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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte BRADLEY G. WARD
and ANTHONY N. CABOT

Appeal 2010-005500
Application 10/422,395
Technology Center 3700

Before ALLEN R. MacDONALD, LINDA E. HORNER, and
KEN B. BARRETT, *Administrative Patent Judges*.

MacDONALD, *Administrative Patent Judge*.

DECISION ON APPEAL[1]

[1] The two-month time period for filing an appeal or commencing a civil action, as recited in 37 C.F.R. § 1.304, or for filing a request for rehearing, as recited in 37 C.F.R. § 41.52, begins to run from the "MAIL DATE" (paper delivery mode) or the "NOTIFICATION DATE" (electronic delivery mode) shown on the PTOL-90A cover letter attached to this decision.

STATEMENT OF CASE

Introduction

Appellants appeal under 35 U.S.C. § 134 from a final rejection of claims 1-15. We have jurisdiction under 35 U.S.C. § 6(b).

Exemplary Claim

Exemplary independent claim 1 under appeal reads as follows:

> 1. A method of playing a game comprising the steps of:
>
> displaying a field of cards in a face-down position;
>
> dealing to a player a set of dealt cards, the combination of dealt cards and cards in said field of cards comprising less than 52 cards and yielding at least one possible combination of a Royal Flush;
>
> accepting input regarding none, one or more or all of said dealt cards which said player wishes to discard;
>
> accepting selection from said field of cards a replacement card for each discarded card;
>
> forming a player hand from cards from said set of dealt cards not discarded along with any replacement cards; and
>
> determining the outcome of said game by determining if said player hand is a winning hand.

Rejections

1. The Examiner rejected claims 1-15 under 35 U.S.C. § 101 as lacking patentable utility.[2]

2. The Examiner rejected claims 1-8, 10-13, and 15 under 35 U.S.C. § 103(a) as being unpatentable over the combination of Suan (US 6,149,157) and Moody (US 5,823,873).

[2] Both the Examiner and Appellants have discussed and argued this rejection as a non-statutory subject matter rejection. Therefore, we have treated this as a non-statutory subject matter rejection under § 101.

3. The Examiner rejected claims 9 and 14 under 35 U.S.C. § 103(a) as being unpatentable over the combination of Suan, Moody, and Wilcox (US 5,019,973).

Appellants' Contentions

35 U.S.C. § 103(a) Rejections

1. Appellants contend that the Examiner erred in rejecting claims 1-8, 10-13, and 15 under 35 U.S.C. § 103(a) as being unpatentable over the combination of Suan and Moody because:

> [N]either Suan or Moody disclose a method of game play where less than a full deck of cards are used.

(App. Br. 10).

2. Also, Appellants contend that the Examiner erred in rejecting claims 1-8, 10-13, and 15 under 35 U.S.C. § 103(a) as being unpatentable over the combination of Suan and Moody because:

> [N]either reference discloses a game where . . . those cards are selected so that at least one Royal Flush card combination exists.

(App. Br. 10).

3. Additionally, Appellants contend that the Examiner erred in rejecting claims 8 and 13 under 35 U.S.C. § 103(a) as being unpatentable over the combination of Suan and Moody because:

> [N]either Suan, Moody or the other prior art discloses or teaches suggest the [highlighting] feature claimed in these claims.

(App. Br. 13).

4. Appellants contend that the Examiner erred in rejecting claims 9 and 14 under 35 U.S.C. § 103(a) as being unpatentable over the combination of Suan, Moody, and Wilcox because:

> Wilcox does not disclose or suggest the step of displaying a card which was discarded from the player's original hand, and merely discloses the display of additional cards which are used to play the game.

(App. Br. 14).

35 U.S.C. § 101 Rejection

5. Appellants contend that the Examiner erred in rejecting claims 1-15 under 35 U.S.C. § 101 because:

> Implicit in the Examiner's rejection is that "transformation" is required in order for an invention to be patentable, and that such is lacking in the claimed subject-matter. This is both erroneous in view of the law and the claimed subject-matter.

