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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* CHI FAT AU-YEUNG

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Appeal 2015-004929  
Application 13/879,072  
Technology Center 3700

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Before JOHN C. KERINS, GEORGE R. HOSKINS, and  
BRANDON J. WARNER, *Administrative Patent Judges*.

HOSKINS, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Chi Fat Au-Yeung (“Appellant”)<sup>1</sup> appeals under 35 U.S.C. § 134 from the Examiner’s decision rejecting claims 11–20<sup>2</sup> in this application. The Board has jurisdiction over the appeal under 35 U.S.C. § 6(b).

We AFFIRM.

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<sup>1</sup> The Appeal Brief identifies Appellant as the real party in interest. Br. 1.

<sup>2</sup> Claims 1–10 are canceled, and claim 21 is withdrawn. Final Act. 2–3; Br. 1. The Appeal Brief states “Appellant is not requesting appeal of claim 20 and hereby requests cancellation of that claim in accordance with 37 C.F.R. 41.33(b)(1).” Br. 1, n.1. The cited rule indicates “[a]mendments” filed with or after an Appeal Brief may be admitted to cancel claims. 37 C.F.R. § 41.33(b)(1). An Appeal Brief is not an Amendment, so Appellant’s submission does not comply with the rule. Therefore, claim 20 is still part of the application.

### CLAIMED SUBJECT MATTER

Claim 11 is the sole independent claim on appeal, and it recites:

11. A method of playing a card game with a plurality of physical cards that is played on a physical game playing surface, the method comprising the steps of:

providing a playing area on the game playing surface with the playing area being divided into a plurality of individual player areas;

one or more players placing a bet in a bet area of an individual player area on the game playing surface, to participate in the game;

dealing an individual hand of one or more cards to each of the one or more players;

dealing a hand of one or more cards to a dealer;

calculating a value of each of the player's individual hands and the dealer's hand using conventional baccarat points count rules;

each player having the option of placing an additional bet in a draw bet area of the player's individual player area on the game playing surface to draw an additional card;

the dealer drawing an additional card if the point-count of the one or more cards initially dealt to the dealer is within a predetermined range, otherwise the dealer standing on the one or more cards initially dealt to the dealer;

where the dealer or any player draws an additional card the point-count for the additional card is added to the point-card of the original hand thereby determining the value of the completed hand; and

the player [winning] the game if the point count of the player's individual completed hand is higher than that of the dealer.

Br. 14 (Claims App.).

### REJECTIONS ON APPEAL

Claims 11–20 stand rejected under 35 U.S.C. § 112, second paragraph, as indefinite.

Claims 11–20 stand rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.

## ANALYSIS

### A. § 112 Indefiniteness (Claims 11–20)

The Examiner determines the claim 11 limitation of “using conventional baccarat points count rules” is indefinite. Final Act. 3. The Examiner finds “[t]here are many variations of baccarat points count rules,” citing Snow ’995, Snow ’840, and Alaeddin in support,<sup>3</sup> and determines claim 11 is indefinite for failing to identify which variation(s) are “conventional” as claimed. *Id.*; Ans. 12–13 (citing Snow ’995 ¶¶ 41, 42, 45, and 46; Snow ’840 ¶ 57; and Alaeddin ¶¶ 46–47).

Appellant responds that, while the references cited by the Examiner “do discuss variations of baccarat, they do not discuss variations of the ‘point count rules,’ but instead distinctly identify the *same conventional point count rules.*” Br. 12 (citing Snow ’995 ¶ 7; Snow ’840 ¶¶ 8–11; and Alaeddin, Fig. 5). Appellant contends those rules are “aces count one, face cards count zero, all other cards count their indicated value; and the hand total is determined modulo ten so that the highest possible value of a hand is nine.” *Id.*

A claim is indefinite when it contains words or phrases whose meaning is unclear. *Ex parte McAward*, No. 2015-006416, 2017 WL 3669566, \*2–6 (PTAB Aug. 25, 2017) (precedential). The evidence of

