

**UNITED STATES PATENT AND TRADEMARK OFFICE**

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**BEFORE THE PATENT TRIAL AND APPEAL BOARD**

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INTERACTIVE COMMUNICATIONS INTERNATIONAL, INC.,  
Petitioner

v.

BLACKHAWK NETWORK INC.,  
Patent Owner

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Case: PGR2020-00084

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**PETITION FOR POST-GRANT REVIEW OF  
U.S. PATENT 10,769,894**

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Patent Trial and Appeal Board  
United States Patent and Trademark Office  
PO Box 1450  
Alexandria, Virginia 22313-1450

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**Petitioner's Exhibit List**

| <b><i>Exhibit #</i></b> | <b><i>Description</i></b>                                    |
|-------------------------|--------------------------------------------------------------|
| <b>1001</b>             | U.S. Patent No. 10,769,894                                   |
| <b>1002</b>             | File History for U.S. Patent No. 10,769,894                  |
| <b>1003</b>             | Declaration of Scott Loftesness                              |
| <b>1004</b>             | Intentionally Blank                                          |
| <b>1005</b>             | Declaration of Michael Hutton                                |
| <b>1006</b>             | CV of Michael Hutton                                         |
| <b>1007</b>             | U.S. Patent No. 7,627,497 (Szrek)                            |
| <b>1008</b>             | U.S. Patent Publication No. 2013/0041768 (Llach)             |
| <b>1009</b>             | U.S. Patent Publication No. 2005/0233797 (Gilmore)           |
| <b>1010</b>             | U.S. Patent No. 5,511,114 (Stimson-I)                        |
| <b>1011</b>             | U.S. Patent No. 5,577,109 (Stimson-II)                       |
| <b>1012</b>             | U.S. Patent No. 5,777,305 (Smith-I)                          |
| <b>1013</b>             | U.S. Patent No. 6,000,608 (Dorf)                             |
| <b>1014</b>             | U.S. Patent No. 6,454,165 (Dawson)                           |
| <b>1015</b>             | U.S. Patent Publication No. WO 01/059597 (Tidball)           |
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| <b>1017</b>             | U.S. Patent No. 8,706,630 (Graves)                           |
| <b>1018</b>             | U.S. Patent No. 7,093,761 (Smith-II)                         |
| <b>1019</b>             | U.S. Patent No. 7,344,067 (Beck)                             |
| <b>1020</b>             | U.S. Patent No. 8,083,133 (Seifert)                          |
| <b>1021</b>             | U.S. Patent Publication No. US 2010/0051691 (Brooks)         |
| <b>1022</b>             | U.S. Patent No. 8,862,504 (Sobek)                            |
| <b>1023</b>             | U.S. Patent No. 8,424,758 (Esslinger)                        |
| <b>1024</b>             | U.S. Patent Publication No. 2004/0193464 (Szrek Publication) |
| <b>1025</b>             | U.S. Patent No. 10,296,895 (Llach)                           |

| <b><i>Exhibit #</i></b> | <b><i>Description</i></b>                          |
|-------------------------|----------------------------------------------------|
| <b>1026</b>             | U.S. Patent No. 6,899,621 (Behm)                   |
| <b>1027</b>             | U.S. Patent No. 6,267,670 (Walker)                 |
| <b>1028</b>             | U.S. Patent Publication No. 2009/0163263 (Herndon) |
| <b>1029</b>             | Intentionally Blank                                |
| <b>1030</b>             | Missouri Lottery website                           |
| <b>1031</b>             | Pay Pal website                                    |
| <b>1032</b>             | Related Patents                                    |

## **I. INTRODUCTION**

Pursuant to 35 U.S.C. §§ 311-319 *et seq.* and 37 C.F.R. §§ 42.200 *et seq.*, Interactive Communications International, Inc. (“INCOMM” or “Petitioner”) hereby petitions for post-grant review of U.S. Patent No. 10,769,894 (the “894 Patent” (*INCOMM-1001*)). Petitioner respectfully submits that Claims 1-53 (the “Challenged Claims”) of the 894 Patent are unpatentable under 35 U.S.C. §103 in view of the prior art references discussed herein. This Petition demonstrates by a preponderance of the evidence that it is more likely than not that at least one of the claims challenged in the petition is unpatentable. Accordingly, it is respectfully requested that the Board institute a post-grant review of the 894 Patent pursuant to 37 C.F.R. § 42.208.

## **II. OVERVIEW**

The Challenged Claims are unpatentable as anticipated by or obvious over the prior art. The Challenged Claims are directed to prior art systems and combinations of conventional components that perform conventional functions for point of sale (POS) activation of a physical substrate or indicia (such as a card, coupon, or lottery ticket), and for the sale of lottery tickets at a retailer’s POS system. Specifically, the Challenged Claims are directed to a method for providing a random draw lottery ticket (Claims 7-53) and a transaction processor for facilitating the method (Claims 1-6) using the known process for POS activation of

a physical substrate or indicia – in this instance a pre-printed lottery ticket. The Challenged Claims are directed to a system including the retailer's POS system (**blue**), the authorizing entity – in this instance the lottery system (**red**), and a transaction processor (**green**) facilitating the exchange of data between the POS terminal and the lottery system, for implementing the well-known POS activation process comprising:

- (1) providing a ticket bearing a unique identifier (“Unique ID”) that is encoded on the ticket in a barcode or magnetic strip;
- (2) scanning the ticket at a POS terminal to obtain and provide the Unique ID to the lottery system (**orange**); and
- (3) receiving and recording confirmation of the ticket activation – in this instance by receiving lottery draw information (“Draw Info”) from the lottery system and printing a receipt of the transaction at the POS terminal (**purple**).

However, a comparison of U.S. Patent No. 7,627,497 (“Szrek”)(*INCOMM-1007*)<sup>1</sup> to the 894 Patent demonstrates that the system and method described and claimed by the 894 Patent was well known for over ten years prior to the January 2015 priority date claimed by the 894 Patent.

For example, the Abstract of Szrek discloses the purported invention described in the Abstract of the 894 Patent:

| <u><b>894 Patent</b></u><br><b>Abstract</b>                                                                                                                                                                                                                                                                                                   | <u><b>Szrek</b></u><br><b>Abstract</b>                                                                                                                                                                                                                                                                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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. Pre-printed lottery tickets allow a consumer to purchase a lottery ticket for a subsequently occurring draw by including that ticket in their shopping basket. The pre-printed | The present invention is a method and system for selling game of chance tickets at a point of sale cash register. The invention can be used for both lottery and other social games of chance tickets. An actual game ticket may be preprinted by the commercial printer, printed in the in-store kiosk, self-service terminal or on the standard |

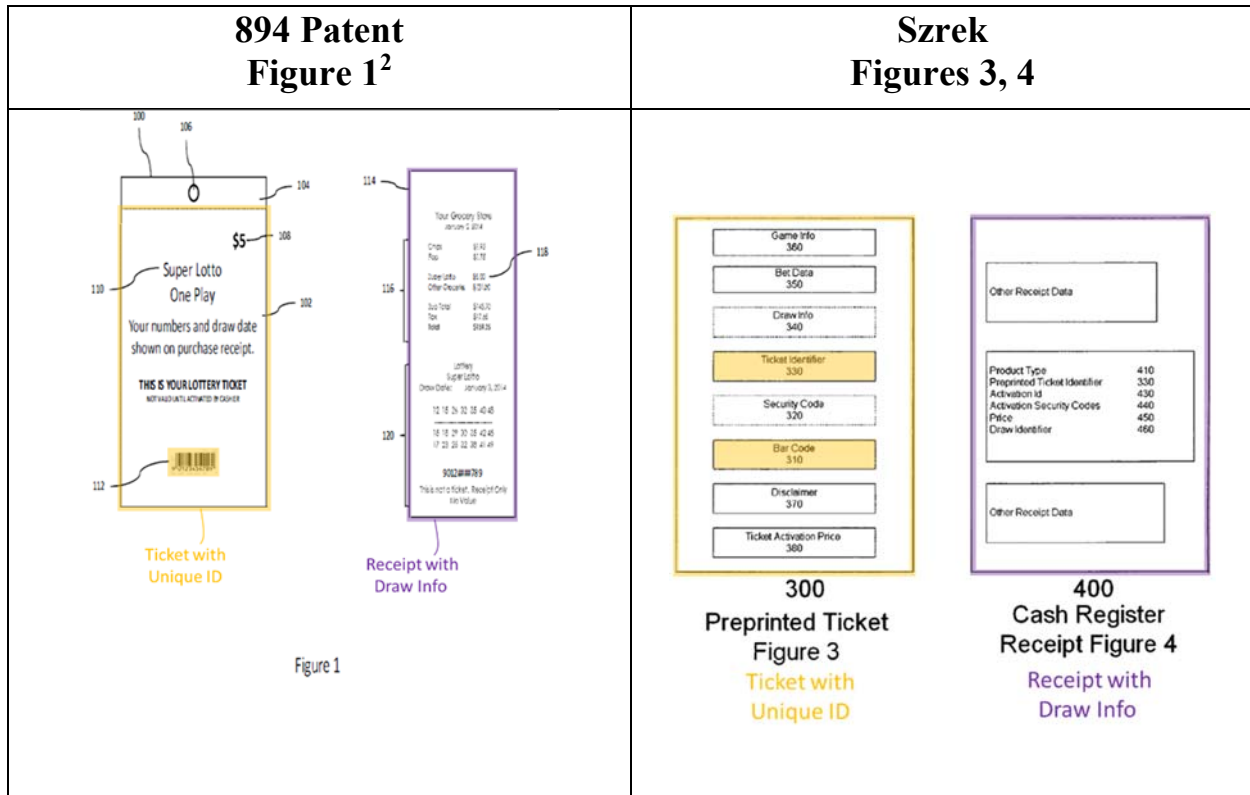
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<sup>1</sup> Szrek was published in September 2004 as U.S. Patent Publication No. 2004/0193464 (*INCOMM-1024*).

|                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>lottery ticket may be purchased as any other common product through the point of sale terminal. No specialized hardware such as lottery terminal, printer or dispensing device is necessary.</p> | <p>gaming terminal. These preprinted tickets are not eligible to win prizes unless activated at the cash register. Tickets have a barcode or other means readable by a cash register or other equipment. The ticket is read at the cash register and activated.</p> <p>Acknowledgement of activation of the ticket is then printed on the cash register receipt. The main advantages of the proposed method are that using this approach does not require additional gaming equipment, such as a secure printer or a special gaming terminal at the cash register, it doesn't require any custom software changes in cash register software, it allows selling of tickets meeting the criteria of bearer's bond without the need of special printing media at the cash register, it allows for integrated accounting of gaming products and other products sold in the store and it allows for age control of ticket buyers. This approach allows for the sale of</p> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|  |                                                                                                                                                                                                                                     |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | customer and computer generated lottery game selections at a cash register without any additional equipment in the lane or custom software in the cash register, with additional benefits of age control and integrated accounting. |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

As another example, the pre-printed lottery tickets and the receipt of the transaction illustrated in Figure 1 of the 894 Patent were disclosed by Szrek in Figures 3 and 4:



Finally, the method of the Challenged Claims (illustrated in Figure 7 of the 894 Patent) wherein a transaction processor (**green**) facilitates communication between the POS terminal (**blue**) and the lottery system (**red**) to provide the Unique ID (**orange**) scanned at the POS terminal to the lottery system, and then

<sup>2</sup> The Figures in this Petition have been annotated with color by Petitioner.

print a receipt showing the Draw Info (**purple**) received from the lottery system was disclosed by Szrek (Figure 2):

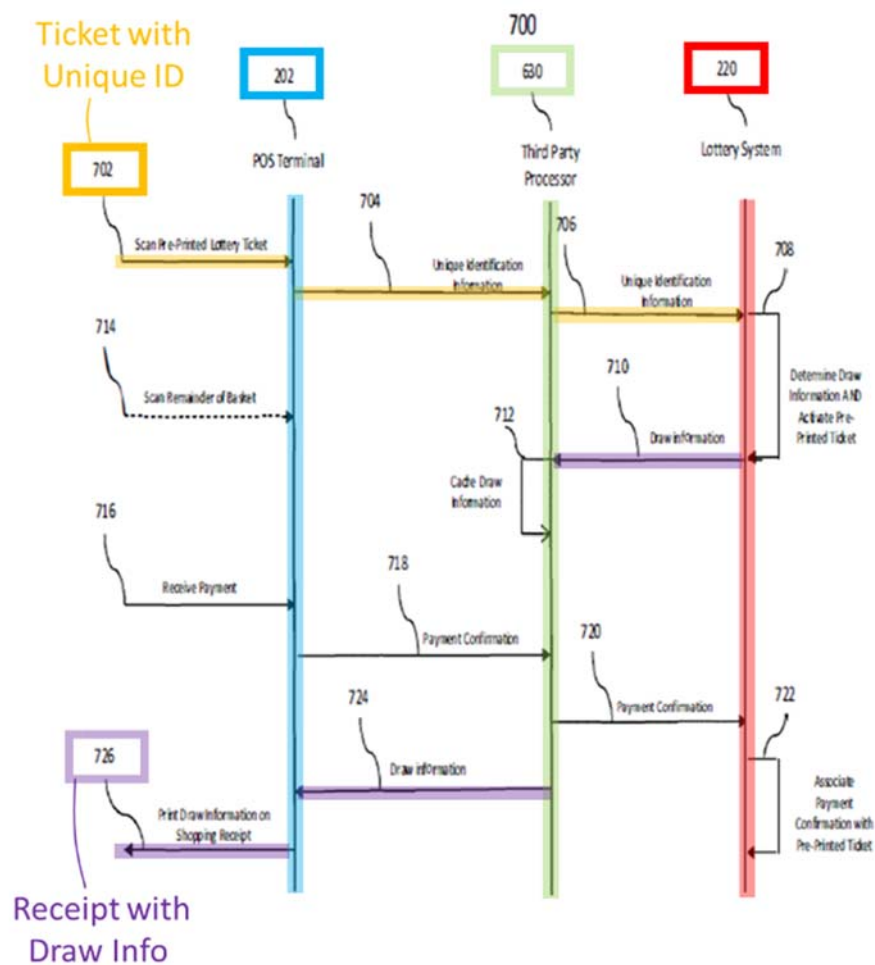
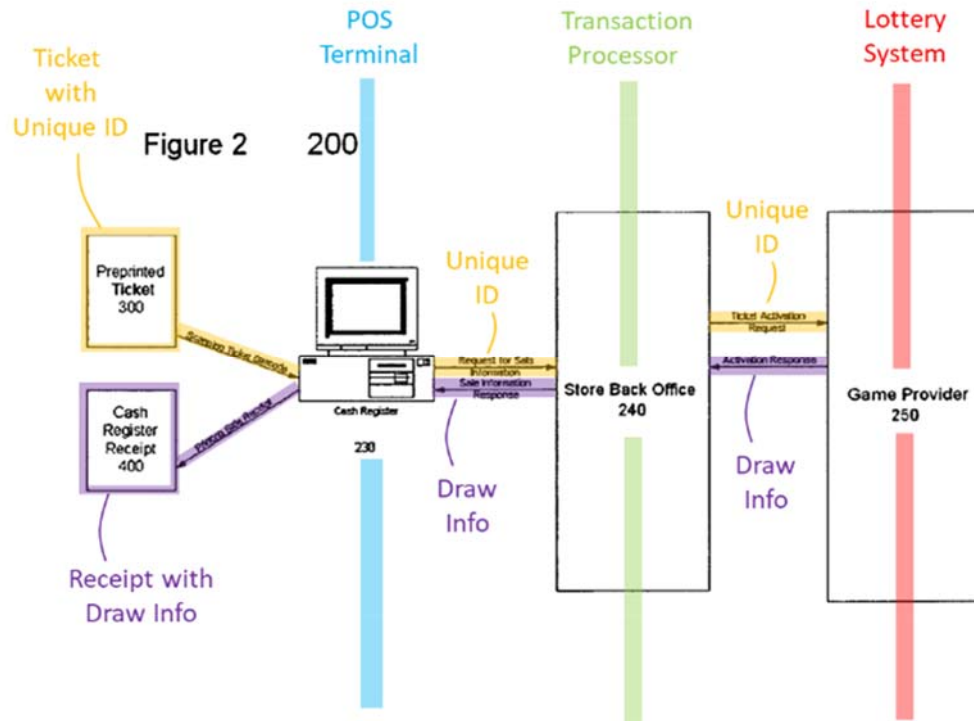


Figure 7

INCOMM-1001, Fig. 7



INCOMM-1007, Fig. 2; INCOMM-1005, ¶42

As shown above, and demonstrated by the grounds set forth below, the Challenged Claims are directed to a method and system for selling pre-printed online lottery tickets that were well known at the time of the 894 Patent. The Challenged Claims are anticipated by or obvious over the prior art. Cancellation of the Challenged Claims is appropriate.

### III. GROUNDS FOR STANDING (37 CFR § 42.204(a))

Petitioner certifies pursuant to Rule 42.204(a) that the 894 Patent is available for post-grant review and that Petitioner is not barred or estopped from requesting

post-grant review of the Challenged Claims on the grounds set forth in this Petition.

#### **IV. RELIEF REQUESTED (37 CFR § 42.22)**

Petitioner respectfully requests institution of post-grant review pursuant to 37 CFR § 42.208 and cancellation of the Challenged Claims of the 894 Patent.

#### **V. REASONS FOR THE RELIEF REQUESTED**

As explained below and in the attached Declaration of Petitioner's Experts, Scott Loftesness (*INCOMM-1003*) and Michael Hutton (*INCOMM-1005*), the online lottery system, as described and claimed in the 894 Patent, was anticipated by or obvious over the prior art to a person of ordinary skill in the art ("POSA") at the time of the invention.

##### **A. Summary of the 894 Patent**

The 894 Patent is titled "METHODS FOR SELLING PRE-PRINTED ONLINE LOTTERY TICKETS" and describes a "system and method for selling pre-printed lottery tickets for random draw lotteries through the retailer's POS without the use of additional lottery hardware." *INCOMM-1001*, Abstract.

The pre-printed lottery tickets of the 894 Patent have no "draw date assigned" and may or may not have "wager" information (*i.e.*, draw numbers) pre-printed on the ticket. *INCOMM-1001*, 3:1-4. The tickets are displayed and

purchased at a retail outlet “as a common in-store product” and “[u]ntil purchased and activated,” the tickets “have no value” and thus cannot be used for “redemption,” *i.e.*, they cannot be used to play the lottery until sold and activated at the point of sale. *INCOMM-1001*, 3:8-14. The 894 Patent explains that consumers wishing to purchase a lottery ticket in connection with the patented invention can select the desired pre-printed ticket from a display at a retailer and “drop the pre-printed lottery ticket(s) into their shopping cart” along with any other shopping items they wish to purchase. *INCOMM-1001*, 4:18-21. To activate the lottery ticket, the cashier scans a barcode printed on the ticket “as they would scan any other product being purchased.” *INCOMM-1001*, 21-23. Figure 1 depicts a pre-printed lottery ticket (**orange**) and purchase receipt (**purple**).

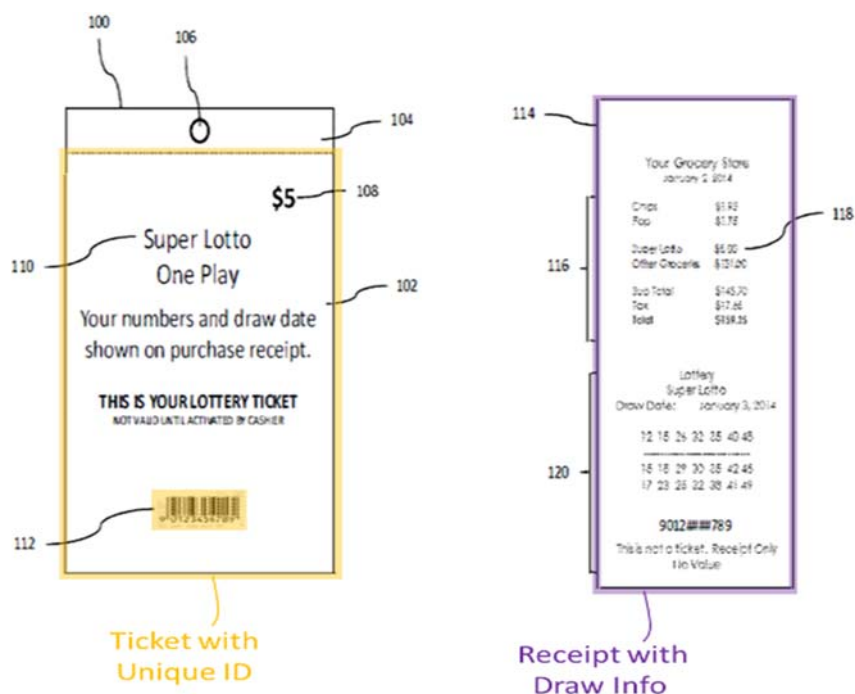


Figure 1

*INCOMM-1001*, Fig. 1

The ticket 100 includes a barcode 112 that contains “the Ticket Unique Identifier, Universal Product Code and may contain price information.”

*INCOMM-1001*, 5:59-64.

In Figure 3, the 894 Patent illustrates a method 300 for providing a lottery ticket wherein the POS terminal 202 communicates directly with the lottery system 220. In Figure 7, the 894 Patent illustrates an alternative method 700 using a transaction processor 630 “to facilitate the exchange of data between the retailer’s point of sale 202 and the lottery system 220.” *INCOMM-1001*, 8:11-13.