(App. Br. 7). Also, Appellants contend that the Examiner erred because:

> [T]he Examiner provides no legal support for the position that "transformation" is required in a claimed method of game play, or that a method of game play without tangible payment of winnings causes such a method to lack transformation. In fact, the Examiner's position flies in the face of legal precedent relating to Section 101, as delineated in Appellants' Appeal Brief.

(2008 Reply. Br. 3).

6. Further, Appellants contend that the Examiner erred because:

> The invention as claimed neither contains nor attempts to claim an exclusive right in a principle in the abstract, a fundamental truth, an original cause, or motive. The invention is directed to a partial-deck poker game with a guaranteed royal flush opportunity and explicitly claims a method for the same which does not utilize abstract ideas, but rather recites a sequence of well-defined steps defining a card game.

(2008 Reply Br. 2).

7. Appellants contend that the Examiner erred because:

> Assuming the Examiner is treating Appellants' claimed method as an "algorithm", Appellants note that an algorithm can be patentable if the algorithm is applied in a "useful" way. The courts have previously held that such "use" or "utility" is established when there is a "useful, concrete and tangible result." *State Street Bank & Trust Co. v. Signature Financial Group, Inc.*, 47 USPQ2d 1596 (Fed. Cir. 1998).

(App. Br. 7). A variant of this contention is repeated in the 2008 Reply Brief.

8. Additionally, Appellants contend that the Examiner erred because:

> If the Examiner's position is to be believed, essentially every method of game play is unpatentable under Section 101. In fact, based upon the Examiner's position, the three prior art references which the Examiner cited are all invalid and unenforceable because they do not comply with Section 101, as are literally thousands of patents issued by the Examiner's art group.

(App. Br. 8). A variant of this contention is repeated in the 2008 Reply Brief.

ISSUES

Did the Examiner err in rejecting claims 1-15 under 35 U.S.C. § 103(a) because the cited references do not teach limitations required by these claims?

Did the Examiner err in rejecting claims 1-15 under 35 U.S.C. § 101 because these claims are directed to statutory subject matter?

PRINCIPLES OF LAW

Under the Patent Act of 1952, subject matter patentability is a threshold requirement. "Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title." 35 U.S.C § 101.

Recently in *Bilski v. Kappos*, 130 S. Ct. 3218, 3225 (2010), the Supreme Court emphasized again that excluded from the patentable subject matter are "laws of nature, natural phenomena, and abstract ideas." Also, with regard to the so called "machine-or-transformation test"[3] the Court in *Bilski*, 130 S. Ct. at 3227, made clear:

> This Court's precedents establish that the machine-or-transformation test is a useful and important clue, an investigative tool, for determining whether some claimed inventions are processes under § 101. The machine-or-transformation test is not the sole test for deciding whether an invention is a patent eligible "process."

[3] A claimed process is surely patent-eligible under § 101 if: (1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing. *In re Bilski*, 545 F.3d 943, 954 (Fed. Cir. 2008).

In response to the Court's decision in *Bilski*, the USPTO has issued interpretive guidance.[4] At page 43924**,** the USPTO Interim Guidance for Determining Subject Matter Eligibility for Process Claims in View of *Bilski v. Kappos* (July 27, 2010)[5], states:

> The Office has been using the so called ''machine-or-transformation'' test used by the Federal Circuit to evaluate whether a method claim qualifies as a statutory patent-eligible process. See Interim Examination Instructions For Evaluating Subject Matter Eligibility Under 35 U.S.C. 101 dated August 24, 2009 (''2009 Interim Instructions''). The Supreme Court stated in Bilski that the machine-or-transformation test is a ''useful and important clue'' and ''investigative tool'' for determining whether some claimed methods are statutory processes, but it ''is not the sole test for deciding whether an invention is a patent-eligible 'process.''' Slip op. at 8. Its primary objection was to the elevation of the machine-or-transformation test—which it considered to be ''atextual''—as the ''sole test'' for patent-eligibility. Slip op. at 6–8, 16. To date, no court, presented with a subject matter eligibility issue, has ever ruled that a method claim that lacked a machine or a transformation was patent-eligible. However, Bilski held open the possibility that some claims that do not meet the machine-or-transformation test might nevertheless be patent-eligible.

