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INNOVATION DIVISION
CANTOR FITZGERALD, L.P.
110 EAST 59TH STREET (6TH FLOOR)
NEW YORK, NY 10022

EXAMINER

HSU, RYAN

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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

Appeal 2015-003002
Application 13/561,335
Technology Center 3700

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

Appellants¹ seek our review under 35 U.S.C. § 134 of the Examiner's decision² rejecting claims 1–30. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

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

² Appeal is taken from the Final Office Action dated June 21, 2013 (“Final Act.”).

CLAIMED SUBJECT MATTER

Claims 1 and 16 are the independent claims on appeal. Claims 1 and 16, reproduced below, are representative of the subject matter on appeal.

1. A method comprising:
 - responsive to a user using a device to access a gaming system to engage in at least one gaming activity, determining by at least one server whether the user's device is located within a pre-defined location; and
 - allowing, by the at least one server, 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 located in the pre-defined location, and
 - wherein responsive to the user accessing the gaming system, certain functionality of the device is altered to ensure wagers received by the at least one server from the device, while the device is located in the pre-defined location, did not originate from outside boundaries of the pre-defined location.

16. An apparatus, comprising:
 - at least one processor; and
 - at least one memory device electronically coupled to the at least one processor, in which the memory device stores instructions which, when executed by the at least one processor, direct the at least one processor to:
 - responsive to a user using a device to access a gaming system to engage in at least one gaming activity, 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 the determination that the user's device is located in the pre-defined location, and
 - wherein responsive to the user accessing the gaming system, certain functionality of the device is altered to ensure wagers received by the at least one processor from the device, while the device is located in the pre-defined location, did not originate from outside boundaries of the pre-defined location.

REJECTIONS

I. Claims 1–30 are provisionally rejected on the ground of nonstatutory obviousness-type double patenting as being unpatentable over claims 1–3 of copending Application 13/616,268, and claims 1–19 of copending Application 13/346,133. Final Act. 4.

II. Claims 1, 4, 5, 8–16, 19, 20, and 23–30 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Steelberg (US 7,460,863 B2; iss. Dec. 2, 2008) and Nguyen (US 7,828,652 B2; iss. Nov. 9, 2010). Final Act. 5–8.

III. Claims 2, 3, 17, and 18 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Steelberg, Nguyen, and Paravia (US 6,508,710 B1; iss. Jan. 21, 2003). Final Act. 8–9.

IV. Claims 6, 7, 21, and 22 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Steelberg, Nguyen, and Valentine (US 6,011,973; iss. Jan. 4, 2000). Final Act. 9–10.

V. Claims 1–30 stand rejected under 35 U.S.C. § 101 as being directed to ineligible subject matter. Ans. 2–5.³

ANALYSIS

Rejection I

The Examiner finds that regarding the subject matter of claims 1–30 of the application on appeal (filed July 20, 2012) and claims 1–3 of copending Application 13/616,268 (the '268 Application, filed Sept. 14, 2012) and 1–19 of copending Application 13/346,133 (the '133 Application, filed Jan. 9, 2012),

³ The Examiner states this rejection in the Examiner's Answer as a new ground of rejection.

“[a]lthough the conflicting claims are not identical, they are not patentably distinct from each other.” Final Act. 4.

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. 9 (citing, *i.e.*, MPEP § 804(B)(1)). However, the Examiner responds by providing the one-to-one pair of the claims, which Appellants fail to address in their Reply Brief. *See* Ans. 12–14 (chart); Reply Br. 5. Second, Appellants argue that the Final Action “sets out no obviousness analysis.” App. Br. 10. However, the Examiner responds by reasoning that “[t]he differences in the invention would have been obvious geo-fencing variants to one of ordinary skill in the art,” and Appellants fail to address the Examiner’s analysis in their Reply Brief. Ans. 14; Reply Br. 5.

The Examiner’s claim chart on pages 12–14 of the Answer does not include the claims from the ’268 Application as currently pending. *See* Ans. 12–14; *cf.* ’268 Application, Amendment, filed Aug. 16, 2016. Because the claims of the ’268 Application have changed since institution of the double patenting rejections in the instant ’335 Application, we decline to reach the rejection, and leave it to the Examiner to determine whether the obviousness-type double patenting rejection is still proper. However, with respect to the ’133 Application, the Examiner provided Appellants with a sufficiently detailed basis for the double patenting rejection, and Appellants have not addressed the rejection in their Reply Brief. Reply Br. 5 (“Applicant respectfully submits that a valid rejection has not been raised for at least the reasons set forth in the Appeal Brief.”) On this basis, and further upon our own review of the patented claims, we sustain the Examiner’s double patenting rejection of claims 1–30, in view of the ’133 Application.

Rejection II

The Examiner finds, *inter alia*, that

[t]he gaming system of Steelberg implements a method where a location determination is made based upon whether the user is physically located within an authorized bounded region (*see col. 8: ln 61-col. 9: ln2*). Once the determination is made that the user's device is located within the pre-defined location; the user is allowed to engage in the gaming activity (*see col. 11:ln 1-16*). It is implicit in the disclosure of Steelberg that the purpose of the location determination circuit is to ensure that the user's gaming activities did not originate outside boundaries of the authorized gaming area (ie: pre-defined location).

Ans. 7. The Examiner also finds that Steelberg teaches

a simple "bit" set in a microprocessor [] allows the microprocessor to activate the game software (*see col. 11: ln 17-20*). Otherwise if the bit is not set, then game play is not allowed to proceed which is analogous to certain functionality of the device being altered to ensure that wagers received by the at least one server from the device are located within the pre-defined location.

Ans. 8–9.

The Examiner also finds that

[a]lthough Steelberg does not specifically teach ensuring wagers received by the at least one server from the device to be located in the pre-defined area[,] it does teach utilizing a bit to verify that the remote gaming device is located within an authorized gaming area (*see col. 11: ln 1-21*). As wagers are generally understood in the art to be place[d] to initiate a game[,] it would have been obvious to one of ordinary skill in the art to modify the system of Steelberg to utilize the location verification bit to ensure wagers originated form within the pre-defined location.

Final Act. 6 (emphasis added).

Alternatively, the Examiner determines that Nguyen teaches "the use of location for a remote gaming terminal to conform with jurisdictional laws and

requirements of a particular player or remote gaming terminal.” Final Act. 6 (citing Nguyen 11:64–12:3). The Examiner reasons that it would have been obvious “to modify Steelberg with the teachings of [Nguyen] to [alter a] certain functionality of the device . . . to ensure wagers received by at least one server from the device did not originate from outside boundaries of the pre-defined location.” Final Act. 6–7.

Appellants argue that

[m]erely allowing game play by a user based upon the determination that the user/user device is located in an authorized location, as disclosed by the cited portions of Steelberg and Nguyen, is not ensuring that *while the device is located in the authorized location*[,] wagers received by a server from the device did not originate from outside boundaries of the authorized location, as [recited in] claim[]1.

Reply Br. 4; *see also* App. Br. 5. Appellants explain that

[a]ccording to the cited portions of Steelberg, game play is allowed to take place only if a device in use by a user is determined to be within an authorized area. There is no discussion of functionality of the device being altered to ensure wagers received by a server from the device, while the device is located in the authorized area, did not originate from outside boundaries of the authorized area, as [recited in] claim 1.

App. Br. 6.

Appellants explain that

the cited portions of Steelberg at most ensure that a user/device in use by the user is located in an authorized location, which does not ensure that while the device is located in the authorized location[,] wagers received by a server from the device did not originate from outside boundaries of the authorized location.

Reply Br. 4.

In their Appeal Brief, Appellants direct us to the Specification, page 8, line 20 to page 9, line 4, in support for the claim limitations of independent claims 1 and 16, which states:

[a]s subscribers launch their specific gaming application, the handset will only talk to certain base stations with cells or sectors that have been engineered to be wholly within the gaming jurisdiction. For example, if a base station is close enough to pick up or send a signal across state lines, it will not be able to communicate with the device. When a customer uses the device for gaming, the system may prohibit, if desired, the making or receiving [of] voice calls. Moreover, voice can be eliminated entirely if required. Further, the devices are preferably not allowed to “connect” to the Internet. This ensures a high level of certainty that bets/wagers originate and terminate within the boundaries of the gaming jurisdiction and the “private” wireless system cannot be circumvented or bypassed.

App. Br. 3 (citing, *i.e.*, 8:20–9:4).⁴ Thus, we understand that, according to Appellants’ Specification, when a customer is using the device for gaming to access the gaming system, the voice call and/or Internet connectivity functions of the device are altered to ensure wagers [placed], while the device is located in the pre-defined location, did not originate from outside of the pre-defined location. *See also* App. Br. 11 (Claims App.) (claims 6 and 21: “wherein the altered functionality includes making voice calls”; claims 7 and 22: wherein the altered functionality includes receiving voice calls”; claims 8 and 23: wherein the altered functionality includes Internet connectivity).

In a similar manner, Steelberg discloses that “[i]f a location is verified as being an authorized location, a simple ‘bit’ is set in a microprocessor register which allow[s] the microprocessor to activate the game software. If there is no co-

⁴ The other citations identified by Appellants in support of the subject matter of claims 1 and 16 do not discuss the functionality of the device. *See* App. Br. 3 (citing Spec. 3:4–28, 11:3–13, Fig. 1).

location match, the ‘bit’ is not set and game play is not allowed to proceed.” Steelberg 11:17–21. Thus, we are not apprised of error in the Examiner’s determination that Steelberg discloses altering a certain functionality of the device (i.e., by setting the “bit”), wherein the functionality of the device is the ability to engage in game play.

We also agree with the Examiner’s reasoning, as stated *supra*, that game play includes placing wagers. Steelberg discloses that

[t]he player device includes electronic game play means for enabling a player to make a wager by inputting wager data, and to commence game play by causing an activation signal to be received and processed. In one particular aspect, the player device is placed in condition to receive said activation signal by the device’s first location being within a bounded authorized area.

Steelberg 2:55–61.

In addition, similar to the disclosure in Appellants’ Specification, as stated *supra*, wherein “the handset will only talk to certain base stations . . . within the gaming jurisdiction” and “[w]hen a customer uses the device for gaming, the system [alters the functionality],” Steelberg discloses, as stated *supra*, that the game playing functionality is altered only if the location is verified as being within an authorized location (and therefore, by definition, not outside of the boundaries of the pre-defined location). Thus, we are not apprised of error in the Examiner’s finding that “it is implicit in the disclosure of Steelberg that the purpose of the location determination circuit is to ensure that the user’s gaming activities did not originate outside boundaries of the authorized gaming area,” as stated *supra*, or that “[the] functionality of the device is altered to ensure wagers [placed] *while the device is located in the pre-defined location* did not originate from outside boundaries of the pre-defined location,” as claimed. App. Br. 11 (Claims App.) (emphasis added). In other words, we see no difference in altering the

functionality of a device to make voice calls, for example, based on location verification, and altering the functionality of a device to engage in game play based on location verification, wherein, in each case, the functionality is altered to ensure wagers [placed] while the device is located in the pre-defined location did not originate from outside boundaries of the pre-defined location. To the extent Appellants are arguing that more is required by the claims, Appellants are arguing limitations that are not recited in the claims.

Regarding the Examiner's alternative reliance on Nguyen, Appellants argue that Nguyen fails to discuss "functionality of a device being altered to ensure wagers received by a server from the device, while the device is located in a jurisdiction where gaming is allowed, did not originate from outside boundaries of the jurisdiction," as required by claim 1. App. Br. 7. However, as stated *supra*, the Examiner relies on Steelberg, not Nguyen, for altering the functionality of the device. Thus, Appellants' argument does not address the Examiner's proposed combination. Moreover, we do not agree with Appellants that Steelberg fails to teach altering the functionality of the device, as stated *supra*.

Accordingly, we sustain the Examiner's rejection of independent claim 1 as unpatentable over Steelberg and Nguyen. Appellants chose not to present separate arguments for patentability of claims 4, 5, and 8–15, which depend from claim 1, and thus, we also sustain the Examiner's rejection of claims 4, 5, and 8–15. App. Br. 5. Appellants also rely on the arguments set forth *supra* with respect to claim 1 for the patentability of independent claim 16 and claims 19, 20, and 23–30 depending therefrom (*id.* at 7), and for the same reasons stated *supra*, we sustain the Examiner's rejection of claims 16, 19, 20, and 23–30.

Rejections III–IV

Appellants chose not to present separate arguments for the patentability of claims 2, 3, 6, 7, 17, 18, 21, and 22, which depend from independent claims 1 and 16, and therefore, because we sustain the Examiner’s rejection of claim 1 and 16, we also sustain the Examiner’s rejections of claims 2, 3, 6, 17, 18, 21, and 22.

App. Br. 8–9.

Rejection VI

The Examiner rejects claims 1–30 under 35 U.S.C. § 101 “as being directed to ineligible subject matter.” Ans. 3. In particular, the Examiner finds that claims 1 to 30 “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 5. 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 that 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 claims 1 and 16 are not merely directed to organizing human activities in a gaming environment, but rather, the claims more specifically address a gaming environment which includes a user device, a gaming system, a server, and a pre-defined location, wherein a determination is made, responsive to a user using the device to access the gaming system, whether a gaming device is in a pre-defined area and altering the functionality of the device accordingly. Unlike risk hedging in *Bilski*, the concept of determining whether a gaming device is in a pre-defined area and altering the functionality of the device is not a fundamental practice of organizing human activity within a certain environment. We also find the recitations of claims 1 and 16 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 claims 1 and 16, and claims 2–15 and 17–30 depending therefrom are unpatentable under 35 U.S.C. § 101.

DECISION

We do not reach the Examiner’s provisional rejection of claims 1–30 based on nonstatutory obviousness-type double patenting, in view of the ’268 Application; however, the Examiner’s decision to provisionally reject claims 1–30

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on the ground of nonstatutory obviousness-type double patenting is AFFIRMED,
in view of the '133 Application.

The Examiner's decisions to reject claims 1–30 under 35 U.S.C. § 103(a) are
AFFIRMED.

The Examiner's decision to reject claims 1–30 under 35 U.S.C. § 101 is
REVERSED.

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