TOPIC: J00   Subject Matter of Applications—Meaning of Art
           J10   Subject Matter of Applications—Computer Programs

SUJET :   J00   Objet des demandes—Signification de la technique
           J10   Objet des demandes—Programmes d'ordinateur

IN THE CANADIAN PATENT OFFICE

DECISION OF THE COMMISSIONER OF PATENTS

The Commissioner refuses patent application number 2994068 based on the Patent Appeal Board's recommendation. The Board reviewed the application under paragraph 86(7)(c) of the *Patent Rules*, SOR/2019-251, following the application's rejection under subsection 199(1) of the *Patent Rules*.

Agent for the Applicant:

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INTRODUCTION

[1]   This recommendation concerns the review of rejected patent application number 2994068 which is entitled "Commercial Transaction System, Administration Server, and Program" and is owned by BWB Co., Ltd. The outstanding defect in the application as indicated by the Final Action is unpatentable subject-matter of the claims. The Patent Appeal Board reviewed the rejected application pursuant to paragraph 86(7)(c) of the *Patent Rules*, SOR/2019-251. As explained below, I recommend that the Commissioner of Patents refuse the application.

BACKGROUND

The application

[2]   Canadian patent application 2994068 was filed under the provisions of the *Patent Cooperation Treaty* and has an effective filing date in Canada of June 2, 2016. The instant application has been open to public inspection since November 30, 2017.

[3]   The invention is generally directed to an electronic commerce system to improve the efficiency of customs clearance processing. More specifically, the application is directed to providing users with pre-customs clearance information, including a tariff associated with a product, prior to purchase of the product.

Prosecution history

[4]   The Examiner sent a Final Action rejecting the application for claiming unpatentable subject-matter. The Applicant responded by proposing an amended set of claims, and submitted that the proposed claims defined patentable subject-matter. The Examiner disagreed and maintained the rejection, as contained in the Summary of Reasons, which were sent to the Applicant. The rejected application was forwarded to the Patent Appeal Board for review on behalf of the Commissioner of Patents.

[5]   The undersigned was tasked to review the rejected application pursuant to paragraph 86(7)(c) of the *Patent Rules*.

[6]   A Preliminary Review letter, dated February 10, 2025, was sent to the Applicant, providing my preliminary view that the claims are directed to unpatentable subject-matter and that the proposed claims did not remedy the defect of the claims on file.

[7]   In a letter dated February 21, 2025, the Applicant declined the opportunity for an oral hearing and indicated that they did not wish to provide further written submissions.

[8]   I have completed my review of the instant application and provide below my analysis regarding the rejected application.

THE ISSUE IS PATENTABLE SUBJECT-MATTER

[9]   This review considers the issue of whether the claims encompass subject-matter that lies outside the definition of "invention" and does not comply with section 2 of the *Patent Act*, RSC 1985, c P-4, first with respect to claims 1–7 (the claims on file at the time of the Final Action; these claims are dated June 12, 2019) and then in view of the proposed claims 1–6 (dated August 6, 2020).

PURPOSIVE CONSTRUCTION

Principles

[10]   Purposive construction is antecedent to any consideration of validity (*Free World Trust v Électro Santé Inc*, 2000 SCC 66 [*Free World Trust*] at para 19 and *Whirlpool Corp v Camco Inc*, 2000 SCC 67 [*Whirlpool*] at para 43). Purposive construction is performed from the point of view of the person skilled in the art in light of the relevant common general knowledge, considering the whole of the disclosure including the specification and drawings (*Free World Trust* at paras 31, 44, 51–52, 55–60; *Whirlpool* at paras 45–49, 52–53; "Patentable Subject-Matter

under the *Patent Act*" (CIPO, November 2020) [*PN2020–04*] at "Purposive construction").

[11]   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 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]   *PN2020–04* (at "Purposive Construction") also discusses the application of these principles, pointing out that all claimed elements are presumed essential unless it is established otherwise or such presumption is contrary to the claim language.

Analysis: The skilled person and the relevant common general knowledge

[13]   Since purposive construction is performed from the point of view of the skilled person skilled in light of the relevant common general knowledge, I must first characterise both (*Manual of Patent Office Practice* (CIPO) [*MOPOP*] at §12.02.01, revised June 2015).

[14]   The Final Action (page 2) characterised the skilled person or team and their common general knowledge as:

> The person of ordinary skill in the art is skilled in the field of e-commerce.
>
> The person of ordinary skill in the art may be an individual or a team of people skilled in the field of selling goods through the internet, and more particularly, in the sending and receiving of customs information related to products for the purposes of obtaining pre-customs clearance information, including tariff information. The skilled person may also be knowledgeable about computer servers, communications networks and databases.
>
> The common general knowledge of the skilled person in this field includes:
>
> 1. knowledge of conventional e-commerce;

2. knowledge of harmonized tariff classification, tariff codes and tariffs;

3. knowledge of servers, databases, and electronic networking.

