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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte ANDRE SOUSSA and GEOFFREY ENGEL

Appeal 2019-000816
Application 12/945,607
Technology Center 3600

Before DANIEL S. SONG, CHARLES N. GREENHUT, and
JAMES P. CALVE, *Administrative Patent Judges*.

SONG, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Pursuant to 35 U.S.C. § 134(a), Appellant¹ appeals from the Examiner's decision to reject claims 1–4, 11, and 19–23. We have jurisdiction under 35 U.S.C. § 6(b).

We REVERSE.

¹ We use the word Appellant to refer to “applicant” as defined in 37 C.F.R. § 1.42(a). Appellant identifies the real party in interest as Global Payment Technologies Australia Pty Ltd. Appeal Br. 2.

CLAIMED SUBJECT MATTER

The claims are directed to a system and method for interacting with a terminal using a validator. Abstract. Claim 1, reproduced below, is illustrative of the claimed subject matter:

1. A validator for operation with an electronic gaming machine, the electronic gaming machine being configured to provide a game of chance that is played in exchange for gaming credits, the validator including:

a central processing unit;

a memory module communicably coupled to the central processing unit, the memory module configured to maintain software instructions that are executable via the central processing unit;

a primary communications port communicably coupled to the central processing unit, wherein the primary communications port is configured to enable communications between the validator to the electronic gaming machine to allow interaction between the validator and the electronic gaming machine;

an input portal communicably coupled to the central processing unit, wherein the input portal is configured to receive multiple forms of token via a common aperture, wherein one of the forms of token is a currency note and another of the forms of token is a predetermined form of reusable read-only non-currency token having no writable regions;

a token recycling device configured to hold a plurality of the reusable read-only non-currency tokens of the predetermined form;

a transportation mechanism communicably coupled to the central processing unit, wherein the transportation mechanism is configured to transport a reusable read-only non-currency token of the predetermined form received via the input portal to the token recycling device, and further configured to transport a reusable read-only non-currency token of the

predetermined form from the token recycling device to the input portal; and

a token reader intermediate the input portal and the token recycling device, the token reader being configured to read an identifier from reusable read-only non-currency tokens of the predetermined form passed from the input portal to the token recycling device and configured to read an identifier from reusable read-only non-currency tokens of the predetermined form passed from the token recycling device to the input portal;

wherein, in response to a player of the electronic gaming machine providing a request to cash out a specified value of gaming credits, the validator is configured to:

(i) transport a reusable read-only non-currency token of the predetermined form from the token recycling device to the input portal for delivery to the player without writing data to the reusable read-only non-currency token;

(ii) read the identifier from that reusable read-only non-currency token without writing data to the reusable read-only non-currency token; and

(iii) associate the read identifier with a value corresponding to the specified value of gaming credits without writing data to the reusable read-only non-currency token; and

(iv) store the value corresponding to the specified value of gaming credits in a central network that maintains data indicative of association of a plurality of reusable read-only non-currency tokens of the predetermined form with respective values;

such that a further device is subsequently able to receive and read that reusable read-only non-currency token and, based on the identifier, access the central network to determine the specified value of gaming credits associated with that token.

App. Br. 40–41 (Claims App'x).

REFERENCES

The prior art relied upon by the Examiner is:

Name	Reference	Date
Saltsov et al.	US 6,371,473 B1	Apr. 16, 2002
Csulits et al.	US 2005/0040225 A1	Feb. 24, 2005
Finkenzeller et al.	US 2005/0150740 A1	July 14, 2005
Hedrick et al.	US 2005/0282627 A1	Dec. 22, 2005
Durst et al.	US 7,089,420 B1	Aug. 8, 2006
Iddings et al.	US 2008/0108404 A1	May 8, 2008

REJECTION

The Examiner rejects claims 1–4, 11, and 19–23 under 35 U.S.C. § 103(a) as being unpatentable over Hedrick² in view of Saltsov, Csulits, Finkenzeller, Iddings, and Durst. Non-Final Act. 3

