PATENTS ACT 1977

IN THE MATTER OF
Application No. GB 9715667.3
in the name of Bilgrey Samson Ltd

DECISION

Introduction

1. Patent application number GB 9715667.3 entitled, "Amusement-with-prizes Apparatus", was filed on 24 July 1997, and is proceeding in the name of Bilgrey Samson Ltd.

2. In very general terms, the application relates to an amusement apparatus of the type in which a player causes a set of reels to rotate, symbols being present along the edge of each reel; the objective being to stop the reels with the same symbol in alignment in order to win a prize. Such apparatus is usually located in an amusement arcade.

3. A search report under section 17 issued on 9 October 1998, citing several documents as relevant prior art. The application was then published on 3 February 1999 as GB 2327794 A. In March 2000, following publication of the application, third party observations were filed under section 21, indicating further examples of prior art that were subsequently raised during substantive examination.

4. The first examination report under section 18(3) was issued on 3 May 2000, and in it the examiner reported, among other things, that the invention was not new having regard to several earlier patent applications. The claims of the application were amended several times to overcome the examiner's novelty objection, but as a result of these amendments, the examiner raised a further objection as he considered that the invention as claimed related to a rule, scheme or method for doing business. At the same time, the examiner objected that the amended claims were not clear because they used a number of subjective and/or comparative expressions to describe the specific location of the apparatus within an amusement arcade.

5. The file shows that there have been several further rounds of correspondence between the examiner and the agent representing the applicant, but these further exchanges do not appear to have taken the position much further forward. The examiner and the applicant's agent then concluded that further correspondence was unlikely to resolve the matter of patentability, and the applicant duly requested a hearing. That hearing took place on 23 November 2001, using a video conferencing facility. The inventor, Mr Mark Stanley, attended the hearing and was represented by Mr Laurence Shaw of Laurence Shaw & Associates Limited.

The Invention

6. As stated above, the application concerns an amusement apparatus of the type in which the player causes one or more reels of a set of reels to rotate, symbols being present along the edge of each reel, the objective being to stop the reels with the same symbol in alignment in order to win a prize. The specific apparatus described and claimed in this application has **two sets of reels**, horizontally aligned; each set of reels relates to a separate game. (To accommodate the additional set of reels, the housing of the apparatus is slightly wider than the usual single-reel apparatus.) The apparatus has a single coin acceptor which is common to

both games, and also a common payout mechanism for dispensing prize money. Furthermore, the two games are controlled by one processor within the apparatus. Nevertheless, the two games are strictly independent in the sense that the outcome of one game cannot influence the outcome of the other.

7. Mr Shaw and Mr Stanley accepted at the hearing that an amusement apparatus with two sets of reels had been described in the prior art before the filing date of this application. Nevertheless, it appears that nobody had been producing such an arrangement on a commercial scale at that time.

8. In one embodiment, a player inserts a one pound coin to obtain eight credits; each credit being sufficient for one game on the apparatus — four games on each set of reels. The machine automatically starts the left hand set of reels when a start button is pressed, then the right hand set, alternating between the two sets until all the credits have been used up.

9. In an alternative embodiment, the player may choose between the left hand and right hand sets of reels by pressing appropriate buttons on the front panel of the apparatus. By letting the player choose which set of reels to play, he or she may feel that the outcome of the game can be influenced, even though the apparatus is not designed to make this technically possible.

10. As the application says, the reason for putting two sets of reels in one cabinet is to attract custom to what is described in the application as dark and uninviting corners of an amusement arcade. Mr Stanley enlarged upon this at the hearing. He explained that most amusement arcades have one or more areas that do not naturally attract visitors, perhaps because of the layout of the arcade, or because of one or more structural features (eg. pillars, lift shafts etc) that are a fixed part of the building. One object of Mr Stanley's invention is therefore to provide an apparatus which is particularly attractive to use, and which may be suitable for positioning in an otherwise unattractive area within an arcade.

