

Citation: Worldgaming Network LP. (Re), 2021 CACP 43  
Commissioner's Decision 1596  
Décision du Commissaire 1596  
Date: 2021-09-29

TOPIC: J-00 Meaning of Art

J-10 Computer Programs

J-30 Games

J-50 Mere Plan

SUJET: J-00 Signification de la  
technique

J-10 Programmes d'ordinateur

J-30 Jeux

J-50 Simple plan

Application No. : 2,838,347

Demande n° 2 838 347

IN THE CANADIAN PATENT OFFICE

DECISION OF THE COMMISSIONER OF PATENTS

Patent application number 2,838,347, having been rejected under subsection 30(3) of the *Patent Rules*, as they read immediately before October 30, 2019 (former *Patent Rules*), consequently has 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 patent application number 2,838,347, which is entitled “System and Method for Conducting Online Video Game Tournaments.” The patent application is owned by Worldgaming Network LP. (the Applicant). The Patent Appeal Board (the Board) has reviewed the rejected application pursuant to paragraph 199(3)(c) of the *Patent Rules*. The outstanding defect to be addressed in this review is whether the claims define patentable subject matter. As explained below, my recommendation is to refuse the application.

## BACKGROUND

### The Application

- [2] The instant application, based on a previously filed Patent Cooperation Treaty application, is considered to have been filed in Canada on June 22, 2012 and was laid open to the public on December 27, 2012.
- [3] The instant application relates to online gaming tournaments. More specifically, it relates to a method and system for conducting a tournament involving a plurality of competing players with varying skill levels.

### Prosecution History

- [4] On October 3, 2017, a Final Action (FA) was written pursuant to subsection 30(4) of the former *Patent Rules*. The FA explained that the application was defective on the ground that claims 1-30 (claims on file) were directed to non-statutory subject matter and therefore do not comply with section 2 of the *Patent Act*.
- [5] In a March 14, 2018 response to the FA (RFA), the Applicant submitted arguments for the allowance of the claims on file. The Applicant also submitted a set of proposed claims (proposed claims).
- [6] As the Examiner considered the application still did not comply with the *Patent Act* and *Patent Rules*, the application was forwarded to the Board for review pursuant to subsection 30(6) of the former *Patent Rules*, along with an explanation outlined in a Summary of Reasons (SOR) for maintaining the rejection of the application.

- [7] In a letter dated December 4, 2018, the Board forwarded a copy of the SOR to the Applicant. In its response to the SOR of December 19, 2018, the Applicant indicated a continued interest in having the Board review the application.
- [8] The undersigned was assigned to review the application under paragraph 30(6)(c) of the former *Patent Rules* and to make a recommendation to the Commissioner as to its disposition. In a Preliminary Review (PR) letter dated July 21, 2021, I set out my preliminary analysis and rationale as to why, based on the written record, the claims on file are prohibited under subsection 27(8) of the *Patent Act* and the subject matter of the claims on file are not patentable subject matter and fall outside the definition of “invention” in section 2 of the *Patent Act*. The PR letter offered the Applicant the opportunities to attend an oral hearing and to make further submissions.
- [9] The Applicant did not respond to the PR letter.

## **ISSUES**

- [10] The issues to be addressed by this review are whether the subject matter of the claims on file is prohibited under subsection 27(8) of the *Patent Act* and is directed to non patentable subject matter as it falls outside the definition of “invention” in section 2 of the *Patent Act*. I also consider the proposed claims.

## **LEGAL PRINCIPLES AND PATENT OFFICE PRACTICE**

### Purposive Construction

- [11] In accordance with *Free World Trust v Électro Santé Inc*, 2000 SCC 66 and *Whirlpool Corp v Camco Inc*, 2000 SCC 67, purposive construction is performed from the point of view of the person skilled in the art in light of the relevant common general knowledge (CGK), considering the whole of the disclosure including the specification and drawings. In addition to interpreting the meaning of the terms of a claim, purposive construction distinguishes the essential elements of the claim from the non-essential elements. Whether or not an element is essential depends on the intent expressed in or inferred from the claim, and on whether it would have been obvious to the skilled person that a variant has a material effect upon the way the invention works.

