

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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NRT TECHNOLOGY CORP. AND NRT TECHNOLOGIES, INC.,  
Petitioner,

v.

EVERI PAYMENTS INC.,  
Patent Owner.

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Case CBM2016-00080  
Patent 6,081,792

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Before KEVIN F. TURNER, MIRIAM L. QUINN, and  
JEFFREY W. ABRAHAM, *Administrative Patent Judges*.

TURNER, *Administrative Patent Judge*.

DECISION  
Denying Institution of Covered Business Method Patent Review  
*37 C.F.R. § 42.208*

## I. INTRODUCTION

### *A. Background*

NRT Technology Corp. and NRT Technologies, Inc. (“Petitioner”) filed a Petition (Paper 1, “Pet.”) requesting a review under the transitional program for covered business method patents of U.S. Patent No. 6,081,792 (Ex. 1001, “the ’792 Patent”). Everi Payments, Inc. (“Patent Owner”) filed a Preliminary Response (Paper 6, “Prelim. Resp.”). Subsequently, we authorized a Reply (Paper 10) by Petitioner and a Sur-Reply (Paper 11) by Patent Owner focused on the interpretations of the grounds of the Petition in view of *Bascom Global Internet Services, Inc. v. AT&T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016). See Paper 9. We have jurisdiction under 35 U.S.C. § 324.

The standard for instituting a covered business method patent review is set forth in 35 U.S.C. § 324(a), which provides as follows:

**THRESHOLD.**—The Director may not authorize a post-grant review to be instituted unless the Director determines that the information presented in the petition filed under section 321, if such information is not rebutted, would demonstrate that it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable.

Petitioner challenges the patentability of claims 1–9 of the ’792 Patent under 35 U.S.C. §§ 101, 103, and 112. Upon consideration of the Petition and Preliminary Response, we exercise our discretion, under 35 U.S.C. § 325(d), to deny institution of a covered business method patent review of claims 1–9 of the ’792 Patent.

### *B. Related Matters*

Petitioner contends that the ’792 Patent is the subject of multiple pending and prior proceedings that are relevant. Pet. 1–4. Patent Owner brought an action for infringement of the ’792 Patent against Petitioner:

*Global Cash Access, Inc. v. NRT Tech. Corp.*, 2:15-cv-00822 (D. Nev.). Pet. 1–2. Additionally, Patent Owner sought to enforce claims of the ’792 Patent at the United States International Trade Commission against Petitioner: *In the Matter of Certain Automated Teller Machines and Point-of-Sale Devices and Associated Software Thereof*, Investigation No. 337-TA-958 (Int’l Trade Comm’n). Pet. 2–3. Petitioner previously filed a petition for covered business method patent review of the ’792 Patent: *NRT Tech. Corp. et al. v. Global Cash Access, Inc.*, Case CBM2015-00167 (“’167 proceeding”). Pet. 3–4. We denied institution, finding that “[t]he information presented in the Petition does not demonstrate that it is more likely than not that any of the claims challenged is unpatentable.” See ’167 proceeding, slip op. at 16 (PTAB Jan. 22, 2016) (Paper 14). Patent Owner acknowledges the latter proceeding, referring to it as “the original Petition.” Prelim. Resp. 1.

### *C. The ’792 Patent*

The ’792 Patent relates to a modified automated teller machine (“ATM”) or terminal that allows a customer to obtain cash from an account via various processes such as an ATM process or a point-of-sale (“POS”) process using both debit cards and credit cards. Ex. 1001, 1:6–10.

Figure 1 is reproduced below.

