

The invention

- 4 The alleged invention relates to the use of mobile phones to transfer funds to gaming machines in casinos. In particular, the invention allows payments to be made to a gaming machine either before or after the player has signed onto the machine (for convenience throughout this decision I use the term “invention” as shorthand for “alleged invention”).
- 5 The present set of claims was filed on 3 May 2013 and consists of claim 1 and six dependant claims. Claim 1 reads:

A wagering game network comprising:

a wagering game account server having a player account database storing a plurality of player casino accounts each associated with a respective player;

a plurality of wagering game machines located in a casino, each said wagering game machine having means for enabling a player to sign-on to the machine, means for receiving funds from the said player casino accounts and means for presenting wagering games to said players; and

a plurality of mobile telephones each associated with a respective said player;

wherein

each said mobile telephone is configured to electronically transmit a request to electronically transfer a first monetary amount from the associated player casino account to a wagering game machine designated by the request;

the wagering game account server is configured to receive the request, to electronically transmit the first monetary amount to the designated wagering game machine, and to update the player casino account to indicate the transfer; and

each said mobile telephone and said wagering game account server are configured to enable said request to be transmitted by the mobile telephone, said request to be received by the wagering game account server and the first monetary amount to be transmitted to the designated wagering game machine both before and after the respective player has signed-on to the designated wagering game machine;

and wherein;

each wagering game machine is configured to receive the first monetary amount; and

each wagering game machine comprises a processor which is operable, when a particular player is signed-on to said designated machine and said designated machine has received said monetary amount from said player's casino account, to present a wagering game and make the monetary amount available of use in the wagering game to enable the particular player to play the wagering game on the designated machine.

The Law

6 This matter concerns Section 1(2)(c) of the Patents Act. It reads:

“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) the presentation of information;..., as such.*

7 There is a large volume of case law on the matter of excluded inventions. In *Aerotel/Macrossan*⁴ the Court of Appeal set out a four step test to approach the issue of excluded matter. In *Aerotel* the issue was a computer program; *Macrossan* concerned a method of doing business.

8 I will apply the *Aerotel* test which is as follows:

I. Properly construe the claims

II. Identify the actual (or alleged) contribution

III. Ask whether it falls solely within the excluded subject matter

IV. Check whether the actual or alleged contribution is actually technical in nature

9 In *Symbian*⁵ the Court of Appeal confirmed that the *Aerotel* test is equivalent to the previous case law test of “technical contribution”. More recently, the same Court confirmed this approach in *HTC v Apple*⁶ and also, with some modification, the five signposts established in *AT&T*⁷ for interpreting whether a computer program makes a technical contribution.

10 The applicant has referred to some decisions of the European Patent Office’s Boards of Appeal. Section 130(7) of the Patents Act and the UK precedents indicate that I should take account of these where relevant, although they are not binding on me.

(i) Construe the claims

11 I consider the claims are clear and present no problems of construction. They detail a network comprising various apparatus which are configured to perform certain tasks. I interpret the phrase “monetary amount” as what it says - an amount of money.

⁴ *Aerotel Ltd v Telco Holdings Ltd; Macrossan’s Application*, Court of Appeal [2007] RPC 7 (hereinafter referred to as “*Aerotel*”)

⁵ *Symbian Ltd v Comptroller-General of Patents*, Court of Appeal, [2008] EWCA CIB 1066, [2009] RPC 1 (hereinafter referred to as “*Symbian*”)

⁶ *HTC v Apple* [2013] EWCA Civ 451

⁷ *AT&T Knowledge Ventures LP Application and CVON Innovations Ltd’s Application v Comptroller-General of Patents* [2009] EWHC 343 (Pat) High Court (hereinafter referred to as “*AT&T*”)

(ii) Identify the actual or alleged contribution

12 The applicant's submissions tend to address the questions under *Aerotel* steps 2 to 4 together. I shall consider their points carefully as a whole but begin with identifying actual or alleged contribution.

13 The applicant emphasises that in considering the contribution, the claims should be considered as a whole and cite *Symbian* and another authority, '*PKTWO*'⁸. They reiterated this point in their additional submissions, and referred to both *HTC/Apple* cases [2012]⁹ [2013] in their submissions concerning the "real world effects" and the practical benefits of the invention. I agree that I should consider the real-world effect/practical benefits of the invention in looking at the contribution it makes as a whole. I would add that a strong body of contemporary case law, for example *Aerotel*, makes it clear that the substance of a claimed invention, rather than the form, is what matters.