- [12] “Patentable subject matter under the *Patent Act*” (CIPO, November 2020) [PN2020–04] also discusses the application of these principles, pointing out that all elements set out in a claim are presumed essential unless it is established otherwise or such presumption is contrary to the claim language.

### Patentable 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] Subsection 27(8) of the *Patent Act* also prescribes that:

No patent shall be granted for any mere scientific principle or abstract theorem.

- [15] PN2020-04 describes the Patent Office’s approach to determining if a claim is patentable subject matter::

To be both patentable subject-matter and not be prohibited under subsection 27(8) of the *Patent Act*, the subject-matter defined by a claim must be limited to or narrower than an actual invention that either has physical existence or manifests a discernible physical effect or change and that relates to the manual or productive arts, meaning those arts involving or concerned with applied and industrial sciences as distinguished in particular from the fine arts or works of art that are inventive only in an artistic or aesthetic sense.

- [16] In *Schlumberger Canada Ltd v Commissioner of Patents*, [1982] 1 FC 845 (CA) [*Schlumberger*], the court concluded that, although computers were necessary for the invention to be put into practice, the computer did not form part of “what has been discovered” and thus was not relevant in determining whether the claimed invention was patentable subject matter; the computer was merely being used to make the kind of calculations it was invented to make.

- [17] PN2020–04 further describes the Patent Office’s approach to determining if a computer-related invention is patentable subject matter. For example, the mere fact that a computer is among the essential elements of the claimed invention does not necessarily mean that the claimed invention is patentable subject matter. An algorithm itself is abstract and unpatentable subject matter. A computer

programmed to merely processes the algorithm in a well-known manner without solving any problem in the functioning of the computer will not make it patentable subject matter because the computer and the algorithm do not form part of a single actual invention that solves a problem related to the manual or productive arts. On the other hand, if processing the algorithm improves the functionality of the computer, then the computer and the algorithm would together form a single actual invention that solves a problem related to the manual or productive arts and the subject matter defined by the claim would be patentable.

## **ANALYSIS**

[18] I note that since the Applicant did not respond to the PR Letter, the preliminary views presented in the PR Letter are considered to not be disputed. My recommendation below therefore provides an overview of my analysis and rationale presented in the PR Letter.

### Purposive Construction

#### *The Skilled Person and the Relevant CGK*

[19] As for the identification of the skilled person, in the PR letter it was stated:

The FA at page 2 characterized the skilled person as:

The skilled person or persons may consist of information technology engineers familiar with the design of tournaments connected through a data network. The skilled person also has knowledge of all known methods for matching players according to their skill level and updating players' skill level[s] based on their play performances.

[20] As for the identification of the CGK, in the PR letter I stated:

The FA at page 2 characterized the CGK as:

As described in the background of the invention, it is well known in the art to have online video game tournaments that are run by companies in the gaming industry wherein players pay a fee to enter a tournament and then the tournament server sets up a schedule for pairs of players to play matches against each other (page 1, par. 2).

...

I preliminarily identify the relevant CGK as also including:

- the design, implementation, operation and maintenance of video game machines, player devices, servers, networks and software, including online gaming,
- the design, implementation, operation and maintenance of computer systems, networks and software, including:
  - general purpose and special purpose computers, computing devices, input and output devices, processors, and user interfaces;
  - computer hardware and computer programming techniques; and
  - computer network and internet technologies and protocols.

[21] I adopt these characterizations in this review.

*The Essential Elements of the Claims*

[22] The instant application includes 30 claims on file, with independent claims 1 and 23 directed to embodiments for conducting a gaming tournament amongst multiple players.

