

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.

IPR2023-00095
Patent 10,255,755 B2

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

SHAH, *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 (collectively, “Petitioner”) filed a Petition per 35 U.S.C. §§ 311–319 for *inter partes* review of claims 1–13 and 16–20 (“the Challenged Claims” of U.S. Patent No. 10,255,755 B2 (Ex. 1001, “the ’755 patent”)). Paper 1 (“Pet.”). Beteiro, LLC (“Patent Owner”) is identified as the owner of the ’755 patent. Paper 12. Patent Owner did not file a preliminary response to the Petition.

We have jurisdiction under 35 U.S.C. § 314. Under 35 U.S.C. § 314(a), an *inter partes* review may not be instituted unless the information presented in the Petition and any response thereto shows “there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 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); *see also* 37 C.F.R. § 42.108(a) (“When instituting . . . review, the Board will authorize the review to proceed on all of the challenged claims and on all grounds of unpatentability asserted for each claim.”). The Board determines whether to institute a trial on behalf of the Director. 37 C.F.R. § 42.4(a) (2022).

Considering the Petition and the evidence of record, for the reasons set forth below, we determine that Petitioner has demonstrated that there is a reasonable likelihood that at least one of the Challenged Claims is unpatentable. Accordingly, we institute an *inter partes* review of all challenged claims and on all grounds asserted in the Petition. *PGS*

Geophysical AS v. Iancu, 891 F.3d 1354, 1360 (Fed. Cir. 2018) (stating that a decision to institute is “a simple yes-or-no institution choice respecting a petition, embracing all challenges included 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 MATTERS

Petitioner identifies related patents US 9, 965, 920 B2 (the “’920 patent”), US 10,043,341 B1 (the “’341 patent”), and US 10,147,266 B2 (the “’266 patent”), and contemporaneously filed Petitions IPR2023-00092, IPR2023-00093, and IPR2023-00094 challenging the ’920, ’321, ’266 patents, respectively. Pet. 57.¹

The parties note that Patent Owner has asserted infringement of the ’755 patent in the following proceedings:

Beteiro, LLC v. Betfair Interactive US LLC et al., 1:22-cv-00577 (DNJ);

Beteiro, LLC v. DraftKings, Inc., 1:21-cv-20148 (DNJ);

Beteiro, LLC v. PointsBet USA, Inc., 1:21-cv-20155 (DNJ);

Beteiro, LLC v. BetMGM, LLC et al., 1:21-cv-20156 (DNJ);

¹ Petitioner’s mandatory notices appear on unnumbered pages beginning after page 55 of the Petition. We consider the page beginning with the section titled “VIII. MANDATORY NOTICES UNDER 37 C.F.R. §42.8” as page 56 and proceed from there in numerical order.

Beteiro, LLC v. Hard Rock Tristate AC, LLC et al., 1:21-cv-20157 (DNJ);
Beteiro, LLC v. Hillside New Jersey, LLC, 1:21-cv-20158 (DNJ);
Beteiro, LLC v. Kindred Group, PLC et al., 1:22-cv-01536 (DNJ);
Beteiro, LLC v. Elys Game Technology Corp., 6:21-cv-01147 (WDTX);
Beteiro, LLC v. Morris Mohawk Gaming Group, 6:21-cv-01149 (WDTX); and
Beteiro, LLC v. PlayUp Ltd., 6:21-cv-01150 (WDTX).
Pet. 1, 56–57; Paper 12, 2.

B. REAL PARTIES-IN-INTEREST

Petitioner states that the real parties in interest are “Petitioners, Flutter Entertainment PLC; FanDuel, Inc.; FanDuel SG LLC; FanDuel Group, Inc.; PointsBet USA Holding, Inc.; PointsBet Holding, Ltd.; SBTech (Global) Limited; MGM Resorts International; and DK Crown Holdings, Inc.”
Pet. 1, 56.

Patent Owner states “Beteiro, LLC (‘Beteiro’) certifies that Beteiro is the real party-in-interest.” Paper 12, 2.

C. OVERVIEW OF THE ’755 PATENT

The ’755 patent is titled “APPARATUS AND METHOD FOR FACILITATING GAMING ACTIVITY AND/OR GAMBLING ACTIVITY,” and issued on April 9, 2019, from U.S. Patent Application No. 16/163,140. Ex. 1001, codes (21), (22), (45), (54), (63). The ’755 patent also refers back to Provisional Application No. 60/384,707, filed May 31, 2002. *Id.* at code (60).

The method includes:

detecting, with a computer, a posting of information regarding a gaming activity, gambling activity, or sporting event; generating a notification message regarding the same; initiating a communication link with, and transmitting the notification message to, a first communication device as an electronic transmission, or transmitting the notification message as an electronic mail message; receiving a bet message transmitted from the first communication device or a second communication device, wherein the first communication device or the second communication device comprises a global positioning device which determines a position or location of the first communication device or second communication device, wherein the bet message contains information regarding a bet to be placed regarding the activity or event, and information regarding the position or location of the first communication device or second communication device; and determining whether the bet is allowed or disallowed using the position or location information.

Id. at code (57).

The apparatus comprises a computer and communication devices. *See id.* at 35: 61–36:6; 94:25–67. Figure 1, reproduced below, provides a block diagram view of an apparatus according to the preferred embodiment of the '755 patent. *Id.* at 27:24–25, 35:61–63.

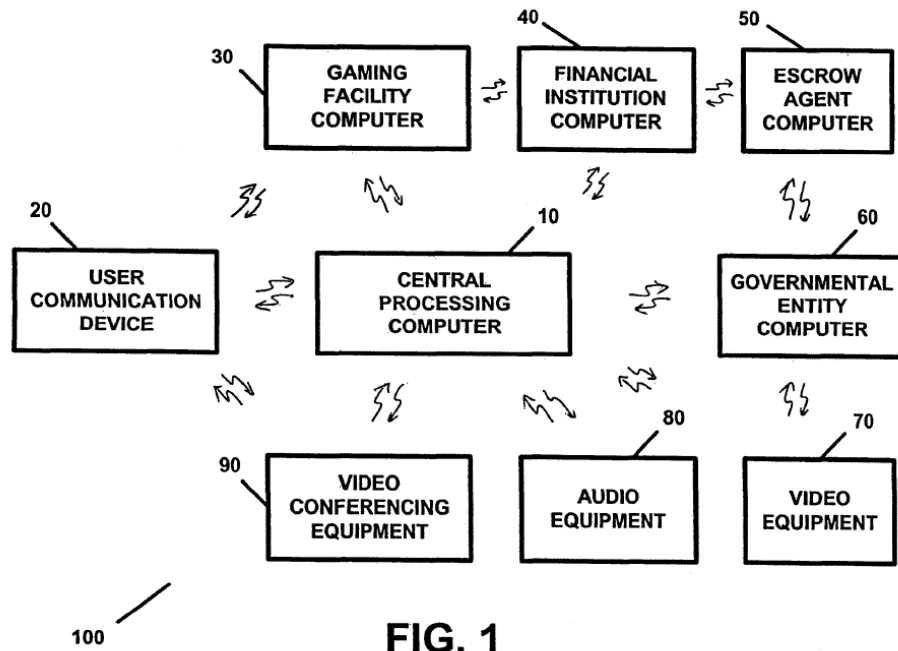
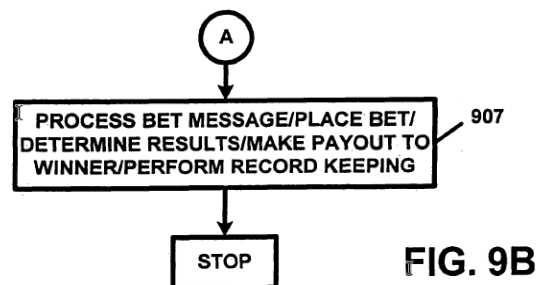
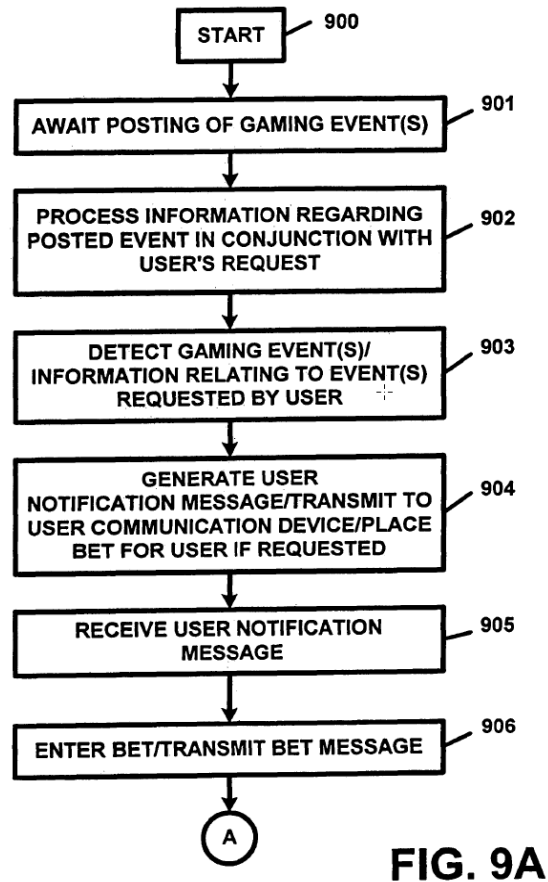


