UNITED STATES PATENT AND TRADEMARK OFFICE

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UNITED STATES PATENT AND TRADEMARK OFFICE
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BEFORE THE PATENT TRIAL AND APPEAL BOARD
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Ex parte MATTHEW HANMER
_____

Appeal 2018-005511
Application 14/500,578
Technology Center 3600
_____

Before ANTON W. FETTING, AMEE A. SHAH, and
ROBERT J. SILVERMAN, *Administrative Patent Judges*.

FETTING, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE[1]

Matthew Hanmer (Appellant[2]) seeks review under 35 U.S.C. § 134 of
a final rejection of claims 1, 2, 4, 6, 9–15, and 17–25, the only claims
pending in the application on appeal. We have jurisdiction over the appeal
pursuant to 35 U.S.C. § 6(b).

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[1] Our decision will make reference to the Appellant's Appeal Brief ("App.
Br.," filed January 30, 2018) and Reply Brief ("Reply Br.," filed May 4,
2018), and the Examiner's Answer ("Ans.," mailed March 9, 2018), and
Final Action ("Final Act.," mailed August 30, 2017).
[2] We use the word "Appellant" to refer to "applicant" as defined in 37
C.F.R. § 1.42. Appellant identifies the real party in interest as MasterCard
International Incorporated (Appeal Br. 3).

The Appellant invented a way of handling the recovery of refundable taxes that have been levied during electronic transactions for the payment of goods and services. Spec. para. 1.

An understanding of the invention can be derived from a reading of exemplary claim 1, which is reproduced below (bracketed matter and some paragraphing added).

> 1. A method for handling recovery of refundable taxes, the method comprising:
>
> [1] sending,
>
> > by a computing device,
>
> > a tax refund application
>
> > > for a refund of a value added tax,
>
> > > based on a prior purchase by a user from a merchant,
>
> > to a tax refund processor;
>
> [2] receiving,
>
> > by the computing device,
>
> > a tax refund approval or rejection in response to the tax refund application,
>
> > the tax refund approval or rejection based on comparison of a risk score relating to the tax refund application to a predetermined threshold value,
>
> > wherein the risk score is based on a risk associated with the user submitting the tax refund application and a risk associated with the merchant involved in the prior purchase,
>
> > whereby the tax refund approval or rejection is based on a historical pattern of risk associated with the user and/or the merchant;
>
> and

[3] sending,

by the computing device,

a tax refund instruction to an acquirer associated with the merchant involved in the prior purchase,

in response to receiving the tax refund approval,

whereby tax associated with the prior purchase is refunded to the user.

Claims 1, 2, 4, 6, 9–15, and 17–25 stand rejected under 35 U.S.C. § 101 as directed to a judicial exception without significantly more.[3]

ISSUES

The issues of eligible subject matter turn primarily on whether the claims recite more than abstract conceptual advice of results desired.

ANALYSIS

STEP 1[4]

Claim 1, as a method claim, nominally recites one of the enumerated categories of eligible subject matter in 35 U.S.C. § 101. The issue before us is whether it is directed to a judicial exception without significantly more.

STEP 2

The Supreme Court

set forth a framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts. First, . . . determine whether the claims at issue are directed to one of those patent-ineligible concepts. If so, we then ask, "[w]hat else is

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[3] A rejection under 35 U.S.C. § 103 (Final Act. 7) is withdrawn. Ans. 3.
[4] For continuity of analysis, we adopt the steps nomenclature from 2019 Revised Patent Subject Matter Eligibility Guidance, 84 Fed. Reg. 50 (Jan. 7, 2019) ("Revised Guidance").

there in the claims before us? To answer that question, . . . consider the elements of each claim both individually and "as an ordered combination" to determine whether the additional elements "transform the nature of the claim" into a patent-eligible application. [The Court] described step two of this analysis as a search for an "'inventive concept'"—*i.e.*, an element or combination of elements that is "sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself."

Alice Corp. Pty. Ltd. v CLS Bank Int'l, 573 U.S. 208, 217–18 (2014) (citations omitted) (*citing Mayo Collaborative Services v. Prometheus Labs., Inc.*, 566 U.S. 66 (2012)). To perform this test, we must first determine what the claims are directed to. This begins by determining whether the claims recite one of the judicial exceptions (a law of nature, a natural phenomenon, or an abstract idea). Then, if claims recite a judicial exception, determining whether the claims at issue are directed to the recited judicial exception, or whether the recited judicial exception is integrated into a practical application of that exception, i.e., that the claims "apply, rely on, or use the judicial exception in a manner that imposes a meaningful limit on the judicial exception, such that the claim is more than a drafting effort designed to monopolize the judicial exception." Revised Guidance, 84 Fed. Reg. at 54. If the claims are directed to a judicial exception, then finally determining whether the claims provide an inventive concept because the additional elements recited in the claims provide significantly more than the recited judicial exception.

STEP 2A Prong 1

At a high level, and for our preliminary analysis, we note that method claim 1 recites sending application data, receiving refund approval or rejection data, and sending tax refund instruction data. Sending data is

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transmitting data. The limitation 2 recitation of the approval process is not a step within the claim but is instead an aspirational characterization of how the data so received originated. Thus, claim 1 recites receiving and sending data. None of the limitations recite technological implementation details for any of these steps, but instead recite only results desired by any and all possible means.

From this we see that claim 1 does not recite the judicial exceptions of either natural phenomena or laws of nature.

Under Supreme Court precedent, claims directed purely to an abstract idea are patent in-eligible. As set forth in the Revised Guidance, which extracts and synthesizes key concepts identified by the courts, abstract ideas include (1) mathematical concepts,[5] (2) certain methods of organizing human activity,[6] and (3) mental processes.[7] Among those certain methods of organizing human activity listed in the Revised Guidance are commercial or legal interactions. Like those concepts, claim 1 recites the concept of refunding taxes. Specifically, claim 1 recites operations that would ordinarily take place in advising one to send refund instructions after

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[5] *See, e.g.*, *Gottschalk v. Benson*, 409 U.S. 63, 71–72 (1972); *Bilski v. Kappos*, 561 U.S. 593, 611 (2010); *Mackay Radio & Telegraph Co. v. Radio Corp. of Am.*, 306 U.S. 86, 94 (1939); *SAP Am., Inc. v. InvestPic, LLC*, 898 F.3d 1161, 1163 (Fed. Cir. 2018).
[6] *See, e.g.*, *Bilski*, 561 U.S. at 628; *Alice*, 573 U.S. at 219–20; *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed Cir. 2014); *Smart Sys. Innovations, LLC v. Chicago Transit Auth.*, 873 F.3d 1364, 1383 (Fed. Cir. 2017); *In re Marco Guldenaar Holding B.V.*, 911 F.3d 1157, 1160–61 (Fed. Cir. 2018).
[7] *See, e.g.*, *Benson*, 409 U.S. at 67; *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1371–72 (Fed. Cir. 2011); *Intellectual Ventures I LLC v. Symantec Corp.*, 838 F.3d 1307, 1318 (Fed. Cir. 2016).

receiving approval following sending an application. The advice to send refund instructions after receiving approval following sending an application involves refunding tax, which is an economic act, and deciding on the refund, which is an act ordinarily performed in the stream of commerce. For example, claim 1 recites "sending . . . a tax refund instruction," which is an activity that would take place whenever one is making a commercial tax refund. Similarly, claim 1 recites "receiving . . . a tax refund approval," which is also characteristic of managing such commercial refunds.

The Examiner determines the claims to be directed to recovery of refundable taxes through collecting information, analyzing it, and displaying certain results of the collection and analysis. Final Act. 3.

The preamble to claim 1 recites that it is a method for handling recovery of refundable taxes. The steps in claim 1 result in sending tax refund instructions absent any technological mechanism other than a conventional computer for doing so.

