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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* ROGER M. SNOW

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Appeal 2017-005604  
Application 11/591,259  
Technology Center 3700

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Before JENNIFER D. BAHR, MICHELLE R. OSINSKI, and  
BRANDON J. WARNER, *Administrative Patent Judges*.

OSINSKI, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Roger M. Snow (“Appellant”)<sup>1</sup> appeals under 35 U.S.C. § 134(a) from the Examiner’s decision rejecting claims 1, 3, 4, 6, 7, 9, 12, 14, 20, 22, 24, 28, and 30 under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter.<sup>2</sup> We have jurisdiction over the appeal under 35 U.S.C. § 6(b).

We AFFIRM.

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<sup>1</sup> According to Appellant, the real parties in interest are Bally Gaming, Inc. and Scientific Games Corporation. Appeal Br. 4.

<sup>2</sup> Claims 2, 5, 8, 10, 11, 13, 15–19, 21, 23, 25–27, and 29 are cancelled. Appeal Br. (Claims App.).

## THE CLAIMED SUBJECT MATTER

Claims 1, 12, and 28 are independent. Claim 1 is reproduced below and is illustrative of the subject matter on appeal.

1. A method of administering a casino wagering game, the method comprising:

providing a gaming table having a surface illustrated to define, at each player area of a plurality of player areas, at least one base wager area and at least one side wager area;

providing a progressive jackpot system associated with a pay table and a progressive meter for displaying a jackpot amount;

providing a set of physical playing cards at the gaming table;

accepting from a player a base wager, placed at the at least one base wager area of a player area associated with the player, of a base wager amount to enter the player to play an underlying wagering game and to trigger play of the underlying wagering game, the underlying wagering game designated to resolve the base wager based at least in part on at least one player hand;

accepting from a player one side wager, placed at the at least one side wager area of the player area, to enter the player to play both a progressive jackpot event and a non-progressive bonus event and to trigger play of both the progressive jackpot event and the non-progressive bonus event, the non-progressive bonus event designated to resolve at least a portion of the one side wager based at least in part on a comparison of cards from the at least one player hand to a pay table, the progressive jackpot event designated to resolve at least another portion of the one side wager based at least in part on a comparison of the cards from the at least one player hand to a progressive pay table, the one side wager being of a side wager amount selected by the player from a range of defined side wager amounts comprising

a minimum side wager amount, and

a threshold side wager amount to also enter the player to play another bonus event and to trigger play of the another bonus event designated to resolve still another portion of the one side wager based at least in part on a

- comparison of at least one hand of another player at the gaming table to another pay table;
- applying a portion of the one side wager to fund the progressive meter and grow a progressive jackpot;
- displaying an amount of the progressive jackpot on the progressive meter at the gaming table;
- separating from the set of physical playing cards at least one randomly ordered group of cards for each of the at least one player hand and at least one dealer hand;
- resolving the base wager based at least in part on the at least one player hand;
- resolving the one side wager, comprising:
  - resolving at least the portion of the one side wager based at least in part on the comparison of the cards from the at least one player hand to the pay table; and
  - resolving at least another portion of the one side wager based at least in part on the comparison of the cards from the at least one player hand to the progressive pay table.

## OPINION

Appellant argues independent claims 1, 12, and 28 together as a group, and does not present any separate arguments for dependent claims 3, 4, 6, 7, 9, 14, 20, 22, 24, and 30. Appeal Br. 12–49; Reply Br. 2–14. We select claim 1 as the representative claim, and claims 3, 4, 6, 7, 9, 12, 14, 20, 22, 24, 28, and 30 stand or fall therewith. 37 C.F.R. § 41.37(c)(1)(iv).

The Supreme Court has set forth “a framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.” *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2355 (2014) (citing *Mayo Collaborative Servs. v. Prometheus Labs, Inc.*, 566 U.S. 66, 71–72 (2012)). Under that framework, we first “determine whether the claims at issue are

directed to one of those patent-ineligible concepts”—i.e., a law of nature, a natural phenomenon, or an abstract idea. *Id.* If so, we secondly “consider the elements of each claim both individually and ‘as an ordered combination’ to determine whether the additional elements ‘transform the nature of the claim’ into a patent-eligible application.” *Id.* (quoting *Mayo*, 566 U.S. at 77–79). The Supreme Court has described the second part of the 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.’” *Id.* (alteration in original) (quoting *Mayo*, 566 U.S. 72–73).