11. The application also explains that an arcade operator pays a licence duty or tax for each apparatus according to the cost of the play charged to the player, and the value of the prize(s) awarded. However, machines that are cheap to play are currently exempt from this tax. At the time this application was filed, no tax was levied on machines where the cost of play was 5p or less, and the prize did not exceed £4. In contrast, a machine for which play cost 25p attracted an annual duty of £535.

12. At the time of the hearing, claim 1 as amended read as follows:

> 1) Amusement-with-prizes apparatus for use in an amusement arcade or the like, the apparatus comprising a housing having at least two game sets on a face of the housing arranged to convey the impression of at least two gaming machines in one housing; each set comprising rotary reels having symbols along their edge; a coin acceptor mechanism arranged to accept coins and common to the sets for play; play means for each of the sets; the two sets being arranged in horizontal alignment on the front face of the housing, with respective control buttons below, the sets being spaced apart, a prize award panel being present in between and arranged to dispense a prize according to the outcome of the played set; a control selection button for the player to select which game set he wants to play next, and a processor for controlling the coin acceptor mechanism, the prize dispensing mechanism and the game sets; the processor being such that the fee for a play on either game set and the maximum value of the prizes are less than the respective amounts above which licence duty becomes payable for the apparatus.

Alternative Claims

13. The day before the hearing, the applicant sent the examiner a further four alternative claims, A, B, C and D in the hope that one or more of these alternative claims might persuade the examiner to abandon his objections. The examiner responded by telephone, confirming that in his opinion the four alternative claims would be subject to the same objections as those that he had already raised.

14. In the event, Mr Shaw addressed me in relation to the alternative claims at the hearing. He added that in his view, nothing turned on the subsidiary claims on the official file. The four alternative claims were not examined in any great detail at the hearing, but nonetheless I have reproduced them below:

A An amusement-with-prizes apparatus comprising a housing having at least two game sets on a face of the housing, each set comprising rotary reels having symbols along their edge, the reels being mounted in alignment, a coin acceptor mechanism common to the sets arranged to accept a coin or token; play means for each of the sets; a prize dispensing mechanism arranged to dispense a prize according to the outcome of play of a played set; and apportioning means constructed and arranged to apportion the cost of playing each game and the prize awarded by each game between the sets so that the cost of playing each game and the prize awarded for each game are below predetermined threshold values that would attract an annual licence fee payable by the operator of the apparatus.

B An amusement arcade or hall having amusement-with-prizes apparatus, the arcade or hall having an otherwise dark or uninviting corner, the corner being provided with an amusement-with-prizes apparatus comprising a housing having at least two game sets on a face of the housing, each set comprising rotary reels having symbols along their edge, the reels being mounted in alignment, a coin acceptor mechanism common to the sets arranged to accept a coin or token; play means for each of the sets; a prize dispensing mechanism arranged to dispense a prize according to the outcome of play of a played set; and apportioning means constructed and arranged to apportion the cost of playing each game and the prize awarded by each game between the sets so that the cost of playing each game and the prize awarded for each game are below predetermined threshold values that would attract an annual licence fee payable by the operator of the apparatus, whereby that corner appears to be lit up by the appearance of the two or more game sets.

C A method of attracting a player to an otherwise dark or uninviting corner of an amusement arcade or hall, the method comprising locating in that corner, an amusement-with-prizes apparatus comprising a housing having at least two game sets on a face of the housing, each set comprising rotary reels having symbols along their edge, the reels being mounted in alignment, a coin acceptor mechanism common to the sets arranged to accept a coin or token; play means for each of the sets; and a prize dispensing mechanism arranged to dispense a prize according to the outcome of play of a played set; and apportioning means constructed and arranged to apportion the cost of playing each game and the prize awarded by each game between the sets of games so that the cost of playing each game and the prize awarded for each game are below predetermined threshold values that would attract an annual licence fee payable by the operator of the apparatus, whereby the two game sets lit up that corner.

