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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
15/495,499	04/24/2017	Bradley BERMAN	KSG.112.DIV1	9130
111805	7590	07/01/2020	EXAMINER	
King Show Games, INC. 10275 Wayzata Blvd. Suite 300 Minnetonka, MN 55305			RENWICK, REGINALD A	
			ART UNIT	PAPER NUMBER
			3715	
			NOTIFICATION DATE	DELIVERY MODE
			07/01/2020	ELECTRONIC

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

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte BRADLEY BERMAN

Appeal 2019-006422
Application 15/495,499
Technology Center 3700

Before STEFAN STAIKOVICI, EDWARD A. BROWN, and
CHARLES N. GREENHUT, *Administrative Patent Judges*.

GREENHUT, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Pursuant to 35 U.S.C. § 134(a), Appellant¹ appeals from the Examiner's decision to reject claims 1–20. *See* Final Act. 1. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ We use the term “Appellant” to refer to “applicant” as defined in 37 C.F.R. § 1.42. Appellant identifies the real party in interest as King Show Games, Inc., Appeal Br. 2.

CLAIMED SUBJECT MATTER

The claims are directed to an allocation of variable award in gaming devices. Claim 1, reproduced below, is illustrative of the claimed subject matter:

1. A gaming device comprising:
 - a game display;
 - a memory configured to store a credit amount;
 - a wager input device structured to receive physical items associated with currency values;
 - a processor operable to:
 - receive a signal from the wager input device indicating a physical item associated with a currency value has been received, increment the credit amount stored in the memory based on the currency value associated with the received physical item, receive a wager to initiate a gaming event, where an amount of the wager is deducted from the credit amount stored in the memory, determining a quantity value of a variable award characteristic of the gaming event, defining a first feature of a first play option having a first predetermined property by allocating the determined quantity value of the variable award characteristic to the first play option based on the first predetermined property, defining a second feature of a second play option having a second predetermined property by allocating the determined quantity value of the variable award characteristic to the second play option based on the second predetermined property, presenting the first play option and second play option as alternative selectable options on the game display, receiving a signal indicating a selection of the first play option or second play option, and implementing the gaming event based on the selected one of the first play option or the second play option, where the gaming event is implemented according to the defined first feature when the first play option is selected, and where the gaming event is implemented according to the defined second feature when the second play option is selected.

REJECTION

Claims 1–20 are rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter. Final Act. 2.

OPINION

Principles of Law

An invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101. 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. Pty. Ltd. 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*. *See Alice*, 573 U.S. 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.” *Id.* at 219 (“On their face, the claims before us are drawn to the concept of 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*, 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

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determined to be patent eligible include physical and chemical processes, such as “molding rubber products” (*Diamond v. Diehr*, 450 U.S. 175, 192 (1981)); “tanning, dyeing, making water-proof cloth, vulcanizing India rubber, smelting ores” (*id.* at 184 n. 7 (quoting *Corning v. Burden*, 56 U.S. 252, 267–68 (1853))); and manufacturing flour (*Benson*, 409 U.S. at 69 (citing *Cochrane v. Deener*, 94 U.S. 780, 785 (1876))).

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*, 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.* ((alteration in the original) 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.*

The PTO recently published revised guidance on the application of § 101. *2019 Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. 50 (Jan. 7, 2019) (hereinafter “Memorandum”). Under Step 2A of 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 activity such as a fundamental economic practice, or mental processes); and

(2) additional elements that integrate the judicial exception into a practical application (*see* MPEP^{2[1]} § 2106.05(a)–(c), (e)–(h)).

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

(3) adds a specific limitation beyond the judicial exception that is 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.

Analysis

The Examiner and Appellant have both selected claim 1 as representative of the claims before us. Final Act. 2–6; App. Br. 12. We will also do so. *See* 37 C.F.R. § 41.37(c)(1)(iv).

Neither Appellant nor the Examiner makes any distinctions between device and method claims. Our reviewing court has made clear “the basic character of a process claim drawn to an abstract idea is not changed by claiming only its performance by computers, or by claiming the process embodied in program instructions on a computer readable medium.” *See CyberSource Corp v. Retail Decisions, Inc.* 654 F.3d 1366, 1375–76 (Fed. Cir. 2011) (citing *In re Abele*, 684 F.2d 902 (CCPA 1982)). Other than the basic componentry recited that can be found in nearly any electronic wagering game device, including a display, a memory, a wager

^{2[1]} Manual of Patent Examining Procedure.

