

COMMISSIONER'S DECISION SUMMARY

C.D. 1221Application No. 598,848 (J30; J80)

Claims rejected as being directed to unpatentable
subject matter.

The application disclosed a method of playing poker in a casino or game room situation where players play against the house rather than against each other. The claims of the application were rejected as being directed to unpatentable subject matter in that they were directed to a method of playing a game. The Board recommended that the rejection be upheld and the Commissioner accepted that recommendation.

IN THE CANADIAN PATENT OFFICE

DECISION OF THE COMMISSIONER OF PATENTS

Patent application number 596,848 having been rejected under Subsection 47(2) of the Patent Rules, the Applicant asked that the Final Action of the Examiner be reviewed. The rejection has been considered by the Patent Appeal Board and by the Commissioner of Patents. The findings of the Board and the decision of the Commissioner are as follows:

Agent for the Applicant

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This decision deals with a request that the Commissioner of Patents review the Examiner's Final Action on patent application number 596,848 which was filed on April 17, 1989. The Applicant is Progressive Games, Inc., assignee of inventors, James P. Suttle and Daniel A. Jones and the invention is entitled "POKER GAME". The Examiner in charge issued a Final Action on January 18, 1994 refusing all of the claims as being outside the definition of invention as given in Section 2 of the Patent Act and the Applicant replied on May 18, 1994 requesting that the refusal be reviewed by the Commissioner of Patents.

The invention is directed to a modified version of a five-card stud poker game which can be played in a casino or cardroom environment. In a conventional casino or cardroom poker game, the house provides a dealer, the playing cards, the table and chairs but does not play the hand. The house collects a nominal percentage of each player's bet (the "rake") which compensates the house for providing the facilities to the players. Each player is therefore competing not against the house as in most other casino games but against all the other players with the highest hand winning all of the wagers of the other players.

However many people do not like to play casino or cardroom poker because of this. Applicant's method avoids this problem by arranging the poker game so that each player plays against the house rather than the other players. In a preferred method of play, after each player places an ante in a designated location, the dealer deals five cards to each player and to himself; all cards being dealt face down except for one of the dealer's cards.

Each player views his hand and then decides whether to continue to play by making an additional bet or fold or drop, in which case he loses his ante. The dealer then reveals his entire hand; if the dealer's hand does not have a poker value of at least Ace-King, then the dealer is not permitted to continue to play. In this case the dealer pays even money on the remaining players' antes, and returns their bets to them. If the dealer's hand has a poker value of Ace-King or better, the dealer compares his hand to each player's hand paying or collecting the bets as appropriate. As an added feature the dealer pays odds of more than even money on each winning player's hand of two pair or better according to a bonus payment schedule.

The Applicant has also disclosed a method where the players act as the banker in turn and the house provides a dealer and the facilities in exchange for a "rake" which might be a percentage of

each player's ante, each player's bet or of the total amount wagered on each hand or even a flat fee for each hand played.

The application contains 35 claims directed to methods for playing a poker game of which claims 1 and 13 are shown below:

1. A method of playing a poker game comprising the steps of:
 - (a) a player anteing a first bet means,
 - (b) a dealer dealing a hand comprising a predetermined number of cards to each of the player and dealer,
 - (c) the player either folding in which case the player loses his first bet means to the dealer, or betting a second bet means,
 - (d) the player comparing his hand to the hand of the dealer using poker rank as the criterion for comparison,
 - (e) if the dealer's hand is not at least a predetermined rank, the player wins a preselected amount based on the player's first bet means and the player keeps his second bet means,
 - (f) if the dealer's hand is at least a predetermined rank, and the dealer's hand is higher than the player's hand, the player loses both his first bet means and his second bet means,
 - (g) if the dealer's hand is at least a predetermined rank, and the player's hand is higher than the dealer's hand, then the player wins a first predetermined amount on his first bet means and the player wins a second predetermined amount on his second bet means based on the type of poker hand combination that the player has, said second predetermined amount having a potential return of at least twenty times the amount of the second bet means.

