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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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*Ex parte* LEE M. AMAITIS, JOSEPH M. ASHER, HOWARD W. LUTNICK,  
DARRIN M. MYLET, and ALAN B. WILKINS

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Appeal 2015-002293  
Application 13/561,299  
Technology Center 3700

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Before LINDA E. HORNER, THOMAS F. SMEGAL, and LISA M. GUIJT,  
*Administrative Patent Judges.*

GUIJT, *Administrative Patent Judge.*

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants<sup>1</sup> seeks our review under 35 U.S.C. § 134 of the Examiner's decision<sup>2</sup> rejecting claims 1–18. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM and designate our affirmance as containing NEW GROUNDS OF REJECTION pursuant to our authority under 37 C.F.R. § 41.50(b).

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<sup>1</sup> Appellants identify the real party in interest as CFPH, LLC. App. Br. 2.

<sup>2</sup> Appeal is taken from the Final Office Action dated June 7, 2013 (“Final Act.”).

### CLAIMED SUBJECT MATTER

Claim 1, reproduced below, is the sole independent claim on appeal, and is representative of the subject matter on appeal.

1. A method, comprising:  
responsive to a user using a device owned by the user to access a gaming system to engage in at least one gaming activity, (1) authenticating the user, (2) authenticating the device, and (3) determining whether the user's device is located within a pre-defined location; and  
allowing the user to engage in the at least one gaming activity from the user's device based upon (1) the authentication of the user, (2) the authentication of the device, and (3) the determination that the user's device is located in the pre-defined location.

### REJECTIONS

I. Claims 1–18 are provisionally rejected on the ground of nonstatutory obviousness-type double patenting as being unpatentable over claims 1–32 of copending Application 13/561,274. Final Act. 3.

II. Claims 1, 3, and 6–16 stand rejected under 35 U.S.C. § 102(e) as anticipated by Steelberg (US 7,460,863 B2; iss. Dec. 2, 2008). Final Act. 5–7.<sup>3</sup>

III. Claim 2 stands rejected under 35 U.S.C. § 103(a) as unpatentable over Steelberg and Zilliagus (US 6,893,347 B1; iss. May 17, 2005). Final Act. 8.

IV. Claims 4, 17, and 18 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Steelberg and Wells (US 6,846,238 B2; iss. Jan. 25, 2005). Final Act. 9–10.

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<sup>3</sup> Although claim 16 is omitted from the heading for this rejection as stated in the Final Office Action, claim 16 is included in the Examiner's analysis, and therefore, we treat the omission of claim 16 as a typographical error. See Final Act. 5, 7.

V. Claim 5 stands rejected under 35 U.S.C. § 103(a) as being unpatentable over Steelberg, Wells, and LaDue (US 5,999,808; iss. Dec. 7, 1999). Final Act. 10.

VI. Claims 1–18 stand rejected under 35 U.S.C. § 101 as being directed to ineligible subject matter. Ans. 2–5.<sup>4</sup>

## ANALYSIS

### *Rejection I*

The Examiner finds, *inter alia*, that the subject matter of appealed claims 1–18 and claims 1–32 of copending Application 13/561,274 (the “’274 Application,” filed July 30, 2012)<sup>5</sup> are “not patentably distinct from each other,” because the differences between the claim limitations in the claims pending on appeal and the claims of the ’274 Application, namely, the claim limitations involving authentication, “are well known in secure gaming environments as those required by the gaming industry which has strict jurisdictional limitations,” and “the additional step of authenticating the devices and transactions would have been obvious to one of ordinary skill in the art at the time of the invention.” Final Act. 3; *see also* Ans. 9–10.

First, Appellants argue that the Examiner’s rejection is “incomplete and therefore not a valid rejection,” because the Examiner failed to “identify a one-to-one pair of claims between the current application and the reference application.” App. Br. 8 (citing, *i.e.*, MPEP § 804(B)(1)). The Examiner responds by providing a one-to-one comparison of claim 1 of each application. *See* Ans. 9–10 (chart).