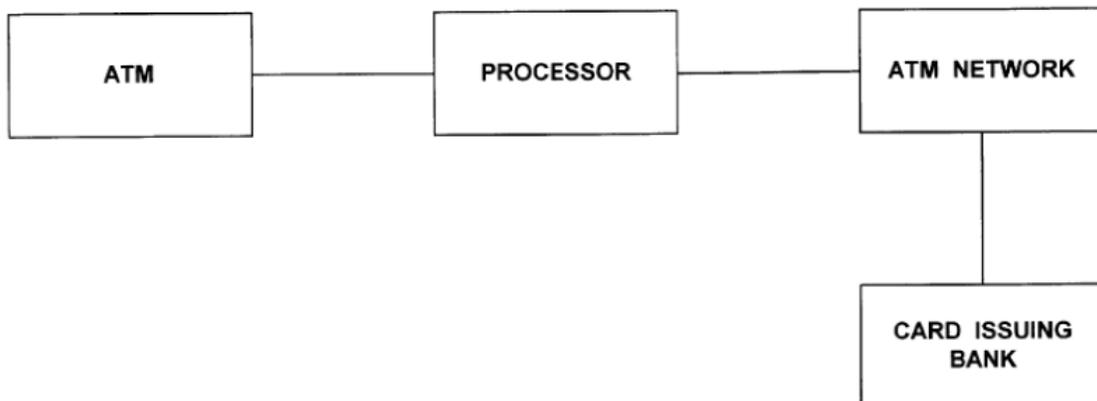


Figure 1 shows a flow diagram for a prior art method of obtaining cash from an account via an ATM. *Id.* at 3:41–42.

In its “Description of the Prior Art,” the ’792 Patent notes two problems associated with obtaining cash from prior art ATMs (i.e., via an ATM network). First, with respect to using a debit/ATM card, a bank will typically impose a daily limit on ATM cash withdrawals. *Id.* at 1:35–38. Second, with respect to using a credit card to obtain cash from an ATM, people often do not know the personal identification number (“PIN”) that is required because they may not regularly use a credit card for that purpose. *Id.* at 1:51–54.

According to the ’792 Patent, neither of these problems is encountered when using the same cards to make purchases, which occur over a POS network, not an ATM network. With respect to debit/ATM cards, “one can reach [his] ATM limit and not be able to obtain more cash that day from an ATM, but will still be able to purchase goods and services via a point-of-sale transaction because of the distinct and separate limit for point-of-sale transactions.” *Id.* at 1:43–47. With respect to credit cards, PINs are not typically required to make purchases (which is why people often cannot recall their PINs). *Id.* at 1:51–54; 6:10–13.

The ’792 Patent describes and claims methods of using a modified ATM or terminal that can access a bank via both an ATM network and a POS network. Figure 2 is reproduced below.

