

PATENTS ACT 1977

IN THE MATTER of

patent application

GB9926835.1 in the name

of Michael Willis Peet

DECISION

Background

1. Patent application no. GB 9926835.1 was filed on 15 November 1999 in the name of Michael Willis Peet (“Peet”), together with a Form 9/77 requesting preliminary examination and search. The applicant indicated on Form 1/77 that he had a “consultant” Ian Palmer (“Palmer”), rather than a patent agent, to whom all correspondence should be sent, and the Patent Office decided to treat the application as a private applicant case.

2. On 2 February 2000 the Patent Office received a request for the application to be given accelerated treatment, because of sponsorship time limits, and the patent examiner (Roland Whaite), to whom the application had been referred in the usual way, agreed to take the application out of turn.

3. In an official letter dated 3 February 2000 the examiner told the applicant that in view of section 1(2) of the Patents Act he thought it unlikely that the specification disclosed any matter on which any allowable claim could be drafted. He said that he had been unable to find anything of a patentable nature for which he could conduct a search. The examiner offered the applicant three options, namely (1) withdrawing the application with a refund of the search fee, (2) issuing a formal search result with the statement that “a search would not serve a useful purpose” followed by publication in due course and, if substantive examination were requested, determination of whether or not the invention was patentable at substantive examination stage, and (3)

requesting that the patentability issue be resolved as soon as practicable. The examiner set a two month reply period, saying that if he did not hear from the applicant in the set time he would follow option (2) above.

4. After receiving the official letter of 3 February 2000, Palmer phoned the examiner on 8 February 2000 and this resulted in pages relating to section 1(2) from the fourth edition of the Patent Office's "Manual of Patent Practice" being sent to the applicant in order to assist him in his understanding of excluded inventions. Subsequently, in a letter dated 6 March 2000, Palmer, on behalf of the applicant, contested the examiner's view and asked him to reconsider his objections and not to undertake a search merely to record an "unexaminable" verdict.

5. Further exchange of letters then took place between the Office and the applicant. The patentability issue was not resolved and the matter came before me at a hearing on 27 July 2000 which was attended by the applicant, his consultant and the examiner.

6. During the correspondence between the examiner and the applicant with regard to the patentability of the invention, the following reported cases were brought to the attention of the applicant by the examiner and the applicant was sent copies -

<u>Merrill Lynch's Application [1989] RPC 561</u>	(Pages 561 - 568)
<u>Gale's Application [1991] RPC 305</u>	(Pages 305 - 317)
<u>Fujitsu Ltd's Application [1997] RPC 608</u>	(Pages 608 - 621)
<u>Lux Traffic Controls [1993] RPC 107</u>	(Pages 107 - 111 & 137 - 140)
<u>IBM Corporation's Application OJEPO Vol 1-2, pages 12- 21, T22/85</u>	(All)

7. In considering whether the application should be refused under section 18(3) even though no search and no full examination has been performed I am following a practice stemming from the decision of the Assistant Comptroller in Rohde and Schwarz's Application [1980] RPC 155 in which it was held that objections could be raised under section 18(3) at any time, notwithstanding the fact that an application has not been referred to the examiner under section 18(1) for substantive examination and irrespective of whether the other conditions of section 18(1) have been met. Since no search or full examination has taken place I do not think that I should confine my attention to the claims which have been filed but I should decide whether the

description in the specification as a whole could support any claim that would not be excluded by section 1(2). I believe that at this stage I should only refuse the application if I am convinced that the description could not support any such claim.

The patent application

8. The application is entitled “Real/fantasy competition” and relates to a competition

The competition is particularly relevant to sports in which people compete as individuals, such as golf and snooker.

10. In the description of the application it is acknowledged that a great many people play golf and enter competitions, both within their own club and locally at nearby clubs, and many such people eye the professional golf circuits, but are never likely to achieve the status to play in such competitions.

11. The application also acknowledges that “ ‘Fantasy Football’ and ‘Fantasy Cricket’ competitions are known, in which entrants can act as ‘the manager’ and select players within certain criteria, e.g. team balance, financial constraints, etc., the winner being selected electronically from those who enter, and that such fantasy games are ideal for the ‘armchair sportsperson’, i.e. for people who may not necessarily play that particular sport.”

The law

12. The relevant sections of the Patents Act are sections 1 (1) &(2) and 18(3) which read-

“1(1) - A patent may be granted only for an invention in respect of which the following conditions are satisfied, that is to say-

- (a) the invention is new;
 - (b) it involves an inventive step;
 - (c) it is capable of industrial application;
 - (d) the grant of a patent for it is not excluded by subsections (2) and (3) below;
- and references in this Act to a patentable invention shall be construed accordingly

1(2) - It is hereby declared that the following (among other things) are not inventions for the purposes of the 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 of 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.