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<sup>4</sup> The Examiner states this rejection in the Examiner’s Answer as a new grounds of rejection.

<sup>5</sup> Application 13/561,299 was also filed on July 30, 2012.

Second, Appellants argue that the Final Action “sets out no obviousness analysis.” App. Br. 9.

The instant '299 Application and the '274 Application were filed on the same day. Pursuant to the *Manual of Patent Examining Procedure* (MPEP) § 804 (8th Ed., Rev. 8, Jul. 2010), when applications subject to obviousness-type double patenting rejections are filed on the same day, the rejection can be withdrawn from the application claiming the “base invention” and maintained for the application claiming the “improvement.” Here, the Examiner’s claim chart on pages 8–9 of the Answer does not include the claims from the '274 Application as currently pending. *See* Ans. 8–9 ('274 Application (claim 1): “A method comprising: . . . making the determination through the use[] of geo-fencing”); *cf.* '274 Application, as amended on April 23, 2013 (claim 1: “An apparatus comprising: . . . making the determination through an identification of which network . . . the user’s device is using to access the gaming system.”). Ans. 9. Because the circumstances surrounding the co-pending '274 Application have changed since institution of the double patenting rejection in the instant '299 Application, we decline to reach this provisional rejection, and leave it to the Examiner to determine whether the obviousness-type double patenting rejection is still proper.

### *Rejection II*

Regarding independent claim 1, the Examiner finds that Steelberg’s disclosure of a personal identification number (or PIN) corresponds to the claimed user authentication (Final Act. 5 (citing Steelberg 9:44–67)), and that Steelberg’s disclosure of an authentication process corresponds to the claimed device authentication (*id.* (citing Steelberg 10:49–62)). The Examiner further finds that “[t]he verification of the remote gaming device [40] is equivalent to the

authentication of a user's device location within an authorized gaming area.” Ans. 6.

First, Appellants argue that “the cited portions of Steelberg discuss registering a gaming device, not ‘authenticating the device.’” App. Br. 4 (footnote omitted). Steelberg discloses that “remote gaming device purchase and registration occurs by a consumer purchasing the device at a participating casino,” (Steelberg 9:44–46), and that “[i]n order to activate a remote gaming device . . . , the user must provide the following information: the device’s serial number” (*id.* at 9:58–60), which is characterized as “required information” for registration (*id.* at 10:4–8). Steelberg further discloses that “once the data source (casino) or network node has approved the consumer’s registration information, the novel system schedules the card’s activation through a secure, RF broadcast network. . . . [which] broadcast[s] a set of encrypted commands which activate the device identified by the respective device serial number.” *Id.* at 10:17–27; *see also id.* at 3:54–56 (“The player device is registered with a network node authority, a user inputting at least a unique device serial number and a personal identification code.”) Thus, a preponderance of the evidence supports that Steelberg discloses authenticating<sup>6</sup> the device by requiring the user, during a registration process, to enter its serial number, which is required registration information subject to approval by the casino before the gaming device is activated.

Second, Appellants argue that

even assuming, *arguendo*, that registering a gaming device as disclosed by Steelberg includes authenticating the gaming device, gaming device registration according to Steelberg does not occur “responsive to a user using [the gaming] device . . . to engage in at least one gaming activity.”

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<sup>6</sup> An ordinary definition of the claim term “authenticate,” in view of the Specification is “to verify the origin of.” WEBSTER’S THIRD NEW INT’L DICTIONARY 146 (1993).

Rather, gaming device registration according to Steelberg is responsive to the user activating the gaming device.

App. Br. 4 (alterations in original).