As to the specific limitations, limitation 2 recites data reception. Limitations 1 and 3 recite insignificant sending of tax refund data, which advise one to apply generic functions to get to these results. The limitations thus recite advice for sending refund instructions after receiving approval following sending an application. To advocate sending refund instructions after receiving approval following sending an application is conceptual advice for results desired and not technological operations.

The Specification at paragraph 1 describes the invention as relating to handling the recovery of refundable taxes that have been levied during electronic transactions for the payment of goods and services. Thus, all this

intrinsic evidence shows that claim 1 is directed to refunding taxes. This is consistent with the Examiner's determination.

This in turn is an example of commercial or legal interactions as a certain method of organizing human activity because refunding taxes is a commercial payment between parties and so a commercial interaction. The concept of refunding taxes by sending refund instructions after receiving approval following sending an application is one idea for how to pay a refund. The steps recited in claim 1 are part of how this might conceptually be premised.

Our reviewing court has found claims to be directed to abstract ideas when they recited similar subject matter. *Accenture Global Servs., GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336, 1344–45 (Fed. Cir. 2013) (claims that implemented the abstract idea of generating tasks based on rules on the occurrence of an event, held ineligible because they preempted all practical uses of the abstract concept); *Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1367 (Fed. Cir. 2015) (tracking financial transactions); *Intellectual Ventures I LLC v. Symantec Corp.*, 838 F.3d at 1318 (screening of messages).

From this we conclude that at least to this degree, claim 1 is directed to refunding taxes by sending refund instructions after receiving approval following sending an application, which is a commercial and legal interaction, one of certain methods of organizing human activity identified in the Revised Guidance, and, thus, an abstract idea.

STEP 2A Prong 2

The next issue is whether claim 1 not only recites, but is more precisely directed to this concept itself or whether it is instead directed to

some technological implementation or application of, or improvement to, this concept, i.e., integrated into a practical application.[8]

> At the same time, we tread carefully in construing this exclusionary principle lest it swallow all of patent law. At some level, "all inventions . . . embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas." Thus, an invention is not rendered ineligible for patent simply because it involves an abstract concept. "[A]pplication[s]" of such concepts " 'to a new and useful end,' " we have said, remain eligible for patent protection. Accordingly, in applying the § 101 exception, we must distinguish between patents that claim the " 'buildin[g] block[s]' " of human ingenuity and those that integrate the building blocks into something more.

Alice, 573 U.S. at 217 (citations omitted).

Taking the claim elements separately, the operation performed by the computer at each step of the process is expressed purely in terms of results, devoid of implementation details. Step 2 is a pure data gathering step. Limitations describing the nature of the data do not alter this. Steps 1 and 3 are generic, conventional activity, such as storing, transmitting, or displaying the results. All purported inventive aspects reside in how the data is interpreted and the results desired, and not in how the process physically enforces such a data interpretation or in how the processing technologically achieves those results.

Viewed as a whole, Appellant's claim 1 simply recites the concept of refunding taxes by sending refund instructions after receiving approval following sending an application as performed by a generic computer. This is no more than conceptual advice on the parameters for this concept and the

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[8] *See, e.g., Alice*, 573 U.S. at 223, discussing *Diamond v. Diehr*, 450 U.S. 175 (1981).

generic computer processes necessary to process those parameters, and do not recite any particular implementation. Even granting weight to the limitation of "the tax refund approval or rejection based on . . . historical pattern of risk associated with the user and/or the merchant," this is conceptual advice for how to evaluate data by any and all means devoid of technological implementation details.

Claim 1 does not, for example, purport to improve the functioning of the computer itself. Nor does it effect an improvement in any other technology or technical field. The 15 pages of Specification do not bulge with disclosure, but only spell out different generic equipment[9] and parameters that might be applied using this concept and the particular steps such conventional processing would entail based on the concept of refunding taxes by sending refund instructions after receiving approval following sending an application under different scenarios. They do not describe any particular improvement in the manner a computer functions. Instead, claim 1 at issue amounts to nothing significantly more than an instruction to apply refunding taxes by sending refund instructions after receiving approval following sending an application using some unspecified, generic computer. Under our precedents, that is not enough to transform an abstract idea into a patent-eligible invention. *See Alice*, 573 U.S. at 225–26.