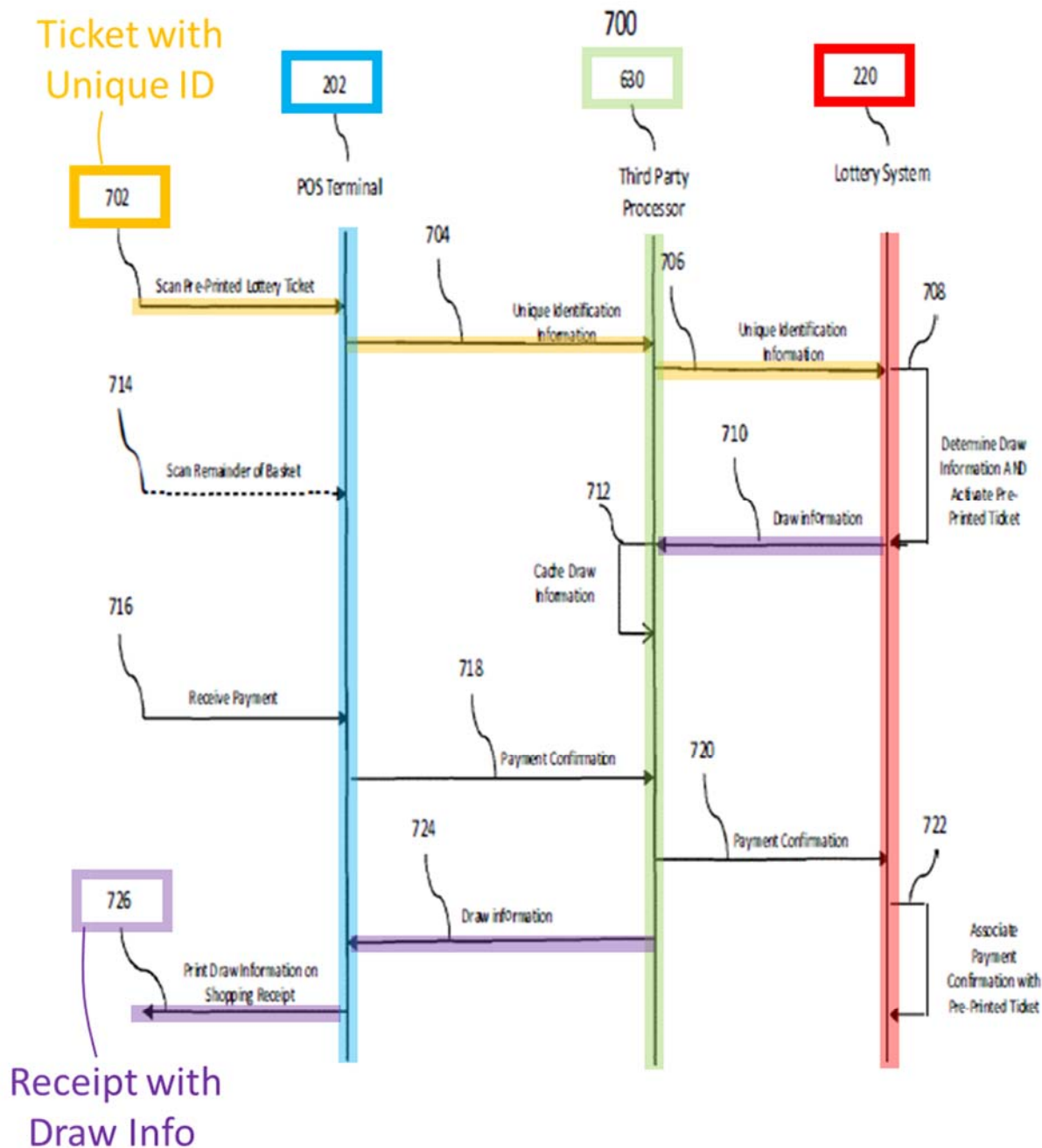


Figure 7

INCOMM-1001, Fig. 7

According to the 894 Patent, the pre-printed ticket is scanned (702) at a POS

terminal 202 and the unique identification information is communicated (704) to the transaction processor 630. *INCOMM-1001*, 9:1-8. The transaction processor 630 communicates the unique identification information (706) to the lottery system 220. *INCOMM-1001*, 9:8-9. The lottery system 220 determines draw information and activates the ticket (708), then communicates the draw information (710) to the transaction processor 630, which in turn, communicates the draw information (724) to the POS terminal where the receipt 114 of the purchase transaction is printed (726). *INCOMM-1001*, 9:9-27.

The 894 Patent explains that the system for carrying out the claimed invention includes (i) the retailer's pre-existing POS system, (ii) a lottery system 220 for the generation and activating of re-printed ticket wagers and draw date, and, in some embodiments, (iii) a transaction processor 630 to facilitate the exchange of data between the retailers point of sale 202 and the lottery system 220. The specification makes clear that the system uses only conventional computer components that perform only their basic computing functions. Indeed, the specification stresses that "[n]o specialized hardware" is necessary and that the activation of the claimed lottery tickets "should be fully serviced by the [retailer's] existing point of sale equipment," which includes a standard "barcode scanner." *INCOMM-1001*, Abstract, 2:10-13, 6:28-31. The specification further describes

both the “lottery system” and the “transaction processor system” as a standard computer that includes “a central processing unit (CPU),” a “memory unit,” and “I/O interface(s).” *INCOMM-1001*, 8:56-58.

## **B. Summary of the Challenged Claims**

The Challenged Claims (Claims 1-53) include five independent claims – method Claims 7, 29, and 33, and corresponding system Claims 1 and 6. The method claims (Claims 7-53) are directed to the process of activating pre-printed, random draw lottery tickets through a POS activation system that exchanges data with a lottery system (the “POS Claims”). The system claims (Claims 1-6) are directed to the transaction processor system that facilitates the exchange of data necessary for the lottery ticket to be activated through a POS activation system (the “Transaction Processor Claims”).

Independent Claim 7 is representative of the POS Claims and recites:

7. A method for providing a lottery ticket for a random draw comprising:
  - (a) *receiving*, by a transaction processor, a transaction request from a retailer point of sale (POS) to activate a pre-printed lottery ticket;

- (b) *providing*, by the transaction processor or retailer, to a lottery administration system unique identification information associated with pre-printed lottery ticket information received from the retailer POS without the use of lottery hardware; and
  - (c) *receiving*, by the transaction processor or retailer, from the lottery administration system, indication that draw information has been associated with the pre-printed lottery ticket;
- wherein said pre-printed lottery ticket comprises two or more codes.

*INCOMM-1001*, Claim 7.

The first “*receiving*” step (element 7(a)) involves receipt of a request to activate the ticket, whereas the second “*receiving*” step (element 7(c)) involves receipt of an *indication* that draw information has been associated with the activated ticket. The “*providing*” step (element (b)) involves giving the lottery system the identification information associated with the ticket. Notably, the claim does not recite how the draw information is associated with the pre-printed lottery ticket, nor does it even recite *that* the draw information is associated with the pre-printed lottery ticket. Rather, the claim merely assumes the association has occurred, and recites only that some indication of such association is provided.

Independent method Claim 33 is identical to Claim 7, except the second receiving step (element 33(c)) recites that the pre-printed lottery ticket comprises

“one or more codes” instead of the “two or more codes” recited in Claim 7.

Independent method Claim 29 is identical to Claim 33 except it excludes the first receiving step (element 7 (a)) in its entirety. The claims that depend from these three claims recite additional details regarding the nature of the information exchanged or the steps performed. Given the similarity of these claims, Claim 7 is representative of the POS Claims.

Independent system Claims 1 and 6 are directed to the “transaction processor system” that, as described in the specification, facilitates the exchange of data between the retailer’s POS terminal and the lottery system. In particular, these claims focus on the instructions stored in memory that facilitate the sending and receiving of information to and from the lottery system in connection with the method recited in the POS Claims. Claim 1 is representative of the Transaction Processor Claims and recites:

1. A transaction processor system comprising:
  - at least one communication interface for communicating with other devices;
  - 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 causes the transaction processor system to

- (1) provide unique identification information from a pre-printed lottery ticket,
- (2) receive, from a lottery administration system, a determined draw information associated with the unique identification information,
- (3) provide, to the lottery administration system, payment confirmation for the pre-printed lottery ticket, and
- (4) facilitate provision of random draw details associated with the pre-printed lottery ticket.

Similar to the POS Claims, Claim 1 does not recite any information as to how draw information is determined nor does it even recite that a draw date is determined. Rather, Claim 1 merely recites instructions for *receiving* draw information and for facilitating the provision of “draw details.”

Claim 6 is identical to Claim 1 except that Claim 6 does not specify where the payment confirmation is provided. Both claims recite only functional, generic computer components – namely “a communication interface for communicating,” a “processing unit for executing instructions,” and a “memory unit for storing instructions” – that perform the basic computing steps of communicating, executing instructions, sending, and storing. Given the similarity of these claims, Claim 1 is representative of the “Transaction Processor Claims.”

**C. Prosecution History**

The 894 Patent issued from U.S. Patent Application No. 15/833,566 (the “566 Application”) which is a continuation of U.S. Patent Application No. 14/679,028, now U.S. Patent No. 9,865,135. The file history for the 566 Application is submitted herewith as exhibit *INCOMM-1002*.

**D. Claim Construction**

For purposes of this post-grant review, Petitioner proposes that each claim term in the Challenged Claims be given its plain and ordinary meaning, and that no specific construction of any claim term is required because the prior art relied on in this Petition meets each of the claim terms under any reasonable construction.

**E. Priority Date of the Challenged Claims**

The 894 Patent issued from U.S. Patent Application No. 15/833,566 (the “566 Application”) which is a continuation of, and claims priority to U.S. Patent Application No. 14/679,028, filed April 6, 2015, which claims the benefit of Provisional Application No. 62/104,844 filed January 18, 2015. For the purposes of this Petition, Petitioner does not challenge the claim of priority for the Challenged Claims to January 18, 2015.

**F. Person of Ordinary Skill in the Art**

With respect to the 894 Patent, a person of ordinary skill in the art (POSA) in January 2015 would have a working knowledge of point of sale (POS) activation systems and/or lottery systems. A POSA would have gained knowledge of these systems through a mixture of training and work experience, such as by (i) having a Bachelor's degree in computer science, computer communications, electrical engineering, or equivalent degree, coupled with at least three years of experience; (ii) by obtaining a Master's degree in computer science, computer communications, or electrical engineering, but having less experience; or (iii) by having no formal degree, but having experience in the relevant field of at least six years.

#### **G. State of the Art**

The following section describes the state of the art for POS 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 and the interpretation of the prior art references and provide the basis for the motivation to modify or combine the references. Accordingly, the Board should consider each of these references. *INCOMM-1003*, ¶58; *INCOMM-1005*, ¶25.

#### **1. Early POS Activation Systems**

Point of sale activation systems or POS activation systems have been used by retailers to activate products for many years. *INCOMM-1003*, ¶59. While the details of these systems vary in certain respects, they all operate in fundamentally the same manner. *INCOMM-1003*, ¶59. 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. *INCOMM-1003*, ¶60. 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. *INCOMM-1003*, ¶61. 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. *INCOMM-1003*, ¶62. 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. *INCOMM-1003*, ¶63. Thereafter, the activated indicia can be used for its intended purpose. *INCOMM-1003*, ¶63.

Use of such 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. *INCOMM-1003*, ¶64. 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. *INCOMM-1003*, ¶65. 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. *INCOMM-1003*, ¶66. See also *INCOMM-1013*.

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. *INCOMM-1003*, ¶67. 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. *INCOMM-1003*, ¶67. One early example of such a POS activation system is described in U.S. Patent No. 5,511,114 (“Stimson-I”)(*INCOMM-1010*). Stimson-I 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. *INCOMM-1010*, 1:12; 1:24-25. *INCOMM-1003*, ¶68 An object of the invention of Stimson-I 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.” *INCOMM-1010*, 1:60-66, *INCOMM-1003*, ¶68

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. *INCOMM-1010*, 4:16-32. *INCOMM-1003*, ¶69 The terminal would then send an activation request to a remote host computer along with a card identifier. *INCOMM-1010*, 5:42-60; *INCOMM-1003*, ¶70 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. *INCOMM-1010*, 5:5-14; *INCOMM-1003*, ¶70; . Upon receipt of the card information, the host computer would verify the transaction and respond to the terminal that the card had been activated. Thereafter, the card would be in an active state and available for use. *INCOMM-1010*, 5:42-56; *INCOMM-1003*, ¶71

## **2. Expanded Use of POS Activation Systems**

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 disclosed 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”). The POS activation system of Stimson-II 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.” *INCOMM-1011*, 6:20-44.; *INCOMM-1003*, ¶73

Another POS activation system for activating prepaid cards at the time of sale is described in U.S. Patent No. 5,777,305 (1997)(“Smith-I”). 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.” *INCOMM-1012*, 2:62-64. ; *INCOMM-1003*, ¶75

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.” *INCOMM-1012*, 7:2-5; *INCOMM-1003*, ¶70 There, the magnetic 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.” *INCOMM-1012*, 7:22-29; *INCOMM-1003*, ¶78

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 . . . .

*INCOMM-1012*, 7:31-51.

Once activated, the card could be “used to conduct transactions.”

*INCOMM-1012*, 7:52-54.

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. *INCOMM-1003*, ¶81. The following patents and patent applications describe 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:

- U.S. Patent No. 6,000,608, *INCOMM-1013*, 7:35-8:10
- U.S. Patent No. 6,454,165, *INCOMM-1014*, 6:32-65.
- Publication No. WO 01/059597, *INCOMM-1015*, 4-7.
- U.S. Patent No. 7,024,807, *INCOMM-1016*, 1:7-15; 2:34-40
- U.S. Patent No. 8,706,630, *INCOMM-1017*, 2:28-33; 14:59-15:32
- U.S. Patent No. 7,093,761, *INCOMM-1018*, 6:53-7:12; 8:22-31.
- U.S. Patent No. 7,344,067, *INCOMM-1019*, 2:35-49; 7:25-28; 8:22-24;
- U.S. Patent No. 8,083,133, *INCOMM-1020*, 2:11-21.
- Publication No. US 2010/0051691, *INCOMM-1021*, 1-2, [0011]-[00112].
- U.S. Patent No. 8,862,504 *INCOMM-1022*, 3:14-32.
- U.S. Patent No. 8,424,758, *INCOMM-1023*, 2:55-67.
- U.S. Patent Publication No. 2013/0041768 *INCOMM-1008*, 1:41-67; 9:31-36.
- U.S. Patent No. 10,296,895 *INCOMM-1025*, Abstract; 1:29-32

### **3. Sale of Lottery Tickets Through Retailers' Existing POS Systems**

Lotteries have been in existence for hundreds of years and can take a number of different forms. *INCOMM-1005*, ¶26. In a random draw lottery, a player purchases a ticket for a lottery draw event that takes place in the future. *INCOMM-1005*, ¶26. The player can either select his or her own draw numbers or the draw numbers can be randomly selected by the system. *INCOMM-1005*, ¶26. 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. *INCOMM-1005*, ¶ 26.

While the 894 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." *INCOMM-1001*, 1:53-54. According to the 894 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." *INCOMM-1001*, 1:154-58. 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. *INCOMM-1007*, Abstract.

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.” *INCOMM-1007*, 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.” *INCOMM-1007*, 3:59-61. Specifically, activation is “done on the cash register by scanning ticket bar code.” *INCOMM-1007*, 4:19-22. After “the barcode information has been scanned, [the] cash register originates a transaction to the game provider requesting ticket activation.” *INCOMM-1007*, 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.” *INCOMM-1007*, 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.” *INCOMM-1007*, 5:1-5.

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.” *INCOMM-1026*, 3:55-61. Behm explains that a “plurality of lottery game tokens[] will be provided for display with the store.” *INCOMM-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.” *INCOMM-1026*, 4:21-25.

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.’” *INCOMM-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.” *INCOMM-1026*, 14:24-27.

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.” *INCOMM-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.” *INCOMM-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.” *INCOMM-1027*, 3:8-13.

A multiple in-lane lottery ticket sales system is disclosed in U.S. Patent Publication No. 2009/0163263 (“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.” *INCOMM-1028*, [0009].

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.

#### **4. Access to Draw Information By Website or Mobile Application**

It was also well known to access lottery draw information associated with a lottery ticket by inputting unique identifying information associated with the ticket into a website or mobile application.

For example, the Missouri Lottery maintained a website at least as early as October 2013 wherein a user could input unique identification information associated with a lottery ticket to determine draw information such as whether or not the ticket was eligible to redeem a prize. *INCOMM-1029*, 1.

Also by way of example, PayPal offered a POS system as application for an iPad, wherein the UPC containing the unique identification information associated

with a lottery ticket (or any product) could be scanned or entered to obtain draw information associated with the ticket. *INCOMM-1030*.

## **VI. IDENTIFICATION OF CHALLENGES**

### **A. Challenged Claims**

Claims 1-53 of the 894 Patent are challenged in this Petition.

### **B. Statutory Grounds for Challenges**

The Challenges are set forth below and summarized as follows:

| <b>Ground</b> | <b>Claims</b>      | <b>Basis</b> | <b>Reference(s)</b>                                 |
|---------------|--------------------|--------------|-----------------------------------------------------|
| 1             | 1-19, 21-53        | § 103        | Szrek alone, or in view of<br>Knowledge of a POSA   |
| 2             | 1-19, 21-29, 31-53 | § 103        | Llach in view of Szrek and<br>Knowledge of a POSA   |
| 3             | 20, 43             | § 103        | Szrek in view of Gilmore and<br>Knowledge of a POSA |

### **C. The Prior Art**

**Szrek:**

US 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. Szrek qualifies as prior art under at least § 102 (b). Szrek was not cited or applied by the examiner during prosecution of the Challenged Claims.

**Llach:**

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. Llach qualifies as prior art under at least § 102 (b). Llach was not cited or applied by the examiner during prosecution of the Challenged Claims.

**Gilmore:**

US Patent Application Publication No. 2005/02333797 titled “SYSTEM AND METHOD FOR SELLING LOTTERY GAME TICKETS THROUGH A POINT OF SALE SYSTEM” (“Gilmore”) published October 20, 2005 from an application filed March 29, 2005 that was a continuation-in-part of US Patent Application No. 09/794,726 filed February 27, 2001, now US Patent No. 6,899,621. Gilmore qualifies as prior art under at least § 102 (b). Gilmore was not cited or applied by the examiner during the prosecution of the Challenged Claims.

However, the parent application (U.S. Patent Application No. 09/794,726) published as US2002/0119817 was cited by the examiner but not applied during prosecution of the Challenged Claims.

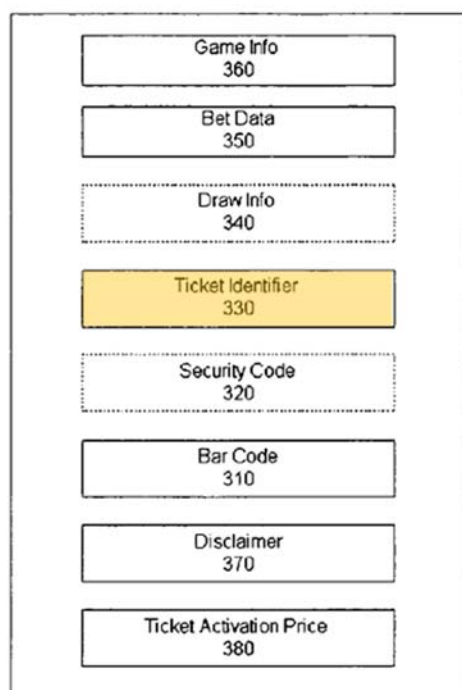
## **VII. IDENTIFICATION OF HOW THE CHALLENGED CLAIMS ARE UNPATENTABLE**

### **A. Ground 1: Claims 1-19, 21-53 Are Unpatentable Over Szrek**

#### **1. The Szrek Reference**

Szrek discloses a method of selling lottery tickets from a retailer's POS terminal. The lottery game tickets are pre-printed tickets that are not eligible to win prizes unless activated at a POS terminal (cash register). *INCOMM-1007*, Abstract; *INCOMM-1005*, ¶46. The pre-printed lottery tickets may be pre-printed by a commercial printer, printed at an in-store kiosk, or printed at a lottery gaming terminal. *INCOMM-1007*, Abstract; *INCOMM-1005*, ¶46

An example of a pre-printed ticket is illustrated in Figure 3.



300  
Preprinted Ticket  
Figure 3

*INCOMM-1007*, Fig. 3; *INCOMM-1005*, ¶47

Szrek discloses that the pre-printed ticket 300 includes a unique ticket identifier 330 (orange) and a barcode 310 that includes the unique ticket identifier 330. *INCOMM-1007*, 5:62-6:10; *INCOMM-1005*, ¶48

Each ticket 300 preferably has a barcode 310 that could be scanned on the cash register, with information allowing identifying this barcode as lottery ticket 300 and uniquely identifying the ticket 330.

*INCOMM-1007*, 6:7-10; *INCOMM-1005*, ¶48

Szrek discloses that the method is carried out by the cash register 230 communicating either directly or indirectly with the game provider system 250.

To carry out the present invention, it is assumed that an environment is provided where the cash register is capable of communicating with the game provider system (directly or indirectly) and the game provider system (or some other system on behalf of game provider system) is authorizing cash register's lottery transactions. These transactions could be stored in game provider system or in another system.