13. The method of claim 1 wherein the second predetermined amount that a player wins on his second bet means is according to the following schedule:

Poker Hand	Odds
Royal Flush	250-to-1
Straight Flush	50-to-1
Four of a Kind	20-to-1
Full House	7-to-1
Flush	5-to-1
Straight	4-to-1
Three of a Kind	3-to-1
Two pair	2-to-1
Any other hand	1-to-1

In his Final Action the Examiner refused the claims as being outside the definition of invention given in Section 2 of the Patent Act stating, in part, that:

Claims 1 to 35 are refused as being outside the definition of invention as given in Section 2 of the Patent Act, because they are directed to a method of playing a game. Furthermore apart from the question of inventiveness, claims 1 to 35 are also directed to subject matter outside the field of patentable invention. The Patent Act is designated to protect processes that have novelty, utility, inventive ingenuity and are susceptible of industrial application. Methods of playing games do not produce results in any way associated with trade, commerce, or industry, nor may they be, "worked on a commercial scale", as required by Sections 66, 67, 68 and 69 of the Patent Act. Therefore it is deemed not to be in the public interest to grant patents for methods of playing games. Claims 1 to 35 are rejected.

The Examiner's position, that methods of playing card games are not patentable, finds its basis in the text book *Terrell on the Law of Patents* 12th edn. (London: Sweet & Maxwell, 1971) at page 116, where in paragraph § 287 having discussed the difference between "novelty" and "obviousness" or "lack of subject matter" it is stated that:

.....For example, a new filing system or a new game of cards, however ingenious, is not patentable and could appropriately be described as lacking in subject-matter for invention.

This issue also received judicial comment in *Cobianchi's Application* (1953) 71 R.P.C. 199 at 201 per Lloyd-Jacob J.as follows:

I am satisfied that the game itself, whatever its ingenuity, could not be the subject of patent protection, but I am not satisfied that the ingenuity shown in devising this novel pack, which requires the operation of a manner of manufacture for its reproduction, can be dismissed as a mere idea or plan.

In Canada, Cattanach J. in *Lawson v Commissioner of Patents* (62 C.P.R. 101) examined the definition of invention in various statutes and stated, at page 111, that:

While the definition of an invention in the statutes of England, Australia and New Zealand embody the words "any manner of new manufacture" whereas the words in s. 2(d) of the Patent Act are "art, process, machine, manufacture or composition of matter", the words "manner of manufacture" are merely a compendious way of expressing the same ideas contained in the words "art, process, machine, manufacture or composition of matter".

Therefore, it is accepted in principle that the requirements with regard to subject-matter of a patent are co-extensive under the British and Canadian statutes and that the jurisprudence established by the Courts of the United Kingdom is authoritative in Canada.

In response it is the Applicant's position that it is inappropriate to apply British case law in this area, relying on the Supreme Court decision in *Tennessee Eastman v Commissioner of Patent* (1973) 8 C.P.R. (2d) 202, where, having considered the applicability of the *Swift* line of cases in the U.K. and New Zealand and the *N.R.D.C.* case in Australia Pigeon J. stated, at page 208, that:

Concerning those cases, I would first observe that I doubt whether decisions dealing with the patentability of inventions under the U.K. Act are entitled in Canada to the weight which authors such as Fox (*Canadian Law and Practice Relating to Letters Patent*, 4th ed., p. 19) seem to think they should have. There are substantial differences between the British and Canadian statutes which need not be enumerated.

Accordingly the Applicant believes that the *Cobianchi* decision referred to earlier is of doubtful value in determining patentable subject matter in Canada.

The question before the Board is therefore whether or not the invention claimed in claims 1 to 35 is an invention patentable under the provisions of Section 2 of the Patent Act.

In Section 2 the term invention is defined as :

any new and useful art, process, machine, manufacture or composition of matter, or any improvement in any art, process, machine, manufacture or composition of matter;

In the instant application it is a question as to whether the claims are directed towards an "art" or a "process" within the meaning of the statute.