D A method of operating an amusement-with~prizes apparatus that comprises a housing having at least two game sets on a face of the housing, each set comprising rotary reels having symbols along their edge, the reels being mounted in alignment, a coin acceptor mechanism common to the sets arranged to accept a coin or token: play means for each of the sets; a prize dispensing mechanism arranged to dispense a prize according to the outcome of play of a played set; and apportioning means constructed and arranged to apportion the cost of playing each game and the prize awarded by each game between the sets of games so that the cost of playing each game and the prize awarded for each game are below predetermined threshold values that would attract an annual licence fee payable by the operator of the apparatus, and wherein a player is allowed to select which game set to play and insert a coin or token to commence play, the method comprising the steps of:

a) apportioning the value of the coin or token inserted by the player between the game sets so that the player effectively pays a sum or token for each game that is at a value less than that which qualifies for payment of an annual licence duty by the operator of the apparatus, and

b) restricting the maximum value of the prize for each game to a value less than a predetermined value that qualifies for the payment of an annual licence duty by the operator of the apparatus.

Scheme, Rule or Method for Doing Business

15. The examiner has objected that the claims of the present application relate to a rule, scheme or method for doing business as such. This objection is based on section 1(2)(c) of the Act, the essential parts of which read:

> 1(2) It is hereby declared that the following (among other things) are not inventions for the purposes of this Act, that is to say, anything which consists of -
>
> (a) ...
>
> (b) ...
>
> (c) a scheme, rule or method for performing a mental act, playing a game or doing business, or a program for a computer;
>
> (d) ...
>
> but the foregoing provision shall prevent anything from being treated as an invention for the purposes of this Act only to the extent that a patent or application for a patent relates to that thing as such.

16. This particular section of the Act corresponds to articles 52(2) & (3) of the European Patent Convention (EPC). As section 130(7) of the Act confirms, these respective provisions are so framed as to have, as nearly as practicable, the same effect. It is also well established[1] that whilst I am bound by the decisions of courts in the United Kingdom, I must have regard to the decisions of the European Boards of Appeal, at least insofar as they relate to these particular articles of the Convention.

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[1] *Gale's Application* [1991] RPC 305, *Merrell Dow Pharmaceuticals v H.N. Norton* [1996] RPC 76, *Bristol Myers Squibb v Baker Norton Pharmaceuticals* [1999] RPC 253

17. The prior art that has been cited by the examiner shows a similar piece of apparatus having two sets of reels. In the light of this prior art, Mr Shaw and Mr Stanley agreed at the hearing that there was nothing novel or inventive about the particular apparatus disclosed in the application in suit. Mr Shaw submitted that the technical contribution made by Mr Stanley's invention is the idea of using such a piece of apparatus in a particular location within an amusement arcade that would otherwise not attract custom. More specifically, Mr Shaw emphasised that the technical aspect lies in the combination of the two sets of reels (which themselves provide more illumination than the usual single set of reels), and the selection of a game charge and prize level below the level at which duty becomes payable.

18. Notwithstanding Mr Shaw's submission, these two aspects appear to me to be entirely unrelated. They do not combine in any particular way to achieve the object stated in the application. There is thus no synergy between them, and they can be regarded as a collocation of two separate ideas, each of which is intended to improve the profitability of an underused area within an amusement arcade. Nevertheless, in view of Mr Shaw's submission, and because I believe that I must consider each claim as a whole, I have not reached my decision by considering only the patentability of the two aspects of the invention in isolation.

19. Several decided cases have been referred to in the correspondence on the official file, most notably Merrill Lynch's Application[2] and Fujitsu Limited's Application[3], but none were referred to during the course of the hearing. Mr Shaw presented his client's case on the understanding that if he could show that the invention described and claimed in the application involved a technical contribution, then the application could not be refused on the ground that it related to an excluded thing as such — ie. a method of doing business.

20. Mr Shaw likened his client's invention to a chemical process that operates within a given temperature range. He submitted that one might, by careful research work, identify a particular sub-range of temperatures that was particularly efficient, and that such an invention would be regarded as providing a technical contribution. In Mr Shaw's opinion, this was not materially different from his client asking "What sort of machine should I select in order to get the optimum value out of my floor space?"