18(3)- If the examiner reports that any of those requirements are not complied with, the comptroller shall give the applicant an opportunity within a specified period to make observations on the report and to amend the application so as to comply with those requirements (subject, however, to section 76 below), and if the applicant fails to satisfy the comptroller that those requirements are complied with, or to amend the application so as to comply with them, the comptroller may refuse the application. “

The Hearing

13. At the start of the hearing Palmer explained to me that he is not a patent agent, but had been a Senior Patents Officer with Vickers Shipbuilding & Engineering Limited for 20 years until 1994, and that he now operates in the capacity of an Innovation and Technology Counsellor, presently dealing with Business Links.

14. Peet asked that he be permitted to make a few opening comments to me, to which I agreed. He explained that he and Palmer had previously worked together. With regard to the invention, Peet told me that he had received an attractive offer concerning it. He said that he understood that I should give the benefit of the doubt to him and that in view of this potential commercial exploitation the benefit of the doubt would be much appreciated.

15. Palmer then took over and commenced by putting to me that the invention has

“functional novelty”, explaining that the competition of the invention allows something to be conducted which could not otherwise be conducted at the moment.

He told me that presently, in local competitions, the geographical, the time, and the place stipulations limit the number of people taking part, and the whole competition takes place normally in a day. Also, at the other end of the scale in events like the Open, only a very few top-class professionals can play. He also stated that clearly there are competitions which involve preliminary rounds, such as the Football League and the Wimbledon Tennis Tournament.

I should make it plain at this point that throughout the hearing the invention was predominantly referred to as a golf competition, although it was made clear to me that the invention is not restricted to golf competitions and other competitions are possible, such as snooker, and indeed this is clear from the patent application.

16. Palmer told me that the invention consists of a combination of steps

and entered into a computer, which is the best way of handling the data involved, although it could, of course, be done manually.

Palmer put it to me that he believed that in the way it is done there may be an element of technical novelty. He also added that the invention is not primarily for financial reward, although there might be prizes, but more for the joy of winning.

17. Palmer then told me why he did not consider that the invention fell under the list of excluded inventions named in section 1(2) (c). With regard to whether the competition of the invention was a scheme, rule or method, Palmer drew my attention to the fact that every business and every service has to have rules, saying that every modern thing must have its order. He said that (i) the invention must have its order, but is not about a rule for playing a game, as in who hits the ball first and whether it is in bounds or out of bounds, (ii) the invention is certainly not a mental act, no detailed comment is needed about that, (iii) the invention is for a competition but not a game *per se*, even though it involves players in playing a game, dictionary definitions of “competition” including no reference to “game“ but referring to “contest”, and (iv) the invention is not about doing business, although it is capable of commercial exploitation, which the patent system encourages.

18. Palmer also pointed out to me that he accepted the rejection of the Merrill Lynch case on the grounds of it being a way of doing business, because the computer in that case assessed the number of “buys” demands against the number of “sell” demands, adjusted the price and made the transactions and so was doing the whole thing, but the present invention is not a way of doing business ; it is recreation. Also, Palmer said that in the present case a computer program *per se* is not in question. The computer program is being used as part of the combination of inventive steps

He submitted to me that in the invention the computer is operating in a particular way and the game of golf is being played to create the special effect of the competition.

19. The examiner then put his side of the argument to me. He drew my attention to

the fact that he has not performed the search and so does not know exactly what else there might be in the market place. He told me that one difference between the competition of the invention
and a standard sort of fantasy competition

20. The examiner then went on to consider the claims, saying that claim 1 is not absolutely clear

but that, since the claim should be interpreted in the light of the description, it
clear He also
pointed out that in his view claim 1 does not require necessarily any sophisticated equipment such as a computer

21. He told me he regarded claim 1 as amounting to a contest played according to rules, with the new contribution lying in the way this contest is organised and performed. He said that he considers the invention to cover a bit of a spectrum, at one end of the spectrum the contest being

to some extent, a business operation, and at the other end of the

spectrum being not much more than a method of playing a game, the difference between a game and a contest at that level being not very significant.

