

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ENTAIN CORPORATE SERVICES LTD., BETMGM, LLC,
POINTSBET USA, INC., DRAFTKINGS INC.,
HILLSIDE NEW JERSEY, LLC, BETFAIR INTERACTIVE US LLC,
TSG INTERACTIVE US SERVICES LTD. CORP., and
ODS TECHNOLOGY LP,
Petitioner,

v.

BETEIRO, LLC,
Patent Owner.

IPR2023-00094
Patent 10,147,266 B2

Before NEIL T. POWELL, JAMES A. TARTAL, and AMEE A. SHAH,
Administrative Patent Judges.

POWELL, *Administrative Patent Judge.*

DECISION
Granting Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

Entain Corporate Services Ltd., BetMGM, LLC, PointsBet USA, Inc., DraftKings Inc., Hillside New Jersey, LLC, Betfair Interactive US LLC, TSG Interactive Services Ltd. Corp., and ODS Technology LP (“Petitioner”) filed a Petition pursuant to 35 U.S.C. §§ 311–319 requesting an *inter partes* review of claims 1–22 and 24–40 (“the Challenged Claims”) of U.S. Patent No. 10,147,266 B2 (Ex. 1001, “the ’266 patent”). Paper 1 (“Pet.”). Beteiro, LLC (“Patent Owner”) did not file a preliminary response.

We have authority to determine whether to institute an *inter partes* review. 35 U.S.C. § 314(b) (2018); 37 C.F.R. § 42.4(a) (2022). An *inter partes* review may not be instituted “unless . . . the information presented in the petition . . . shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a). Moreover, a decision to institute under 35 U.S.C. § 314 may not institute on fewer than all claims challenged in the petition. *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1359–60 (2018).

Upon consideration of the Petition and the evidence of record, we conclude that the information presented shows a reasonable likelihood that Petitioner would prevail in showing the unpatentability of at least one of the Challenged Claims. Accordingly, we authorize an *inter partes* review to be instituted as to the Challenged Claims of the ’266 patent on the grounds raised in the Petition. Our factual findings and conclusions at this stage of the proceeding are based on the evidentiary record developed thus far. This is not a final decision as to patentability of claims for which *inter partes* review is instituted. Any final decision will be based on the record, as fully developed during trial.

II. BACKGROUND

A. *Related Proceedings*

The parties identify the '266 patent as the subject of the following United States District Court cases: *Beteiro, LLC v. Betfair Interactive US LLC et al.*, No. 1:22-cv-00577 (D.N.J.); *Beteiro, LLC v. DraftKings, Inc.*, No. 1:21-cv-20148 (D.N.J.); *Beteiro, LLC v. PointsBet USA, Inc.*, No. 1:21-cv-20155 (D.N.J.); *Beteiro, LLC v. BetMGM, LLC et al.*, No. 1:21-cv-20156 (D.N.J.); *Beteiro, LLC v. Hard Rock Tristate AC, LLC et al.*, No. 1:21-cv-20157 (D.N.J.); *Beteiro, LLC v. Hillside New Jersey, LLC*, No. 1:21-cv-20158 (D.N.J.); *Beteiro, LLC v. Kindred Group, PLC et al.*, No. 1:22-cv-01536 (D.N.J.); *Beteiro, LLC v. Elys Game Technology Corporation*, No. 6:21-cv-01147 (W.D.TX); *Beteiro, LLC v. Morris Mohawk Gaming Group*, No. 6:21-cv-01149 (W.D.TX); and *Beteiro, LLC v. PlayUp Limited*, No. 6:21-cv-01150 (W.D.TX). Pet. 70–71¹; Paper 12, 2.

Petitioner further identifies three other petitions challenging patents related to the '266 patent in IPR2023-00092, IPR2023-00093, and IPR2023-00095. Pet. 71.

B. *The '266 Patent*

The '266 patent is titled “Apparatus and Method for Facilitating Gaming Activity and/or Gambling Activity.” Ex. 1001, code (54). The '266 patent summarizes its disclosure as follows:

The present invention pertains to an apparatus and method for facilitating gaming activity and/or gambling activity via a user communication device. The present invention can be utilized in

¹ Petitioner's mandatory notices appear on unnumbered pages beginning after page 69 of the Petition. We consider the page beginning with the section titled “VIII. MANDATORY NOTICES UNDER 37 C.F.R. §42.8” as page 70 and proceed from there in numerical order.

order to allow a user to engage in gaming activity and/or gambling activity via a user communication device. The present invention can also be utilized in order to facilitate gaming activity and/or gaming activity in a network environment

Id. at 2:12–20.

Figure 1 of the '266 patent is reproduced below.

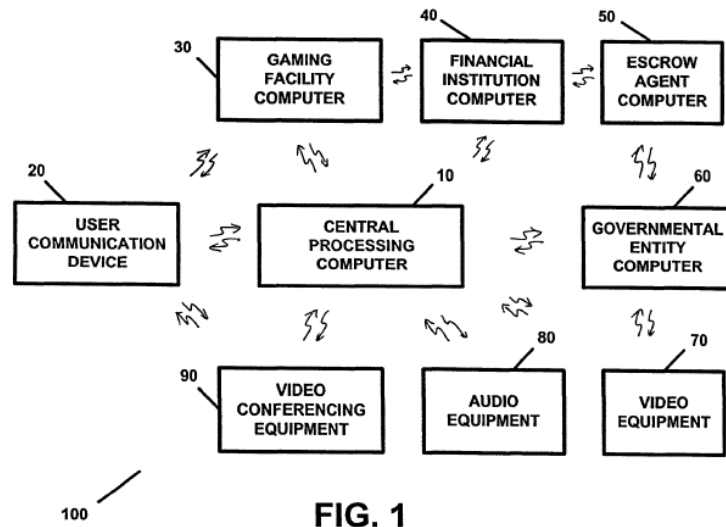


Figure 1 of the '266 patent above provides a block diagram view of an apparatus according to the preferred embodiment of the '266 patent. *Id.* at 27:14–15, 35:53–55. Apparatus 100 includes central processing computer 10 and user communication device 20 that interfaces with the central processing computer 10. *Id.* at 35:55–58, 36:8–13. User communication device 20 may be a computer, telephone, interactive television, cellular telephone, or any other communication device. *Id.* at 36:19–28.

Figures 8A and 8B of the '266 patent are reproduced below.

