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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte YURONG HUANG, RUSSELL BROOKE DUNN, and
MARK L. YOSELOFF

Appeal 2018-003276
Application 14/965,599
Technology Center 3700

Before MICHAEL W. KIM, *Vice Chief Administrative Patent Judge*,
JENNIFER S. BISK and KAMRAN JIVANI, *Administrative Patent Judges*.

JIVANI, *Administrative Patent Judge*.

DECISION ON APPEAL

Pursuant to 35 U.S.C. § 134(a), Appellant¹ appeals from the Examiner's decision to reject claims 1–19. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ We use the word “Appellant” to refer to “applicant” as defined in 37 C.F.R. § 1.42(a). Appellant identifies the real party in interest as the three listed inventors of the application. Appeal Br. 3.

STATEMENT OF THE CASE

The present application relates to playing card wagering games.

Spec. 1:7. Claim 1, reproduced below, is illustrative of the claimed subject matter:

1. A method of performing a wagering event using playing cards comprising:

a) providing a set of playing cards;

b) placing two separate compulsory wagers at a player position, the two separate wagers comprising:

i) a first ante wager in an underlying poker rank competition of the player position hand rank of playing cards against a dealer position hand rank of playing cards;

ii) a second wager based on a final poker hand rank at the player position against a paytable, the second wager being exactly equal in value to the first game wager;

c) providing a partial hand of random playing cards from the set of playing cards at the player position;

d) providing a partial hand of random playing cards from the set of playing cards at the dealer position;

e) placing a play wager at least equal to the first ante wager at the player position and providing additional random playing cards from the set of playing cards and completing a player hand at the player position;

f) not placing a play wager at the player position, and the dealer position collecting at least one of the first ante wager and the second wager, concluding a round of the wagering event; and

g) if the additional random playing cards were received in e), providing additional random playing cards from the set of

playing cards and completing a dealer hand at the dealer position, then resolving the first ante wager and the play wager with a direct comparison of poker ranks in the completed player hand and the completed dealer hand, with a relatively higher poker rank in the completed player hand as compared to the completed dealer hand poker rank winning at least 1:1 on the first ante wager and the play wager; with a relatively lower poker rank in the completed player hand as compared to the completed dealer hand poker rank losing both the first ante wager, the second wager and the play wager; and a tie between the poker rank in the completed player hand as compared to the completed dealer hand poker rank pushing both the first ante wager, the second wager and the play wager; and the poker rank of the completed player hand being compared against a paytable identifying poker ranks, and with a relatively higher poker rank in the completed player hand as compared to the completed dealer hand poker rank resolving the second wager to determine odds to be paid against attainment of ranks listed in the paytable, with the second wager being a push if no at least minimum poker hand rank is present in the completed player hand.

Rejections

1. Claims 1–19 stand rejected under 35 U.S.C. § 101 as being directed to a judicial exception without significantly more.
2. Claims 1–5, 8, 9, and 12–19 stand rejected under 35 U.S.C. § 103 over Webb (US 6,345,823 B1; publ. Feb. 12, 2002) in view of Yoseloff (US 2005/0242506 A1; publ. Nov. 3, 2005).
3. Claims 6, 7, 10, and 11 stand rejected under 35 U.S.C. § 103 over Webb in view of Yoseloff, and further in view of Kenny (US 2007/0063442 A1; publ. Mar. 22, 2007).

ANALYSIS

Rejection of claims 1–5, 8, 9, and 12–19 over Webb in view of Yoseloff

Claim 1 recites, in part, “placing a play wager at least equal to the first ante wager at the player position and providing additional random playing cards from the set of playing cards and completing a player hand at the player position” and “providing additional random playing cards from the set of playing cards and completing a dealer hand at the dealer position.” Appeal Br. 39. Independent claim 19 recites commensurate limitations. *Id.* at 45.

The Examiner finds that “Yoseloff discloses an embodiment where after a play wager is placed, additional cards are dealt directly to player hands . . . and a dealer hand to complete the player hand and dealer hand.” Final Act. 4. Specifically, the Examiner points to Yoseloff’s teaching that “[t]he partial hand is preferably completed by community cards[,] but may be completed by additional cards dealt directly to a hand” and that “each player will have an opportunity to place a first game or play wager before receiving another card for the player’s hand.” *Id.* (citing Yoseloff ¶¶ 24–25). Paragraph 25 of Yoseloff further discloses that each player receives this opportunity to place a first game or play wager before receiving another card for the player’s hand, regardless of “whether dealt directly to the player, assigned as a community card revealed to all players or assigned otherwise.” Yoseloff ¶ 25. The Examiner finds, based on these teachings of Yoseloff, that “it would have been obvious to a person having ordinary skill in the art to modify Webb’s game providing rules of initially dealing a partial hand of 2 initial cards to each player, and providing the rules that after reviewing the partial hand of 2 initial cards, each player having the opportunity to place the

play wager 20 and receive additional playing cards dealt directly to the player hands and dealer hand to complete the player hands and dealer hand.”
Id.