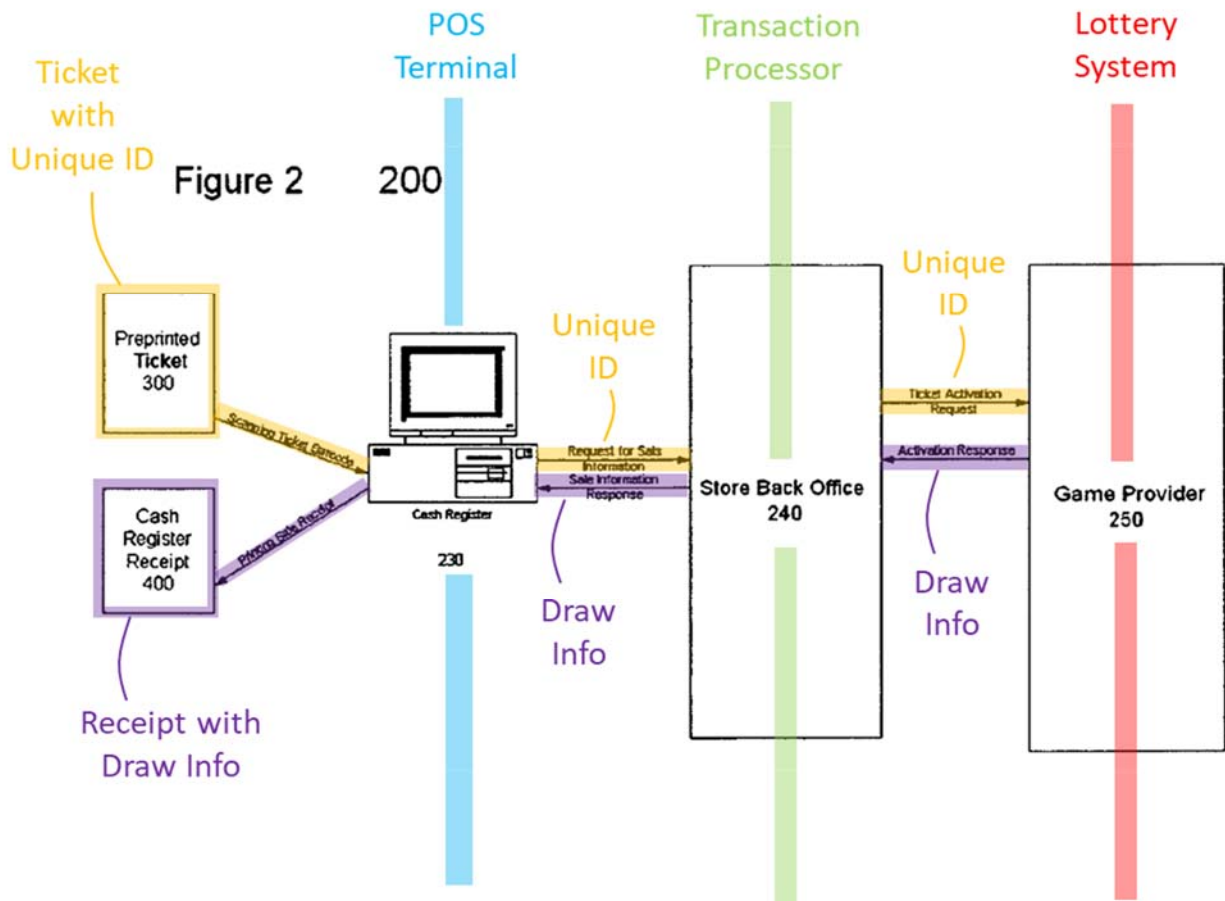
*INCOMM-1007*, 3:14-20; *INCOMM-1005*, ¶49

The ticket of the present invention does not have a play value unless it is activated. This activation could be done on the cash register by scanning ticket bar code or entering the ticket identifier manually. After the ticket identifier is obtained, an authorization request is sent to the game provider either directly from the cash register or indirectly via the store “back office.”

*INCOMM-1007*, 4:19-25; *INCOMM-1005*, ¶49

Figure 2 illustrates the system wherein the POS terminal (cash register 230) within the retailer's POS system (**blue**), communicates indirectly with lottery administration system (game provider 250)(**red**) through a transaction processor (store back office 240)(**green**). The pre-printed lottery ticket 300 (**orange**) is scanned at the cash register 230. The data from the scan of the barcode 310,

including the unique ticket identifier 330 (**orange**), is provided to the lottery system (game provider 250) through the transaction processor (store back office 240). Draw information (**purple**) is received from the lottery system and printed on the receipt 400 (Figure 4) at the cash register 230.



INCOMM-1007, Fig. 2; INCOMM-1005, ¶50.

Szrek discloses that the pre-printed ticket may include lottery draw numbers that are determined prior to printing the ticket, player-selected draw numbers, or random “quick pick” numbers. *INCOMM-1007*, 3:29-31; *INCOMM-1005*, ¶51

## 2. Detailed Application of Szrek to the Challenged Claims

### a. Claim 1

- i. *A transaction processor system comprising:  
at least one communication interface for  
communicating with other devices;  
at least one processing unit for executing  
instructions; and  
at least one memory unit for storing instructions*

Szrek is titled “METHOD FOR SELLING LOTTERY TICKETS FROM A POS TERMINAL” and discloses a “method and system for selling game of chance tickets at a point of sale cash register” wherein “the ticket is read at the cash register and activated.” *INCOMM-1007*, Title, Abstract. Szrek discloses that the method is carried out by the cash register (*POS system*) communicating either directly or indirectly with the game provider system (*lottery administration system*).

To carry out the present invention, it is assumed that an environment is provided where the cash register is capable of communicating with the game provider system (directly or indirectly) and the game provider system (or some other system on behalf of game provider

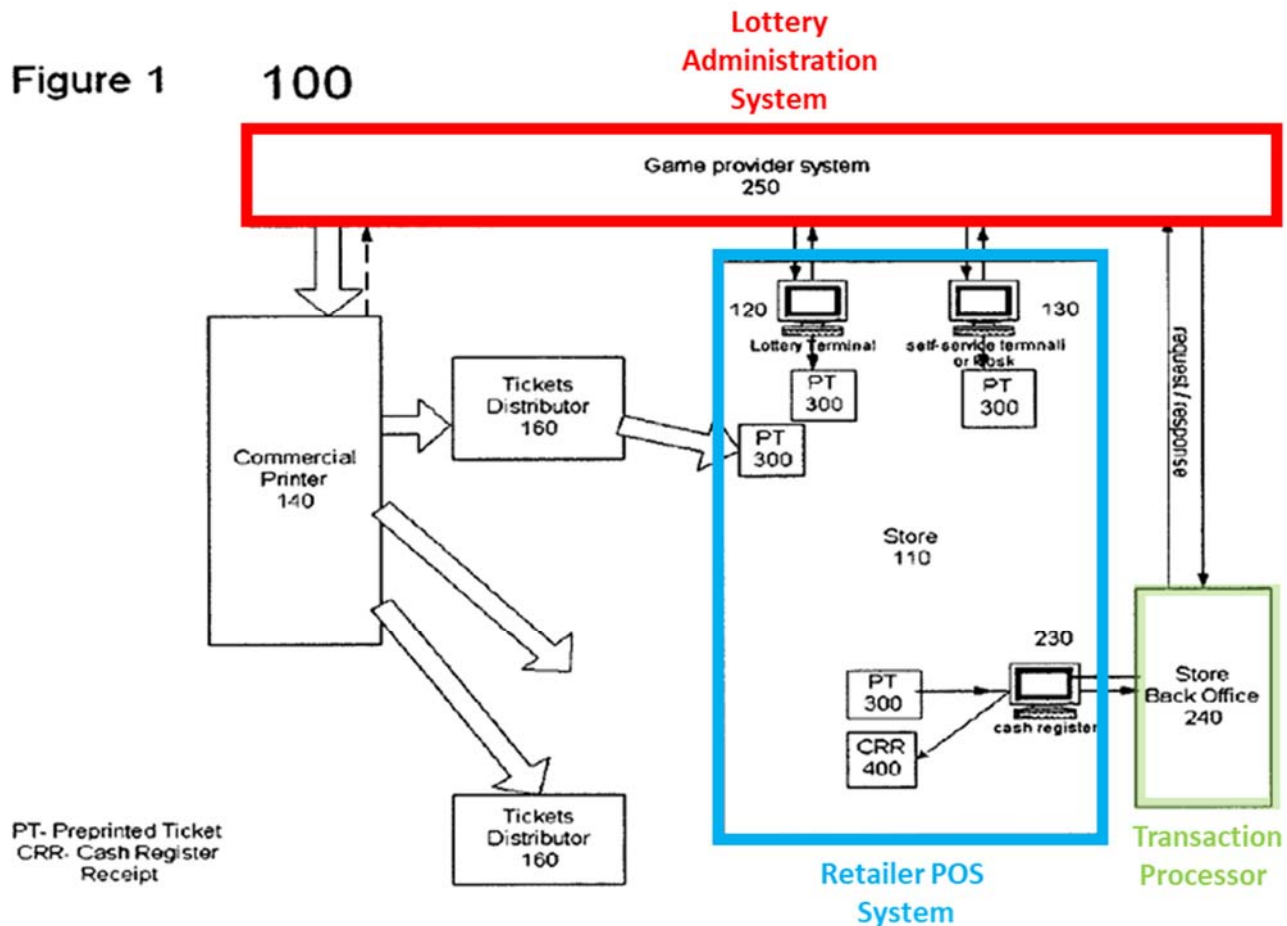
system) is authorizing cash register's lottery transactions. These transactions could be stored in game provider system or in another system.

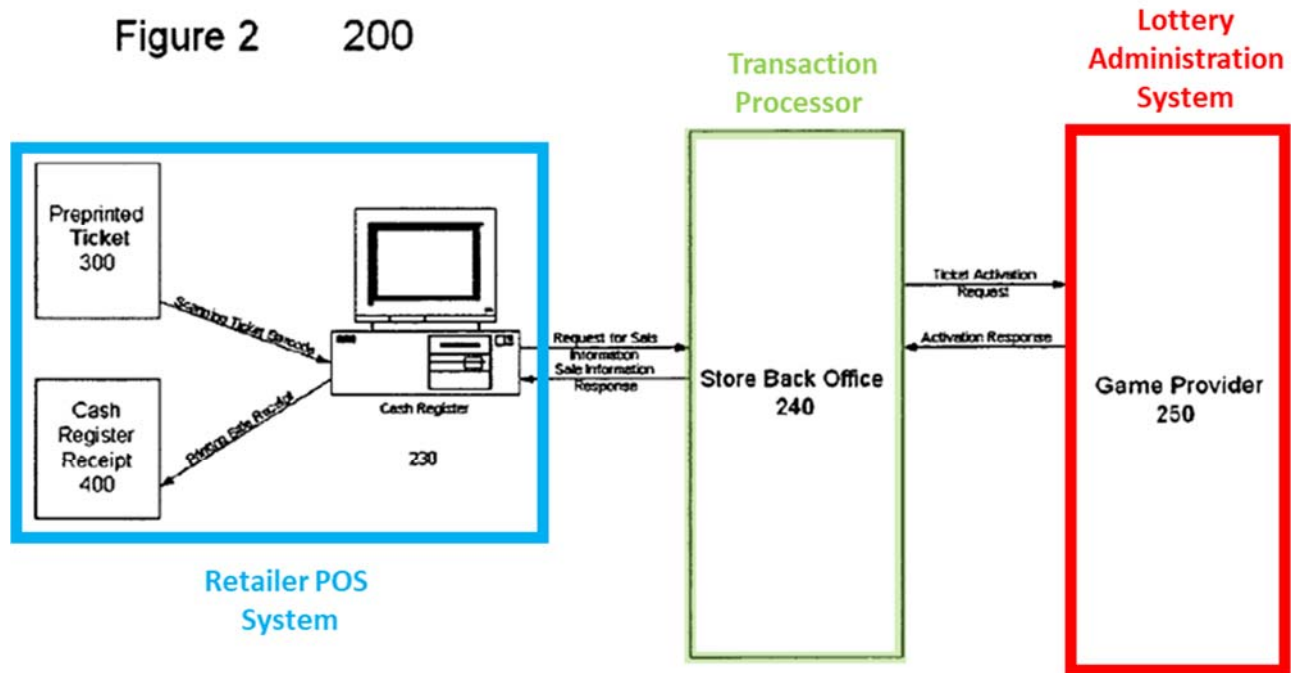
*INCOMM-1007*, 3:14-20; *INCOMM-1005*, ¶52

The ticket of the present invention does not have a play value unless it is activated. This activation could be done on the cash register by scanning ticket bar code or entering the ticket identifier manually. After the ticket identifier is obtained, an authorization request is sent to the game provider either directly from the cash register or indirectly via the store “back office.”

*INCOMM-1007*, 4:19-25; *INCOMM-1005*, ¶52

Figures 1 and 2 each illustrate the system wherein the POS terminal (cash register 230) within the retailer's POS system (**blue**), communicates with lottery administration system (game provider 250)(**red**) indirectly through a transaction processor (store back office 240)(**green**).





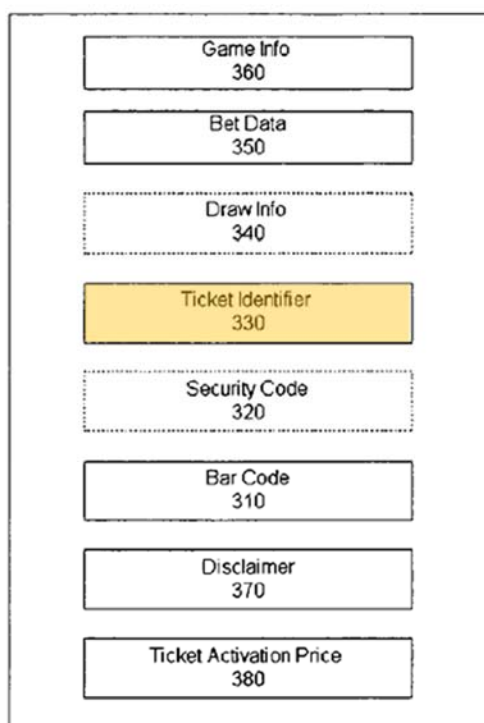
INCOMM-1007, Figs. 1 and 2; INCOMM-1005, ¶53

A POSA understood that the store back office 240 includes a transaction processor system comprising communication interfaces for communicating with the cash register 230 and the game provider 250, at least one processing unit for executing instructions, and at least one memory unit for storing instructions.

INCOMM-1005, ¶54.

- ii. *[the instructions] which when executed by the at least one processing unit causes the transaction processor system to*
  - (a) *provide unique identification information from a pre-printed lottery ticket*

Szrek discloses that the store back office 240 (*transaction processor system*) provides unique identification information from a pre-printed lottery ticket 300 to the game provider 250 (*lottery administration system*). Figure 3 illustrates the pre-printed lottery ticket 300:



**300**

**Preprinted Ticket  
Figure 3**

*INCOMM-1007*, Fig. 3; *INCOMM-1005*, ¶55

Szrek discloses that the pre-printed ticket 300 includes a unique ticket identifier 330 (**orange**) and a barcode 310 that includes the unique ticket identifier 330.

In FIG. 3, a diagrammatic representation of a lottery ticket 300 is shown. Each ticket 300 preferably has a disclaimer 370 printed such as ticket 300 will not be eligible in the draws until activated or the like. The preprinted ticket 300 contains many elements of a traditional lottery ticket, including bet selections 350, unique ticket identifier 330, barcode 310 that includes ticket identifier 330, duration for number of eligible draws (if activated) 340, ticket price or ticket activation price 380 (as opposed to ticket price on regular ticket). In addition, the ticket 300 preferably includes a security code 320 printed directly on the ticket to allow verification of play data and/or ticket authenticity plus possibly some other elements.

Each ticket 300 preferably has a barcode 310 that could be scanned on the cash register, with information allowing identifying this barcode as lottery ticket 300 and uniquely identifying the ticket 330.

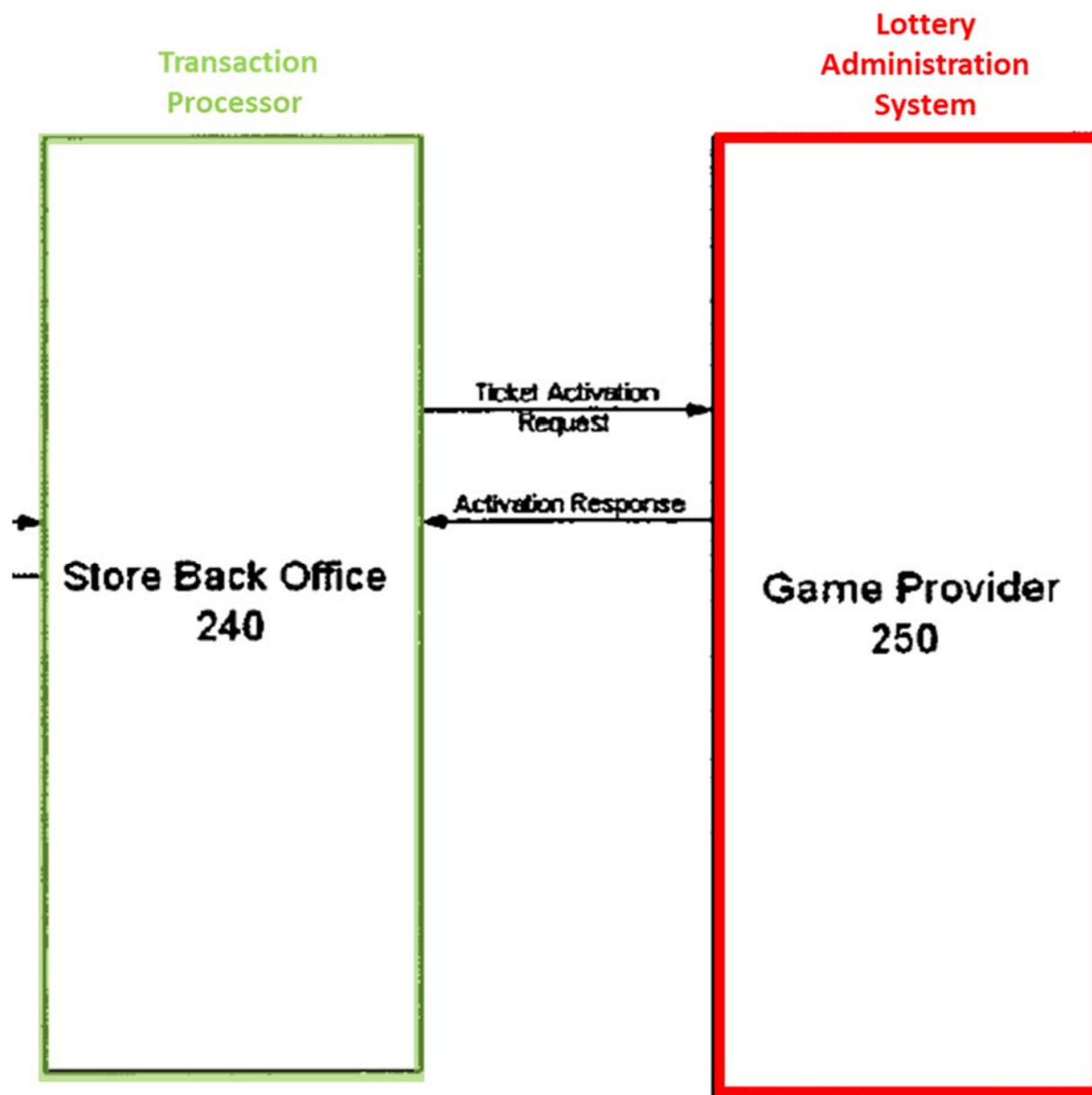
*INCOMM-1007, 5:52-6:9: INCOMM-1005, ¶56.*

The logical process of activating the pre-printed lottery ticket 300 is shown in Figure 2 of Szrek. When ticket 300 is scanned at the POS terminal (cash register 230), a transaction request to activate the ticket comprising the unique ticket identifier 330 from the barcode 310 is received by the transaction processor

(store back office 240) which then provides the transaction request to the lottery administration system (game provider 250).

In accordance with the method of the present invention, the logical process 200 of activation of lottery ticket 300 via a cash register 230 is shown in FIG. 2. The store clerk scans ticket 300 like any other product. Normally when a barcode 310 is scanned for any merchandise, the checkout register 230 application looks up the merchandise price in database or checks the price by using some algorithmic interface. In case of the ticket 300 of the present invention, this request will be transformed into transactional request to the game provider 250 who verifies if this Checkout Play 300 was already activated.

*INCOMM-1007, 6:28-38; INCOMM-1005, ¶57*



*INCOMM-1007*, Fig. 2; *INCOMM-1005*, ¶57

Thus a POSA understood that Szrek discloses the transaction processor system (store back office 240) providing unique identification information 330

from the pre-printed ticket 300 to the lottery administration system (game provider 250). *INCOMM-1005*, ¶58

**(b) receive from a lottery administration system, a determined draw information associated with the unique identification information,**

Szrek discloses that the transaction processor (store back office 240) receives activation receipt information (*determined draw information*) associated with the unique identification information. Specifically, Fig. 2 (above) illustrates that the transaction processor system (store back office 240) receives an “Activation Response” from the lottery administration system (game provider 250).

The game provider verifies if this was a “legal” transaction and sends activation receipt info to the cash register. Because [the] lottery ticket is preprinted in a secure fashion, and only an activation receipt for the transaction is printed at cash register, the ticket could be regarded as secure.

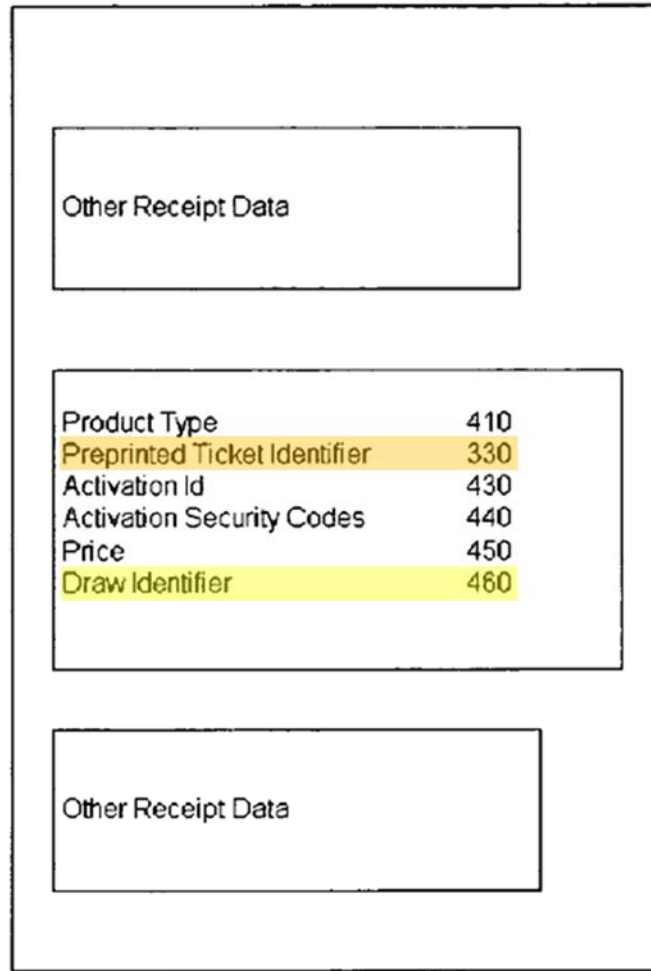
*INCOMM-1007*, 3:53-57; *INCOMM-1005*, ¶59

The information received by the transaction processor (store back office 240) is then provided to the POS terminal (cash register 230) and printed on the receipt 400 of the transaction.

