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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte DANIELLE MAACK and JOHN YOUNG

Appeal 2014-008382
Application 13/342,782
Technology Center 3700

Before JENNIFER D. BAHR, LINDA E. HORNER, and
BRANDON J. WARNER, *Administrative Patent Judges*.

HORNER, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Danielle Maack and John Young (Appellants) seek our review under 35 U.S.C. § 134 of the Examiner's decision rejecting claims 1–20 under 35 U.S.C. § 101 as being directed to non-statutory subject matter. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

CLAIMED SUBJECT MATTER

Appellants' claimed subject matter relates to "a new variation to standard poker card games." Spec. 1. Claim 1 is the sole independent claim on appeal and is reproduced below.

1. A poker game variation including the steps of:

a) prior to the dealing of the first round of a poker game including a plurality of contestants, an extra card token is made available for distribution to each contestant, wherein at least one contestant takes possession of an extra card token in this manner;

b) a first round and any number of successive rounds are then played with appropriate betting by contributing monetary amounts into a community pot and comparison of resultant individual hands to determine a winning hand according to acceptable card combination hierarchy, wherein, at any time once an initial individual winning hand is determined within a round after each remaining hand at that time is shown in total for review by each contestant, any remaining contestant possessing an extra card token may then place said token into the pot in order to have one further community card dealt for all remaining contestants to utilize in combination with their own individual hands such that any such remaining contestant may improve their individual hand in order to defeat the initial individual winning hand;

wherein said extra card token may only be played by a remaining contestant if the initial individual winning hand of another remaining contestant may be bested in terms of hand strength by the inclusion of a single card in combination with the token-playing contestants initial hand; and wherein if such extra card combines with an initial hand of any remaining contestant provides the strongest hand in comparison with the hands of all other remaining contestants, then such hand is deemed the subsequent individual winning hand, allowing for the holder of such subsequent individual winning hand to be awarded at least a portion of the pot for that hand; and wherein if said extra card

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causes two or more contestants to have the same hand strength, and thus to have the same effective subsequent individual winning hand, and thus exceeding the hand strength of the initial individual winning hand, then said contestants holding such subsequent winning hands are to be awarded a split of at least a portion of the pot for that 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.’” *Id.* at 1294 (citation omitted).

In *Alice*, the 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. Ans. 2–3. In particular, the Examiner determined that the claimed subject matter fails the machine-or-transformation test, stating:

In this case, while machine elements including wagering tokens and cards are recited to be manipulated as part of the claimed invention, these machine element[s] do[] not execute the process steps. Rather, the process steps are performed by humans. Moreover, cards are not transformed when they are dealt or exposed by humans because they are still a deck of cards unchanged in their physical disposition. They remain the same, just arguably spread out over a greater area. To this extent, claims 1–20 fail the machine-or-transformation test.

Id. The Examiner further determined that claims 1–20, taken as a whole, are directed to an abstract idea, stating:

Lastly, the abstract invention is not considered a particular and practical application of a judicial exception (i.e. Abstract idea). In other words, the crux of the invention is directed to mental processes of “betting” and “playing” and “winning.”

Id. at 3.

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*, taking into consideration the Examiner’s identification of an abstract idea encompassed by the claim, 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?

Appellants argue that the method of claim 1¹ is not directed to an abstract idea because “[t]he claim steps require more than mental

¹ Appellants argue claims 1–20 as a group. Appeal Br. 5–14; Reply Br. 2–11. We select claim 1 as representative of the group, and claims 2–20 stand or fall with claim 1. 37 C.F.R. § 41.37(c)(1)(iv).

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considerations and assessments, but actual active procedures that require operations with physical consequences.” Reply Br. 6. In particular, Appellants assert that “the claimed invention is not directed to solely a game comprising mental steps; so much more is involved that elevates the claimed method well above a simple thought process or abstract idea.” *Id.* at 7.

According to Appellants:

[N]ot only is the invention of the pending claims not pertaining to a mathematical formula on its own, nor an algorithm on its own, nor a fundamental economic practice (or any other type of abstract idea) that would thus create a monopolization effect over an entire field, the claimed method brings something brand new to the poker arena through the utilization of such a risk assessment and token deployment operation.

Id.

We agree with the Examiner that claim 1 is directed to an abstract idea. Claim 1, which recites “[a] poker game variation,” includes a set of steps that call for making a token available to players, playing a round of poker (i.e., dealing hands, placing bets, and comparing hands to determine a winning hand), and permitting a non-winning player to place a token into the pot in exchange for one further community card to be dealt to potentially improve any remaining player’s hand. Appeal Br. 16–17 (Claims App.).

Appellants’ Specification describes:

Such . . . [a] token system can be utilized with all standard poker variations, including Texas Hold’Em, Omaha, draw, and stud, through the ability of the token player to request, in exchange for the token itself placed into the pot, such one last card to be dealt for the potential benefit of all remaining contestants during the hand in question.