*Part one*

The Examiner determines that claim 1 is “directed to administering a wagering game.” Final Act. 2. The Examiner explains that the claim “recites providing a gaming table, providing a progressive jackpot system, a set of physical playing cards, and player wagers which initiate a base game and enter the player into both a progressive game, a non-progressive bonus game and another bonus game,” and determines that the claim “recite[s] an abstract idea.” *Id.* at 3. The Examiner also determines that “Appellant’s claim is a card game carried out by abstract rules of the game facilitated by well-known and conventional cards and gaming instrumentalities,” which is similar to the claims at issue in *In re Smith*, 815 F.3d 816 (Fed. Cir. 2016). Ans. 2. According to the Examiner, “given the similarities to *Smith* . . . , the present claims are properly categorized as abstract.” *Id.* at 4 (italics added).

Appellant argues that the Examiner errs in concluding that the claimed subject matter is directed to an abstract idea. Appeal Br. 15–22; Reply Br.

2–10. In particular, Appellant asserts that the Examiner’s rejection is ambiguous, fails to consider the basic character of the claim, lacks clear articulation of the abstract idea, and does not show the alleged abstract to be similar to a concept identified by the courts as abstract. Appeal Br. 16–27. According to Appellant, the Examiner failed to establish a prima facie case of subject matter ineligibility. *Id.* at 16, 22, 27. We are not persuaded by these arguments. In view of the Examiner’s findings and determinations presented in the Final Office Action and the Answer, as summarized above (Final Act. 2–4; Ans. 2–4), the Examiner’s analysis in this case is sufficient to put Appellant on notice of the basis for the Examiner’s determination in order to allow Appellant to recognize and seek to counter the grounds for rejection. *In re Jung*, 637 F.3d 1356, 1362 (Fed. Cir. 2011). In this regard, for the reason discussed below, we agree with the Examiner that the Federal Circuit’s holding in *Smith* is controlling and determinative with respect to the question of whether Appellant’s claim is directed to an abstract idea. Ans. 2.

*Smith* considered the patent eligibility of claims directed to a “method of conducting a wagering game” with a deck of playing cards that the dealer deals according to game rules while accepting and resolving wagers of players. *Smith*, 815 F.3d at 817–18. In *Smith*, which is a precedential decision and binding on this Board, our reviewing court determined that claims directed to rules for conducting a wagering game are comparable to the fundamental economic practices that the Supreme Court held to be abstract ideas in *Alice* and *Bilski v. Kappos*, 561 U.S. 593 (2010). *Smith*, 815 F.3d at 818–19. Namely, the court determined that the “claimed ‘method of conducting a wagering game’ is drawn to an abstract idea much

like *Alice*'s method of exchanging financial obligations and *Bilski*'s method of hedging risk." *Id.* at 819; *see also id.* (concluding that "claims[] describing a set of rules for a game[] are drawn to an abstract idea").

Similar to the claims at issue in *Smith*, Appellant's claim 1 recites a "method of administering a casino wagering game" according to game rules. Appeal Br. (Claims App.). The method involves providing a gaming table, providing a progressive jackpot and meter, accepting base and side wagers, displaying the progressive jackpot amount on the meter, arranging playing cards, and resolving the base and side wagers. *Id.* Appellant's Specification describes that "[t]he present invention relates to games of chance, particularly card games of chance, more particularly bonus games in casino table card games." Spec. ¶ 2. The Specification also describes that "the present invention is an improved version of the game of Pai Gow poker that is intended to make the game more interesting and to increase revenues for casinos." *Id.* In other words, like the claims in *Smith*, Appellant's claimed method is directed to rules for conducting a wagering game. Because the method of claim 1 allows players and dealers to exchange financial obligations and hedge risk by placing base wagers and side wagers, we conclude that the claim is directed to an abstract idea in the form of a fundamental economic practice. *Smith*, 815 F.3d at 818.