Once the ticket 300 is activated, product type 410 (sale of lottery ticket, or a sale of ticket for the specific game or game event), ***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***, are printed on cash register receipt. In some embodiments, the game provider 250 time could be printed on the cash receipt 400.

*INCOMM-1007*, 6:54-61; *INCOMM-1005*, ¶60

The information printed on the receipt 400 is illustrated in Figure 4 and includes a valid draw identifier 460 such as the draw number and draw time (**yellow**) that is associated with the unique ticket identifier 330 (**orange**).



**400**  
**Cash Register**  
**Receipt Figure 4**

*INCOMM-1007*, Fig. 4; *INCOMM-1005*, ¶61.

- (c) *provide, to the lottery administration system, payment confirmation for the pre-printed lottery ticket,*

Szrek discloses that the transaction processor (store back office 240) provides payment confirmation to the lottery administration system (game provider 250). Szrek discloses that a “preprinted ticket is not eligible to win unless payment and activation occurs.” *INCOMM-1007*, 4:28-29. Szrek also discloses that if the game provider 250 receives an activation request for a ticket that has already participated in a drawing, the game provider system could check if the ticket 300 is a winner and could send information back that “the ticket is a winner and authorize winner payment.” *INCOMM-1007*, 6:44-47. Thus a POSA understood that in order for the lottery administration system (game provider 250) to authorize payment of a winning prize, the transaction processor system 240 must have provided, to the lottery administration system (game provider 250), payment confirmation for the pre-printed lottery ticket since the “preprinted ticket is not eligible to win unless payment and activation occurs” as noted above. *INCOMM-1005*, ¶62

In addition, Szrek discloses that “nullification of the activation may be provided if the activation was not paid for.” *INCOMM-1007*, 7:6-8; *INCOMM-1005*, ¶63

Thus a POSA understood that Szrek discloses providing payment confirmation to the lottery administration system. *INCOMM-1005*, ¶64

**(d) (4) facilitate provision of random draw details associated with the pre-printed lottery ticket.**

Szrek discloses this limitation in the same manner as set forth for Claim 1(ii)(b) (Section VII.2.a.ii(b)). *INCOMM-1005*, ¶65

**b. Claim 2**

***The transaction processor system of claim 1, wherein facilitate provision of random draw details comprises receiving, from the lottery administration system, an image or data package containing at least the random draw details.***

Claim 2 is disclosed by Szrek for the same reasons as set forth with respect to Claim 1(ii)(b) (Section VII.A.2.a.ii(b)). The activation receipt information received by the transaction processor (store back office 240) is then provided to the POS terminal (cash register 230) and printed on the receipt 400 of the transaction. *INCOMM-1007*, 6:54-61, Fig. 4; *INCOMM-1005*, ¶66

**c. Claim 3**

***The transaction processor system of claim 1, wherein facilitate provision of random draw details comprises delivery of the random draw***

***details in response to a scan of the pre-printed lottery ticket.***

Claim 3 is disclosed by Szrek for the same reasons as set forth with respect to Claim 1(ii)(a,b) (Section VII.A.2.a.ii(a,b)).

When ticket 300 is scanned at the POS terminal (cash register 230), a transaction request to activate the ticket comprising the unique ticket identifier 330 from the barcode 310 is received by the transaction provider (store back office 240) which then provides the transaction request to the lottery administration system (game provider 250). *INCOMM-1007*, 6:28-38, Fig. 2; *INCOMM-1005*, ¶68

In response to the transaction request, the activation receipt information received by the transaction processor (store back office 240) is then provided to the POS terminal (cash register 230) and printed on the receipt 400 of the transaction. *INCOMM-1007*, 6:54-61, Fig. 4; *INCOMM-1005*, ¶69

**d. Claim 4**

***The transaction processor system of claim 1, wherein facilitate provision of random draw details comprises delivery of the random draw details in response to entry of the pre-printed lottery ticket's unique identifier into a website.***

Claim 4 is disclosed by Szrek for the same reasons as set forth with respect to Claim 1(ii)(b) (Section VII.A.2.a.ii(b)).

To the extent that Szrek does not disclose entry of the unique ticket identifier into a website, it would have been obvious in view of knowledge of a POSA. As described in the state of the art section above, the use of websites by lottery administration systems to provide detailed draw information such as quick pick numbers or to determine if the lottery ticket is a winner in response to entry of a specific lottery ticket identifier, was well known. *See* State of the Art section (V.G.4) above. A POSA would have been motivated to utilize a website to provide draw details specific to the pre-printed lottery ticket in order to provide the customer additional avenues/convenience for information regarding the ticket.

INCOMM-1005, ¶71

e. **Claim 5**

***The transaction processor system of claim 1, wherein facilitate provision of random draw details comprises delivery of the random draw details in response to entry of the pre-printed lottery ticket's unique identifier into a mobile application.***

Claim 5 is disclosed by Szrek for the same reasons as set forth with respect to Claim 1(ii)(b) (Section VII.A.2.a.ii(b)).

To the extent that Szrek does not disclose entry of the unique ticket identifier into a mobile application, it would have been obvious in view of knowledge of a POSA. As described in the state of the art section above, the use of mobile applications by lottery administration systems to provide detailed draw information, such as quick pick numbers, in response to entry of a specific lottery ticket identifier, was well known. *See* State of the Art section (V.G.4) above. A POSA would have been motivated to utilize a mobile application to provide draw details specific to the pre-printed lottery ticket in order to provide the customer additional avenues/convenience for information regarding the ticket. *INCOMM-1005*, ¶73

**f. Claim 6**

- i. A transaction processor system comprising:  
at least one communication interface for  
communicating with other devices; at least one  
processing unit for executing instructions; and  
at least one memory unit for storing instructions*

This limitation is disclosed by Szrek for the same reasons as set forth with respect to Claim 1(i) (Section VII.A.2.a.i). *INCOMM-1005*, ¶74

- ii. [the instructions] which when executed by the at  
least one processing unit causes the transaction  
processor system to*

**(a) *provide unique identification information from a pre-printed lottery ticket***

This limitation is disclosed by Szrek in the same manner as set forth with respect to Claim 1(ii)(a) (Section VII.A.2.a.ii(a)). *INCOMM-1005*, ¶75

**(b) *receive a determined draw information associated with the unique identification information,***

This limitation is disclosed by Szrek in the same manner as set forth with respect to Claim 1(ii)(b) (Section VII.A.2.a.ii(b)). *INCOMM-1005*, ¶76

**(c) *provide payment confirmation for the pre-printed lottery ticket,***

This limitation is disclosed by Szrek in the same manner as set forth with respect to Claim 1(ii)(c) (Section VII.A.2.a.ii(c)). *INCOMM-1005*, ¶77

**(d) *and facilitate provision of random draw details associated with the pre-printed lottery ticket.***

This limitation is disclosed by Szrek in the same manner as set forth with respect to Claim 1(ii)(d) (Section VII.A.2.a.ii(d)). *INCOMM-1005*, ¶78

**g. Claims 7, [33]**

***A method for providing a lottery ticket for a random draw comprising:***

To the extent to preamble is limiting, Szrek discloses a method for providing a lottery ticket for a random draw in the manner as set forth in Claim 1. (Sections VII.A.2.i-ii). *INCOMM-1005*, ¶79

Szrek is titled “METHOD FOR SELLING LOTTERY TICKETS FROM A POS TERMINAL” and discloses a “method and system for selling game of chance tickets at a point of sale cash register” wherein “the ticket is read at the cash register and activated.” *INCOMM-1007*, Title, Abstract; *INCOMM-1005*, ¶80

The present invention relates to the lottery industry. More specifically, it relates to printing and authenticating tickets used for the administration and operation of the lottery system and process. 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.

*INCOMM-1007*, 1:13-19; *INCOMM-1005*, ¶80

Szrek further discloses that the lottery tickets may be sold for a random draw lottery game, such as a “quick pick” game.

The ticket can be preprinted according to player's selection, his favorite bet, or as a computer generated selections (quick pick).

*INCOMM-1007*, 3:28-31; *INCOMM-1005*, ¶81

Szrek discloses that the method is carried out by the cash register (*POS system*) communicating either directly or indirectly with the game provider system (*lottery administration system*).

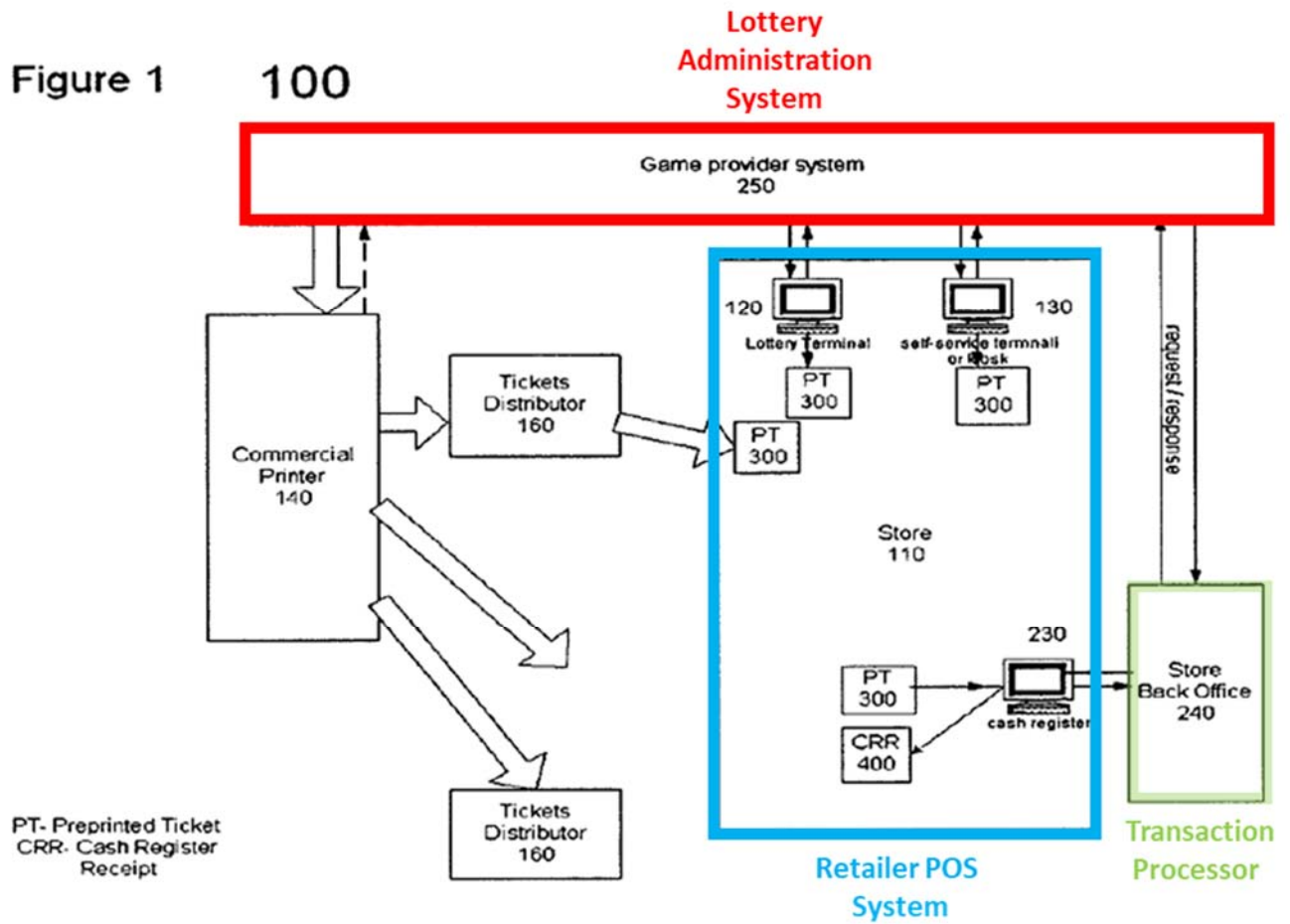
To carry out the present invention, it is assumed that an environment is provided where the cash register is capable of communicating with the game provider system (directly or indirectly) and the game provider system (or some other system on behalf of game provider system) is authorizing cash register's lottery transactions. These transactions could be stored in game provider system or in another system.

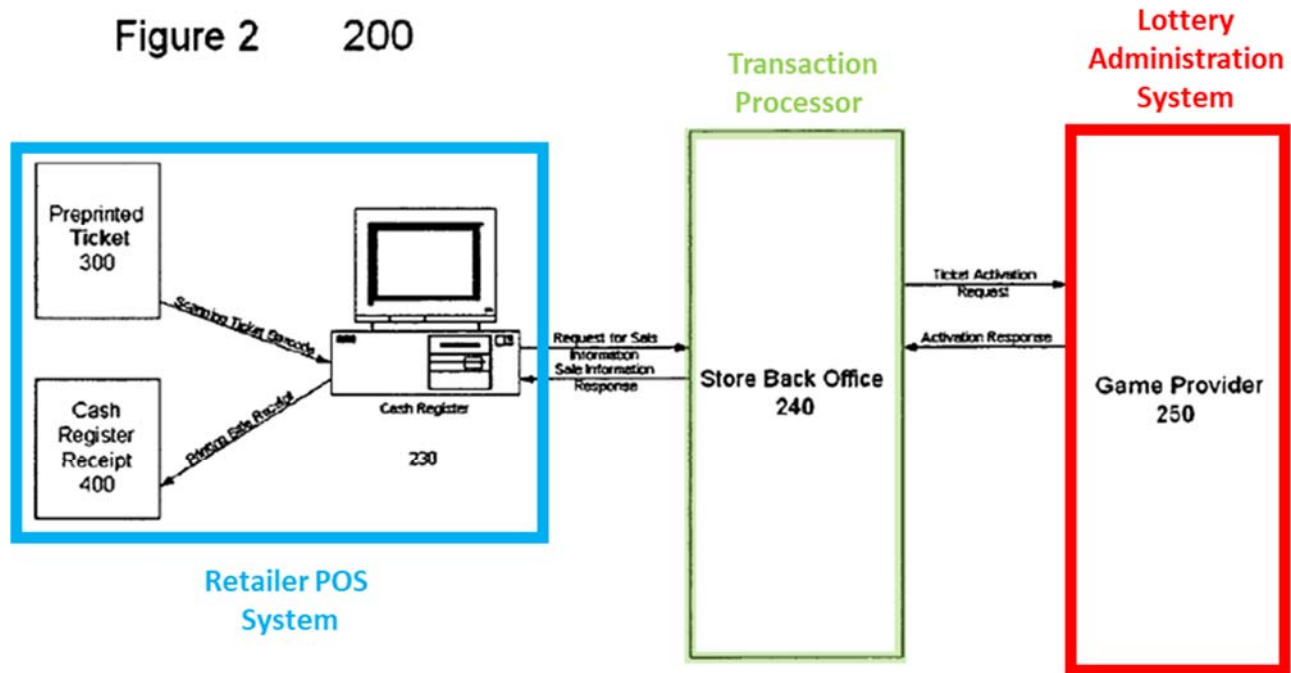
*INCOMM-1007*, 3:14-20; *INCOMM-1005*, ¶82

The ticket of the present invention does not have a play value unless it is activated. This activation could be done on the cash register by scanning ticket bar code or entering the ticket identifier manually. After the ticket identifier is obtained, an authorization request is sent to the game provider either directly from the cash register or indirectly via the store “back office.”

*INCOMM-1007*, 4:19-26; *INCOMM-1005*, ¶82

Figs. 1 and 2 each illustrate the system wherein the POS terminal (cash register 230) within the retailer's POS system (**blue**) communicates with lottery administration system (game provider 250) (**red**) indirectly through a transaction processor (store back office 240) (**green**).





INCOMM-1007, Figs. 1 and 2 : INCOMM-1005, ¶83

A POSA understood that the store back office 240 comprises a transaction processor system that facilitates communication and data transfer between the POS system (cash register 230) and the lottery system (game provider 250). INCOMM-1005, ¶84

- i. receiving, by a transaction processor, a transaction request from a retailer point of sale (POS) to activate a pre-printed lottery ticket;*

This limitation is disclosed by Szrek in the same manner as set forth in Claim 1(ii)(a)(Section VII.A.2.ii(a)) and Claim 7(P)(Section VII.A.2.g).

When ticket 300 is scanned at the POS terminal (cash register 230), a transaction request to activate the ticket comprising the unique ticket identifier 330 from the barcode 310 is received by the transaction provider (store back office 240) which then provides the transaction request to the lottery administration system (game provider 250). *INCOMM-1007, 6:28-38, Fig. 2; INCOMM-1005, ¶86*

- ii. providing, by a transaction processor or retailer, to a lottery administration system unique identification information associated with the pre-printed lottery ticket information received from a retailer POS without the use of lottery hardware;*

This limitation is disclosed by Szrek in the same manner as set forth with respect to Claim 1(ii)(a) (Section VII.A.2.a.ii) and Claim 7(P)(Section VII.A.2.g).

Szrek discloses that when ticket 300 is scanned at the POS terminal (cash register 230), a transaction request to activate the ticket comprising the unique ticket identifier 330 from the barcode 310 is received by the transaction provider (store back office 240) which then provides the transaction request to the lottery administration system (game provider 250). *INCOMM-1007, 6:28-38,54-61, Fig. 2; INCOMM-1005, ¶88*

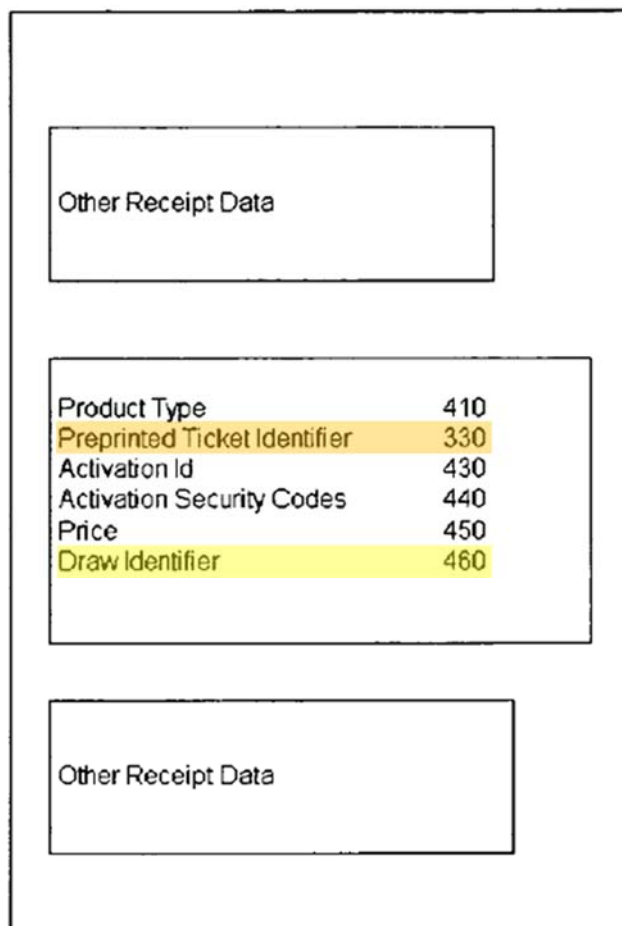
Moreover, a POSA understood that the information is received by the transaction processor (store back office 240) from the POS system (cash register 230) using only conventional POS scanning hardware – *i.e.*, without the use of lottery hardware. Szrek describes “[t]he goal of the present invention is 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” rather than utilizing “relatively high cost in-lane lottery terminals” *INCOMM-1007*, 1:16-32; *INCOMM-1005*, ¶89

***iii. receiving, by the transaction processor or retailer, from the lottery administration system, indication that draw information has been associated with the pre-printed ticket;***

This limitation is disclosed by Szrek in the same manner as set forth with respect to Claim 1(ii)(b) (Section VII.A.2.a.ii(b)).

The activation receipt information received by the transaction processor (store back office 240) from the game provider is then provided to the POS terminal (cash register 230) and printed on the receipt 400 of the transaction. *INCOMM-1007*, 3:53-57, 6:54-61, Fig. 4; *INCOMM-1005*, ¶91

The activation receipt information printed on the receipt 400 is illustrated in Figure 4 and includes a valid draw identifier 460 such as the draw number and draw time (**yellow**) that is associated with the unique ticket identifier 330 (**orange**).



**400**  
**Cash Register**  
**Receipt Figure 4**

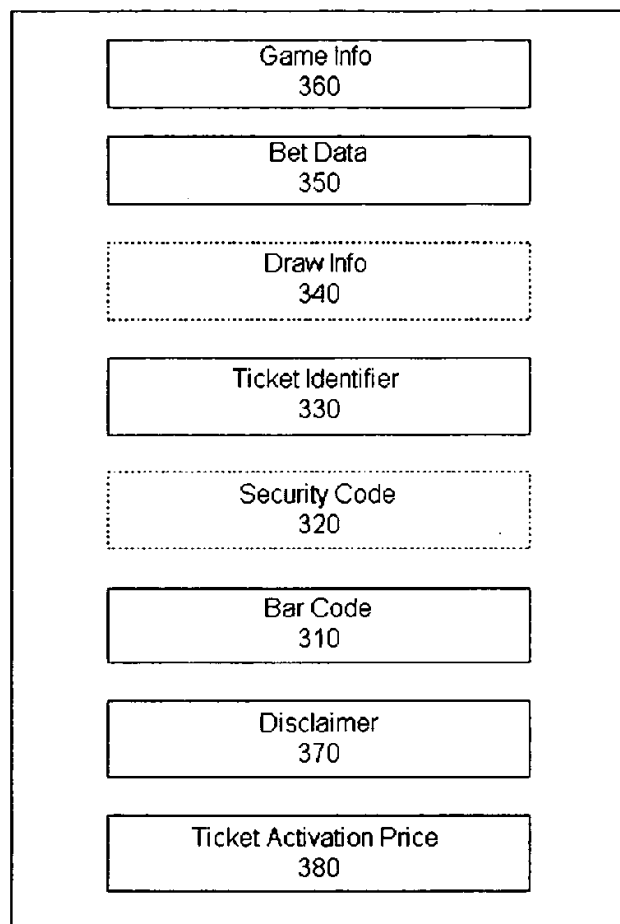
*INCOMM-1007*, Fig. 4; *INCOMM-1005*, ¶92

- iv. wherein said pre-printed lottery ticket comprises two [one] or more codes.*

Szrek discloses the preprinted lottery ticket includes at least a security code and a bar code (*two or more codes*). *INCOMM-1007*, 5:65-6:6, Fig.3; *INCOMM-1005*, ¶93

The preprinted ticket 300 contains many elements of a traditional lottery ticket, including bet selections 350, unique ticket identifier 330, **barcode 310...** that includes ticket identifier 330, duration for number of eligible draws (if activated) 340, ticket price or ticket activation price 380 ( as opposed to ticket price on regular ticket). In addition, the ticket 300 preferably includes **a security code 320** printed directly on the ticket to allow verification of play data and/or ticket authenticity plus possibly some other elements.

