



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office  
Address: COMMISSIONER FOR PATENTS  
P.O. Box 1450  
Alexandria, Virginia 22313-1450  
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
13/070,058	03/23/2011	Nobuyuki NONAKA	113.018.NPUS01	1267
24041	7590	02/28/2019	EXAMINER	
SIMPSON & SIMPSON, PLLC 5555 MAIN STREET WILLIAMSVILLE, NY 14221-5406			KHATTAR, RAJESH	
			ART UNIT	PAPER NUMBER
			3693	
			NOTIFICATION DATE	DELIVERY MODE
			02/28/2019	ELECTRONIC

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

patentEFS@idealawyers.com

UNITED STATES PATENT AND TRADEMARK OFFICE

---

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

*Ex parte* NOBUYUKI NONAKA

---

Appeal 2017-009202  
Application 13/070,058<sup>1</sup>  
Technology Center 3600

---

Before LARRY J. HUME, NORMAN H. BEAMER, and  
MATTHEW J. McNEILL, *Administrative Patent Judges*.

HUME, *Administrative Patent Judge*.

DECISION ON APPEAL

This is a decision on appeal under 35 U.S.C. § 134(a) of the Final Rejection of claims 1–10, which are all claims pending in the application. We have jurisdiction under 35 U.S.C. § 6(b).

We REVERSE.

---

<sup>1</sup> According to Appellant, the real party in interest is Universal Entertainment Corp. App. Br. 2.

STATEMENT OF THE CASE<sup>2</sup>

*The Invention*

Appellant's disclosed embodiments and claimed invention relate to a settlement system. Spec. ¶ 2.

*Exemplary Claim*

Claim 1, reproduced below, is illustrative of the subject matter on appeal:

1. A settlement system, comprising:

a handheld-type mobile user terminal device including an input portion and an output portion and a non-contact IC card, as well as an application configured to cause the user handheld-type mobile user terminal device to communicate with a wagering-type gaming machine and, upon authentication, serve as a negotiable-value providing device;

the wagering-type gaming machine including: a value-addition mechanism configured to receive game media and including a non-contact IC card reader and validator capable of authenticating a currency bill and at least one of a coin, a token, or an electronically readable ticket or the non-contact IC card, and an award payout mechanism by which game media, currency, other game media, or another award may be dispensed from the wagering-type gaming machine; and

a server, wherein

the handheld-type mobile user terminal device is configured to directly electronically communicate with the

---

<sup>2</sup> Our Decision relies upon Appellant's Appeal Brief ("Br.," filed Dec. 29, 2016); Examiner's Answer ("Ans.," mailed Apr. 4, 2017); Final Office Action ("Final Act.," mailed Aug. 1, 2016); and the original Specification ("Spec.," filed Mar. 23, 2011). We note Appellant did not file a Reply Brief in response to the factual findings and legal conclusions in the Examiner's Answer.

wagering-type gaming machine via the application, the non-contact IC card, and non-contact IC card reader, and the server, and wherein, after initial registration of a user into the settlement system:

the handheld-type mobile user terminal device transmits a first data communication signal to the wagering-type gaming machine via the non-contact IC card and the non-contact IC card reader, the first data communication signal comprising a provision demand message including user identification information specifying at least one of a user and the handheld-type mobile user terminal device, and information demanding provision of a negotiable-value;

the wagering-type gaming machine transmits a second data communication signal to the server demanding permission to provide the negotiable-value upon receipt of the first data communication signal; and

the server stores user deposit information after being associated with the user identification information, and transmits a third data communication signal to the wagering-type gaming machine notifying that an amount of a user deposit is insufficient when the amount of the user deposit is less than the negotiable-value when the second data communication signal is received from the wagering-type gaming machine, the wagering-type gaming machine transmits an eighth data communication signal to the handheld-type mobile user terminal device, the eighth data communication signal comprising a deposit supply demand message including information demanding supply of a deposit upon receipt of the third data communication signal, the server transmitting a fifth data communication signal comprising a transfer request message including information requesting transfer of a predetermined amount from an account of the user upon receipt of a fourth data communication signal from the handheld-type mobile user terminal, the fourth data communication signal comprising a transfer demand message including information demanding transfer of the predetermined amount or more and being transmitted from the handheld-type mobile user terminal to the server, and wherein