Canadian text books on patent law have considered this definition of invention finding that in order to be patentable there must be a technical or commercial aspect involved. Thus Barrigar in *Canadian Patent Act Annotated* (Aurora: Canada Law Books, 1997) says in paragraph § 2:90:

Not all subject-matter is patentable. Generally, patentable subject-matter is in the nature of a product, process or apparatus having a technical and commercial objective or application

In *Hughes and Woodley on Patents* (Markham: Butterworths, July 1997)
in paragraph § 6:

It has been held that the words "art" and "process" as contained in the statutory definition of "invention" are circumscribed by that definition, s. 28(3) [now 27(8)] of the Patent Act and other statutes such as the *Industrial Design Act* and the *Copyright Act* .

and

It is now accepted that if the invention is the means and not the end, the inventor is nevertheless entitled to a patent on the means. The means themselves must, however, accomplish some change in the character or condition of material objects and not be merely a "plan" for the use of such object.

In an earlier work, Fox, in *Canadian Patent Law and Practice* 4th edn. (Toronto: Carswell, 1969) at pages 16-17, considered the terms "art" and "process" :

.....An "art" may be taken to mean a mode, or method, or manner of accomplishing a certain result as distinct from the result.

.....

....An "art" is a term that is broader than and embraces the term "process". An "art", within the meaning of patent law, must accomplish some change in the character or condition of material objects. When the practice of the alleged art will not produce any physical effect, but merely involves the carrying out of a plan or theory of action without the production of any physical results proceeding directly from the operation of the theory or plan itself, it is not an art within the meaning of patent law. In short it may be said that an art is the use of means to produce a result.

....A "process" may be defined as a mode, method or operation, by which a result or effect is produced by chemical action, by the operation or application of some element or power of nature, or of one substance to another. Shortly stated a process is the use of a method or the performance of an operation to produce a result. There cannot be a process by itself. It must of necessity consist of two elements, namely, a method or a procedure and the material or materials to which it is applied.

When the Board examines the claims in the instant application it cannot be said that they embrace an art or a process falling within the above cited commentaries. The method outlined in claim 1 calls for placing a bet, dealing the cards to the players and dealer, a player placing a second bet or folding followed by a pay out or otherwise depending on a comparison of the dealer's cards and those of the player as in a normal poker game. In carrying out this method there is no change in the character or condition of any material objects. It cannot be said that there are two elements - the procedure and the material to which it is applied. It is more of an abstract idea directed to the means of playing a game, comparable to the rules of playing golf for example.

The Board therefore does not find that the methods set forth in the claims of the instant application are directed to an "art" or a "process" as contemplated by Section 2 of the Patent Act.

When the Board studies the methods disclosed in the application it is evident that they are designed in such a way that when they are used the odds of winning are such as to favour the house/banker. In other words the house/banker will always have an edge over the players and is therefore guaranteed to be on the winning side.

This can be illustrated by referring to the situation where, when the house/banker's cards show a poker hand of less than an Ace-King combination, the house/banker only pays each remaining player one-to-one odds on the amount of each player's ante and the player keeps his bet. In a normal game if the house/banker had a poker hand of less than Ace-King then it would have to pay out both the player's ante and his bet where the player's hand was better than an Ace-King combination. In other words by adopting this method of play the Applicant's method tilts the odds in favour of the house/banker.

Whether or not to choose to pay out using for, instance, the Ace-King combination as the criterion is, in the opinion of the Board, a combination of a mathematical calculation of the odds of the appearance of certain card combinations and what edge or advantage the Applicant wishes to give to the house/banker. In other words Applicant's method is the result of mere mathematical calculation rather than the exercise of the inventive faculty resulting in the discovery of some previously unknown advance in human knowledge by the exercise of the human intellect.

For the above reasons the Board considers that the application is directed towards subject matter not patentable under Section 2 of the Patent Act and that the rejection of claims 1 to 35 should therefore be upheld.

M Howarth

M. Howarth
Member

M. Wilson

M. Wilson
Member

I concur with the recommendation of the Board that the application is directed to subject matter not patentable under Section 2 of the Patent Act and that the rejection of claims 1 to 35 be therefore upheld.

A handwritten signature in black ink, appearing to read "P.J. Davies". The signature is written in a cursive style with a horizontal line under the "Davies" part.

P.J. Davies

Acting Commissioner of Patents

Dated at Hull, Quebec,
this 25th day of September 1997