

Commissioner's Decision No. 1507

Décision du commissaire n° 1507

TOPICS: J00 Meaning of Art
J10 Computer Programs
J30 Games

SUJETS: J00 Signification de la technique
J10 Programmes d'ordinateur
J30 Jeux

Application No. 2 635 371

Demande n° 2,635,371

IN THE CANADIAN PATENT OFFICE

DECISION OF THE COMMISSIONER OF PATENTS

Patent application number 2 635 371, having been rejected under subsection 30(3) of the *Patent Rules* (SOR/96-423) as they read immediately before October 30, 2019 [the *former Patent Rules*], has consequently been reviewed in accordance with paragraph 199(3)(c) of the *Patent Rules* (SOR/2019-251). The recommendation of the Patent Appeal Board and the decision of the Commissioner are to refuse the application.

Agent for the Applicant

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INTRODUCTION

- [1] This recommendation concerns the review of rejected Canadian patent application number 2 635 371, which is entitled “Methods and Devices for Playing a Modified Baccarat Game,” owned by NP IP Holdings LLC. The applicant is Station Casinos, Inc. (the Applicant). A review of the rejected application has been conducted by the Patent Appeal Board (the Board) pursuant to paragraph 199(3)(c) of the *Patent Rules*.
- [2] As explained in more detail below, our recommendation is that the Commissioner of Patents should refuse to issue a patent for this application.

BACKGROUND

The Application

- [3] The application was filed in Canada on June 19, 2008 and was laid open to the public on December 20, 2008.
- [4] The application relates generally to a modified Baccarat game.

Prosecution History

- [5] On January 26, 2016, a Final Action (FA) was issued pursuant to subsection 30(4) of the *former Patent Rules*. The FA stated that the instant application was defective because all of the claims on file were directed to subject matter outside of the definition of invention and therefore were not compliant with section 2 of the *Patent Act*.
- [6] In a response to the FA (RFA) received on July 26, 2016, the Applicant submitted a set of 11 proposed claims (the proposed claims) along with arguments as to why the application if amended with the proposed claims should be allowable.
- [7] The Examiner considered the application not to comply with the *Patent Act* despite the arguments submitted with the RFA and the proposed claims. Therefore, pursuant to

paragraph 30(6)(c) of the *former Patent Rules*, the application was forwarded to the Board for review along with an explanation outlined in a Summary of Reasons (SOR). The SOR set out the position that the claims on file were still considered to be defective. The SOR also set out the examiner's position that the proposed claims did not overcome the subject matter defect.

- [8] In a letter dated October 6, 2017, the Board forwarded a copy of the SOR to the Applicant.

- [9] The present panel (the Panel) was formed to review the application under paragraph 30(6)(c) of the *former Patent Rules*. The Panel sent a Preliminary Review letter (the PR letter) to the Applicant on August 13, 2019 wherein we set out our preliminary analysis and rationale as to why, based on the record before us, the subject matter defect identified in the FA was present. We also set out our preliminary view that the proposed claims did not overcome the defect.

- [10] The Applicant declined the opportunity for a hearing and indicated that they did not plan to make further submissions.

ISSUE

- [11] The issue to be addressed by the present review is whether the claims on file are directed to subject matter outside the definition of invention as found at section 2 of the *Patent Act*. We also consider the proposed claims.

LEGAL PRINCIPLES AND OFFICE PRACTICE

Purposive construction

- [12] In accordance with *Free World Trust v Électro Santé Inc*, 2000 SCC 66, essential elements are identified through a purposive construction of the claims done by considering the whole of the disclosure, including the specification and drawings (see also *Whirlpool Corp v Camco Inc*, 2000 SCC 67 at paras 49(f) and (g) and 52). In

accordance with the *Manual of Patent Office Practice* (CIPO) at §12.02, revised June 2015 [*MOPOP*], the first step of purposive claim construction is to identify the person of ordinary skill in the art (the POSITA) and their relevant common general knowledge (CGK). The next step is to identify the problem addressed by the inventors and the solution put forth in the application. Essential elements can then be identified as those required to achieve the disclosed solution as claimed.

Statutory subject matter

[13] The definition of invention is set out in section 2 of the *Patent Act*:

“Invention” means any new and useful art, process, machine, manufacture or composition of matter, or any new and useful improvement in any art, process, machine, manufacture or composition of matter.

[14] “*Examination Practice Respecting Computer-Implemented Inventions*,” PN 2013–03 (CIPO, March 2013) [*PN 2013–03*] clarifies the Patent Office’s approach to determining if a computer-related invention is statutory subject matter.

[15] As indicated in *PN 2013–03*, where a computer is found to be an essential element of a construed claim, the claimed subject matter will generally be statutory. Where, on the other hand, it is determined that the essential elements of a construed claim are limited to matter excluded from the definition of invention (e.g., the fine arts, mere ideas, schemes or rules), the claimed subject matter will not comply with section 2 of the *Patent Act*.

ANALYSIS

[16] In our analysis, we construe the claims first, according to a purposive construction, and identify the essential elements. We then consider the question of statutory subject matter. Finally, we consider this question with respect to the proposed claims.

Claim Construction

The POSITA and the relevant CGK

[17] In the FA, the POSITA and CGK were defined as follows:

The person skilled in the art would be a team consisting of people skilled in the fields of casino game development, and general purpose computing technologies. More specifically, the skilled team would be familiar with the game of Baccarat.

The skilled team is also familiar with general purpose computer hardware and general purpose computer programming techniques.

