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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte HOWARD W. LUTNICK, DEAN P. ALDERUCCI,
GEOFFREY M. GELMAN, and KEVIN BURMAN

Appeal 2017-001342
Application 13/936,731
Technology Center 3700

Before STEFAN STAICOVICI, BRANDON J. WARNER, and
SEAN P. O'HANLON, *Administrative Patent Judges*.

WARNER, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

CFPH, LLC (“Appellant”)¹ appeals under 35 U.S.C. § 134(a) from the Examiner’s decision rejecting claims 26–50, which are all the pending claims. Appeal Br. 3. We have jurisdiction over the appeal under 35 U.S.C. § 6(b).

We AFFIRM.

¹ CFPH, LLC is the applicant, as provided in 37 C.F.R. § 1.46, and is identified as the real party in interest. Appeal Br. 3.

CLAIMED SUBJECT MATTER

Appellant's disclosed invention relates to a game of virtual roulette. *See, e.g.*, Appeal Br. 3–6. Claims 26, 38, 49, and 50 are independent. Claim 26, reproduced below, is illustrative of the subject matter on appeal.

26. A method comprising:

presenting, through a first presentation platform, a first roulette spin;

presenting, through a second presentation platform, a second roulette spin;

receiving, by a computing device, a first wager on the first roulette spin from a first mobile device;

determining, by the computing device, an outcome of the first wager based on an outcome of the first roulette spin;

receiving, by the computing device, a second wager that a pattern of outcomes of roulette spins will occur from a second mobile device;

determining, by the computing device, an outcome of the second wager based on whether the pattern of outcomes occurs in the first roulette spin and the second roulette spin;

receiving, by the computing device, a third wager on an aggregate of outcomes from a plurality of roulette spins over a period from a third mobile device; and

determining an outcome of the third wager based on the outcome of the first roulette spin and an outcome of the second roulette spin.

EVIDENCE

The Examiner relied on the following evidence in rejecting the claims on appeal:

Lutnick

US 8,480,471 B2

July 9, 2013

REJECTIONS

The following rejections are before us for review:

- I. Claims 26–50 stand rejected under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter. Final Act. 3–4; *see also* Ans. 2–8 (explaining same basis for rejection in light of updated examination guidelines).
- II. Claims 26–50 stand rejected on the basis of obviousness-type double patenting as being unpatentable over claims 1–25 of Lutnick. Final Act. 6.

ANALYSIS

Rejection I—Ineligible Subject Matter

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 consistently held that this provision contains an important implicit exception: laws of nature, natural phenomena, and abstract ideas are not patentable. *See Alice Corp. 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, an application of these concepts may be deserving of patent protection. *See 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 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*, 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 on 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 postsolution 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).

The claimed invention at issue here is directed to methods and systems for rules for conducting a wagering game involving multiple spins of a roulette wheel. *See* Appeal Br., Claims App. In other words, the claims are directed to presenting roulette spins having spin outcomes, receiving wagers, and determining wager outcomes based on the spin outcomes, all implemented on a computing device that receives data (wagers) from mobile devices. *See id.*; *see also* Ans. 3.

The Examiner determines that the claims are directed to patent-ineligible subject matter because, considering all elements both individually and in combination, the claims are directed to “rules for wagering on roulette spins, implemented using only generic computing devices,” which “is an unpatentable abstract idea without ‘significantly more.’” Ans. 2; *see id.* at 2–8; *see also* Final Act. 3–4 (same conclusion). Further, the Examiner explains that the elements of the claims other than the abstract idea amount to no more than “merely applying the abstract idea using conventional computing devices,” which the court found problematic in *Alice*. Ans. 5; *see id.* at 5–7. In light of the principles above, and for the reasons discussed below, we agree with the Examiner’s conclusion that the claims are directed to patent-ineligible subject matter.

Appellant argues that the structure of the claims—namely, using “computer technology”—ensures that the claims are directed to more than an abstract idea. *See* Appeal Br. 8–9; Reply Br. 4–5. Appellant also takes issue with the form of the rejection as being insufficient. *See* Appeal Br. 6–7; Reply Br. 2–4. We are not persuaded by Appellant’s arguments.

