

## Electronically Processing Checks to Credit a Merchant As Soon as Possible, Despite Using Some Physical Steps, Is an Unpatenable Abstract Concept

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*Solutran, Inc., v. Elavon, Inc.*, No. 2019-1345, 2019-1460 (Fed. Cir. July 30, 2019)

The claims at issue were directed to a system and method of electronically processing checks in which (1) “data from the check is captured at the point of purchase,” (2) “this data is used to promptly process a deposit to the merchant’s account,” (3) the paper checks are moved elsewhere “for scanning image capture,” and (4) “the image of the check is matched up to the data file.” The district court denied the alleged infringers’ motion for summary judgment that asserted claims were invalid under 35 U.S.C. § 101 as being directed to ineligible subject matter.

On appeal, the Federal Circuit reversed, finding that the claims were directed to the abstract idea of crediting a merchant’s account as early as possible. Under the first step of the two-step Alice framework, the claims did not improve any technical effect related to check processing. Nor does the physicality of some of the invention (i.e., processing and transporting paper checks) save the claims. Rather, the invention’s aim of crediting a merchant’s account before a paper check is scanned is part of the long-standing commercial practice of crediting a merchant’s account as quickly as possible.

Applying step two, the claims do not effect an improvement in any other technology. Rather, the claims instruct the practitioner to “implement the abstract idea with routine, conventional activity.” Additionally, the patentee’s argument that its claims pass the machine-or-transformation test did not save the claims. Passing the test is not necessarily sufficient, and in any event, the claims do not pass the test. The claims’ use of a general-purpose computer and scanner to perform the conventional activity of check processing does not amount to an inventive concept.

[A copy of the opinion can be found here](#)

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