In the Appeal Brief, Appellant presents a table of alleged “base line differences” between Webb and independent claim 1, all of which turn upon whether the Examiner’s proposed combination of Webb and Yoseloff satisfies the limitations of claim 1 identified above. Appeal Br. 32–36. Appellant asserts that Yoseloff fails to cure Webb’s deficiencies. *Id.* at 33–37. Appellant further asserts that “[t]he critical recitation of the invention of Yoseloff is the requirement that ‘. . . the player viewing at least one first additional card to only partially complete the initial partial player hand.’” *Id.* at 37 (quoting Yoseloff, cl. 1). According to Appellant, “[t]he mathematics, operation and strategy of the game and the foundation of the invention is the display of only partial ones of community cards to enable the further wager.” *Id.*

Based on its characterization of Yoseloff, Appellant asserts that Yoseloff “does not evidence steps e), f), and g) where a player places the wager, then receives playing cards that **complete** the players hand and then providing separate cards (not community cards . . .) to complete the dealer hand.” *Id.* Appellant asserts that “[r]ejections cannot pick and choose Applicant's claim elements (even incompletely as shown above) while destroying underlying functional requirements of the references” and that “[t]he combination of references fails to evidence the invention as a whole as recited in the claims, even where it is necessary to destroy underlying functionality of one or both references in the attempt to evidence the claims.” *Id.*

The Examiner responds by again pointing to paragraphs 24–25 of Yoseloff, finding that these portions of the reference “clearly suggest[] that Yoseloff discloses an embodiment where after a play wager is placed, additional cards are dealt directly to player hands (not community cards) and a dealer hand to complete the player hand and dealer hand.” Ans. 13.

Appellant replies that “[i]t is not enough to assert that Yoseloff evidences MORE cards in multiple segments until a hand is complete, as compared to providing a single set of cards to complete the hand.” Reply Br. 8. In its Reply, Appellant again points to claim 1 of Yoseloff, asserting that “the player viewing at least one first additional card to only partially complete the initial partial player hand” represents “a second incomplete partial hand” and that “the next set of cards completes [the] hand.” *Id.*

We agree with the Examiner. Although Appellant repeatedly points to claim 1 of Yoseloff for its alleged “second incomplete partial hand,” the portions of paragraphs 24 and 25 repeatedly relied upon by the Examiner do not specify or suggest a requirement of more than one partial hand. Instead, paragraph 24 teaches that a partial hand “may be completed by additional cards dealt directly to a hand.” A person of ordinary skill in the art would have understood this teaching to include additional cards dealt directly to a hand in a single set.

Further, Appellant’s assertion that “[r]ejections cannot pick and choose Applicant’s claim elements . . . while destroying underlying functional requirements of the references,” is unavailing. Despite Appellant’s assertion that certain subject matter of claim 1 of Yoseloff is “critical,” the Supreme Court has observed that “familiar items may have obvious uses beyond their primary purposes, and in many cases a person of

ordinary skill [often] will be able to fit the teachings of multiple patents together like pieces of a puzzle.” *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 421 (2007). Yoseloff’s specification demonstrates at paragraphs 24–25 that other configurations and embodiments are taught by the reference, beyond the limitations of its claims, that do not destroy its underlying functionality.

For the foregoing reasons, Appellant’s arguments do not persuade us of error in the Examiner’s obviousness rejection of independent claim 1. Accordingly, we sustain the obviousness rejection of that claim and of claims 2–5, 8, 9, and 12–19, which Appellant does not argue separately. Appeal Br. 32–37; *see* 37 C.F.R. § 41.37(c)(1)(iv) (“When multiple claims subject to the same ground of rejection are argued as a group or subgroup by appellant, the Board may select a single claim from the group or subgroup and may decide the appeal as to the ground of rejection with respect to the group or subgroup on the basis of the selected claim alone.”).

*Rejection of claims 6, 7, 10, and 11 over Webb in view
of Yoseloff and Kenny*

We maintain the Examiner’s obviousness rejection of claims 6, 7, 10, and 11 over the combination of Webb in view of Yoseloff and Kenny. Appellant has not particularly pointed out errors in the Examiner’s reasoning regarding the additional teachings of Kenny, but reiterates the same arguments set forth in relation to independent claim 1 based on Webb and Yoseloff.

Rejection of claims 1–19 under 35 U.S.C. § 101

The Examiner finds claims 1–19 directed to an abstract idea of fundamental economic practices and mathematical relationships/formulas. Ans. 3. Acknowledging *Alice Corp. Pty. Ltd. v. CLS Bank Intern.*, 573 U.S.

208 (2014), the Examiner applies the two-step analysis of *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 66 (2012). *Id.* At step 2A, the Examiner finds the claims are directed to a set of rules for exchanging and resolving financial obligations by a method of performing a wagering game. *Id.* at 5. Considering claims 1–19 in view of the claims at issue in *Alice* and *In re Smith*, 815 F.3d 816 (Fed. Cir. 2016), the Examiner finds that such a set of rules constitutes an abstract idea. *Id.* at 3–5. At step 2B, the Examiner finds that “[t]he claims do not include additional elements that are sufficient to amount to significantly more than the judicial exception” because the claimed physical elements of “multiple sets of standard decks of 52 playing cards,” “jokers,” “a gaming table with a playing surface,” “a display identifying odds,” and “a payable” do not pass the machine-or-transformation test. *Id.* at 5.