FIG. 1

Figure 1 illustrates apparatus 100 having central processing computer 10, user communication device 20, gaming facility, financial institution, escrow agent, and government entity computers 30, 40, 50, and 60, respectively, and video conferencing, audio, and video equipment 90, 80, and 70, respectively. *Id.* at 35:63–65, 36:16–23.

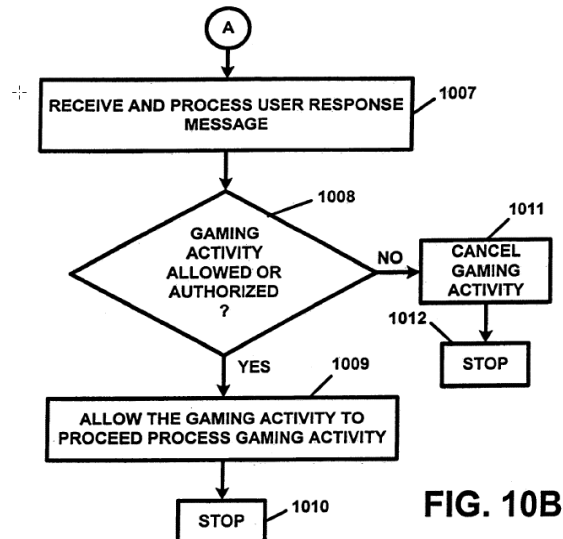
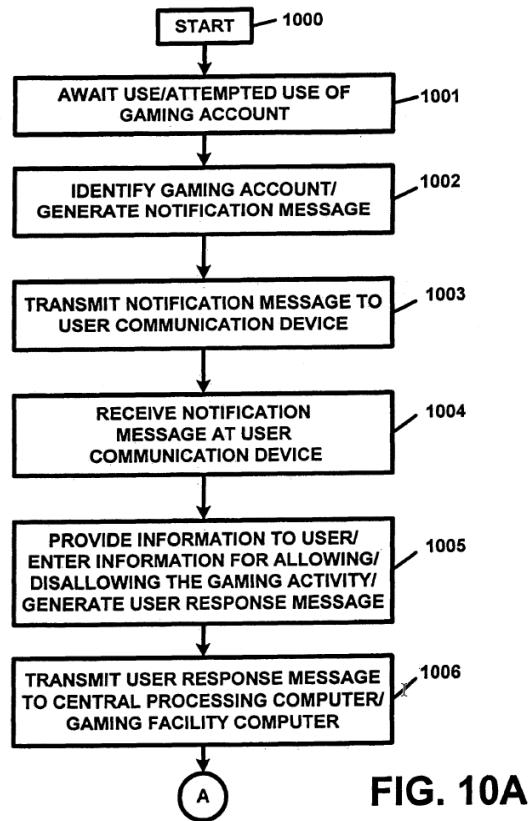
Central processing computer 10 “can be comprised of one computer or computer system and/or can be comprised of a plurality of computers or computer systems” and “is/are capable of performing any of and all of the processing routines and/or functionality described herein as being performed by the apparatus 100 of the present invention.” Ex. 1002, 36:7–15. User communication device 20 is any device capable of communicating over a network such as any kind of computer, kiosk, any kind of telephone, interactive television, or hand-held device. *Id.* at 36:37–48.

The claimed methods of the '755 patent are shown in flowcharts of the steps in Figures 9A, 9B, 10A, and 10B. *Id.* at 57:14–60:3. Figures 9A and 9B are reproduced below.



Figures 9A and 9B “illustrate another preferred embodiment method for utilizing the apparatus and method of the present invention, in flow diagram form.” *Id.* at 27:41–43.

Figures 10A and 10B are reproduced below.



Figures 10A and 10B “illustrate still another preferred embodiment method for utilizing the apparatus and method of the present invention, in flow diagram form.” *Id.* at 27:44–46.

Figures 9A and 9B provide for the steps of “await[ing] a posting regarding a gaming event or gaming events” (step 901), and “[u]pon the detection of a posting of a gaming event or gaming events, the central processing computer 10 and/or the gaming facility computer 30 will process the information regarding the posting of the gaming event or gaming events” (step 902). *Id.* at 57:14–25, 32–38. At step 903, the computer “detect[s] a gaming event or gaming events for which the user has desired to be notified” and “can also search for and detect a change of odds for a gaming event for which the user desired to be notified.” *Id.* at 57:38–44. Upon detecting at least one gaming event “for which the user desires to be notified,” at step 904, the computer “generate[s] a user notification message and transmit same to the user communication device 20” and can also place a user’s bet. *Id.* at 57:45–59. At step 905, the user receives and reviews the user notification message and if the user decides to place a bet, at step 906, the entered user’s information is transmitted to the computer where it is processed and placed (step 907). *Id.* at 58:13–37.

Figures 10A and 10B similarly provide steps of “await[ing] use or attempted use of the gaming account” (step 1001) and upon detection of the use or attempted use, the computer “identify[ing] the gaming account being utilized and generat[ing] a notification message containing information regarding the use of the gaming account” (step 1002), transmitting that message to user communication device (step 1003), and the user receiving that message (step 1004). *Id.* at 58:67–59:34. After receiving a user-generated message containing information entered by the user for allowing, authorizing, or disallowing gaming activity (steps 1005 and 1006), the computer processes the information to determine if the gaming activity is

allowed or authorized (steps 1007 and 1008). *Id.* at 59:35–47. If the gaming is allowed or authorized, the process continues to step 1009 where the computer will allow the gaming to proceed and would continue processing the information and cease operations at step 1010. *Id.* at 59:47–59. If the gaming is determined to be disallowed, the process proceeds from step 1008 to step 1011 where the computer cancels the gaming activity and then ceases operation at step 1012. *Id.* at 59:60–64.

