], Szrek discloses that the game provider (i.e. **lottery administration system**) transmits an activation

receipt (comprising **draw details**) either to the POS terminal directly, or via a store back office.

166. Szrek discloses that transmitting this activation receipt involves **generating at the lottery administration system an image or data package containing at least the draw details**. A POSITA would understand that the activation receipt (comprising **draw details**) is transmitted by the game provider (*i.e. lottery administration system*) as a data package. Figure 4, which depicts “activation information printed on the cash register receipt,” that is, the activation receipt information transmitted by the game provider, states that the activation receipt information is “receipt **data**.” A POSITA would understand that such data, including the draw details, is sent as a **data package** because a POSITA would have known data that is transmitted will be transmitted in a “message format deemed appropriate,” which is how the ’135 patent describes a “data package.” Ex. 1001, 4:50-52. Moreover, because Szrek discloses that the draw details include “draw number” and/or “draw time,” a POSITA would understand that including such information into an activation receipt would be done by packaging said data together. At the very least, in view of the above reasons, a POSITA would have considered it obvious to transmit the activation receipt as a data package, since a POSITA would understand that it would be desirable to transmit data in a “message format deemed appropriate” for the transmission medium, and

would have reasonably expected sending data in an appropriate message format to succeed. Ex. 1001, 4:50-52.

167. I note that in PGR2020-00084, for similar reasons, the Board held that “[b]ecause the textual information communicated to the transaction processor from the game provider system is generated on the printed receipt by a POS device in Szrek ..., at the time of the invention, a skilled artisan would have recognized that the transaction processor received, from the lottery administration system, an electronically formatted message with textual information about the random draw details.” Ex. 1008, 47-48. I agree with the Board’s finding that Szrek discloses the ’894 patent’s limitation of sending draw details in a data package, and therefore discloses the nearly identical limitation in the ’135 patent.

D. Claim 4

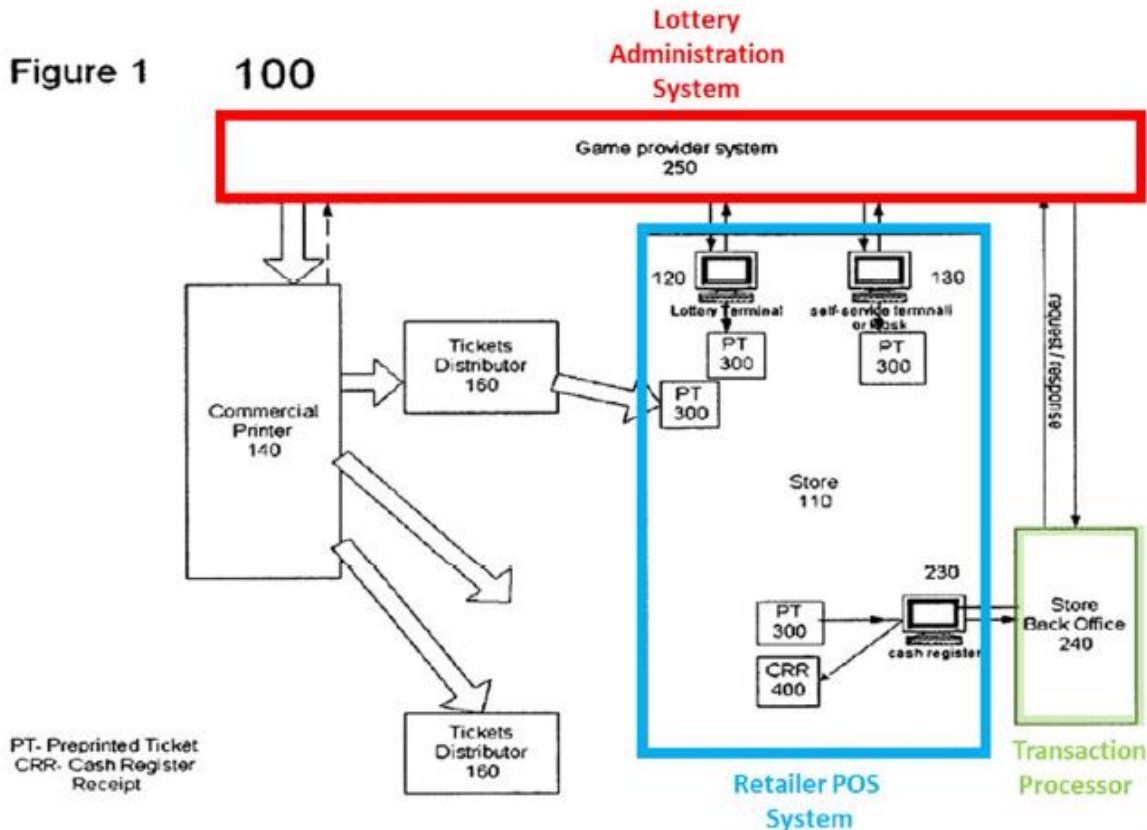
1. 4[pre]: A lottery administration system comprising:

168. To the extent the preamble is limiting, in my opinion, Szrek discloses a game provider, *i.e. a lottery administration system*, for the same reasons I discussed above for limitation 1[b].

2. 4[a]: at least one communication interface for communicating with other computing systems; at least one processing unit for executing instructions; and at least one memory unit for storing instructions, which when executed by the at least one processing unit configure the lottery administration system to provide a method of generating a lottery ticket for a random draw, wherein the method of generating a lottery ticket for a random draw comprises

169. In my opinion, Szrek discloses that the game provider (*i.e. lottery administration system*) comprises a communication interface, a processing unit, and a memory unit as claimed.

170. For the claimed “*communication interface*,” Figure 1 depicts that the “game provider system 250” communicates with POS systems and the store back office., as well as a commercial printer. Figure 2 likewise depicts that the game provider 250 communicates with store back office 240. A POSITA would therefore understand that the game provider system comprises a *communication interface for communicating with other computing systems*.



171. For the claimed “**processing unit**,” Szrek discloses that the game provider performs a number of computing functions, including those discussed above in claims 1-3. Szrek also discloses that “game provider 250 ... agrees with commercial printer 140 on methods of its assignment ... **via algorithm**).” Ex. 1005, 7:13-18. A POSITA would understand that these processes and algorithms would require a **processing unit for executing instructions**.

172. For the claimed “**memory unit**,” Szrek discloses that the game provider has a “computer memory.” Ex. 1005, 6:39-40. A POSITA would also

understand that in order for a system to perform processes and algorithms, it would require ***a memory unit for storing instructions*** that the processing unit executed.

173. For the term “***which when executed by the at least one processing unit configure the lottery administration system to provide a method of generating a lottery ticket for a random draw***,” Szrek discloses this limitation for the same reasons I discussed above for limitations 1[pre] and 1[e].