Appellant asserts that it does not attempt to reverse or modify *Alice*, but that administration of the decision and guidelines provided by *Alice* by the USPTO have been deficient. Appeal Br. 11. Appellant asserts the following:

The fact that the USPTO has made a binding determination (which the courts have followed, *In re Smith*, CAFC, 2015-1664, decided March 10, 2016), without public hearing, without public notice, and without any factual basis except for the assumption of the fact itself, that physical playing card games are per se abstract ideas subject to the authority of *Alice*, *supra* and patent ineligible under 35 USC 101

Id. Appellant continues, “there has been no public availability of any **EVIDENCE** other than assumption and extraordinarily strained analogies and distortion of case law to an extent that exceeds credulity in [the Examiner’s] reaching the determination that playing card wagering events

are abstract ideas *per se.*” *Id.* at 14–15. Appellant further points to declarations of alleged “experts within the gaming industry,” as well as survey evidence, proffered to show that playing card games are not abstract. *Id.* at 29–31.

Appellant further asserts that the USPTO, PTAB, and Federal Circuit have created an “artificial conflict” between 35 U.S.C. § 101 on the one hand and §§ 102 and 103 on the other. *Id.* at 18. According to Appellant “[t]he assertion made during examination . . . that there must be ‘something more’ which additionally must be independently patentable, even if the ‘abstract idea’ is itself novel and unobvious, is an unauthorized and illegal expansion/distortion of both 35 USC 102 and 35 USC 103.” *Id.* at 20. Moreover, Appellant asserts that “erroneous statutory requirements . . . which act to take away an inventor’s rights to obtain a patent in accordance with US Patent Laws under Title 35 U.S.C., is effectively an unconstitutional ‘taking’” under the Fifth Amendment of the Constitution. *Id.* at 24.

Finally, Appellant asserts that “different limitations in dependent claims . . . further evidence the addition of physical structure that is novel and unobvious, rendering the claimed subject matter non-abstract, patent-eligible and containing sufficient ‘something more’ in that physical structure to meet the requirements of [35 U.S.C. § 101] guidelines stated by the Courts.” *Id.* at 31.

In accordance with 37 C.F.R. § 41.50(a)(1), we do not reach the rejection under § 101 because our affirmance of the Examiner’s obviousness rejections is dispositive as to all the appealed claims. We note, however, that to the extent Appellant takes issue here with the Examiner’s reliance on

In re Smith, it is a Federal Circuit case and is therefore binding authority. See e.g., MPEP §§ 2106.04(a)(2)(II)(A); 2106.05(d)(II) (citing *In re Smith*).² Also, to the extent that Appellant asserts that a determination has been made here without a public hearing, we observe that Appellant had the opportunity to request a hearing in this appeal and did not do so.

Further, we note that the Examiner’s reasoning under step 2B is insufficient to support a rejection under 35 U.S.C. § 101. “[T]here is nothing that requires a method ‘be tied to a machine or transform an article’ to be patentable.” *McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1315 (Fed. Cir. 2016). At the same time, “satisfying the machine-or-transformation test, by itself, is not sufficient to render a claim patent-eligible, as not all transformations or machine implementations infuse an otherwise ineligible claim with an ‘inventive concept.’” *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1256 (Fed. Cir. 2014). Ultimately, “the machine-or-transformation test is a useful and important clue, an investigative tool, for determining whether some claimed inventions are processes under § 101,” but “not the sole test for deciding whether an invention is a patent-eligible ‘process.’” *Bilski v. Kappos*, 561 U.S. 593, 604 (2010). Nonetheless, should Appellant choose to amend the claims, we bring to the Examiner’s attention that the Office’s procedures for addressing rejections under § 101 have changed since the Final Office Action based at least upon the USPTO’s 2019 Revised Patent Subject Matter Eligibility Guidance (2019 PEG), October 2019 Patent Eligibility Guidance Update

² Insofar as Appellant takes issue with the USPTO’s actions in *In re Smith* itself, we decline to opine on a case that is not before us.

(October 2019 Update), and the *Berkheimer* Memo. See MPEP §§ 2103–2106.07.

SUMMARY

We sustain the rejection of all the claims on appeal under § 103 as noted above.

DECISION

The Examiner’s rejections of claims 1–19 are affirmed.

Claims Rejected	35 U.S.C. §	Reference(s)/Basis	Affirmed	Reversed
1–19	101	Eligibility ³		
1–5, 8, 9, 12–19	103	Webb, Yoseloff	1–5, 8, 9, 12–19	
6, 7, 10, 11	103	Webb, Yoseloff, Kenny	6, 7, 10, 11	
Overall Outcome			1–19	

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

³ As explained above, we do not reach the merits of § 101 rejection.