D. ILLUSTRATIVE CLAIM

Of the challenged claims, claims 1, 2, and 18 are independent. Claims 3–13, 16, and 17 depend, directly or indirectly, from independent claim 1, and claims 19 and 20 depend directly from independent claim 18. Claim 1 is illustrative and is reproduced with certain reformatting²:

1. [1(P)] 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 detects a posting of information regarding the gaming activity, the gambling activity, or the sporting event, and further wherein the computer generates a notification 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

² The Petition uses the identifiers 1(P), 1(a)(i), 1(a)(ii), 1(b), 1(c)(i), 1(c)(ii), 1(d), and 1(e) to label the different portions of claim 1. Pet., Claims Listing App’x. We have applied the same identifiers.

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. 1002, 94:25–67.

E. ASSERTED GROUNDS OF UNPATENTABILITY

Petitioner challenges the patentability of claims 1–13 and 16–20 of the ’755 patent on the following grounds (Pet. 5–6):

Claims Challenged	35 U.S.C. §	Reference(s)
1, 2, 4, 5, 8–10, 16–20	103	Garahi, ³ McNutt ⁴
6, 11, 12	103	Garahi, McNutt, Rowe ⁵
3, 7	103	Garahi, McNutt, Thomas ⁶
13	103	Garahi, McNutt, Paul ⁷

In support of its unpatentability contentions, Petitioner also relies on the Declaration of Garry Kitchen. Ex. 1003 (“Declaration”);

III. ANALYSIS

A. LEGAL STANDARDS

In an *inter partes* review, the petitioner has the burden of showing there is a reasonable likelihood that Petitioner would prevail with respect to at least one of the claims challenged in the Petition. 35 U.S.C. § 314. That

³ Garahi et al, U.S. Patent Application Publication No. US 2001/0047291 A1, published Nov. 29, 2001 (Ex. 1004, “Garahi”).

⁴ McNutt et al., U.S. Patent Application Publication No. US 2001/0037211 A1, published Nov. 1, 2001 (Ex. 1005, “McNutt”).

⁵ Rowe et al., U.S. Patent Application Publication No. US 2002/0039921 A1, published Apr. 4, 2002 (Ex. 1007, “Rowe”).

⁶ Thomas, U.S. Patent Application Publication No. US 2001/0036853 A1, published Nov. 1, 2001 (Ex. 1008, “Thomas”).

⁷ Paul, JR, et al., U.S. Patent Application Publication No. US 2002/0169835 A1, published Nov. 14, 2002 (Ex. 1009, “Paul”).

burden never shifts to the patentee. *Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.*, 800 F.3d 1375, 1378 (Fed. Cir. 2015).

A patent claim is unpatentable under 35 U.S.C. § 103(a) if the differences between the claimed subject matter and the prior art are “such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.” *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). The legal question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of ordinary skill in the art; and (4) when in evidence, objective evidence of obviousness or nonobviousness.⁸ *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1, 17–18 (1966). One seeking to establish obviousness based on more than one reference also must articulate sufficient reasoning with rational underpinnings to combine teachings. *See KSR*, 550 U.S. at 418.

To show obviousness, it is not enough to merely show that the prior art includes separate references covering each separate limitation in a challenged claim. *Unigene Labs., Inc. v. Apotex, Inc.*, 655 F.3d 1352, 1360 (Fed. Cir. 2011). “This is so because inventions in most, if not all, instances rely upon building blocks long since uncovered, and claimed discoveries almost of necessity will be combinations of what, in some sense, is already known.” *KSR*, 550 U.S. at 418–419.

⁸ The record at this time does not include allegations or evidence of objective indicia of obviousness or nonobviousness.

On the other hand, an obviousness analysis “need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ.” *KSR*, 550 U.S. at 418; *accord In re Translogic Tech., Inc.*, 504 F.3d 1249, 1259 (Fed. Cir. 2007). However, a petitioner cannot satisfy its burden of proving obviousness by employing “mere conclusory statements.” *In re Magnum Oil Tools Int’l, Ltd.*, 829 F.3d 1364, 1380 (Fed. Cir. 2016). Instead, a petitioner must articulate a reason why a person of ordinary skill in the art would have combined or modified the prior art references. *In re NuVasive, Inc.*, 842 F.3d 1376, 1382 (Fed. Cir. 2016); *see also Metalcraft of Mayville, Inc. v. The Toro Co.*, 848 F.3d 1358, 1366 (Fed. Cir. 2017) (“In determining whether there would have been a motivation to combine prior art references to arrive at the claimed invention, it is insufficient to simply conclude the combination would have been obvious without identifying any reason why a person of skill in the art would have made the combination.”); *Belden Inc. v. Berk-Tek LLC*, 805 F.3d 1064, 1073 (Fed. Cir. 2015) (“[O]bviousness concerns whether a skilled artisan not only *could have made* but *would have been motivated to make* the combinations or modifications of prior art to arrive at the claimed invention.”) (citing *InTouch Techs., Inc. v. VGO Commc’ns, Inc.*, 751 F.3d 1327, 1352 (Fed. Cir. 2014)).

We analyze the challenges presented in the Petition in accordance with the above-stated principles.

B. LEVEL OF ORDINARY SKILL

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 that a person of ordinary skill in the art at the time of the invention (“POSITA,” “PHOSITA,” or “skilled artisan”) “would be a person having 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 ¶¶ 45–46).

At this stage, Patent Owner, having declined to file a preliminary response, has not disputed Petitioner’s proposed level of ordinary skill.

Thus, for purposes of this Decision, we find that the ’755 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 ’755 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.

C. CLAIM CONSTRUCTION

In this *inter partes* review, we apply the same claim construction standard that would be used in a civil action under 35 U.S.C. § 282(b). 37 C.F.R. § 42.100(b). In applying this standard, we generally give claim terms their ordinary and customary meaning as would be understood by a person of ordinary skill in the art at the time of the invention and in the

context of the entire patent disclosure. *See id.*; *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312–14 (Fed. Cir. 2005) (en banc).

Petitioner contends that the Challenged Claims include sequences of terms separated by the disjunctive “or,” which designates that the sequences describe alternatives. *Id.* at 7 (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.* (citing *Fresenius USA, Inc. v. Baxter Int’l, Inc.*, 582 F.3d 1288, 1298 (Fed. Cir. 2009)). As noted above, Patent Owner did not file a Preliminary Response in this proceeding and, therefore, has not proposed constructions for any claim term.

At this stage, neither party has identified any indication that the ’755 patent uses the term differently than it would ordinarily be used or any indication in the prosecution history that “compel[s] a limitation of the claim language different from its plain meaning” as alternatives. *Schumer v. Lab. Comput. Sys., Inc.*, 308 F.3d 1304, 1311, 1314 (Fed. Cir. 2002).

Given that no claim terms are in controversy, for purposes of this Decision, we need not formally construe any claim term. *See Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (stating that “we need only construe terms ‘that are in controversy, and only to the extent necessary to resolve the controversy’” (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999))).