the handheld-type mobile user terminal device prompts input of a user confirmation to execute a transfer of a deposit supply upon receipt of the eighth data communication signal from the wagering-type gaming machine, and then upon input of the input user confirmation, transmits the fourth data communication signal to the server to request the transfer of the deposit supply,

the server transmits a ninth data communication signal to the wagering-type gaming machine, the ninth data communication signal comprising a provision instructing message including information instructing provision of the negotiable-value upon receipt of a sixth data communication signal, the sixth data communication signal comprising a transfer completion message including information indicating transfer of the predetermined amount or more, and

the wagering-type gaming machine receives the ninth data communication signal and executes provision of the negotiable-value.

### *Rejection on Appeal*

Claims 1–10 stand rejected under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter. Final Act. 2.

### CLAIM GROUPING

Based on Appellant’s arguments (Br. 9–34) and our discretion under 37 C.F.R. § 41.37(c)(1)(iv), we decide the appeal of patent-ineligible subject matter Rejection R1 of claims 1–10 on the basis of illustrative claim 1.

### ISSUE

Appellant argues (Br. 9–34) the Examiner’s rejection of claim 1 under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter is in error. These contentions present us with the following issue:

Under the USPTO’s Revised Guidance, informed by our governing case law concerning 35 U.S.C. § 101, did the Examiner err in concluding claim 1 is directed to a judicial exception, i.e., an abstract idea, without significantly more, and thus is patent-ineligible under § 101?

#### PRINCIPLES OF LAW

##### A. 35 U.S.C. § 101

We first note “[w]hether a claim is drawn to patent-eligible subject matter is an issue of law that we review de novo.” *SiRF Tech., Inc. v. Int’l Trade Comm’n*, 601 F.3d 1319, 1331 (Fed. Cir. 2010).

An invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101.<sup>3</sup> However, the Supreme Court has long interpreted 35 U.S.C. § 101 to include implicit exceptions: “[I]aws of nature, natural phenomena, and abstract ideas” are not patentable. *E.g., Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 216 (2014).

In determining whether a claim falls within an excluded category, we are guided by the Supreme Court’s two-step framework, described in *Mayo* and *Alice*. *Id.* at 217–18 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 75–77 (2012)). In accordance with that framework, we first determine what concept the claim is “directed to.” *See Alice*, 573 U.S. at 219 (“On their face, the claims before us are drawn to the concept of

---

<sup>3</sup> This threshold analysis of whether a claim is directed to one of the four statutory categories of invention, i.e., a process, machine, manufacture, or composition of matter, is referred to as “*Step 1*” in the patent-eligibility inquiry under § 101.

intermediated settlement, *i.e.*, the use of a third party to mitigate settlement risk.”); *see also Bilski v. Kappos*, 561 U.S. 593, 611 (2010) (“Claims 1 and 4 in petitioners’ application explain the basic concept of hedging, or protecting against risk.”).

Concepts determined to be abstract ideas, and thus patent ineligible, include certain methods of organizing human activity, such as fundamental economic practices (*Alice*, 573 U.S. at 219–20; *Bilski*, 561 U.S. at 611); mathematical formulas (*Parker v. Flook*, 437 U.S. 584, 594–95 (1978)); and mental processes (*Gottschalk v. Benson*, 409 U.S. 63, 69 (1972)). Concepts determined to be patent eligible include physical and chemical processes, such as “molding rubber products” (*Diamond v. Diehr*, 450 U.S. 175, 191 (1981)); “tanning, dyeing, making water-proof cloth, vulcanizing India rubber, smelting ores” (*id.* at 182 n.7 (quoting *Corning v. Burden*, 56 U.S. 252, 267–68 (1854))); and manufacturing flour (*Benson*, 409 U.S. at 69 (citing *Cochrane v. Deener*, 94 U.S. 780, 785 (1876))).