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input device, and a processor, claim 1 predominantly recites the *acts* each of those elements, particularly the processor, is configured or operable to *perform*. Particularly in light of its broad and functionally-defined nature, holding claim 1 necessarily passes muster under § 101 simply because it is an apparatus claim would “exalt form over substance.” The fact that claims directed to a device were not before the court in *In re Smith*, 815 F.3d 816 (Fed. Cir. 2016) (App. Br. 13) in no way alters this analysis. This Board’s primary role is to review adverse decisions of examiners. *See Ex Parte Frye*, 94 USPQ2d 1072, 1077 (BPAI 2010) citing 37 C.F.R. § 41.50(a)(1) (“The Board, in its decision, may affirm or reverse the decision of the examiner in whole or in part on the grounds and on the claims specified by the examiner”). Although the Board is authorized to reject claims under 37 C.F.R. § 41.50(b), no inference should be drawn when the Board elects not to do so. *See* MPEP § 1213.02.

Appellant argues:

A careful review of claim 1 clearly indicates that the claim is directed to a specific type of gaming device that is operable to play a novel game using a unique combination of processes to provide entertainment and excitement not found on any other known gaming device.

App. Br. 13,³ However, the *specifics* which Appellant regards as “clearly indicate[d]” are, to the best of our knowledge, not described in Appellant’s

³ *See also* App. Br 14 (“claim 1 is directed to a specific gaming device that is operable to implement novel, non-obvious processes for a game that provides an improved gaming device that is different from any other previous gaming device”); App. Br. 15 (“the new novel claim elements of claim 1 provide a new gaming device that is different and a potential improvement over conventional gaming devices. Hence, claim 1 is not directed to patent-ineligible subject matter”)

briefing, or apparent from the claim language itself. As our reviewing court remarked of our colleagues, “[p]rescience is not a required characteristic of the board.” “[T]he Board will not, as a general matter, unilaterally review those uncontested aspects of the rejection.” *Frye* at 1075–76 (citations omitted). Arguments must address the Examiner’s action. 37 C.F.R.

§ 41.37(c)(1)(iv) (“The arguments shall explain why the examiner erred as to each ground of rejection contested by appellant”). The Board will not advocate for Appellant by scouring the record to see if the Board can identify some flaw in the Examiner’s findings of fact, articulated reasoning, or legal conclusions. *See, e.g., Halliburton Energy Services, Inc. v. M-ILLC*, 514 F.3d 1244, 1250 n.2 (Fed. Cir. 2008) (“A skeletal ‘argument’, really nothing more than an assertion, does not preserve a claim. . . . Judges are not like pigs, hunting for truffles buried in briefs.”) (citation omitted).

The only aspects of claim 1 argued with specificity are:

a wager input device structured to receive physical items associated with currency values, and a processor operable to receive a signal from the wager input device indicating that a physical item associated with a currency value has been received, increase the credit amount stored in the memory based on the currency value of the received physical item, and receive a signal to initiate a gaming activity in response to placement of a wager, the wager decreasing the credit amount stored in the memory.

App. Br. 15. Appellant points out what the claim recites in this regard but does not go so far as to assert these elements are, alone or as part of an ordered combination, anything beyond well-understood, routine, and conventional aspects of generic gaming machines. Final Act. 5. Indeed, Appellant likely could not reasonably make such an assertion without violation of rule 41.11(a) (“Duty of candor”).

Appellant's Specification clearly and unequivocally touts one of the benefits of computerized gaming apparatus as being easy reconfigured for "[P]laying new games." Spec. p. 1, ll. 22–32. Thus, the Specification essentially admits that the invention involves a conventional device being employed to implement a new game. It is conceivable that such activity could, in certain circumstances, amount to "significantly more" or an "inventive concept" in the context of a section 101 inquiry. Here, however, the purportedly novel game is recited in the claim and described in the Specification only as a series of abstract rules associated with the game's play. *See, e.g.*, Spec. p. 13, ll. 25–31 (describing the award structure); p. 14, ll. 7–19 (describing the play options). Put simply, Appellant's invention is directed to *rules* for playing a game. It is an idea that is conjured up entirely in the human mind and then communicated to other persons orally or in writing. Claim 1 is nothing more than a sequence of human actions involving financial obligations performed in accordance with a certain protocol or set of rules, and using conventional wagering apparatus. Even if recited game rules themselves are novel, a claim directed to a conventional gaming machine coupled with a set of rules for play, without any technological improvements associated with the claimed device or process, is ineligible for patenting because it is an improper attempt to reserve for the prospective patentee exclusive rights to an abstract idea—the game rules themselves. *In re Smith*, 815 F.3d at 818.

CONCLUSION

The Examiner's rejection is AFFIRMED.

DECISION SUMMARY

Claim(s)	35 U.S.C. §	Basis/Reference(s)	Affirmed	Reversed
1-20	101	non-Statutory Subject Matter	1-20	

TIME PERIOD FOR RESPONSE

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED