

## Patentability of Process Claims and Business Method Inventions with No “Machine or Transformation”

### Introduction

Uncertainty existed regarding the future of patent eligibility of business method patents following the Supreme Court's decision in *Bilski v. Kappos*<sup>1</sup> in 2010. *Bilski* held that the “machine-or-transformation test”<sup>2</sup> is not the exclusive test for determining whether claims of business method patents constitute a “process” and therefore patent-eligible subject matter under 35 U.S.C. § 101.<sup>3</sup> According to § 101, patent-eligible subject matter includes “any new and useful process, machine, manufacture, or composition of matter.”<sup>4</sup> Additionally, the Supreme Court reiterated that the three exceptions to patent-eligible subject matter are “laws of nature, physical phenomena, and abstract ideas” and applied these exceptions along with the “machine-or-transformation” test to invalidate a claim related to hedging risk for being directed to an abstract idea.<sup>5</sup>

Since the Supreme Court's decision, the Federal Circuit, the district courts, and the Board of Patent Appeals and Interferences (BPAI) have all applied the holding in *Bilski* to determine whether process claims constitute patent-eligible subject matter. A subset of these decisions focuses on the validity of process claims that do not implicate a machine or transformation, of which few claims have been found valid. This article focuses on patentability of claims that do not recite a machine or transformation and analyzes trends in the courts' and BPAI's decision making since *Bilski v. Kappos*<sup>6</sup> issued.

### The Federal Circuit Applies an Abstract Exception Analysis to Claims that Do Not Implicate a Machine or Transformation

The first Federal Circuit decision to apply *Bilski* was *Research Corp. Technologies, Inc. v. Microsoft Corp.*<sup>7</sup> There, the claims recited a process for rendering digital halftone images, and the district court held certain of those claims invalid under § 101.<sup>8</sup> The Federal Circuit reversed, finding that the claims were not abstract and instead constituted patent-eligible subject matter.<sup>9</sup> A representative disputed claim from one of the patents stated:

A method for the halftoning of gray scale images by utilizing a pixel-by-pixel comparison of the image against a blue noise mask in which the blue noise mask is comprised of a random non-deterministic, non-white noise signal valued function which is designed to produce visually pleasing dot profiles when threshold at any level of said gray scale images.<sup>10</sup>

The court then analyzed the validity of the claims solely under the abstract exception to patent-eligible subject matter without reference to the machine-or-transformation test.<sup>11</sup> The court reasoned that the claims were not abstract because “the invention presents functional and palpable applications in the field of computer technology.”<sup>12</sup> Furthermore, the court found the invention was

not abstract by noting that other claims from the same disputed patents required the use of tangible objects such as a “high contrast film,” ‘a film printer,’ ‘a memory,’ and ‘printer and display devices.’”<sup>13</sup> Finally, the court stated that “specific improvements to technologies in the marketplace are not likely to be so abstract that they override the statutory language and framework of the Patent Act.”<sup>14</sup>

The next Federal Circuit decision in the wake of *Bilski* was *Ultramercial, LLC v. Hulu, LLC*, in which the district court found that the claims-in-suit did not recite patent-eligible subject matter.<sup>15</sup> Like *Research Corp. Technologies*, however, the Federal Circuit reversed, holding that the claims satisfied the “process” prong within the language and meaning of 35 U.S.C. § 101.<sup>16</sup> In *Ultramercial*, the patent claimed a multistep method for distributing copyrighted products (e.g., songs) over the internet where the consumer receives a copyrighted product for free in exchange for viewing an advertisement, and the advertiser pays for the copyrighted content.<sup>17</sup>

The court noted that § 101 is no more than a “coarse eligibility filter,” and that title 35 does not “list a single ineligible category, suggesting that any new, non-obvious, and fully disclosed technical advance is eligible for protection, subject to the following limited judicially created exceptions” of laws of nature, physical phenomena, and abstract ideas.<sup>18</sup> The court further acknowledged that the “machine-or-transformation logic served well as a tool to evaluate the subject matter of Industrial Age processes, [but] that test has far less application to the inventions of the Information Age.”<sup>19</sup>