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<sup>3</sup> These references are, respectively, US 2008/0230995 A1 (published Sept. 25, 2008); US 2008/0296840 A1 (published Dec. 4, 2008); and US 2002/0190470 A1 (published Dec. 19, 2002). Final Act. 3; Notice of References Cited (mailed Jan. 30, 2014).

record establishes that the meaning of “conventional baccarat points counts rules” is not unclear. Most importantly, Appellant’s Specification indicates:

[0013] The value of each Player’s and the Dealer’s hands are decided on *conventional Baccarat point-count rules, as follows:-*

[0014] Cards 2–9 are worth face value; 10s and face cards (J, Q, and K) are worth zero and Aces are worth 1 point.

[0015] Players calculate their score by taking the sum of all cards modulo 10 meaning that after adding the value of the cards the tens’ digit is ignored.

Substitute Specification (filed Apr. 12, 2013) (hereafter “Spec.”), pg. 2 (emphasis added). The Specification then goes on to provide a few examples of such conventional rules. *Id.* at pgs. 2–3. This description of conventional rules in Appellant’s Specification lends sufficient clarity to the scope of claim 11. It is further consistent with the prior art cited by the Examiner. *See* Snow ’995 ¶¶ 6–7; Snow ’840 ¶¶ 6–11; Alaeddin, Fig. 5, ¶¶ 3–7, 40–41. The prior art disclosures cited by the Examiner simply relate to different variations of the same conventional baccarat points count rules described in Appellant’s Specification, or certain side bets which can be made. Snow ’995 ¶¶ 41–46; Snow ’840 ¶57; Alaeddin, Abstract, ¶¶ 46–47.

For the foregoing reasons, we do not sustain the rejection of claim 11, and its dependent claims 12–20, as indefinite.

*B. § 101 Non-Statutory Subject Matter (Claims 11–20)*

In appealing the § 101 rejection, Appellant argues for the patentability of claims 11–20 as a group, without arguing for the patentability of any dependent claim separately from claim 11. Br. 4–12. We select claim 11 to decide the appeal as to the § 101 rejection, with the other claims standing or falling with claim 11. 37 C.F.R. § 41.37(c)(1)(iv).

*Claim Construction Analysis*

The Examiner determines the method of claim 11 “can . . . most broadly be performed with or without the devices recited” — that is, with or without a plurality of physical cards and a physical game playing surface. Final Act. 4; Ans. 10–11. According to the Examiner, the “playing cards may be virtually or electronically represented on a display of an electronic gaming machine,” and “the game playing surface may also be virtually or electronically represented on” the display. Final Act. 4.

Appellant contends the Examiner’s claim construction is not correct, because claim 11 is limited to using “physical” cards played on a “physical” surface, thereby excluding virtual implementation via electronic representation on a display. Br. 4–8. We agree with Appellant in this regard. The preamble of claim 11 recites “a plurality of *physical* cards that is played on a *physical* game playing surface,” and the body of claim 11 repeatedly refers back to “one or more cards” and “the” surface. Br. 14 (Claims App.) (emphases added). The plain and ordinary meaning of reciting physical cards and a physical game playing surface is to exclude virtual cards and a virtual game playing surface, such as shown on an electronic display. The Specification discloses both potential embodiments (Spec. pgs. 6–7 (¶¶ 14–16)), but the claim term “physical” is sufficient to limit claim 11 to the physical, non-virtual, world embodiment.

*§ 101 Analysis*

The Examiner determines claim 11 fails to recite patent-eligible subject matter under 35 U.S.C. § 101. Ans. 3–9. In support, the Examiner applies a machine or transformation test analysis. *Id.* at 3–5. The Examiner also applies an abstract idea analysis. *Id.* at 5–7 (citing *Bilski v. Kappos*,

561 U.S. 593 (2010)).<sup>4</sup> In the latter regard, the Examiner views Appellant’s claimed method “as an attempt to claim a new set of rules for playing a card game,” and determines “a set of rules qualifies as an abstract idea.” *Id.* at 6–7 (emphasis omitted).