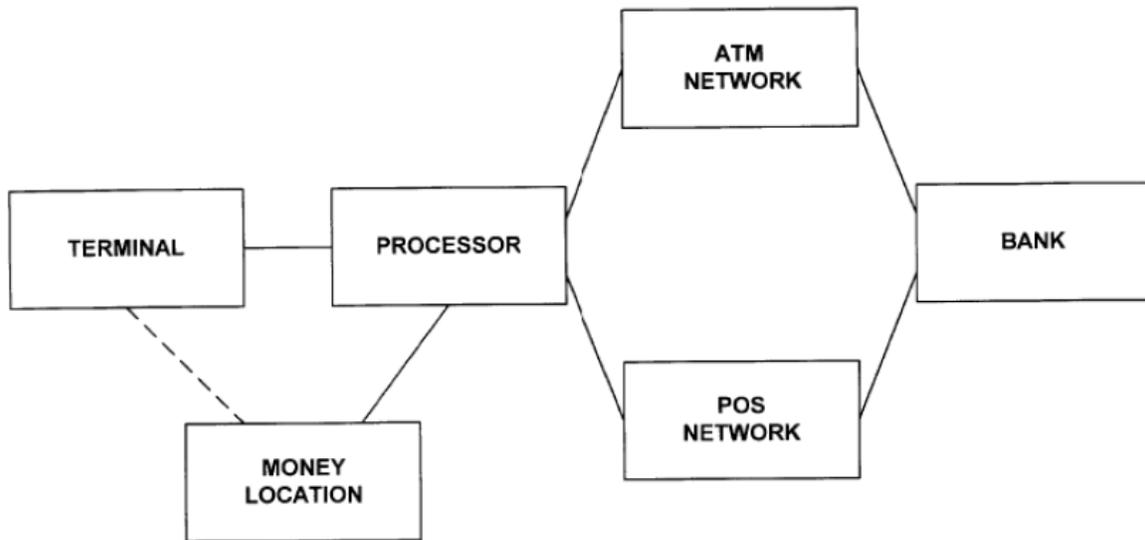


Figure 2 shows a flow diagram for obtaining money from an account via an ATM network and via a POS network. *Id.* at 3:43–44. The '792 Patent describes a method of using a modified ATM such as the terminal depicted in Figure 2, in which a cardholder first attempts to obtain money via a first type of transaction (i.e., conducted over an ATM network) and fails because he has exceeded his ATM daily limit or he cannot remember the PIN for his credit card and subsequently and successfully obtains money via a second type of transaction (i.e., conducted via a POS network). *Id.* at 1:58–67, 5:5–28.

The cardholder does not obtain cash (or other valuable item) directly from the terminal when using the POS network. Instead, the terminal informs a nearby money location (such as “cash windows or ‘cages’ within casinos or racetracks, front desks or concierges of hotels, ticket booths, willcall windows or customer service windows at stadiums, coliseums, theaters, stores, or amusement parks”) of the approved transaction. *Id.* at 5:35–36, 5:45–49. The terminal may also issue a “script” or “pre-receipt” for the cardholder to take to the money location. *Id.* at 5:50–53. At the money location, the cardholder obtains the transacted for cash or other item of value, preferably upon

presentation of his identification. *Id.* at 5:54–59. In the preferred embodiment, a check drawn against the cardholder’s account is issued at the money location and made payable to the money location owner. *Id.* at 5:60–63.

*D. Illustrative Claim*

Petitioner challenges claims 1–9. Pet. 1. Claims 1 and 9 are independent, and claims 2–8 ultimately depend from claim 1. Claim 1 is illustrative and reproduced below.

1. A method of providing money or an item of value to an account-holder, the method comprising:
  - identifying an account to a terminal;
  - entering a personal identification number into the terminal;
  - requesting money or an item of value based upon the account via a first type of transaction;
  - forwarding the first type of transaction to a processor;
  - forwarding the first type of transaction from the processor to a first network;
  - forwarding the first type of transaction from the first network to a bank;
  - making a denial of the first type of transaction due to exceeded pre-set limit;
  - forwarding the denial to the processor;
  - notifying the account-holder at the terminal of the denial of the first type of transaction, and asking the account holder if they would like to request the money or item of value via a second type of transaction;
  - requesting money or an item of value based upon the account via a second type of transaction;
  - forwarding the second type of transaction to the processor;
  - forwarding the second type of transaction from the processor to a second network;

forwarding the second type of transaction from the second network to the bank;

making an approval of the second type of transaction;

forwarding the approval to the processor; and

instructing a money location separate from the terminal to provide money or an item of value to the accountholder.

*Id.* at 6:60–7:27.

*E. Evidence of Record*

Petitioner relies on the following references and a declaration:

<b>Reference or Declaration</b>	<b>Exhibit No.</b>
U.S. Patent No. 5,457,305 (“Akell”)	Ex. 1008
U.S. Patent No. 3,943,335 (“Kinker”)	Ex. 1009
Steven D. Felgran, <i>From ATM to POS Networks: Branching, Access, and Pricing</i> ,” The New England Economic Review, May/June 1985, at 44-61 (“Felgran”)	Ex. 1010
Declaration of Dr. Peter Alexander	Ex. 1007

*F. Asserted Grounds of Unpatentability*

Petitioner asserts that the challenged claims are unpatentable on the following grounds (*see* Pet. 26–78):

<b>Claims Challenged</b>	<b>Basis</b>	<b>References</b>
1–9	§ 112, 2 <sup>nd</sup> ¶	
1–9	§ 103	Akell and Kinker
1–9	§ 103	Akell, Kinker, and Felgran
1–9	§ 101	

II. ANALYSIS

As a threshold matter, Patent Owner argues that the Board should deny Petitioner’s proposed grounds under 35 U.S.C. § 325(d) “because the newest Petition presents substantially the same prior art and arguments previously presented to the Board in the original Petition.” Prelim. Resp. 1. Petitioner argues that the present Petition is not subject to 35 U.S.C. § 325(d). Pet. 4.