OPINION

The Examiner rejects independent claim 1, finding that Hedrick discloses a validator for a gaming system as substantially claimed (Non-Final Act. 5–6, 13), but fails to explicitly disclose a validator: communicably coupled to a central processing unit and configured to receive multiple forms of tokens via a common aperture (Non-Final Act. 6); a device to sense both currency and substitute currency (Non-Final Act. 6–7); read-only substitute currency having an identifier and a device to read the identifier (Non-Final Act. 7–8); and wherein the identifier is associated to a value of gaming amounts of a player via a remote central server (Non-Final Act. 8–9).

² The Examiner incorrectly identifies Hedrick as “Hendrick” throughout the Office Action. We use the correct name of “Hedrick” in this Decision.

The Examiner relies on Saltsov, Csulits, Finkenzeller, Iddings, and Durst to remedy these deficiencies (Non-Final Act. 6–10). Specifically, the Examiner summarizes the rejection as follows:

Saltsov teaches a common validator of banknotes and cards. Csulits teaches locating identification sensors of currency and currency substitutes on the same media pathway, thus enabling processing of multiple forms of currency and substitute currency used in commerce. Since He[.]drick's gaming device is used in commerce and endeavors to optimize profits, it would have been obvious to have incorporated the common sensors for both currency and substitute currency on a universal pathway for transporting and sorting all types of currency and substitute currency. Finkenzeller further teaches an rfid embedded in a banknote as well as a sensor for determining information such as serial number and denomination, for example, stored in memory on the rfid device. Such rfid devices are used and usable in both currency and substitute currency for increasing the security of these forms of currency and substitute currency used in commerce. Iddings teaches the scheme of using reusable tokens/currency substitutes having an rfid device with a read only memory that stores an identification number and a denomination of the particular individual token as well as a reader for eliciting said data and thus sending that data to a central server for accounting of a player's account. Durst provides further teaching of performing the accounting on the central server for the purpose of security and the purpose of reserving higher level tasks for the central server resulting in a better workload distribution between the local gaming machine and the central server.

Non-Final Act. 14–15; *see also* Ans. 3–5.

The Examiner concludes that

it would have been obvious to one of ordinary skill in the art to have provided a data management scheme of substitute currency having rfid devices in which the currency identifier/chip number and denomination data are extracted from the read only memory of the rfid device and sent to a

central server for storage and determination of the gaming amounts of each player, as taught by Iddings in Hedrick's gaming devices, for the purpose of tracking of players winnings.

Non-Final Act. 8–9.

According to the Examiner, such modification of using a central server would have been recognized by one of ordinary skill to “better distribute the processing tasks so as to not overtax the local control processors of each gaming machine.” Non-Final Act. 9. The Examiner rejects the other independent claims 11, 19, and 23 on the same basis as claim 1. Non-Final Act. 13.

The Appellant argues the rejected claims together. The Appellant argues correctly that “the prior art fails to teach credit validation using *reusable read-only non-currency tokens having no writable regions* used to perform a cashing in or cashing out process as defined in the claimed invention.” App. Br. 27–28. The Appellant also argues correctly that in Hedrick, “no association of a read identifier with a [gaming credit] value is performed, nor needed at all” (App. Br. 30) because “the value of gaming credits is actually written to the card” (App. Br. 31). As to the suggested modifications to the device of Hedrick, using reusable read-only non-currency tokens having no writable regions in the system of Hedrick “would render the system of Hedrick inoperable [as it requires writing to the data cards].” App. Br. 29 (citing Hedrick ¶¶ 111, 121, 123, 126, 133). The Appellant further argues that the rejection relying on such modification is improper because of

the substantial change in thought process (and therefore motivation) that is required to completely reverse the operation of Hedrick (which teaches actively writing player credit data to

a data card during cashing out) to subsequently remove any data storage from the data cards. This essentially changes the principle of operation of the system of Hedrick as the gaming device could not be used in isolation but would be required to be networked with a server.