D. OVERVIEW OF CITED ART AND EVIDENCE

1. *Overview of Garahi – Exhibit 1004*

Garahi discloses “[a]n interactive wagering application . . . that allows users to place parimutuel wagers on future events.” Ex. 1004, Abstr.; *see also id.* ¶ 9. Garahi’s “interactive wagering system may enable the user to place a wager on the future event by providing multiple wagering pools,” and when a pool is closed, “final odds and payouts may be determined for that wagering pool and a new wagering pool, for the same future event, may be made available.” *Id.* Abstr., ¶ 10. The application “may also monitor the user’s activities to create a user profile,” “use the user profile to find future race events that may be of interest to the user,” and “provide the user with the ability to search for future races according to the future race date, race name, or any other suitable criteria.” *Id.* Abstr., ¶¶ 12–14. The objective of Garahi’s invention is “to provide systems and methods for placing parimutuel wagers on future events while reducing the likelihood of the odds from changing too drastically.” *Id.* ¶ 8.

Garahi’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.* ¶ 30) and is shown in Figure 1, which is reproduced below.

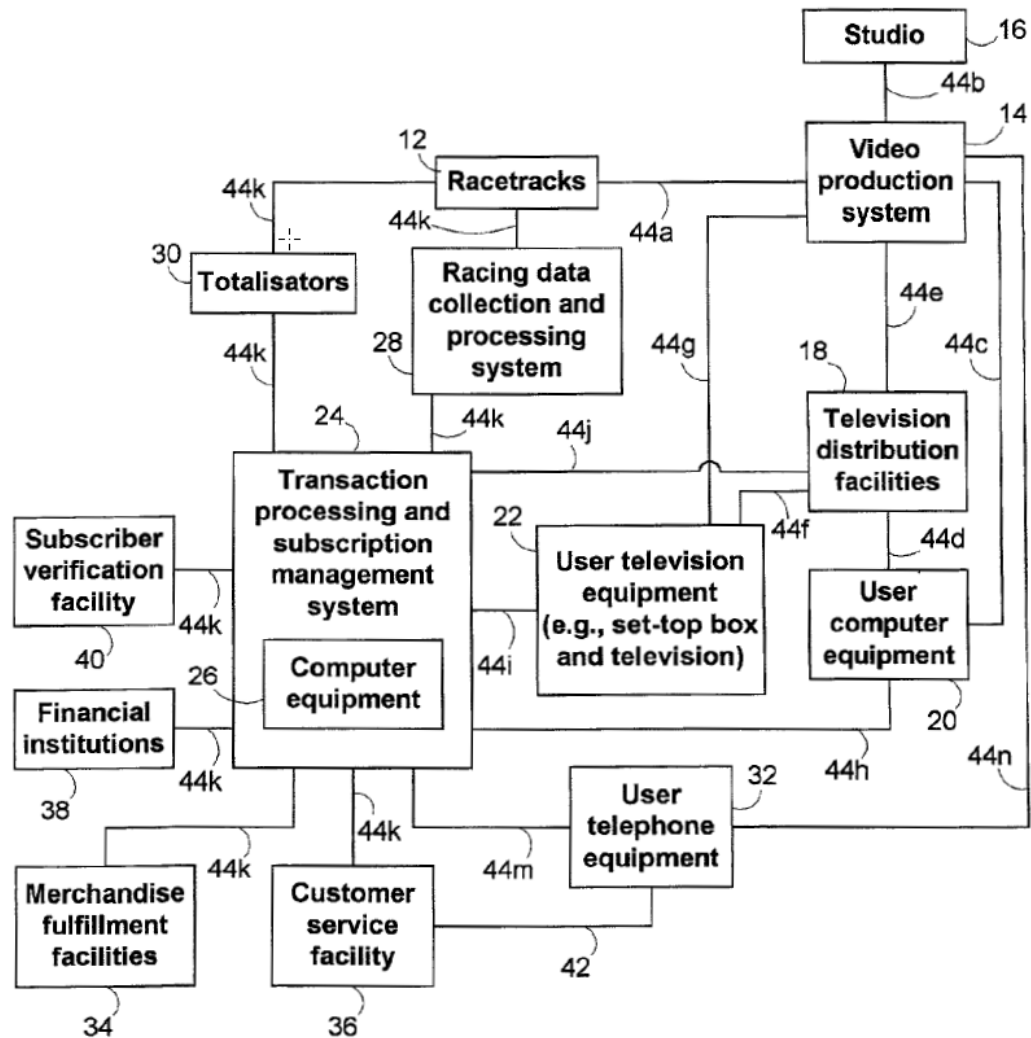


FIG. 1

Figure 1 “is a schematic diagram of an illustrative interactive wagering system in accordance with one embodiment of the present invention” (*id.* ¶ 28) 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.* ¶ 37. “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.* ¶ 38. Information including “[a]ny suitable data related to racing” may be provided to the TPSMS by racing data collection and processing system 28 (“RDCPS”) or by totalisators 30. *Id.* ¶ 46. RDCPS collects and provides statistical racing data (such as race numbers and times, jockey and runner names, and number of wins and losses) and weather conditions at various tracks. *Id.* ¶ 40. RDCPS can collect data from totalisators 30 regarding wagering odds. *Id.* 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.* ¶¶ 34, 55, 56. “User computer equipment 20 may be any suitable computer equipment that supports an interactive wagering application,” such as a personal, mainframe, networked, laptop, or notebook computer, or a handheld computing device. *Id.* ¶ 33. User telephone equipment 32 may be any telephone such as a conventional, cordless, cellular, portable wireless, “or any other suitable telephone equipment.” *Id.* ¶ 48. “If desired, the user may interact with the wagering service using more than one platform,” such as by cellular phone, televisions, and personal computers. *Id.* ¶ 80.

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.* ¶ 50. The user’s physical location may be determined by using a global positioning system (GPS). *Id.*

Figure 3, reproduced below, illustrates a “display screen that may be provided by the interactive wagering application.” *Id.* ¶ 88.

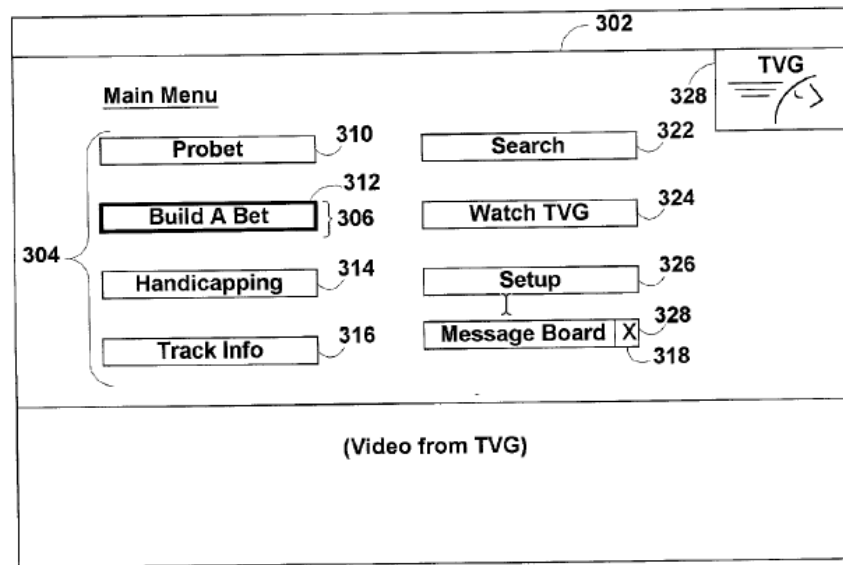


FIG. 3

Figure 3 illustrates a “main menu display screen that may be provided in accordance with one embodiment of the present invention” (*id.* ¶ 17) and depicts screen 300, main menu 301, menu options 304 selectable by the user using highlight region 306, options of “Probet” 310, “Build A Bet” 306, “Handicapping” 314, “Track Info” 316, “Search” 322, “Watch TVG” 324, “Setup” 326, and “Message Board” 328, and icon 318 indicating that information is available for a user (*id.* ¶¶ 88–89; *see also id.* ¶ 107).