[23] Claim 1 is directed to a system for conducting a gaming tournament amongst multiple players. Claim 23 is directed to the method for conducting the gaming tournament. Dependent claims 2-22 and 24-30 recite refinements of the independent claim steps and define additional features of the online tournament. In the PR Letter, I considered independent claim 1 as representative of the invention:

1. A system for conducting a tournament having a plurality of levels, starting with a first level and ending with a last level, and involving a plurality of competing players, the system comprising a tournament server comprising a computer processor, the tournament server being connected to a communications network and being in electronic communication with electronic player devices connected to the communications network, wherein the tournament server is separate and remote from game machines on which the players play matches, and wherein the players connect to the tournament server via the electronic player devices and register to compete in the tournament, and wherein the tournament server:

a. maintains a record of competing players for the tournament indicating at which level each player is eligible to play;



b. receives indications from the players that they are ready to play a match and maintains a ready list for each level listing players ready to play a match who are eligible to play at that level;

c. matches pairs of players on each ready list, informs the matched players of the match, and removes the matched players from the ready list;

d. receives the results of each completed match and analyzes the results to determine whether each player won or lost the match;

e. updates the record of competing players to indicate that a winning player is eligible to play at a higher level when the player wins a match that is not at the last level; and

f. awards a grand prize to a winning player when the player wins a match at the last level wherein each pair of matched players comprises two players who are selected to compete against each other in a match and wherein the matched players play the match using their game machines independent of the tournament server.

[24] In the PR Letter page 6, I considered all the computer-implemented method steps identified in the representative claim 1 to be essential, including the computer-implemented components that are used for carrying out these method steps as recited in the system claims:

Considering the representative claim 1, and the whole of the specification, the person skilled in the art would understand that there is no use of language indicating that any of the steps in each claim are optional, a preferred embodiment or one of a list of alternatives. Nor is there any indication in the record before us that would lead to a determination of any claimed elements being non-essential. Therefore, in my preliminary view, all the computer-implemented method steps identified in the representative claim 1 are considered to be essential, including the computer-implemented components that are used for carrying out these method steps as recited in the corresponding system claims.

Dependent claims 2-14, 16-22, and 24-29 recite further data inputs and calculations. These features are considered essential. Dependent claim 15 recites the use of a hosting network and communications network. Dependent claim 30 recites the requirement for the tournament server to comprise more than one computer processor. These features are also considered essential.

[25] I maintain this identification of the essential elements in this recommendation.

## Patentable Subject Matter

[26] As stated in the PR Letter at pages 7-9:

According to representative claim 1 and the specification, it appears that the invention is directed to the inputting of tournament and player details including levels, player records, and player ready lists, matching of players using the ready list, then calculating results and updating playing records and finally determining winning players.

Representative claim 1 has a data input step (inputting tournament and player data), a data processing step (calculating results and updating player records) and an output step (determining a winner).

In my preliminary view, all these essential steps of representative claim 1 cooperate together to form a system for conducting a gaming tournament amongst multiple players. Together, these steps represent the computer implementation of an abstract idea, theorem, or scheme for this gaming tournament.

The steps of receiving electronic data related to the inputting of a gaming tournament represent typical computer-implemented data input steps. Similarly, the step of the calculating results and updating player records is a typical computer-implemented data processing step according to input data. Finally, the step of determining a winner is a typical computer-implemented data output step.

...

According to *PN2020-04*, “[i]f a computer is merely used in a well-known manner, the use of the computer will not be sufficient to render the disembodied idea, scientific principle or abstract theorem patentable subject-matter and outside the prohibition under subsection 27(8) of the *Patent Act*.”

As explained in [*Canada (Attorney General) v Amazon.com, Inc*, 2011 FCA 328] (paras 61–63, 66, 69), a computer cannot be used to give an abstract idea a practical application satisfying the physicality requirement implicit in the definition of invention in section 2 of the *Patent Act* simply by programming the idea into the computer by means of an algorithm. This is the situation in *Schlumberger* at 205–206, where the computer was merely being used to make the kind of calculations it was invented to make.