In *Diehr*, the claim at issue recited a mathematical formula, but the Supreme Court held “[a] claim drawn to subject matter otherwise statutory does not become nonstatutory simply because it uses a mathematical formula.” *Diehr*, 450 U.S. at 176; *see also id.* at 191 (“We view respondents’ claims as nothing more than a process for molding rubber products and not as an attempt to patent a mathematical formula.”). Having said that, the Supreme Court also indicated that a claim “seeking patent protection for that formula in the abstract . . . is not accorded the protection of our patent laws, . . . and this principle cannot be circumvented by attempting to limit the use of the formula to a particular technological environment.” *Id.* (citing *Benson* and *Flook*); *see, e.g., id.* at 187 (“It is now

commonplace that an *application* of a law of nature or mathematical formula to a known structure or process may well be deserving of patent protection.”).

However, the Federal Circuit has held claims ineligible as directed to an abstract idea when they merely collect electronic information, display information, or embody mental processes that could be performed by humans. *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1353–54 (Fed. Cir. 2016) (collecting cases). At the same time, “all inventions at some level embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas.” *Mayo*, 566 U.S. at 71. Abstract ideas may include, but are not limited to, fundamental economic practices, methods of organizing human activities, and mathematical formulas or relationships. *Alice* 134 S. Ct. at 2355–57. Under this guidance, we must therefore ensure at step one that we articulate what the claims are directed to with enough specificity to ensure the step one inquiry is meaningful. *Id.* at 2354 (“[W]e tread carefully in construing this exclusionary principle lest it swallow all of patent law.”).

If the claim is “directed to” an abstract idea, we turn to the second step of the *Alice* and *Mayo* framework, where “we must examine the elements of the claim to determine whether it contains an ‘inventive concept’ sufficient to ‘transform’ the claimed abstract idea into a patent-eligible application.” *Alice*, 573 U.S. at 221 (quotation marks omitted). “A claim that recites an abstract idea must include ‘additional features’ to ensure ‘that the [claim] is more than a drafting effort designed to monopolize the [abstract idea].’” *Id.* (quoting *Mayo*, 566 U.S. at 77). “[M]erely requir[ing] generic computer implementation[] fail[s] to transform that abstract idea into a patent-eligible invention.” *Id.*

B. USPTO Guidance

The PTO recently published revised guidance in the Federal Register concerning the application of § 101. *2019 Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. 50 (January 7, 2019) (hereinafter “Guidance”) (<https://www.govinfo.gov/content/pkg/FR-2019-01-07/pdf/2018-28282.pdf>).

Under that Guidance, we first look to whether the claim recites:

(1) any judicial exceptions, including certain groupings of abstract ideas (i.e., mathematical concepts, certain methods of organizing human interactions such as a fundamental economic practice, or mental processes);<sup>4</sup> and

(2) additional elements that integrate the judicial exception into a practical application (*see* MPEP § 2106.05(a)–(c), (e)–(h)).<sup>5</sup>

Only if a claim (1) recites a judicial exception and (2) does not integrate that exception into a practical application, do we then look to whether the claim:

(3) adds a specific limitation beyond the judicial exception that are not “well-understood, routine, conventional” in the field (*see* MPEP § 2106.05(d)); or

(4) simply appends well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception.<sup>6</sup>

---

<sup>4</sup> Referred to as “*Revised Step 2A, Prong 1*” in the Guidance (hereinafter “*Step 2A(i)*”).

<sup>5</sup> Referred to as “*Revised Step 2A, Prong 2*” in the Guidance (hereinafter “*Step 2A(ii)*”).

<sup>6</sup> Items (3) and (4) continue to be collectively referred to as “*Step 2B*” of the Supreme Court’s two-step framework, described in *Mayo* and *Alice*.

*See* Guidance.

*Step 2A(i) – Abstract Idea*

Informed by our judicial precedent, the recent Guidance extracts and synthesizes key concepts identified by the courts as abstract ideas to explain that the abstract idea exception includes the following groupings of subject matter, when recited as such in a claim limitation:

(a) Mathematical concepts—mathematical relationships, mathematical formulas or equations, mathematical calculations;

(b) Certain methods of organizing human activity — fundamental economic principles or practices (including hedging, insurance, mitigating risk); commercial or legal interactions (including agreements in the form of contracts; legal obligations; advertising, marketing or sales activities or behaviors; business relations); managing personal behavior or relationships or interactions between people (including social activities, teaching, and following rules or instructions); and

(c) Mental processes—concepts performed in the human mind (including an observation, evaluation, judgment, opinion).