174. I note that in PGR2020-00084, the Board found a POSITA would understand that, based on similar disclosures about Szrek’s back office (including Figure 2), the back office comprised a communications interface, a processing unit, and a memory unit. Ex. 1008, 40. In my opinion, the Board’s reasoning for finding that the back office comprises those elements is also applicable to Szrek’s game provider.

3. 4[b]: receiving at the lottery administration system unique identification information from a pre-printed lottery ticket,

175. In my opinion, Szrek discloses this limitation for the same reasons I discussed above for limitation 1[b].

4. 4[c]: determining at the lottery administration system draw information for a subsequent draw being held,

176. In my opinion, Szrek discloses this limitation. As I discussed above for limitation 1[e], Szrek discloses that the game provider (*i.e. lottery administration system*) transmits draw details “such as draw number or draw

time.” Ex. 1005, 6:54-59. A POSITA would therefore understand that such draw details are ***determined at the lottery administration system*** because the draw details would need to be determined at the game provider in order for the game provider to transmit them.

177. A POSITA would further understand that the “draw time” is ***draw information for a subsequent draw being held***. Szrek discloses that “[i]n accordance with the present invention, such securely printed tickets can then be activated and used for ***the next lottery draw***.” Ex. 1005, 5:30-32. Szrek also discloses that “tickets 300 will not be eligible in the draws until activated,” which a POSITA would understand indicates that the draws are ***subsequent*** to the activation. *Id.*, 5:60-61. Thus, the disclosed “draw time” refers to a ***subsequent draw***.

5. **4[d]: associating at the lottery administration system the determined draw information with the unique identification information,**

178. In my opinion, Szrek discloses this limitation for the same reasons I discussed above for limitation 1[e]. As discussed above for limitation 1[e], the game provider provides an activation receipt containing “preprinted ticket identifier 330” and draw information. Ex. 1005, 6:54-59. Thus, the game provider associates draw information with unique identification information.

6. **4[e]: receiving at the lottery administration system payment confirmation;**

179. In my opinion, Szrek discloses this limitation for the same reasons I discussed above for limitation 1[d].

7. **4[f]: and transmitting from the lottery administration draw details.**

180. In my opinion, Szrek discloses this limitation for the same reasons I discussed above for limitation 1[e].

E. Claim 5

1. **5[pre]: A point-of-sale (POS) terminal comprising:**

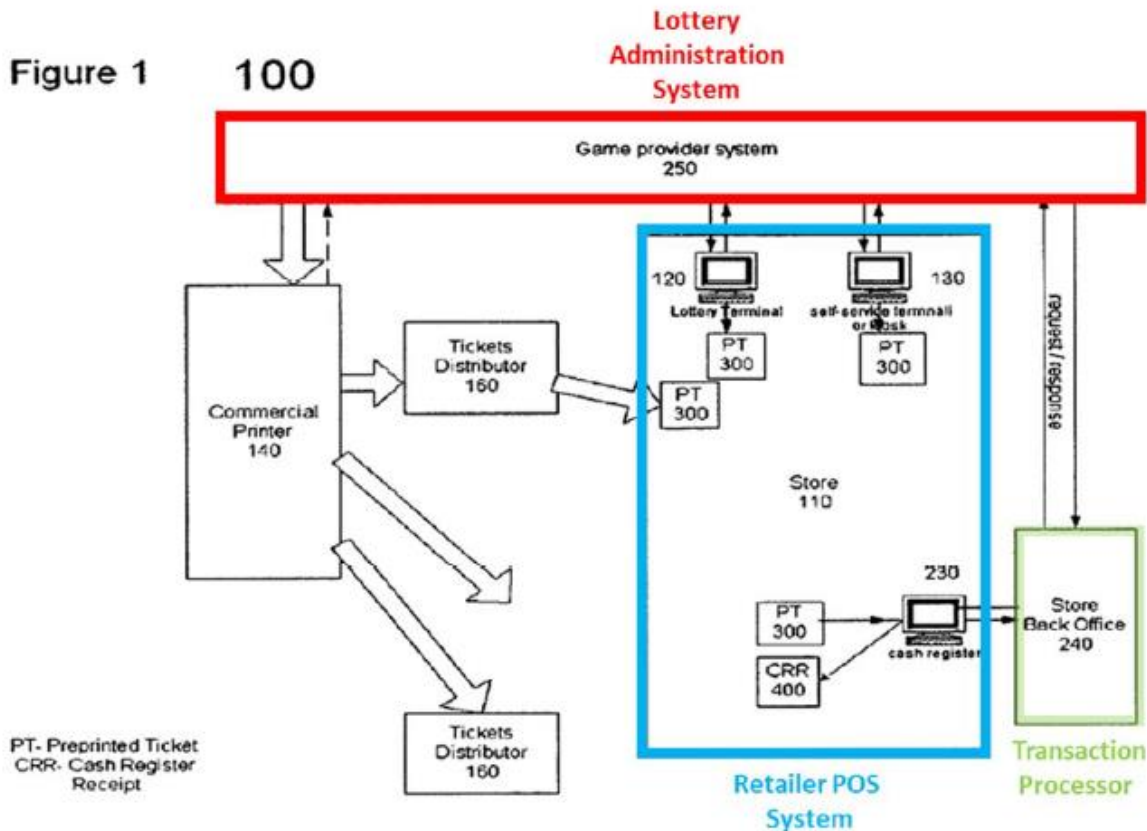
181. To the extent the preamble is limiting, in my opinion, Szrek discloses this limitation for the same reasons I discussed above for limitation 1[pre].

2. **5[a]: at least one communication interface for communicating with other computing systems; at least one scanning component; at least one processing unit for executing instructions; and at least one memory unit for storing instructions, which when executed by the at least one processing unit configure the POS terminal to provide a method of providing a lottery ticket for a random draw, wherein the method of providing a lottery ticket for a random draw comprises**

182. In my opinion, Szrek discloses a POS terminal comprising a communication interface, a processing unit, and a memory unit as claimed.

183. For the claimed “*communication interface*,” Figure 1 depicts that several POS terminals that communicate with the store back office and the game provider system. Szrek further discloses that “the cash register is capable of

communicating with the game provider system.” Ex. 1005, 3:15-16. A POSITA would therefore understand that the cash register (i.e. **POS terminal**) comprises a *communication interface for communicating with other computing systems*.



184. For the claimed “*processing unit and a memory unit*,” Szrek depicts the POS terminal in Figure 1 and Figure 2 as a computer system, which a POSITA would understand includes a *processing unit*. Szrek also discloses that the POS terminal performs a number of computing functions, including those discussed above in claims 1-3. Szrek also discloses that cash registers have “hardware and software.” Ex. 1005, 1:53-54. A POSITA would understand that executing

computer functions and software would require a ***processing unit for executing instructions***. A POSITA would also understand that executing functions and software would also require a ***memory unit*** for storing instructions.

