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TI Law Group, PC 1055 E Brokaw Road Suite 30-355 San Jose, CA 95131-2116			MOSSER, ROBERT E	
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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte BINH T. NGUYEN

Appeal 2018-008465
Application 13/800,917
Technology Center 3700

Before JOHN C. KERINS, ANNETTE R. REIMERS, and
BRENT M. DOUGAL, *Administrative Patent Judges*.

KERINS, *Administrative Patent Judge*.

DECISION ON REQUEST FOR REHEARING

STATEMENT OF THE CASE

Appellant¹ has filed a Request for Rehearing (“Request”) under 37 C.F.R. § 41.52, of our Decision dated September 16, 2019 (“Decision”), affirming the rejection of claims 1–20 under 35 U.S.C. § 101.² We have jurisdiction under 35 U.S.C. § 6(b).

¹ The term “Appellant” is used herein to refer to “applicant” as defined in 37 C.F.R. § 1.42(a). Appellant identifies the real party in interest as Nguyen Gaming LLC. Appeal Br. 1.

² Three rejections under 35 U.S.C. § 103(a) of various subsets of the claims were reversed in the Decision.

Requests for Rehearing are limited to points that Appellant believes have been misapprehended or overlooked by the Board. 37 C.F.R. § 41.52(a)(1).

Appellant asserts that the Board erred in finding that the subject matter of claim 1 as a whole does not integrate the recited judicial exception into a practical application of that exception. Request 1–5.³ Appellant additionally asserts that the Board erred in considering only physical components in determining that claim 1 does not add any specific limitation beyond the judicial exception that is not “well-understood, routine, and conventional.” *Id.* at 6–9.

Integration into Practical Application

Appellant criticizes statements in the Decision regarding the lack of evidence of any improvement in the functioning of the elements in the claim that are in addition to the judicial exception, and regarding the additional elements not amounting to a particular machine or manufacture. Request 3. Appellant argues that, to require either of these conditions to be met, is to impose a higher standard as to what is required, and instead the claims need only impose a meaningful limit on the judicial exception. *Id.*

Appellant misunderstands the reason those statements were made in the Decision. Evidence of the presence of either of those factors would weigh in favor of finding that claim 1 integrates the judicial exception into a practical application of the exception. The statements merely point out that the record lacks evidence that either of those considerations is met in the

³ Appellant states that, for the purposes of the Request, the issue as to whether claim 1 recites an abstract idea is not contested. Request 1.

claim language. The Decision singled out the value transfer device and the portable electronic device for analysis because those are the “additional elements” beyond the judicial exception in claim 1 which are, according to a portion of the guidelines quoted by Appellant, to be given weight “when evaluating whether a judicial exception has been integrated into a practical application.” Request 3, quoting Fed. Reg., Vol. 84, No. 4, p. 55.

Appellant previously principally argued that the claims recite a technological solution to a technological problem, and we noted in the Decision that Appellant did not identify the technological problem for which the claimed method was a solution. Decision 8. In the Request, Appellant now avers that claim 1 “clearly places meaningful limits on [the] judicial exception, and is limited to a practical application.” Request 3. Appellant essentially restates the various steps recited in claim 1, and asserts that the various limitations meaningfully limit the claim, mainly because they do not bring about any preemption of other manners in which unspecified “other solutions” may be effected.⁴ Request 4–5. However, as we found in the Decision, these steps are part and parcel of the fundamental practice of electronic transfer of funds between two generically-recited devices, i.e., a value transfer device and a portable electronic device.

Appellant concludes this line of argument by stating:

Given that the claims recite particular details of *how* funds can be transferred between different devices, namely, from a value transfer device to a portable electronic device so that a game of chance can thereafter be played using the

⁴ We note that, although preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility. *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015).

portable electronic device, the claims practically apply any abstract idea that might be present.

Request 5.

Tellingly, claim 1 is devoid of any limitation, with the possible exception of the fundamental step of authenticating the device to which funds are to be transferred, expressing “how” such funds are transferred. Claim 1 details only “where” funds reside, and to “where” they are transferred over the course of executing an electronic funds transfer, which we found and continue to find to be a fundamental economic practice.

We are thus not persuaded that we misapprehended or overlooked any point relative to whether claim 1 and the remainder of the claims integrates the judicial exception into a practical application.