14 *The Aerotel* judgement provides some useful guidance regarding step 2:

[43] "It is an exercise in judgment probably involving the problem said to be solved, how the invention works, what its advantages are. What has the inventor really added to human knowledge perhaps best sums up the exercise. The formulation involves looking at substance not form – which is surely what the legislator intended"

15 It is not disputed by the applicant that the physical components of the claim - games machines, mobile phones, the server, the processor - are well known. The applicant and the examiner differ in their views on what the actual contribution is.

16 The examiner's opinion is that because transferring funds via a mobile phone is known, the contribution that the invention of claim 1 makes "*lies in the implementation of such a transfer process (transferring funds) and its application to funding wagering machines to allow a user to play them*"¹⁰.

17 The applicant submitted in their earlier correspondence, which is later affirmed in further correspondence, that:

*"the claim as whole contributes a wagering game network having wagering game machines which are physically located in a casino, which are rendered operable in response to two control inputs applied to a logical AND function and in which the two control inputs can be applied in any order and one of them can be applied remotely"*¹¹.

18 They say that two electronic events render the machine operable:

"(i) an electronic message representing a monetary amount (from a particular player account) has been received by the machine; and

⁸ Protecting Kids the World Over (PKTWO) LTDs Patent Application [2012] RPC 13

⁹ HTC Europe Co Ltd v Apple Inc [2012] EWHC 1789 (Pat)

¹⁰ Examiner's report, 20 Feb 2013, paragraph 9

¹¹ Applicant's letter 5 July page 3, paragraph 3

(ii) the electronic step of a particular player “signing-on” to the particular (sic - ‘machine’)”¹².

- 19 They submit in a further letter that this “*makes the machine more convenient to operate in the sense that one of the two electronic functions can be performed remotely and before the user arrives at the machine*”¹³.
- 20 Moreover, the applicant argues that this “function” imparts control in the gaming machines insofar as the two signals (i) and (ii), linked by the “AND” function, lead to activation of the machine. They go on to say that the first step can be performed either before or after the sign-on takes place and submit that the invention provides an advantage of saving time for both the game machine owner and a game player. The applicant also suggests that the “monetary amount” “*provides one of the two control or enabling signals...*”¹⁴.
- 21 The applicant refers to an EPO Board of Appeal Decision T06/1658 on the subject of control. I do not think that on its facts T06/1658 is similar to the present case. T06/1658 concerned the transmission of data between two computers where the data included information that imparted control in the operation of the receiving computer.
- 22 In my view, the invention is not performing “control” in any ordinary sense of the word. In a related vein, the applicant says the invention makes the machine operable, from a remote distance too - and that is part of the contribution. I cannot see how a “monetary amount” represents a control signal - it simply defines an amount of money. A monetary amount does not, to my mind, represent “data” as the applicant suggests. I also deal with this point later under steps 3 and 4.
- 23 Thus, the applicant thinks that operability and control are two characterising features of the contribution as a whole. I disagree. I do not consider that transferring funds amounts to “controlling” a games machine and making it operable. Rather, to me the actual contribution the invention makes is in facilitating the transfer of funds to a machine which is then in a state where it can be used to play games on. I would add that the actual contribution also involves being able to make the monetary transfer either before or after a player has signed on to the games machine.

(iii) Determine whether the actual or alleged contribution falls solely within excluded matter and check whether the actual or alleged contribution is actually technical in nature.

- 24 I will deal with *Aerotel* steps 3 and 4 together as a substantial body of case law, particularly the judgements of the Court of Appeal in *Aerotel*, *Symbian* and *HTC/Apple*, indicates that the decisive issue in relation to the exclusions of section 1(2), in general, is whether the alleged invention makes a technical contribution. Indeed, the applicant refers to a passage in *Symbian* which illustrates this very point. It reads as follows:

¹² Applicant's letter of 5 July 2013, page 2

¹³ Applicant's letter of 5 September, page 2

¹⁴ Applicant's letter 5 July, page 3, paragraph 1

“[37] *What is decisive is the technical contribution which the invention described in the claim when considered as a whole makes to the known art*”