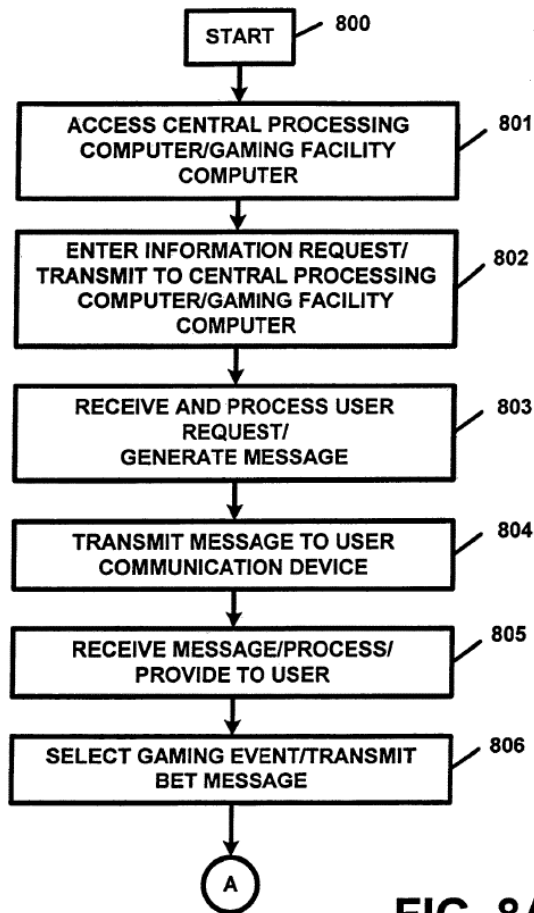


FIG. 8A

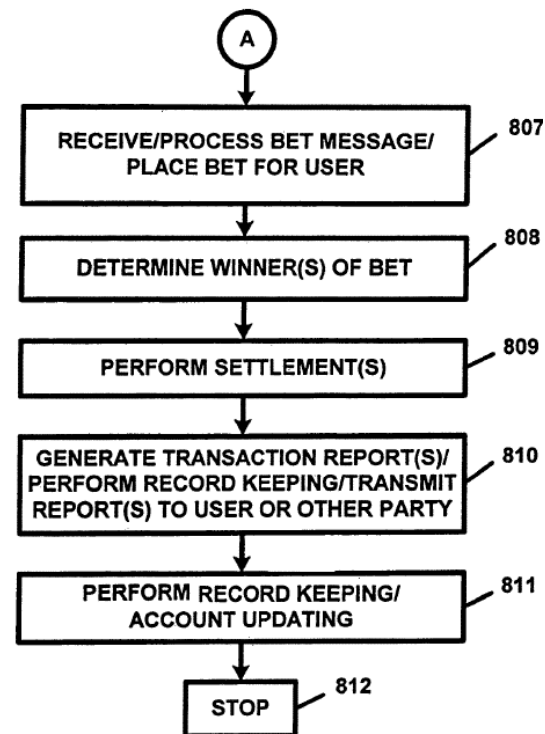


FIG. 8B

Figures 8A and 8B above depict a flow diagram view of a method for using apparatus 100 according to the preferred embodiment of the '266 patent. *Id.* at 27:29–31, 53:56–58. A user accesses central processing computer 10 via user communication 20 and can send a request to central processing computer 10 for information regarding an available gaming event. *Id.* at 54:4–13. Central processing computer 10 receives the user's request, generates a message including available gaming event information, and transmits the message to user communication device 20. *Id.* at 54:14–19, 29–35. After receiving the message from central processing computer 10, the user can select the gaming event on which the user desires to place a bet and transmit a bet message that includes information identifying the gaming

event, the amount of the bet, and payment information. *Id.* at 54:40–44, 46–57. Central processing computer 10 receives the bet message from the user, processes the information, and places the bet for the user. *Id.* at 54:58–61, 83:8–12. Central processing computer 10 may process location data to ascertain the location of user device 20 and the state having jurisdiction over the user’s gaming activity. *Id.* at 83:12–26. Based on this information, central processing computer 10 can determine if a user’s bet is legal in the applicable jurisdiction, and, if not legal, central processing computer 10 can prevent the bet from being made. *Id.* at 90:44–55.

C. Illustrative Claim

Petitioner challenges claims 1–22 and 24–40 of the ’266 patent. Pet. 1. Claims 1, 28, and 36 are independent. Claim 1 is illustrative of the claimed subject matter and is reproduced below with certain reformatting:²

1. [1(pre)] An apparatus, comprising:
 - [1(a)(i)] a computer, wherein the computer is specially programmed for processing information for providing for a placement of a bet on or regarding a gaming activity, a gambling activity, or a sporting event,
 - [1(a)(ii)] wherein the computer is specially programmed to detect a posting of information regarding the gaming activity, the gambling activity, or the sporting event, and to generate a notification message regarding the gaming activity, the gambling activity, or the sporting event,
 - [1(a)(iii)] wherein the computer detects the posting of the information regarding the gaming activity, the gambling activity, or the sporting event, and further wherein the computer generates the notification

² We have added the same labels that Petitioner applies to particular portions of claim 1, as well as the same carriage returns Petitioner has added to claim 1. *See* Pet. 75–76.

- message regarding the gaming activity, the gambling activity, or the sporting event,
- [1(b)] wherein, in response to a generating of the notification message, the computer initiates a communication link with a first communication device and transmits the notification message to the first communication device as an electronic transmission, or the computer transmits the notification message as an electronic mail message, wherein the electronic mail message is received by or received at a first communication device, wherein the first communication device is associated with an individual,
- [1(c)(i)] wherein the computer receives a bet message transmitted from the first communication device or from a second communication device, wherein the second communication device is associated with the individual, and
- [1(c)(ii)] further wherein the first communication device or the second communication device comprises a global positioning device, wherein the global positioning device determines a position or location of the first communication device or the second communication device,
- [1(d)] wherein the bet message contains information regarding a bet to be placed on or regarding the gaming activity, the gambling activity, or the sporting event, and information regarding the position or location of the first communication device or the second communication device,
- [1(e)] wherein the computer determines if the bet is allowed or disallowed using the information regarding the position or location of the first communication device or the second communication device and, if the bet is allowed, the computer processes information for placing the bet for or on behalf of the individual, or, if the bet is disallowed, the computer processes information for disallowing the bet.

Ex. 1001, 94:23–2:3.

D. Asserted Grounds of Unpatentability

Petitioner asserts that the Challenged Claims are unpatentable based on the following grounds:

Claim(s) Challenged	35 U.S.C. §	Reference(s)/Basis
1, 4, 5, 7, 10–13, 16, 20, 21, 24, 25, 27–29, 31–36, 38–40	103	Garahi, ³ McNutt ⁴
2	103	Garahi, McNutt, Walker ⁵
6, 14, 15, 22, 30, 37	103	Garahi, McNutt, Rowe ⁶
3, 8, 17, 19	103	Garahi, McNutt, Thomas ⁷
9, 32, 38	103	Garahi, McNutt, Monical ⁸
26	103	Garahi, McNutt, Paul ⁹
18	103	Garahi, McNutt, Alcorn ¹⁰

Pet. 5. Petitioner further relies on the supporting Declaration of Garry Kitchen, dated October 28, 2022. Ex. 1003.

³ U.S. Pat. App. Pub. No. 2001/0047291 A1, published Nov. 29, 2001 (Ex. 1004, “Garahi”).

⁴ U.S. Pat. App. Pub. No. 2001/0037211 A1, published Nov. 1, 2001 (Ex. 1005, “McNutt”).

⁵ U.S. Pat. No. 5,779,549, issued July 14, 1998 (Ex. 1006, “Walker”).

⁶ U.S. Pat. App. Pub. No. 2002/003992 A1, published Apr. 4, 2001 (Ex. 1007, “Rowe”).

⁷ U.S. Pat. App. Pub. No. 2001/0036853 A1, published Nov. 1, 2001 (Ex. 1008, “Thomas”).

⁸ U.S. Pat. App. Pub. No. 2001/0037211 A1, published Nov. 1, 2001 (Ex. 1009, “Monical”). In this decision, citations to Monical refer to the original page numbers of the reference, not the page numbers that Petitioner added to the exhibit.

⁹ U.S. Pat. App. Pub. No. US 2002/0169835 A1, published Nov. 14, 2002 (Ex. 1010, “Paul”).

¹⁰ U.S. Pat. 6,104,815, issued Aug 15, 2000 (Ex. 1009, “Alcorn”).

III. ANALYSIS

A. *Level of Ordinary Skill in the Art*

In determining the level of ordinary skill in the art, various factors may be considered, including the “type of problems encountered in the art; prior art solutions to those problems; rapidity with which innovations are made; sophistication of the technology; and educational level of active workers in the field.” *In re GPAC Inc.*, 57 F.3d 1573, 1579 (Fed. Cir. 1995) (citation omitted).

Petitioner contends a person of ordinary skill in the art would have had “a Bachelor of Science Degree in Electrical Engineering or Computer Engineering or equivalent, and at least two years of experience in the design and development of video game-related hardware and software.” Pet. 4 (citing Ex. 1003 ¶¶ 43–44). Patent Owner, as noted above, did not file a Preliminary Response in this proceeding and, therefore, has not contested Petitioner’s proposed definition.

For purposes of this Decision, we find that the ’266 patent and the cited prior art references reflect the appropriate level of skill at the time of the claimed invention and that the level of appropriate skill reflected in these references and in the ’266 patent is consistent with the level of skill proposed by Petitioner. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001). Accordingly, for purposes of this Decision, we adopt Petitioner’s proposed definition for a person of ordinary skill in the art.

B. *Claim Construction*

“In an *inter partes* review proceeding, a claim of a patent . . . shall be construed using the same claim construction standard that would be used to construe the claim in a civil action under 35 U.S.C. 282(b).” 37 C.F.R. § 42.100(b). That standard “includ[es] construing the claim in accordance

with the ordinary and customary meaning of such claim as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent.” *Id.*; *see also Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc). “When a patentee explicitly defines a claim term in the patent specification, the patentee’s definition controls.” *Martek Biosciences Corp. v. Nutrinova, Inc.*, 579 F.3d 1363, 1380 (Fed. Cir. 2009). “[O]nly those terms need be construed that are in controversy, and only to the extent necessary to resolve the controversy.” *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999).

