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Table with 5 columns: APPLICATION NO., FILING DATE, FIRST NAMED INVENTOR, ATTORNEY DOCKET NO., CONFIRMATION NO.
13/788,079 03/07/2013 Moises Navarrete GAMA0190PUS 4564

144762 7590 05/07/2019
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Table with 1 column: EXAMINER

SKAARUP, JASON M

Table with 2 columns: ART UNIT, PAPER NUMBER

3715

Table with 2 columns: NOTIFICATION DATE, DELIVERY MODE

05/07/2019

ELECTRONIC

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte MOISES NAVARRETE

Appeal 2018-008558¹
Application 13/788,079²
Technology Center 3700

Before JOSEPH A. FISCHETTI, MICHAEL C. ASTORINO, and
TARA L. HUTCHINGS, *Administrative Patent Judges*.

HUTCHINGS, *Administrative Patent Judge*.

DECISION ON APPEAL
STATEMENT OF THE CASE

Appellant appeals under 35 U.S.C. § 134(a) from the Examiner’s final rejection of claims 1–60. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

CLAIMED INVENTION

Appellant’s invention “relate[s] to systems and methods for playing bingo and other games of chance.” Spec. ¶ 1. Claims 1, 18, 31, 41, and 51

¹ Our Decision references Appellant’s Appeal Brief (“Br.,” filed Jan. 12, 2018), and the Examiner’s Answer (“Ans.,” mailed May 22, 2018) and Final Office Action (“Final Act.,” mailed Dec. 29, 2016).

² According to the Appellant, the real party in interest is Gaming Arts, LLC. Br. 1.

are the independent claims on appeal. Independent claim 1, reproduced below with added bracketed matter, is illustrative of the claimed subject matter.

1. A method of playing a game of chance, said method comprising:

[(a)] receiving a physical item associated with a monetary value using an input device of an electronic player device;

[(b)] adding the monetary value to a credit balance;

[(c)] providing a player card to be used with the game, wherein the player card includes a predetermined number of spaces for displaying player indicia;

[(d)] enabling, by a processor, a player to select one of a plurality of available winning patterns for the player card, wherein a plurality of the spaces is included within each of the available winning patterns;

[(e)] enabling, by the processor, the player to select a plurality of player indicia for the selected winning pattern, wherein each player indicia of the selected plurality of player indicia is displayed within one of the plurality of spaces included within the selected winning pattern;

[(f)] receiving an input from the player to select a wager for the game of chance using a user interface of the electronic player device;

[(g)] deducting the selected wager from the credit balance;

[(h)] randomly selecting a plurality of house indicia;

[(i)] determining, by the processor, whether the plurality of house indicia matched the selected plurality of player indicia for the selected winning pattern;

[(j)] determining, by processor, a payout based upon the determination whether the plurality of house indicia matches the selected plurality of player indicia for the selected winning pattern;

[(k)] enabling the player to initiate a cash out operation using the user interface; and

[1] decreasing the credit balance in response to the cash out operation.

REJECTION

Claims 1–60 stand rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.

ANALYSIS

Under 35 U.S.C. § 101, an invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101. The Supreme Court, however, has long interpreted § 101 to include an implicit exception: “[l]aws of nature, natural phenomena, and abstract ideas” are not patentable. *Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 216 (2014).

The Supreme Court, in *Alice*, reiterated the two-step framework previously set forth in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 66 (2012), “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.*, 573 U.S. at 217. The first step in that analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts.” *Id.* If the claims are not directed to a patent-ineligible concept, e.g., an abstract idea, the inquiry ends. Otherwise, the inquiry proceeds to the second step where the elements of the claims are considered “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*, 566 U.S. at 79, 78).

The Court acknowledged in *Mayo*, that “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. Therefore, the Federal Circuit has instructed that claims are to be considered in their entirety to determine “whether their character as a whole is directed to excluded subject matter.” *McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1312 (Fed. Cir. 2016) (quoting *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015)).