*INCOMM-1007*, 5:65-6:6; *INCOMM-1005*, ¶93



300

Preprinted Ticket  
Figure 3

INCOMM-1007, Fig.3; INCOMM-1005, ¶93

**h. Claim 8**

*The method of claim 7, further comprising facilitating, by the transaction processor, provision of random draw details, wherein*

***provision of the random draw details comprises delivery of the random draw details in response to a scan of the pre-printed lottery ticket on existing lottery terminals or self-serve ticket checkers.***

Claim 8 is disclosed by Szrek in the same manner as set forth with respect to Claim 7 (Section VII.A.2.g.i-iv) and Claim 1(ii)(d) (Section VII.A.2.a.ii.d). Szrek discloses, along with an illustrative cash register embodiment, lottery terminals and self-service terminal POS embodiments which follow the same logical process for activating the pre-printed tickets.

Preprinted tickets (PT) 300 is preferably preprinted by a commercial printer 140 or in the lottery kiosk 130, self service terminal 130 or regular lottery terminals 120. These tickets 300 will not be eligible in the draw until activated.

*INCOMM-1007*, 5:57-61; *INCOMM-1005*, ¶94

Szrek discloses that the POS may communicate with the game provider during ticket activation indirectly via the store back office (*transaction processor*).

*INCOMM-1007*, 3:14-20,4:19-26; *INCOMM-1005*, ¶95.

**i. Claim 9**

***The method of claim 7, further comprising facilitating, by the transaction processor, provision of random draw details, wherein provision of the random draw details comprises delivery of the random draw details in response to an entry or scanning of the pre-printed lottery ticket's unique identifier into a website.***

Claim 9 would have been obvious over Szrek in the same manner as set forth with respect to Claim 7 (Section VII.A.2.g.i-iv) and Claim 4 (Section VII.A.2.d). *INCOMM-1005*, ¶96

**j. Claim 10**

***The method of claim 7, further comprising facilitating, by the transaction processor, provision of random draw details, wherein provision of the random draw details comprises delivery of the random draw details in response to an entry or scanning of the pre-printed lottery ticket's unique identifier into a mobile application.***

Claim 10 would have been obvious over Szrek in the same manner as set forth with respect to Claim 7 (Section VII.A.2.g.i-iv) and Claim 5 (Section VII.A.2.e). *INCOMM-1005*, ¶97

**k. Claims 11 [34]**

***The method of claim 7 [33], wherein receiving the transaction request comprises receiving unique product information associated with the pre-printed lottery***

***ticket over a secure communication channel from a point of sale (POS) system.***

Claim 11 is disclosed by Szrek in the same manner as set forth with respect to Claim 7 (Section VII.A.2.g.i-iv) and Claim 1(ii)(a) (Section VII.A.2.a.ii.a).

*INCOMM-1005*, ¶98

The transaction request received by the transaction processor (store back office 240) from the POS system (cash register 230) includes information identifying the unique lottery product being purchased. Szrek discloses that the barcode on the pre-printed lottery ticket “should be compatible with barcode technology commonly used at the cash register” and that the barcode may contain information such as a lottery product code. *INCOMM-1007*, 4:40-46.

The information in the barcode should contain a ticket identifier. It may contain other information such as lottery product code, ticket price or other data. Standard barcodes, such as UPC, have usually a few well defined areas. One of them is manufacturer's ID and another is product ID.

*INCOMM-1007*, 4:43-48; *INCOMM-1005*, ¶99

A POSA understood that the lottery product code, UPC, and/or the product ID constitute unique product information associated with the pre-printed ticket.

*INCOMM-1005*, ¶100

Szrek also discloses secure communication between the lottery administrator and commercial printer via encryption and security codes.

In addition, the ticket may contain some extra security codes, so the ticket authenticity may be independently verified. Security data is designed in a way that the lottery provider is able to verify the correctness of this data to prove authenticity of the ticket. For example, commercial printer could encrypt all play data by the key only known to him and print the first few digits of the encrypted data.

*INCOMM-1007, 4:9-17; INCOMM-1005, ¶101*

To the extent Szrek does not disclose receiving the transaction request from the POS system over a secure communication channel, it would have been obvious to receive the information over a secure communications channel between the POS system and the back Office given the sensitive nature of the transaction as evidenced in Szrek by the encrypted messages between the lottery administrator and the commercial printer. A POSA would be motivated to use a secure communication channel to protect the information/system from “internal and external fraud.” *INCOMM-1007, 2:10-18, 4:7-18; INCOMM-1005, ¶102*

**I. Claims 12 [35]**

***The method of claim 7[33], wherein draw information is made available on a printed receipt; by scanning a***

***code on the pre-printed lottery ticket; or by entering a unique identifier associated with the pre-printed lottery ticket into an online website or mobile application.***

Claim 12 is obvious over Szrek in the same manner as set forth with respect to Claim 7 (Section VII.A.2.g.i-iv); Claim 1(ii)(d) (Section VII.A.2.a.ii.d) and Claims 4 and 5 (Sections VII.A.2.d and e). *INCOMM-1005*, ¶103

**m. Claims 13 [36]**

***The method of claim 7 [33], further comprising receiving unique product information associated with the pre-printed lottery ticket.***

Claim 13 is disclosed by Szrek in the same manner as set forth with respect to Claim 11 (Section VII.A.2.k).

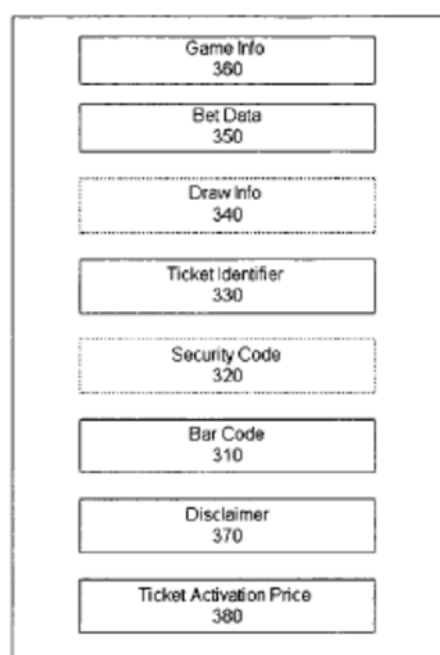
**n. Claims 14 [37]**

***The method of claim 13 [36], wherein the product information is sufficient to determine one or more of: a game type associated with the pre-printed lottery ticket; a wager amount associated with the pre-printed lottery ticket; and a number of wagers associated with the pre-printed lottery ticket.***

As illustrated in Figure 3, the product information associated with the pre-printed lottery ticket includes the game type (bet selections 350), wager amount (ticket activation price 380), and number of wagers (draw info 340).

In FIG. 3, a diagrammatic representation of a lottery ticket 300 is shown. Each ticket 300 preferably has a disclaimer 370 printed such as ticket 300 will not be eligible in the draws until activated or the like. The preprinted ticket 300 contains many elements of a traditional lottery ticket, including bet selections 350, unique ticket identifier 330, barcode 310 that includes ticket identifier 330, duration for number of eligible draws (if activated) 340, ticket price or ticket activation price 380 (as opposed to ticket price on regular ticket)

*INCOMM-1007*, 5:62-6:3; *INCOMM-1005*, ¶105



**300**  
**Preprinted Ticket**  
**Figure 3**

*INCOMM-1007*, Fig 3; *INCOMM-1005*, ¶105

Thus, a POSA understood that Szrek discloses product information associated with a pre-printed lottery ticket that is sufficient to determine one or more of: a game type associated with the pre-printed lottery ticket; a wager amount associated with the pre-printed lottery ticket; and a number of wagers associated with the pre-printed lottery ticket. *INCOMM-1005*, ¶106

**o. Claims 15 [38]**

***The method of claim 7 [33], further comprising retrieving unique identification information associated with the pre-printed lottery ticket from the received product information.***

Claim 15 is disclosed by Szrek in the same manner as set forth in Claim 7(P) (Section VII.A.2.g). *INCOMM-1005*, ¶107

Szrek describes the bar code (product information) includes among other information the unique ticket identifier.

The barcode on the preprinted ticket should be compatible with barcode technology commonly used at the cash registers. It could be EAN-13 plus 5, 2 out of 5, EAN-128 or some other standardized one or two dimensional barcode. The information in the barcode should contain a ticket identifier. It may contain other information US 2004/0193464 A1 such as lottery product code, ticket price or other data. Standard barcodes, such as UPC, have usually a few well

defined areas. One of them is manufacturer's ID and another is product ID.

*INCOMM-1007*, 4:40-48; *INCOMM-1005*, ¶108

**p. Claim 16 [39]**

***The method of claim 7 [33], further comprising validating the received transaction request.***

Szrek discloses that the transaction request to activate a pre-printed lottery ticket is sent to the lottery administration system (game provider 250) “who authorizes the activation” request. Szrek discloses that all pre-printed lottery tickets are preloaded into the game prover’s system such that during ticket activation, the game provider verifies if the transaction requested is a “legal” transaction.

All tickets are “preloaded” in the game provider’s system, and during ticket activation, the game provider system merely recognizes from the ticket identifier what transaction is activated (e.g. lotto, 6 specific boards known to the system and the player). In some embodiments ticket identifier may indicate, in an algorithmic fashion, what transaction was being activated and game provider system would “load” this transaction. The game provider verifies if this was a “legal” transaction and sends activation receipt info to the cash register. Because lottery ticket is preprinted in a secure fashion, and

only an activation receipt for the transaction is printed at cash register, the ticket could be regarded as secure.

*INCOMM-1007*, 3:46-57; *INCOMM-1005*, ¶109

Szrek also discloses that the pre-printed lottery ticket may include “extra security codes so the ticket authenticity may be independently verified” by the lottery administration system.

In addition, the ticket may contain some extra security codes, so the ticket authenticity may be independently verified. Security data is designed in a way that the lottery provider is able to verify the correctness of this data to prove authenticity of the ticket. For example, commercial printer could encrypt all play data by the key only known to him and print the first few digits of the encrypted data. The lottery security office could receive the key by independent means, encrypt all play data again and verify the security data.

*INCOMM-1007*, 4:9-18; *INCOMM-1005*, ¶110

Thus a POSA understood that Szrek discloses validating a received transaction request. *INCOMM-1005*, ¶111

q. **Claims 17 [40]**

***The method of claim 16 [39], wherein validating the received identification information comprises verifying that the product information corresponds to***

***identification information associated with a pre-printed lottery ticket.***

Claim 17 is disclosed by Szrek in the same manner as set forth with respect to Claim 16 (Section VI.A.2.p). *INCOMM-1005*, ¶112

**r. Claims 18 [41]**

***The method of claim 17 [40], wherein validating the transaction information includes verifying that the product is validly distributed by the retailer.***

Claims 18 and 41 are disclosed by Szrek in the same manner as set forth with respect to Claim 16 (Section VI.A.2.p). *INCOMM-1005*, ¶113

Szrek does not explicitly disclose (nor does the patent) a method of associating the pre-printed tickets with a specific retailer such that the identity of retailer activating the ticket could be verified at the POS. However, methods for accomplishing this are well understood and would be obvious to a POSA if it such verification was required. Regardless of the requirement to associate a specific pre-printed ticket with a particular retailer, a POSA understood that lottery administrators would require some verification that the submitting retailer was authorized to sell the tickets. Retailers would have undergone a rigorous application process to obtain a Retailer ID in order to participate in lottery sales. Therefore it would have been obvious to a POSA to modify Szrek to include

verification that the retailer submitting the request is authorized to distribute lottery tickets (*product*). *INCOMM-1005*, ¶114

s. **Claims 19 [42]**

***The method of claim 16 [39], wherein the validation comprises age validation.***

Szrek discloses validating the transaction request by verifying the age of the purchaser. Specifically, Claim 19 of Szrek recites the following:

19. The method of claim 1, further comprising the step of: verifying a player's age prior to activating the first ticket to participate in the game event.

*INCOMM-1007*, Claim 19; *INCOMM-1005*, ¶115

t. **Claims 21 [44]**

***The method of claim 7 [33], wherein the information provided to the lottery administration system includes one or more randomly determined lottery numbers associated with the pre-printed lottery ticket prior to the time the pre-printed lottery ticket is purchased at the POS.***

Szrek discloses the bet selection which includes user selected or quick picks numbers (*one or more randomly determined lottery numbers*) associated with the preprinted tickets is provided to the lottery administration system.

The preprinted ticket 300 contains many elements of a traditional lottery ticket, including **bet selections 350**, unique ticket identifier 330, barcode 310 that includes ticket identifier 330, duration for number of eligible draws (if activated) 340, ticket price or ticket activation price 380 ( as opposed to ticket price on regular ticket).

*INCOMM-10075:65-6:3; INCOMM-1005, ¶116*

The ticket can be preprinted according to player's selection, his favorite bet, or as a **computer generated selections (quick pick)**.

*INCOMM-1007, 3:29-31; INCOMM-1005, ¶116*

Szrek discloses when ticket 300 is scanned at the POS terminal (cash register 230), a transaction request to activate the ticket comprising the unique ticket identifier 330 from the barcode 310 is received by the transaction provider (store back office 240) provides the transaction request including the bet selections to the lottery administration system (game provider 250). *INCOMM-1007, 6:28-38, Fig. 2; INCOMM-1005, ¶117*

**u. Claims 22 [45]**

***The method of claim 7 [33], wherein the retailer POS is online.***

Szrek does not explicitly disclose an online POS. However, online shopping and POS interfaces were ubiquitous and well known in the art. Therefore it would

have been obvious to a POSA to provide lottery tickets over the internet with an online POS. A POSA would have been motivated to provide the online POS to expand the customer base by providing greater access and convenience.

*INCOMM-1005*, ¶118

v. **Claims 23 [46]**

*The method of claim 7 [33], wherein at least one of the two or more codes comprise a barcode.*

Claims 23 and 46 would have been obvious over Szrek in the same manner as set forth with respect to Claim 7 (Section VII.A.2.g.iv). Szrek discloses the preprinted lottery ticket includes at least a security code and a bar code.

*INCOMM-1007*, 5:65-6:6, Fig. 3; *INCOMM-1005*, ¶119

w. **Claims 24 [47]**

*The method of claim 23 [46], wherein the barcode comprises a first party information and a second party information*

Szrek discloses that the barcode(s) on the pre-printed tickets, in addition to a unique ticket identifier, contains other data, for example a manufacture's ID (*i.e.*,

commercial printer) (*first party information*) and a lottery product code associated with the game provider (*second party information*) .

The barcode on the preprinted ticket should be compatible with barcode technology commonly used at the cash registers. It could be EAN-13 plus 5, 2 out of 5, EAN-128 or some other standardized one or two dimensional barcode. The information in the barcode should contain a ticket identifier. **It may contain other information such as lottery product code, ticket price or other data.** Standard barcodes, such as UPC, have usually a few well defined areas. One of them is **manufacturer's ID** and another is **product ID**

*INCOMM-1007*,4:40-48; *INCOMM-1005*, ¶120

x. **Claims 25 [48]**

*The method of claim 23 [46], wherein the barcode comprises a universal product code and pre-printed lottery ticket information.*

Claims 25 and 48 would have been obvious over Szrek in the same manner as set forth with respect to Claim 7 (Section VII.A.2.g.iv). Szrek discloses a UPC bar code and the barcode contains ticket information, e.g. ticket identifier, lottery product code, etc. *INCOMM-1007*, 4:40-48; *INCOMM-1005*, ¶121

y. **Claims 26 [49]**

***The method of claim 7 [33], wherein the pre-printed lottery ticket contains information used to redeem a winning prize.***

Szrek discloses upon receipt of the transaction request with the ticket identifier, game provide determines if the ticket is a winner and authorizes winner payment.

In the preferred embodiment game provider system could check if the ticket 300 is a winner and send information back, without actual winner payment authorization, in another embodiment it could say **the ticket is a winner and authorize winner payment.**

*INCOMM-1007, 4:45-50; INCOMM-1005, ¶122*

**z. Claims 27 [50]**

***The method of claim 7 [33], wherein the lottery administration system generates wagers for the pre-printed lottery ticket and a draw date is assigned to the wagers.***

Szrek discloses the game provider (*lottery administration system*) generates bet information (*wagers*) for the pre-printed tickets. Szrek also discloses draw information is assigned to the bet selection associated with the pre-printed ticket upon activation.

The game provider will either provide bets information to the commercial printer or agree on the method of generation of selections.

This would be in form of data (file, data base, network, disk, tape or any other means) or in form of the algorithmic method of generation of the bets.

*INCOMM-1007*, 4:1-6; *INCOMM-1005*, ¶123

Once the ticket 300 is activated, product type 410 (sale of lottery ticket, or a sale of ticket for the specific game or game event), 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, are printed on cash register receipt. In some embodiments, the game provider 250 time could be printed on the cash receipt 400.

*INCOMM-1007*, 6:54-61; *INCOMM-1005*, ¶123

**aa. Claims 28 [51]**

***The method of claim 7 [33], wherein lottery numbers are entered in a draw.***

Claims 28 and 51 are disclosed by Szrek in the same manner as set forth with respect to Claim 27 (Section VI.A.2.z). *INCOMM-1005*, ¶124

**bb. Claim 52**<sup>3</sup>

*The method of claim 33, wherein said pre-printed lottery ticket comprises two or more codes.*

This limitation is disclosed by Szrek for the same reasons as set forth with respect to Claim 7(iv). (Section VII.A.2.g.iv). *INCOMM-1005*, ¶125

**cc. Claim 53**

*The method of claim 52, wherein draw information is made available on a printed receipt; by scanning a code on the pre-printed lottery ticket; or by entering a unique identifier associated with the pre-printed lottery ticket into an online website or mobile application.*

This limitation is disclosed by Szrek for the same reasons as set forth with respect to Claim 7 (Section VII.A.2.g.i-iv) and Claim 1(ii)(d) (Section VII.A.2.a.ii.d). *INCOMM-1005*, ¶126

**dd. Claim 29**

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<sup>3</sup> The limitations and scope of Claim 52 are identical to the limitations of Claim 7.

***A method for providing a product for a draw comprising:***

To the extent the preamble is limiting, it is disclosed by Szrek for the same reasons as set forth with respect to Claim 7 (Section VII.A.2.g). *INCOMM-1005*,

¶127

- i. (a) providing, by a transaction processor or retailer, to a lottery administration system unique identification information associated with pre-printed lottery ticket information received from a retailer POS without the use of lottery hardware;***

This limitation is obvious over Szrek for the same reasons as set forth with respect to Claim 7 (Section VII.A.2.g.ii). *INCOMM-1005*, ¶128

- ii. (b) receiving, by the transaction processor or retailer, from the lottery administration system, indication that draw information has been associated with the pre-printed lottery ticket;***

This limitation is obvious over Szrek for the same reasons as set forth with respect to Claims 1 and 7 (Sections VII.A.2. a.ii.(b) and g.iii). *INCOMM-1005*,

¶129

- iii. wherein said pre-printed lottery ticket comprises one or more codes.***

This limitation is obvious over Szrek for the same reasons as set forth with respect to Claim 7 (Section VII.A.2.g.iv). *INCOMM-1005*, ¶130

ee. **Claim 30**

***The method of claim 29, wherein the unique identification information is provided by a retailer.***

Szrek discloses the communications with the lottery administrator (*e.g.*, the activation request with the unique identification information and the activation response) may be from the cash register (*retailer*) or store back office (*retailer*).

To carry out the present invention, it is assumed that an environment is provided where the cash register is capable of communicating with the game provider system (directly or indirectly) and the game provider system (or some other system on behalf of game provider system) is authorizing cash register's lottery transactions.

*INCOMM-1007*, 3:14-19; *INCOMM-1005*, ¶131

This request [activation request] is usually transformed into an activation request by the store back office software. The request is then sent to the game provider, who authorizes the activation and sends back lottery product description, price, and activation receipt identifier, usually with some security code.