Petitioner states in the Petition that it “appl[ies] the ordinary and customary meaning of the claim terms as understood by a [person of ordinary skill in the art].” Pet. 6. Petitioner contends that the Challenged Claims include sequences of terms separated by the disjunctive “or,” which designates that the sequences describe alternatives. *Id.* (citing *SkinMedica, Inc. v. Histogen Inc.*, 727 F.3d 1187, 1199–1200 (Fed. Cir. 2013); *Schumer v. Lab. Comput. Sys., Inc.*, 308 F.3d 1304, 1311 (Fed. Cir. 2002)). Petitioner also contends that it “need only show the prior art discloses one of the recited alternatives for each disjunctive sequence.” *Id.* at 7 (citing *Fresenius USA, Inc. v. Baxter Intern., Inc.*, 582 F.3d 1288, 1298 (Fed. Cir. 2009)). Patent Owner, as noted above, did not file a Preliminary Response in this proceeding and, therefore, has not proposed constructions for any claim term. For purposes of this Decision, given that no claim terms are in controversy on the current record, we find that no express claim construction is necessary. *See Vivid Techs., Inc.*, 200 F.3d at 803.

C. Alleged Obviousness of Claims 1, 4, 5, 7, 10–13, 16, 20, 21, 24, 25, 27–29, 31–36, and 38–40 Over Garahi and McNutt

1. Overview of Garahi

Garahi, titled “Systems and Methods for Placing Parimutuel Wagers on Future Events,” is directed to “an interactive wagering system in which an interactive wagering application allows a user to place parimutuel wagers on future events.” Ex. 1004, code (54), ¶ 9. Figure 1 of Garahi is reproduced below.

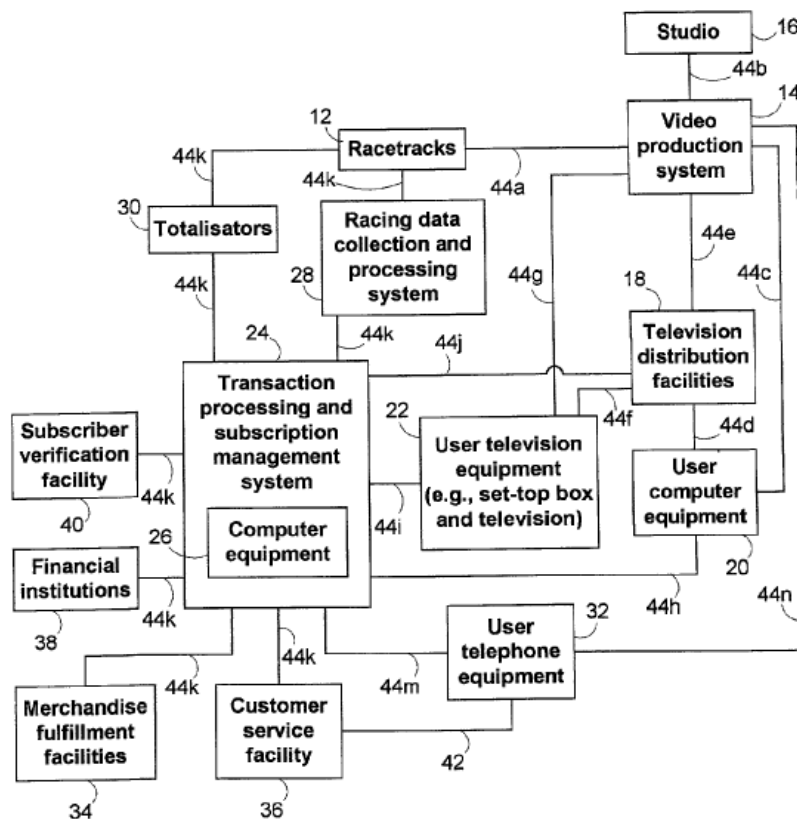


FIG. 1

Figure 1 of Garahi above depicts a schematic diagram of an interactive wagering system according to one embodiment. *Id.* ¶¶ 15, 28. In particular, interactive wagering system 10 provides interactive wagering services to users operating user equipment via an interactive wagering application. *Id.* ¶ 30.

The interactive wagering application may run locally on the user equipment (e.g., on a set-top box, personal computer, cellular telephone, handheld computing device, etc.) or may run using a client-server or distributed architecture where some of the application is implemented locally on the user equipment in the form of a client process and some of the application is implemented at a remote location (e.g., on a server computer or other such equipment in the system) as a server process.

Id. Transaction processing and subscription management system 24 may include computer equipment 26 for supporting system functions (e.g., transaction processing, data distribution, and subscriber management). *Id.*

¶ 37. Interactive wagering system 10 also includes totalisators 30, which are computer systems that handle wagers and generate odds in real-time. *Id.* ¶ 41.

Users may interact with transaction processing and subscription management system 24 to place wagers via user equipment (i.e., user television equipment 22, user computer equipment 20, and user telephone equipment 32). *Id.* ¶ 55; *see also id.* ¶ 49 (“Users who wish to place wagers may establish an account at transaction processing and subscription management system 24.”). The user equipment displays interactive screens with menus and selectable options, the user specifies a type of wager and amount for a race, and data for the wager is transmitted to transaction processing and subscription management system 24. *Id.* ¶ 56. The interactive wagering system may also notify users of future races that may be of interest based on user profiles. *Id.* ¶ 107.

Figure 13 of Garahi is reproduced below.

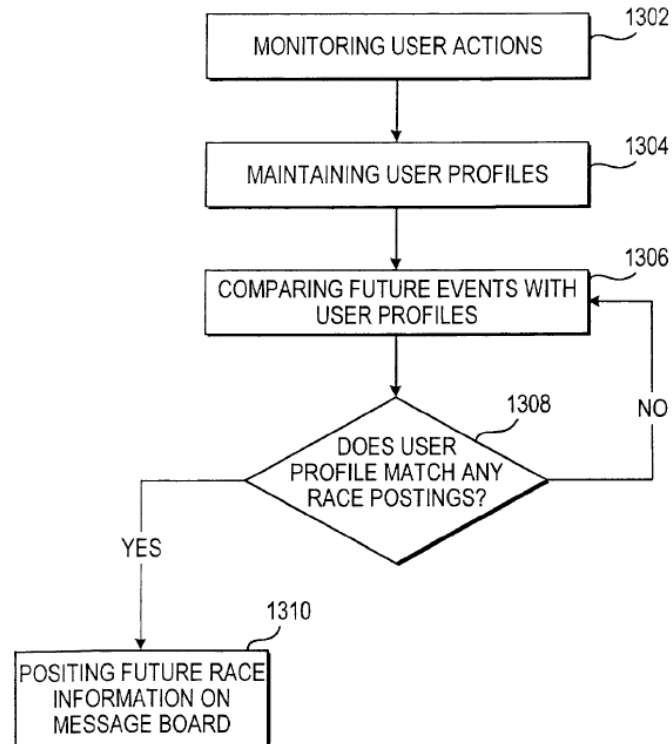


FIG. 13

Figure 13 of Garahi above depicts a flowchart of steps involved in matching future race information with a user in order to provide interest-based notifications. *Id.* ¶¶ 27, 113. The interactive wagering application may monitor user activity (step 1302), such as the user's past wagers, to create a store a user profile (step 1304) for comparing with future events (step 1306). *Id.* ¶ 113. Garahi further explains as follows:

When a future race becomes available for wagering, the interactive wagering application may check the user profile to determine whether a match exists with the available race at step 1308. If no match exists, then the interactive wagering application may not post the future race information to the user and continue to monitor and compare the future events with the user profile. If future races match interests or prior actions Stored in the user profile, the interactive wagering application may post the future races to the user, for example, on the user's message board (as shown in display screen 1200 of FIG. 12) at

step 1310. The user may access his or her message board to retrieve future race information and determine whether he or she is interested in participating in the future race wagering pool.

Id.

2. *Overview of McNutt*

McNutt “provide[s] for an interactive wagering application that restricts wagering access,” the restrictions “based on user-defined restrictions on the location of the user equipment or any other suitable criterion.” Ex. 1005, code (57). The application compares blackout and user equipment information and when they match, wagering access is restricted. *Id.* An objective of McNutt’s invention is “to provide an interactive wagering application that restricts wagering access based on particular criteria.” *Id.* ¶ 5.

McNutt’s wagering system 10 “may be used to provide an interactive wagering service to users of various user equipment” via an interactive wagering application (*id.* ¶ 33) and is shown in Figure 1, which is reproduced below.