- 25 I think the applicant's views on technical contribution are summed up in the passage in their letter of 5 July 2013 (page 6) which reads “*the remote control of one of the control inputs to the wagering game machine, namely the transmission of the monetary amount to it, constitutes a relevant technical effect both because a remote control is being effected and because the electronic data representing the monetary amount must, in light of the above case law (Symbian, T06/1658, T97/1197, T04/0154), be considered as a control signal having technical character*”.
- 26 The applicant refers to both *HTC/Apple* cases [2012] [2013] in their submissions concerning “real world effects” and the practical benefits of an invention. These factors are indeed relevant to considering the invention as a whole, which the applicant emphasises in their additional submissions. Both *HTC/Apple* cases concerned touch-screen applications and both judgements focussed on the particular invention at issue. The applicant interprets these decisions as saying that making a computer easier to use necessarily confers a “real world” technical effect (or contribution). In particular, the applicant reasons that because in *HTC/Apple* the Court of Appeal took account of the fact that the invention at issue made it easier for computer programmers to use the device, it follows that there must be a technical contribution in the present case because the invention in suit makes the gaming machines easier to use for the user. I do not agree with the applicant's reasoning here. Indeed, as the applicant's themselves point out *HTC/Apple* indicates that it is the facts of a precedent case that should be considered when considering the issues of patentability. The applicant claims that their invention is similar to the invention in *HTC/Apple* because an ‘unlocking’ occurs. I think that the touch-screen device at issue in *HTC/Apple* is quite different to the gaming network in the present case. The invention at issue in *HTC/Apple* is concerned with the intrinsic function of the machine. The invention in the present case, as I have said above, is concerned with the provision of funds. I do not see how the transfer of funds ‘unlocks’ the games machine in any way. As I have said under step 2, I do not see that the “monetary amount” represents electronic data which functions as a control signal. In all, I think the applicant is over-stretching the application of the *HTC/Apple* cases to the invention in the present case.
- 27 The applicant also cites some case law extending back to the turn of the last century to support this point; *Coopers application in 1902*¹⁵, *Fishburn's application*¹⁶ in 1940 and *ITS Rubber Ltd's application*¹⁷ in 1979. *Cooper's* concerned a newspaper layout, *Fishburn's* concerned the layout of print on a ticket, and *ITS Rubber* the colour of a squash ball. I fail to see at all what these cases add to the analysis of a technical contribution in light of the well-established contemporary case law concerning business method (and computer program) exclusions. The applicant also cites an EPO decision, T04/0049, which concerned the arrangement of texts, making it easier to read. Again, I do not find this particularly relevant to the question at issue in the present case. To me, it seems that in T04/0049 the EPO technical board took account of (the ease of) user readability in relation to the particular facts of the case

¹⁵ Cooper's Application [1902] RPC 53

¹⁶ Fishburn's Application [1940] RPC 57 245

¹⁷ ITS Rubber Ltd's Application [1979] RPC 318

in hand. It does not help the applicant here. Arguably a lot of, if not most, developments in business methods and computer programs make things easier for users. That is often a common *raison d'être* for invention. However, the Patents Act has sought to exclude certain categories of activity in which such 'inventions' can take place.

- 28 Similarly, I do not think the applicant's points are strengthened by their reference to another EPO case, T97/1177 (Siemens)¹⁸. Indeed, if one reads the passage in T97/1177 which the applicant quotes, it is clear that the EPO is not saying that using a piece of information in a technical system necessarily confers a technical effect; rather the passage indicates that the technical character depends on the circumstance. Neither, in my opinion, is the applicant assisted by *Duns Licensing* T04/0154 which, in turn, referred to T208/84 where the point at issue was a mathematical method. Indeed, the same point I have made in relation to T97/1177 can be found in *Duns* where the EPO's decision uses the conditional "may", as it does in *Siemens*, when discussing the potential technical contribution of an invention.
- 29 As a matter of general principle, I do not think that one can say that because an invention lies in particular category to that found to be patentable in another case that it follows that the invention in question must be patentable; that is an overly broad usage of the precedents. Birss J makes this very point in *Lantana* where he says:
- [17]"Simply because it is possible to construct a generalised category which includes both the claimed invention in this case and a previous decision in which a claim was held to be patentable, does not help. It shows that such things can be patentable in some cases but does not show that the invention in this case is patentable".
- 30 I note that the applicant says in their additional submissions that *Lantana* is not relevant because the facts of that case are not that same as in the present case. However, while I accept that, I do nonetheless think that the general point made by Birss J about the approach to the legal questions of patentability is relevant and valid here.
- 31 To my mind, the actual contribution as I have defined it above - the transfer of funds in a gaming network - does not involve a technical contribution. Rather, I am firmly of the opinion that it relates entirely to a method of doing business. I am assisted in coming to this decision by *Merrell Lynch* which says that the exclusion is generic. It is not a matter of degree. The applicant says that *Merrell Lynch* is not applicable as the invention it concerned, trading stocks and shares, is different to that in the present case. However, it is well established that *Merrell Lynch* is a highly relevant UK authority when considering the general principles for approaching the business method exclusion.
- 32 I have considered the applicant's point about making the machine operable. True, when funds are transferred to a games machine it becomes operable in that a game player can use it - but that is in a business sense, not a technical sense. It is not