In the first step of the *Alice* analysis, “the decisional mechanism courts now apply is to examine earlier cases in which a similar or parallel

descriptive nature can be seen—what prior cases were about, and which way they were decided.” *Amdocs (Israel) Ltd. v. Openet Telecom, Inc.*, 841 F.3d 1288, 1294 (Fed. Cir. 2016), *cert. denied*, 138 S. Ct. 469 (2017) (citing *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353–54 (Fed. Cir. 2016)). To this end, the Examiner calls attention to *In re Smith*, 815 F.3d 816 (Fed. Cir. 2016), where the Federal Circuit already considered claims similar to structure of this type—namely, “rules for playing a wagering game” (*id.* at 817)—and affirmed a determination of patent-ineligibility for similarly structured claims directed to rules for conducting a wagering game.

Ans. 3–4.

Contrary to Appellant’s assertion, the claims here do not present a new or original set of game inputs akin to a new or original deck of cards (*see* Reply Br. 3–4); rather, the claims here present rules for playing a wagering game via receiving and resolving wagers from generic devices (*see* Appeal Br., Claims App.). And, in *Smith*, the Federal Circuit has already decided that rules for playing a wagering game, implemented using conventional elements, constitutes ineligible subject matter. Thus, Appellant does not apprise us of a meaningful distinction in the form or type of the claims between those presently recited and those previously adjudicated in *Smith*.

Further, to the extent that Appellant suggests that the alleged novelty of some particularities of the wagering game rules should indicate that the claims are transformed into patent-eligible subject matter, this suggestion is misplaced. *See* Appeal Br. 8–9; Reply Br. 2–4. An allegation that claims are novel in light of an absence of evidence does not conflict with the Examiner’s conclusion of ineligibility under § 101 because “a claim for a

new abstract idea is still an abstract idea.” Synopsys, Inc. v. Mentor Graphics Corp., 839 F.3d 1138, 1151 (Fed. Cir. 2016) (citing *Mayo*, 132 S. Ct. at 1304). Whether the claimed concept is “[g]roundbreaking, innovative, or even brilliant . . . does not by itself satisfy the § 101 inquiry.” *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107, 2117 (2013). Consequently, under the second step of the *Alice* analysis, an abstract idea does not transform into an eligible inventive concept just because the Examiner has not found prior art that discloses or suggests it. Indeed, “[t]he ‘novelty’ of any element or steps in a process, or even of the process itself, is of no relevance in determining whether the subject matter of a claim falls within the § 101 categories of possibly patentable subject matter.” *Diamond v. Diehr*, 450 U.S. 175, 188–89 (1981).

Given the binding precedent of our reviewing courts, we agree with the Examiner’s ultimate conclusion that the present claims are directed to patent-ineligible subject matter, particularly in light of the explanation provided at pages 2–8 of the Examiner’s Answer, where the Examiner applies the principles outlined above.

In short, Appellant does not apprise us of a material difference in the form, structure, or substantive content of the recitations, between the claims recited and those claims already determined to be patent-ineligible by our reviewing courts. Thus, for this reason and those explained above, we are obliged to sustain the Examiner’s rejection.

Rejection II – Double Patenting

Appellant does not address the double patenting rejection in the Appeal Brief. *See, e.g.*, Appeal Br. 6 (omitting this rejection from the

grounds to be reviewed on appeal). Therefore, we summarily sustain the obviousness-type double patenting rejection of claims 26–50. *See* MPEP § 1205.02 (An appellant may, of course, choose not to present arguments or rely upon particular evidence as to certain claim rejections; however, such arguments and evidence are waived for purposes of the appeal and the Board may summarily sustain any grounds of rejections not argued.); *see also In re Berger*, 279 F.3d 975 (Fed. Cir. 2002) (confirming same).

DECISION

We AFFIRM the Examiner’s decision rejecting claims 26–50 under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter.

We AFFIRM the Examiner’s decision rejecting claims 26–50 on the basis of obviousness-type double patenting as being unpatentable over claims 1–25 of Lutnick.

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