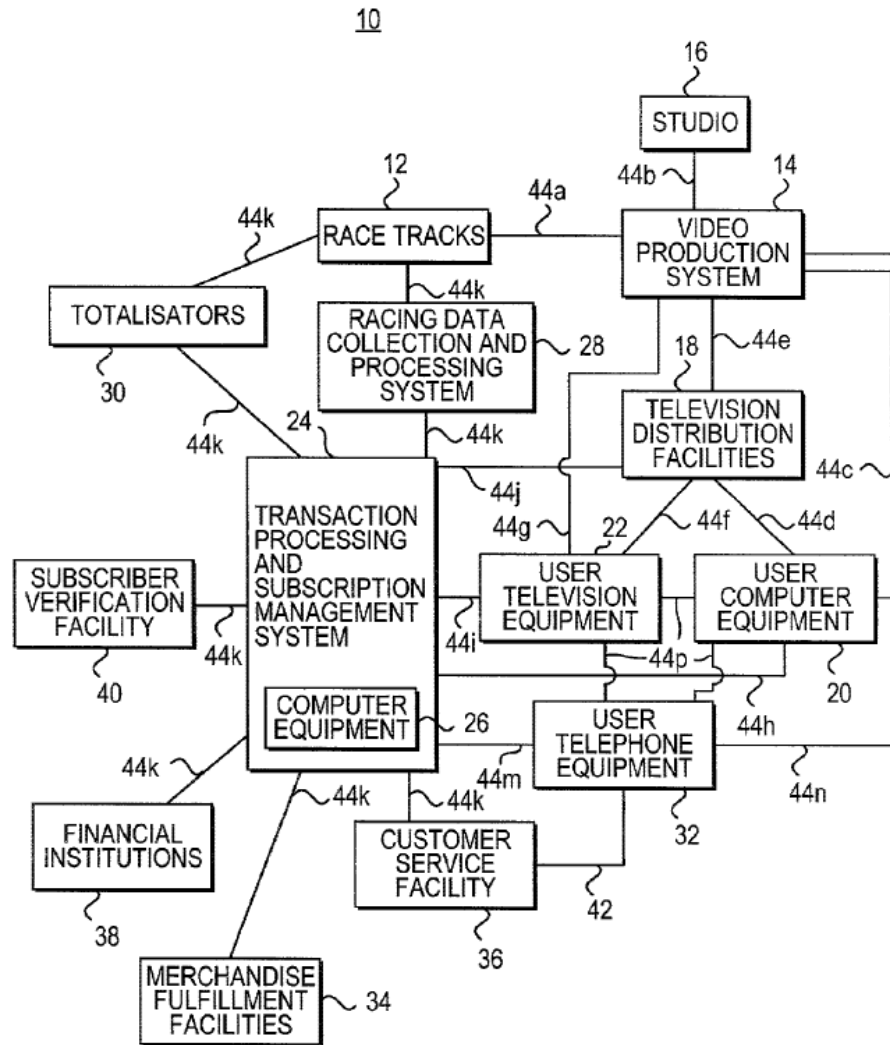


FIG. 1

Figure 1 “is a schematic diagram of an illustrative interactive wagering system in accordance with one embodiment of the present invention” (*id.* ¶ 13) and depicts, in relevant part, transaction processing and subscription management system 24 that includes computer equipment 26, racing data collection and processing system 28, user television, telephone, and computer equipment 22, 32, and 20, respectively, and subscriber verification facility 40.

“Transaction processing and subscription management system 24 [(“TPSMS”)] may contain computer equipment 26 and other equipment for supporting system functions such as transaction processing” (such as “handling tasks related to wagers” and “adjusting the amount of funds in user accounts based on the outcomes of wagers”), data distribution, and subscriber management (such as opening and closing accounts, allowing users to add or withdraw funds or change their address or personal identification number). *Id.* ¶48. “Databases within transaction processing and subscription management system 24 or associated with system 24 may be used to store racing data, wagering data and other transaction data, and subscriber data.” *Id.* Videos and other services such as interactive advertisements that provide information to the user upon being selected by the user may be provided “using services and other equipment located at” the TPSMS. *Id.* ¶49. Information including “[a]ny suitable data related to racing” may be provided to the TPSMS by racing data collection and processing system 28 or by totalisators 30. *Id.* ¶¶ 51–52. The TPSMS provides the racing data and other information to users via any communication link such as a modem, network or Internet path, telephone lines, or wireless data paths, in a continuous stream, periodically, or as requested. *Id.* ¶¶ 70, 76.

User television equipment 22 may include a television or other monitor and a set-top box used to receive the television wagering service, to provide wagering data to place wager, and to interact with the wagering service through interactive screens provides by the service. *Id.* ¶¶ 37, 44, 62. User computer equipment may be based on a personal computer 80 or any other suitable computing device.” *Id.* ¶45. User telephone equipment 32

may be any telephone such as a conventional, cordless, cellular, portable wireless, “or any other suitable telephone equipment.” *Id.* ¶ 57.

Subscriber verification facility 40 checks the user’s identity and “may be used to ensure that the user lives in a geographic area in which wagering is legal, that the user is of a legal age, and that the identification information (e.g., the user’s social security number) matches the name provided by the user.” *Id.* ¶ 63. The user’s physical location may be determined by using a global positioning system (GPS) (*id.*) or “in any suitable way” (*id.* ¶ 119).

“[T]he interactive wagering application may restrict wagering access based on the geographical location of the user equipment” or “based on blackout information and location information.” *Id.* ¶ 111. The process of restricting access in this way is shown in Figure 12, reproduced below.

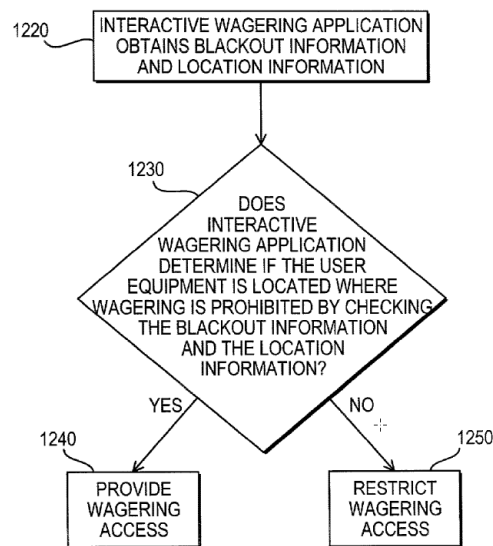


FIG. 12

Figure 12 “is a flow chart of illustrative steps involved in restricting wagering access based on the user equipment location.” *Id.* ¶ 113.

“At step 1220, the interactive wagering application may obtain blackout information and location information,” the information indicating,

for example, that certain states prohibit wagering and in what state the user equipment is located. *Id.* ¶ 114. At step 1230, the application checks the blackout and location information to determine the locations where wagering is prohibited and determine if the user is in one of those locations. *Id.* ¶ 115. If the locations do not match, the wagering access is allowed (step 1240) (*id.* ¶ 116) and the system directs the application to store on the user equipment a location verification token, such as “a signature, a key, or any other suitable element that provides the interactive wagering application with verification that the user is located in an area where wagering is legal” (*id.* ¶ 126). If the blackout and location information do match, wagering access is restricted (step 1250). *Id.* ¶ 117. “[M]essages (e.g., in the form of overlays) may be displayed by the interactive wagering application to indicate to the user that wagering access is restricted.” *Id.* ¶ 142.

McNutt’s claim 1 provides the following:

A method for restricting wagering access on user equipment, using an interactive wagering application comprising:

- determining a geographic location of the user equipment;
- checking whether wagering is allowed in the geographic location of the user equipment; and
- restricting wagering access when wagering is not allowed in the geographic location of the user equipment.

3. Discussion

In asserting obviousness of claims 1, 4, 5, 7, 10–13, 16, 20, 21, 24, 25, 27–29, 31–36, and 38–40 over Garahi and McNutt, Petitioner relies on Garahi when addressing most of the challenged claims’ limitations. Pet. 8–43. Petitioner cites McNutt, for instance, when addressing certain limitations related to a “bet message” with “information regarding the

position or location of the first communication device or the second communication device,” as well as certain limitations regarding “the computer determin[ing] if the bet is allowed or disallowed using the information regarding the position or location of the first communication device or the second communication device.” Ex. 1001, 94:57–62, 94:63–66; Pet. 23–30.