Appellant urges us not to follow the *Smith* decision, arguing that "the identification of 'rules for playing a wagering game' as the 'abstract idea' in . . . *Smith* is contrary to the prior binding precedent from the Supreme Court, and even the prior precedent from the Federal Circuit." Appeal Br. 12. In particular, Appellant asserts that *Smith* is "out of step with" other precedent from the Federal Circuit and Supreme Court. *Id.* at 14 n.1; *id.* at 34 n.13;

Reply Br. 2. According to Appellant, “the present claims, like the patent-eligible claims in *McRO*[, *Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299 (Fed. Cir. 2016)] at least use ***unconventional rules*** that have specific characteristics and set out meaningful requirements and that improve the existing technological process for wagering games.” Reply Br. 10. “Thus, the present claims should be found patent eligible under the first step of the *Alice* framework like the patent-eligible claims of *McRO*.” *Id.* We are not persuaded by Appellant’s argument.

As discussed above, claim 1 is drawn to essentially the same abstract idea, i.e., rules for conducting a card wagering game, as were the claims at issue in *Smith*, which were determined to be directed to an abstract idea of a *fundamental economic practice*. In contrast, Appellant’s claim is not similar to the claims in *McRO*, which relate to data processing involving automating an animation method and do not relate to a fundamental economic practice. *See McRO*, 837 F.3d at 1307–08, 1314. Although the *McRO* decision mentions the use of “unconventional rules” in claims determined to be directed to patent-eligible subject matter, it does so in the context of claims requiring an ordered combination of steps in relating “sub-sequences of phonemes, timings, and morph weight sets.” *Id.* at 1303. We decline to extend *McRO*’s reach to purported unconventional rules present in claim 1, in that we find *Smith* to be binding on the facts and issues present in this appeal, in terms of the claimed subject matter being directed to an abstract idea.<sup>3</sup> Moreover, it was not the mere presence of unconventional rules in *McRO* that led to patent-eligibility; rather, it was

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<sup>3</sup> Appellant acknowledges that “*Smith* has not been expressly overruled to date.” Reply Br. 2.

that the rules were used “in a process specifically designed to achieve an improved technological result.” *McRO*, 837 F.3d at 1316. We are not persuaded that Appellant has adequately shown how the claimed rules are used in a process to achieve an improved technological result.

Appellant also argues that, in the present claim, “the underlying game is *unconventional*,” and, “[n]otably, the claims do not stand rejected as either anticipated or made obvious by the prior art; therefore, the Examiner apparently acknowledges that the methods in this case are *new and nonobvious*.” Appeal Br. 26. This argument is unpersuasive. As the Supreme Court has stated, “[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). In other words, to the extent Appellant is arguing that the claimed invention is not directed to an abstract idea because it is novel and nonobvious, we are not persuaded because a novel and nonobvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible. See *Mayo*, 566 U.S. at 90; see also *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107, 2117 (2013) (“Groundbreaking, innovative, or even brilliant discovery does not by itself satisfy the § 101 inquiry.”); *Genetic Techs. Ltd. v. Merial L.L.C.*, 818 F.3d 1369, 1376 (Fed. Cir. 2016) (“[U]nder the *Mayo/Alice* framework, a claim directed to a newly discovered law of nature (or natural phenomenon or abstract idea) cannot rely on the novelty of that discovery for the inventive concept necessary for patent eligibility.”).

