



BL O/077/07

15 March 2007

PATENTS ACT 1977

APPLICANT

IGT

ISSUE

Whether patent application number GB
0501495.6 complies with section 1(2)

HEARING OFFICER

R C Kennell

DECISION

Introduction

- 1 This application relates to controlling the distribution of outcomes in the payable of a gaming machine. It was filed as an international application on 22 July 2003, claiming a priority date of 31 July 2002 from an earlier US application, and was published under serial no. WO 2004/012158 on 5 February 2004. It has been reprinted under serial no. GB 2407521 A by the Patent Office.
- 2 The claims have been amended during the prosecution of the application. Although this has distinguished the prior art cited by the examiner to show lack of inventive step, the applicant has been unable to persuade the examiner that the invention is patentable within the meaning of section 1(2) of the Act. I am deciding this matter on the basis of the papers on file at the request of the applicant.

The invention and the prior art

- 3 As explained in the letter of 4 January 2007 from the applicant's patent attorney enclosing the latest amendments to the claims, the reels conventionally used in gaming machines have predetermined sequences of symbols each requiring the generation of a plurality of numbers in order to select a result (eg a particular combination of symbols) and generate an outcome (eg an award) for the player. The letter says that these sequences limit the results that can be obtained, so that the machine is not generally in control of the frequencies of awarding large, medium and small outcomes, the process being essentially random. However, the invention only needs one random number to be generated in order to select a result, and in consequence a large variety of results can be displayed, apparently randomly, whilst retaining control over the outcome.
- 4 The claims in their latest form comprise independent claims as follows: claims 1

and 33 to a gaming device, claim 8 to a method for setting a payable in a gaming device, claim 15 to a method for producing a result in a gaming device, and claim 19 to a method of replicating an existing payable of a first gaming device for a second gaming device. In all of these the different results are classified into sets producing the same outcome with all results producing the same outcome being in the same set; the results are numbered and stored in a memory with the outcomes; and a processor randomly selects one of the outcomes, selects one of the numbers in the set which produces that outcome and displays the selected result. More specifically, all except claim 19 specify that the outcomes are associated in the memory with predetermined probabilities; on the basis of these the processor randomly selects a value from a quantity of values which is evenly divisible by the quantity of results in each set and determines the outcome associated with the randomly selected value.

The law and its interpretation

5 The relevant parts of section 1(2) read (emphasis added):

“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 –

... ;

(c) a **scheme, rule or method** for performing a mental act, **playing a game** or doing business or a **program for a computer**;

... ;

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.**”

6 On 27 October 2006, the Court of Appeal delivered its judgment in the matters of *Aerotel Ltd v Telco Holdings Ltd* and *Macrossan’s Application* [2006] EWCA Civ 1371 (hereinafter “*Aerotel/Macrossan*”). In this case the court reviewed the case law on the interpretation of section 1(2) and approved a new four-step test for the assessment of patentability, namely:

- 1) Properly construe the claim
- 2) Identify the actual contribution (although at the application stage this might have to be the alleged contribution)
- 3) Ask whether it falls solely within the excluded matter
- 4) Check whether the actual or alleged contribution is actually technical in nature.

7 In a notice published on 2 November 2006¹, the Patent Office stated that the new test would be applied by examiners with immediate effect. As appears from paragraphs 17 – 18, it is not expected that this will fundamentally change

¹ <http://www.patent.gov.uk/patent/p-decisionmaking/p-law/p-law-notice/p-law-notice-subjectmatter.htm>

the boundary between what is and is not patentable in the UK, except possibly for the odd borderline case. Although the approach differs from that currently adopted by the European Patent Office in *Hitachi* (T 0258/03), it is expected that the result will be the same in nearly every case.

- 8 Of course, by virtue of section 130(7) of the Act, section 1(2) is so framed as to have, as nearly as practicable, the same effects as the corresponding provisions of the European Patent Convention. However, the decisions of the Boards of Appeal of the EPO under Article 52 of the EPC do not bind me, and their persuasive effect must now be limited in view of the contradictions in the Boards' decisions highlighted by the Court of Appeal in *Aerotel/Macrossan* and its express refusal to follow EPO practice.