185. For the term “***which when executed by the at least one processing unit configure the POS terminal to provide a method of providing a lottery ticket for a random draw, wherein the method of providing a lottery ticket for a random draw***,” Szrek discloses this limitation for the same reasons I discussed above for limitations 1[pre] and 1[a].

186. I note that in PGR2020-00084, the Board found a POSITA would understand that, based on similar disclosures about Szrek’s back office (including Figure 2), the back office comprised a communications interface, a processing unit, and a memory unit. Ex. 1008, 40. In my opinion, the Board’s reasoning for finding that the back office comprises those elements is also applicable to Szrek’s POS terminals.

3. 5[b]: scanning at the POS terminal a pre-printed lottery ticket to obtain unique identification information and product information from the pre-printed lottery ticket,

187. In my opinion, Szrek discloses this limitation for the same reasons I discussed above for limitation 1[a].

4. **5[c]: transmitting the unique identification information and product information from the POS terminal to a lottery administration system,**

188. In my opinion, Szrek discloses this limitation for the same reasons I discussed above for limitation 1[b].

5. **5[d]: receiving at the POS terminal payment confirmation, transmitting payment confirmation from the POS terminal to the lottery administration system,**

189. In my opinion, Szrek discloses this limitation for the same reasons I discussed above for limitation 1[c].

6. **5[e]: receiving at the POS terminal from the lottery administration system draw details associated with the pre-printed lottery ticket,**

190. In my opinion, Szrek discloses this limitation for the same reasons I discussed above for limitation 1[e].

7. **5[f]: and printing the draw details on a receipt.**

191. In my opinion, Szrek discloses this limitation for the same reasons I discussed above for limitation 1[f].

F. Claim 6

1. **6[pre]: [A] transaction processor comprising:**

192. To the extent the preamble is limiting, in my opinion, Szrek discloses a store back office 240 (*i.e. transaction processor*) for the same reasons I discussed above for limitation 2[b].

2. **6[a]: at least one communication interface for communicating with other computing systems; at least one processing unit for executing instructions; and at least one memory unit for storing instructions, which when executed by the at least one processing unit configure the transaction processor to provide a method of providing a lottery ticket for a random draw, wherein the method of providing a lottery ticket for a random draw comprises**

193. In my opinion, Szrek discloses that the store back office 240 (*i.e.* ***transaction processor***) comprises a communication interface, a processing unit, and a memory unit as claimed.

194. For the claimed “***communication interface***,” Figure 1 depicts that the “store back office 240” communicates with POS systems and the game provider system. Figure 2 likewise depicts that the store back office 240 communicates with the cash register and game provider. Szrek further discloses that the “store back office ... may be connected to a store chain network.” Ex. 1005, 2:50-51. A POSITA would therefore understand that the game provider system comprises a ***communication interface for communicating with other computing systems***.

195. For the claimed “***processing unit***,” Szrek discloses that the store back office has a processor for the reasons I discussed above for limitation 2[a].

196. For the claimed “***memory unit***,” as I discussed above in limitation 2[a], Szrek discloses a number of computing functions performed by the store back office, from which a POSITA would understand the store back office comprises a processor. Szrek also discloses that the store back office comprises “software.”

Ex. 1005, 4:60. A POSITA would understand that in order for Szrek to execute software instructions, it would require *a memory unit for storing instructions* that the processing unit executed.

197. For the term “*which when executed by the at least one processing unit configure the transaction processor to provide a method of providing a lottery ticket for a random draw, wherein the method of providing a lottery ticket for a random draw,*” Szrek discloses this limitation for the same reasons I discussed above for limitations 1[pre] and 2[b].

198. I note that in PGR2020-00084, the Board found “[f]rom Szrek’s description and illustration of the disclosed activation process for a pre-printed lottery ticket at a POS terminal, cited by Petitioner, we are persuaded a skilled artisan would have recognized that store back office 240 includes: (1) a system with at least a processing unit that executes instructions; (2) a communication interface for communicating with cash register 230 and game provider system 250; and (3) a memory unit for storing those instructions.” Ex. 1008, 40. I agree with the Board that Szrek discloses that the store back office comprises a processing unit, a communication interface, and a memory unit as claimed in the ’894 patent, and therefore discloses similar limitations in the ’135 patent.

3. **6[b]: scanning at a point-of-sale (POS) terminal pre-printed lottery ticket to obtain unique identification information and product information from the pre-printed lottery ticket,**

199. In my opinion, Szrek discloses this limitation for the same reasons I discussed above for limitation 2[a].

4. **6[c]: transmitting the unique identification information and product information from the POS terminal to the transaction processor,**

200. In my opinion, Szrek discloses this limitation for the same reasons I discussed above for limitation 2[b].

5. **6[d]: transmitting the unique identification information and product information from the transaction processor to the lottery administration system,**

201. In my opinion, Szrek discloses this limitation for the same reasons I discussed above for limitation 2[c].

6. **6[e]: receiving at the POS terminal payment confirmation,**

202. In my opinion, Szrek discloses this limitation for the same reasons I discussed above for limitation 2[d].

7. **6[f]: transmitting payment confirmation from the POS terminal to the transaction processor,**

203. In my opinion, Szrek discloses this limitation for the same reasons I discussed above for limitation 2[e].

8. **6[g]: transmitting payment confirmation from the transaction processor to the lottery administration system,**

204. In my opinion, Szrek discloses this limitation for the same reasons I discussed above for limitation 2[f].

9. **6[h]: receiving by the transaction processor from the lottery administration system draw details associated with the pre-printed lottery ticket,**

205. In my opinion, Szrek discloses this limitation for the same reasons I discussed above for limitation 2[g].

10. **6[i]: receiving at the POS terminal from the transaction processor draw details associated with the pre-printed lottery ticket,**

206. In my opinion, Szrek discloses this limitation for the same reasons I discussed above for limitation 2[h].

11. **6[j]: and printing the draw details on a receipt.**

207. In my opinion, Szrek discloses this limitation for the same reasons I discussed above for limitation 2[i].

VI. GROUND 2: CLAIMS 1-6 ARE OBVIOUS IN VIEW OF LLACH AND SZREK

208. In my opinion, Llach combined with Szrek provides an alternative reason why claims 1-6 are obvious.

209. Independently of Ground 1, Llach in view of Szrek also render obvious claims 1-6. Llach discloses a system for activating “stored value cards” where a POS terminal scans a barcode printed on the stored value card, sends the