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Spec. 10. In particular, the described “methods of utilizing the pre-dealt token(s) thus provide further potential excitement and interest within existing poker variations by prolonging the final determination of a round and allowing for certain contestants one final attempt to overcome a certain losing hand.” *Id.*

The Specification characterizes such use of tokens for dealing an extra card as a variety of “insurance” to reduce the level of betting loss. *Id.* at 5–6. The disclosed extra card token idea essentially provides a form of insurance that provides to any remaining non-winning players a second chance to beat the winning hand. In other words, Appellants’ claimed method is directed to rules for conducting a poker game variation involving the basic concept of providing remaining players of a poker game with a second chance opportunity to overcome a winning hand by redeeming a symbolic token for an extra card. This basic concept is an abstract idea. 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. 2–4.

In *Alice*, the Supreme Court drew a comparison between the claims before it on appeal, directed to intermediated settlement, and the claims before the Court in *Bilski*, directed to risk hedging, 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 (i.e., a wagering game) is, effectively, a method of exchanging and resolving financial obligations based on probabilities created during the distribution of the cards. Appellants' claims, directed to rules for conducting a particular variation of a poker game, are similar to other "fundamental economic practice[s]" identified as abstract by the Supreme Court. *See id.* at 2357. Thus, Appellants' claimed "variation of a poker game" is akin to the "method of exchanging financial obligations" discussed in *Alice*. Moreover, the basic concept of providing a player of a poker game with a second chance opportunity to overcome a winning hand by redeeming a symbolic token provided before playing a round (i.e., a form of insurance) is akin to the risk hedging in *Bilski*.

The rules recited in steps (b) and (c) of claim 1 tell the players and the dealer what to do in response to a particular event (i.e., a player attempts to play the extra card token). These rules are similar to instructions to follow a formula or an algorithm to conduct the game and resolve the parties' financial obligations depending on the outcome. Therefore, when read as a whole, independent claim 1 is directed to a set of rules for conducting a variation of 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 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?

Appellants acknowledge that poker is a well-known game with several variations, each including the conventional steps of dealing cards to players, players placing bets into a pot, and comparing individual hands to determine a winner. Spec. 2–3. According to Appellants, one popular poker variation is known as “Texas Hold’Em,” in which two hidden cards are dealt to each player and several community cards are placed on the table for combining with the hidden cards of each player. *Id.* at 3. “[S]uch a poker variation has been well established for many years and has a set protocol and basic rulebook in terms of card dealing and order in terms of betting.” *Id.* at 4. 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. The recitations in claim 1 pertaining to conventional poker game steps are analogous to the recitation of a conventional “computer” discussed in *Alice*.

Appellants argue that “the ability to ‘transform’ a standard hand result in relation to a played extra card token at any permitted time, and the subsequent potential to ‘transform’ the resultant pot distribution after the standard hand has concluded, should not be disregarded.” Reply Br. 10. In particular, Appellants assert that the claim also recites “new and *unconventional* steps show[ing], quite clearly, that there does exist an ‘inventive concept’ within the pending claims that elevates any possible abstract idea determination to the point of patent eligibility.” *Id.* at 11; *see id.* (describing “such extra steps (extra card token, token play, modify hand results if the extra card generates a favorable result to the token player,

etc.)”). We disagree that these claim recitations amount to significantly more than the abstract idea encompassed by the claim.

The claim here requires making a token available to players before playing a round of poker. Appeal Br. 16, Claims App. The token itself is merely symbolic and is not limited in the claim to a specific physical object. *See* Spec. 10 (describing that “[t]he token itself may be of any actual material and/or configuration”). The token is not used for any of its physical characteristics, but, instead, merely symbolizes an agreed-upon rule that allows a player holding a token to redeem it for a single conventional playing card dealt face up in addition to the community cards already face up on the table. *See id.* The steps of making an extra card token available to players, playing a round of poker (i.e., dealing cards, placing bets, determining a winning hand), allowing a player to redeem the token for an extra community card, and, determining if any remaining player’s hand beats the original winning hand, amount to nothing significantly more than instructions to a dealer and the players to apply the abstract idea of following a set of rules for a poker game variation.

We acknowledge that not all inventions in the gaming arts would necessarily fail to qualify as patent eligible subject matter under 35 U.S.C. § 101. *See In re Smith*, 815 F.3d 816, 819 (Fed. Cir. 2016). Our reviewing court “could envisage, for example, claims directed to conducting a game using a new or original deck of cards potentially surviving step two of *Alice*.” *Id.* However, as discussed above, the token in Appellants’ claimed poker game variation is merely symbolic of a rule directing the use of conventional playing cards. As correctly noted by the Examiner, the playing

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cards “are still a deck of cards unchanged in their physical disposition.”
Ans. 3. Moreover, even if the claimed poker game involves “physical” aspects, as asserted by Appellants (Reply Br. 10), the fact that certain “physical” steps are necessary to perform the method does not show that these steps are any more than routine and conventional in playing a poker card game. *See Alice*, 134 S. Ct. at 2359–60. 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*, 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, we find nothing in independent claim 1 to be sufficiently transformative to render the recited method patent eligible. For these reasons, we sustain the Examiner’s decision rejecting claim 1, and claims 2–20 falling therewith, under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter.

DECISION

The decision of the Examiner to reject claims 1–20 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