App. Br. 38.

We generally agree with the Appellant for the reasons argued by the Appellant. It is evident from Hedrick that providing a writeable data card is fundamental to the manner in which Hedrick operates. *See, e.g.*, Hedrick ¶¶ 23–25, 28–29, 35, 44, 99–100, 105–110, 117, 164–166, Figs. 2B, 4, 11–13. The rejection is premised on modifying the disclosed data card of Hedrick to be non-writeable by eliminating just the writable memory of the data card, which requires dismantling and reconstructing Hedrick such that its gaming device operates in an entirely different manner than the manner disclosed.

In particular, the Examiner points out the data card of Hedrick is a non-currency token, which includes Erasable Electrically Programmable Read-Only Memory (EEPROM) and read only memory (ROM). Ans. 6–7 (citing Hedrick ¶ 165). The Examiner asserts that “it would have been obvious as a matter of design choice to have omitted [in] Hedrick’s [data card 14,] RAM and EEPROM so as to include only ROM (read only memory).” Ans. 13; *see also* Ans. 25 (“it would have been obvious to have eliminated the EEPROM and RAM leaving the ROM memory since its function would operate as before, to enable reading only of data stored permanently on said ROM memory.”). According to the Examiner, “omission of an element and its function is obvious if the function of the element is not desired.” Ans. 7. The Examiner also explains that Iddings and Durst “provide further teaching that supports incorporating only a ROM

into a token and eliciting data stored on said ROM by a central server.” Ans. 13.

However, the Appellant is correct that “[t]he fundamental concept of Hedrick is to be able to circulate and dispense data cards by writing a current amount of credit to its EEPROM memory.” Reply Br. 2. In that regard, as to the various types of memory provided in the data card, Hedrick discloses not only EEPROM for reading and writing of variable credit unit data, which is contrary to the claimed invention, it also discloses that the ROM relied upon by the Examiner actually stores programs or code for erasing and writing data to the data card. Hedrick ¶¶ 165, 166. The ROM of Hedrick does not pertain to identification of the data card. The Examiner’s reliance on selective portions of Hedrick, and in particular, only the ROM of the data card is problematic because in evaluating the prior art, the entirety of the reference must be considered. *In re Wesslau*, 353 F.2d 238, 241 (CCPA 1965) (“It is impermissible within the framework of section 103 to pick and choose from any one reference only so much of it as will support a given position, to the exclusion of other parts necessary to the full appreciation of what such reference fairly suggests to one of ordinary skill in the art.”).

In addition to eliminating the writable memories RAM and EEPROM in the data card of Hedrick, the Appellant is correct that the rejection, as presented, “would require first reconfiguring the validator of Hedrick to be network connected and then completely reconfiguring the system to be capable of using reusable read-only non-currency token having no writable regions.” App. Br. 36. However, combinations of references that fundamentally change the manner of operation of the device, often will not support a conclusion of obviousness. *See In re Ratti*, 270 F.2d 810, 813

(CCPA 1959) (“This suggested combination of references would require a substantial reconstruction and redesign of the elements shown [in the prior art] as well as a change in the basic principles under which [the prior art] construction was designed to operate.”); *see also In re Gordon*, 733 F.2d 900, 902 (Fed. Cir. 1984). As such, we agree with the Appellant that “[t]his would not only frustrate the purpose of Hedrick but also likely render the entire invention of Hedrick (involving writeable player cards) obsolete.” App. Br. 36.