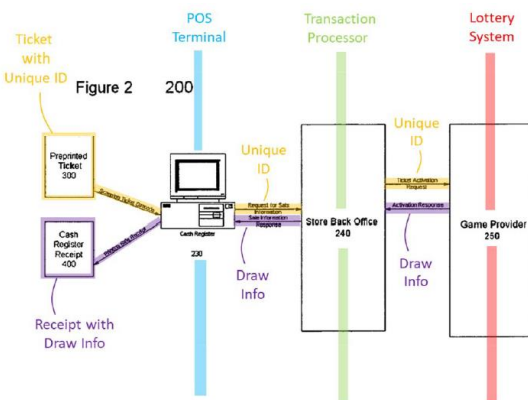
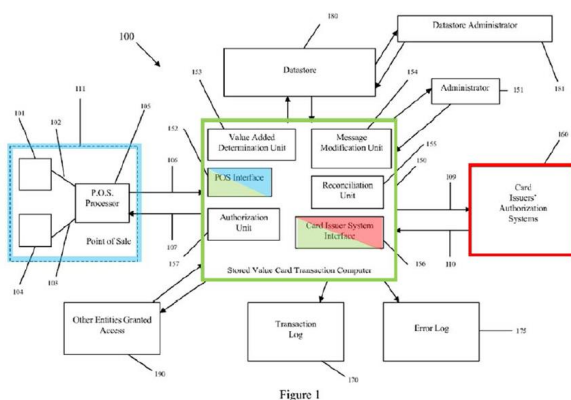
information (and payment confirmation) to a transaction computer, which sends it to a card issuers' authorization system for activation. Upon activation, the authorization system sends back information about the additional value amounts added to the card, which are printed on the receipt generated by the POS terminal. While Llach does not expressly disclose activating a pre-printed lottery ticket, it would have been obvious to combine Llach with Szrek's disclosures for scanning and authorizing a pre-printed lottery ticket, including the information transmitted and received by the POS terminal to facilitate the transaction.

A. Rationale to Combine Llach and Szrek

210. In my opinion, a POSITA would have found it obvious to modify Llach's system for activating "stored value cards" (*i.e* gift cards) by incorporating Szrek's teachings of activating pre-printed lottery tickets, including the identification, product, and payment information sent and the draw details that are received. A POSITA would be motivated to do this because it would allow Llach's system to sell pre-printed lottery tickets, thereby providing numerous benefits, including increased revenue streams for retailers, greater flexibility in a retailers' POS terminals or cash registers, simplification of operations by having POS terminals allow transactions for both gift cards and lottery tickets, reduction in time of transaction, and greater customer satisfaction. A POSITA would also

know that this would simply be the application of Szrek's known techniques for activating lottery tickets to Llach's known system.

211. As discussed below, Llach discloses a system for activating "stored value cards" (e.g. gift cards) where a POS terminal scans a barcode printed on the stored value card, sends the information (and payment confirmation) to a transaction computer, which sends it to a card issuers' authorization system for activation. Upon activation, the authorization system sends back information about the additional value amounts added to the card, which are printed on the receipt generated by the POS terminal. Szrek discloses a similar system for activating pre-printed lottery tickets, where a POS terminal scans a barcode on the pre-printed ticket, sends the information to a game provider (either directly or indirectly via a store back office), after which the game provider returns draw details about the lottery, which are printed on a receipt. Compare Llach Fig. 1 with Szrek Fig. 2.



212. A POSITA would be motivated to combine Llach's system with Szrek's system for activating pre-printed lottery tickets by modifying Llach's system to send and receive the data disclosed in Szrek for activating lottery tickets, as well as modifying Llach's authorization system to perform the same functions as Szrek's game provider. By doing this, the modified Llach system would support the sale and activation of pre-printed lottery tickets as well as gift cards, which would have provided a number of known benefits. For example, a retailer's POS terminals would be able to allow transactions for both gift cards and lottery tickets, which is cheaper, operationally simpler, and more efficient than having two different types of POS terminals. Moreover, the sale of lottery tickets gives retailers an additional source of revenue, which is obviously desirable. Customers also would not be required to use different terminals to activate gift cards and lottery tickets, thereby reducing the time of transaction and increasing customer satisfaction, all of which are desirable to a retailer.

213. A POSITA would also be motivated to combine the two references because Szrek expressly teaches their compatibility. In particular, Szrek teaches that its process for activating pre-printed lottery tickets "is similar to a model following selling phone cards at the cash register." Ex. 1006, 2:36-46. According to Szrek, "phone cards do not work unless they are sold and activated through the cash register in the store" and "[i]n this case the sale of the card would be

registered and authorization request, including phone card identifier, would be sent to the card issuer or his agent for the phone card activation.” *Id.* This broadly describes the same system disclosed by Llach.

214. Moreover, Llach discloses that their POS terminals support scanning of the barcode type of EAN-128, and Szrek likewise discloses that its pre-printed lottery tickets use EAN-128 barcodes. *See* Ex. 1005, 4:42; Ex. 1006, [0043]. Thus, Llach’s POS terminal already supports scanning Szrek’s pre-printed lottery ticket to obtain the information embedded in the barcode.

215. Because of these compatibilities, a POSITA would understand that the proposed combination would simply be the application of Szrek’s known techniques for activating lottery tickets to Llach’s known system.

216. A POSITA would have combined Llach and Szrek as proposed with a reasonable expectation of success. As discussed, Llach and Szrek disclose that their systems are compatible with one another. Indeed, Llach’s POS terminals require little modification to support scanning and decoding of the EAN-128 barcode on Szrek’s pre-printed lottery tickets. Modifying Llach’s transaction computer and authorization system would also be well within the capabilities of a POSITA, because such modification would be minimal and trivial to implement. Indeed, Szrek provides numerous implementation details for implementing the functionalities of its game provider, which include well-known, conventional

functions such as receiving identifying information, checking the unique identifying information to determine if it was already activated, and providing draw details in response.

217. Moreover, the combination of Llach and Szrek would have yielded predictable results. A POSITA would have readily understood that combining Llach with Szrek would predictably results in Llach's system modified to be able to activate pre-printed lottery tickets (in addition to its stored value cards).

218. Like Llach and Szrek, the '135 patent is directed to the field of activating pre-printed cards. Ex. 1001, 1:13-16. All three references, therefore, are directed to the same field of endeavor, and are analogous art.

B. Claim 2

219. I begin with claim 2, because it is narrower than claim 1. Claim 2 is rendered obvious by Llach and Szrek.

1. 2[pre]: A method of providing a lottery ticket, for a random draw comprising:

220. To the extent the preamble is limiting, as I discussed above in Ground 1 for limitation 1[pre], Szrek discloses the preamble. When these teachings are incorporated into Llach's system for authenticating "a stored value card," the combination of Llach and Szek discloses the preamble.

2. **2[a]: scanning at a point-of-sale (POS) terminal a pre-printed lottery ticket to obtain unique identification information and product information from the pre-printed lottery ticket;**

221. In my opinion, Llach in view of Szrek renders obvious this limitation.

Llach discloses that “at the point of sale component 111 [*i.e. POS terminal*] ..., the card identifier on the stored value card is interpreted 102 by a point of sale interpretation component 101 (e.g., a card reader) [such as] a **bar code scanner** ...” Ex. 1006, [0019]. Llach notes that the card’s unique card identifier could be encoded as “a bar code of conventional construction, such as a UPC code (e.g., a GS1-128 or UCC/EAN-128), positioned on the stored value card 201 so that it can be scanned by well-known bar code reading equipment.” *Id.*, [0043]. Thus, Llach discloses a **POS terminal** capable of scanning bar codes.