Using a broad and expansive interpretation of § 101, the court analyzed the claims under the abstract idea exception, and stated that “[a]lthough abstract principles are not eligible for patent protection, an application of an abstract idea may well be deserving of patent protection.”<sup>20</sup> The court considered that “[i]nventions with specific applications or improvements to technologies in the marketplace are not likely to be so abstract that they override the statutory language and framework of the Patent Act.”<sup>21</sup> The court found that the claimed invention purported to improve existing technology in the marketplace, and by its terms, the claimed invention invoked computers and applications of computer technology.<sup>22</sup>

Finding that the claim recited a practical application of the idea that advertising can serve as currency including a particular multistep method for monetizing copyrighted products, and that many of the steps are likely to require intricate and complex computer programming and specific application to the internet and a cyber-market environment, the court viewed the subject matter as a whole to be patent-eligible under § 101.<sup>23</sup>

The third and last Federal Circuit decision to date involving the validity of claims that do not recite a machine or transformation is *CyberSource Corp. v. Retail Decisions, Inc.*<sup>24</sup> The district court found that the asserted claims did not satisfy § 101, and unlike *Research Corp. Technologies* and *Ultramercial*, the Federal Circuit affirmed.<sup>25</sup> In *CyberSource*, the patent claimed a method for verifying that a customer who is purchasing goods over the internet using a credit card is actually the owner of the credit card:

A method for verifying the validity of a credit card transaction over the internet comprising the steps of:

- a) obtaining information about other transactions that have utilized an Internet address that is identified with the [ ] credit card transaction;
- b) constructing a map of credit card numbers based upon the other transactions and;
- c) utilizing the map of credit card numbers to determine if the credit card transaction is valid.<sup>26</sup>

The patent also included a “computer readable medium” claim reciting program instructions for executing the claimed process.<sup>27</sup>

The court first addressed the method claim and determined that the claim does not meet the machine-or-transformation test despite the fact that the method “would not be necessary or possible without the Internet.”<sup>28</sup> The court stated that regardless of whether “the Internet” can be viewed as a machine, the Internet is merely described as the source of the data and mere “[data-gathering] step[s] cannot make an otherwise nonstatutory claim statutory.”<sup>29</sup>

The court continued to analyze the claim under the abstract idea test, and found that all the steps of the method can be performed in the human mind or by a human using a pen and paper.<sup>30</sup> The court also stated that the method claim is not limited in scope to any particular fraud detection algorithm and noted that no algorithms are disclosed in the patent specification.<sup>31</sup> The court held that a method that can be performed by human thought alone is merely an abstract idea and is not patent-eligible under § 101 because such methods embody the “basic tools of scientific and technological work”<sup>32</sup> that are free to all men and reserved exclusively to none.

The court next addressed the “computer readable medium” (CRM) or so-called “Beauregard claim” (e.g., a claim to a computer readable medium (e.g., a disk, hard drive, or other data storage device) containing program instructions for a computer to perform a particular process).<sup>33</sup> The court looked to the underlying invention recited in the claim for patent-eligibility purposes, which is a method for detecting credit card fraud, not a manufacture for storing computer-readable information. As was the case with the method claim, the court held the CRM claim invalid under section 101.<sup>34</sup>

Thus, up to now the Federal Circuit has indicated a willingness to find claims that do not recite a machine or transformation valid under § 101 if the claims (i) present functional and palpable applications in the field of computer technology, (ii) require use of tangible objects, and/or (iii) relate to specific improvements to technologies in the marketplace. The more factors present, the more likely it is that the claims will satisfy § 101. However, the Federal Circuit has rigidly rejected claims that can be performed in the human mind as merely unpatentable abstract ideas.

## District Courts Analyze Claims Under Both the Machine-or-Transformation Test and the Abstract Exception Analysis

Since the Supreme Court's ruling in *Bilski*, district courts have generally found all process claims that do not clearly recite a machine or transformation invalid under § 101. District courts look to the machine-or-transformation test as a guiding first step in the analysis of the validity of process patents under § 101.<sup>35</sup> If a process claim fails this test, the district court then determines whether the claim recites an abstract idea.<sup>36</sup> Even if claims are drafted in a way so as to not require the use of a specific computer, district courts have still applied the machine-to-transformation test against the claims.<sup>37</sup> Likewise, the mere mention of a computer or related system will not necessarily mean that the claim will be found to meet the "machine" prong.<sup>38</sup> Additionally, explicitly limiting the claims to a particular industry, though important for overcoming the abstract idea exception, does not guarantee that a district court will find the claims valid under § 101.<sup>39</sup>

For example, in *CLS Bank International v. Alice Corp. Pty. Ltd.*,<sup>40</sup> the district court first applied the machine-or-transformation test, then performed an analysis under the abstract idea exception before determining that the disputed claims were invalid under § 101.<sup>41</sup> Interestingly, the court noted that even if the claims had satisfied the machine-or-transformation test, the court would still apply the abstract idea exception.<sup>42</sup> A representative claim stated:

A **method of exchanging obligations** as between parties, each party holding a credit record and a debit record with an exchange institution, the credit records and debit records for exchange of predetermined obligations, the method comprising the steps of:

- a) creating a **shadow credit record** and a **shadow debit record** for each stakeholder party to be held independently by a supervisory institution from the exchange institutions;
- b) obtaining from each exchange institution a start-of-day balance for each shadow credit record and shadow debit record;
- c) for every transaction resulting in an exchange obligation, the supervisory institution adjusting each respective party's shadow credit record or shadow debit record, allowing only these **transactions** that do not result in the value of the shadow debit record being less than the value of the shadow credit record at any time, each said adjustment taking place in chronological order; and
- d) at the end-of-day, the supervisory institution instructing ones of the exchange institutions to exchange credits or debits to the credit record and debit record of the respective parties in accordance with the adjustments of the said permitted transactions, the credits and debits being irrevocable, time invariant obligations placed on the exchange institutions.<sup>43</sup>

The *CLS Bank* court found that the claims did not recite a transformation for reasons including that the recited “exchange of obligations” is not a transformation since obligations are not physical objects.<sup>44</sup> Additionally, the court found that the invention was not tied to a particular machine, even assuming that the terms “transaction,” “shadow credit record,” and “shadow debit record” required the use of a computer system.<sup>45</sup> The possibility that the claims recited the use of a computer generally did “not tie the claim to a particular machine or apparatus or save the claim from being found unpatentable.”<sup>46</sup> However, the court also determined that though a computer may expedite the claimed methods, a computer was certainly not required for their performance.<sup>47</sup>

Additionally, the court in *CLS Bank* also found that the method claim, among the other disputed claims, was abstract as being “a basic business or financial concept much like those struck down in *Bilski*.”<sup>48</sup> The basic business function the court referred to was the claimed use of an intermediary to minimize risk through exchanging obligations. Furthermore, the court emphasized that the abstract exception analysis should focus on whether the application of the claim is specific and/or limited to a particular field.<sup>49</sup> Distinguishing *Research Corp. Technologies*, the court in *CLS Bank* found the claims preempted the use of an intermediary for exchanging obligations “across an incredible swath of the economic sector.”<sup>50</sup> Likewise, the court found the claims were not sufficiently limited by the use of a computer.<sup>51</sup>

In view of the foregoing, the current approach among district courts is to rely heavily on the machine-or-transformation test.

### **The BPAI Applies a Combination of the Machine-or-Transformation Test and the Abstract Exception Analysis**

The BPAI has issued the majority of the post-*Bilski* decisions regarding patent-eligible subject matter for business method patent claims. Generally, the BPAI has found valid very few claims that lack a specific recitation of a machine or transformation.

#### **Valid Claims**

For claims that do not recite a machine or transformation, the BPAI tends to hone in on a specific step or term of the claim to find validity under § 101. This approach is somewhat contrary to the proposition that courts should analyze the “claims as a whole” to determine whether a claim is an abstract idea.<sup>52</sup> However, although the BPAI seems to focus on specific terms and claim steps, the BPAI has noted that just because a claim uses the word “tangible” does not automatically make the claims patent-eligible.<sup>53</sup>

For example, in *Ex Parte Bush*, the BPAI focused on the “issuing” step to find that the disputed claim was not abstract but directed toward a process.<sup>54</sup> The claim stated in part “issuing a bill-on-redemption card account.”<sup>55</sup> The BPAI, with little explanation, stated that the “issuing” step was “not

an abstract idea or mere mental step” and therefore not an abstract idea.<sup>56</sup>

Likewise, in *Ex Parte Montocchio*, the BPAI found that the “establishing” step of the disputed claim required a physical product and was therefore not abstract.<sup>57</sup> The claim recited in part “establishing the following components of a board game.”<sup>58</sup> The board found the term “establishing” was used to mean “providing” the physical components of a board game, and therefore was not an abstract idea.<sup>59</sup> One administrative patent law judge dissented, arguing that the claim failed the machine-or-transformation test.<sup>60</sup> The dissenter also argued that the language of step (b), “to result in sales representation training,” constituted an abstract concept.<sup>61</sup> Here, different judges honed in on different claim terms to reach contrary results regarding patent eligibility.

Only one decision from the BPAI seems to mirror the analysis established by the Federal Circuit in *Research Corp. Technologies*. In *Ex Parte Jack*, the Examiner rejected the following claim as not satisfying the machine-or-transformation test:<sup>62</sup>

A method of classifying tissue in a magnetic resonance image, the method comprising:

- a) acquiring a magnetic resonance image of a region of interest;
- b) constructing a pixel intensity histogram of the magnetic resonance image; and
- c) applying a statistical regression analysis to the histogram to determine a pixel intensity threshold value for segmenting the histogram into at least two regions, wherein at least one of the regions is representative of a tissue of interest.<sup>63</sup>

The BPAI reversed and upheld the claim under § 101 for not being abstract.<sup>64</sup> In doing so, the BPAI cited *Bilski* and noted that the Supreme Court held that the machine-or-transformation test is not the sole test for determining whether a process constitutes patent eligible subject matter under § 101.<sup>65</sup> Furthermore, the BPAI looked to the Federal Circuit’s recent decision in *Research Corporation Technologies, Inc.* for guidance in determining what constituted abstract subject matter which “should exhibit itself so manifestly as to override the broad statutory categories of eligible subject matter.”<sup>66</sup> In this case, the BPAI seemed to consider the claims as a whole.

### **Invalid Claims**

The BPAI has also issued decisions invalidating under § 101 claims that do not clearly recite a machine or transformation.

Generally for these claims, the BPAI considers relevant: 1) whether the claims recite a machine or transformation; and 2) whether the claimed subject matter relates to general concepts or can be performed by “mental steps.”<sup>67</sup> The Federal Circuit has previously stated that “[m]ental processes – or processes of human thinking – standing alone are not patentable even if they have practical

applications.”<sup>68</sup>

The BPAI has not specified whether failing the machine-or-transformation test is a threshold determination for validity. However, in *Ex parte Baryshnikov*, the board noted “[t]he absence of a recitation dedicated to a transformation or a machine weighs heavily for a finding that the claimed subject matter is an abstract idea.”<sup>69</sup> Likewise, in *Ex parte Estrada*, the board stated that a relevant consideration in its finding that the claims are invalid was the fact that the claims did not recite a machine or transformation.<sup>70</sup> Furthermore, the board has also found claims invalid under § 101 by relying solely on the machine-or-transformation test.<sup>71</sup> While the Supreme Court in *Bilski* noted that the machine-or-transformation test is still “a useful and important clue, an investigative tool, for determining whether some claimed inventions are processes under § 101,”<sup>72</sup> the Supreme Court did not indicate that failing this test should always be outcome determinative.

For example, in *Ex Parte Klein*, the BPAI rejected the following claim citing a method for searching for names in an employee database as failing the machine-or-transformation test:<sup>73</sup>

A method for name searching within an employee records database comprising:

- receiving a full name as a text string;
- searching an employee records database for an exact match of the full name;
- forming a first selection group of names from the employee records database using an exact searching algorithm which determines an extent to which portions of a first size of the names of the employee records database match portions of the first size of the text string;
- forming a second selection group of names from the first selection group using a fuzzy searching algorithm which determines an extent to which portions of a second size of the names of the first selection group match portions of the second size of the text string, wherein the second size is smaller than the first size;
- displaying the second selection group as a ranked list of names; and -allowing a selection of a name from the displayed ranked list of names.<sup>74</sup>

Although the board in *Klein* noted that the “machine-or-transformation test is one of the investigative tools . . . for determining when a method may qualify as a § 101 process,”<sup>75</sup> the board ended its analysis after applying the machine-or-transformation test.

Likewise, in *Ex Parte Warren*, the board cited only to the machine-or-transformation test as the relevant inquiry into patent eligibility of business method claims.<sup>76</sup> The claim stated:



A method for managing the assets of holders of rights in a property, comprising the steps of:

- acquiring shares of ownership in a property represented by a security and issued by a business enterprise, the shares of ownership being acquired by an administrator, wherein each of the shares constitutes a set of rights, wherein an individual one of the rights in the set of rights is a different kind of right from another one of the rights in the set of rights, there being at least two different kinds of rights in the set of rights, said individual right comprising at least one of an equity right, a non-equity right, a right to receive a dividend or portion of the dividend, a right to receive an interest payment or portion thereof, a right to receive rent, a right to real property, a right to a warrant, a right to a stock split, a right to conversion between classes of securities, a residual right, a voting right, a right to receive capital appreciation, and wherein one or more of said rights may have a time limitation;
- dividing the set of rights into portions by the administrator, each of the portions having at least one of the rights, wherein a kind of right that is present in a first of the portions is absent in a second of the portions; and
- establishing a market in the portions by the administrator, wherein in said market, there is a selling of the portions to investors and a repurchasing of the portions from the investors, said repurchasing enabling a holder of one of said portions to regain a divided-out right from one of said investors.<sup>77</sup>

The BPAI found that the disputed claim did not expressly or impliedly recite a machine or transformation.<sup>78</sup> The board seemed to conduct an analysis of whether the claim falls under the abstract exception to § 101 by noting that the claimed process is directed towards a concept and would cause preemption, but does not explicitly state that it analyzed this claim under any other test.<sup>79</sup>

However, the BPAI has also held claims invalid without applying the machine-ortransformation test.<sup>80</sup> For example, in *Ex parte Birle*,<sup>81</sup> the board found the following claim invalid for being directed to an abstract idea:

A financial instrument issued by a stock company and held by a holder, shares of stock of the company trading at a price, the instrument having a market price, the instrument comprising:

- a provision obligating the company to repay the principal according to a predetermined term;
- a provision making the instrument convertible into a predetermined number of shares of stock of the company at a predetermined conversion price;



- a provision obligating the company to make a payment to the holder with respect to passage of a time interval in the event the market price of the instrument is in a predetermined relationship to an accreted value thereof, the accreted value defined as the issue price of the instrument plus an economic accrual<sup>82</sup> of a portion of a difference between the issue price and the principal amount at maturity.

The BPAI cited to *Bilski* and analyzed the claims solely as to whether they constituted an abstract idea. Furthermore, the board mentioned that the claimed process could be achieved through a mental process, which is a factor the board commonly considers alongside the machine-or-transformation test.<sup>83</sup> However, in this decision, the board provided a general discussion of precedential case law en route to a determination of invalidity because the claim was drawn to an abstract idea.

## Conclusion

Since the Supreme Court's decision in *Bilski v. Kappos*, the Federal Circuit, district courts, and the BPAI have applied the Court's holding to determine the validity of business method claims under § 101. For process claims that do not recite a machine or transformation, the Federal Circuit analyzes the claims under the abstract exception to patent-eligible subject matter. However, there are only two precedential decisions to date from the Federal Circuit which upheld the validity of a process claim not reciting a machine or transformation. The district courts and the BPAI seem to rely heavily on the machine-or-transformation test in reviewing the § 101 validity of claims, whether the claims lend themselves to this test or not. Additionally, the BPAI takes a more varied approach to its analysis, applying a combination of the machine-or-transformation test and mental process test to determine whether a claim is abstract. In some decisions, however, the BPAI only applied the machine-or-transformation test, which conflicts with the Supreme Court's holding in *Bilski*. As more cases involving these unique sets of claims are appealed to the Federal Circuit, a better understanding will emerge as to the ways in which claims can be drafted to ensure validity in light of the Supreme Court's new standards.

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## Endnotes

1. 130 S. Ct. 3218 (2010).
2. According to the Court of Appeals for the Federal Circuit, an invention constituted a "process" only if: "(1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing." *In re Bilski*, 545 F.3d 943, 954 (Fed. Cir. 2008).

3. *Bilski*, 130 S. Ct. at 3227.
4. 35 U.S.C. § 101 (2010).
5. *Bilski*, 130 S. Ct. at 3225 (quoting *Diamond v. Chakrabarty*, 447 U.S. 303, 309 (1980)).
6. 130 S. Ct. 3218 (2010).
7. 627 F.3d 859 (Fed. Cir. 2010).
8. *Id.* at 862.
9. *Id.* at 869.
10. *Id.* at 865.
11. *Id.* at 868.
12. *Id.*
13. *Id.* at 869.
14. *Id.*
15. No. 2010-1544, 2011 U.S. App. LEXIS 19048 (Fed. Cir. Sept. 15, 2011).
16. 2011 U.S. App. LEXIS 19048, at \*1.
17. *Id.* at \*1-2. Claim 1 of the patent reads: A method for distribution of products over the Internet via a facilitator, said method comprising the steps of:
  - a first step of receiving, from a content provider, media products that are covered by intellectual property rights protection and are available for purchase, wherein each said media product being comprised of at least one of text data, music data, and video data;
  - a second step of selecting a sponsor message to be associated with the media product, said sponsor message being selected from a plurality of sponsor messages, said second step including accessing an activity log to verify that the total number of times which the sponsor message has been previously presented is less than the number of transaction cycles contracted by the sponsor of the sponsor message;
  - a third step of providing the media product for sale at an Internet website;
  - a fourth step of restricting general public access to said media product;
  - a fifth step of offering to a consumer access to the media product without charge to the consumer on the pre-condition that the consumer views the sponsor message;
  - a sixth step of receiving from the consumer a request to view the sponsor message, wherein the consumer submits said request in response to being offered access to the media product;
  - a seventh step of, in response to receiving the request from the consumer, facilitating the display of a sponsor message to the consumer;
  - an eighth step of, if the sponsor message is not an interactive message, allowing said consumer access to said media product after said step of facilitating the display of said sponsor message;
  - a ninth step of, if the sponsor message is an interactive message, presenting at least one query to the consumer and allowing said consumer access to said media product after receiving a response to said at least one query;
  - a tenth step of recording the transaction event to the activity log, said tenth step including updating the total number of times the sponsor message has been presented; and
  - an eleventh step of receiving payment from the sponsor of the sponsor message displayed.
- Id.* at \*2-3.
18. *Id.* at \*6-7.
19. *Id.* at \*9.
20. *Id.* at \*11.
21. *Id.* at \*12.
22. *Id.*
23. *Id.* at \*13-14.
24. No. 2009-1358, 2011 U.S. App. LEXIS 16871 (Fed. Cir. Aug. 16, 2011).
25. *Id.* at \*1.
26. *Id.* at \*2-3.
27. *Id.* at \*3-4.
28. *Id.* at \*10-11.
29. *Id.* at \*11.
30. *Id.* at \*17.
31. *Id.*

32. *Id.* at \*19.
33. *Id.*
34. *Id.* at \*23.
35. See, e.g., *Bancorp Serv. v. Sun Life Assurance Co. of Can.*, No. 4:00–CV–1073 (CEJ), 2011 WL 665679 (E.D. Mo. Feb. 14, 2011) (applying both the machine-or-transformation test as well as an analysis of abstractness in finding the claims invalid).
36. See *id.*
37. See *id.* at \*10 (holding claims which require the use of a general purpose computer are not sufficiently tied to a machine).
38. *Id.* at \*9.
39. See *Accenture Global Serv., GmbH v. Guidewire Software, Inc.*, No. 07-826-SLR, 2011 WL 2148636, at \*7 (D. Del. May 31, 2011) (finding the patents were “directed to concepts for organizing data rather than to specific devices or systems, and limiting the claims to the insurance industry [did] not specify the claims sufficiently to allow for their survival.”).
40. No. 07-974 (RMC), 2011 WL 802079 (D.D.C. Mar. 9, 2011).
41. *Id.* at \*12, \*19.
42. *Id.* at \*18.
43. *Id.* at \*3 (emphasis added).
44. *Id.* at \*13.
45. *Id.*
46. *Id.* at \*11.
47. *Id.* at \*18.
48. *Id.* at \*19.
49. *Id.* at \*21.
50. *Id.*
51. *Id.* at \*22.
52. See *Accenture Global Serv.*, 2011 WL 2148636, at \*7.
53. See *Ex parte Bash, et. al.*, Appeal 2009007202, 2010 WL 5199590, at \*2 (B.P.A.I. Dec. 20, 2010) (focusing on the term “computer readable storage medium” as opposed to the term “tangible” to find patent-eligible subject matter).
54. *Ex parte Bush*, Appeal 2009-008888, 2011 WL 901344, at \*2 (B.P.A.I. Mar. 14, 2011).
55. *Id.* at \*1. In full, the claim states: “A method for administering insurance claims and monitoring claim-related data in a database, comprising the steps of:  
(a) receiving a claim;  
(b) determining a dollar value of the claim;  
(c) issuing a bill-on-redemption card account funded with a point value corresponding to at least a portion of said dollar value of the claim;  
(d) paying at least some portion of the dollar value of the claim when the card account is used by a card recipient;  
(e) collecting purchase information from the card account; and  
(f) entering the purchase information into the database.”
56. *Id.* at \*2.
57. *Ex parte Montocchio*, Appeal 2009-011763, 2011 WL 938730, at \*3 (B.P.A.I. Mar. 16, 2011).
58. *Id.* In full, the claim states: “A method making use of play on a board game for training a sales representative to make a sales call on a selected type of prospective purchaser comprising the steps of:  
(a) **establishing** the following components of a board game:  
(i) means representing a pair of game pieces adapted to be placed on selected ones of a plurality of separate sequential spaces, one of said game pieces corresponding during play of the game to a player of said game acting in the role of a sales representative calling on a selected type of prospective purchaser and the other of said game pieces corresponding during play of the game to an opposing player of said game acting in the role of the selected type of prospective purchase being called on by the sales representative;  
(ii) means forming a game board bearing a track divided into a plurality of separate sequential spaces extending between a beginning space and an ending space and having certain of the spaces labeled in such a manner as to either reward or penalize a player landing on any of such selected spaces;  
(iii) a random number generator for regulating motion of said game pieces along said track; (iv) a timer for timing the

amount of time allowed for playing one turn of the game;

(v) means providing a set of texts accessible to and sequentially selectable by the players of said game, each of said texts containing a role play for a sales representative selling to the selected type of prospective purchaser and a hidden skill by which the performance of a sales representative is to be judged when selling to such type of prospective purchaser; and

(b) playing the game by a set of rules governing play of the game which require display of said hidden skill for advancement on said track while utilizing said game pieces, board, random number generator, timer and set of texts where by **to result in sales representation training** of all the players of said game for selling to the selected type of prospective purchaser.

(emphasis added)

59. *Id.*
60. *Id.* at \*6.
61. *Id.*
62. *Ex parte Jack*, Appeal 2009-015192, 2011 WL 486179, at \*2 (B.P.A.I. Feb. 7, 2011).
63. *Id.* at \*1.
64. *Id.* at \*2.
65. *Id.* at \*2.
66. *Id.* (quoting *Research Corp. Tech., Inc. v. Microsoft Corp.*, 627 F.3d 859, 868 (Fed. Cir. 2010)).
67. *See, e.g., Ex parte Blaker*, Appeal 2009008840, 2011 WL 1345327, at \*3 (B.P.A.I. Apr. 5, 2011) (finding a claim both failed the machine-or-transformation test and could be performed mentally).
68. *In re Comiskey*, 554 F.3d 967, 979 (Fed. Cir. 2009).
69. *Ex parte Baryshnikov*, Appeal 2009009672, 2011 WL 396453, at \*2 (B.P.A.I. Feb. 3, 2011).
70. Appeal 2009-012192, 2010 WL 3389278, at \*3 (B.P.A.I. Aug. 26, 2010).
71. *See Ex parte Raikar*, Appeal 2009-009302, 2011 WL 2168566, at \*2 (B.P.A.I. May 31, 2011) (invalidating a claim related to configuring network management systems under § 101 by only applying the machine-or-transformation test).
72. *Bilski*, 130 S. Ct. at 3227.
73. *Ex parte Klein*, Appeal 2009-006727, 2010 WL 5276908, at \*5 (B.P.A.I. Dec. 23, 2010).
74. *Id.* at \*1.
75. *Id.* at \*4.
76. *Ex parte Warren*, Appeal 2010-000815, 2011 WL 891737, at \*3 (B.P.A.I. Mar. 9, 2011).
77. *Id.* at \*1.
78. *Id.* at \*3.
79. *Id.* at \*4.
80. *See Ex parte Zommers*, Appeal 2009013434, 2011 WL 2062123, at \*9 (B.P.A.I. May 18, 2011) (finding a claim for a personal information system invalid under § 101 as being an abstract idea because many of the claimed steps “can be performed through entirely abstract mental thought.”).
81. *Ex parte Birle*, Appeal 2009-010659, 2010 WL 4366518, at \*3 (B.P.A.I. Nov. 1, 2010). 82 *Id.* at \*1. 83 *Id.* at \*2.