After the user selects a desired wager type, the user may be shown odds, wager, and pools information (*id.* ¶¶ 96–98, 101–104) and prompted to make selections and enter wage amounts (*id.* ¶¶ 99, 100).

The interactive wagering system may maintain a user profile that may be used to match future events with the user’s interests. *Id.* ¶ 107. The system “may automatically post or display the future race information to the user” and “may notify the user of new information postings by displaying an

indication icon such as icon 318 on message board option 328 of FIG. 3.”
Id.

Figure 13, reproduced below, “is a flowchart of illustrative steps that may be involved in associating future races with the user for the purpose of notifying the user of relevant race information.” *Id.* ¶ 110.

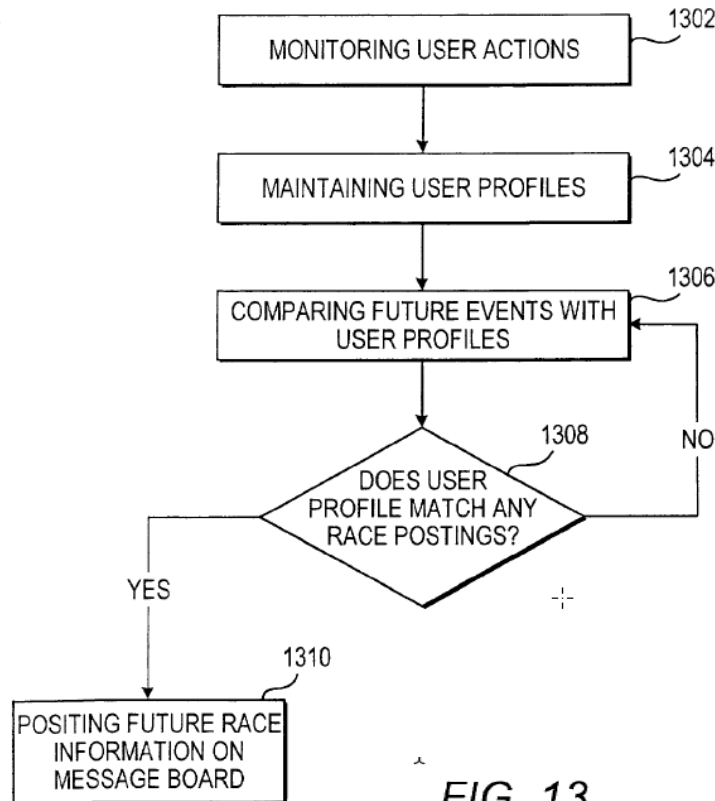


FIG. 13

Figure 13 “is a flowchart of illustrative steps involved in associating future race information with a user in accordance with one embodiment of the present invention.” *Id.* ¶ 27.

At step 1302, the interactive wagering application may monitor user activity. *Id.* ¶ 110. The application may create and store a user profile at step 1304, the profile used at step 1306 to compare with future events such as races to determine at step 1308 whether a match exists with the available

event/race. *Id.* “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.” *Id.* If at least one match exists, “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.” *Id.* The user accesses the message board to retrieve future event/race information and determine interest in participating in the wage pool. *Id.*

2. *Overview of McNutt – Exhibit 1005*

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.” McNutt, Abstr. 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.

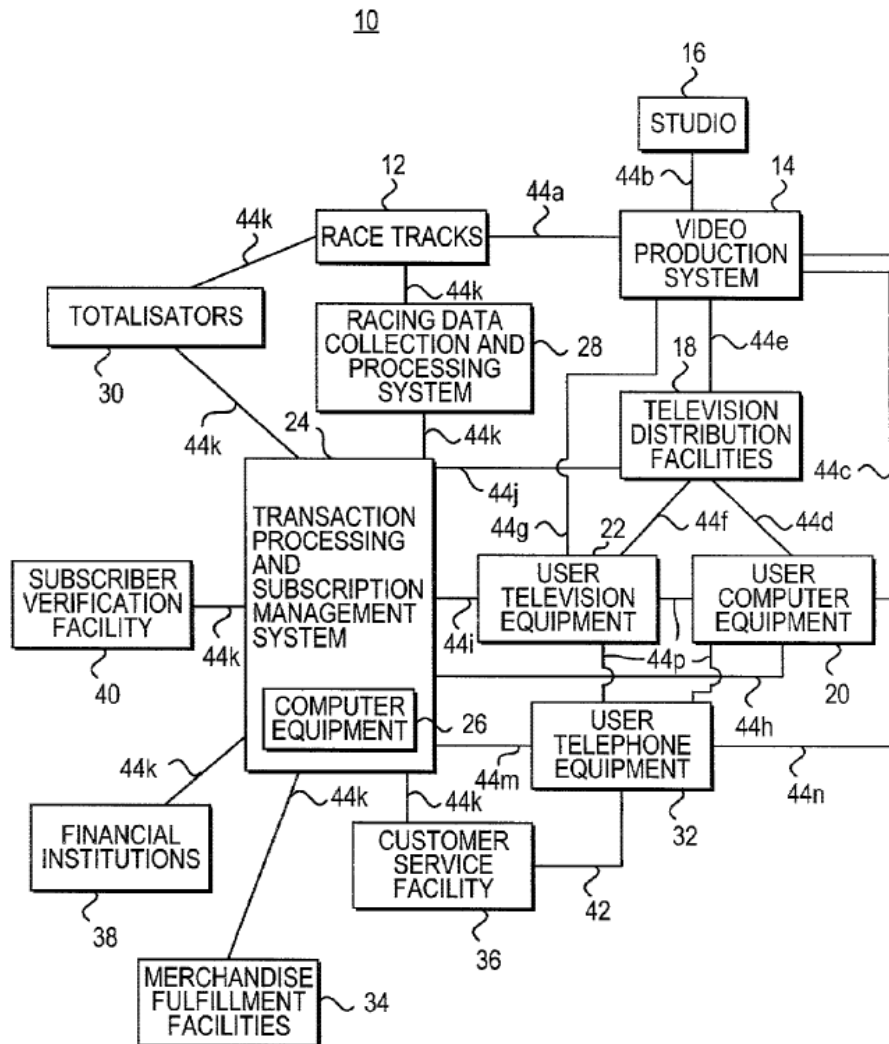


FIG. 1

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.

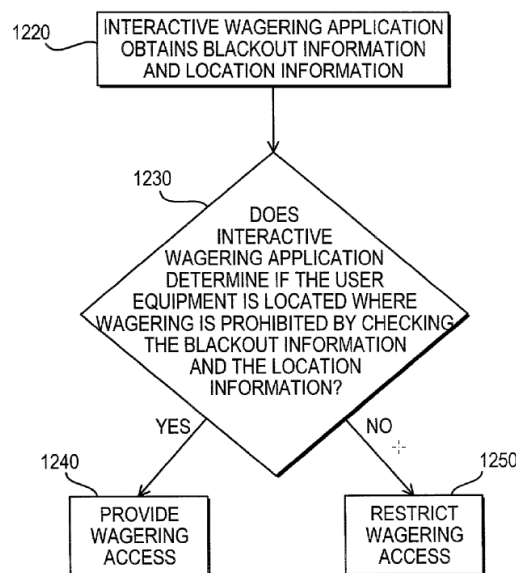


FIG. 12

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 for

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. *Overview of Rowe*

Rowe, titled “METHOD AND APPARATUS FOR MONITORING PLAYER LOSS IN A GAMING ENVIRONMENT,” discloses “[m]ethods

and apparatus for facilitating and monitoring player financial transactions, including the tracking of player losses” and “for facilitating and monitoring player financial transactions, including the tracking of player losses.”