At this stage, Petitioner’s arguments that claims 1, 4, 5, 7, 10–13, 16, 20, 21, 24, 25, 27–29, 31–36, and 38–40 would have been obvious over Garahi and McNutt are undisputed. Having reviewed Petitioner’s arguments and evidence, we find Petitioner has demonstrated a reasonable likelihood of establishing that independent claim 1 would have been obvious over Garahi and McNutt. We turn now to a detailed discussion of Petitioner’s arguments regarding independent claim 1, followed by discussion of Petitioner’s arguments and evidence regarding claims 4, 5, 7, 10–13, 16, 20, 21, 24, 25, 27–29, 31–36, and 38–40.

a) Independent Claim 1

(1) Preamble

Claim 1’s preamble recites “an apparatus, comprising.” Ex. 1001, 94:23. Addressing this language, Petitioner argues that “Garahi discloses an ‘interactive wagering application allow[ing] a user to place parimutuel wagers on future events.’” Pet. 8 (quoting Ex. 1004 ¶ 9) (citing *id.* ¶¶ 28, 30, Fig. 1; Ex. 1003 ¶ 119). The cited portions of Garahi include the following disclosure:

[t]he interactive wagering application may run locally on the user equipment (e.g., on a set-top box, personal computer, cellular telephone, handheld computing device, etc.) or may run using a client-server or distributed architecture where some of the application is implemented locally on the user equipment in the

form of a client process and some of the application is implemented at a remote location (e.g., on a server computer or other such equipment in the system) as a server process.

Ex. 1004 ¶ 30.

At this stage of the proceeding, we find Petitioner’s arguments and evidence regarding claim 1’s preamble sufficient.

(2) *Limitation 1(a)(i)*

Limitation 1(a)(i) recites “a computer, wherein the computer is specially programmed for processing information for providing for a placement of a bet on or regarding a gaming activity, a gambling activity, or a sporting event.” Ex. 1001, 94:24–27. Addressing this claim language, Petitioner argues that Garahi discloses using equipment like a “server computer,” “computer equipment 26,” and “servers” in processes related to wagering. Pet. 8–10 (citing Ex. 1004 ¶¶ 28, 30, 37, 38, 56, Fig. 1; Ex. 1003 ¶¶ 120–123).

At this stage of the proceeding, we find Petitioner’s arguments and evidence regarding limitation 1(a)(i) sufficient.

(3) *Limitation 1(a)(ii)*

Limitation 1(a)(ii) recites the following:

wherein the computer is specially programmed to detect a posting of information regarding the gaming activity, the gambling activity, or the sporting event, and to generate a notification message regarding the gaming activity, the gambling activity, or the sporting event.

Ex. 1001, 94:27–32. Addressing this claim language, Petitioner contends that, in Garahi’s Figure 13, “steps 1306-1310 represent special programming to detect a posting of information regarding the sporting event and generate a notification message regarding the sporting event.” Pet. 11–12 (citing Ex. 1003 ¶¶ 125–126). Noting that Garahi does not disclose explicitly that

TPSMS executes Figure 13's process, Petitioner contends that it would have been obvious to use TPSMS for this purpose. *Id.* at 12–13 (citing Ex. 1003 ¶¶ 127–129; Ex. 1004 ¶ 37, 46, 110). According to Petitioner, a person of ordinary skill in the art would have been motivated to do so for certain reasons. *Id.* at 12–13 (citing Ex. 1003 ¶¶ 127–129; Ex. 1004 ¶¶ 37, 46, 110). For example, Petitioner contends that “[a person of ordinary skill in the art] would have found TPSMS to be a logical and predictable choice because it includes databases used to store ‘subscriber data such as . . . past wagering history.’” *Id.* at 12 (quoting Ex. 1004 ¶ 37)(citing Ex. 1003 ¶¶ 127–129). Petitioner also contends that a person of ordinary skill in the art would have had a reasonable expectation of success in implementing such an approach. *Id.* at 13 (citing Ex. 1003 ¶ 130).

At this stage of the proceeding, we find Petitioner's arguments and evidence regarding limitation 1(a)(ii) sufficient.

(4) *Limitation 1(a)(iii)*

Limitation 1(a)(iii) recites “wherein the computer detects the posting of the information regarding the gaming activity, the gambling activity, or the sporting event, and further wherein the computer generates the notification message regarding the gaming activity, the gambling activity, or the sporting event.” Ex. 1001, 94:32–37. Addressing this limitation, Petitioner refers to its arguments and evidence for limitation 1(a)(ii), arguing the following:

it would have been obvious to a [person of ordinary skill in the art] to configure TPSMS (i.e., the computer) to perform Figure 13 including detecting the posting of event information (i.e., the information regarding the sporting event) in steps 1306 and 1308 and generating a notification message regarding the event in step 1310.

Pet. 13–14 (citing Ex. 1003 ¶ 131).

At this stage of the proceeding, we find Petitioner’s arguments and evidence regarding limitation 1(a)(iii) sufficient.

(5) *Limitation 1(b)*

Limitation 1(b) recites the following:

wherein, in response to a generating of the notification message, the computer initiates a communication link with a first communication device and transmits the notification message to the first communication device as an electronic transmission, or the computer transmits the notification message as an electronic mail message, wherein the electronic mail message is received by or received at a first communication device, wherein the first communication device is associated with an individual.

Ex. 1001, 94:38–47. Petitioner asserts that limitation 1(b)’s recitation that the “computer . . . transmits the notification message . . . as an electronic message, *or* transmits the notification message as an electronic mail message” requires transmission of only one of the two types of messages recited. Ex. 1001, 94:39–43; Pet. 21 n.4. Given this, Petitioner argues that limitation 1(b) is obvious over Garahi because “Garahi renders obvious the limitation in response to a generating of the notification message, the computer initiates a communication link with a first communication device and transmits the notification message to the first communication device as an electronic transmission, . . . wherein the first communication device is associated with an individual.” Pet. 20–21.

Petitioner asserts that Garahi teaches generating a message to notify a user of a future event. *Id.* at 15–19 (citing Ex. 1004 ¶ 48, 87, 88, 107, 110). Reiterating its position that it would have been obvious to have Garahi’s TPSMS execute Figure 13’s process of posting notification messages, Petitioner argues the following:

[b]ecause these notification messages are displayed on the user television equipment 22, it would have further been obvious and a [person of ordinary skill in the art] would have been motivated to configure the TPSMS to initiate a communication link via communication path 44i with the user television equipment 22 according to known techniques and transmit messages to the user television equipment 22 for display on message board screen 1200.

Id. at 19 (citing Ex. 1003 ¶ 138). Petitioner also argues that a person of ordinary skill in the art would have had a reasonable expectation of success in implementing such an approach with Garahi's system. *Id.* at 20 (citing Ex. 1003 ¶ 140).

At this stage of the proceeding, we find Petitioner's arguments and evidence regarding limitation 1(b) sufficient.

(6) *Limitation 1(c)(i)*

Limitation 1(c)(i) recites "wherein the computer receives a bet message transmitted from the first communication device or from a second communication device, wherein the second communication device is associated with the individual." Ex. 1001, 94:48–51. Petitioner contends that Garahi discloses or suggests this limitation, citing Garahi's disclosures regarding transmission of wagering data with user telephone equipment 32 or user television equipment 22. Pet. 21–22 (citing Ex. 1004 ¶ 55, 56, 78, 80, 148, Fig. 1; Ex. 1003 ¶¶ 149–152).

At this stage of the proceeding, we find Petitioner's arguments and evidence regarding limitation 1(c)(i) sufficient.

(7) *Limitation 1(c)(ii)*

Limitation 1(c)(ii) recites "further wherein the first communication device or the second communication device comprises a global positioning device, wherein the global positioning device determines a position or

location of the first communication device or the second communication device.” Ex. 1001, 94:52–56. Petitioner contends that Garahi discloses this limitation, citing Garahi’s discussion of a cellular telephone’s global positioning system (GPS) receiver capable of determining the user’s location. Pet. 22–23 (citing Ex. 1004 ¶ 50).

At this stage of the proceeding, we find Petitioner’s arguments and evidence regarding limitation 1(c)(ii) sufficient.