[18] The FA cited the following reference:

D1: US 2004/0023712 Oliver February 5, 2004

[19] In the PR letter, we also introduced the following reference of interest in respect of the CGK:

D2: US 6062979 Inoue May 16, 2000

[20] D1 relates to methods for casino table game play, including Baccarat, and mentions electronic gaming devices [abstract and para 0007]. D2 relates to a video card game machine for card games, including Baccarat [column 1, lines 5-10]. These two references, along with the relative lack of detail in the specification concerning the electronic implementation, reinforce our preliminary view that the implementation of the claimed features (in the embodiment as a computerized video game with features such as a display, input devices and a processor) falls within the common general knowledge in the art.

[21] In the RFA, the Applicant did not dispute these characterizations of the POSITA and CGK. Consistent with the PR letter, we adopt them here.

Problem and solution

[22] The FA expressed the problem and solution as follows:

As recited by the claims and the background section of the description, the identified problem is that *“if a player has run out of chips, he may still owe a commission to the house. Casinos may find it difficult to collect commission owed from a player who has already lost all of his chips and cannot cover the commission charge”*. The identified solution is to *“eliminate the need for payment and collection of a commission”* by providing players with *“option to place an ante bet when betting on the Banker hand”*.

[23] This characterization is supported by the description on file [paras 00012-00013 and 00043].

[24] In the RFA, the Applicant did not dispute this characterization. Consistent with the PR letter, we adopt it here.

Essential elements

[25] Independent claims 1 and 10 are directed to, respectively, a method and a device and share the same essential elements. As we stated in the PR letter, in our view, the essential elements of claims 1 and 10 which are required to implement the solution identified above are:

- deal first and second hands, each containing at least two but no more than three cards;
- permit a player to place a principal wager on either (i) the first hand having a score closer or equal to a predetermined high value than the second hand, (ii) the second hand having a score closer or equal to the predetermined high value than the first hand, or (iii) the first and second hands having the same score;
- permit a player to place an ante bet with a wager on the first hand having a score closer or equal to the predetermined high value than the second hand;
- collect the ante bet from the player if the score of the first hand does not equal the score of the second hand; and
- pay the player an ante bet payoff if the score of the first hand equals the score of the second hand.

[26] We did not construe the player input interface, computer processor and display as essential elements. The CGK indicates that computerized casino game devices were already well known for implementing casino card games and there was no problem in their implementation. As noted in MOPOP at §12.02.02d, the CGK informs the problem and solution as seen by the POSITA. The POSITA in this case would see these elements as part of the typical environment or context in which the invention operates, but not essential to the solution to the identified problem. The solution consists of a modified wagering scheme for Baccarat that eliminates the commission.

[27] Dependent claims 2-9 and 11-18 recite further details of the wagering and payoff rules.

Statutory Subject Matter

[28] As construed above, the essential elements of claims 1-18 correspond to a set of rules for game play. A computer is not among the essential elements. Using the language of *Canada (Attorney General) v Amazon.com Inc*, 2011 FCA 328 (at para 66) the essential elements are neither “something with physical existence” nor “something that manifests a discernible effect or change”. Such matter is outside the categories of invention in section 2 of the *Patent Act*.

[29] Therefore, in our view, the claims on file are not directed to statutory subject matter and thus do not comply with section 2 of the *Patent Act*.

PROPOSED CLAIMS

[30] In the RFA, the Applicant proposed a set of 11 claims directed to a device. Proposed independent claim 1 corresponds to claim 10 on file but recites that the principal bet selector is for selecting a principal wager. Proposed claims 4-11 correspond to claims 11-18 on file. Proposed dependent claims 2 and 3 recite the elements of buttons and a touch-screen respectively for bet selection.

- [31] In the RFA, the Applicant noted that the device provides input methods for placing bets and the computer is considered essential for providing an option to place an ante bet. The Applicant stated that “a skilled person would appreciate that buttons are hardware input devices” and “a skilled person would appreciate how touch-screen regions are displayed and activated”.
- [32] As we expressed in the PR letter, in our view, there was no particular problem faced in how to actually indicate a bet, as the feature of betting in electronic games was well-known in the art and solved by any number of well-known means. The bet selector is merely a convenient implementation.
- [33] Given the limited detail in the description, and the Applicant’s submission in the RFA, regarding the implementation of the electronic betting using a variety of input devices, in our view the POSITA would understand the problem not to lie in the input methods required for indicating a bet. The POSITA with their CGK would see the problem as how to ensure commissions are able to be payed when players lose the last of their chips. The input device for betting is not essential for the solution; the solution is the rules requiring placing an ante bet when betting on the banker hand.
- [34] Therefore, in our view, the essential elements remain unchanged, and the proposed claims do not remedy the subject matter defect.

RECOMMENDATION OF THE BOARD

[35] For the reasons set out above, we recommend that the Commissioner of Patents refuse this application as the claims on file are directed to non-statutory subject matter and are therefore non-compliant with section 2 of the *Patent Act*.

[36] Further, for the reasons set out above, we do not consider the proposed claims to constitute specific amendments necessary to comply with the *Patent Act* and *Patent Rules*. Accordingly, we decline to recommend that the Applicant be notified under subsection 199(5) of the *Patent Rules* that said proposed claims are necessary.

Howard Sandler
Member

Alison Canteenwalla
Member

Mara Gravelle
Member

DECISION

[37] I concur with the conclusions and recommendation of the Board that the application be refused on the ground that the claims on file are directed to non-statutory subject matter and are therefore non-compliant with section 2 of the *Patent Act*.

[38] Therefore, in accordance with section 40 of the *Patent Act*, I refuse to grant a patent on this application. Under section 41 of the *Patent Act*, the Applicant has six months within which to appeal my decision to the Federal Court of Canada.

Johanne Bélisle
Commissioner of Patents

Dated at Gatineau, Quebec,
this 23rd day of December, 2019