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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte ERNEST W. MOODY

Appeal 2012-011746
Application 12/497,679
Technology Center 3700

Before MICHAEL L. HOELTER, ANNETTE R. REIMERS, and
BRANDON J. WARNER, *Administrative Patent Judges*.

REIMERS, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE^{1,2}

Ernest W. Moody (Appellant) appeals under 35 U.S.C. § 134(a) from the Examiner's decision to reject under 35 U.S.C. § 101 claims 1 and 2 as

¹ The instant application is a "divisional application[] related to the parent application, Serial No. 11/067386, now Patent No. 7581730." Br. 2.

² The Examiner has withdrawn the obviousness-type double patenting rejection of claims 1 and 2 as being unpatentable over claims 1–42 of Moody (US 6,098,985; iss. Aug. 8, 2000) in view of Gajor (US 6,443,456 B1; iss. Sept. 3, 2002). *See* Ans. 4, 7; *see also* Final Act 4–5 (mailed Apr. 15, 2011).

being directed to patent-ineligible subject matter. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM and ENTER A NEW GROUND OF REJECTION PURSUANT TO OUR AUTHORITY UNDER 37 C.F.R. § 41.50(b).

CLAIMED SUBJECT MATTER

The claimed subject matter “relates primarily to video poker games, and more particularly to video poker games that are programmed to play on an electronic video poker machine.” Spec. 1, ll. 10–12; *see* Fig. 1.

Claim 1, the sole independent claim on appeal, is representative of the claimed subject matter and recites:

1. A method of playing a card game comprising:
 - a) providing a deck of playing cards comprising at least a standard fifty-two card deck with at least one additional bonus hand cards;
 - b) displaying an initial first hand of at least five cards all face up;
 - c) selecting none, one or more of the face up cards from the initial first hand as cards to be held, discarding the unselected cards and the bonus hand card and displaying replacement cards for the discarded cards resulting in a final first hand;
 - d) if the initial first hand contains a bonus hand card, displaying an initial second hand having the same four cards face up other than the bonus hand card as the initial first hand plus one additional face down card;
 - e) if the initial second hand has been displayed, selecting none, one or more of the face up cards from the second hand as cards to be held, discarding the unselected cards and the additional face down card and displaying face up replacement cards for the discarded cards resulting in a final second hand;
 - f) if the final first hand contains a bonus hand card, displaying an initial second hand having the same cards face up that were held in the final first hand plus additional cards face

up as are necessary to complete a final second hand; and
g) determining the poker hand ranking of the resulting
cards of the final first hand and the final second hand.

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 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 the claimed method

[lacks] implementation by a particular machine or the transformation of a particular article, the lack of a meaningful limit imposed by the device or table and the apparent attempt to claim an abstract

idea in the form of a new set of rules are all factors that weigh against eligibility. The fact that the claim may be more than a mere statement of a concept in that an actual method of playing the game is claimed versus just a new set of rules may be a factor weighing towards patent eligibility.

Ans. 8; *see also id.* at 7.

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 directed to a patent-ineligible concept?

Appellant challenges the Examiner’s determination that “a set of rules qualifies as an abstract idea.” Br. 7 (citing *Research Corp. Techs., Inc. v. Microsoft Corp.*, 627 F.3d 859 (Fed. Cir. 2010)). *See also id.* at 8–9 (arguing that “[t]he method uses a deck of cards and an additional bonus hand card both of which are physical devices (nothing abstract about a deck of cards or a bonus hand card).”).³

³ However, as if to undercut Appellant’s contention concerning the deck of cards and the bonus hand being “physical devices,” Appellant’s Specification states that “[t]his invention relates primarily to video poker games, and more particularly to video poker games that are programmed to play on an electronic video poker machine.” Spec. p. 1, ll. 10–12. Appellant does not explain how a virtual deck of cards and/or a bonus hand presented in such a virtual manner still qualify as being “physical devices.”

We agree with the Examiner that claim 1 is directed to an abstract idea. Claim 1, which recites “[a] method of playing a card game,” includes a set of steps that calls for the dealer to provide a standard fifty-two deck of cards with one or more bonus cards, display a first hand, display a second hand if the first hand contains a bonus card, select none, one or more of the cards from the first and second hands to be held, discard cards, display replacement cards, and determine the poker hand ranking of the resulting cards of the first and second hands. Br. 15–16. Appellant’s Specification describes that “[t]he game of the present invention plays in a manner similar to conventional video poker with the exception that one or more additional cards are added to the deck of playing cards.” Spec. pp. 5–6. In particular, the invention, as claimed, lies in the idea of awarding the player the payout amount associated with an initial poker hand and one or more bonus poker hands. *Id.* at pp. 2–6. 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. 6–7. 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 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. *See* Ans. 7.

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 card game,” 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 that, 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 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), (e), and (g) are conventional steps of an electronic video poker game. Spec. pp. 2–3 (describing an “electronic video poker” game as including “[dealing/providing] cards from a standard 52 card poker deck,” “display[ing] a single five card hand to the player,” allowing the player to “select[] which of the five cards he wishes to hold” and to discard and replace unwanted cards with replacement cards, determine “winning combinations” using “conventional poker hand rankings,” and determine the amount awarded to the player for “certain winning card combinations” using a “payout schedule.”). Appellant further acknowledges that (1) “[t]he game of the present invention plays in a manner similar to conventional video poker with the exception that one or more additional cards are added to the deck of playing cards” (Spec. pp. 5–6); and (2) the deck of cards used in the game of the subject invention is provided with “the standard fifty-two card deck supplemented with one [or more] bonus hand cards” (Spec. pp. 1, 11, 20). Appellant also acknowledges that “[m]any electronic video poker gaming machines are provided with a menu so that the player can indicate his choice of the poker game format that the player wishes to play” (e.g., the format of a poker game including the standard fifty-two card deck with one or more bonus hand cards). Spec. p. 3, ll. 18–21. 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*.

To allow a player to indicate the poker game format (i.e., a poker game including the standard fifty-two card deck with one or more bonus hand cards), to provide cards from a standard 52 card deck with additional cards, to allow the player to select which cards to hold, to discard cards, to replace cards, and to provide a payout for a winning hand, 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. The steps, 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. *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)).

Accordingly, for the foregoing reasons, we sustain the Examiner’s rejection under 35 U.S.C. § 101 of claims 1 and 2 as being directed to patent-ineligible subject matter. However, we denominate the affirmance of the rejection of claims 1 and 2 as a NEW GROUND OF REJECTION pursuant to 37 C.F.R. § 41.50(b), to provide Appellant with a full and fair opportunity to respond to the thrust of the rejection.

DECISION

The Examiner’s rejection of claims 1 and 2 is affirmed, but this affirmance is designated as a New Ground of Rejection in under 37 C.F.R. § 41.50(b). This New Ground of Rejection is entered because it relies on

reasons different from and/or additional to those explicitly stated by the Examiner and to provide Appellant with a full and fair opportunity to respond to the thrust of the rejection.

Further, 37 C.F.R. § 41.50(b) provides that, “[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 Appellant must, WITHIN TWO MONTHS, exercise one of the following options:

- (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. . . .

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

AFFIRMED; 37 C.F.R. § 41.50(b)