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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte ERNEST W. MOODY

Appeal 2012-011691
Application 11/958,156
Technology Center 3700

Before LINDA E. HORNER, THOMAS F. SMEGAL, and
BRANDON J. WARNER, *Administrative Patent Judges*.

HORNER, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Ernest W. Moody (Appellant) seeks our review under 35 U.S.C. § 134 of the Examiner's decision rejecting claim 1 under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter. We have jurisdiction under 35 U.S.C. § 6(b). We AFFIRM.

THE INVENTION

Appellant's claimed invention relates to "electronic video poker games that are based on draw poker." Spec. 1. Claim 1, reproduced below, is the sole claim on appeal.

1. A method of playing a poker card game in which a player plays against a pay table comprising:
 - a) dealing an initial hand of cards to the player;
 - b) allowing the player to discard any unwanted cards from the initial hand;
 - c) dealing replacement cards for the discarded cards resulting in a final hand;
 - d) if the final hand has a winning card combination of two Aces and a Three-of-a-Kind, providing the player with an award from the pay table for a winning hand combination of a Four-of-a-Kind.

LEGAL PRINCIPLES

A patent may be obtained for “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof.” 35 U.S.C. § 101. The Supreme Court has held that this provision contains an important implicit exception: laws of nature, natural phenomena, and abstract ideas are not patentable. *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014); *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972) (“Phenomena of nature, though just discovered, mental processes, and abstract intellectual concepts are not patentable, as they are the basic tools of scientific and technological work.”). Notwithstanding that a law of nature or an abstract idea, by itself, is not patentable, the application of these concepts may be deserving of patent protection. *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1293–94 (2012). In *Mayo*, the Court stated that “to transform an unpatentable law of nature into a patent-eligible *application* of such a law, one must do more than simply state the

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law of nature while adding the words ‘apply it.’” *Mayo*, 132 S. Ct. at 1294 (citation omitted).

In *Alice*, the Supreme Court reaffirmed the framework set forth previously in *Mayo* “for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of these concepts.” *Alice*, 134 S. Ct. at 2355. The first step in the analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts.” *Id.* If the claims are directed to a patent-ineligible concept, then the second step in the analysis is to consider the elements of the claims “individually and ‘as an ordered combination’” to determine whether there are additional elements that “‘transform the nature of the claim’ into a patent-eligible application.” *Id.* (quoting *Mayo*, 132 S. Ct. at 1298, 1297). In other words, the second step is to “search for an ‘inventive concept’—*i.e.*, an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’” *Id.* (brackets in original) (quoting *Mayo*, 132 S. Ct. at 1294). The prohibition against patenting an abstract idea “cannot be circumvented by attempting to limit the use of the formula to a particular technological environment or adding insignificant post-solution activity.” *Bilski v. Kappos*, 561 U.S. 593, 610–11 (2010) (citation and internal quotation marks omitted). The Court in *Alice* noted that “[s]imply appending conventional steps, specified at a high level of generality, was not ‘enough’ [in *Mayo*] to supply an ‘inventive concept.’” *Alice*, 134 S. Ct. at 2357 (quoting *Mayo*, 132 S. Ct. at 1300, 1297, 1294).

ANALYSIS

The Examiner applied the Interim Guidance for Determining Subject Matter Eligibility for Process Claims in View of *Bilski v. Kappos* (Fed. Reg. Vol. 75, No. 143/Tuesday, July 27, 2010/Notices) (hereinafter “2010 Interim Guidance”) to determine that claim 1 is directed to a patent ineligible abstract idea. In particular, the Examiner stated:

Claim 1 recites ineligible subject matter because the claimed limitations include no recitation of a machine or transformation nor are they directed to a proper application of a law of nature. The claimed invention merely recites rules for playing a card game in which cards are dealt by a human. Rules for playing a card game are abstract and nonstatutory.

Ans. 6.

The 2010 Interim Guidance applied by the Examiner was developed before the Supreme Court issued its decisions in *Mayo* and *Alice, supra*, further explaining the law in this area. We apply the framework as set forth by the Court in *Mayo* and reaffirmed by the Court in *Alice* for determining whether the claims are directed to patent-eligible subject matter.

Step one: Are the claims at issue are directed to a patent-ineligible concept?

Appellant challenges the Examiner’s determination that “a set of rules qualifies as an abstract idea.” Br. 6 (citing *Research Corp. Techs., Inc. v. Microsoft Corp.*, 627 F.3d 859 (Fed. Cir. 2010)). *See also id.* at 8 (arguing that “the Examiner has not identified clearly what the ‘abstract idea’ is” and that “[g]ame rules are submitted to be concrete, rather than abstract, because game rules set out how the game is to be played by all of the players.”).

We agree with the Examiner that claim 1 is directed to an abstract idea. Claim 1, which recites “[a] method of playing a poker card game in which a player plays against a pay table,” includes a set of steps that call for the dealer to deal an initial hand of cards, allow the player to discard cards, deal replacement cards, and provide the player with an award from the pay table for a winning hand combination. Br. 12. Appellant describes that “[t]he present invention converts a particular winning hand combination into a different winning hand combination with a higher payout amount.”

Spec. 2. In particular, the invention, as claimed, lies in the idea of awarding the player the payout amount associated with four-of-a-kind to a poker hand containing three-of-a-kind and two aces. *Id.* at 2–3, 5. This idea is akin to an algorithm or formula for computing the payout amount owed to a player for a particular poker hand. In other words, the claim is directed to the basic concept of providing a player of a poker game with a payout based on the ranking of the player’s hand.

Appellant argues that the Examiner’s admission that the method of claim 1 sets out physical steps and the Examiner’s determination that claim 1 is claiming an abstract idea are contradictory. Br. 4. *See also id.* at 8 (arguing that because claim 1 contains physical steps, this should end the inquiry into whether claim 1 claims an abstract idea). We find no contradiction in the determination that a method claim which includes physical steps is wholly directed to a patent ineligible abstract idea. *See, e.g., In re Grams*, 888 F.2d 835, 840 (Fed. Cir. 1989) (“The presence of a physical step in the claim to derive data for the algorithm will not render the

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claim statutory.”). Further, we agree with the Examiner that the claimed physical method steps are not tied to a particular machine and do not transform the cards into a different state or thing.

In *Alice*, the Supreme Court discussed its decision in *Bilski v. Kappos*, 130 S. Ct. 3218 (2010), stating:

It follows from our prior cases, and *Bilski* in particular, that the claims at issue here are directed to an abstract idea. Petitioner’s claims involve a method of exchanging financial obligations between two parties using a third-party intermediary to mitigate settlement risk.

Alice, 134 S. Ct. at 2356.

A poker game is, effectively, a method of exchanging and resolving financial obligations based on probabilities created during the distribution of the cards. Thus, the “method of playing a poker card game in which a player plays against a pay table,” as recited in Appellant’s claim 1, is akin to the “method of exchanging financial obligations” discussed in *Alice*. The recited rule tells the player and the dealer what to do in response to a particular event. This rule is similar to an instruction to follow a formula or an algorithm to conduct the game and resolve the parties’ financial obligations. Therefore, when read as a whole, we agree with the Examiner that independent claim 1 is directed to a set of rules for conducting a poker game which, for the reasons discussed above, constitutes a patent-ineligible abstract idea. As we noted above, according to *Alice*, the question to be settled next is whether claim 1 recites an element, or combination of

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elements, that is enough to ensure that the claim is directed to significantly more than an abstract idea.

Step two: Is there something else in the claims that ensures that they are directed to significantly more than a patent-ineligible concept?

Appellant acknowledges that the claimed steps (a) through (c) are conventional steps of a draw poker game. Spec. 1 (describing a “[c]onventional video draw poker” game as including initially dealing the player five cards, allowing the player “to discard and replace unwanted cards with replacement cards,” “determin[ing] winning combinations” using poker hand rankings, and “determin[ing] the amount awarded to the player for achieving a winning combination” using a “payout schedule.”). Simply appending conventional steps, specified in general terms, is not enough to transform an abstract idea into a patent-eligible invention. *See Alice*, 134 S. Ct. at 2357–60. These recitations are similar to the recitation of a conventional “computer” discussed in *Alice*.

The dealing of initial cards, allowing the player to discard cards, and dealing replacement cards amounts to nothing significantly more than instructions to a dealer and the player to apply the abstract idea of following the rules of the poker game. Dealing initial cards, discarding cards, dealing replacement cards, and providing a payout for a winning hand, as set forth in claim 1, taken individually or as an ordered combination, are merely necessary and conventional steps in playing a poker card game. They constitute, pre- or post-, extra-solution activity, and do not add enough to the claims to transform the recited methods into patent-eligible subject matter.

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Bilski v. Kappos, 130 S. Ct. at 3230–31. Patent eligibility should not “depend simply on the draftsman’s art.” *See Alice*, 134 S. Ct. at 2358–59 (quoting *Parker v. Flook*, 437 U.S. 584, 593 (1978) (internal quotation marks omitted)).

For these reasons, we sustain the Examiner’s decision rejecting claim 1 under 35 U.S.C. § 101 as being directed to patent ineligible subject matter

DECISION

The decision of the Examiner to reject claim 1 is AFFIRMED.

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

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