In my view, this is the situation for representative claim 1, where the abstract theorem is implemented on the computer, but the computer is merely used in a well known manner, does not form a single actual invention with the abstract theorem and thus does not render the theorem patentable subject-matter. The computer is merely being used to make the kind of calculations and data manipulation that it was invented to make. The gaming machines referenced in the application are

considered in a similar light, they are a type of computer that are performing their intended calculations and data manipulation. There is no new hardware in the claimed invention.

In my view, the computer is merely being used to make the kind of calculations and data manipulation that it was invented to make for dependent claims 2-14, 16-22, and 24-29 which recite further data inputs and calculations.

Dependent claims 15 and 30 present the use of a hosting network, a communications network and a tournament server comprising more than one computer processor. These features are also considered to be a part of a well-known computer and it is being used in its intended manner.

Accordingly, the abstract scheme for conducting a gaming tournament amongst multiple players has no physical existence itself and does not manifest a physical effect or change. Nor does the use of the computer in this case cause it to meet the physicality requirement. Thus, in my preliminary view, the subject matter of representative claim 1 is prohibited under subsection 27(8) of the *Patent Act* and the subject matter of representative claim 1, representing claims 1-30, is not patentable subject matter as it falls outside the definition of "invention" in section 2 of the *Patent Act*.

[27] I maintain my view that the subject matter of claims 1-30 is prohibited under subsection 27(8) of the *Patent Act* and the subject matter of claims 1-30 is not directed to patentable subject matter as it falls outside the definition of "invention" in section 2 of the *Patent Act*.

### Proposed Claims

[28] As stated above, the Applicant submitted in the RFA, proposed claims 1-29 in an attempt to overcome the defect identified in the FA. From the claims on file, the proposed claims were amended to include that the invention is directed to online video game tournaments, and use a wide-area communication network. Claim 15 was cancelled.

[29] As in the PR letter at pages 9-10, I maintain that the essential elements of representative claim 1 are all the features of the claim:

Similar to the claims on file, I consider independent proposed claim 1 as representative of the proposed claims. It is directed to a system for conducting online video game tournaments amongst multiple players. Proposed claim 22 is directed to the method for conducting the online video game tournament. The minor

amendments were made in relation to the claims on file and they are underlined in the claim presentation below:

1. A system for conducting online video game tournaments, each online video game tournament having a plurality of levels, starting with a first level and ending with a last level, and involving a plurality of competing players, the system comprising an online video game tournament server comprising a computer processor, the online video game tournament server being connected to a wide area communications network and being in electronic communication with electronic player devices connected to the wide area communications network, wherein the online video game tournament server is separate and remote from game machines on which the players play matches, and wherein the players connect to the online video game tournament server via the electronic player devices and register to compete in the online video game tournament, and wherein the online video game tournament server:

- a. maintains a record of competing players for the online video game tournament indicating at which level each player is eligible to play;
- b. receives indications from the players via the wide area communications network that they are ready to play a match and maintains a ready list for each level listing players ready to play a match who are eligible to play at that level;
- c. matches pairs of players on each ready list, informs the matched players of the match, and removes the matched players from the ready list;
- d. receives the results of each completed match via the wide area communications network and analyzes the results to determine whether each player won or lost the match;
- e. updates the record of competing players to indicate that a winning player is eligible to play at a higher level when the player wins a match that is not at the last level; and
- f. awards a grand prize to a winning player when the player wins a match at the last level

wherein each pair of matched players comprises two players who are selected to compete against each other in a match and wherein the matched players play the match using their game machines via an online hosting network independent of the online video game tournament server.

In view of the amendments made in the representative proposed claim 1, and the whole of the specification, the person skilled in the art would understand that there is no use of language indicating that any of the steps in each claim are optional, a

preferred embodiment or one of a list of alternatives. Nor is there any indication in the record before us that would lead to a determination of any claimed elements being non-essential. Therefore, in my preliminary view, all the computer-implemented method steps identified in the representative proposed claim 1 are considered to be essential, including the computer-implemented components that are used for carrying out these method steps as recited in the corresponding proposed system claims.