Appellant further argues that the claims do not risk tying up any abstract idea. Appeal Br. 45–49; Reply Br. 12–14. In particular, Appellant asserts that claim 1 “(which provides features that are unconventional, solution-significant, and in addition to any abstract idea) do[es] not ***tie up or monopolize***, an abstract idea, i.e., a ***fundamental process, building block***, or basic tool of the gaming industry.” Appeal Br. 46. This argument is unpersuasive. Merely because claims do not preempt all forms of the abstraction does not make them any less abstract. *See OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 2015) (“[T]hat the claims do not preempt all price optimization or may be limited to price optimization in the e-commerce setting do not make them any less abstract.”). Moreover, characterizing preemption as a driving concern for patent eligibility is not the same as characterizing preemption as the dispositive test for patent eligibility. Instead, “[t]he Supreme Court has made clear that the principle of preemption is the basis for the judicial exceptions to patentability” and “[f]or this reason, questions on preemption are inherent in and resolved by the § 101 analysis.” *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) (citing *Alice*, 134 S. Ct. at 2354). Although “preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.” *Id.* Given this direction from our reviewing court, we decline to apply a separate preemption standard in our analysis, and instead, as discussed above, we apply the steps set forth by the Supreme Court in *Alice* and *Mayo*.

Therefore, when read as a whole, claim 1 is directed to rules for administering a wagering card game, which, for the above reasons, constitutes a patent-ineligible abstract idea.

*Part two*

Regarding the second step of the *Alice* framework, the Examiner determines that “the instant claim merely recites use of a table and player area, side bets in association with a progressive jackpot system comprising a progressive jackpot meter, and emitting lights to indicate the presence of wagers.” Final Act. 3–4. The Examiner explains that “[t]hese pre-existing instrumentalities [are] common in the technological field of gaming[,] and . . . [the] computer components are claimed to perform their basic functions of counting, indicating, and facilitating the abstract rules of the game.” *Id.* at 4. According to the Examiner,

the use of these elements [is] not deemed to be significantly more than being used to assemble known types of table games, wagering, and jackpots facilitated by operations of general purpose computing devices to manage the wagering, accounting, and processing of returns of the base game and various bonus games.

*Id.*

Appellant argues that “the rejected claims are directed to significantly more than just an abstract idea.” Appeal Br. 34; *see also id.* at 39 n.15 (asserting that the claim is “directed to significantly more than just rules of a game”). Appellant asserts that claim 1 recites a particular ordered combination of features that are unconventional and solution-significant, and, thus, the claim is directed to an inventive concept. *Id.* at 35–37, 40–41; Reply Br. 10–12. In particular, Appellant asserts that claim 1 includes the unconventional feature of “*a* side wager that qualifies a player for *both a*

progressive event and a non-progressive bonus event, where such wager is selected from a predetermined *range* of amounts.” Appeal Br. 38; *see also id.* (asserting that the claim “provide[s] a more diversely-resolved side wager,” and, “[t]herefore, the incentive for the player to wager more is not absent”). According to Appellant, the additional elements recited in claim 1 represent an improvement to the state of the art in the gaming industry. *Id.* These arguments are unpersuasive.

As the Federal Circuit made clear in *Two-Way Media Ltd. v. Comcast Cable Communications*, the improvement must be a technical one. *See Two-Way Media Ltd. v. Comcast Cable Comm., LLC*, 874 F.3d 1329, 1338–39 (Fed. Cir. 2017) (reciting an abstract idea performed on generic computer and network components that operate according to their ordinary functions does not contain an inventive concept). Here, claim 1 does not recite a technical improvement tied to a specific apparatus that solves a technical problem in the gaming arts. Instead, the claim is merely directed to a variation of rules to a casino wagering game “that is intended to make the game more interesting and to increase revenues for casinos” by “includ[ing] a bonus event with a side wager.” Spec. ¶ 2; *see also id.* ¶ 17 (describing a “combination of two enabled events from a single wager”).

Appellant argues that claim 1 “recite[s] *new or original* articles that are significantly more than merely the ‘standard deck of cards’ in *In re Smith*.” Appeal Br. 42. In particular, Appellant asserts that the gaming table, progressive jackpot system, and progressive jackpot meter elements recited in claim 1 are unconventional and “specifically configured for administering a wagering game according to the recited methods, *i.e.*, methods that include a base wager and a side wager with involvement of a

progressive event.” *Id.* at 43; *see also id.* at 41 (asserting that “the claims provide combinations of additional elements that are neither widely prevalent nor, at least in combination, well-understood, routine, or conventional activity”). We are not persuaded by this argument.