21. Mr Stanley said that he had installed prototypes of his invention in some of the least profitable locations within his amusement arcades, and every week he had recorded the income from each machine. The particular combination that he is now claiming in this application is, according to Mr Stanley, proven to be effective at attracting customers to areas that would otherwise be wasted space.

22. I have to say that Mr Shaw's argument has a certain logic to it, but, after giving the matter careful consideration, I am not convinced that the methods or apparatus claimed in this application involve a technical contribution merely because they can be compared to a technical process in another field. It seems to me that if Mr Shaw's hypothetical chemical invention involves a technical contribution, it is because of the technical field in which the invention is made, and not because of the manner in which it was made - eg. repeated trials.

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[2]*Merrill Lynch's Application* [1989] RPC 561

[3]*Fujitsu Limited's Application* [1997] RPC 608

23. I should perhaps make it clear that the economic or financial merit of Mr Stanley's invention has no bearing on my decision in this matter. Mr Stanley struck me as being a very experienced business man, and he clearly knows a lot about running amusement arcades. I have no difficulty accepting that his invention could be very effective, and in particular that his method of operating an amusement apparatus makes very good business sense. But such considerations are largely irrelevant to the issue of patentability.

24. Mr Shaw submitted that translating the yield into pounds and pence rather than into grammes or degrees Centigrade would not affect the substance of the invention. But in view of the exclusions to patentability listed in section 1(2) of the Act, I think that in this case it must affect the *patentability* of the invention. The Act expressly forbids the patenting of methods of doing business as such. Taking the best view I can of the matter, it is clear to me that the invention, both as described and as claimed, in this application is a rule, scheme or method for doing business.

25. I have reached the same conclusion whichever way I look at it. More specifically, I have considered each of the claims that Mr Shaw presented, but I cannot see that any of them avoids the exclusion of section 1(2). I have also read the application in its entirety, and I cannot envisage any amendment to the claims that would be allowed having regard to section 76, and that would overcome the exclusions to patentability.

Other Matters

26. There are a number of respects in which the invention is not clearly defined in the claims, despite the amendments that have already been made. As I have found that the application must be refused, these are matters of comparatively little significance. Nevertheless, they were discussed at the hearing, and for the sake of completeness I shall mention them here.

27. Firstly, the invention is defined in part by reference to the threshold at which licence duty is payable on amusement apparatus. When the application was filed, no duty was charged on machines where the cost of play is 5p or less, and the prize does not exceed £4 cash. But if the threshold at which duty is payable was subsequently changed, then a machine that was previously *outside* the scope of the claim could easily come within the scope of the claim. Indeed, Mr Stanley confirmed at the hearing that since the application was filed, the threshold has been increased to 10p per game.

28. Mr Shaw submitted that the relevant tax thresholds were widely publicised among manufacturers of amusement apparatus, and that since they were the relevant public in this field, there was no ambiguity over the scope of the monopoly sought. With respect to Mr Shaw, I do not agree. It is well established that the claims of a patent must be sufficiently self-contained to provide a reasonable degree of certainty as to their precise scope. In my view, a claim that defines the protection sought in terms of the particular tax thresholds prevailing at any given time does not define the matter clearly — as required by section 14(5).

29. Secondly, some of the claims define the invention in terms of a method of attracting a player to "an otherwise dark or uninviting corner" of an amusement arcade. The examiner has objected that this expression is unclear because it is too subjective. Mr Shaw did enlarge upon this definition at the hearing, but I am not sure that his explanation was significantly more precise than the original expression.

Summary

30. In summary I have decided that the invention as described and as claimed in this application is a rule, scheme or method for doing business as such. Accordingly I hereby refuse the application under section 18(3) on the grounds that the invention claimed therein is excluded by section 1(2)(c).

Appeal

31. This being a substantive matter, any appeal from this decision must be lodged within six weeks of the date of this decision.

Dated this 18th day of December 2001

Stephen Probert
Principal Examiner, acting for the Comptroller
PATENT OFFICE