(8) *Limitation 1(d)*

Limitation 1(d) recites “wherein the bet message contains information regarding a bet to be placed on or regarding the gaming activity, the gambling activity, or the sporting event, and information regarding the position or location of the first communication device or the second communication device.” Ex. 1001, 94:57–62. Petitioner argues that Garahi discloses a bet message in the form of wagering data that includes information about the bet to be placed or the sporting event. Pet. 23–24 (citing Ex. 1004 ¶ 56, 94–101 Figs. 6a–d, 7–9; Ex. 1003 ¶ 154). Noting that Garahi also discloses employing user telephone equipment 32’s position data to confirm the user can legally wager from that place, Petitioner observes that Garahi does not explain exactly how this confirmation happens. *Id.* (citing Ex. 1003 ¶ 154).

Petitioner contends that “it would have been obvious to a [person of ordinary skill in the art] to configure Garahi to include the first communication device’s location information in the wagering data (i.e., the bet message) as taught by McNutt.” *Id.* at 24 (citing Ex. 1003 ¶ 155). Petitioner asserts that Garahi and McNutt have overlapping inventors and “generally describe different features of the same interactive wagering system,” arguing that Garahi’s Figure 1 and McNutt’s Figure 1 present

identical schematic diagrams. *Id.* (citing Ex. 1004, code (76), Fig. 1; Ex. 1006, code (76), Fig. 1). Petitioner explains that McNutt teaches precluding a user from betting when in a location that prohibits wagering. *Id.* at 24–25 (citing Ex. 1006, code (57), ¶¶ 111, 114). Petitioner elaborates that McNutt teaches sending position information “to the TPSMS with the wagering information (i.e., the bet message).” *Id.* at 25 (citing Ex. 1006 ¶¶ 119, 129).

Petitioner alleges that a person of ordinary skill in the art would have had certain motivations to implement McNutt’s disclosure of sending position information in a betting message with Garahi’s system. *Id.* at 25–26 (citing Ex. 1003 ¶¶ 156–160). For example, Petitioner contends that a person of ordinary skill in the art “would have understood that if the user[] is attempting to create a new wager using a mobile device, such as a cell phone, the user’s location may have changed to a location that prohibits wagering,” and “[v]erifying the user’s location when the user attempts to create a new wager was a well-known and predictable way to ensure that the wagering system is complying with local gaming regulations.” *Id.* (citing Ex. 1003 ¶ 160). Petitioner also contends that a person of ordinary skill in the art would have had a reasonable expectation of success in sending position information with the wagering data transmitted in Garahi’s system. *Id.* at 26 (citing Ex. 1003 ¶ 161).

At this stage of the proceeding, we find Petitioner’s arguments and evidence regarding limitation 1(d) sufficient.

(9) *Limitation 1(e)*

Limitation 1(e) recites the following:

wherein the computer determines if the bet is allowed or disallowed using the information regarding the position or

location of the first communication device or the second communication device and, if the bet is allowed, the computer processes information for placing the bet for or on behalf of the individual, or, if the bet is disallowed, the computer processes information for disallowing the bet.

Ex. 1001, 94:63–95:3. Addressing this claim language, Petitioner argues that “Garahi combined with McNutt discloses or suggests transmitting location information from a user telephone to the TPSMS computer for verification.” Pet. 27 (citing Ex. 1003 ¶ 162). Petitioner also asserts that McNutt’s Figure 12 shows a process by which McNutt’s TPSMS restricts or provides wagering access based on location information for the user’s equipment. *Id.* at 32–34 (citing Ex. 1006 ¶¶ 113–117, 119, 120–138, Fig. 12). Petitioner alleges that a person of ordinary skill in the art would have had certain motivations to “implement the processing steps of McNutt’s Figure 12 to confirm that the user is in a location where wagering is allowed prior to processing the received wagering information.” *Id.* at 28–29 (citing Ex. 1003 ¶¶ 162–164). For example, Petitioner argues the following:

[a person of ordinary skill in the art] would have understood that McNutt’s known technique of determining whether the user equipment is in a location where wagering is prohibited would be applied in the same way to Garahi’s interactive wagering system to yield the predictable result of preventing users from wagering in restricted locations.

Id. (citing Ex. 1003 ¶ 164). Petitioner also argues that a person of ordinary skill in the art would have had a reasonable expectation of success in implementing the process of McNutt’s Figure 12 with Garahi’s system. *Id.* at 29 (citing Ex. 1003 ¶¶ 166–167).

At this stage of the proceeding, we find Petitioner’s arguments and evidence regarding limitation 1(e) sufficient.

b) Claims 4, 5, 7, 10–13, 16, 20, 21, 24, 25, 27–29, 31–36, and 38–40

Petitioner cites Garahi when addressing most limitations of claims 4, 5, 7, 10–13, 16, 20, 21, 24, 25, 27–29, 31–36, and 38–40. Pet. 30–43.

Petitioner cites McNutt, for instance, when addressing certain language in claims 5, 25, 27–29, 31–36, 39, and 40. Pet. 31, 37–43. At this stage of the proceeding, Petitioner’s arguments that claims 4, 5, 7, 10–13, 16, 20, 21, 24, 25, 27–29, 31–36, and 38–40 would have been obvious over Garahi and McNutt are undisputed.

D. Alleged Obviousness of Claim 2 over Garahi, McNutt, and Walker

1. Overview of Walker

Walker, titled “Database Driven Online Distributed Tournament System,” is directed to “[a] method and a system for a distributed electronic tournament system in which many remotely located players participate in a tournament through input/output devices connected to a central controller which manages the tournament.” Ex. 1005, codes (54), (57).

Figure 1 of Walker is reproduced below.

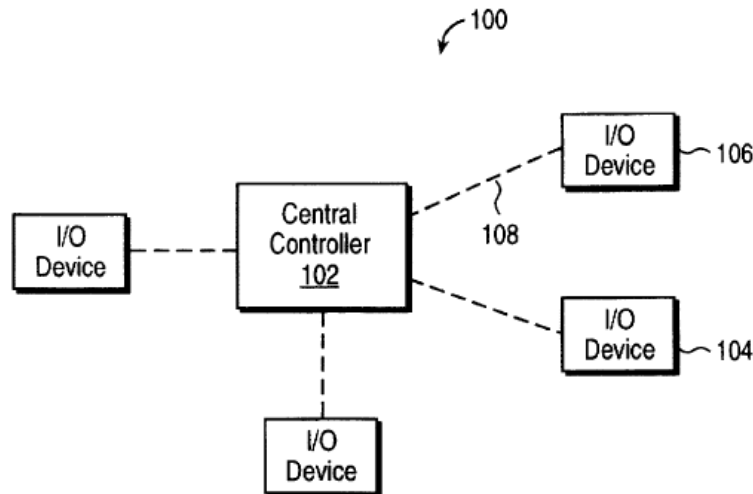


FIG. 1

Figure 1 of Walker above is a diagram showing distributed electronic tournament system 100 including central controller 102 connected to input/output devices 104, 106. *Id.* at 5:10–13. Central controller 102 is “a server computer connected to a public or private network,” and input/output devices 104, 106 “may be a video gaming console, a personal computer, handheld electronic device, and the like” and *Id.* at 5:13–15, 17–18.

Tournaments may be based on games of chance, such as slot machines. *Id.* at 12:30–35. Tournaments may also be based on games involving a mixture of strategy and luck, such as poker. *Id.* at 12:46–49.

2. Discussion

Claim 2 depends from independent claim 1. In addition to the limitations of claim 1, claim 2 requires that “the gaming activity, the gambling activity, or the sporting event, is a table game, a gaming machine game, or a slot machine game.” Ex. 1001, 95:4–6. Petitioner argues that Walker discloses a system that allows remote participation in multiple types of games, “including slot machine and poker (i.e., a table game).” Pet. 44 (citing Ex. 1006, 12:32–35, 12:47–49; Ex. 1003 ¶ 219). Petitioner contends

that, in view of Walker, it would have been obvious to implement Garahi's system with slot machines and poker." *Id.* (citing Ex. 1003 ¶ 220).

Petitioner asserts that a person of ordinary skill in the art would have had certain motivations for such a configuration. *Id.* For example, argues that "[a person of ordinary skill in the art] would have understood that different types of wagering appeal to different user" and that "offering a variety of games such as slot machines and poker games would have predictably increased the pool of prospective users of Garahi's interactive wagering system." *Id.* Petitioner also argues that a person of ordinary skill in the art would have had a reasonable expectation of success in implementing Garahi's system to provide slot machines and poker. *Id.* (citing Ex. 1003 ¶ 221).

At this stage of the proceeding, Petitioner's arguments that claim 2 would have been obvious over Garahi, McNutt, and Walker are undisputed.