As discussed *supra*, Steelberg discloses that authenticating the gaming device (i.e., by requiring the device's serial number from the user during the registration and activation process) is required for a user to access the gaming system to engage in gaming activity, and also that the registration and activation process is initiated by the user. Thus, we are not apprised of error in the Examiner's finding that Steelberg discloses "responsive to a user using a device . . . to access a gaming system to engage in at least one gaming activity, . . . (2) authenticating the device," as required by claim 1. App. Br. 11 (Claims App.). In other words, we determine that it is reasonable to interpret that initiating registration and activation of the device to access gaming broadcasts, in Steelberg, meets the claim limitation of a user using a device to access a gaming system to engage in at least one gaming activity, and that Steelberg's authentication of the devices' serial number in response to such use is also in accordance with the limitations of claim 1. To the extent Appellants are arguing that such use by the user must occur after "initial access," or perhaps after registration and initial activation, for example, as this claim language is used in dependent claims 6 and 7, Appellants are arguing limitations that are not recited in claim 1.

Third, Appellants argue that "registering the gaming device as disclosed by Steelberg is not 'responsive to a user using [the *gaming*] *device* . . . to access a . . . system" but rather, is responsive to the user using some other device, such as a device reader, to access a system." App. Br. 4 (alterations in original). We disagree, in that Steelberg discloses that the user is using the gaming device during registration and activation to transmit and receive information to access the gaming system. Specifically, Steelberg discloses that "the remote gaming device is

implemented as a smart card and comprises an RF receiver/decoder integrated circuit **60** operating in conjunction with a system microprocessor integrated circuit **62** so as to receive RF gambling broadcasts.” Steelberg 8:19–23. At least in one embodiment, registration and activation requires the user to provide the device’s serial number, which is “on a magnetic strip disposed on the back surface of the card.” *Id.* at 9:65–67.

Accordingly, we sustain the Examiner’s rejection of independent claim 1 as anticipated by Steelberg. Appellants chose not to present separate arguments for patentability of claims 3, 6, and 8–16, which depend from claim 1, and thus, we also sustain the Examiner’s rejection of claims 3, 6, and 8–16. To the extent our affirmance relies on disclosures in Steelberg that were not relied upon by the Examiner, as discussed *supra*, we designate our affirmance as a NEW GROUND OF REJECTION to afford Appellants an opportunity to address the rejection as articulated in this Decision.

We further enter a NEW GROUND OF REJECTION of claims 1, 3, 6, and 8–16 under 35 U.S.C. § 103(a) as unpatentable over Steelberg and Wells. In addition to the Examiner’s findings articulated in the Final Office Action and stated *supra*, with respect to independent claim 1, we alternatively find that Wells discloses “a wireless game player [that] may be used anywhere within the legal areas of the casino” (Wells, Abstract), and that “[f]or security, the wireless game player has an encrypted serial number (code), which is used to verify and authenticate the wireless game player” (*id.* at 10:15–17), and further that “[v]erification and authentication [(for the player and/or the wireless game player)] may be required to start every wireless game play session” or “after a certain number of games played on the gaming device” or “at random intervals” (*id.* at 37–46).

We determine that it would have been obvious to modify the serial number of Steelberg's device, as discussed *supra*, to include an encrypted serial number for security purposes, as taught by Wells, such that Steelberg's system (or network node or casino) authenticates the device by decoding the encrypted serial number to determine whether the device that was issued by the casino is located within the legal area for gaming. Moreover, we determine that it would have been obvious to modify Steelberg's method and apparatus to require such authentication at the start of every game play session by the user, as taught by Wells, to provide a higher level of security than only requiring authentication upon the initial registration and authentication of the device. Otherwise, we adopt the findings of the Examiner as set forth in the Final Office Action on pages 5 to 7.

*Dependent claim 7*

Claim 7 depends from independent claim 1 and requires that  
at pre-defined time intervals after the initial access, determining whether the user's device is still located within the pre-defined location; and continuing to allow the user to engage in the at least one gaming activity from the user's device based upon the determination that the user's device is still located in the pre-defined location.