Specific Limitation(s) Beyond Judicial Exception--well-understood, routine, and conventional

Appellant argues that error was committed in only considering the physical components set forth in the claims in determining that the claims do not add limitations beyond the judicial exception that are anything more than that which is well-understood, routine, and conventional. Request 6. The Request then sets forth three steps excerpted from claim 1,⁵ and Appellant maintains that “[t]here is no basis of record for concluding that the manner of use of a value transfer device as noted in claim 1 is ‘well-understood, routine, and conventional’ in the field.” *Id.*

⁵ The quoted limitations involve “detecting . . . input of a monetary value,” “detecting . . . the presence of a portable electronic device” to which funds are to be transferred, and “receiving . . . a request to transfer at least a portion of the monetary value” from one device to the other. Request 6.

We are not persuaded that we overlooked or misapprehended anything in this respect. The steps involved in the “manner of use” of the value transfer device brought about by the quoted claim limitations are aspects of the fundamental economic practice (abstract idea) of electronic funds transfer itself, and not limitations beyond the judicial exception to which the “well-understood, routine, conventional” analysis is applied.

The remaining arguments in this section of the Request urge us to find that the claims contain patent-eligible subject matter on the basis that the Decision reversed the rejections of the claims under 35 U.S.C. § 103(a), and that we thus “overlooked the fundamental legal principle that patentability (i.e., novel & nonobvious) encompasses an inventive concept.” Request 7. Appellant posits that “it cannot reasonably be disputed that claims satisfying patentability requirements under §§ 102 and 103 should be presumptively directed to (or certainly establish substantial evidence of) an inventive concept that satisfies step two of the *Mayo* [*Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66 (2012)] framework.” Request 9.

We fail to see where Appellant finds such a level of confidence and certainty for its proposition that the absence of an affirmed prior art rejection unquestionably establishes a presumption that the claim is directed to patent-eligible subject matter, or constitutes substantial evidence of the same. The only majority opinion cited in the Request, i.e., that in *SAP America, Inc. v. InvestPic, LLC*,⁶ is acknowledged by Appellant to be at odds with its own proclamation as to the existence of a nexus between patentability under §§ 102 and 103, and patent-eligibility. Request 7. In that decision, the

⁶ 890 F.3d 1016 (Fed. Cir. 2018), modified in 898 F.3d 1161 (Fed. Cir. 2018).

Court stated that, “[n]or is it enough for subject-matter eligibility that claimed techniques be novel and nonobvious in light of prior art, passing muster under 35 U.S.C. §§ 102 and 103.” *SAP Am.*, 898 F.3d at 1163. Appellant criticizes this passage as being dicta and “not supported by meaningful citations.” Request 7. Appellant otherwise directs our attention to several isolated concurring opinions in Federal Circuit cases, describing these and the *SAP America* majority decision as presenting “differing views” as to the effect and/or interplay of patentability under §§ 102 and 103, and patent-eligibility under § 101. Request 7–9.

The *SAP America* decision is illuminating. The Court effectively assumed that the claimed invention there passed muster under 35 U.S.C. § 103, yet concluded that the claims were patent-ineligible, observing that, “[n]o matter how much of an advance in the finance field the claims recite, the advance lies entirely in the realm of abstract ideas, with no plausibly alleged innovation in the non-abstract application realm.” *SAP Am.*, 868 F.3d at 1163. We believe that the same principle applies to the present claims on appeal. We thus decline Appellant’s invitation to attach a presumption as to patent eligibility given the absence of an affirmed rejection under either § 102 or § 103, or to consider the same to be substantial evidence of patent eligibility.

Appellant’s Request has been considered, but fails to apprise us of any point or points misapprehended or overlooked, and thus provides no reason to change the Decision. The Request is therefore denied.

CONCLUSION

Outcome of Decision on Rehearing:

Claims	35 U.S.C §	Reference(s)/Basis	Denied	Granted
1-20	101	Patent eligibility	1-20	

Final Outcome of Appeal after Rehearing:

Claims	35 U.S.C. §	Reference(s)/Basis	Affirmed	Reversed
1-20	101	Patent eligibility	1-20	
1-9, 15	103(a)	Agarwal, Thorn, Nguyen		1-9, 15
10-14, 16-18, 20	103(a)	Agarwal, Thorn		10-14, 16-18, 20
19	103(a)	Agarwal, Nguyen		19
Overall Outcome			1-20	

REHEARING DENIED