E. Alleged Obviousness of Claims 6, 14, 15, 22, 30, and 37 over Garahi, McNutt, and Rowe

1. Overview of Rowe

Rowe, titled "Method and Apparatus for Monitoring Player Loss in a Gaming Environment," is directed to "methods and apparatus for effectuating financial and reward transactions in a casino or gaming environment." Ex. 1007, code (54), ¶ 11. Rowe discloses the following:

system 100 may include a game server 138 which generates game play information and receives or accepts game play input from a remote player. The game server is preferably in communication with the gateway 122 or other communication interface so that game play information may be transmitted to a player over a dedicated line or the Internet. A player's input may be transmitted from the player's location to the game server 138. The player's location may comprise a remote dedicated station, a desktop or laptop computer or the like.

Id. ¶ 173. Rowe also discloses “that the invention may be used to determine a player’s winnings or financial gain as a result of game play,” and “a determination of win may be used for a variety of criteria.” *Id.* ¶ 200. For Example, “a casino may deduct taxes due from a winning directly from the player’s account.” *Id.* ¶ 203. In particular, “[u]pon a win, the casino may determine the tax liability and transfer the withholding to a withholding account or directly transfer it to an IRS deposit account.” *Id.*

2. Discussion

Each of dependent claims 6, 14, 15, 22, 30, and 37 includes language related to taxes or “payment to the state, the political subdivision, or the country.” Ex. 1001, 95:27–29, 96:6–27, 97:3–11, 98:12–20, 99:41–100:7. Petitioner argues that Rowe discloses ascertaining the taxes due when a remote player wins a wager, as well as transferring the taxes due “to an IRS deposit account.” Pet. 46 (quoting Ex. 1007 ¶ 203). Petitioner contends that “[b]ased on the teachings of Rowe, it would have been obvious to a [person of ordinary skill in the art] to configure Garahi’s TPSMS to similarly process information processes information for effectuating a payment to the country.” *Id.* (citing Ex. 1003 ¶ 217). Based on these arguments, Petitioner takes the position that the limitations of 6, 14, 15, 22, 30, and 37 are taught by the combination of Garahi, McNutt and Rowe. *Id.* at 46–48 (citing Ex. 1003 ¶¶ 223–232).

At this stage of the proceeding, Petitioner’s arguments that claims 6, 14, 15, 22, 30, and 37 would have been obvious over Garahi, McNutt, and Rowe are undisputed.

F. Alleged Obviousness of Claims 3, 8, 17, and 19 over Garahi, McNutt, and Thomas

1. Overview of Thomas

Thomas, titled “Systems and Methods for Presenting a Lottery Interface in an Interactive Wagering Application,” is directed to “an interactive wagering application that gives a user the ability to participate in lotteries electronically using user equipment.” Ex. 1008, code (54), ¶ 7. Thomas discloses that “the interactive wagering application may run using a client-server or distributed architecture.” *Id.* ¶ 32. Thomas discloses that “the interactive wagering application may allow the user to create a lottery bet, but before the lottery bet is entered, the user may need to finalize or confirm the bet.” *Id.* ¶ 107. If “the user creates a bet, but does not finalize the bet, the interactive wagering application may remind the user of the unfinalized bet at any suitable time before the time of the lottery.” *Id.* ¶ 108. “The reminder may be in any other suitable form, such as an icon that may be part of an on-screen interface, an e-mail message, an instant message, a telephone message, a beeper page, or any other suitable form of a reminder.” *Id.*

2. Discussion

a) Claim 3

Depending from claim 1, claim 3 requires that “the gaming activity, the gambling activity, or the sporting event, is a lottery game.” *Id.* at 95:7–9. Addressing this claim limitation, Petitioner asserts Thomas discloses a wagering system that allows a user to employ user equipment to participate in lotteries. Pet. 49 (citing Ex. 1008, code (57), ¶ 7). Arguing that a person of ordinary skill in the art would have recognized a lottery as a type of wagering, Petitioner contends that a person of ordinary skill in the art

“would have been motivated to allow users of the Garahi-McNutt system to wager on lotteries.” *Id.* (citing Ex. 1003 ¶¶ 234–235). Asserting that Garahi and Thomas disclose similar wagering systems, Petitioner adds that a person of ordinary skill in the art would have had a reasonable expectation of success in configuring Garahi’s system to allow lottery participation. *Id.* (citing Ex. 1003 ¶¶ 235–236).

At this stage, Petitioner’s arguments that claim 3 would have been obvious over Garahi, McNutt, and Thomas are undisputed.

b) Claim 8

Depending from claim 1, claim 8 requires that

the computer detects a use of a gaming account, a gambling account, or a sports betting account, of or associated with the individual, and further wherein the computer generates a gaming account use message, a gambling account use message, or a sports betting account use message, and further wherein the computer transmits, and the first communication device, the second communication device, or a third communication device, receives, the gaming account use message, the gambling account use message, or the sports betting account use message.

Ex. 1001, 95:41–51. Petitioner asserts that Thomas discloses detecting when a user’s account is used to create a bet. Pet. 50 (citing Ex. 1008, Fig. 13; Ex. 1003 ¶ 237). If the bet is not finalized, Thomas’s system provides a prompt to finalize the bet, such as a reminder message, Petitioner argues. *Id.* (citing Ex. 1008 ¶ 108, 110, Fig. 13). Petitioner contends that

[b]ased on the teachings of Thomas, it would have been obvious to a [person of ordinary skill in the art] to configure Garahi’s TPSMS to detect when a user uses his or her account to create a bet and then generate and transmit a message regarding use of the account to create the bet.

Id. at 51 (citing Ex. 1003 ¶¶ 238–239). Petitioner asserts that a person of ordinary skill in the art would have had certain motivations for such an

implementation of Garahi's system, including "recogni[tion] that users of Garahi's system would also benefit from messages reminding them to finalize bets that they have used their accounts to create." *Id.* (citing Ex. 1003 ¶ 239). Petitioner also contends that a person of ordinary skill in the art would have had a reasonable expectation of success in implementing such a configuration of Garahi's system. *Id.* at 52 (citing Ex. 1003 ¶ 241).

At this stage, Petitioner's arguments that claim 8 would have been obvious over Garahi, McNutt, and Thomas are undisputed.

c) Claim 17

Depending from claim 1, claim 17 requires that "the computer generates a lottery results message, and further wherein the computer transmits, and the first communication device, the second communication device, or a third communication device, receives, the lottery results message." Ex. 1001, 96:34–38. Petitioner argues that Thomas discloses messaging a user about the results of a lottery. Pet. 52–53. Petitioner cites Thomas's Figures 14A and 14B as disclosing a message that user did not win, as well as a message that user won. *Id.* at 53 (citing Ex. 1003 ¶ 242).

At this stage, Petitioner's arguments that claim 17 would have been obvious over Garahi, McNutt, and Thomas are undisputed.

d) Claim 19

Depending from claim 1, claim 19 requires that "the computer processes information for purchasing a lottery ticket or lottery tickets for a lottery game or lottery games in or of a plurality of states, countries, or localities." Ex. 1001, 96:42–45. Petitioner argues that Thomas's system enables playing "national, state, and municipal lotteries." Pet. 54 (citing Ex. 1008 ¶ 93, Fig. 7). Petitioner contends that a person of ordinary skill in the art would have been motivated to include this feature of Thomas's

disclosure in Garahi's system "[f]or the reasons explained with regard to claim 3." *Id.* (citing Ex. 1003 ¶¶ 244–245).

At this stage, Petitioner's arguments that claim 19 would have been obvious over Garahi, McNutt, and Thomas are undisputed.

G. Alleged Obviousness of Claims 9, 32, and 38 over Garahi, McNutt, and Monical

1. Overview of Monical

Monical, titled "System and Method for User-To-User Online Wagering," is directed to "an online gaming system which permits bettors to place wagers with one another under conditions which they determine." Ex. 1009, code (54), 2:7–8. Monical discloses that wagering system 20 is implemented on a server system and configured to communicate with users 10 via communication software. *Id.* at 3:18–20; *see also id.* at 3:12–15 (disclosing that users 10 may use personal computers to communicate with wagering system 20 via the Internet). Users 10 may participate in community wagering activities that involve other users, such as discussion group wagering. *Id.* at 13:18–23. To facilitate discussion group wagering, wagering system 20 may provide interest-based chat rooms and instant messaging services for users 10 to communicate with one another. *Id.* at 13:24–31. Monical further explains the following:

Under these arrangements, when in the course of a discussion between two users 10 one would like to make a bet with another, he can actuate a control on his discussion group communication software to bring up an unmatched wager entry screen . . . , fill it in with the appropriate bet parameters, and indicate that it is to be a private wager, i.e., offered only to the other 5 user 10. The other user 10 then may or may not match the wager at her discretion.