*INCOMM-1007*, 4:59-64; *INCOMM-1005*, ¶131

ff. **Claim 31**

***The method of claim 29, wherein the unique identification information is provided by a transaction processor.***

This limitation is disclosed by Szrek for the same reasons as set forth with respect to Claim 7 (Section VII.A.2.g.ii). Szrek discloses the store back office (*transaction processor*) provides the unique identification information. *INCOMM-1005*, ¶132

**gg. Claim 32**

***i. The method of claim 29, wherein draw information is made available on a printed receipt; by scanning a code on the pre-printed lottery ticket; or by entering a unique identifier associated with the pre-printed lottery ticket into an online website or mobile application.***

Claim 32 is obvious over Szrek in the same manner as set forth with respect to Claim 7 (Section VII.A.2.g.i-iv); Claim 1(ii)(d) (Section VII.A.2.a.ii.d) and Claims 4 and 5 (Sections VII.A.2.d and e). *INCOMM-1005*, ¶133

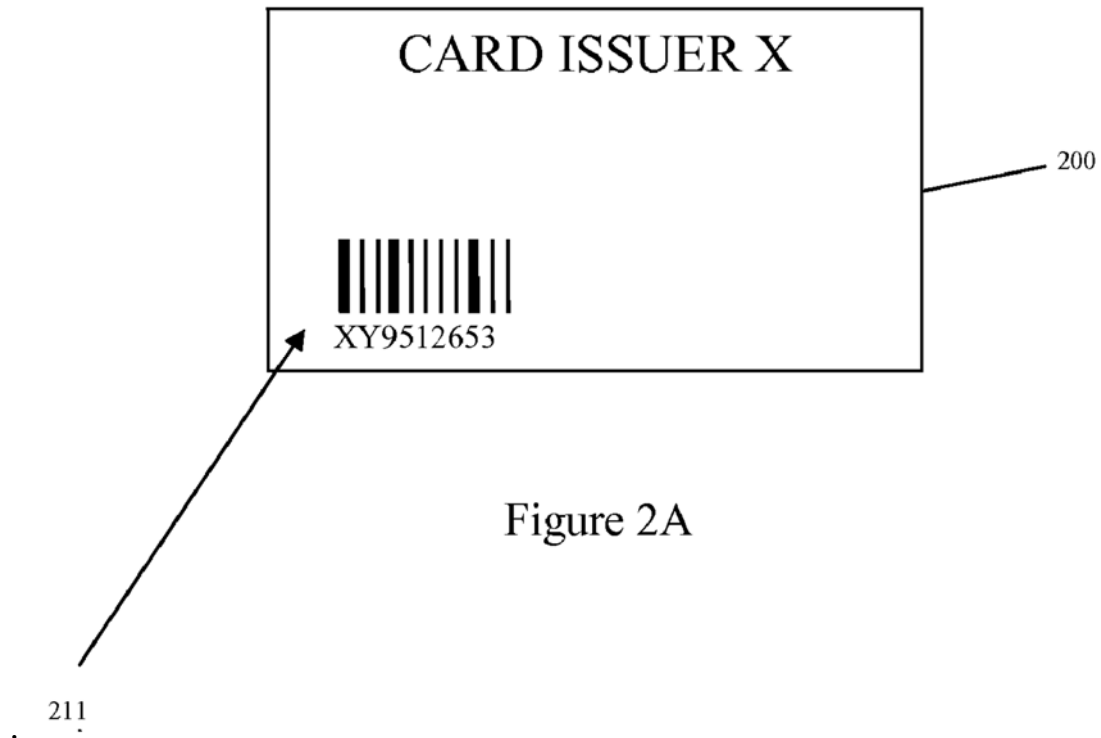
**B. Ground 2: Claims 1-19, 21-29, 31-53 Are Unpatentable Over LLach and Szrek**

**1. The LLach reference**

LLach describes a computer implemented method for adding value to a stored value card (Gift Card, Phone Card, etc.) in excess of the purchase price for

the stored value card. A stored value card transaction processor receives an activation or redemption request for a stored value card from a point of sale terminal. The activation or redemption request comprises a card identification, a point of sale terminal identification, a merchant identification, or a time of activation. The processor then transmits a modified request to the card issuer authorization system and receives a response or authorization which is forwarded to the point of sale terminal. *INCOMM-1008*, Abstract; *INCOMM-1005*, ¶135.

Llach discloses the card has a unique identifier 211 (*e.g.*, barcode, mag strip) associated with it and encoded upon it used to activate or redeem it. Fig. 2A illustrates an embodiment of the card. *INCOMM-1008*, [0041]



*INCOMM-1008*, Fig. 2A; *INCOMM-1005*, ¶136

Fig. 1 illustrates the Point of Sale System 11 (**blue**), transaction processor 150 (**green**) and the Card Issuers authorization system 160 (**red**).

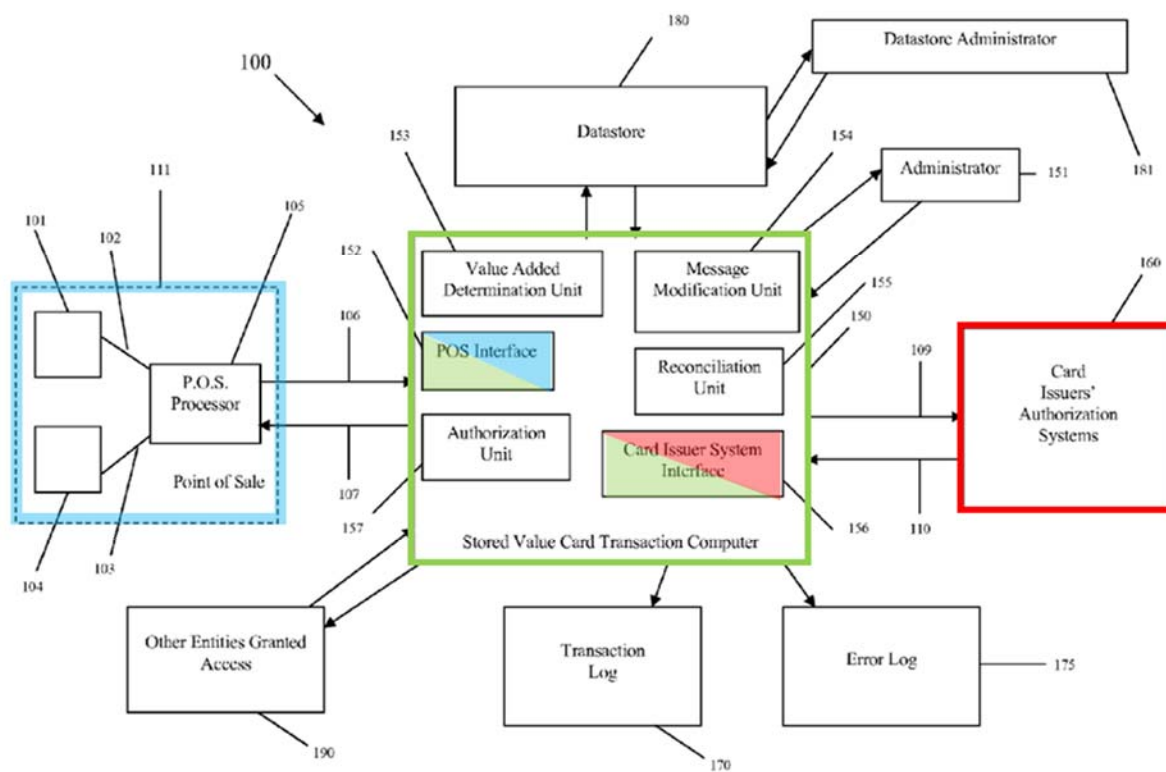


Figure 1

*INCOMM-1008*, Fig. 1; *INCOMM-1005*, ¶137

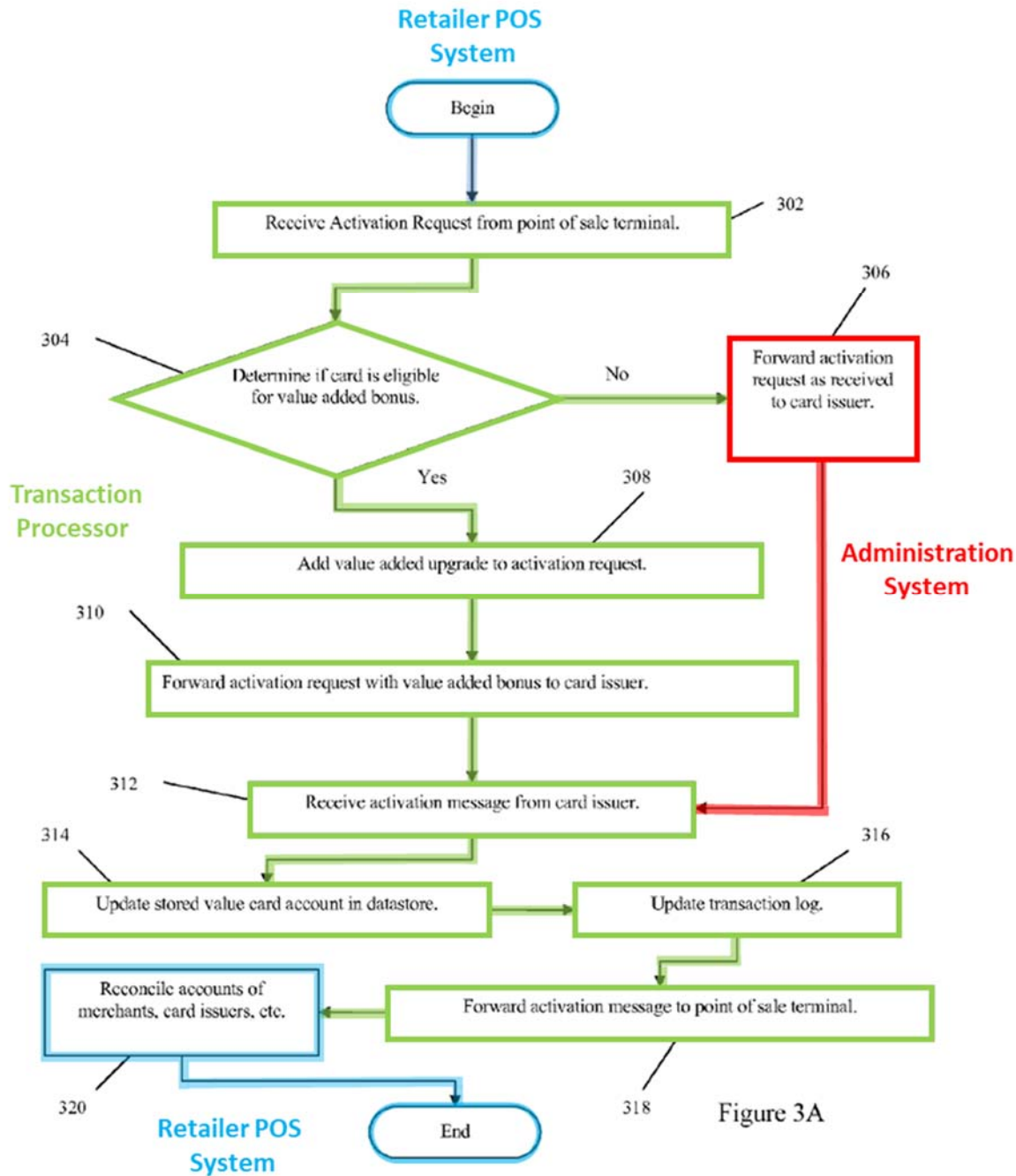
An exemplary process utilized by a stored value card transaction computer 150 for activating a stored value card is depicted in FIG. 3A. To begin, in block 302, the stored value card transaction computer 150 receives a transaction request from a point of sale terminal. *INCOMM-1008*, [0046]; *INCOMM-1005*, ¶138

If the stored value card is not eligible for value differentiation, then in block 306, the stored value card transaction computer 150 forwards the transaction request as received from the point of sale component 111 to the appropriate one of

the card issuers' authorization systems 160 without modifying the request to include value differentiation. *INCOMM-1008*, [0047]; *INCOMM-1005*, ¶139

The stored value card transaction computer 150 receives the response message from the appropriate one of the card issuers' authorization systems 160 in block 312. *INCOMM-1008*, [0049]; *INCOMM-1005*, ¶140

The stored value card transaction computer 150, in block 318, then forwards the response message to the point of sale component 111. The stored value card transaction computer 150 may modify the response message to include information that may be printed on a receipt for the customer and/or presented on a display to the store clerk operating the point of sale component 111. At block 320, the stored value card transaction computer 150 reconciles the accounts of the various vendors, merchants, card issuers, the stored value card transaction system administrator, and other entities. Alternatively, reconciliation of accounts may be performed periodically (*e.g.*, daily, weekly, monthly, etc.) rather than after each transaction. *INCOMM-1008*, [0050]; *INCOMM-1005*, ¶141.



INCOMM-1008, Fig. 3A; INCOMM-1005, ¶141

## 2. Detailed Application of Llach and Szrek to the Challenged Claims

a. **Claim 1**

- i. ***A transaction processor system comprising:  
at least one communication interface for  
communicating with other devices;  
at least one processing unit for executing  
instructions; and  
at least one memory unit for storing instructions***

Specifically, the activation system of Llach includes a transaction computer 150 (**green**) (*transaction processor system*) that includes a POS interface 152 to communication with the POS system (**blue**) and a Card issuer System interface 156 to communicate with the Card issuer system (**red**) (*communication interfaces*).

FIG. 1 illustrates an exemplary stored value card transaction system 100 in accordance with one embodiment of the present invention. In one embodiment, the stored value card transaction system comprises: (a) at least one point of sale component 111; (b) a stored value card transaction computer 150; (c) a datastore 180 containing stored value card identifiers, stored value card account information, value added award conditions (herein “value added award” is synonymous with “value added bonus,” “value added bonus award,” “value added award bonus,” and “value differentiation”), and other information related to activating, redeeming, and managing stored value cards; (d) at least one individual card issuers’ authorization system 160; and (e) any other component included in the system by the stored-value card transaction computer administrator 151.

INCOMM-1008, [0018]; INCOMM-1005, ¶142

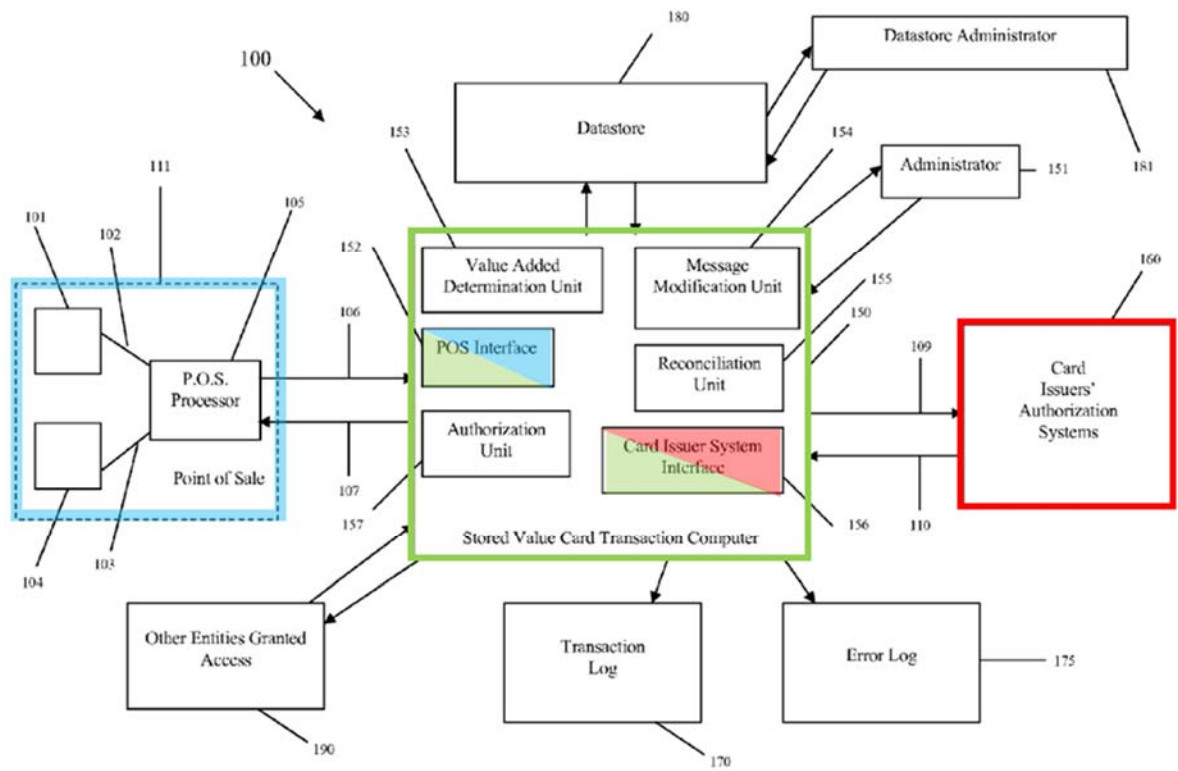


Figure 1

INCOMM-1008, Fig. 1; INCOMM-1005, ¶142

The transaction computer includes a processing unit that executes instructions stored in a memory.

[0074] The 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. FIG. 5 illustrates a typical, general-purpose computer system suitable for

implementing one or more embodiments disclosed herein. The computer system 580 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. The processor may be implemented as one or more CPU chips.

*INCOMM-1008*, [0074]; *INCOMM-1005*, ¶143

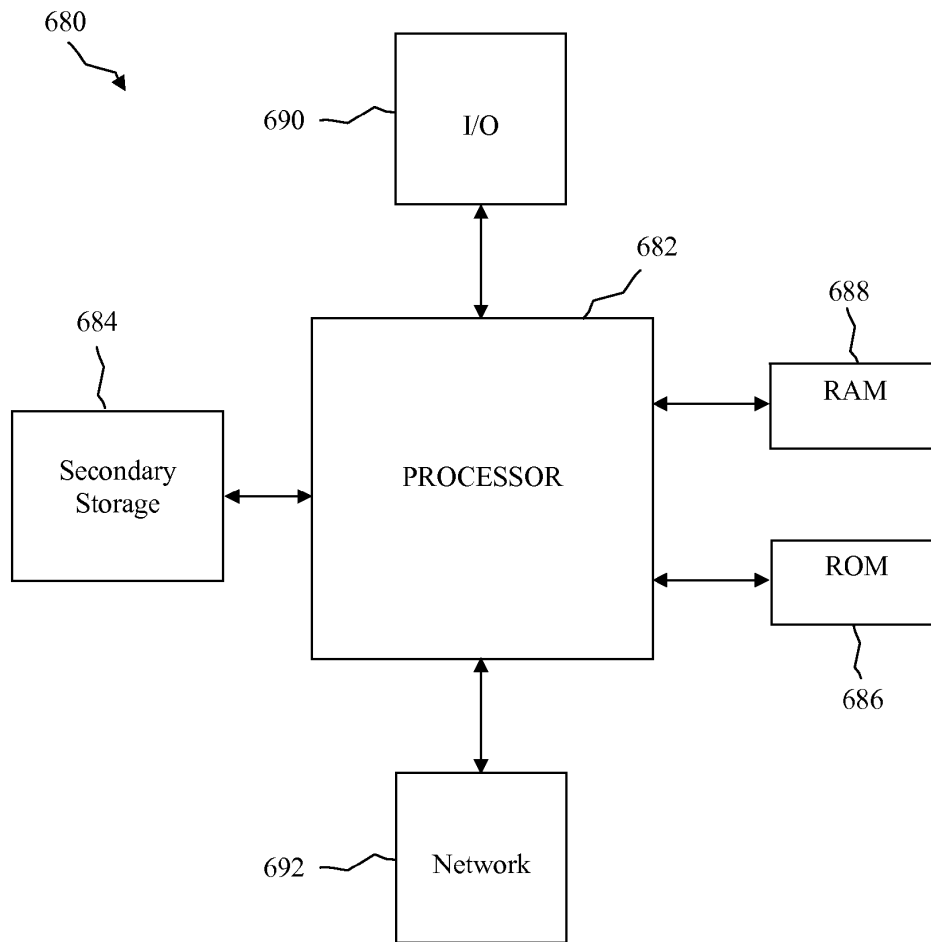


Figure 6

INCOMM-1008, Fig. 6; INCOMM-1005, ¶143

- ii. *[the instructions] which when executed by the at least one processing unit causes the transaction processor system to*

**(a) (1) provide unique identification information from a pre-printed lottery ticket**

Llach discloses that the Transaction computer 150 (*transaction processor*) communicates with the card issuer to provide a unique identification information encoded on a card (*pre-printed ticket*).

Examples of stored value cards are depicted in FIGS. 2A and 28. FIG. 2A depicts a stored value card 200 in which the identification 211 is encoded on the card 200 by means of a bar code capable of being read by an optical scanner.

*INCOMM-1008*, [0041]; *INCOMM-1005*, ¶144

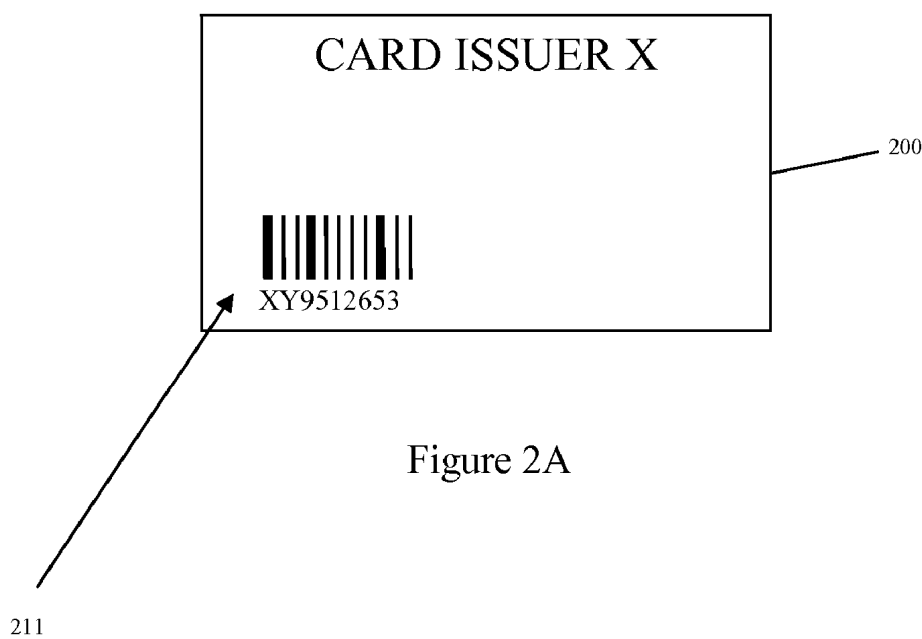


Figure 2A

*INCOMM-1008*, Fig. 2A; *INCOMM-1005*, ¶144

The stored value cards 200, 201 each bear an identifier 211. The stored value card identifier 211 is unique to the stored value card and associates the stored value card to a unique account maintained by the card issuer. The stored value card identifier 211 may be encoded in a bar code as depicted in FIG. 2A

*INCOMM-1008*, [0041]; *INCOMM-1005*, ¶144

the activation message 106 received from the point of sale component 111 is modified by the message modification component 154 to include the determined value added bonus and is then forwarded as message 109 to the appropriate card issuers' authorization system 160 for authorizing the activation request for the amount specified in the activation request plus the value added bonus.

*INCOMM-1008*, [0037]; *INCOMM-1005*, ¶144

The activation request from the point of sale component 111 may contain one or more of the following pieces of information: (a) stored value card identification, (b) point of sale terminal identification, (c) amount to be credited to an account associated with the stored value card, (d) the time of the activation request, (e) the date of the activation request, (f) identification of the card issuer for the stored value card, (g) identification of the activating vendor, (h) location of activating vendor, and (i) any combination thereof.