222. As I discussed above in Ground 1 for limitation 1[a], Szrek discloses a pre-printed lottery ticket containing a bar code from which **unique identification information and product information** (such as bet combination or sequence counter) are obtained when the bar code is scanned. *See* Ex. 1005, 5:57, 5:67, 6:7-12, 7:21-31. Szrek also discloses that “[t]he barcode on the preprinted ticket should be compatible with barcode technology commonly used at the cash registers [such as] EAN-128.” *Id.*, 4:42. Since both Llach and Szrek disclose support for EAN-128 barcodes, the Llach-Szrek combination results in Llach’s POS terminal

scanning the barcode of Szrek's pre-printed lottery ticket to obtain unique identification and product information from the ticket.

3. **2[b]: transmitting the unique identification information and product information from the POS terminal to a transaction processor;**

2[c]: transmitting the unique identification information and product information from the transaction processor to a lottery administration system;

223. In my opinion, Llach in view of Szrek renders obvious these limitations.

224. For the term “*unique identification information and product information*,” as I discussed above in limitation 2[a], the Llach-Szrek combination uses Llach's POS terminals to scan Szrek's pre-printed lottery ticket to obtain unique identification and product information.

225. For the term “*transmitting ... information from the POS terminal to a transaction processor*”: Llach discloses that, after scanning the stored value card's barcode, “a request for activation ... by a point of sale transaction component 104 is made.” Ex. 1006, [0020]. This “activation request from the point of sale component 111” at least contains the “stored value card identification,” *i.e.* the information obtained from scanning the stored value card's barcode. *Id.*, [0034]. Thus, in the Llach-Szrek combination, the POS terminal

sends the activation request with the unique identification and product information obtained from scanning Szrek's pre-printed lottery ticket.

226. Llach teaches that the "activation request is communicated to the stored value card transaction computer 150," *i.e. transaction processor. Id.*, [0033]. The transaction computer 150 is a ***transaction processor*** because it is ***a processor that processes transactions between two devices***. Llach discloses that the transaction computer 150 "may be implemented on any general-purpose computer with sufficient processing power," and "includes a ***processor 582***." *Id.*, [0074]. The transaction computer processes transactions between the POS terminal and the card issuers' authorization system, as depicted below in annotated Figure 1. In particular, as discussed herein, the transaction computer processes activation requests from the POS terminal by forwarding them to the card issuers' authorization system.

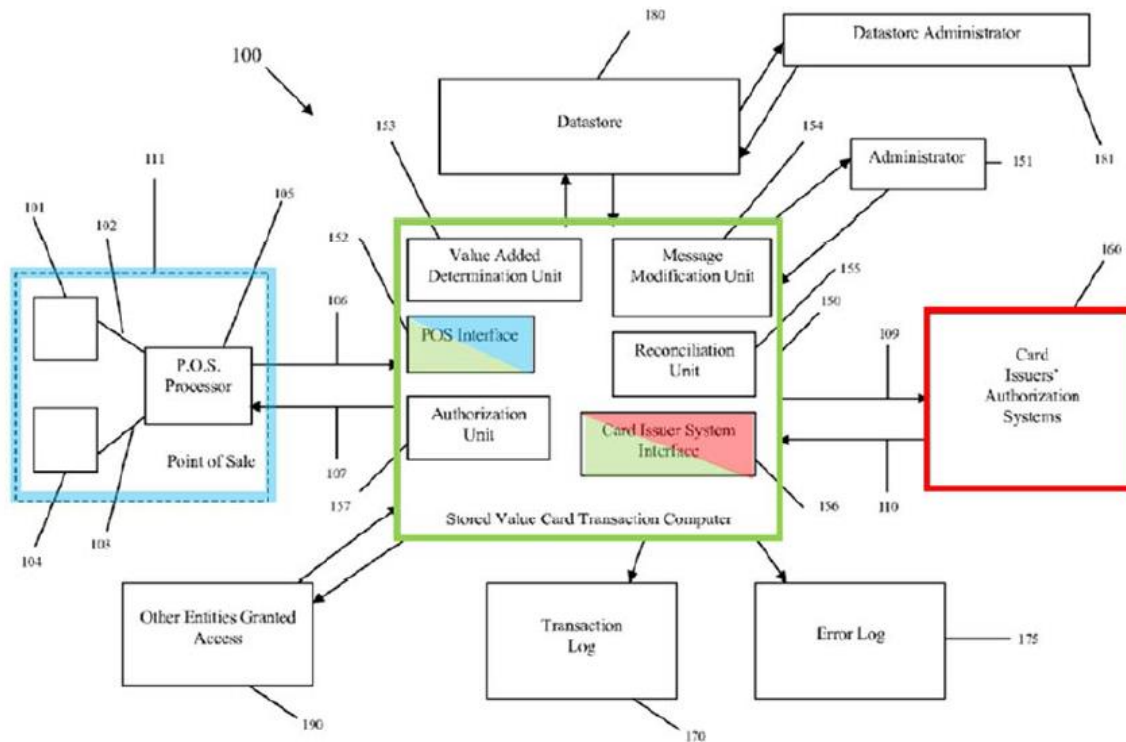


Figure 1

227. For the term “**transmitting ... information from the transaction processor to a lottery administration system,**” Llach further teaches that, from the transaction computer 150 (*i.e.* **transaction processor**), the activation request “is then forwarded as message 109 to the appropriate card issuers’ authorization system 160 for authorizing the activation request.” *Id.*, [0037].

228. In the Llach-Szrek combination, Llach’s card issuers’ authorization system 160 is modified to perform the same functions as Szrek’s gaming provider. These include, as I discussed in Ground 1, receiving unique identification information for Szrek’s pre-printed lottery ticket, activating the lottery ticket, authorizing winner payment, sending activation receipt info. Thus, the card

issuers' authorization system as modified by Szrek is a **lottery administration system**.

4. **2[d]: receiving at the POS terminal payment confirmation;**

229. In my opinion, Llach discloses this limitation because it discloses that when “a vendor ... **receives payment from a customer**, then an account associated with the stored value card is credited with the payment amount,” *i.e.* **payment confirmation**. Ex. 1006, [0039]. The vendor is where the “point of sale component [is] located.” *Id.*, [0019].