In *Smith*, the Federal Circuit determined that using, shuffling, and dealing conventional physical playing cards, and determining a winner by comparing a player’s physical cards to a dealer’s reference cards are “purely conventional” activities. *Smith*, 815 F.3d at 819. In other words, appending purely conventional steps to an abstract idea does not provide a sufficient inventive concept. *Id.* (citing *Alice*, 134 S. Ct. at 2357–58). As Appellant points out (Appeal Br. 42), the court in *Smith* stated that a game using a new or original deck of cards might survive step two of *Alice* (*see Smith*, 815 F.3d at 819). However, Appellant’s claim 1 does not recite a new or original deck of cards. *See Spec.* ¶ 37 (describing that “[t]he game is usually played with a standard deck”). Moreover, to the extent that the claimed method involves “physical” aspects (e.g., steps of physically manipulating the cards, which are physical articles) (*see Appeal Br.* 39 n.15 (asserting that “the claims require physical articles and manipulations of those articles, which is at least something more than a mere collection of rules for a game”)), the fact that certain physical elements or steps are necessary to perform the method does not show that these features are any more than routine and conventional in playing a card game. *See Alice*, 134 S. Ct. at 2359–60; *see also Smith*, 815 F.3d at 819 (rejecting the argument that “shuffling and dealing ‘physical playing cards’” . . . bring[s] the claims within patent-eligible territory”).

We are also not persuaded by Appellant’s argument that the recited gaming table, progressive jackpot system, meter, and side wager elements are new or original (i.e., unconventional) elements. Appeal Br. 43. Although we appreciate Appellant’s observation that gaming table layouts are particularized to specific games (*id.* at 44), the gaming table represents a conventional element used to implement the rules of the game (i.e., the abstract idea). Providing a gaming table having a surface illustrated to define a base wager area and side wager area at each player area is conventional. This is evidenced, for example, by Figure 1 of Snow (US 2005/0170875 A1, pub. Aug. 4, 2005)<sup>4</sup> which illustrates table layout 10 having six player positions 12, 14, 16, 18, 20, 22 with each position having a base wager area 24a–f and a side wager area 26a–f. Further, Appellant’s Specification suggests that the recited progressive jackpot and side wager elements are well-known conventional features that are widely prevalent in the gaming industry. *See* Spec. ¶¶ 3–4. For example, the Specification describes that “[o]ne of the most successful video or slot games has been the WHEEL OF FORTUNE® slot game, in which a small portion of each underlying wager is added to a progressively increasing jackpot”); *see also id.* ¶ 4 (describing that “CARIBBEAN STUD® poker invigorated variant poker games by emphasizing a fixed side wager on a progressive jackpot,” where “[a] portion of the side wager is put into a progressive jackpot, and payments are made for particularly high-ranking hands”). With respect to the progressive meter element, the Specification does not describe the meter with any particularity that would indicate it amounts to anything more than a

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<sup>4</sup> Snow is cited in the Background of Appellant’s Specification. Spec. ¶ 14.

generic display device used simply to display data. *See id.* ¶ 50 (describing that meter 32 merely displays the progressive jackpot amount); *see also Bilski*, 561 U.S. at 610–11 (explaining that adding insignificant post-solution activity to the claims is not enough to transform an abstract idea into patent-eligible subject matter). Thus, we are not persuaded that the additional elements recited in the claim are the type of unconventional features *Alice* envisioned as imparting patent eligibility. *See Alice*, 134 S. Ct. at 2358 (“[T]he mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention. Stating an abstract idea while adding the words ‘apply it’ is not enough for patent eligibility.”) (quoting *Mayo*, 566 U.S. at 72 (internal quotation marks omitted)).

For the foregoing reasons, we find nothing in claim 1 to be sufficiently transformative to render claim 1 patent eligible. We sustain the Examiner’s rejection of claim 1, and claims 3, 4, 6, 7, 9, 12, 14, 20, 22, 24, 28, and 30 falling therewith, under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter.

#### DECISION

The Examiner’s decision to reject claims 1, 3, 4, 6, 7, 9, 12, 14, 20, 22, 24, 28, and 30 under 35 U.S.C. § 101 as being directed to patent-ineligible 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