

**PATENTS ACT 1977**

APPLICANT

IGT

ISSUE

Whether patent application number GB  
0504887.1 complies with section 1(2)

HEARING OFFICER

P M Marchant

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**DECISION**

- 1 Patent application number GB 0504887.1 entitled "Gaming Device Having a Progressive Award Funded through Skill, Strategy, or Risk Dependent Gaming Event", was filed on 23 August 2003 in the name of IGT.
- 2 The application is concerned with a method of operating gaming machines. The method offers players games in which they can exercise a level of skill, strategy or risk. A proportion of the award (whether won or lost) from this play is fed into a progressive award, ie a steadily increasing jackpot, and the player is then able to win the progressive award in games based only on chance. The underlying idea is that regular players are attracted by the element of skill, strategy and risk, but new players who will be less successful where this element is involved, are not disadvantaged in the long run.
- 3 The examiner reported during examination of the application, that the subject matter of the invention was excluded from patentability, in a number of reports issued between 11 July 2005 and 19 February 2007. The applicant argued to the contrary in their letters in response, between 9 November 2005 and 5 March 2007. The examiner was unable to accept the applicant's view, and the matter came before me for consideration on the papers.

**The invention**

- 4 The claims were amended during prosecution, and claim 1 now reads as follows:
  1. *A gaming device comprising:  
payment acceptor means;*

*a display device;  
player actuable input means; and  
a processor, wherein said processor is operable to:  
determine that a payment has been accepted;  
cause the display device to display a skill, strategy or  
risk event having a winning outcome;  
determine an outcome of the skill, strategy or risk  
event in accordance with inputs received from the player  
actuable input means; and  
provide an award when the determined outcome of  
the skill, strategy or risk event is a winning outcome,  
wherein the processor is further operable to cause a  
portion of the provided award to be allocated to a progressive  
payout fund, the progressive payout fund value being stored in a  
memory device and a progressive payout being awarded from said  
fund when a designated outcome is achieved in a game event  
separate from the said skill, strategy or risk event.*

- 5 Independent claim 31 relates to a method of operating a gaming device, corresponding to the device of claim 1 but which does not refer to use of a payment acceptor means, and which is limited to providing the portion of the award to the progressive payout fund when the player does not win the skill, strategy or risk event.
- 6 Independent claims 45, 64, 82 and 83 relate to gaming devices or methods corresponding broadly to the device and method of claims 1 and 31, but in which the skill, strategy or risk event is an “offer/acceptance” game, (that is, as explained on page 2 of the specification, a game in which the player puts at risk an award already won, for the opportunity to win a higher award). These claims do not require a “payment acceptor means” nor do they require the progressive payout fund value to be stored in a memory device. Claim 45 assumes, rather than states, the use of a processor, while claims 64, 82 and 83 do not specify the use of a processor at all.

## **The Law**

- 7 The issue in contention is whether the invention relates to matter excluded by the Act and is therefore unpatentable. The provisions in the Act relating to excluded matter are well known and are set out in section 1(2) which reads as follows:

*(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) a discovery, scientific theory or mathematical method;*

*(b) a literary, dramatic, musical or artistic work or any other*

*aesthetic creation whatsoever;*

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

*(d) the presentation of information;*

*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.*

- 8 The approved approach to determining whether matter is excluded is the four part test recently handed down by the Court of Appeal, in the *Aerotel and Macrossan*<sup>1</sup> case. The steps are as follows:
- a) Properly construe the claim
  - b) Identify the actual contribution (or, per paragraph 44 of the judgment, the alleged contribution will do at the application stage)
  - c) Ask whether it falls solely within the excluded subject matter
  - d) Check whether the actual or alleged contribution is actually technical in nature.
- 9 Paragraph 46 of the judgment adds that the fourth step may not be necessary because the third step may already have covered the point. This part of the test is in effect a longstop, to be invoked where the invention passes the first three steps.

### **The present case**

- 10 The first *Aerotel and Macrossan* step is to construe the claims. I have set out above the content of the independent claims and I do not think there is any uncertainty about their scope, apart possibly from claim 45 which refers to “the processor” without stating in terms that the invention includes a processor. However since the invention defined in the claim requires a processor for its operation, the skilled person can have no doubt that it is so limited.
- 11 The second step is to identify the contribution which the invention makes to the

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<sup>1</sup> *Aerotel Ltd v Telco Holdings Ltd and Macrossan’s Application* [2006] EWCA Civ 1371, [2007] RPC 7

art. The applicant in their attorney's letter of 5 February 2007 indicated that in their view the contribution was as follows: "the allocation of a part of an award from a specific type of event to a separate fund and the subsequent retrieval of that fund in a different event". The examiner in his report of 19 February accepted this as a basis for application of the test. I too am content to accept it as a basis for defining the contribution, but I note that, although not explicitly stated in this formulation, the operation defined is understood to take place in the context of a gaming device. I would therefore prefix the wording with: "In a gaming device ..."

- 12 I also observe that the invention set out in the claims is more limited than that set out in the formulation, since the specific type of event must, according to the claims, be one of skill, strategy or risk. However I do not consider that that affects the application of the test.
- 13 The third step is to ask whether the contribution falls solely within excluded matter. The operation set out in the formulation is concerned with the way gambling games are played and the way awards are deployed, to make the games more attractive and compelling for players. The invention therefore appears to be excluded because it relates to a scheme rule or method for playing a game. If it may be argued that the invention relates to the strategic arrangement of games and awards rather than to a game as such then it might more properly be excluded as a scheme, rule or method for doing business, but it seems to me that it falls quite clearly within one or the other, or both of these exclusions.
- 14 The applicant argues otherwise. For example in their attorney's letter of 11 September 2006, they say that the system involves a technical effect arising from the gaming machine executing a first mode, in which it assesses awards in relation to a skill, strategy or risk event, and allocates a proportion of the award to the progressive award, and a second mode in which it makes an award available as a result of a game not involving skill, strategy or risk, and to do so accesses the details of the progressive award, stored in the memory of the machine.
- 15 The point is pursued in the attorney's letter of 5 February 2007 which argues that: "Distinguishing between the two types of awards and events giving issue thereto is a technical problem, solved by categorization of the different game events, such that when an event occurs the machine executes a respective operational mode."
- 16 It is of course the case that physical processes are carried out by the gaming machine when the invention is put into effect, such as running the games, storing and retrieving data from memories and making awards, and these will include the functions identified in the applicant's argument, namely the system operating in one or another mode and storing and retrieving data. But these processes are no more than the physical manifestations of the invention in operation, just as software, when run on a computer, causes the hardware to perform memory calls, displays and outputs. I do not see that this bears on the determination as to patentability. The question is whether the contribution made to the art by the invention falls within the excluded matter, and it appears that it does.

- 17 It is not necessary to apply the fourth step since I have already found the invention to be excluded under step three.

### **Conclusion**

- 18 In conclusion, I have found that the invention is excluded from patentability because it relates to a scheme, rule or method for playing a game, and/or for doing business, contrary to section 1(2)(c). I have also considered the application in its entirety, and do not believe that it would be possible to formulate patentable claims. I therefore refuse the application under section 18(3) of the Act.

### **Appeal**

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

**P M Marchant**

Deputy Director acting for the Comptroller