5. **2[e]: transmitting payment confirmation from the POS terminal to the transaction processor;**

2[f]: transmitting payment confirmation from the transaction processor to the lottery administration system;

230. In my opinion, Llach discloses these limitations.

231. For the term “**transmitting payment confirmation from the POS terminal to the transaction processor**,” Llach discloses that the transaction computer 150 (*i.e.* **transaction processor**) “generate[s] and maintain[s] a transaction log 170,” which includes “a detailed summary of ... requested stored-value card activations; ... the **monetary amount ascribed to card activations**.” Ex. 1006, [0026]. Llach further discloses that “[t]he information contained in the transaction log 170 may be used to generate ... **payment reports**.” *Id.*, [0027]. A POSITA would therefore understand that the transaction computer 150 receives

payment confirmation in order to maintain a transaction log detailing requested activations and monetary amounts ascribed to those activations, from which a **payment report** is generated. A POSITA would understand that such payment confirmation would have been transmitted from the **POS terminal**, as Llach teaches that is where payment is received. Ex. 1006, [0039].

232. For the term “**transmitting payment confirmation from the transaction processor to the lottery administration system**,” Llach teaches that the payment reports (*i.e.* **payment confirmation**) are generated by the **transaction processor** “for the benefit of, use by, or for **provision** to ... card issuers’ authorization systems 160,” *i.e.* **lottery administration system**. Ex. 1006, [0027]. A POSITA would understand that, since the transaction computer generates the payment report for provision to the authorization system, it transmits the payment report to the authorization system.

6. **2[g]: receiving by the transaction processor from the lottery administration system draw details associated with the pre-printed lottery ticket;**

2[h] receiving at the POS terminal from the transaction processor draw details associated with the pre-printed lottery ticket; and

233. In my opinion, Llach in view of Szrek render obvious these limitations.

234. For the term “***receiving by the transaction processor from the lottery administration / [R]eceiving at the POS terminal from the transaction processor***,” Llach teaches that, following activation of the stored value card by the authorization system 160 (*i.e. lottery administration system*), the authorization system will send “messages 110 ... intended for the ***point of sale component*** 111 [which] include any information regarding value added to the stored value card that may be printed on the receipt generated for the customer.” Ex. 1006, [0038]. Llach further teaches that it is the transaction computer’s message modification component 154 (*i.e. transaction processor*) that receives these messages from the authorization system before forwarding them to the POS system. *Id.*

235. For the term “***draw details associated with the pre-printed lottery ticket***,” asI discussed above in Ground 1 for limitation 1[e], Szrek teaches ***draw details*** such as “draw number or draw time” are sent by Szrek’s game provider following activation of a pre-printed lottery ticket. Ex. 1005, 6:54-59. In the Llach-Szrek combination, Llach’s card issuers’ authorization system 160 is modified to perform the same functions as Szrek’s gaming provider, including sending draw details.

7. 2[i]: printing the draw details on a receipt.

236. In my opinion, Llach in view of Szrek renders obvious this limitation. Llach itself teaches that “messages 110 ... intended for the ***point of sale component***

111 [which] include any information regarding value added to the stored value card that may be ***printed on the receipt generated for the customer.***” Ex. 1006, [0038]. When combined with Szrek, the draw details received from the transaction processor are printed on the receipt.

237. Moreover, as discussed above in Ground for limitation 1[f], Szrek discloses printing the draw details on a receipt. In view of these teachings, a POSITA would further combine Llach and Szrek such that the draw details are printed on a receipt.

C. Claim 1

238. Claim 1 is identical to Claim 2 except that it does not recite a transaction processor that receives and forwards information between the POS terminal and lottery administration system. However, because Claim 1’s limitations of “transmitting the unique identification information and product information from the POS terminal to a lottery administration system,” “transmitting payment confirmation from the POS terminal to the lottery administration system,” and “receiving at the POS terminal from the lottery administration system draw details associated with the pre-printed lottery ticket” do not *preclude* the use of a transaction processor as part of the step of transmitting or receiving information, Claim 1 is rendered obvious by Llach in view of Szrek for the same reasons discussed for claim 2.

D. Claim 3: The method of claim 1 or 2, further comprising transmitting the draw details by the lottery administration system, wherein transmitting the draw details generating at the lottery administration system an image or data package containing at least the draw details.

239. In my opinion, Llach in view of Szrek renders obvious this limitation.

As I discussed above in Ground 1 for claim 3, Szrek renders obvious this claim.

Thus, in the combination of Llach and Szrek, Llach's card issuers' authorization system 160 is modified to perform the same functions as Szrek's gaming provider, which would include transmitting draw details using a data packaging.

E. Claim 4

1. 4[pre]: A lottery administration system comprising:

240. To the extent the preamble is limiting, in my opinion, Llach in view of Szrek renders obvious a game provider, *i.e. a lottery administration system*, for the same reasons I discussed above for limitation 2[b].

2. 4[a]: at least one communication interface for communicating with other computing systems; at least one processing unit for executing instructions; and at least one memory unit for storing instructions, which when executed by the at least one processing unit configure the lottery administration system to provide a method of generating a lottery ticket for a random draw, wherein the method of generating a lottery ticket for a random draw comprises

241. In my opinion, Llach discloses that the authorization system 160 (*i.e. lottery administration system*) comprises a communication interface, a processing unit, and a memory unit as claimed.

242. For the claimed “**communication interface**,” Llach discloses that “the stored value card transaction computer 150 may communicate with the card issuers' authorization system 160 via, for example, the Internet, a Public Switched Telephone Network (PSTN), or an independent dedicated network.” Ex. 1006, [0018]. Figure 1 likewise depicts that authorization system 160 communicates with transaction computer 150. A POSITA would therefore understand that the activation system 160 comprises a **communication interface for communicating with other computing systems**.