¹⁸ Siemens T1177/97 Reasons, point 3, paragraph 4

made any more operable than paying a ticket booth attendant to enter a rugby stadium makes a turnstile technically “operable”.

- 33 The examiner also raised the point in his earlier correspondence that the invention is also excluded because it relates to a computer program and reiterated this point in his final letter. The applicant argues that because the examiner did not refer to the computer program in each report or fully argue the point that it is not appropriate for me to consider it here. However, be that as it may, the examiner did raise it and I think in the interests of completeness it is appropriate for me to consider it here.
- 34 Thus, I will turn to whether the claims also relate to a computer program. In the interests of brevity, I do not need to fully address that question here, step-by-step - my reasoning above in relation to steps 2-4 of *Aerotel* applies. Briefly, in my view, the components of the network necessarily need to be implemented by a computerised system - there is nothing new or inventive in the hardware itself. The actual contribution that I have identified in step 2 above is implemented, in substance, by a computer system which does not amount to a technical contribution, as required by step 3 of *Aerotel*. Thus, I am inclined to consider that the invention of claim 1 also relates entirely to a computer program, as such. I think I am supported in my reasoning here by the comments of Birss J in *Halliburton*¹⁹ where he said:

[36] “The Aerotel approach is a useful way of cutting through the cases like Merrill Lynch, Macrossan and Gale in which more than one exclusion is engaged. Take a patent claim consisting of a claim to a computer programmed to perform a business method. What has the inventor contributed? If the answer is a computer program and method of doing business and there is nothing more present, then the contribution falls solely within the excluded subject matter.

- 35 Again, the applicant submits that this authority, *Halliburton*, is not relevant. I disagree. It provides good general guidance about the inter-relationship of the business method and computer program exclusions under section 1(2).
- 36 The so-called “AT&T” signposts are well known, established guides for assessing technical contribution, although the fifth signpost was modified by Lewison LJ relatively recently in *HTC/Apple* [2013]. I have considered the invention against each of these signposts and find that they do not change my views on excluded matter. Briefly, my reasons, under each of the AT&T signposts, as agreed by the Court of Appeal in the *HTC/Apple*, are as follows:

(i) whether the claimed technical effect has a technical effect on a process which is carried on outside the computer.

There is no technical effect outside the system. Rather, the effect is enabling a user to have flexibility in paying for a gaming session - that is not technical.

(ii) whether the claimed technical effect operates at the level of the architecture of the computer; that is to say whether the effect is produced irrespective of the data being processed or the applications being run.

There is no suggestion of the invention operating at a level of generality within the games machine network in a way in which a system program influences a computer's function. Rather, the invention is *implemented* by a computer system and operates at application level.

(iii) whether the claimed technical effect results in the computer being made to operate in a new way.

Facilitating the transfer of funds does not make the gaming machine or any part of the network operate in a new way in the sense that the functions of the machine or network are different.

(iv) whether the program made the computer a better computer in the sense of running more efficiently and effectively as a computer.

The hardware runs in the same way. There are no gains in either the efficiency or the effectiveness of the hardware itself, the machine; the server, the processor or even the mobile phones. Rather, the computer system is moving funds.

(v) whether the perceived problem is overcome by the claimed invention as opposed to merely being circumvented.

The perceived 'problem' or issue the invention sets out to address is the relative rigidity in making payments to games machines - that is a matter of business. The flexibility in the transfer of funds which the invention offers is a business solution.

Conclusion

- 37 I find that the subject matter of claim 1 is excluded from patentability as it relates entirely to both a business method and a computer program, as such. I have considered the dependant claims and the description and can find no saving amendments. I note that the applicants make no special submissions in relation to the features of the dependant claims; their arguments are focussed entirely on claim 1. I therefore refuse the application.

Appeal

- 38 Any appeal must be lodged within 28 days.

J Houlihan
Deputy Director, acting for the Comptroller