Id. at 14:1–5.

2. Discussion

Depending from claim 1, claim 9 requires that “the apparatus or the computer processes information regarding a placement of a private bet between the individual and a second individual.” Ex. 1001, 95:52–57. Depending from claims 28 and 36, respectively, each of claims 32 and 38 includes similar language. Petitioner argues that Monical’s system processes information for private wagering between users. Pet. 55 (citing Ex. 1009, 14:1–8, Fig. 1). Petitioner argues that it would have been obvious over Monical “to improve Garahi’s interactive wagering application apparatus to process information regarding the placement of a bet between an individual and a second individual.” *Id.* (citing Ex. 1003 ¶ 247). Petitioner contends that a person of ordinary skill in the art would have had certain motivations for implementing such a configuration of Garahi’s system. *Id.* For instance, according to Petitioner, some users would favor private wagers with other users for certain reasons. *Id.* Petitioner also argues that a person of ordinary skill in the art would have had a reasonable expectation of success in configuring Garahi’s system to process information regarding private wagers. *Id.* (citing Ex. 1003 ¶ 248).

At this stage, Petitioner’s arguments that claims 9, 32, and 38 would have been obvious over Garahi, McNutt, and Monical are undisputed.

H. Alleged Obviousness of Claim 26 over Garahi, McNutt, and Paul

1. Overview of Paul

Paul, titled “E-Mail Communications System, Method and Program” is directed to an “Internet-based method of communicating [that] interacts with a plurality of members each having a computer-based communications system with an email-facility.” Ex. 1010, codes (54), (57). Paul discloses a

system including a database of member records, which sponsors access to facilitate personalized email communications with members for marketing purposes. *Id.* ¶ 33. For example, if the sponsor is a lottery, the sponsor lottery can send e-mail communications 202 to members including a hyperlink to sponsor lottery webpage 212. *Id.* ¶ 96.

2. Discussion

Depending from claim 1, claim 26 requires that “the notification message contains a link to the computer.” Ex. 1001, 97:22–23. Petitioner asserts that Paul discloses a lottery sponsor using a computer communications system to send members “notification[s] of winning lottery numbers, jackpot amounts, newsletters, special promotions . . . and new product promotions.” Pet. 57 (quoting Ex. 1010 ¶ 33). Citing Paul’s disclosure of an email including a link to “sponsor lottery web page 212,” Petitioner contends that “Paul teaches an e-mail message containing a link to a lottery website computer.” *Id.* at 57–58 (quoting Ex. 1010 ¶ 96) (citing Ex. 1010, Fig. 6).

Reiterating that it would have been obvious to a person of ordinary skill in the art to have Garahi’s system send a notification message as an e-mail message, Petitioner adds that it would have been obvious in view of Paul to have the message include a link to Garahi’s TPSMS. *Id.* at 58 (citing Ex. 1003 ¶¶ 141–148, 251). According to Petitioner, a person of ordinary skill in the art would have been motivated to do so to provide an easy way for a user to access the TPSMS to see wagering possibilities and bet. *Id.* (citing Ex. 1003 ¶ 253). Petitioner also argues that a person of ordinary skill in the art would have had a reasonable expectation of success in implementing such an approach with Garahi’s system. *Id.* at 59 (citing Ex. 1003 ¶ 253).

At this stage of the proceeding, Petitioner's arguments that claim 26 would have been obvious over Garahi, McNutt, and Paul are undisputed.

I. Alleged Obviousness of Claim 18 over Garahi, McNutt, and Alcorn

1. Overview of Alcorn

Alcorn, titled "Method and Apparatus Using Geographical Position and Universal Time Determination Means to Provide Authenticated, Secure, On-Line Communication Between Remote Gaming Locations," is directed to a "[m]ethod and apparatus for providing authenticated, secure, on-line communication between remote locations including a user terminal adapted to enable a player in one location to remotely communicate via a communications medium such as the Internet with a gaming host in another location." Ex. 1011, codes (54), (57). Alcorn describes that, in order to enforce casino regulations for online gambling, it is "axiomatic that the physical location of both the player and the gaming establishment must be known." *Id.* at 3:33–35. Alcorn discloses "a transactional method and apparatus having means for determining the location of each party to a remotely linked transaction." *Id.* at 3:41–44. In particular, Alcorn discloses a remote gaming system including "GPS receiver 30 located at and operatively associated with the server of the host system" that "may be used to communicate universal time and position information back to the remote user to positively identify and synchronize the system during initial establishment of communication between the parties." *Id.* at 6:42–47.

2. Discussion

Depending from claim 1, claim 18 requires that "the computer is programmed to automatically determine new or updated position data or information of or regarding the computer." Ex. 1001, 96:39–41. Petitioner

asserts that Alcorn discusses concerns that ensuring legal participation in remote gambling requires knowing the player's and gaming establishment's physical locations. Pet. 59–61 (citing Ex. 1011, 2:9–19, 2:49–61, 3:33–36, 3:65–4:3). Petitioner argues that Alcorn addresses this issue by using a GPS receiver and a host system server that “is programmed to communicate ‘universal time and position information back to the remote user to positively identify and synchronize the system during initial establishment of communication between the parties.’” *Id.* at 61 (quoting Ex. 1011, 6:44–47) (citing Ex. 1011, 6:42–47).

In view of Alcorn, Petitioner contends that “it would have been obvious to a [person of ordinary skill in the art] to configure Garahi's TPSMS (i.e., *the computer*) to automatically determine new or updated position data or information of or regarding the computer every time a user communication device establishes communications with the TPSMS.” *Id.* at 62 (citing Ex. 1003 ¶ 257). Petitioner alleges that a person of ordinary skill in the art would have been motivated to do so for certain reasons, including an understanding “that this would have predictably enabled software on the user communication device to confirm that the TPSMS was in a jurisdiction where cross boundary gambling is legal” and provided the user peace of mind. *Id.* (citing Ex. 1003 ¶¶ 257–258; Ex. 1011, 2:59–61). Petitioner also argues that a person of ordinary skill in the art would have had a reasonable expectation of implementing such an approach with Garahi's system. *Id.* at 63 (citing Ex. 1003 ¶ 259).

At this stage, Petitioner's arguments that claim 18 would have been obvious over Garahi, McNutt, and Alcorn are undisputed.

IV. CONCLUSION

For the foregoing reasons, we determine that Petitioner demonstrates a reasonable likelihood of prevailing with respect to at least one of the claims challenged in the Petition. Accordingly, *inter partes* review of the '266 patent shall proceed in this case on all of the grounds raised in the Petition. *See SAS Inst.*, 138 S. Ct. at 1359–60 (holding that a decision to institute under 35 U.S.C. § 314 may not institute on fewer than all claims challenged in the petition); *PGS Geophysical AS v. Iancu*, 891 F.3d 1354, 1360 (Fed. Cir. 2018) (stating that the decision whether to institute *inter partes* review requires “a simple yes-or-no institution choice respecting a petition, embracing all challenges included in the petition”).

Our determination in this Decision is not a final determination on either the patentability of any Challenged Claims or the construction of any claim term. The factual findings set forth in this Decision are preliminary and provided for the sole purpose of deciding whether to institute a review. Any final findings will be based on the full trial record, including any information presented by Patent Owner in a timely filed response to the Petition. *See Trivascular, Inc. v. Samuels*, 812 F.3d 1056, 1068 (Fed. Cir. 2016) (noting that “there is a significant difference between a petitioner’s burden to establish a ‘reasonable likelihood of success’ at institution, and actually proving invalidity by a preponderance of the evidence at trial”) (quoting 35 U.S.C. § 314(a) and comparing *id.* with § 316(e)).

IV. ORDER

Upon consideration of the record before us, it is:

ORDERED that, pursuant to 35 U.S.C. § 314(a), an *inter partes* review of claims 1–22 and 24–40 of U.S. Patent No. 10,147,266 B2 is instituted with respect to all grounds set forth in the Petition; and

FURTHER ORDERED that, pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4(b), *inter partes* review of U.S. Patent No. 10,147,266 B2 shall commence on the entry date of this Order, and notice is hereby given of the institution of a trial.

IPR2023-00094
Patent 10,147,266 B2

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