*INCOMM-1008*, [0034]; *INCOMM-1005*, ¶144

- (b) (2) receive from a lottery administration system, a determined draw information associated with the unique identification information,**

Llach discloses that the transaction computer (*transaction processor system*) receives from the card issuer (*administration system*) value information (*information*) associated with said unique identification information.

The stored value card identifier 211 is unique to the stored value card and associates the stored value card to a unique account maintained by the card issuer.

*INCOMM-1008*, [0041]; *INCOMM-1005*, ¶145

The message modification component 154 also modifies messages 110 from the card issuers' authorization systems 160 intended for the point of sale component 111 to include any information regarding value added to the stored value card that may be printed on the receipt generated for the customer as well as information that may be presented to a cashier on a terminal 101 or 104 that the cashier may communicate to the customer, and such modified messages are forwarded as messages 107 to the point of sale component 111.

*INCOMM-1008*, [0038]; *INCOMM-1005*, ¶145

- (c) (3) provide, to the lottery administration system, payment confirmation for the pre-printed lottery ticket,**

Llach discloses payment reports (*payment conformation*) are provided to the card issuer (*administration system*) by the transaction computer for the cards (*pre-printed ticket*). The payment reports are created from the transaction logs including detailed activation information (e.g. monetary amount ascribed to card activation) associated with the card.

The information contained in the transaction log 170 may be used to generate reconciliation reports, settlement reports, payment reports, audit reports, or other forms of information aggregation for the benefit of, use by, or for provision to, the stored value card transaction administrator 151, the datastore administrator 181, card vendors, card issuers, card issuers' authorization systems 160, redeeming merchants, or other interested parties.

*INCOMM-1008*, [0027]; *INCOMM-1005*, ¶146

The stored value card transaction computer 150 is also configured to generate and maintain a transaction log 170 of all activity involving the stored value card transaction computer 150. The transaction log may comprise a detailed summary of: (a) requested stored-value card activations; (b) requested stored-value card deactivations; (c) the monetary amount ascribed to card activations; (d) the monetary amount ascribed to card deactivations; (e) the value added amounts, products, or services ascribed card activations; (f) the value added amounts, products, or services ascribed to card deactivations; (g) the

time the cards were activated; (h) the time the cards were deactivated; (i) the transaction or communication performed with the card issuer to activate the cards; (j) the transaction or communication performed with the card issuer to deactivate the cards; (k) the PIN communicated to the card vendor in response to a request to activate a card requiring the input of a PIN for use; (l) any other information the stored value card transaction computer administrator 151 directs the stored value card transaction computer 150 to maintain as a log entry; and (m) any combination thereof.

*INCOMM-1008*, [0026]; *INCOMM-1005*, ¶146

**(d) (4) facilitate provision of random draw details associated with the pre-printed lottery ticket.**

Llach discloses the transaction computer provides the value and added value information of the card (*details associated with the pre-printed ticket*) to the POS system.

The message modification component 154 also modifies messages 110 from the card issuers' authorization systems 160 intended for the point of sale component 111 to include any information regarding value added to the stored value card that may be printed on the receipt generated for the customer as well as information that may be presented to a cashier on a terminal 101 or 104 that the cashier may communicate to the customer, and such modified messages are forwarded as messages 107 to the point of sale component 111.

INCOMM-1008, [0038]; INCOMM-1005, ¶147

As described above, Llach discloses a transaction computer that exchanges information between a POS system and an administration system in order to activate a card, and specifically the transaction computer is configured to:

- a) provide unique identification information associated with a ticket;
- b) receive from an administration system, an information associated with the unique identification information;
- c) provide, to the administration system, payment confirmation for the pre-printed ticket; and
- d) facilitate provision of details associated with the pre-printed ticket.

However, Llach describes the system in terms of activating stored value *i.e.*, prepaid cards, rather than as system to activate pre-printed lottery tickets. Thus Llach does not disclose the pre-printed ticket is a pre-printed lottery ticket, the administration system is a lottery administration system, nor that the details provided from the administration system are draw information. Szrek, however, describes a lottery activation system for pre-printed lottery cards and explains the activation is similar as the activation systems for pre-paid cards (“*[t]he process is*

*similar to a model following selling phone cards at the cash register”). INCOMM-1007, 2:36-46, 3:58-61; INCOMM-1004, ¶108; INCOMM-1005, ¶149*

Stores sell merchandise at the cash register requiring some type of activation. The merchandise would not be functional till activated. For example, phone cards do not work unless they are sold and activated through the cash register in the store. In 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.

*INCOMM-1007, 2:36-46; INCOMM-1005, ¶149*

It would have been obvious to a POSA given the teaching of Szrek to modify the system of Llach to similarly activate pre-printed lottery tickets. A POSA would have understood that the transaction computer would communicate the unique identification of the pre-printed lottery ticket (rather than a pre-printed card) to a lottery administrative system (rather than a card issuer) and the details provided to and from the lottery administrative system would be information related to the lottery such as draw information, bet selections, etc. as described in Szrek (rather than card and value information of Llach). *INCOMM-1003, ¶¶109,110; INCOMM-1005, ¶150*

Such a modification would merely be the application of the same system/method associated with a particular type of product to a similar type of product. A POSA would have been motivated to modify Llach to enable the integration into POS system to sale pre-printed lottery tickets at checkout in a manner transparent to the customer vis à vis other products as described as desirable/advantageous in both Llach and Szrek. *INCOMM-1005*, ¶151

A POSA would have had a high likelihood of success given the similarities between Szrek and Llach, and the ubiquitous and well known technology (e.g., processors, scanners, communication and signaling systems) used in both systems. *INCOMM-1005*, ¶152.

**b. Claim 2**

***The transaction processor system of claim 1, wherein facilitate provision of random draw details comprises receiving, from the lottery administration system, an image or data package containing at least the random draw details.***

Claim 2 is obvious over Llach and Szrek for the same reasons as set forth with respect to Claim 1(ii)(b) above and Claim 1(ii)(b) of Ground 1. (Section VII.A.2.a.ii.b). *INCOMM-1005*, ¶153

**c. Claim 3**

***The transaction processor system of claim 1, wherein facilitate provision of random draw details comprises delivery of the random draw details in response to a scan of the pre-printed lottery ticket.***

Claim 3 is obvious over Llach and Szrek for the same reasons as set forth with respect to Claim 1(ii)(b) above and Claim 1(ii)(b) of Ground 1. (Section VII.A.2.a.ii.b). *INCOMM-1005*, ¶154

**d. Claim 4**

***The transaction processor system of claim 1, wherein facilitate provision of random draw details comprises delivery of the random draw details in response to entry of the pre-printed lottery ticket's unique identifier into a website.***

Claim 4 is obvious over Llach and Szrek for the same reasons as set forth with respect to Claim 4 of Ground 1 (Section VII.A.2.d.). *INCOMM-1005*, ¶155

**e. Claim 5**

***The transaction processor system of claim 1, wherein facilitate provision of random draw details comprises delivery of the random draw details in response to entry of the pre-printed lottery ticket's unique identifier into a mobile application.***

Claim 5 is obvious over Llach and Szrek for the same reasons as set forth with respect to Claim 5 of Ground 1. (Section VII.A.2.e.). *INCOMM-1005*, ¶156

**f. Claim 6**

- i. *A transaction processor system comprising:  
at least one communication interface for  
communicating with other devices; at least one  
processing unit for executing instructions; and  
at least one memory unit for storing instructions***

This limitation is obvious over Llach and Szrek for the same reasons as set forth with respect to Claim 1(i) above (Section VII.B.2.a.i). *INCOMM-1005*, ¶157

- ii. *[the instructions] which when executed by the at  
least one processing unit causes the transaction  
processor system to***  
**(a) *provide unique identification information  
from a pre-printed lottery ticket***

This limitation is obvious over Llach and Szrek in the same manner as set forth with respect to Claim 1(ii)(a) above and Claim 1(ii)(a) of Ground 1 (Section VII.A.2.a.ii.a). *INCOMM-1005*, ¶158

- (b) *receive a determined draw information  
associated with the unique identification  
information,***

This limitation is obvious over Llach and Szrek in the same manner as set forth with respect to Claim 1(ii)(b) above and Claims 1(ii)(b) of Ground 1 (Section VII.A.2.a.ii.b). *INCOMM-1005*, ¶159

- (c) *provide payment confirmation for the pre-printed lottery ticket,*

This limitation is obvious over Llach and Szrek in the same manner as set forth with respect to Claim 1(ii)(c) above (Section VII.B.2.a.ii.c). *INCOMM-1005*,

¶160

- (d) *and facilitate provision of random draw details associated with the pre-printed lottery ticket.*

This limitation is obvious over Llach and Szrek in the same manner as set forth with respect to Claim 1(ii)(d) above and Claim 1(ii)(d) of Ground 1 (Section VII.A.2.a.ii.d). *INCOMM-1005*, ¶161

**g. Claim 7 [33]**

*A method for providing a lottery ticket for a random draw comprising:*

To the extent to preamble is limiting, Llach and Szrek discloses a method for providing a lottery ticket in the manner as set forth in Claim 1 above and Claim 7 of Ground 1 (Sections VII.A.2.g). *INCOMM-1005*, ¶162.

- i. (a) *receiving, by a transaction processor, a transaction request from a retailer point of sale (POS) to activate a pre-printed lottery ticket;*

Llach includes a transaction computer 150 (**green**) (*transaction processor system*) that includes a POS interface 152 to communication with the POS system (**blue**) and a Card issuer System interface 156 to communicate with the Card issuer system (**red**) (*communication interfaces*). *INCOMM-1008*, [0018]; *INCOMM-1005*, ¶163.

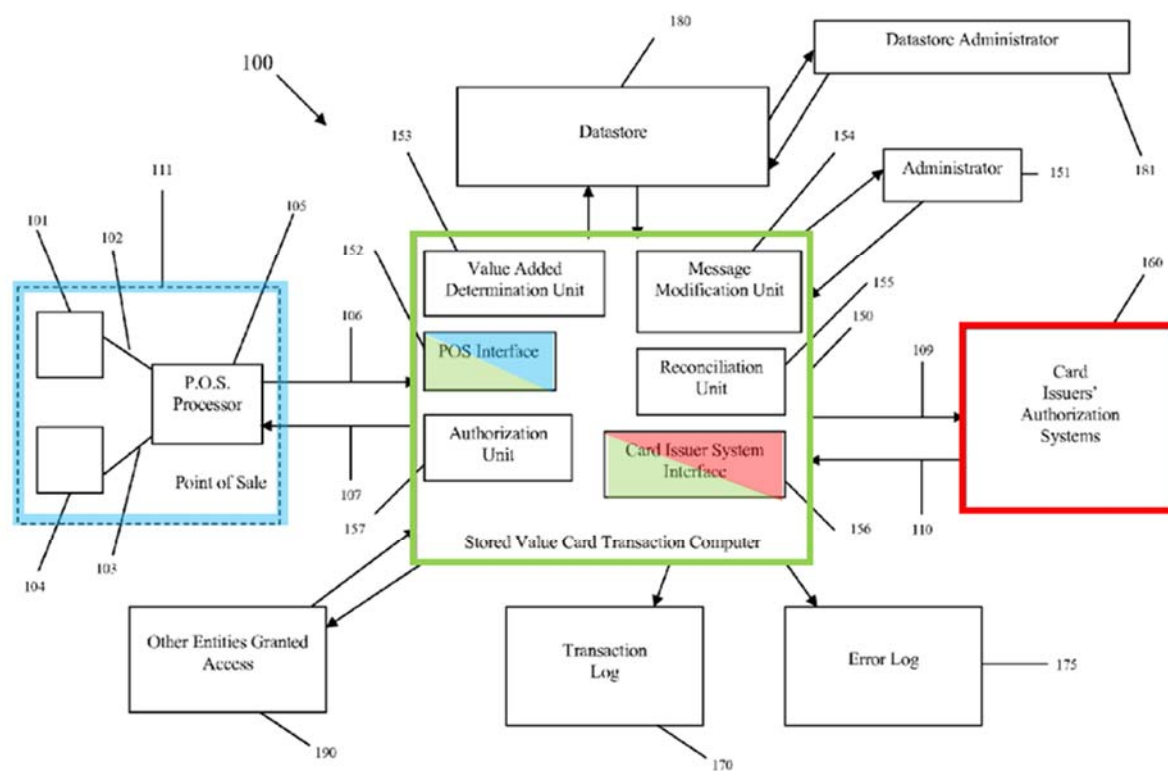


Figure 1

*INCOMM-1008*, Fig. 1; *INCOMM-1005*, ¶163

Llach and Szrek disclose that the lottery system controller 12 (*transaction processor system*) includes a game monitor 15 that is networked to the POS system

controller 11 (*retailer point of sale (POS)*) to receive the POS network traffic data.

*INCOMM-1005*, ¶164

- ii. providing, by a transaction processor or retailer, to a lottery administration system unique identification information associated with the pre-printed lottery ticket information received from a retailer POS without the use of lottery hardware;***

This limitation is obvious over Llach and Szrek in the same manner as set forth with respect to Claim 1(ii)(a) above (Section VII.B.2.a.ii.a). *INCOMM-1005*, ¶165

- iii. receiving, by the transaction processor or retailer, from the lottery administration system, indication that draw information has been associated with the pre-printed ticket;***

This limitation is obvious over Llach and Szrek in the same manner as set forth with respect to Claim 1(ii)(b) above and Claims 1(ii)(b) of Ground 1 (Section VII.A.2.a.ii.b) *INCOMM-1005*, ¶166

- iv. wherein said pre-printed lottery ticket comprises two or more codes.***

This limitation is obvious over Llach and Szrek in the same manner as set forth with respect to Claim 1(ii)(a) above and Claim 7 of Ground 1 (Section VII.A.2.g.ii.) *INCOMM-1005*, ¶167

**h. Claim 8**

*The method of claim 7, further comprising facilitating, by the transaction processor, provision of random draw details, wherein provision of the random draw details comprises delivery of the random draw details in response to a scan of the pre-printed lottery ticket on existing lottery terminals or self-serve ticket checkers.*

Claim 8 is obvious over Llach and Szrek in the same manner as set forth with respect to Claim 7 (Section VII.B.2.g.i-iv) above and Claim 1(ii)(d) (Section VII.A.2.a.ii.d) of Ground 1. *INCOMM-1005*, ¶168

**i. Claim 9**

*The method of claim 7, further comprising facilitating, by the transaction processor, provision of random draw details, wherein provision of the random draw details comprises delivery of the random draw details in response to an entry or scanning of the pre-printed lottery ticket's unique identifier into a website.*

Claim 9 is obvious over Llach and Szrek in the same manner as set forth with respect to Claim 7 (Section VII.B.2.g.i-iv) above and Claim 4 (Section VII.A.2.d) of Ground 1. *INCOMM-1005*, ¶169

**j. Claim 10**

***The method of claim 7, further comprising facilitating, by the transaction processor, provision of random draw details, wherein provision of the random draw details comprises delivery of the random draw details in response to an entry or scanning of the pre-printed lottery ticket's unique identifier into a mobile application.***

Claim 10 is obvious over Llach and Szrek in the same manner as set forth with respect to Claim 7 above (Section VII.B.2.g.i-iv) and Claim 5 (Section VII.A.2.e); *INCOMM-1005*, ¶170

**k. Claim 11 [34]**

***The method of claim 7, wherein receiving the transaction request comprises receiving unique product information associated with the pre-printed lottery ticket over a secure communication channel from a point of sale (POS) system.***

.Claim 11 is obvious over Llach and Szrek in the same manner as set forth with respect to Claim 7 above (Section VII.B.2.g.i-iv) and Claim 11 (Section VII.A.2.k) of Ground 1. *INCOMM-1005*, ¶171

**l. Claim 12 [35]**

***The method of claim 7, wherein draw information is made available on a printed receipt; by scanning a code on the pre-printed lottery ticket; or by entering a unique identifier***

***associated with the pre-printed lottery ticket into an online website or mobile application.***

Claim 12 is disclosed by Llach and Szrek in the same manner as set forth with respect to Claim 7 (Section VII.B.2.g.i-iv) above and Claim 1(ii)(d) (Section VII.A.2.a.ii.d) and Claims 4 and 5 (Sections VII.A.2.d and e) of Ground 1.

*INCOMM-1005*, ¶172

**m. Claim 13 [36]**

***The method of claim 7, further comprising receiving unique product information associated with the pre-printed lottery ticket.***

Claim 13 is disclosed by Llach and Szrek in the same manner as set forth with respect to Claim 7 above (Section VII.B.2.g.i-iv) and Claim 1(ii)(a) above (Section VII.B.2.a.ii.(a)). *INCOMM-1005*, ¶173

**n. Claim 14 [37]**

***The method of claim 13, wherein the product information is sufficient to determine one or more of: a game type associated with the pre-printed lottery ticket; a wager amount associated with the pre-printed lottery ticket; and a number of wagers associated with the pre-printed lottery ticket.***

Claims 14 and 37 are obvious over Llach and Szrek in the same manner as set forth with respect to Claim 7 above and Claim 14 of Ground 1 (Section VII.A.2.n). *INCOMM-1005*, ¶174

**o. Claim 15 [38]**

*The method of claim 7, further comprising retrieving unique identification information associated with the pre-printed lottery ticket from the received product information.*

Claims 15 and 38 are obvious over Llach and Szrek in the same manner as set forth with respect to Claim 7 above and Claim 15 of Ground 1 (Section VII.A.2.o). *INCOMM-1005*, ¶175

**p. Claim 16**

*The method of claim 7, further comprising validating the received transaction request.*

Claims 16 and 37 are obvious over Llach and Szrek in the same manner as set forth with respect to Claim 7 above and Claim 16 of Ground 1 (Section VII.A.2.p). *INCOMM-1005*, ¶176

**q. Claim 17 [40]**

*The method of claim 16, wherein validating the received identification information comprises verifying that the product information*

***corresponds to identification information associated with a pre-printed lottery ticket.***

Claims 17 and 40 are obvious over Llach and Szrek in the same manner as set forth with respect to Claim 16 above (Section VI.B.2.p). *INCOMM-1005*, ¶177

**r. Claim 18 [41]**

***The method of claim 17, wherein validating the transaction information includes verifying that the product is validly distributed by the retailer.***

Claims 18 and 41 are obvious over Llach and Szrek in the same manner as set forth with respect to Claim 16 above (Section VI.B.2.p). *INCOMM-1005*, ¶178

Neither Szrek nor Llach explicitly disclose (nor does the patent) a method of associating the pre-printed tickets with a specific retailer such that the identity of retailer activating the ticket could be verified at the . However, the methods for accomplishing this are well understood and would be obvious to a POSA if it such verification was required. Regardless of the requirement to associate a specific pre-printed ticket with a particular retailer, a POSA understood that lottery administrators would require some verification that the submitting retailer was authorized to sell the tickets. Retailers would have undergone a rigorous application process to obtain a Retailer ID in order to participate in lottery sales. Therefore, it would have been obvious to a POSA to modify the combination of

Llach and Szrek to include verification that the retailer submitting the request is authorized to distribute lottery tickets (*product*). *INCOMM-1005*, ¶179

s. **Claim 19 [42]**

***The method of claim 16, wherein the validation comprises age validation.***

Szrek discloses validating the transaction request by verifying the age of the purchaser. *INCOMM-1007*, Claim 19; *INCOMM-1005*, ¶180

t. **Claim 21[44]**

***The method of claim 7, wherein the information provided to the lottery administration system includes one or more randomly determined lottery numbers associated with the pre-printed lottery ticket prior to the time the pre-printed lottery ticket is purchased at the POS.***

Szrek discloses the bet selection which includes user selected or quick picks numbers (*one or more randomly determined lottery numbers*) associated with the preprinted tickets is provided to the lottery administration system. See Claim 21 of Ground 1 *INCOMM-1007*, 3:29-31, 5:65-6:3; *INCOMM-1005*, ¶181

Szrek discloses when ticket 300 is scanned at the POS terminal (cash register 230), a transaction request to activate the ticket comprising the unique ticket identifier 330 from the barcode 310 is received by the transaction provider

(store back office 240) and provides the transaction request, including the bet selections, to the lottery administration system (game provider 250). *INCOMM-1007*, 6:28-38, Fig. 2; *INCOMM-1005*, ¶182

**u. Claim 22 [45]**

***The method of claim 7, wherein the retailer POS is online.***

Szrek and Llach do not explicitly disclose an online POS. However, online shopping and POS interfaces were ubiquitous and well known in the art. Therefore it would have been obvious to a POSA to provide lottery tickets over the internet with an online POS. A POSA would have been motivated to provide the online POS to expand the customer base by providing greater access and convenience. *INCOMM-1005*, ¶183

**v. Claim 23 [46]**

***The method of claim 7, wherein at least one of the two or more codes comprise a barcode.***

Claims 23 and 46 would have been obvious over Llach and Szrek in the same manner as set forth with respect to Claim 7 (Section VII.B.2.g.iv). *INCOMM-1005*, ¶184

**w. Claim 24 [47]**

***The method of claim 23, wherein the barcode comprises a first party information and a second party information.***

Szrek discloses that the barcode(s) on the pre-printed tickets, in addition to a unique ticket identifier, contains other data, for example a manufacture's ID (i.e. commercial printer) (*first party information*) and a lottery product code associated with the game provider(*second party information*) .

The barcode on the preprinted ticket should be compatible with barcode technology commonly used at the cash registers. It could be EAN-13 plus 5, 2 out of 5, EAN-128 or some other standardized one or two dimensional barcode. The information in the barcode should contain a ticket identifier. **It may contain other information such as lottery product code, ticket price or other data.** Standard barcodes, such as UPC, have usually a few well defined areas. One of them is **manufacturer's ID** and another is **product ID**

*INCOMM-1007*, 4:40-48; *INCOMM-1005*, ¶185

x. **Claim 25 [48]**

***The method of claim 23, wherein the barcode comprises a universal product code and pre-printed lottery ticket information.***

Claims 25 and 48 would have been obvious over Llach and Szrek in the same manner as set forth with respect to Claim 7 (Section VII.B.2.g.iv). Szrek

discloses a UPC bar code and the barcode contains ticket information, e.g. ticket identifier, lottery product code, etc. *INCOMM-1007*, 4:40-48; *INCOMM-1005*, ¶186.

y. **Claim 26 [49]**

***The method of claim 7, wherein the pre-printed lottery ticket contains information used to redeem a winning prize.***

Llach and Szrek disclose the ticket identifier associated with the preprinted ticket is used to redeem the ticket. *INCOMM-1005*, ¶187.