Ex. 1007, codes (54), (57), ¶ 11. Rowe discloses that:

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.*

4. *Overview of Thomas*

Thomas, titled “SYSTEMS AND METHODS FOR PRESENTING A LOTTERY INTERFACE IN AN INTERACTIVE WAGERING APPLICATION,” discloses that “[i]nteractive wagering systems and methods are provided for giving a user the ability to participate in lotteries using user equipment.” Ex. 1008, codes (54), (57). Thomas discloses that “the interactive wagering application may run using a client-server or distributed architecture” (*id.* ¶ 32) and depicts a system similar to those of

Garahi and of McNutt (*compare* Ex. 1004, Fig. 1 *with* Ex. 1005, Fig. 1 *and* Ex. 1008, Fig. 1). Thomas discloses that in one embodiment, “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,” either at the time of creating the bet or later. *Id.* ¶ 107. “When 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 take any suitable form,” such as an overlay window that pops up during a television program, “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.*

5. *Overview of Paul*

Paul, titled “E-MAIL COMMUNICATIONS SYSTEM, METHOD AND PROGRAM,” discloses 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. 1009, codes (54), (57). Paul’s system comprises a database of member records, which sponsors access through specific applications using a login command and password, facilitate personalized e-mail 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.

E. GROUND 1 – ALLEGED OBVIOUSNESS OVER GARAH AND
McNUTT

Petitioner challenges claims 1, 2, 4, 5, 8–10, and 16–20 as unpatentable under 35 U.S.C. § 103 over Garahi and McNutt. Pet. 7–41. Petitioner provides a detailed explanation of its contentions in the Petition, including a clause-by-clause analysis specifying how the combination of Garahi and McNutt discloses each limitation of the challenged claims, and those contentions are supported by the testimony of Mr. Kitchen. *Id.*; Ex. 1003 ¶¶ 106–183. Because Patent Owner did not file a Preliminary Response, the present record does not contain any argument to the contrary.

1. *Independent Claim 1*

Petitioner alleges Garahi teaches claim 1’s limitations 1(P), 1(a)(i), 1(c)(1), 1(c)(ii), and renders obvious limitations 1(a)(ii) and 1(b). Pet. 9–23. Petitioner alleges that the combination of Garahi and McNutt renders obvious limitations 1(d) and 1(e). *Id.* at 23–31. We turn now to a detailed discussion of Petitioner’s arguments that Garahi and McNutt render obvious claims 1, 2, 4, 5, 8–10, and 16–20. We consider the Petition’s arguments about each recitation of claim 1 in sequence.

a) *Limitation 1(P) — “An apparatus comprising”*

Addressing the preamble, Petitioner alleges that “Garahi discloses an *apparatus* including ‘an interactive wagering application allow[ing] a user to place parimutuel wagers on future events,’” as recited in limitation 1(P) of claim 1. Pet. 9 (quoting Ex. 1004 ¶ 9, citing *id.* ¶¶ 28, 30, Fig. 1).

b) *Limitation 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”

Petitioner argues that Garahi’s TPSMS that includes computer equipment for supporting system functions such as handling tasks related to wagers for horse races meets the claimed computer specially programmed to process information for placing a bet on a sporting event (*id.* at 9–11) (citing Ex. 1004 ¶¶ 28, 30, 37, 38, 56, 76, Fig. 1; Ex. 1003 ¶ 110). As discussed above in Section II.C, at this stage of the proceeding, neither party has identified any reason to construe the claim’s use of the disjunctive “or” in any way other than describing the gaming activity, gambling activity, and sporting event as alternatives. Petitioner’s position that the limitation is met by finding any one of these is presently undisputed.

c) Limitation 1(a)(ii) — “wherein the computer detects a posting of information regarding the gaming activity, the gambling activity, or the sporting event, and further wherein the computer generates a notification message regarding the gaming activity, the gambling activity, or the sporting event”

Petitioner directs attention to Garahi’s process of “associating future races with the user for the purpose of notifying the user of relevant race information” as teaching the functions of the limitation. Pet. 11–13 (quoting Ex. 1004 ¶ 110) (citing Ex. 1004 ¶¶ 41, 107, 110, Fig. 13; Ex. 1003 ¶¶ 112–113) (emphasis omitted). Specifically, Petitioner asserts that Garahi’s Figure 13, steps 1304, 1306, and 1308 that monitor user activity, create a user profile, and compare future events with user profiles to determine if any matches between the events and profiles meet the claimed elements of “detect[ing] a posting.” Pet. 11–12 (citing Ex. 1004 ¶ 110, Fig. 13). Petitioner also asserts that step 1310 of posting the information of

any matches on a message board meets the claimed element of “generat[ing] a notification message.” Pet. 12–13 (depicting Ex. 1004, Fig. 13).

As to the computer performing those functions, Petitioner states that “Garahi does not disclose whether the TPSMS performs Figure 13,” but alleges that “it would have been obvious and a PHOSITA would have been motivated to configure the software of the TPSMS to perform the method of Figure 13 at least because this would have been obvious to try—a choice of processing components from a finite number of identified, predictable solutions.” Pet. 13 (citing Ex. 1003 ¶ 114). Specifically, Petitioner alleges that “[a] PHOSITA would have understood that, while Figure 13 could conceivably be implemented by any of the wagering system components shown in Figure 1, the TPSMS computer would represent a logical and predictable choice.” Pet. 13 (citing Ex. 1003 ¶¶ 114–115).

Petitioner asserts that Garahi teaches that:

- (1) “the TPSMS includes databases used to store ‘subscriber data such as . . . past wagering history’”;
- (2) “[u]sing such databases may allow the user to access information more quickly and allows for central administration of the wagering service”;
- (3) “the same user may access the wagering platform from multiple devices”;
- (4) “the TPSMS ‘distribut[es] racing data or the user’”;
- (5) “information provided to TPSMS ‘by totalisators 30 (such as the program information or other suitable racing data) may be provided by racing data collection and processing system 28’”; and

(6) “TPSMS receives racing data as it becomes available and determines whether to post the racing data to the user (i.e., detects a posting of information regarding the sporting event).”

Pet. 14–15 (citing Ex. 1004 ¶¶ 37, 46, 80, 110, Figs. 1, 13).

Thus, Petitioner alleges, a PHOSITA would have understood that:

(1) “TPSMS would have been a logical and predicable choice for performing Figure 13 since the user’s wagering history is already stored there”;

(2) “if the user’s profile information is only stored locally on the client devices, then the information stored in the profile would be incomplete since it would not capture all the user’s history across all the user’s associated devices” and “configuring the software of TPSMS to perform Figure 13 would have predictably avoided this problem since the user’s profile would be built using all the user’s interactions with the wagering service across multiple client devices;”

(3) “generating notifications regarding racing events that match the user’s profile per Figure 13 would have naturally fit within the TPSMS’s data distribution functions;”

(4) “when implementing Figure 13, TPSMS would predictably compare received race posting data with the user’s stored profile to determine whether a notification message should be generated;” and

(5) “client-server architectures where the server processes information that is subsequently presented to the user by the client were well understood and ubiquitous prior to the invention of the ’755 Patent.”