In rejecting the pending claims under 35 U.S.C. § 101, the Examiner determines that claim 1 is directed to managing or conducting a wagering game, which is a fundamental economic practice and a method of organizing human activity, i.e., an abstract idea. Final Act. 4–5. The Examiner finds the concept similar to the concepts found to be abstract in *In re Smith*, 815 F.3d 816 (Fed. Cir. 2016) and *Planet Bingo, LLC v. VKGS, LLC*, 576 F. App’x 1005 (Fed. Cir. 2014). Final Act. 4–5. The Examiner also determines that the additional elements, considered individually and in combination, do not add significantly more because they are simply an attempt to limit the abstract idea to a particular technological environment. *Id.* at 5.

In so doing, the Examiner notified Appellant of the reasons for the rejection under 35 U.S.C. § 101 in a sufficiently articulate and informative manner as to meet the notice requirement of 35 U.S.C. § 132, thereby establishing a prima facie case of patent ineligibility. *See In re Jung*, 637 F.3d 1356, 1362 (Fed. Cir. 2011) (holding that the USPTO carries its procedural burden of establishing a prima facie case when its rejection satisfies the notice requirements of 35 U.S.C. § 132 by notifying the

applicant of the reasons for the rejection, “together with such information and references as may be useful in judging the propriety of continuing [] prosecution”).

Judicial Exception

Here, claim 1 is directed to a method of “playing a game of chance” and recites “receiving a physical item associated with a monetary value” (limitation (a)); “adding the monetary value to a credit balance” (limitation (b)); “providing a player card to be used with the game, wherein the player card includes a predetermined number of spaces for displaying player indicia” (limitation (c)); “enabling . . . a player to select one of a plurality of available winning patterns for the player card, wherein a plurality of the spaces is included within each of the available winning patterns” (limitation (d)); “enabling . . . the player to select a plurality of player indicia for the selected winning pattern, wherein each player indicia of the selected plurality of player indicia is displayed within one of the plurality of spaces included within the selected winning pattern” (limitation (e)); “receiving an input from the player to select a wager for the game of chance” (limitation (f)); “deducting the selected wager from the credit balance” (limitation (g)); “randomly selecting a plurality of house indicia” (limitation (h)); “determining . . . whether the plurality of house indicia matched the selected plurality of player indicia for the selected winning pattern” (limitation (i)); “determining . . . a payout based upon the determination whether the plurality of house indicia matches the selected plurality of player indicia for the selected winning pattern” (limitation (j)); “enabling the player to initiate a cash out operation” (limitation (k)); and “decreasing the credit balance in response to the cash out operation” (limitation (l)). These limitations, as

Appellant acknowledges, recite a wagering game of chance. *See* Br. 6 (“Appellant’s claims are directed to . . . [a] wagering game of chance”). The concept of wagering is substantially similar to the concept of “rules for conducting a wagering game” in *In re Smith*, 815 F.3d at 818–19, and to methods and systems for managing a game of bingo in *Planet Bingo*, 576 F. App’x at 1008. Wagering is a commercial interaction, which is a method of organizing human activity and, therefore, an abstract idea.

See 2019 REVISED PATENT SUBJECT MATTER ELIGIBILITY GUIDANCE, 84 Fed. Reg. 50, 52 (Jan. 7, 2019) (“Revised Guidance”).

Practical Application

Under the Revised Guidance, if a claim recites an abstract idea, then it must be analyzed to determine whether the recited judicial exception is integrated into a practical application of that exception. Revised Guidance 54. Specifically, we identify whether there are any additional elements recited in the claim beyond the judicial exception, and evaluate the additional elements individually and in combination to determine whether they integrate the exception into a practical application. *Id.* at 54–55. Here, claim 1 additionally recites a “physical item” (limitation (a)); an “input device” (limitation (a)); an “electronic player device” (limitations (a) and (f)); a “player card” (limitation (c)); a “processor” (limitations (d), (e), (i), and (j)); and “a user interface” (limitations (f) and (k)).

We find no indication in the record, short of attorney argument, that attributes the additional elements recited in claim 1 to an improvement in computer technology and/or functionality to the claimed invention, to implementing the abstract idea with a particular machine that is integral to the claim, that effects a transformation or reduction of a particular article to

a different state or thing, that applies the abstract idea in some other meaningful way beyond linking the use of the abstract idea to a particular technological environment, or that otherwise indicates that the claimed invention integrates the abstract idea into a “practical application,” as that phrase is used in the Revised Guidance.³ Instead, the additional elements, at most, implement the abstract idea using a generic computer and/or generally link the use of the abstract idea to a particular technological environment (e.g., electronic player device) and/or field of use (e.g., player card).