None of the limitations reflect an improvement in the functioning of a computer, or an improvement to other technology or technical field, applies or uses a judicial exception to effect a particular treatment or prophylaxis for a disease or medical condition, implements a judicial exception with, or uses

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[9] The Specification describes a PC, a tablet computer, and the like. Spec. para. 35.

a judicial exception in conjunction with, a particular machine or manufacture that is integral to the claim, effects a transformation or reduction of a particular article to a different state or thing, or applies or uses the judicial exception in some other meaningful way beyond generally linking the use of the judicial exception to a particular technological environment, such that the claim as a whole is more than a drafting effort designed to monopolize the exception.

We conclude that claim 1 is directed to achieving the result of refunding taxes by advising one to send refund instructions after receiving approval following sending an application, as distinguished from a technological improvement for achieving or applying that result. This amounts to commercial or legal interactions, which fall within certain methods of organizing human activity that constitute abstract ideas. The claim does not integrate the judicial exception into a practical application.

STEP 2B

The next issue is whether claim 1 provides an inventive concept because the additional elements recited in the claim provide significantly more than the recited judicial exception.

The introduction of a computer into the claims does not generally alter the analysis at *Mayo* step two.

> [T]he mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention. Stating an abstract idea "while adding the words 'apply it'" is not enough for patent eligibility. Nor is limiting the use of an abstract idea "'to a particular technological environment.'" Stating an abstract idea while adding the words "apply it with a computer" simply combines those two steps, with the same deficient result. Thus, if a patent's recitation of a computer amounts to a mere instruction to "implemen[t]" an abstract idea "on . . . a

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> computer," that addition cannot impart patent eligibility. This conclusion accords with the preemption concern that undergirds our § 101 jurisprudence. Given the ubiquity of computers, wholly generic computer implementation is not generally the sort of "additional featur[e]" that provides any "practical assurance that the process is more than a drafting effort designed to monopolize the [abstract idea] itself."

Alice, 573 U.S. at 223–24 (citations omitted).

"[T]he relevant question is whether the claims here do more than simply instruct the practitioner to implement the abstract idea . . . on a generic computer." *Alice*, 573 U.S. at 225. They do not.

Taking the claim elements separately, the function performed by the computer at each step of the process is purely conventional. Using a computer for receiving and sending data amounts to electronic data query and retrieval—one of the most basic functions of a computer. The limitation of "the tax refund approval or rejection based on . . . historical pattern of risk associated with the user and/or the merchant" is not a step, but a recitation of how the data originated, *viz.* a characterization of the data received, which is aspirational rather than functional. All of these computer functions are generic, routine, conventional computer activities that are performed only for their conventional uses. *See Elec. Power Grp. v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016). Also *see In re Katz Interactive Call Processing Patent Litig.*, 639 F.3d 1303, 1316 (Fed. Cir. 2011) ("Absent a possible narrower construction of the terms 'processing,' 'receiving,' and 'storing,' . . . those functions can be achieved by any general purpose computer without special programming"). None of these activities are used in some unconventional manner nor do any produce some unexpected result. Appellant does not contend he invented any of these activities. In short, each

step does no more than require a generic computer to perform generic computer functions. As to the data operated upon, "even if a process of collecting and analyzing information is 'limited to particular content' or a particular 'source,' that limitation does not make the collection and analysis other than abstract." *SAP Am., Inc. v. InvestPic LLC*, 898 F.3d 1161, 1168 (Fed. Cir. 2018) (citation omitted).

Considered as an ordered combination, the computer components of Appellant's claim 1 add nothing that is not already present when the steps are considered separately. The sequence of data transmission-reception-transmission is equally generic and conventional. *See Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed. Cir. 2014) (sequence of receiving, selecting, offering for exchange, display, allowing access, and receiving payment recited an abstraction), *Inventor Holdings, LLC v. Bed Bath & Beyond, Inc.*, 876 F.3d 1372, 1378 (Fed. Cir. 2017) (sequence of data retrieval, analysis, modification, generation, display, and transmission), *Two-Way Media Ltd. v. Comcast Cable Commc'ns, LLC*, 874 F.3d 1329, 1339 (Fed. Cir. 2017) (sequence of processing, routing, controlling, and monitoring). The ordering of the steps is therefore ordinary and conventional.

We conclude that claim 1 does not provide an inventive concept because the additional elements recited in the claim do not provide significantly more than the recited judicial exception.

REMAINING CLAIMS

Claim 1 is representative. The other independent method claim 21 is substantially similar at least as regards to this analysis. The remaining method claims merely describe process parameters. We conclude that the

method claims at issue are directed to a patent-ineligible concept itself, and not to the practical application of that concept.

There are no structural claims. As a corollary, the claims are not directed to any particular machine.

LEGAL CONCLUSION

From these determinations we further determine that the claims do not recite an improvement to the functioning of the computer itself or to any other technology or technical field, a particular machine, a particular transformation, or other meaningful limitations. From this we conclude the claims are directed to the judicial exception of the abstract idea of certain methods of organizing human activity as exemplified by the commercial and legal interaction of refunding taxes by sending refund instructions after receiving approval following sending an application, without significantly more.

APPELLANT'S ARGUMENTS

As to Appellant's Appeal Brief arguments, we adopt the Examiner's determinations and analysis from Final Action 2–6 and Answer 3–10 and reach similar legal conclusions. In particular, Appellant is incorrect in contending that "the Examiner's Answer does not dispute . . ." Reply Br. 2–5. *See* Ans., *id.* We now turn to the Reply Brief.

We are not persuaded by Appellant's argument that "the Examiner's continued failure to cite any evidence that the combination of operations recited by the pending claims are well-understood, routine, or conventional activities confirms that the pending claims are eligible under § 101 as reciting something significantly more than an alleged abstract idea." Reply Br. 4. Such evidence is cited *supra*.

We are not persuaded by Appellant's argument that the claims are analogous to those in *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016). Reply Br. 8. The claims differ from those found patent eligible in *Enfish*, where the claims were "specifically directed to a *self-referential* table for a computer database." 822 F.3d 1327, 1337 (Fed. Cir. 2016). The claims thus were "directed to a specific improvement to the way computers operate" rather than an abstract idea implemented on a computer. *Id.* at 1336. Here, by contrast, the claims are not directed to an improvement in the way computers operate. Though the claims purport to accelerate the process of tax refund, our reviewing court has held that speed and accuracy increases stemming from the ordinary capabilities of a general purpose computer "do[] not materially alter the patent eligibility of the claimed subject matter." *Bancorp Servs., L.L.C. v. Sun Life Assurance Co. of Can. (U.S.)*, 687 F.3d 1266, 1278 (Fed. Cir. 2012). Instead, the claims are more analogous to those in *FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089 (Fed. Cir. 2016), wherein claims reciting "a few possible rules to analyze . . . audit log data" were found directed an abstract idea because they asked "the same questions (though perhaps phrased with different words) that humans in analogous situations detecting fraud have asked for decades." 839 F.3d at 1094, 1095.

Appellant also attempts to analogize the claims to those involved in *McRO, Inc. v. Bandai Namco Games America Inc.*, 837 F.3d 1299 (Fed. Cir. 2016). Reply Br. *id.* In *McRO*, the court held that, although the processes were previously performed by humans, "the traditional process and newly claimed method . . . produced . . . results in fundamentally different ways." *FairWarning v. Iatric Sys.*, 839 F.3d 1089, 1094 (Fed.

Cir. 2016) (differentiating the claims at issue from those in *McRO*). In *McRO*, "[i]t [was] . . . the incorporation of the claimed rules not the use of the computer, that improved the existing technology process," because the prior process performed by humans "was driven by subjective determinations rather than specific, limited mathematical rules." 837 F.3d at 1314 (internal quotation marks, citation, and alterations omitted). In contrast, the claims of the instant application merely implement an old practice of using decision criteria in making refund decisions in a new environment. Appellant has not argued that the claimed processes of selecting refunds apply rules of selection in a manner technologically different from those which humans used, albeit with less efficiency, before the invention was claimed. Merely pigeon-holing the objects of decision making to aid decision making is both old and itself abstract.

> The claims in *McRO* were not directed to an abstract idea, but instead to "a specific asserted improvement in computer animation, i.e., the automatic use of rules of a particular type." We explained that "the claimed improvement [was] allowing computers to produce 'accurate and realistic lip synchronization and facial expressions in animated characters' that previously could only be produced by human animators." The claimed rules in *McRO* transformed a traditionally subjective process performed by human artists into a mathematically automated process executed on computers.

FairWarning, 839 F.3d at 1094 (citations omitted) (differentiating the claims at issue from those in *McRO*).

Appellant further argues that the asserted claims are akin to the claims found patent-eligible in *Core Wireless Licensing S.A.R.L. v. LG Electronics, Inc.*, 880 F.3d 1356 (Fed. Cir. 2018) and *Trading Techs. Int'l, Inc. v. CQG, Inc.*, 675 F. App'x 1001 (Fed. Cir. 2017) (non-precedential).

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Reply Br. 8. But the Court in the more recent *Trading Techs. Int'l, Inc. v. IBG LLC* addressed Appellant's *Core Wireless* argument.

> Relying principally on *Core Wireless . . .* , TT argues the claimed invention provides an improvement in the way a computer operates. We do not agree. The claims of the '999 patent do not improve the functioning of the computer, make it operate more efficiently, or solve any technological problem. Instead, they recite a purportedly new arrangement of generic information that assists traders in processing information more quickly.

Trading Techs. Int'l, Inc. v. IBG LLC, 921 F.3d 1084, 1093 (Fed. Cir. 2019) (citations omitted). The instant claims do not improve the functioning of the computer, make it operate more efficiently, or solve any technological problem. Instead, they recite a purportedly new arrangement of generic information that assists users in processing information more quickly. This also responds to the argument around the earlier non-precedential *Trading Techs.* case.

Appellant argues that the asserted claims are akin to the claims found patent-eligible in *Finjan, Inc. v. Blue Coat System, Inc.*, 879 F.3d 1299 (Fed. Cir. 2018). Reply Br. 8. In *Finjan*, the Court held that claims to a "behavior-based virus scan" were a specific improvement in computer functionality and hence not directed to an abstract idea. 879 F.3d at 1304. The claimed technique of scanning enabled "more flexible and nuanced virus filtering" and detection of potentially dangerous code. *Id*. This was done by "scanning a downloadable and attaching the results of that scan to the downloadable itself in the form of a 'security profile.'" *Id*. at 1303. The security profile included the information about potentially hostile operations produced by a "behavior-based" virus scan, as distinguished from traditional, "code-matching" virus scans that are limited to recognizing the

presence of previously-identified viruses, typically by comparing the code in a downloadable to a database of known suspicious code. *Id*. at 1304. This behavior-based scan was a new type of file that when attached to a downloadable allowed the computer to do more to protect itself than in the past.

The instant claims present no such new type of processing to create a file that improves computer performance. Instead, the claims are conventional data processing of tax refund data. They may improve speed of payment, but this is not an improvement to the computer.

We are not persuaded by Appellant's argument that "there is <u>no</u> <u>requirement</u> that a claim improve a computer as a tool to be eligible." Reply Br. 8. We agree, but this is unhelpful. Claims to devices and physical processes routinely avoid improving a computer as a tool. There is a requirement, however, that a claim drawn to an abstract idea, such as commercial transactions, recite something significantly more. Merely reciting an abstract idea that has beneficial effects is insufficient. "Claim 1 stands rejected under § 101 as ineligible for claiming unpatentable subject matter, not for lack of utility. The method claims of *Mayo* and *Ariosa* were apparently also useful, and also invalid. Utility is not the test for patent-eligible subject matter." *Genetic Tech. Ltd. v. Merial L.L.C.*, 818 F.3d 1369, 1380 (Fed. Cir. 2016) (citations omitted). "The fact that an identifier can be used to make a process more efficient, however, does not necessarily render an abstract idea less abstract." *Secured Mail Solutions LLC v. Univ. Wilde, Inc.*, 873 F.3d 905, 910 (Fed. Cir. 2017).

We are not persuaded by Appellant's argument that

the pending claims do necessarily improve computers as tools, by setting forth specific computing operations that enable

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computers, as tools, to solve problems attendant to prior inefficient and problematic tax refund schemes. Moreover, while the pending claims do allow, as contended by the Examiner, for the automation of a refund practice that was previously performed manually, that automation is not merely the result of performing some known series of operations on a computer (for example, a longstanding, fundamental economic practice, as in Alice), whereby the only "improvement" is the addition of a generic computer. As noted in the Appeal Brief, the pending claims' computing operations effect handling recovery of refundable taxes in an entirely non-routine and unconventional manner. Again, the pending claims have not merely taken a process that was previously performed manually and sought to automate that prior process with generic computing components, but have instead set forth a new series of operations in order to effect the refund electronically-and, indeed, a series of operations which the Examiner agrees are found nowhere in the cited art.

Reply Br. 9. Claim 1 sends, then receives, and then sends data. This is entirely conventional. Allowing automation of a previous manual operation is not a technological improvement, but merely directing a computer to perform a conceptual idea of replicating the manual process. This is not a new series of operations.

Appellant contends that the ordered combination of known steps in claim 1 was neither conventional nor routine. But patentability requires that the claimed combination of elements amount to "significantly more than a patent upon the ineligible concept itself." *Alice*, 573 U.S. at 219 (quoting *Mayo*, 566 U.S. at 73) (alterations omitted). The claims do not meet that standard. Even as an ordered combination, the limitations of claim 1 recite no more than a computer implementation of the abstract idea of using data reception and transmission of data originating from some algorithm to refund taxes, lacking anything "significantly more." To the extent Appellant

refers indirectly to how the data originates in the second limitation, again, this is not part of the step as recited, but an aspirational characterization of how the data originated before it is received. And even that characterization is conceptual.

> At that level of generality, the claims do no more than describe a desired function or outcome, without providing any limiting detail that confines the claim to a particular solution to an identified problem. The purely functional nature of the claim confirms that it is directed to an abstract idea, not to a concrete embodiment of that idea.

Affinity Labs of Texas, LLC v. Amazon.com Inc., 838 F.3d 1266, 1269 (Fed. Cir. 2016).

As to the Examiner determining the claim is not obvious, "a claim for a new abstract idea is still an abstract idea. The search for a § 101 inventive concept is thus distinct from demonstrating § 102 novelty." *Synopsys, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1151 (Fed. Cir. 2016).

We are not persuaded by Appellant's argument that "Claim 1 includes the generation of new data." Reply Br. 10. But data transformation or creation is not a physical transformation. "Schrader's claims, except for incidental changes to a 'record,' do not reflect any transformation or conversion of subject matter representative of or constituting *physical activity or objects*." *In re Schrader*, 22 F.3d 290, 294 (Fed. Cir. 1994). Claims related to "customizing information based on (1) information known about the user and (2) [specific] data" are directed to abstract ideas. *Intellectual Ventures I LLC v. Capital One Bank*, 792 F.3d at 1369.

CONCLUSIONS OF LAW

The rejection of claims 1, 2, 4, 6, 9–15, and 17–25 under 35 U.S.C.

§ 101 as directed to a judicial exception without significantly more is proper.

CONCLUSION

The rejection of claims 1, 2, 4, 6, 9–15, and 17–25 is affirmed.

In summary:

Claims Rejected	35 U.S.C. §	Basis	Affirmed	Reversed
1, 2, 4, 6, 9–15, 17–25	101	Eligibility	1, 2, 4, 6, 9–15, 17–25	

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R. § 1.136(a)(1)(iv) (2017).

AFFIRMED