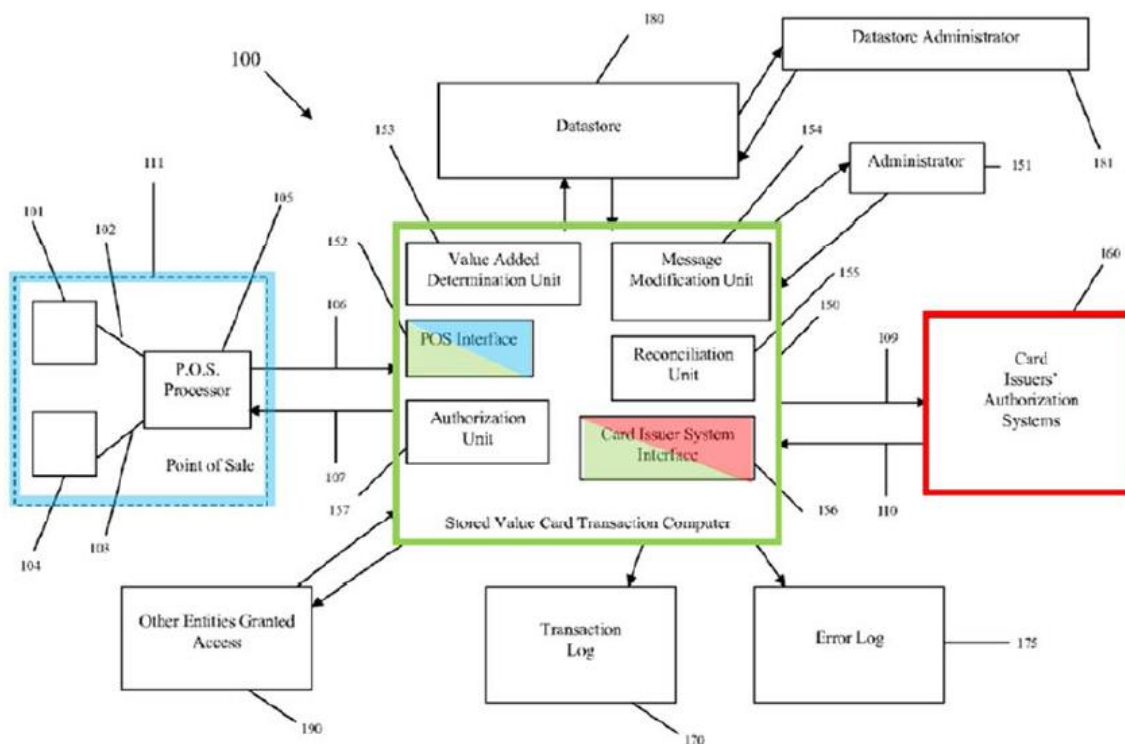


Figure 1

243. For the claimed “**processing unit**,” Llach discloses that the authorization system performs a number of computing functions, including those

discussed above in claims 1-3 as well as “effectuat[ing] activation or deactivation of the transaction cards secured by the package as well as to effectuate the addition of a value added service, product, or cash value amount.” Ex. 1006, [0030].

Moreover, in the proposed combination, the authorization system is modified to perform the same functions as Szrek’s game provider. A POSITA would therefore understand that these processes would require *processing unit for executing instructions*.

244. For the claimed “*memory unit*,” a POSITA would also understand that in order for Llach’s authorization system to perform processes, it would require *a memory unit for storing instructions* that the processing unit executed.

245. For the term “*which when executed by the at least one processing unit configure the lottery administration system to provide a method of generating a lottery ticket for a random draw*,” the Llach-Szrek combination renders obvious this limitation for the reasons discussed above for limitations 2[pre] and 2[g].

3. 4[b]: receiving at the lottery administration system unique identification information from a pre-printed lottery ticket,

246. In my opinion, Llach in view of Szrek render obvious this limitation for the same reasons I discussed above for limitation 2[c].

4. **4[c]: determining at the lottery administration system draw information for a subsequent draw being held,**

247. As I discussed above in Ground 1 for limitation 4[c], Szrek discloses that its game provider ***determines draw information for a subsequent draw being held***. In the Llach-Szrek combination, Llach's card issuers' authorization system 160 is modified to perform the same functions as Szrek's gaming provider. These include determining draw information for a subsequent draw being held.

5. **4[d]: associating at the lottery administration system the determined draw information with the unique identification information,**

248. In my opinion, Llach in view of Szrek render obvious this limitation for the same reasons I discussed above for limitations 2[g], 5[h] and Ground 1, limitation 1[e]. As discussed in those limitations, Llach in view of Szrek teaches draw information and unique identification information associated with the pre-printed lottery ticket, and therefore the modified authorization system associates draw information with unique identification information.

6. **4[e]: receiving at the lottery administration system payment confirmation;**

249. In my opinion, Llach in view of Szrek render obvious this limitation for the same reasons I discussed above for limitation 2[f].

7. **4[f]: and transmitting from the lottery administration draw details.**

250. In my opinion, Llach in view of Szrek render obvious this limitation for the same reasons I discussed above for limitation 2[g].

F. **Claim 5**

1. **5[pre]: A point-of-sale (POS) terminal comprising:**

251. To the extent the preamble is limiting, in my opinion, Llach in view of Szrek renders obvious POS terminal for the same reasons I discussed above for limitations 2[pre], 2[a].

2. **5[a]: at least one communication interface for communicating with other computing systems; at least one scanning component; at least one processing unit for executing instructions; and at least one memory unit for storing instructions, which when executed by the at least one processing unit configure the POS terminal to provide a method of providing a lottery ticket for a random draw, wherein the method of providing a lottery ticket for a random draw comprises**

252. In my opinion, Llach discloses that a POS terminal comprising a communication interface, a processing unit, and a memory unit as claimed.

253. For the claimed “*communication interface*,” Llach discloses that “[t]he *point of sale processing component 105* is connectable to the stored value card transaction computer 150 via a suitable network, such as the Internet, the public switched telephone network (PSTN), or an independent dedicated network.” Ex. 1006, [0021]. Figure 1 likewise depicts that POS terminal communicates with

transaction computer 150. A POSITA would therefore understand that the POS terminal comprises a **communication interface for communicating with other computing systems**.