We also are not persuaded by Appellant’s arguments regarding preemption. Br. 12–13. Although the Supreme Court has described “the concern that drives [the exclusion of abstract ideas from patent eligible

³ We note that Appellant’s Brief was filed, and the Examiner’s Answer mailed, before the USPTO issued the Revised Guidance, which, by its terms, applies to all applications, and to all patents resulting from applications, filed before, on, or after January 7, 2019. In accordance with the Revised Guidance, a claim is generally considered “directed to” an abstract idea if (1) the claim recites subject matter falling within one of the following groupings of abstract ideas: (a) mathematical concepts; (b) certain methods of organizing human activity, e.g., fundamental economic principles or practices, commercial or legal interactions; and (c) mental processes, and (2) the claim does not integrate the abstract idea into a practical application, i.e., apply, rely on, or use the judicial exception in a manner that imposes a meaningful limit on the judicial exception, such that the claim is more than a drafting effort designed to monopolize the judicial exception. *See* Revised Guidance 54–55. The Revised Guidance references the MANUAL OF PATENT EXAMINING PROCEDURE (“MPEP”) §§ 2106.05(a)–(c) and (e)–(h) in describing the considerations that are indicative that an additional element or combination of elements integrates the judicial exception, e.g., the abstract idea, into a practical application. *Id.* at 55. Thus, as explained in the Revised Guidance, if the recited judicial exception is integrated into a practical application, as determined under one or more of these MPEP sections, the claim is not “directed to” the judicial exception.

subject matter] as one of pre-emption” (*Alice Corp.*, 573 U.S. at 216), characterizing preemption as a driving concern for patent eligibility is not the same as characterizing preemption as the sole test for patent eligibility. “The 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 Corp.*, 573 U.S. at 216). “[P]reemption may signal patent ineligible subject matter, [but] the absence of complete preemption does not demonstrate patent eligibility.” *Id.*

Inventive Concept

Turning to step two, we consider whether claim 1 recites additional elements, alone or in combination, that amount to significantly more than the recited abstract idea. Appellant argues that all prior art rejections have been overcome, and reasons that the rejection under 35 U.S.C. § 101 should be withdrawn as a result. Br. 7; *see also id.* at 7–12 (attempting to distinguish claim 1 from the patent-ineligible claims of *In re Smith* and *Planet Bingo* based on novelty and/or nonobviousness). Although the second step in the *Mayo/Alice* framework is termed a search for an “inventive concept,” the analysis is not an evaluation of novelty or non-obviousness, but rather, a search for “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.’” *Alice Corp.*, 573 U.S. at 217–18. A novel and non-obvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible. *See Mayo*, 566 U.S. at 90.

Appellant argues that claim 1 recites significantly more than the abstract idea because it recites “receiving a physical item associated with a monetary value using an input device of an electronic player device,” and numerous other steps performed “by a processor.” Br. 14. Yet, “after *Alice*, there can remain no doubt: recitation of generic computer limitations does not make an otherwise ineligible claim patent-eligible. The bare fact that a computer exists in the physical rather than purely conceptual realm ‘is beside the point.’” *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1256 (Fed. Cir. 2014) (citation omitted).

We are not persuaded that the Examiner erred in determining that the additional elements, considered alone or as a whole, are insufficient to supply an inventive concept because they “are simply an attempt to limit the abstract idea to a particular technological environment.” Final Act. 5; *see also id.* at 5–6 (“the general computer elements do not add meaningful limitations to the abstract idea because these additional elements represent insignificant extra-solution activity and would be routine in any computer implementation”).

We have considered each of Appellant’s arguments. However, none persuades us of error in the Examiner’s determination that claim 1 is directed to an abstract idea without significantly more. Accordingly, we sustain the rejection of independent claim 1 under 35 U.S.C. § 101. Claims 2–60 recite similar subject matter, and Appellant presents similar arguments for patent eligibility. *See* Br. 14–18. Therefore, we sustain the rejection of claims 2–60 under 35 U.S.C. § 101 for similar reasons to claim 1.

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DECISION

The Examiner's rejection of claims 1–60 under 35 U.S.C. § 101 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