

IN RE: MARCO GULDENAAR HOLDING B.V., Appeal No. 2017-2465 (Fed. Cir. December 28, 2018). Before Chen, Mayer, and Bryson. Appealed from the P.T.A.B.

### Background:

Applicant sought a patent for a method of playing a casino dice game, wherein three dice are marked with an identical marking on one, two, or three faces and the remaining faces are left blank. The claims at issue, e.g., claim 1, further recite the steps of wagering, rolling the dice, and paying the winners. The Examiner rejected the claims as being directed to patent-ineligible subject matter. In particular, the Examiner found that the claims are directed to the abstract idea of "rules for playing a game," which falls within the realm of "methods of organizing human behavior." Under step two of the *Alice* framework, the Examiner found that claim 1 does not amount to significantly more than the abstract idea. The PTAB affirmed this rejection on appeal. Applicant then appealed to the Federal Circuit.

### Issue/Holding:

Did the PTAB err in holding the claims invalid under 35 U.S.C. §101? No, affirmed.

### Discussion:

The Federal Circuit evaluated the claims under the two-step approach laid out in *Alice*. In step one, the Federal Circuit agreed with the PTAB's ruling that claim 1, which was treated as a representative claim, is directed to an abstract idea. In particular, the court analogized the subject matter of claim 1 to the claims in *In re Smith*, 815 F.3d 816 (Fed. Cir. 2016), in which the Federal Circuit previously held that "a method of conducting a wagering game using a deck of playing cards was drawn to an abstract idea." The court went on to reiterate the connection between wagering games and the subject matter at issue in *Alice* and *Bilski*, saying "a wagering game is, effectively, a method of exchanging and resolving financial obligations based on probabilities."

In step two, the Federal Circuit found that claim 1 does not contain an inventive concept sufficient to transform the claim into a patent-eligible application of the abstract idea. Specifically, the court found that the steps of (i) placing a wager; (ii) rolling the dice; and (iii) paying a payout are conventional and thus, like the steps of shuffling and dealing playing cards in *Smith*, insufficient to recite an inventive concept. Additionally, the Federal Circuit found that the recited markings on the faces of the dice constitute printed matter, which falls outside of the scope of §101. Similar to the markings on a typical die or a deck of cards, the markings at issue merely communicate information indicating whether a player has won or lost the wager. Thus, the Federal Circuit affirmed the PTAB's decision upholding the rejection under §101.

Judge Mayer concurred, departing from the majority on two key issues. First, while the majority stated that patent eligibility under §101 is "a question of law that may contain underlying issues of fact," Judge Mayer argued that patent eligibility is a pure question of law that should be resolved at the earliest stages of litigation. Second, although the majority said that rules for a game may still be patent eligible if the claims recite an inventive concept, Judge Mayer asserted that *Alice* "articulated a 'technological arts' test for patent eligibility" and that all dice, card, and board games should be categorically barred from patent protection.

1. A method of playing a dice game comprising:

providing a set of dice, the set of dice comprising a first die, a second die, and a third die, wherein only a single face of the first die has a first die marking, wherein only two faces of the second die have an identical second die marking, and wherein only three faces of the third die have an identical third die marking;

placing at least one wager on at least one of the following: that the first die marking on the first die will appear face up, that the second die marking on the second die will appear face up, that the third die marking on the third die will appear face up, or any combination thereof;

rolling the set of dice; and

paying a payout amount if the at least one wager occurs.