Under the Guidance, if the claim does not recite a judicial exception (a law of nature, natural phenomenon, or subject matter within the enumerated groupings of abstract ideas above), then the claim is patent-eligible at *Step 2A(i)*. This determination concludes the eligibility analysis, except in situations identified in the Guidance.<sup>7</sup>

---

<sup>7</sup> In the rare circumstance in which an examiner believes a claim limitation that does not fall within the enumerated groupings of abstract ideas should nonetheless be treated as reciting an abstract idea, the procedure described in of the Guidance for analyzing the claim should be followed. *See* Guidance, Section III.C.

However, if the claim recites a judicial exception (i.e., an abstract idea enumerated above, a law of nature, or a natural phenomenon), the claim requires further analysis for a practical application of the judicial exception in *Step 2A(ii)*.

*Step 2A(ii) – Practical Application*

If a claim recites a judicial exception in *Step 2A(i)*, we determine whether the recited judicial exception is integrated into a practical application of that exception in *Step 2A(ii)* by: (a) identifying whether there are any additional elements recited in the claim beyond the judicial exception(s); and (b) evaluating those additional elements individually and in combination to determine whether they integrate the exception into a practical application.

The seven identified “practical application” sections of the MPEP,<sup>8</sup> cited in the Guidance under *Step 2A(ii)*, are:

- (1) MPEP § 2106.05(a) Improvements to the Functioning of a Computer or To Any Other Technology or Technical Field
- (2) MPEP § 2106.05(b) Particular Machine
- (3) MPEP § 2106.05(c) Particular Transformation
- (4) MPEP § 2106.05(e) Other Meaningful Limitations
- (5) MPEP § 2106.05(f) Mere Instructions To Apply An Exception
- (6) MPEP § 2106.05(g) Insignificant Extra-Solution Activity

---

<sup>8</sup> See MPEP § 2106.05(a)–(c), (e)–(h). Citations to the MPEP herein refer to revision [R-08.2017].

(7) MPEP § 2106.05(h) Field of Use and Technological Environment

If the recited judicial exception is integrated into a practical application as determined under one or more of the MPEP sections cited above, then the claim is not directed to the judicial exception, and the patent-eligibility inquiry ends. If not, then analysis proceeds to *Step 2B*.

*Step 2B – “Inventive Concept” or “Significantly More”*

Under our precedent, it is possible that a claim that does not “integrate” a recited judicial exception under *Step 2A(ii)* is nonetheless patent eligible. For example, the claim may recite additional elements that render the claim patent eligible even though a judicial exception is recited in a separate claim element.<sup>9</sup> The Federal Circuit has held claims eligible at the second step of the *Alice/Mayo* test (USPTO *Step 2B*) because the additional elements recited in the claims provided “significantly more” than the recited judicial exception (e.g., because the additional elements were unconventional in combination).<sup>10</sup> Therefore, if a claim has been determined to be directed to a judicial exception under *Revised Step 2A*, we must evaluate the additional elements individually and in combination under *Step 2B* to determine whether they provide an inventive concept (i.e.,

---

<sup>9</sup> See, e.g., *Diehr*, 450 U.S. at 187.

<sup>10</sup> See, e.g., *Amdocs (Israel), Ltd. v. Openet Telecom, Inc.*, 841 F.3d 1288, 1300, 1304 (Fed. Cir. 2016); *BASCOM Global Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1349–52 (Fed. Cir. 2016); *DDR Holdings v. Hotels.com*, 773 F.3d 1245, 1257–59 (Fed. Cir. 2014).

whether the additional elements amount to significantly more than the exception itself).<sup>11</sup>

Under the Guidance, we must consider in *Step 2B* whether an additional element or combination of elements: (1) “Adds a specific limitation or combination of limitations that are not well-understood, routine, conventional activity in the field, which is indicative that an inventive concept may be present;” or (2) “simply appends well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception, which is indicative that an inventive concept may not be present.” *See* Guidance, III.B.<sup>12</sup>