App. Br. 11 (Claims App.). Regarding dependent claim 7, the Examiner finds that Steelberg discloses this limitation. Final Act. 6 (citing Steelberg 10:62–67, 11:50–12:2); Ans. 7 (citing Steelberg 10:49–62, 11:17–21, 45–57, 12:60-13:11, 13:1–24).

Regarding the Examiner's reliance on the disclosures in Steelberg at columns 10 and 11, Appellants correctly argue "while the cited portions of Steelberg discuss authorized gaming locations and specific time intervals, the specific time intervals are not with respect to the authorized gaming locations" but rather are "with respect to initiating new games." App. Br. 7. Moreover, the Examiner's citations to Steelberg as indicated in the Examiner's Answer also fail to support the Examiner's findings with respect to the subject matter of claim 7.

Accordingly, we cannot sustain the Examiner's rejection of dependent claim 7 under 35 U.S.C. § 102(e) as anticipated by Steelberg.

However, notwithstanding such insufficiency in the Examiner's finding, Steelberg discloses that

[o]nce the remote gaming device detects receipt of location data (i.e., receives a regional geo-positioning map), its embedded RF receiver **60** begins polling the sub-carrier channels and listening for location triangulation data. . . . By referencing broadcast triangulation data with the embedded location file, the remote gaming device is able to verify its exact location, . . . *at any time interval required*.

Steelberg 11:1–4, 10–12 (emphasis added). Wells discloses that “the gaming machine may track the location of the wireless game player using a GPS device located in the game player,” and that “[w]hen the wireless game player enters an area not authorized for wireless game play, the gaming machine may terminate the wireless game play session.” Wells 25:19–24. Thus, we determine that it would have been obvious to modify Steelberg's method and apparatus such that the “time interval required” is a pre-defined time interval after the initial access, as claimed, in view of Well's teaching to continually track the location of the game player (or device) to ensure that the device is still located within an authorized (or pre-defined) location when the user is engaged in a gaming activity.

Accordingly, we enter a NEW GROUND OF REJECTION of claim 7 under 35 U.S.C. § 103(a) as unpatentable over Steelberg and Wells.

### *Rejections III–V*

Appellants chose not to present separate arguments for the patentability of claims 2, 4, 5, 17, and 18, which depend from independent claim 1, and therefore, we sustain the Examiner's rejections of claims 2, 4, 5, 17, and 18. App. Br. 8. In view of our designation of the affirmance of independent claim 1 as a new ground of rejection, as stated *supra*, we also designate our affirmance of claims 2, 4, 5, 17,

and 18 as a NEW GROUND OF REJECTION, but otherwise adopt the Examiner's findings as set forth in the Final Office Action, pages 8–10. We further enter a NEW GROUND OF REJECTION of claim 2 as unpatentable under 35 U.S.C. § 103(a) as unpatentable over Steelberg, Wells, and Zilliacus, adopting our findings and reasoning with respect to Wells as applied to claim 1 above and otherwise adopting the Examiner's findings and reasoning with respect to claim 2 as set forth in the Final Action, page 8.

*Rejection VI*

The Examiner rejects claims 1–18 under 35 U.S.C. § 101 “as being directed to ineligible subject matter.” Ans. 2. In particular, the Examiner finds that claims 1–18 “are directed towards a method comprising authenticating the user, authenticating the device, and determining whether the user's device is located within a pre-defined location.” *Id.* at 4. The Examiner determines that these claims “are similar to claims at issue in *Bilski v. Kappos*, 130 S. Ct. 3218 (2010) and *Alice[ Corp. Pty Ltd. v. CLS Bank Int'l]*, 134 S. Ct. 2347 [(2014)], which the Supreme Court held were directed to ‘abstract ideas.’” *Id.* More specifically, the Examiner finds that “the claims are directed to the abstract idea of (i) a method of organizing human activities in a gaming environment, [and] (ii) and idea of itself for determining whether the user's device is located within the pre-defined location.” *Id.* Appellants argue, *inter alia*, that the Examiner's finding is a conclusory opinion that lacks sufficient evidence to show that “the alleged abstract idea is abstract.” Reply Br. 2.