Dependent claims 2-21 and 23-28 recite further data inputs and calculations. These features are considered essential. Dependent claim 29 recites the requirement for the tournament server to comprise more than one computer processor. These features are also considered essential.

[30] Regarding patentable subject matter of the proposed claims, as stated in the PR letter at pages 10-12,

With the amendments made in the representative proposed claim 1, and in view of the whole of the specification, it appears that the invention is unchanged and is directed to the inputting of tournament and player details including levels, player records, and player ready lists, matching of players using the ready list, then calculating results and updating playing records and finally determining winning players. As stated above, the amendments add in the language of applying these claims to an online video game environment and using a wide area network.

In my preliminary view, similar to the claims on file, the essential steps of representative proposed claim 1 cooperate together to form a system for conducting an online video game tournament amongst multiple players. Together, these steps represent the computer implementation of an abstract idea, theorem, or scheme for this online video game tournament.

The steps of receiving electronic data related to the inputting of an online video game tournament represent typical computer-implemented data input steps. Similarly, the step of the calculating results and updating player records is a typical computer-implemented data processing step according to input data. Finally, the step of determining a winner is a typical computer-implemented data output step.

In my preliminary view, defining the claim environment does not change what the actual invention is. I also refer to the RFA pages 4-5, as presented above, to preliminary view that the claims are not directed to any new computers or improvement to the computers. The proposed claimed features are to be used on existing and widely available online video game environments. In my view, representative proposed claim 1 is an abstract theorem that is implemented on the computer, but the computer is merely used in a well known manner, does not form a single actual invention with the abstract theorem and thus does not render the theorem patentable subject-matter. The computer is merely being used to make the kind of calculations it was invented to make.

In my view, the computer is merely being used to make the kind of calculations and data manipulation that it was invented to make for dependent claims 2-21 and 23-28 which recite further data inputs and calculations.

Dependent claims 29 present the use of a tournament server comprising more than one computer processor. This feature is also considered to be a part of a well-known computer and it is being used in its intended manner.

Accordingly, the abstract scheme for conducting an online video game tournament amongst multiple players has no physical existence itself and does not manifest a physical effect or change. Nor does the use of the computer in this case cause it to meet the physicality requirement. Thus, in my preliminary view, the actual invention of representative proposed claim 1 is prohibited under subsection 27(8) of the *Patent Act* and the subject matter of representative proposed claim 1, representing proposed claims 1-29, is not patentable subject-matter as it falls outside the definition of "invention" in section 2 of the *Patent Act*.

[31] I maintain this analysis in this recommendation. Accordingly, I consider that the subject matter of proposed claims 1-29 is prohibited under subsection 27(8) of the *Patent Act* and the subject matter of claims 1-29 is not directed to patentable subject matter as it falls outside the definition of "invention" in section 2 of the *Patent Act*. It follows that the proposed claims are not considered a necessary amendment under subsection 86(11) of the *Patent Rules*.

## **RECOMMENDATION OF THE BOARD**

[32] In view of the above, I recommend that the application be refused on the basis that the subject matter of the claims on file is prohibited under subsection 27(8) of the *Patent Act* and the subject matter of the claims on file is not patentable subject matter as it falls outside the definition of “invention” in section 2 of the *Patent Act*.

Mara Gravelle

Member

## **DECISION OF THE COMMISSIONER**

[33] I concur with the findings of the Board and its recommendation to refuse the application on the basis that the claims on file are prohibited under subsection 27(8) of the *Patent Act* and the subject matter of the claims on file is not patentable subject matter as it falls outside the definition of “invention” in section 2 of the *Patent Act*.

[34] Accordingly, I refuse to grant a patent for this application. Under section 41 of the *Patent Act*, the Applicant has six months to appeal my decision to the Federal Court of Canada.

Virginie Ethier  
Assistant Commissioner of Patents

Dated at Gatineau, Quebec

this 29<sup>th</sup> day of September, 2021