Id. at 14–16 (citing Ex. 1003 ¶¶ 115–119).

Petitioner further alleges that thus, “there would have been a reasonable expectation of success configuring Garahi’s TPSMS to perform Figure 13, which would result in *the computer detect[ing] a posting of information regarding the sporting event and generat[ing] the notification message regarding the sporting event.*” Pet. 15–16 (citing Ex. 1003 ¶ 119).

d) Limitation 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”

Petitioner alleges that Garahi’s communication link 44i and user television equipment 22 meets the claim’s communication link with a first communication device associated with an individual (*id.* at 16–17). As to the computer, Petitioner alleges, as discussed above in Section E(a)(3) regarding limitation 1(a)(ii), “it would have been obvious to a PHOSITA to configure TPSMS to perform Figure 13 including generating a notification message regarding the sporting event.” *Id.* at 18. Petitioner contends:

it would have further been obvious and a PHOSITA would have been motivated to configure TPSMS to initiate a communication link 44i with the user television equipment 22 in response to generating the notification message according to known techniques and transmit messages to the user television equipment 22 for display on message board screen 1200. . . . Communication link 44i is a medium that passes electrical signals, such as “a telephone line, digital subscriber line, ISDN line.” . . . Thus, any message transmitted from the TPSMS to user

television equipment 32 would at least qualify as an electronic transmission since it is transmitted as an electrical signal.

Id. at 19 (quoting Ex. 1004 ¶ 70; citing Ex. 1003 ¶¶ 125, 127, 128).

Further, Petitioner alleges that “[i]nitiating communication links and transmitting messages via cellular communication networks was routine and well understood for many years prior to the ’755 Patent,” and “would have predictably resulted [in] the transmission of the notification message to the user television equipment 32.” Pet. 19 (citing Ex. 1003 ¶ 128). Petitioner determines “[t]herefore, it would have been within the skill of a PHOSITA to initiate communication link 44i with the user television equipment 22 and transmit the notification message as an electronic transmission so that it can be displayed on the user’s message board screen 1200” and a skilled artisan “would have had a reasonable expectation of success configuring Garahi’s processing system to operate in this manner.” *Id.* at 19–20 (citing Ex. 1003 ¶¶ 127–128).

e) Limitation 1(c)(1) — “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”

Petitioner asserts that the TPSMS receiving a bet message from the user’s television equipment 22 or telephone equipment 32 meets the claimed elements. Pet. 20–22 (citing Ex. 1004 ¶¶ 55–56, Fig. 1; Ex. 1003 ¶¶ 138–139).

f) Limitation 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”

Petitioner asserts that Garahi’s telephone equipment 32 comprising a cellular telephone with a global positioning receiver that is used to determine the user’s location meets the claimed first or second communication device comprising a global positioning device that determines a position or location of the device. Pet. 22–23 (citing Ex. 1004 ¶ 50).

g) Limitation 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”

Petitioner asserts that Garahi teaches wagering data containing information regarding a sporting event that meets the claimed bet message containing information regarding a bet on or regarding a gaming or gambling activity or sporting event. Pet. 23–24 (citing Ex. 1004 ¶¶ 56, 94–101, Figs. 6a–d, 7, 8, 9).

With regards to the bet message containing information regarding the position of location of the communication device, Petitioner acknowledges that “Garahi does not specify exactly how or when this verification [that the user is located in a geographic area where wagering is legal] occurs or whether the location information is transmitted to the TPSMS with the wagering data.” Pet. 24. Petitioner asserts that “it would have been obvious to a PHOSITA to configure Garahi to include the second communication

device's location information in the wagering data (i.e., the bet message) as taught by McNutt.” *Id.* (citing Ex. 1003 ¶ 143).

Petitioner directs attention to the identical nature of Garahi's and McNutt's systems and asserts that “McNutt teaches restricting wagering access based on the user's location” by determining the user's location based on a location device such as a global positioning satellite receiver in a cellular phone, transmitting that location data to the TPSMS with the bet message, and determining, by the TPSMS, whether the user equipment is located in an area where wagering is prohibited. Pet. 24–26 (citing Ex. 1004, Fig. 1; Ex. 1005, Abstr., ¶¶ 57, 63, 111, 114, 119, 129, Fig. 1). Petitioner asserts that “[b]ased on McNutt's teachings, it would have been obvious to a PHOSITA to similarly configure Garahi to transmit the location information of the user telephone equipment 32 (i.e., information regarding the position or location of . . . the second communication device) to the TPSMS with the wagering data (i.e., the bet message).” *Id.* at 26 (citing Ex. 1003 ¶ 148). Petitioner alleges a PHOSITA would have been motivated to modify Garahi with McNutt “to include the user's location information with the wagering data transmitted to the TPSMS” because “[s]uch a person would have recognized that verifying the user's location at the point when the user attempts to create a new wager was a well-known and predictable way of ensuring that the wagering system is complying with local gaming regulations.” *Id.* (citing Ex. 1003 ¶ 148).

h) Limitation 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”

Petitioner asserts that “Garahi teaches using the location information to ‘verify that the user is located in a geographic area where wagering is legal,’ but “does not provide details regarding how this is accomplished.” Pet. 27 (citing Ex. 1004 ¶ 50). Petitioner contends that for the reasons given for limitation 1(a)(ii) (discussed above in Section III(E)(a)(3)),

it would have been obvious to a PHOSITA to configure Garahi to transmit the location information of the user telephone equipment 32 (i.e., information regarding the position or location of . . . the second communication device) to the TPSMS computer so that the location can be verified prior to allowing the user to place the bet as taught by McNutt [in Section III(E)(a)(7) regarding limitation 1(d)].

Pet. 27–28.

Specifically, Petitioner contends that McNutt teaches the TPSMS determining “whether the user equipment is located where wagering is prohibited” in teaching, for example, “processing steps used to determine if a bet is allowed or disallowed using the location information.” *Id.* at 28 (citing Ex. 1005 ¶ 19). Petitioner directs attention to McNutt’s Figure 12 of “a flow chart of illustrative steps involved in restricting wagering access based on the user equipment location,” the steps comprising the application obtaining blackout and user equipment location information, checking the information to determine if the user is in a blackout location where wagering

is prohibited, and if the blackout information matches the location information, the application may restrict wagering access, or if they do not match, access is provided. *Id.* at 28–29 (citing Ex. 1005 ¶¶ 113–117).

Petitioner asserts as follows:

[b]ased on the teachings of McNutt, it would have been obvious to a PHOSITA to configure Garahi’s TPSMS to determine if the bet is allowed or disallowed using the information regarding the position or location of . . . the second communication device and process information for placing the bet for or on behalf of the individual, or, if the bet is disallowed, process information for disallowing the bet.

Id. at 29–30 (citing Ex. 1003 ¶ 152). Petitioner contends that a skilled artisan “would have been motivated” to do so “to confirm that the user is in a location where wagering is allowed prior to processing the received wagering information to improve similar interactive wagering systems in the same way” and “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.* at 30 (citing Ex. 1003 ¶ 152).

Petitioner contends that a skilled artisan “would have further understood that if the bet is allowed, Garahi’s TPSMS would then process the information required to ‘send the wager information to totalisator 30,’” and “[l]ikewise, if the bet is not allowed, a PHOSITA would have understood that the TPSMS would then process information for disallowing the bet by, for example, sending a message to the user equipment indicating that wagering access is restricted as taught by McNutt.” *Id.* (citing Ex. 1003 ¶ 153).