Under 35 U.S.C. § 101, an invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101. The Supreme Court, however, has long interpreted § 101 to include an implicit exception: “laws of nature, natural phenomena, and abstract ideas” are not

patentable. *See, e.g., Alice Corp. Pty Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347, 2354 (2014). In analyzing patent eligibility questions under 35 U.S.C. § 101, the Supreme Court instructs us to “first determine whether the claims at issue are directed to a patent-ineligible concept.” *Id.* at 2355. *Alice* provides several broad examples of what might constitute an abstract idea, including: (1) fundamental economic practices; (2) certain methods of organizing human activities; (3) an idea of itself and (4) mathematical relationships or formulae. *See id.* at 2350; 2356.

We determine that the subject matter of independent claim 1 is not merely directed to organizing human activities in a gaming environment, but rather, claim 1 more specifically addresses a gaming environment which includes a user device, a gaming system, and pre-defined location, wherein responsive to a user using the device to access the gaming system, the method authenticates the user, authenticates the device, and determines whether a gaming device is in a pre-defined location and allowing the gaming activity based on the determination. Unlike risk hedging in *Bilski*, the concept of determining whether a gaming device is in a pre-defined area and authenticating the user and device is not a fundamental practice of organizing human activity within a certain environment. We also find the recitations of claim 1 sufficiently concrete as to set them outside the broad definition of an abstract idea itself as set forth in *Alice*. Thus, we conclude that the Examiner did not establish by a preponderance of the evidence that independent claim 1 and claims 2–18 depending therefrom are unpatentable under 35 U.S.C. § 101.

## DECISION

We do not reach the Examiner’s provisional rejection of claims 1–18 based on nonstatutory obviousness-type double patenting.

The Examiner's decision to reject claims 1, 3, 6, and 8–16 under 35 U.S.C. § 102(e) is AFFIRMED, and we designate the affirmance as containing a NEW GROUND OF REJECTION pursuant to our authority under 37 C.F.R. § 41.50(b).

The Examiner's decision to reject claim 7 under 35 U.S.C. § 102(e) is REVERSED.

The Examiner's decision to reject claims 1–18 under 35 U.S.C. § 101 is REVERSED.

We enter a NEW GROUND OF REJECTION of claims 1, 3, and 7–16 under 35 U.S.C. § 103(a) as unpatentable over Steelberg and Wells.

The Examiner's decisions to reject claims 2, 4, 5, 17, and 18 under 35 U.S.C. § 103(a) are AFFIRMED, and we designate the affirmance as containing a NEW GROUND OF REJECTION.

We enter a NEW GROUND OF REJECTION of claim 2 under 35 U.S.C. § 103(a) as unpatentable over Steelberg, Wells, and Zilliacus.

37 C.F.R. § 41.50(b) provides “[a] new ground of rejection pursuant to this paragraph shall not be considered final for judicial review.” 37 C.F.R. § 41.50(b) also provides that Appellants, WITHIN TWO MONTHS FROM THE DATE OF THE DECISION, must exercise one of the following two options with respect to the new grounds of rejection to avoid termination of the appeal as to the rejected claims:

(1) *Reopen prosecution*. Submit an appropriate amendment of the claims so rejected or new evidence relating to the claims so rejected, or both, and have the matter reconsidered by the Examiner, in which event the proceeding will be remanded to the Examiner. . . .

(2) *Request rehearing*. Request that the proceeding be reheard under § 41.52 by the Board upon the same record. . . .

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Further guidance on responding to a new ground of rejection can be found in the Manual of Patent Examining Procedure § 1214.01.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED; 37 C.F.R. § 41.50(b)