22. The examiner drew my attention to the inclusion in section 1(2) of the phrase “among other things” and to the fact that section 1(2)(c) is worded such that an excluded invention can be a scheme or a rule or a method of either performing a mental act or playing a game or doing business. With regard to Merrill Lynch, Gale, and Fujitsu, the examiner pointed out that the findings in these reported cases showed that it is necessary to assess the invention by not just looking at the words of the claimed monopoly but to look at the substance of the invention, that to be allowable an invention must make a technical contribution to the known art, and that the contribution that the invention makes must not itself be excluded under section 1(2).

23. As far as the need for a technical contribution is concerned, the examiner told me that he had used “technical or functional contribution” in a letter to the applicant but he had only been meaning “functional” in a very limited way. He pointed out to me that the need for a “technical” contribution to the known art came out very strongly in the Merrill Lynch, Gale and Fujitsu decisions and that there was no indication in these reported cases that technical contribution could be equated with functional contribution or functional novelty.

24. Also, the examiner drew my attention to the appendant claims, in particular claims 8 and 9 requiring an electronic database, saying that in so far as a computer and a program may be involved in the present invention they are merely carrying out their standard functions and making no technical contribution. In this regard he drew my attention to the Fujitsu and IBM.decisions, quoting in particular from page 19 of the official journal of the EPO January/February 1990 -

“... However, the mere setting out, as in the present case, of the sequence of steps necessary to perform the activity in terms of functions or functional means to be realised with the aid of conventional computer hardware elements does not import any technical considerations and can therefore neither lend a technical character to that activity nor to the claimed subject matter considered as a whole, no more than solving a mathematical equation could be regarded as a technical activity when a conventional calculating machine is used and thereby overcome the exclusion from patentability.”

25. The examiner stated that he does not consider that the invention, whether as claimed in independent claim 1 or in any of the appendant claims, makes a technical contribution to the known art and that even if the invention cannot be said to be firmly hit by any of the listed exclusions in section 1(2)(c), it should fall under the phrase “among other things” in that the invention is very closely analogous to the section 1(2)(c) listed exclusions and the comments made by Justice Aldous at page 138 of the Lux decision show that it is possible to exclude inventions on the basis of the phrase. He added that in his view there is a less strong case for exclusion on mental act grounds than on business or game grounds, although he said that he accepted that if the technical contribution is specifically looked at in the context of the electronic database then a mental act might come into it.

26. In replying to the examiner’s statements, Palmer emphasised to me that the invention has technical novelty; it has a function and makes a tangible result in that it allows a competition, , to take place

managed by computer, but the invention is far more than just a computer. Palmer reminded me that in his letter of 6 June 2000 he had made detailed comments about the reported cases, arguing why the invention should be allowed and giving a list of conclusions. He asked me to take the points he

had raised in this letter and other letters into consideration.

27. In his submissions at the hearing Palmer told me more than once that he accepts that the invention is on the borders of what is patentable but that in his view it does not fall foul of section 1(2). It was also put to me that the competition of the invention concerns leisure and is not about doing business for the participating players.

28. I asked Palmer whether, if I were to find the present claims to be excluded from patentability, he could identify any feature disclosed anywhere in the application upon which an allowable claim might be based. He drew my attention to figures 1 and 2

, saying that perhaps these could be included in claim 1 to distinguish it further. He also made it clear that he would be willing to incorporate into claim 1 procedure and the electronic processing, and he drew my attention to entry being possibly made via the internet.

Evaluation

29. My evaluation takes account not only of the submissions made to me at the hearing but also the comments made in all the correspondence filed prior to the hearing. I am approaching this on the basis that I should refuse the application only if I am certain that it is excluded by virtue of section 1(2) and that I should give the applicant the benefit of any doubt in this respect.

30. As has been pointed out to me, in line with the findings of Merrill Lynch, Gale and Fujitsu, in assessing the invention I need to look not just at the words of the claims but also at the substance of the invention. I also need to consider what contribution the invention makes to the known art, whether or not that contribution is

technical, and whether or not the contribution itself is prohibited by section 1(2).

31. As far as claim 1, which sets out the invention in its broadest terms, is concerned, I concur with the examiner that, in view of the description,

As the
examiner and the applicant agree, the

not necessarily involving electronic means.

32. Since the real games, , are well known and unchanged from normal, the crux of the invention must lie in the , either in the themselves and the way they are organised and performed, or the effect have on the real games or on the competition as a whole.

33. As has been pointed out, elimination rounds in sporting competitions are very well known . Also, as acknowledged in the application, fantasy football and cricket competitions are known. However, I am mindful of the fact that no search has been conducted for the present invention and thus that no comment can be made about whether the invention is novel and involves an inventive step, but I agree with the applicant that the combination of fantasy with real games in the way specified in the present invention as broadly claimed contributes to the art of sporting competitions in that it allows advantages -

I have been

unable to identify any other contribution.