Appellant asserts “the factors of the present claims weighing toward eligibility outweigh any factors that might possibly weigh against eligibility,” citing various factors identified in the *Interim Guidance for Determining Subject Matter Eligibility for Process Claims in View of Bilski v. Kappos*, 75 Fed. Reg. 43922 (July 27, 2010) (hereafter “Interim 2010 Guidance”). Br. 9–12. Appellant argues the “[r]ecitation of a machine or transformation” factor weighs toward eligibility because claim 11 “recite[s] physical structure constituting a machine” — namely, physical cards and a physical game playing surface. *Id.* at 10–11. Appellant argues the “machine” is transformed when the physical cards are dealt to the players, and bets are placed on the surface by the players. *Id.* at 11. Appellant argues the “[t]he claim is more than a mere statement of a concept” factor weighs toward eligibility because claim 11 recites “more than . . . a list of rules for a game,” by “delineat[ing] a distinct method of playing ‘a card game with a plurality of physical cards that is played on a physical game playing surface.’” *Id.* The Appeal Brief does not otherwise address the two-part *Alice* framework, even though *Alice* issued almost four months before the Appeal Brief was filed. Appellant did not file a Reply Brief.

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<sup>4</sup> The decision in *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347 (2014), issued on June 19, 2014 — after the Final Office Action dated May 21, 2014, but before the Appeal Brief dated October 14, 2014.

The Examiner responds by applying the same Interim 2010 Guidance factors that Appellant applied. Ans. 12–13. The Examiner concludes the “Human Behavior” factor weighs against eligibility because the method of claim 11 amounts to “**following rules or instructions.**” *Id.* Like the Appeal Brief, the Answer does not otherwise address the two-part *Alice* framework.

Section 101 of the patent law provides that one may obtain a patent 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 this provision includes important exceptions, notably those that prohibit one from patenting abstract ideas, laws of nature, or natural phenomena. *Alice*, 134 S. Ct. at 2354. Although a law of nature or an abstract idea is not patentable, the application of these concepts may be patentable. *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 71–72 (2012). This area of law has evolved substantially over the past several years.

The Interim 2010 Guidance applied by Appellant and (in part) by the Examiner was developed before the Supreme Court issued its decisions in *Mayo* (March 2012) and *Alice* (June 2014) that clarified the law in this area. In deciding this appeal, we apply the framework set forth by the Supreme Court in *Mayo* and *Alice*. 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 those 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*, 566 U.S. at 79, 78).

*Step One: Does Claim 11 Recite an Abstract Idea?*

The Federal Circuit has described the first step as a determination of the “basic character of the [claimed] subject matter.” *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1348 (Fed. Cir. 2015) (citing *Bancorp Servs., L.L.C. v. Sun Life Assurance Co. of Canada*, 687 F.3d 1266, 1273–74 (Fed. Cir. 2012)). The Federal Circuit has also indicated this step should determine whether a claimed method “recites an abstraction — an idea, having no particular concrete or tangible form.” *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed. Cir. 2014); *see also Alice*, 134 S. Ct. at 2355 (“The ‘abstract ideas’ category embodies ‘the longstanding rule that “[a]n idea of itself is not patentable.’””) (quoting *Gottschalk v. Benson*, 409 U.S. 63 (1972) (citations omitted)).

Claim 11 recites “[a] method of playing a game” using physical playing cards and a physical game playing surface. Br. 14 (Claims App.). The method comprises the steps of: players placing bets in the bet areas of their respective individual player areas on the surface; dealing card hands to the players and to the dealer; calculating a value of each hand; providing the players with the option to place an additional bet in the draw bet areas of their respective individual player areas; the dealer drawing an additional card for the dealer’s hand if the point count of the dealer’s initial hand falls within a predetermined range; perhaps the players also drawing an additional card; and finally determining whether each player won based on the

respective point counts of the completed hands. *Id.* These steps are necessary to carry out the rules of the game.