Arguments and analysis

- 9 I do not think that the application of the first step of the *Aerotel/Macrossan* test – the construction of the claims – presents any difficulty, even though the wording of claim 19 is not on all fours with that of the remaining independent claims.
- 10 On the face of it, the examiner and the applicant do not agree as to how the contribution of the invention is to be assessed for the second step of the test. The examiner regards it as an alternative way of providing and operating a payable, but the applicant believes it to be more properly defined as a new and improved way of structuring the determination of outcomes to be provided to players in the form of a result selection mechanism. As paragraph 43 of *Aerotel/Macrossan* explains, the question is what the inventor has really added to human knowledge as a matter of substance, and on this basis I do not think there is any real difference between the examiner and the applicant. It seems to me that the structuring of the determination of the outcomes arises out of the way in which the payable is set up, and so with a nod to both camps I would define the contribution of the invention as the provision and setting of a payable in a way which improves the structuring of the outcomes provided to players of gaming machines.
- 11 The heart of the dispute lay in the third step and the extent to which the alleged technicality of the contribution was relevant. As the applicant saw it, the contribution provided a technical solution to a technical problem in that it enabled a large variety of possible results to be provided whilst retaining control over the frequency of various levels of outcome; hitherto these two desiderata had generally conflicted. The examiner however maintained that the invention was still excluded as a rule, scheme or method for playing a game and/or as a program for a computer, and that even if it could be shown that the contribution did not reside solely in these areas as required by the third step of the test, the invention would still be excluded under the fourth step because the contribution was not technical in nature.
- 12 Paragraphs 41 and 45 – 47 of *Aerotel/Macrossan* make it clear that the new test is a re-formulation of that in *Merrill Lynch's Application* [1989] RPC 561 in which it was emphasised that inventive excluded matter could not count as a

technical contribution. The fourth step of checking whether the contribution was technical, although necessary if *Merrill Lynch* was to be followed, might not need to be carried out because the third step – asking whether the contribution is solely of excluded matter – should have covered the point. It therefore seems to me that (notwithstanding the reference in *Merrill Lynch* to the EPO decision in *Vicom* (T 208/84) stressing the importance of a technical contribution) the presence of a technical contribution is now no more than a subsidiary factor, and need be considered as a fourth step only where the invention passes the first three *Aerotel/Macrossan* steps.

- 13 Does then the contribution of the invention reside solely in excluded matter? It seems to me that the provision and setting of the payable are essentially a set of instructions and procedures which, at least in preferred embodiments of the invention, are to be implemented on a computer in order to determine a game outcome and display a result. Thus, as is explained at page 7 of the description in relation to an embodiment including a processor accessible by a memory device, the memory device includes random access memory for storing data generated or used during the game and read only memory for storing program code which controls the gaming device to play the game in accordance with the applicable game rules and paytables. Although the description refers at page 8 to possible implementation via application-specific integrated circuits, hard-wired devices and mechanical devices, this is no more than a passing mention and I find it difficult to see how the invention could realistically be implemented other than by computer.
- 14 I think it follows that the contribution of the invention arises from the way in which the computer is programmed. However, the applicant has argued that, by analogy with the decision of the comptroller in *Sun Microsystems Inc* (BL O/057/06), the use of a program is merely a tool to implement the invention and the invention is not about how a computer program is structured or written but about what it is required to do. As the examiner has pointed out, *Sun Microsystems* was decided before the judgment in *Aerotel/Macrossan*, but even if the case is still good law (something on which I make no finding) I do not think it assists the applicant. It seems to me that any computer program can be regarded as a tool for doing something. I think the real question is whether the program is the entirety of the contribution made by the invention, considered as a matter of substance rather than the form in which it is claimed. In this case I think it is.
- 15 In case my analysis above is wrong, I should go on to consider whether the exclusion for playing games applies. The examiner has drawn attention to my earlier decision in *Acres Gaming Incorporated* (BL O/112/06) in which I stated:

“... I see no reason to regard a method, in the limit, as other than a way of doing something. I therefore consider the advance to lie in a method for playing a game, even if the way in which it is played is determined by someone (for example the casino operator) other than the player(s), or constrained by means over which they have no control.”,

and I note that a similar line was taken by the hearing officer in a previous decision on a number of IGT applications (BL O/211/06 at paragraph 33). I

share his view that this head of exclusion goes beyond what a human being (in the shape of the player) has to do to play a game. Since the contribution of the invention dictates the way in which the game is played, I think that it relates solely to a method or rule for playing a game.

- 16 I therefore believe that the contribution of the invention fails the third *Aerotel/Macrossan* step. It is accordingly not strictly necessary for me to consider whether the contribution is technical in nature. Nevertheless, I do not think that the setting of a paytable in a gaming machine to control the generation of outcomes provides a technical contribution. I accept that the invention provides a solution to the problem of reconciling a large variety of results with control of the outcomes, but I do not think that there is anything technical in either the problem or the solution.

Plurality

- 17 The question was raised during examination as to whether claim 19 related to the same invention as the remaining independent claims, but in the light of my findings above I see no need to pursue this.

Conclusion and next steps

- 18 I conclude that the invention as now claimed is excluded under section 1(2) in that it relates to a program for a computer as such and to a method or rule for playing a game as such. I do not think that any other saving amendment is possible, and I therefore refuse the application under section 18(3).

Appeal

- 19 Under the Practice Direction to Part 52 of the Civil Procedure Rules, any appeal must be lodged within 28 days.

R C KENNEL

Deputy Director acting for the Comptroller