We address each party's contentions below and determine whether we should exercise our discretion under § 325(d).

*A. Patent Owner's Contentions*

Patent Owner contends that we should decline to consider most, if not all, grounds proffered in the instant Petition because the same or substantially the same prior art or arguments were previously presented. Prelim. Resp. 4. Patent Owner continues, asserting that "Petitioners, who have unabashedly admitted they intend to rectify the errors of their first petition through this request for CBM review, are not entitled to a second bite at the apple at Patent Owner's expense." *Id.* at 7. Patent Owner also argues that allowing repetitive challenges in CBM reviews, "which have no cut-off for filing," is particularly unfair to patent owners. *Id.* at 7–8.

Patent Owner reviews each of the proffered grounds and alleges a correspondence to the grounds of the prior petition, i.e., the petition in the '167 proceeding. *Id.* at 8–17. In the "original Petition," it was argued that the claims were directed to the fundamental economic practice of "providing money to an account-holder" or a "strategy for organizing human behavior." *Id.* at 9. Patent Owner points out that Petitioner argues that "[t]he present petition rectifies the Board-identified omissions with respect to Section 101" and "would still preempt the fundamental economic practice of providing money to an accountholder." *Id.* at 10 (citing Pet. 4–5). Patent Owner argues that Petitioner's arguments simply use the prior denial of institution as a "how-to guide" for the instant Petition. *Id.* at 11.

With respect to the prior art grounds, Patent Owner argues that the "original Petition" relied upon Akel, which we determined did not disclose entering a personal identification number into the terminal and asking the

account-holder if they would like to request money or item of value via a second type of transaction. *Id.* at 12. Patent Owner continues that Akel is used in the instant Petition in the same manner as the original petition, often citing identical portions of Akel to teach the same claim elements, and the “new” prior art cited in the instant Petition was available at the time of filing of the original petition. *Id.* at 12–15. Patent Owner points out that Felgran was described in the prosecution history of the ’792 Patent, and that Petitioner has not alleged that Kinker was unavailable to Petitioner at the time of filing of the original petition. *Id.* at 14–15.

Lastly, Patent Owner argues that the § 112, 2<sup>nd</sup> paragraph ground asserted in the instant Petition is based substantially on the same arguments made in the original petition with respect to the construction of the claim term “processor.” *Id.* at 15–17. In the “original Petition,” Petitioner argued that the Specification of the ’792 Patent failed “to specify whether the processor may be human or machine.” *Id.* at 15 (citing CBM2016-00167, Paper 1, 13). Patent Owner argues that the similarity of the instant ground in the instant Petition can be discerned from Petitioner’s declarant, Dr. Peter Alexander, who presents identical arguments to those made in the original petition. *Id.* at 16 (comparing Ex. 1007 ¶ 76 with CBM2016-00167, Paper 1, 12–14). Patent Owner argues that the instant Petition “simply rehashes the original Petition’s proposed claim construction into a section 112 argument,” and offers no reason why such an argument could not have been proffered in the original petition. *Id.* at 17.

#### *B. Petitioner’s Contentions*

Petitioner contends that the instant Petition “presents entirely new grounds for review” and includes “new prior art references, new arguments

concerning each presented ground, and new expert testimony demonstrating how claims 1–9 are unpatentable.” Pet. 4. Petitioner argues that the instant Petition addresses particular problems pointed out with respect to the original petition, and argues that the “mere use of a common reference does not constitute a *per se* violation of Section 325(d).” *Id.* at 4–6 (citing IPR2015-01834, Papers 9, 10, and 26). Petitioners continue that the consideration should be made if the particular combination of prior art had previously been asserted against the same claims, and that the instant Petition “presents new and different combinations of prior art from those presented in the First Petition.” *Id.* at 6.

*C. Discretion Under § 325(d).*

Institution of covered business method patent review is subject to the Board’s discretion. *See* 37 C.F.R. § 42.208(b). In particular, “[i]n determining whether to institute or order a proceeding under this chapter, chapter 30, or chapter 31, the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.” 35 U.S.C. § 325(d). In making this determination, we may consider whether Petitioner uses our prior Decision to bolster challenges it advanced unsuccessfully. *See, e.g., Unilever, Inc. v. The Procter & Gamble Co.*, Case IPR2014-00506, slip op. at 8 (PTAB July 7, 2014) (Paper 17) (informative).

Having considered the parties’ contentions, we determine the grounds at issue here rely on the same or substantially the same prior art and arguments that we found insufficient in the ’167 proceeding. Petitioner clearly intends to rectify the mistakes of the first petition, specifically calling out the deficiencies and how the instant Petition cures those deficiencies. *See*

Pet. 4–5. Although Petitioner attempts to utilize the distinctions between the original and instant Petitions to show that the instant arguments are “new and had not yet been presented to the Board” (*id.* at 5), it rather points out Petitioner’s attempts to bolster challenges it had previously advanced unsuccessfully.

With respect to the prior art grounds, we previously considered Akel under 35 U.S.C. § 103, in view of other prior art references. *See* ’167 proceeding, slip op. at 7, 15–16 (PTAB Jan. 22, 2016) (Paper 14). As such, the new combinations proffered in the instant Petition could have been properly presented in the original petition. Similarly, we considered Petitioner’s prior proposed “express constructions, many of which would require, or at least encompass, human involvement in certain steps of the claimed methods” (*id.* at 7–8), such that we have previously considered the scope of the term “processor,” which Petitioner now asserts is indefinite. Pet. 26–28. As such, we are persuaded that we have already considered substantially the same arguments and evidence presented in the prior petition.

Consequently, we find this to be a “second bite at the apple” (Prelim. Resp. 8) used to bolster previously unsuccessful arguments. *See Conopco, Inc. dba Unilever v. The Proctor & Gamble Co.*, Case IPR2014-00628, slip op. at 7–9 (PTAB Oct. 20, 2014) (Paper 21) (new reference, same argument); *Travelocity.com L.P. v. Cronos Techs., LLC*, Case CBM2015-00047, slip op. at 12–13 (PTAB June 15, 2015) (Paper 7) (new indefiniteness argument); *Samsung Elecs. Co., Ltd., v. Affinity Labs of Tex., LLC*, Case No. IPR2015-00820, slip op. at 4 (PTAB May 15, 2015) (Paper 12) (new reference).

We also are mindful that the instant Petition does cite to a new declaration and “new” prior art references. Notwithstanding, the addition of *any* “new” element added to previously presented arguments does not deprive us of our discretion under § 325(d). The statute provides we must consider whether “the same *or substantially the same* prior art or arguments previously were presented to the Office.” There is no requirement of identicalness of either prior art or arguments, and therefore, a scintilla of difference or an immaterial difference does not create necessarily “different” arguments. As discussed above, we are persuaded by Patent Owner’s arguments that the proposed grounds proffered in the instant Petition involve evidence and arguments we previously considered in the ’167 proceeding and are substantially the same as those previously presented. Accordingly, we exercise our discretion under § 325(d) to deny the instant Petition and not institute a covered business method patent review of the ’792 Patent.

### III. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that, pursuant to 35 U.S.C. § 325(d), a covered business method patent review is not instituted as to any claim of the ’792 Patent.

CBM2016-00080  
Patent 6,081,792

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