Thus, we agree with the Examiner that claim 11 is directed to a set of rules for playing a wagering game, which is an abstract idea — regardless of whether the cards are physical cards or virtual cards. *See In re Smith*, 815 F.3d 816, 818–19 (Fed. Cir. 2016) (concluding that “claims . . . directed to rules for conducting a wagering game” are “drawn to an abstract idea”). We are unable to discern any material difference between Appellant’s claim 11 and the claim at issue in *Smith* in this regard. *See id.* at 817–18 (setting forth claim 1 at issue in *Smith*). For example, the claim at issue in *Smith* also recited “physical playing cards.” *Id.* at 817, 819. Thus, the Examiner is correct that claim 11 is directed to the abstract idea of a set of rules for playing a wagering game.

*Step Two: Is There an Inventive Concept?*

The Supreme Court characterizes the second step of the *Alice* analysis as “a 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.’” *Alice*, 134 S. Ct. at 2355 (quoting *Mayo*, 566 U.S. at 72–73). The prohibition against patenting an ineligible concept, such as an abstract idea, “cannot be circumvented by attempting to limit the use of the [abstract idea] to a particular technological environment’ or adding ‘insignificant postsolution activity.’” *Bilski*, 561 U.S. at 610–11 (citing *Diamond v. Diehr*, 450 U.S. 175, 191–92 (1981)). 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*, 566 U.S. at 82–84, 77, 72–73).

Appellant argues the recited use of “physical” playing cards and a “physical” playing surface is sufficient to satisfy the requirements of § 101. Br. 9–12. This same basic argument was considered and rejected by the court in *Smith*, as follows:

The claims here require shuffling and dealing “physical playing cards,” which Applicants argue bring the claims within patent-eligible territory. . . . We disagree. Just as the recitation of computer implementation fell short in *Alice*, shuffling and dealing a standard deck of cards are “purely conventional” activities. *See Alice*, 134 S. Ct. at 2358–59. We therefore hold that the rejected claims do not have an “inventive concept” sufficient to “transform” the claimed subject matter into a patent-eligible application of the abstract idea.

*Smith*, 815 F.3d at 819. The present case is, perhaps, not directly addressed in *Smith* in that claim 11 recites a physical game playing surface having a playing area divided into a plurality of individual player areas, with each individual player area sub-divided into at least a bet area and a draw bet area. Br. 14 (Claims App.); *see also* Appellant’s Fig. 1 (illustrating a playing surface comprising three player areas 12, each having bet area 16 and draw bet area 18). However, the use of a physical game playing surface being divided into individual player areas, with each individual player area sub-divided into different betting areas, is conventional. This is evidenced, for example, by Figure 1 of Snow ’995, which illustrates table layout 2 having fourteen player positions 4, with each position 4 having different betting areas 6, 10, and 14. Snow ’995 ¶ 8. Similarly, Figure 1 of Alaeddin illustrates gaming table 13 having five player stations 12, with each station 12 having different betting areas 24 and 26. Alaeddin ¶ 33.

Thus, we determine that the recited elements of claim 11, considered individually and as an ordered combination, do not constitute an “inventive concept” that would transform claim 11 into patent-eligible subject matter. *See Alice*, 134 S. Ct. at 2355. Rather, the recited elements constitute “well-understood, routine conventional activity.” *See Mayo*, 566 U.S. at 79. Viewed as an ordered combination, claim 11 recites a series of conventional steps of playing a wagering card game using a conventional set of physical cards, and including a conventional physical game playing surface divided into individual player areas and sub-divided into different betting areas, to determine a winner of the wager in accordance with the rules of the game.

Accordingly, we sustain the rejection of claims 11–20 as directed to non-statutory subject matter.

#### DECISION

The rejection of claims 11–20 as indefinite is reversed.

The rejection of claims 11–20 as directed to non-statutory subject matter 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)(1)(iv).

AFFIRMED