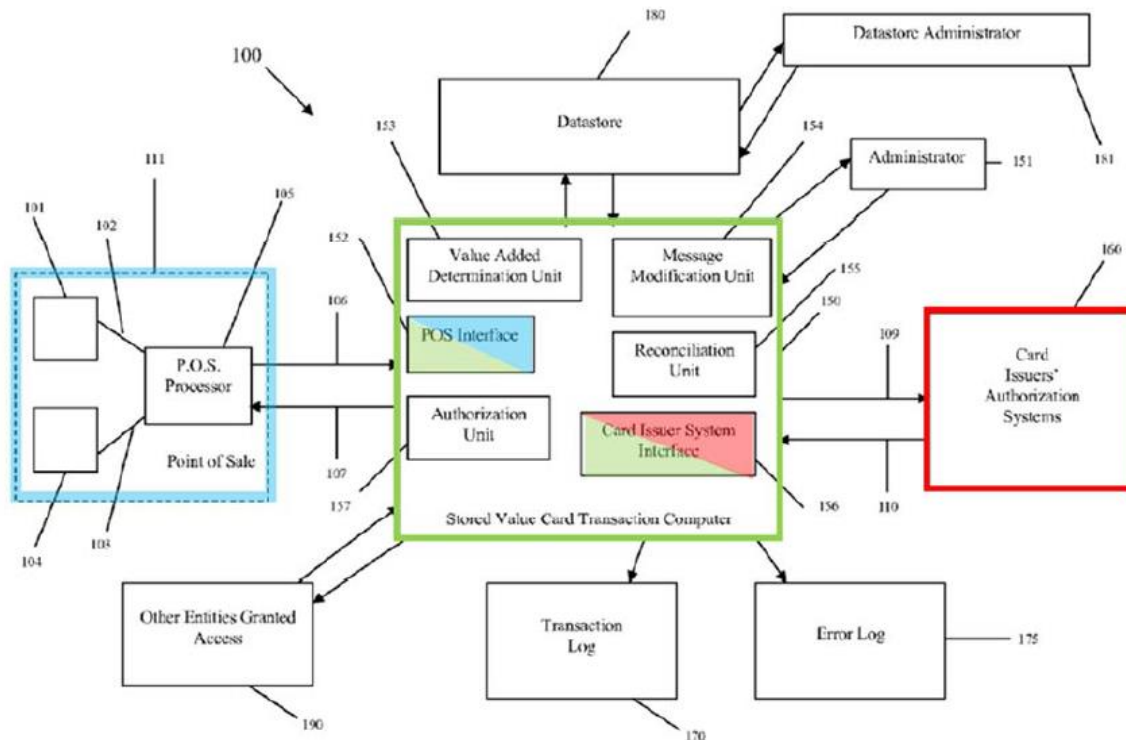


Figure 1

254. For the term “**processing unit**,” Figure 1 depicts that the POS terminal comprises a “P.O.S. Processor.” Llach further discloses that “[t]he point of sale processing component 105 can comprise a CPU or other type of processing device accepted for use in the industry.” Ex. 1006, [0021].

255. For the term “**a memory unit**,” A POSITA would also understand that in order for Llach’s POS terminal to perform processes, it would require **a memory unit for storing instructions** that the processing unit executed.

256. For the term, “*which when executed by the at least one processing unit configure the POS terminal to provide a method of providing a lottery ticket for a random draw, wherein the method of providing a lottery ticket for a random draw,*” the Llach-Szrek combination renders obvious this limitation for the reasons discussed above for limitations 2[pre] and 2[a].

3. **5[b]: scanning at the POS terminal a pre-printed lottery ticket to obtain unique identification information and product information from the pre-printed lottery ticket,**

257. In my opinion, Llach in view of Szrek render obvious this limitation for the same reasons I discussed above for limitation 2[a].

4. **5[c]: transmitting the unique identification information and product information from the POS terminal to a lottery administration system,**

258. In my opinion, Llach in view of Szrek render obvious this limitation for the same reasons I discussed above for limitation 2[b], 2[c].

5. **5[d]: receiving at the POS terminal payment confirmation, transmitting payment confirmation from the POS terminal to the lottery administration system,**

259. In my opinion, Llach in view of Szrek render obvious this limitation for the same reasons I discussed above for limitation 2[d], 2[e], 2[f].

6. **5[e]: receiving at the POS terminal from the lottery administration system draw details associated with the pre-printed lottery ticket,**

260. In my opinion, Llach in view of Szrek render obvious this limitation for the same reasons I discussed above for limitation 2[g], 2[h].

7. **5[f]: and printing the draw details on a receipt.**

261. In my opinion, Llach in view of Szrek render obvious this limitation for the same reasons I discussed above for limitation 2[i].

G. **Claim 6**

1. **6[pre]: [A] transaction processor comprising:**

262. To the extent the preamble is limiting, in my opinion, Llach in view of Szrek renders obvious a transaction computer, *i.e. a transaction processor*, for the same reasons I discussed above for limitation 2[b].

2. **6[a]: at least one communication interface for communicating with other computing systems; at least one processing unit for executing instructions; and at least one memory unit for storing instructions, which when executed by the at least one processing unit configure the transaction processor to provide a method of providing a lottery ticket for a random draw, wherein the method of providing a lottery ticket for a random draw comprises**

263. In my opinion, Llach discloses that the transaction computer (*i.e. transaction processor*) comprises a communication interface, a processing unit, and a memory unit as claimed.

264. Specifically, Llach discloses that “[t]he stored value card transaction computer 150 above may be implemented on any general-purpose computer with sufficient *processing power, memory resources, and network throughput* capability to handle the necessary workload placed upon it.” Ex. 1006, [0074]. Llach further discloses that the transaction computer “includes a processor 582

(which may be referred to as a central processor unit or CPU) that is in communication with memory devices including secondary storage 584, read only memory (ROM) 586, random access memory (RAM) 588, input/output (I/O) 590 devices, and network connectivity devices 592.” *Id.*

265. For the term “*which when executed by the at least one processing unit configure the transaction processor to provide a method of providing a lottery ticket for a random draw, wherein the method of providing a lottery ticket for a random draw,*” the Llach-Szrek combination renders obvious this limitation for the reasons discussed above for limitations 2[pre] and 2[b].

3. 6[b]: scanning at a point-of-sale (POS) terminal pre-printed lottery ticket to obtain unique identification information and product information from the pre-printed lottery ticket,

266. In my opinion, Llach in view of Szrek render obvious this limitation for the same reasons I discussed above for limitation 2[a].

4. 6[c]: transmitting the unique identification information and product information from the POS terminal to the transaction processor,

267. In my opinion, Llach in view of Szrek render obvious this limitation for the same reasons I discussed above for limitation 2[b].

5. 6[d]: transmitting the unique identification information and product information from the transaction processor to the lottery administration system,

268. In my opinion, Llach in view of Szrek render obvious this limitation for the same reasons I discussed above for limitation 2[c].

6. 6[e]: receiving at the POS terminal payment confirmation,

269. In my opinion, Llach in view of Szrek render obvious this limitation for the same reasons I discussed above for limitation 2[d].

7. 6[f]: transmitting payment confirmation from the POS terminal to the transaction processor,

270. In my opinion, Llach in view of Szrek render obvious this limitation for the same reasons I discussed above for limitation 2[e].

8. 6[g]: transmitting payment confirmation from the transaction processor to the lottery administration system,

271. In my opinion, Llach in view of Szrek render obvious this limitation for the same reasons I discussed above for limitation 2[f].

9. 6[h]: receiving by the transaction processor from the lottery administration system draw details associated with the pre-printed lottery ticket,

272. In my opinion, Llach in view of Szrek render obvious this limitation for the same reasons I discussed above for limitation 2[g].

10. 6[i]: receiving at the POS terminal from the transaction processor draw details associated with the pre-printed lottery ticket,

273. In my opinion, Llach in view of Szrek render obvious this limitation for the same reasons I discussed above for limitation 2[h].

11. 6[j]: and printing the draw details on a receipt.

274. In my opinion, Llach in view of Szrek render obvious this limitation for the same reasons I discussed above for limitation 2[i].

VII. CONCLUSION

275. In signing this declaration, I recognize that the declaration will be filed as evidence in a contested case before the Patent Trial and Appeal Board of the United States Patent and Trademark Office. I also recognize that I may be subject to cross-examination in the case and that cross-examination will take place within the United States. If cross-examination is required of me, I will appear for cross-examination within the United States during the time allotted for cross-examination.

276. I hereby declare that all statements made herein of my own knowledge are true and that all statements made on the information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code.

Executed: July 21, 2023

A handwritten signature in black ink, appearing to read 'Michael Hutton', with a long horizontal line extending to the right.

Michael Hutton