The Examiner’s reliance on the teachings of Iddings and Durst for “incorporating only a ROM into a token and eliciting data stored on said ROM by a central server” is also not persuasive. Ans. 13. While the authentication method and system of Durst uses a central server, it does so to verify authenticity of objects embedded with special fibers or dyes to prevent and detect counterfeiting. Durst, Abstract, col. 1, ll. 6–16, col. 27, ll. 47–63. It is not apparent how using a central server to authenticate an object speaks to the obviousness of using a central server to associate a value to an identifier. Iddings is more relevant in that as the Examiner finds, “Iddings teaches a substitute currency having an rfid device, having a read only memory (ROM)” that has an identifying chip number and an associated value that is “read from the rfid device and fed to a central server.” Ans. 8; *see also* Ans. 11 (“Iddings teaches the identification of each chip and each chip’s value based on the denomination assigned to that chip.”). However, the Appellant is correct that “Hedrick updates credit data locally on the data card while Iddings does not update credit data associated with a gaming chip at all (it only associates an identifier with an existing denomination).” Reply Br. 6. In other words, in Iddings, the value associated with the number on

the gaming chip is fixed, and is not indicative of the user's gaming credit data, which changes. *See* Iddings ¶ 84, Fig. 5. Accordingly, as noted by the Appellant, "there is still a piece of the Examiner's puzzle missing." Reply Br. 6.

The Examiner's apparent reasoning that such modification would have been desirable in order to track a player's winnings is undermined by the fact that Hedrick is replete with disclosure teaching the use of the data card and the gaming device memory to track the player's winnings. *See, e.g.,* Hedrick ¶¶ 105, 107, 109, 110. In addition, the Examiner's assertion that a person of ordinary skill would have recognized that using a central server would "better distribute[] the processing tasks so as to not overtax the local control processors" is speculative and questionable at best considering the suggested use of a central server would require the system/processor of the gaming device of Hedrick to be provided with, and control, hardware and perform tasks/protocols associated with communicating with a central server. Non-Final Act. 9. Moreover, in our view, the Examiner's reasoning is insufficient in providing rational underpinnings as to why a person of ordinary skill would modify Hedrick and its data card to the extent necessary required by the rejection. *KSR Int'l v. Teleflex, Inc.*, 550 U.S. 398, 418 (2007) (citing *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006) ("[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness")).

The Examiner also explains that the suggested changes to Hedrick would not frustrate the main purpose of Hedrick, and "would merely cause the data to be located centrally on a remote database rather than locally, on

the card and at the gaming machine itself, thus merely reversing the data communication configuration.” Ans. 20–21. However, an appropriate rejection requires sufficient evidentiary support and reasoning with rational underpinnings to establish that the claimed invention would have been obvious to one of ordinary skill. In our assessment, the Examiner’s obviousness rejection is not sufficiently supported by the evidence and with adequately developed reasoning. At best, the Examiner has shown that various components of the claimed invention was independently known in the prior art, but such showing is insufficient because “[a] patent composed of several elements is not proved obvious merely by demonstrating that each of its elements was, independently, known in the prior art.” *KSR*, 550 U.S. at 418. Instead, the rejection appears to be based on impermissible hindsight in which components of the prior art are extracted to reconstruct the invention as claimed. *KSR*, 550 U.S. at 421 (“[F]actfinder should be aware . . . of the distortion caused by hindsight bias and must be cautious of arguments reliant upon *ex post* reasoning.”).

Therefore, in view of the above considerations, we reverse the rejection. The remaining arguments of the Appellant, including those regarding teaching away, impact on complexity and cost, as well as other arguments directed to the secondary references, are moot. *See, e.g.*, App. Br. 27, 32, 35; Ans. 18–19.

CONCLUSION

The Examiner’s rejection is reversed.

DECISION SUMMARY

In summary:

Claims Rejected	35 U.S.C. §	Basis	Affirmed	Reversed
1-4, 11, 19-23	103	Hedrick, Saltsov, Csulits, Finkenzeller, Iddings, Durst		1-4, 11, 19-23
Overall Outcome				1-4, 11, 19-23

REVERSED