34. Thus, the invention of claim 1 makes a contribution and I have to decide whether the contribution is technical or is itself excluded from patentability. At this point, I should say that I agree with the examiner that “functional” contribution and “technical” contribution are not one and the same; a contribution may have a function in the sense that it has a purpose but it may not be technical. The invention as defined by claim 1 makes a contribution to sporting competitions and the contribution has the function or purpose of allowing the advantages I

35. I agree with the applicant that the contribution is tangible in so far as its advantages are perceptible, but that does not make the contribution technical. The contribution lies simply in providing advantages for the organisers and players and these advantages do not cause or lead towards there being any change or changes in the real games played as part of the competition or in any technical equipment involved in the competition, whether used by the organisers or the players. The advantages are not in technical fields and it seems to me that the invention should not be allowed just because of the advantages themselves.

36. I consider that the running of competitions of competitive games is a business or something very akin to business, whether the competitions are run for financial payment, gain, or on a charitable basis. The applicant submitted to me that the competition is not a business for the players participating in it, and I agree. But

competitions involve organisers as well as players and in this case it is the organisers who are running the business or something very similar.

37. Although claim 1 does not specify the existence of electronic means, nevertheless it is quite clear that the expectation is that a computer and program will be employed on most occasions, and indeed this is brought out in the appendant claims. I agree with the examiner that when a computer and program are involved they are merely carrying out their standard functions and making no technical contribution and that the IBM decision is thus relevant. The IBM decision is a decision of the Board of Appeal of the European Patent Office and I should have due regard to it although I am not bound by it. However, Fujitsu is also relevant. As held by Aldous L.J. in Fujitsu on page 621

“... A claim to a computer operating in a particular way is no more patentable than a claim to a computer program. A claim to a method of carrying out a calculation (a method of performing a mental act) is no more patentable when claimed as being done by a computer than when done on a piece of paper. Methods of performing mental acts, which means methods of the type performed mentally, are unpatentable, unless some concept of technical contribution is present. “

38. In my view, it would be possible to carry out the fantasy _____ of the invention by a person or persons using their mental powers and paper and pen, slow though this would be for other than a small competition. Indeed the applicant has acknowledged that the fantasy _____ can be effected manually. Thus, if computers and programs are used, they are just doing what can be done by a human or humans and so no technical contribution is involved. Therefore, were the electronic means aspect, as presently claimed in appendant claims, to be incorporated into the invention as broadly claimed, I cannot see that this would serve to introduce a technical contribution into the invention.

39. I have also carefully considered whether, apart from the electronic means, there is any feature or combination of features disclosed anywhere in the application as filed

which could be said to make a technical contribution. There are features about the verifiable scores and their selection and comparison, entry fees and prizes, publication of results, team or individual entries for men and women respectively and entry via the internet, but I have not been able to identify any feature or features that could provide a technical contribution.

40. So far my evaluation has centred on identifying the contribution and ascertaining whether it is technical or not, and I have come to the conclusion that no technical contribution exists. However, I have not yet clearly identified the specific exclusion under which this application falls. The invention can be said to involve games and also business or an organisational arrangement very akin to business and also mental acts (whether computers and programs are used or not

In so far as it can be argued that the invention does not fall squarely within any one or combination of these specific excluded matters I consider that the invention is very closely analogous to a scheme, rule or method of performing a mental act, playing a game or doing business and so would be caught under the phrase “among other things” in section 1(2). I believe that Aldous J.’s statement in Lux, which was concerned with a patent about traffic light control systems, on page 138 that-

“... section 1(2) of the Act contains a non exclusive catalogue of matters or things which are not patentable. Although not specifically mentioned, I believe a method of controlling traffic lights as such is not patentable, whether or not it can be said to be a scheme for doing business.”

provides me with a precedent for my view.

41. An invention may be excluded from patentability under the Patents Act and yet be of considerable use in the art to which it is relevant. Indeed, it seems likely to me that this invention may fall into such a category and I wish the applicant and his invention well.

Conclusion

42. For the reasons given above I direct that this application be refused under section 18(3) in that it relates to a matter which is excluded from patentability by virtue of section 1(2).

Appeal

43. This being a substantive matter, any appeal should be filed within six weeks of the date of this decision.

Dated this 16th day of August 2000.

LINDA BLUNT

Deputy Director, acting for the Comptroller

THE PATENT OFFICE