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[4] The Interim Guidance was posted on the USPTO's official website with a notice requesting public comment and indicating a deadline for receipt of comments. Though not required to do so, the USPTO also published a request for comments in the Federal Register. See Request for Comments on Interim Guidance for Determining Subject Matter Eligibility for Process Claims in View of *Bilski v. Kappos*, 75 Fed. Reg. 43,922 (July 27, 2010) ("Request for Comments"). The Request for Comments included an explanation that the Interim Guidance was interpretive guidance based on the USPTO's current understanding of the law.

[5] Available at http://www.uspto.gov/patents/law/exam/bilski_guidance_27jul2010.pdf.

The USPTO Interim Guidance at page 43924 also states:

> Prior to adoption of the machine-or-transformation test, the Office had used the ‘‘abstract idea’’ exception in cases where a claimed ‘‘method’’ did not sufficiently recite a physical instantiation. See, e.g., *Ex parte Bilski*, No. 2002–2257, slip op. at 46–49 (B.P.A.I. Sept. 26, 2006) (informative), *http://www.uspto.gov/ip/boards/bpai/decisions/inform/fd022257.pdf*. Following *Bilski*, such an approach remains proper. A claim that attempts to patent an abstract idea is ineligible subject matter under 35 U.S.C. 101. *See* slip op. at 13 (‘‘[A]ll members of the Court agree that the patent application at issue here falls outside of § 101 because it claims an abstract idea.’’). The abstract idea exception has deep roots in the Supreme Court’s jurisprudence. *See id*. at 5 (citing *Le Roy v. Tatham*, 55 U.S. (14 How.) 156, 174–175 (1853)).

and

> [T]he Bilski claims were said to be drawn to an ‘‘abstract idea’’ despite the fact that they included steps drawn to initiating transactions. The ‘‘abstractness’’ is in the sense that there are no limitations as to the mechanism for entering into the transactions.

ANALYSIS

We have reviewed the Examiners’ rejections in light of Appellants’ arguments (Appeal Brief and Reply Brief) that the Examiner has erred.

35 U.S.C. § 103(a) Rejections [6]

We disagree with Appellants as to contention 1 above. We concur with the conclusion reached by the Examiner that the combination of Suan

[6] Should there be further prosecution of this application. We recommend that the Examiner consider the June 1, 1999, Patent of Andrews (US 5,908,353) directed to Royal Card Poker; the May. 8, 2003 published application of Webb (US 2003/0087684 A1) filed Nov. 6, 2002; and the April 24, 2001 patent of Holmes (US 6,220,959 B1).

and Moody teaches or suggests a game play where less than a full deck of cards is used. Just as Appellants disclose (Spec. ¶ [0060]) and claim, Moody teaches a conventional 52-card deck from which a first group of cards (fig. 1, item 20) is displayed in a faced down position and a second group of cards (fig. 1, item 40) is dealt with replacement cards for the second group being selected from the first group. (Moody 2:34-59). Clearly the first and second groups total less than 52 cards.

While we disagree with Appellants' contention 1, we agree with the Appellants' contentions 2-4 above. In particular, we agree that neither Suan nor Moody discloses a game where cards are selected so that at least one Royal Flush card combination exists or highlighting those cards yielding a combination of a Royal Flush when the player's hand did not comprise a Royal Flush. We further find that Wilcox does not disclose or suggest displaying a card which was discarded from the player's original hand.

35 U.S.C. § 101 Rejection

Appellants' contentions numbered as 5 and 6 above present arguments to the effect that the Examiner has erred because the Examiner has "required" that a transformation be present and Appellants' claims are not directed to an abstract idea. We disagree.

First, we find no such requirement in the rejection. In the rejection, the Examiner stated, "Applicant's claimed invention is nothing more than an abstract idea, since there is no transformation." (Off. Communication dated March 23, 2005). For the reasons that follow, we agree with the Examiner that the claims are directed to nothing more than an abstract idea.