In the *Step 2B* analysis, an additional element (or combination of elements) is not well-understood, routine or conventional unless the Examiner finds an evidentiary basis, and expressly supports a rejection in writing with, one or more of the following:

---

<sup>11</sup> We note the patent eligibility inquiry may contain underlying issues of fact. *Mortg. Grader, Inc. v. First Choice Loan Servs. Inc.*, 811 F.3d 1314, 1325 (Fed. Cir. 2016). In particular, “[t]he question of whether a claim element or combination of elements is well-understood, routine and conventional to a skilled artisan in the relevant field is a question of fact.” *Berkheimer v. HP Inc.*, 881 F.3d 1360, 1368 (Fed. Cir. 2018).

<sup>12</sup> In accordance with existing *Step 2B* guidance, an Examiner’s conclusion that an additional element (or combination of elements) is well understood, routine, conventional activity must be supported with a factual determination. For more information concerning evaluation of well-understood, routine, conventional activity, *see* MPEP § 2106.05(d), as modified by the USPTO *Berkheimer* Memorandum (USPTO Commissioner for Patents Memorandum dated Apr. 9, 2018, “Changes in Examination Procedure Pertaining to Subject Matter Eligibility, Recent Subject Matter Eligibility Decision (*Berkheimer v. HP, Inc.*)” (hereinafter “*Berkheimer Memo*”).

1. A citation to an express statement in the specification or to a statement made by an applicant during prosecution that demonstrates the well-understood, routine, conventional nature of the additional element(s).
2. A citation to one or more of the court decisions discussed in MPEP § 2106.05(d)(II) as noting the well-understood, routine, conventional nature of the additional element(s).
3. A citation to a publication that demonstrates the well-understood, routine, conventional nature of the additional element(s).
4. A statement that the examiner is taking official notice of the well-understood, routine, conventional nature of the additional element(s).

*See Berkheimer Memo.*

The analysis in *Step 2B* further determines whether an additional element or combination of elements:

- (a) Adds a specific limitation or combination of limitations that are not well-understood, routine, conventional activity in the field, which is indicative that an inventive concept may be present; or
- (b) simply appends well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception, which is indicative that an inventive concept may not be present.

Guidance, *and see Berkheimer Memo.*

If the Examiner or the Board determines under *Step 2B* that the element (or combination of elements) amounts to significantly more than the exception itself, the claim is eligible, thereby concluding the eligibility analysis.

However, if a determination is made that the element and combination of elements does not amount to significantly more than the exception itself, the claim is ineligible under *Step 2B*, and the claim should be rejected for lack of subject matter eligibility.

## ANALYSIS

### *Step 1*

Claim 1, as a method claim, recites one of the enumerated categories of eligible subject matter in 35 U.S.C. § 101. Therefore, the issue before us is whether it is directed to a judicial exception without significantly more.

#### *Step 2A(i): Does the Claim Recite a Judicial Exception?*

The Examiner generally determined “[t]he series of steps [in the claims] describe the concept of transferring funds,” which is “well established and long prevalent in our history of commerce. Thus, the claim is directed to a fundamental economic practice similar to what has been found abstract by the courts (e.g., hedging in *Bilski*, mitigating settlement risk in *Alice*).” Final Act. 3–4.

The concept of transferring funds may also be viewed as a certain methods of organizing human activity as it relates to transactions between people similar to what has been identified by the courts as abstract idea as in hedging in *Bilski*, mitigating settlement risk in *Alice* and creating contractual relationship in *buySAFE*. Thus, the claim 1 is directed to an abstract idea.

Final Act. 4. The Examiner further concludes “claim 1 is directed to the abstract idea of transferring funds as supported by the claimed limitations as explained above. Thus, the abstract idea is well connected to the claimed

limitations and is not an overgeneralization and meet the office guidance and *Alice* framework.” Ans. 6–7.

From this we see that claim 1 does not recite the judicial exceptions of either natural phenomena or laws of nature. However, in view of the revised Guidance, we reevaluate whether an abstract idea is recited by claim 1. We conduct our review for abstractness and for patent-eligibility de novo.

We agree with the Examiner that claim 1 recites an abstract idea, i.e., a method of organizing human activity, in particular, the concept of transferring funds. Ans. 4. Specifically, we conclude at least the following limitation of claim 1 may be considered as directed to the abstract idea under the Guidance:

the server transmits a ninth data communication signal to the wagering-type gaming machine, the ninth data communication signal comprising a provision instructing message including information instructing provision of the negotiable-value upon receipt of a sixth data communication signal, the sixth data communication signal comprising a transfer completion message including information indicating transfer of the predetermined amount or more[.]

Claim 1.

We find this limitation is a process that, under its broadest reasonable interpretation, covers performance of the long-standing practice of funds transfer, albeit by the recitation of generic computer components.

Therefore, we find this type of activity, i.e., funds authorization and transfer, includes longstanding conduct that existed well before the advent of computers and the Internet, and could be carried out by a human with pen and paper or, for example, by a personal cash transaction. *See CyberSource*

*Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1375 (Fed. Cir. 2011) (“That purely mental processes can be unpatentable, even when performed by a computer, was precisely the holding of the Supreme Court in *Gottschalk v. Benson.*”).<sup>13</sup>

Our reviewing court has previously held that abstract ideas include the concepts of collecting data, e.g., funds balance data, recognizing certain data within the collected data set, and storing the data in memory. *Content Extraction & Transmission LLC v. Wells Fargo Bank, N.A.*, 776 F.3d 1343, 1347 (Fed. Cir. 2014). Additionally, the collection of information and analysis of information (e.g., recognizing certain data within the dataset) are also abstract ideas. *Elec. Power*, 830 F.3d at 1353–54 (collecting information and “analyzing information by steps people go through in their minds, or by mathematical algorithms, without more, [are] essentially mental processes within the abstract-idea category”). Similarly, “collecting, displaying, and manipulating data” is an abstract idea. *Intellectual Ventures I LLC v. Capital One Fin. Corp.*, 850 F.3d 1332, 1340 (Fed. Cir. 2017). Also, collecting and comparing known information has been determined to be an abstract idea. *Classen Immunotherapies, Inc. v. Biogen IDEC*, 659 F.3d 1057, 1067 (Fed. Cir. 2011) (“Claim 1 of the ’283 patent states the idea of collecting and comparing known information”). Also, more recently, our

---

<sup>13</sup> *CyberSource* further guides that “a method that can be performed by human thought alone is merely an abstract idea and is not patent-eligible under § 101.” *CyberSource*, 654 F.3d at 1373.

reviewing court has also concluded that acts of parsing, comparing, storing, and editing data are abstract ideas. *Berkheimer*, 881 F.3d at 1366.<sup>14</sup>

Moreover, the Specification provides evidence as to what the claimed invention is directed. In this case, the Specification discloses that the invention “relates to a settlement system.” Spec. ¶ 2.<sup>15</sup>

---

<sup>14</sup> Our reviewing court recognizes that “[a]n abstract idea can generally be described at different levels of abstraction.” *Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229, 1240 (Fed. Cir. 2016). That need not and, in this case does not, “impact the patentability analysis.” *Id.* at 1241.

<sup>15</sup> The Abstract further describes:

The present invention is provides a novel electronic settlement technique which is capable of supplying a deposit so as to continue the play of a game after a deposit available in a game facility has been consumed. A negotiable-value providing device is transmits to a user terminal device a deposit supply demand message demanding supply of a premises deposit upon receipt of a transfer demand message. A user terminal device is transmits a transfer demand message to a management server upon receipt of the deposit supply demand message. Upon receipt of the deposit supply demand message, the management server is transmits to a financial institute system a transfer request message requesting a predetermined transfer of a predetermined amount of money from a user bank account. Upon receipt of a transfer completion message, a premises server is transmits a provision instructing message instructing provision of a negotiable-value to the negotiable-value providing device. The negotiable-value providing device having received the provision instructing message executes provision of the negotiable-value.

Spec. 51.

Thus, under *Step 2A(i)*, we conclude claim 1 recites the abstract idea of funds settlement and transfer, a method of organizing human behavior, as discussed above.

*Step 2A(ii): Judicial Exception Integrated into a Practical Application?*

If the claims are directed to a patent-ineligible concept, as we conclude above, we proceed to the “practical application” *Step 2A(ii)* in which we determine whether the recited judicial exception is integrated into a practical application of that exception by: (a) identifying whether there are any additional elements recited in the claim beyond the judicial exception(s); and (b) evaluating those additional elements individually and in combination to determine whether they integrate the exception into a practical application.

On this record, we are of the view that Appellant’s claims do not operate the recited generic computer components in an unconventional manner to achieve an improvement in *computer functionality*. See MPEP § 2106.05(a).

However, Appellant argues, and we agree:

[C]laim 1 recites a specific combination of elements that comprises far more than mere general purpose computer elements “recited at a high level of generality” as asserted by the Examiner, which perform very specific operations therebetween and which . . . were heretofore unknown and comprise an improvement in the art of wagering-type gaming machines and wagering-type games. Hence, in addition to comprising far more than a mere abstract idea of transferring funds, such claim comprises an improvement in the art of wagering-type gaming machines, recites an “inventive concept,” does not comprise any longstanding, well-known, or fundamental concept or idea as set forth in *Alice*, and does not

purport to preempt or monopolize the building blocks of human ingenuity. That is, the subject matter of claim 1 does not purport to encompass the broad abstract idea of transferring funds between computers in general, and does not purport to preempt such practice. As set forth by the Court in *Alice*, “[A]pplication[s] of such concepts to a new and useful end we have said remain eligible for patent protection . . . [a]ccordingly, we must distinguish between patents that claim the ‘buildin[g] block[s]’ of human ingenuity and those that integrate the building blocks into something more.” Accordingly, the assertion that the specific combination of elements of, for example, claim 1, is no more than an abstract idea, is improper and unsupported.

Br. 22. *See also* Spec. ¶ 7.<sup>16</sup>

In particular, we find that the previously-unaddressed limitation “the handheld-type mobile user terminal device prompts input of a user confirmation to execute a transfer of a deposit supply upon receipt of the eight data communication signal from the wagering-type gaming machine, and then upon input of the input user confirmation, transmits the fourth data communication signal to the server to request the transfer of the deposit supply,” when the claim is considered as a whole, including the various recited interactions between the recited hardware components in response to transmission of a number of recited communication signals, integrates the previously identified abstract idea of funds transfer into a practical application. Even though we find this limitation does not improve the underlying *computer system* functionality, e.g., improved processor or

---

<sup>16</sup> “An object of the present invention is to provide a novel electronic settlement technology which is capable of supplying a deposit immediately so as to be able to continue the play of a game even after an available deposit in game facility has been consumed.” Spec. ¶ 7.

memory performance, in agreement with Appellant, we find it does improve the underlying wagering-type gaming machines technology. *See* MPEP § 2106.05(a) (“Improvements to the Functioning of a Computer *or To Any Other Technology or Technical Field*”)emphasis added).

Accordingly, we conclude the recited judicial exception is integrated into a practical application as determined under one or more of the MPEP sections cited above, such that the claim is not directed to the judicial exception, and is thus patent-eligible under our governing case law and the Guidance, thus ending the patent-eligibility inquiry.<sup>17</sup>

Therefore, based upon the findings above, on this record, we are persuaded of at least one error in the Examiner’s conclusion that the claims are drawn to patent-ineligible subject matter, such that we do not sustain the § 101 rejection of claim 1, and grouped claims 2–10, which stand therewith. *See Claim Grouping, supra.*

## CONCLUSION

The Examiner erred with respect to the patent-ineligible subject matter rejection of claims 1–10 under 35 U.S.C. § 101, and we do not sustain the rejection.

## DECISION

We reverse the Examiner’s decision rejecting claims 1–10.

---

<sup>17</sup> Because we agree with at least one of the dispositive arguments advanced by Appellant, we need not reach the merits of Appellant’s other arguments. *See Beloit Corp. v. Valmet Oy*, 742 F.2d 1421, 1423 (Fed. Cir. 1984) (finding an administrative agency is at liberty to reach a decision based on “a single dispositive issue”).

Appeal 2017-009202  
Application 13/070,058

REVERSED