The redemption request from the point of sale component 111 may contain one or more of the following pieces of information: (a) stored value card identification, (b) point of sale terminal identification, (c) amount to be debited from the account associated with the stored value card, (d) the time of the redemption request, (e) the date of the redemption request, (f) identification of the card issuer for the stored value card, (g) identification of the redeeming merchant, (h) location of the redeeming merchant, (i) identification of the product(s) and/or service(s) being purchased, and any combination thereof.

*INCOMM-1009*, [0034]; *INCOMM-1005*, ¶187.

In the preferred embodiment game provider system could check if the ticket 300 is a winner and send information back, without actual

winner payment authorization, in another embodiment it could say **the ticket is a winner and authorize winner payment.**

*INCOMM-1007*, 4:45-50; *INCOMM-1005*, ¶187.

**z. Claim 27 [50]**

***The method of claim 7, wherein the lottery administration system generates wagers for the pre-printed lottery ticket and a draw date is assigned to the wagers.***

Szrek discloses the game provider (*lottery administration system*) generates bet information (*wagers*) for the pre-printed tickets. Szrek also discloses draw information is assigned to the bet selection associated with the pre-printed ticket upon activation.

The game provider will either provide bets information to the commercial printer or agree on the method of generation of selections. This would be in form of data (file, data base, network, disk, tape or any other means) or in form of the algorithmic method of generation of the bets.

*INCOMM-1007*, 4:1-6; *INCOMM-1005*, ¶188

Once the ticket 300 is activated, product type 410 (sale of lottery ticket, or a sale of ticket for the specific game or game event), 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, are printed on cash register receipt. In some embodiments, the game provider 250 time could be printed on the cash receipt 400.

*INCOMM-1007*, 6:54-61; *INCOMM-1005*, ¶188.

**aa. Claim 28 [51]**

*The method of claim 7, wherein lottery numbers are entered in a draw.*

Claims 28 and 51 are disclosed by Llach and Szrek in the same manner as set forth with respect to Claim 27 above (Section VI.B.2.z). *INCOMM-1005*, ¶189

**bb. Claim 52**

*The method of claim 33, wherein said pre-printed lottery ticket comprises two or more codes.*

This limitation is disclosed by Llach and Szrek for the same reasons as set forth with respect to Claim 7(iv) above (Section VII.B.2.g.iv). *INCOMM-1005*, ¶190

**cc. Claim 53**

*The method of claim 52, wherein draw information is made available on a printed receipt; by scanning a code on the pre-printed lottery ticket; or by entering a unique identifier associated with the pre-printed lottery ticket into an online website or mobile application.*

This limitation is obvious over Llach and Szrek for the same reasons as set forth with respect to Claim 33 above (*scanning a code on the pre-printed receipt*) and/or Claims 4 and 5 of Ground 1 (Sections VII.A.2.d.) and (Section VII.A.2.e) (*entering a unique identifier into an online website or mobile application*).

INCOMM-1005, ¶191

**dd. Claim 29**

***A method for providing a product for a draw comprising:***

To the extent the preamble is limiting, it is disclosed by Llach and Szrek for the same reasons as set forth with respect to Claim 7 above (Section VII.B.2.g).

INCOMM-1005, ¶192

- i. (a) providing, by a transaction processor or retailer, to a lottery administration system unique identification information associated with pre-printed lottery ticket information received from a retailer POS without the use of lottery hardware;***

This limitation is disclosed by Llach and Szrek for the same reasons as set forth with respect to Claim 7 (Section VII.B.2.g.ii). INCOMM-1005, ¶193

- ii. (b) receiving, by the transaction processor or retailer, from the lottery administration system, indication that draw information has been associated with the pre-printed lottery ticket;***

This limitation is disclosed by Llach and Szrek for the same reasons as set forth with respect to Claims 1 and 7 (Sections VII.B.2. a.ii.(b) and g.iii).

*INCOMM-1005*, ¶194

**iii. wherein said pre-printed lottery ticket comprises one or more codes.**

This limitation is disclosed by Llach and Szrek for the same reasons as set forth with respect to Claim 7 (Section VII.B.2.g.iv). *INCOMM-1005*, ¶195

Llach discloses the activation request with the ticket identifier is provided by the POS system (retailer).

Contemporaneously with the interpretation of the card identifier, a request for activation, deactivation, or redemption 103 by a point of sale transaction component 104 is made.

*INCOMM-1009* [0020]; *INCOMM-1005*, ¶196.

The point of sale transaction component 104 communicates the request for activation or deactivation of the card identifier interpreted by the point of sale interpretation component 101 to the point of sale processing component 105. The point of sale processing component 105 communicates 106 with the stored value card transaction computer 150 (e.g., transmits a message requesting card activation, deactivation or redemption).

*INCOMM-1009* [0021]; *INCOMM-1005*, ¶196

ee. **Claim 31**

***The method of claim 29, wherein the unique identification information is provided by a transaction processor.***

Llach discloses that the Transaction computer 150 (*transaction processor*) which includes the message modifier 154 (**purple**), as annotated in Fig. 1 below, communicates with the card issuer to provide a unique identification information encoded on a card. *INCOMM-1009* [0034, 0037]; *INCOMM-1005*, ¶197

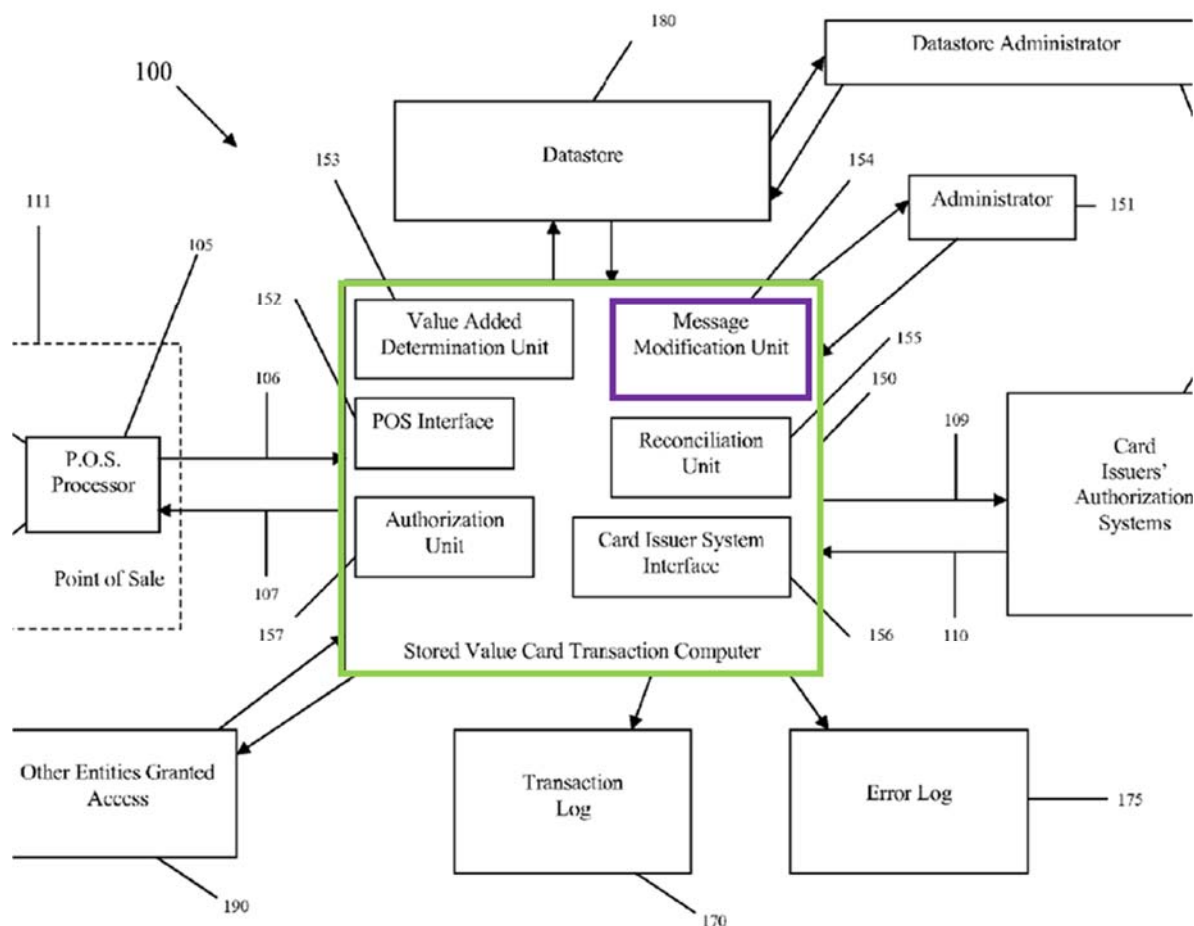


Figure 1

*INCOMM-1009* Fig. 1; *INCOMM-1005*, ¶197.

the activation message 106 received from the point of sale component 111 is modified by the message modification component 154 to include the determined value added bonus and is then forwarded as message 109 to the appropriate card issuers' authorization system 160 for authorizing the activation request for the amount specified in the activation request plus the value added bonus.

*INCOMM-1009* [0037]; *INCOMM-1005*, ¶197

**ff. Claim 32**

- i. The method of claim 29, wherein draw information is made available on a printed receipt; by scanning a code on the pre-printed lottery ticket; or by entering a unique identifier associated with the pre-printed lottery ticket into an online website or mobile application.*

Claim 32 is obvious over Llach and Szrek in the same manner as set forth with respect to Claim 7 (Section VII.B.2.g.i-iv); Claim 1(ii)(d) (Section VII.A.2.a.ii.d) and Claims 4 and 5 (Sections VII.A.2.d and e) of Ground 1. *INCOMM-1005*, ¶198

**C. Ground 3: Claims 20 and 43 Are Not Patentable Over Szrek in view of Gilmore.**

**1. The Gilmore Reference**

Gilmore describes a system for selling game tickets for purchase by a game player within a store, the system comprising a point of sale terminal in communication with a game monitor that detects inputted game selection data and determines therefrom the number and type of game tickets to be played. The system further includes a ticket dispensing system in communication with the game monitor. The game monitor detecting the activation of a predetermined terminal key of the point of sale terminal and dispenses the desired number and

type of game tickets from the ticket dispensing system. *INCOMM-1009*, Abstract; *INCOMM-1005*, ¶200.

Gilmore discloses that the lottery system controller 12 communicates with the off-site host lottery computer 28 to exchange data for at least the purpose of authorizing on-line lottery game ticket sales. *INCOMM-1009*, [0048]. The data includes unique identification information from a pre-printed lottery ticket. *INCOMM-1009* [0049]; *INCOMM-1005*, ¶201.

Gilmore illustrates a pre-printed lottery game token 25 in Figures 2A and 2B:

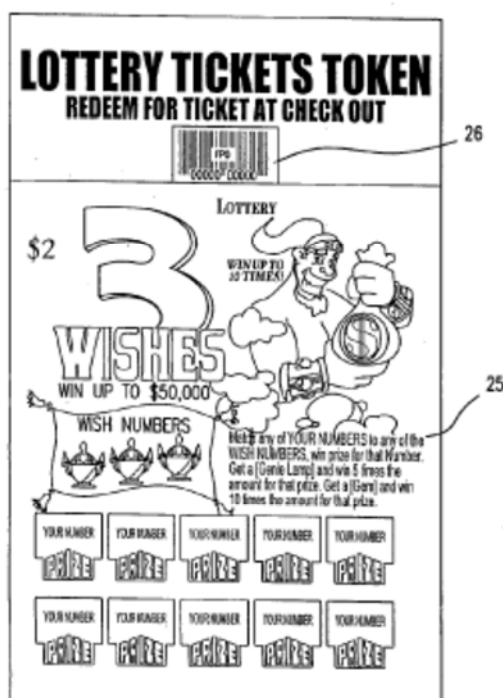


FIG. 2A

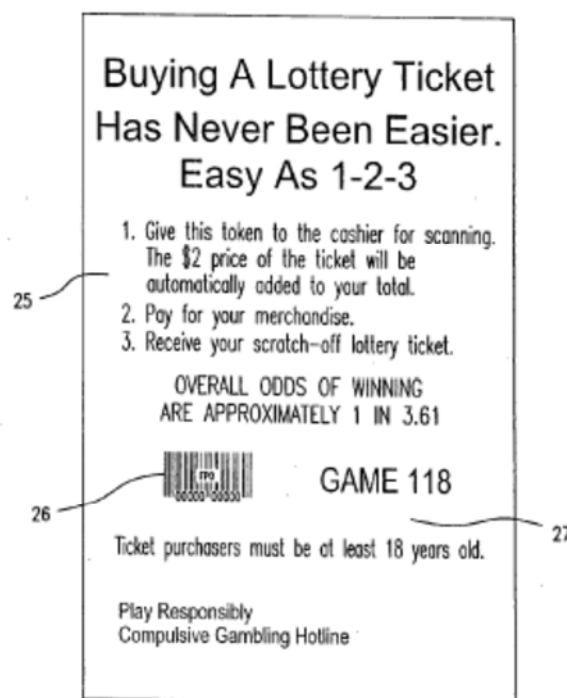


FIG. 2B

INCOMM-1009, Figs. 2A and 2B; INCOMM-1005, ¶202.

## 2. Detailed Application of Llach and Szrek to the Challenged Claims

### a. Claims 20 [43]

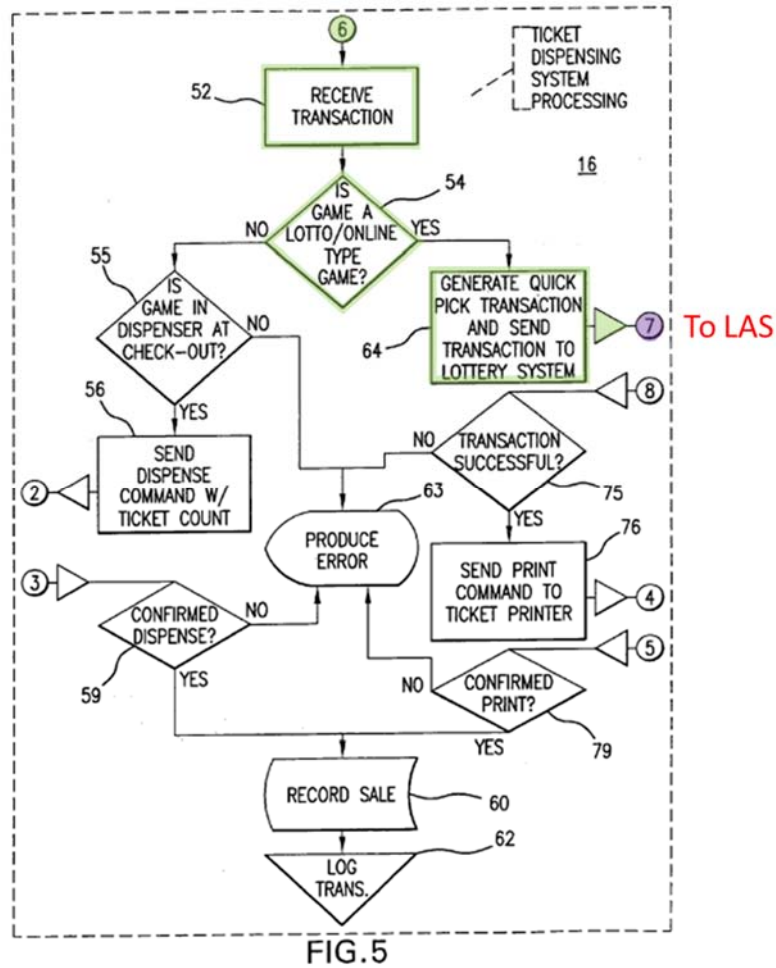
*The method of claim 7 [33], wherein the information provided to the lottery administration system includes one or more randomly determined lottery numbers generated at the time the pre-printed lottery ticket is purchased at the POS.*

Szrek discloses the bet selections (quick picks) (*one or more randomly determined lottery numbers*) are determined prior to the purchase of the lottery ticket. Szrek also discloses that tickets with user selected numbers or quick picks may be printed via a kiosk and purchased at the register. INCOMM- 1007 [0017]. Szrek however does not explicitly disclose generating the quick pick numbers at the time the ticket is purchased at the POS. INCOMM-1005, ¶203.

However as shown in Fig. 5, Gilmore describes generating quick pick numbers at the time of purchase. INCOMM-1005, ¶204.

the process proceeds to step 64 which generates a quick-pick transaction and sends the transaction data or request to the off-site lottery computer 28 (FIG. 1) performing one of the two separate subroutines illustrated in FIGS. 6A and 6B.

INCOMM-1009 [0063]; INCOMM-1005, ¶204.



INCOMM-1009, Fig. 5 INCOMM-1005, ¶204.

Fig. 6A describes receiving the transaction with quick pick numbers, and recording the received numbers. INCOMM-1005, ¶205.

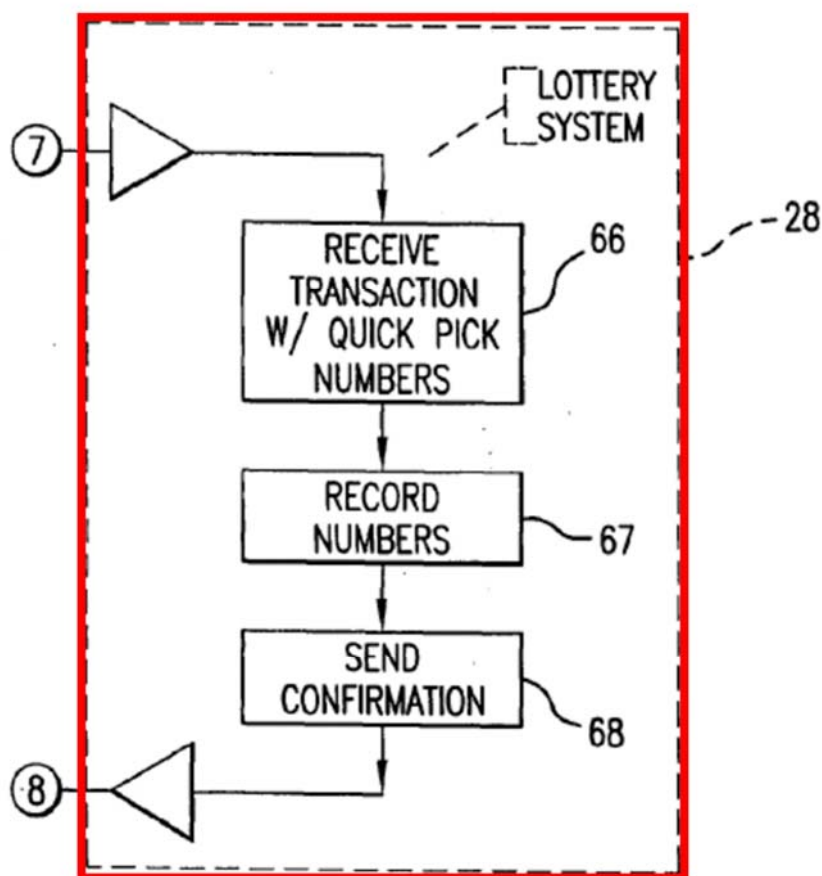


FIG. 6A

*INCOMM-1009*, Fig. 6A; *INCOMM-1005*, ¶205.

It would have been obvious to a POSA incorporate the generation of “quick picks” at the time of purchase into the system of Szrek, specifically by generating the quick pick numbers at the store back office, or at the cash register, and include the numbers in the activation request to the game provider, such that the numbers

would be associated with the ticket as taught by Gilmore. A POSA would have been motivated to make the modification in order to 1) distribute the generation of numbers away from the central office as taught by Gilmore; 2) further reduce the need for a kiosk to print quick picks; 3) minimize the in lane wait time associated with the lottery administrator generating the numbers; and 4) provide each quick pick customer access to all the possible combinations of the current draw, a feature not possible when the random draw is already associated with the pre-printed tickets. *INCOMM-1005*, ¶206.

A POSA would have had a high likelihood of success given the generation of random numbers (quick pick) was ubiquitous in processors and relied upon well-known technologies. *INCOMM-1005*, ¶207.

## **VIII. MANDATORY NOTICES UNDER 37 C.F.R. § 42.8**

### **A. Real Party-in-Interest (37 C.F.R. § 42.8(b)(1))**

The real part-in-interest in this Petition is Interactive Communications International, Inc.

### **B. Related Matters (37 C.F.R. § 42.8(b)(2))**

#### **1. Judicial Matters**

As of the filing date of this Petition and to the best knowledge of Petitioner, the 894 Patent is not involved in an judicial matters.

## 2. Administrative Matters

As of the filing date of this Petition and to the best knowledge of Petitioner, the 894 Patent is involved in the following post-grant reviews:

PGR2020-00085 concurrently filed with PGR2020-00084.

## 3. Related Patents

*See INCOMM-1032.*

### C. Lead/Back-up Counsel (37 C.F.R. § 42.8(B)(3))

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**D. Notice of Service Information (37 C.F.R. § 42.8(B)(4))**

Please direct all correspondence to lead and back-up counsel at the above addresses. Petitioner consents to electronic service at the email addresses above.

**IX. CONCLUSION**

For the reasons set forth above, Petitioner has established that it is more likely than not that at least one claim challenged in this Petition will be found to be unpatentable and requests the Board to institute a post-grant review and cancel all challenged claims.

**CERTIFICATION OF SERVICE ON PATENT OWNER**

Pursuant to 37 C.F.R. §§ 42.6(e), 42.8(b)(4) and 42.105, the undersigned certifies that on September 12, 2020, a complete and entire copy of this Petition for Post Grant Review of U.S. Patent No. 10,769,894 and all supporting exhibits were served via Federal Express, postage prepaid, to BlackHawk Network Inc. by serving the correspondence address of record for the '894 patent:

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**CERTIFICATE OF COMPLIANCE**

Pursuant to 37 C.F.R. § 42.24 *et seq.*, the undersigned certifies that this document complies with the type-volume limitations. This document contains 18624 words as calculated by the “Word Count” feature of Microsoft Word 2010, the word processing program used to create it.

Dated: September 12, 2020

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