Petitioner further contends that a skilled artisan would also have understood that “configuring Garahi’s TPSMS to implement the processing steps of McNutt’s Figure 12 and subsequently process the received wagering information according to whether the bet is allowed or disallowed would only have required minor software changes and would not have changed Garahi’s principle of operation in any way” and that “such location verification techniques were routine and well understood prior to the invention of the ’755 Patent.” Pet. 31 (citing Ex. 1003 ¶ 154). As such, Petitioner asserts that “there would have been a reasonable expectation of success configuring Garahi’s TPSMS” to determine if the bet is allowed or disallowed using the location information of the second communication device and to process information for placing the bet if wagering is allowed or if disallowed, process information for disallowing the bet, as taught by McNutt. *Id.* (citing Ex. 1003 ¶ 155).

Based on our review and consideration of Petitioner’s arguments and evidence, we find that at this stage and based on the record, Petitioner has shown sufficiently how it contends the asserted combination of Garahi and McNutt teaches every limitation of claim 1 and why one of ordinary skill in the art would have had sufficient reason to combine Garahi and McNutt, with a reasonable expectation of success in doing so, to support institution.

2. *Independent claims 2 and 18 and dependent claims 4, 5, 8–10, 16, 17, 19, and 20*

Petitioner contends that independent claims 2 and 18 and dependent claims 4, 5, 8–10, 16, 17, 19, and 20, each depending from one of claims 2 and 18, would have been obvious over Garahi and McNutt. Pet. 31–41. Based on our review and consideration of Petitioner’s arguments and

evidence, we find that at this stage and based on the record, Petitioner has shown sufficiently how it contends the asserted combination of Garahi and McNutt teaches every limitation of claims 2, 4, 5, 8–10, and 16–20, and why one of ordinary skill in the art would have had sufficient reason to combine Garahi and McNutt, with a reasonable expectation of success in doing so, to support institution. *See id.*; Ex. 1003 ¶¶ 156–183.

3. *Summary of Ground 1*

Based on our review of the evidence and arguments cited by Petitioner, we find that on this record, Petitioner has demonstrated a reasonable likelihood of establishing obviousness of claims 1, 2, 4, 5, 8–10, and 16–20 based on Garahi and McNutt.

F. GROUND 2 – ALLEGED OBVIOUSNESS OVER GARAH, MCNUTT, AND ROWE

Petitioner challenges dependent claims 6, 11, and 12 as unpatentable under 35 U.S.C. § 103 over Garahi, McNutt, and Rowe. Pet. 41–44.

These claims depend from independent claim 2 and include additional limitations generally directed to processing information for payments, lottery tickets, and winnings. Ex. 1001, 95:66–96:2, 96:44–97:2. Specifically, claims 6, 11, and 12 recite processing information for effectuating payments to a state, political subdivision, or country, for purchasing a lottery ticket, effectuating payments for a lottery ticket, receiving a lottery ticket, receiving winnings, paying taxes, or reporting gaming activities to a governmental entity, and for recording winnings or losses. *Id.*

We have reviewed the evidence and argument presented in the Petition, including relevant portions of the Kitchen Declaration, and determine that at this stage and based on the record, Petitioner has shown

sufficiently how it contends the asserted combination of Garahi, McNutt, and Rowe teaches every limitation of claims 6, 11, and 12, and why one of ordinary skill in the art would have had sufficient reason to combine Garahi, McNutt, and Rowe, with a reasonable expectation of success in doing so, to support institution. *See* Pet. 41–44; Ex. 1003 ¶¶ 185, 187–189.

G. GROUND 3 – ALLEGED OBVIOUSNESS OVER GARAHİ, MCNUTT, AND THOMAS

Petitioner challenges dependent claims 3 and 7 as unpatentable under 35 U.S.C. § 103 over Garahi, McNutt, and Thomas. Pet. 44–48.

These claims depend from independent claim 2. Claim 3 narrows the type of gaming, gambling, or sporting activity or event to a table, gaming machine, or slot machine game or a lottery. Ex. 1001, 95:42–46. Claim 7 recites further limitations comprising detecting a use of an account by an individual, generating a use message, and transmitting that message to the first, second, or a third communication device. *Id.* at 96:3–16.

We have reviewed the evidence and argument presented in the Petition, including relevant portions of the Kitchen Declaration, and determine that at this stage and based on the record, Petitioner has shown sufficiently how it contends the asserted combination of Garahi, McNutt, and Thomas teaches every limitation of claims 3 and 7, and why one of ordinary skill in the art would have had sufficient reason to combine Garahi, McNutt, and Thomas, with a reasonable expectation of success in doing so, to support institution. *See* Pet. 44–48; Ex. 1003 ¶¶ 193, 194, 199, 200.

H. GROUND 4 – ALLEGED OBVIOUSNESS OVER GARAHİ, MCNUTT,
AND PAUL

Petitioner challenges dependent claim 13 as unpatentable under 35 U.S.C. § 103 over Garahi, McNutt, and Paul. Pet. 49–51.

Claim 13 depends from independent claim 2 and recites a further limitation of transmitting to the first, second, or a third communication device information for promoting or advertising the gambling or gaming activity or sporting event. Ex. 1001, 97:3–10.

We have reviewed the evidence and argument presented in the Petition, including relevant portions of the Kitchen Declaration, and determine that at this stage and based on the record, Petitioner has shown sufficiently how it contends the asserted combination of Garahi, McNutt, and Paul teaches every limitation of claims 3 and 7, and why one of ordinary skill in the art would have had sufficient reason to combine Garahi, McNutt, and Thomas, with a reasonable expectation of success in doing so, to support institution. See Pet. 49–51; Ex. 1003 ¶ 204.

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 '755 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. Our final decision will be based on the record as fully developed during trial, including all arguments and evidence in the Patent Owner’s Response, Petitioner’s Reply, Patent Owner’s Sur-reply, or submitted otherwise during trial, as permitted by our rules. *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)).

V. 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 1–13 and 16–20 of U.S. Patent No. 10,255,755 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. 10,255,755 B2 shall commence on the entry date of this Order, and notice is hereby given of the institution of a trial.

IPR2023-00095
Patent 10,255,755 B2

For PETITIONER:

Jennifer Bailey
Eric Buresh
Callie Pendergrass
Nathan Byers
ERISE IP PA
jennifer.bailey@eriseip.com
eric.buresh@eriseip.com
callie.pendergrass@eriseip.com
nathan.byers@eriseip.com

Elizabeth Long
Jessica Kaiser
Philip Marsh
ARNOLD & PORTER KAYE SCHOLER LLP
elizabeth.long@arnoldporter.com
jessica.kaiser@arnoldporter.com
philip.marsh@apks.com

Jared Newton
QUINN EMANUEL URQUHART & SULLIVAN, LLP
jarednewton@quinnemanuel.com

Eliot Williams
George Guy
Jamie Lynn
Andrew Wilson
BAKER BOTTS LLP
eliot.williams@bakerbotts.com
hop.guy@bakerbotts.com
jamie.lynn@bakerbotts.com
andrew.wilson@bakerbotts.com

Stephen Hemenway
BROWN HYATT FABER SCHRECK
chemenway@bhfs.com

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For PATENT OWNER:

Rene Vazquez
SINERGIA TECHNOLOGY LAW GROUP, PLLC
rvazquez@sinergialaw.com

Michael Fuller
GARTEISER HONEA IP LAW
sfuller@ghiplaw.com