While the machine-or-transformation test is not the sole test, the machine-or-transformation test is a useful and important clue, an investigative tool, for determining whether some claimed inventions are processes under § 101. *Bilski*, 130 S. Ct. at 3227. We agree with the Examiner that there is insufficient transformation in the claims. We further add that on their face the claims are not tied to a particular machine or apparatus. At best, the claims recite change of position or location of cards. Recent guidance from the USPTO makes clear that even if change of position or location were considered to be a transformation such is insufficient and weighs against patent eligibility. 75 Fed. Reg. at 43,927 ("Factors Weighing Against Eligibility"). Further, the claimed "cards" are not limited to particular apparatus or articles as Appellants' Specification states that the claimed cards are inclusive of "physical playing cards" and "images of cards." (Spec. ¶¶ [0051] and [0052]). As such, the claimed method is directed to a general concept that it so abstract and sweeping as to cover both known and unknown uses of the concept and be performed through any existing or future-devised machinery. *See* 75 Fed. Reg. At 43925 (Factor D.(2)).

We conclude that Appellants' claims contain no limitations as to the mechanism for playing the game. The claimed method does not sufficiently recite a physical instantiation. We conclude that Appellants' claims attempt to patent an abstract idea which is ineligible subject matter under 35 U.S.C. § 101.

As to Appellants' contention numbered as 7 above that the Examiner has erred because the Examiner has failed to follow the "useful, concrete and

tangible" test of *State Street*. We disagree. Our reviewing court also has determined that the "useful, concrete, and tangible result" test associated with *State Street Bank & Trust Co. v. Signature Financial Group, Inc.*, 149 F.3d 1368, 1373 (Fed. Cir. 1998) is inadequate. *In re Bilski*, 545 F.3d 943, 959-960 (Fed. Cir. 2008) (en banc); *see also Bilski v. Kappos*, 130 S. Ct. 3218, 3231 (2010) ("[N]othing in today's opinion should be read as endorsing interpretations of § 101 that the [CAFC] has used in the past. See, *e.g., State Street*, 149 F.3d, at 1373; *AT&T Corp.v. Excel Communication, Inc.*, 172 F.3d, 1355, 1357 (Cir. Fed. 1999))."

Appellants' contention numbered as 8 above presents arguments regarding the impacts of other patents with respect to the § 101 rejection of the claims on appeal. The Court of Customs and Patent Appeals, predecessor court to the Court of Appeals for the Federal Circuit, held that "[e]ach case is determined on its own merits. In reviewing specific rejections of specific claims, this court does not consider allowed claims in other applications or patents." *In re Gyurik*, 596 F.2d 1012, 1018 n.15 (CCPA 1979) (citations omitted). As our reviewing court directs, we will not consider the allowed claims in other patents in determining the patentability of the claims under appeal.

Because the rationale in support of our conclusion as to the rejection under § 101 differs substantially from the rationale of the Examiner, we designate this affirmance as a new ground of rejection.

37 C.F.R. § 41.50(b)

37 C.F.R. § 41.50(b) provides that, "[a] new ground of rejection pursuant to this paragraph shall not be considered final for judicial review."

37 C.F.R. § 41.50(b) also provides that the Appellants, *WITHIN TWO MONTHS FROM THE DATE OF THE DECISION*, must exercise one of the following two options with respect to the new grounds of rejection to avoid termination of proceedings (37 C.F.R. § 1.197 (b)) as to the rejected claims:

> (1) *Reopen prosecution.* Submit an appropriate amendment of the claims so rejected or new evidence relating to the claims so rejected, or both, and have the matter reconsidered by the examiner, in which event the proceeding will be remanded to the examiner …
>
> (2) *Request rehearing.* Request that the proceeding be reheard under 37 C.F.R. § 41.52 by the Board upon the same record …

CONCLUSIONS

(1) The Examiner has not erred in rejecting claims 1-15 as being unpatentable under 35 U.S.C. § 101.

(2) Appellants have established that the Examiner erred in rejecting claims 1-15 as being unpatentable under 35 U.S.C. § 103(a).

(3) Claims 1-15 are not patentable.

DECISION

The Examiner's rejection of claims 1-15 under 35 U.S.C. § 101 is affirmed.

The Examiner's rejections of claims 1-15 under 35 U.S.C. § 103(a) are reversed.

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)(v).

AFFIRMED
37 C.F.R. § 41.50(b)

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