### UNITED STATES PATENT AND TRADEMARK OFFICE

\_\_\_\_\_

### BEFORE THE PATENT TRIAL AND APPEAL BOARD

\_\_\_\_

### KIOSOFT TECHNOLOGIES LLC

and

TECHTREX, INC.

**Petitioners** 

v.

PAYRANGE, INC.
Patent Owner

\_\_\_\_\_

Patent 10,891,608

\_\_\_\_

# DECLARATION OF GERALD SMITH IN SUPPORT OF PETITION FOR POST-GRANT REVIEW OF U.S. PATENT NO. 10,891,608

Mail Stop "PATENT BOARD"

Patent Trial and Appeal Board U.S. Patent & Trademark Office P.O. Box 1450

Alexandria, VA 22313-1450



Kinsoft LLC FX1005

# **TABLE OF CONTENTS**

I. :	Introduction
II.	Summary of My Opinions
Fa	nilure to further limit the claim from which it depends
III.	Qualifications and Experience
IV.	Materials Considered
V.	Relevant Legal Standards
VI.	The '608 Patent1
A.	. Technology Background of Vending Machines1
В.	Overview of the claimed subject matter of claims 1-202
C.	Earliest possible effective priority date of '608 Patent claims2
D.	. A person having ordinary skill in the art ("POSITA")
E.	Meaning (or lack thereof) of certain terms in claims 1-202
	1. "a first interface module configured to output to a control unit of the offlin payment-operated machine one or more electrical pulses"
	2. "a second interface module configured to store control signals from the control unit of the offline payment-operated machine that initiate operation of the offline payment-operated machine"
(	3. "a second interface module configured to store control signals from the control unit of the offline payment-operated machine that initiate operation of the offline payment-operated [machine]"
	4. "a first interface module configured to communicate with a control unit of the offline payment-operated machine using a serial interface to send one or more commands to the control unit"
-	5. "a second interface module configured to count one or more electrical pulses generated by the coin receiving switch of the offline payment-operated machine in response to the insertion of a single coin of a predetermined type in the offline payment-operated machine and to store an output of the control unicorresponding to an operation of the offline payment-operated machine"3
	6. "interface"
	7. "offline payment-operated machine"



	pul	ses th	ring, in the memory of the payment module, a number of the control unit to initiate an operation	n of the
	off	line p	payment operating machine"	40
	9.	"init	tiate a cashless operation of the offline-payment operated mac	hine"46
		he of	ending operation information corresponding to the initiated of ffline payment-operated machine to the respective mobile dev t-range wireless transceiver"	ice via
VII	.•	Ove	rview of the Prior Art	52
A	١.	U.S.	Patent No. 9,092,768 ("Breitenbach," EX1007)	52
В	3.	U.S.	Patent No. 7,110,954 ("Yung," EX1011)	60
C		U.S.	Patent No. 6,743,095 ("Cole," EX1014)	62
VII pate			SITA's understanding of the challenged claims, in view of the fication and prosecution history	
A	١.	Grou	und 1: Claims 19-20 lack of written description	63
В	8.	Grou	und 2: Claims 1-20 lack definiteness	67
	1. uni		laims 1-18, "a first interface module configured to output to a one or more electrical pulses" ("CL1") lacks definiteness	
		ontrol	laims 19-20, "a first interface module configured to communical unit of the offline payment-operated machine using a serial interface or more commands to the control unit" ("CL2") lacks defined by the control unit ("CL2") lacks defined by t	interface
	3.		laims 4, 10, 16, "a second interface module configured to store control signals from the control unit" ("CL3") lacks define	_
	mo	re ele	laims 19-20, "a second interface module configured to count of ectrical pulses and to store an output of the control unit' finiteness	'("CL4")
	5.		laims 5, 11, 17, "the offline payment-operated machine is not ed to any networks" ("CL5") lacks definiteness	79
C		Grou	und 3: Claims 5, 11, 17 fail to be further limiting	80
IX.	A	pplic	cation of the Prior Art to the Challenged Claims	81
A	۱.	Clair	ms 1-20 are anticipated by Breitenbach (Ground 4)	81
	1.	Clair	ms 1, 7, 13 and 19	81
	2	Clair	ms 2 - 8 - 14 - and 20	108



3.	Claims 3, 9, and 15				
4.	Claims 4, 10, and 16				
5.	Claims 5, 11, and 17123				
6.	Claims 6, 12, and 18				
B.	Claims 1-20 would have been obvious in view of Breitenbach and Yung				
(Ground 5)					
1.	Disclosure of Yung				
2.	Motivation to combine Breitenbach and Yung127				
	Breitenbach in view of Yung disclose each and every limitation of claims 0				
C.	Claims 1-20 would have been obvious in view of Breitenbach and Cole 131				
1.	Disclosure of Cole				
2.	Motivation to combine Breitenbach and Cole				
3. 20	Breitenbach in view of Cole disclose each and every limitation of claims 1-135				
Oth	er evidence relevant to Obviousness				

## I, GERALD SMITH, declare as follows:

### I. Introduction

- 1. I have been asked by KioSoft Technologies LLC and TechTrex, Inc. ("Petitioners" and, collectively, "KioSoft") to provide my opinions in the above-captioned post-grant review proceeding involving U.S. Patent No. 10,891,608 ("the '608 patent," EX1002), which is titled "Method and System for an Offline-Payment Operated Machine to Accept Electronic Payments."
- 2. I am being compensated at the rate of \$450 per hour for the time I spend in connection with the proceeding. My compensation is not dependent in any way on the substance of my opinions or on the outcome of this proceeding.

# II. Summary of My Opinions

- 3. To assist and orient the reader in reviewing this declaration, I have provided a summary of my main opinion below. A person of ordinary skill in the art ("POSITA") at the time of the alleged invention would have found the subject matter of claims 1-20 (the "challenged claims") to be disclosed and/or obvious in view of the prior art. Additionally, a POSITA would have found certain elements of the claims to lack written description or to lack definiteness. A POSITA would have found certain claims to fail to further limit claims from which they depend.
  - 4. The specific grounds of unpatentability that I refer to are identified below:



# DOCKET

# Explore Litigation Insights



Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

# **Real-Time Litigation Alerts**



Keep your litigation team up-to-date with **real-time** alerts and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

# **Advanced Docket Research**



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

# **Analytics At Your Fingertips**



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

### API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

#### **LAW FIRMS**

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

#### **FINANCIAL INSTITUTIONS**

Litigation and bankruptcy checks for companies and debtors.

### **E-DISCOVERY AND LEGAL VENDORS**

Sync your system to PACER to automate legal marketing.