[15] The Applicant did not dispute these characterisations during prosecution of the application.

[16] As the application is directed to electronic commerce systems, customs clearance processing, and computerised elements supporting both systems, in my view, the skilled person and the common general knowledge must reflect all three aspects.

[17] The Preliminary Review letter (page 5) provided my preliminary view that the skilled person is characterised as a team comprising electronic commerce and customs clearance specialists and a computer technologist supporting both specialists.

[18] Further, the Preliminary Review letter (pages 5–6) provided my preliminary view that the common general knowledge of the skilled person is characterised as follows:

- Electronic commerce websites that perform commercial transactions across different countries (instant description, para 0002, under "Background Art"; US 2012/0109765, Araque, May 3, 2012 [D1] at paras 0006–0008; GB 2362242, November 14, 2001 [D2] at pages 1–2).

- Customs clearance processes for the importation of products, including the calculation of tariffs for such products (instant description, para 0002, under "Background Art"; D1 at paras 0007, 0021, 0050–0052, 0060–0061, 0066, and 0068; D2 at pages 7–8, and 10).

- Tariff classification processes (US 7,596,500, Thompson, et al., September 29, 2009 [D3] as described under the "Background Information" in columns 1–3).

- Electronic commerce systems that prevent the importation of products for commercial purposes while purporting to be an individual importer (instant description, para 0002, under "Background Art" and para 0003 under "Citation

List", referring to patent document JP 2013-235407, FU JIHONG, November 21, 2013 [D4]).

- Real-time estimates of landing costs, including customs tariffs, of a proposed shipment of goods (as demonstrated, for example, in US 2008/0097933, Awaida et al., April 24, 2008 [D5] at paras 0005–0012, and 0031).

- Knowledge and implementation of computer-implemented processors, servers, databases, terminals, and networking between such computer-implemented components to support electronic commerce systems and customs clearance systems (as demonstrated, for example, in D1–D5).

[19] In the absence of submissions from the Applicant, I adopt the above characterisations of the person skilled in the art and the relevant common general knowledge for my final review.

Analysis: Meaning of terms and essential elements of the claims

[20] There are seven claims on file.

[21] Independent claim 1 is directed to a commerce system comprising three servers: an electronic commerce server, a customs clearance authentication server, and an administration server. The claim describes the interdependencies, functionalities, and message flows between them:

1. A commerce system comprising:

an electronic commerce (EC) server configured to implement E-commerce and connect to a user terminal;

a customs clearance authentication server configured to administer pre-customs clearance information, the customs clearance authentication server being in communication with a customs terminal administered by a customs authority; and

an administration server connected over a network to the customs clearance authentication server and the EC server, the administration server being configured to:

generate a registration request that includes product information regarding a product;

transmit the registration request to the customs clearance authentication server;

receive pre-customs clearance information regarding the product from the customs clearance authentication server;

transmit the pre-customs clearance information to the EC server such that the pre-customs clearance information is displayed together with the product information on a site accessed by the user terminal,

the customs clearance authentication server being configured to:

obtain customs clearance information from the customs terminal for the product based on the product information;

in response to the registration request from the administration server generate the pre-customs clearance information based on the product information and the customs clearance information, the pre-customs clearance information including information on a tariff associated with the product;

transmit the pre-customs clearance information to the administration server; and

provide the pre-customs clearance information for the product to the customs terminal upon receipt of a request from the customs terminal;

the EC server being configured to:

transmit the received pre-customs clearance information along with the product information to the user terminal; and

accept, from the user terminal, an instruction to circulate the product specified by the product information via customs.

[22] Independent claim 2 is directed to an administration server, its interdependencies, functionality, and message flows:

2. An administration server connected over a network to a customs clearance authentication apparatus and a commercial transaction apparatus, the customs clearance authentication apparatus being in communication with a customs terminal administered by a customs authority, the administration server comprising:

a processor configured to:

receive a registration request that includes product information regarding a product;

transmit the registration request to the customs clearance authentication apparatus;

acquire pre-customs clearance information regarding the product from the customs terminal through the customs clearance authentication apparatus, the pre-customs clearance information including information on a tariff, and customs clearance information from the customs terminal; and

transmit the pre-customs clearance information to the commercial transaction apparatus that connects to a user terminal and executes Ecommerce such that the pre-customs clearance information is displayed together with the product information on a site accessed by the user terminal.

[23] Dependent claims 3–7 further refine the claimed administration server of independent claim 2, reciting message flow dependencies and formats, and further refining its functionality.

[24]   Purposive construction is performed from the point of view of the skilled person in light of their common general knowledge and includes interpreting the meaning of the terms of a claim. I note that the record does not indicate disagreement on any terms between the Examiner and the Applicant.

[25]   However, as I noted in the Preliminary Review letter (pages 9–10), my preliminary view was that the skilled person would look to the instant description for an understanding of the qualifier "pre-customs" as recited in representative claims 1 and 2 (and also recited in dependent claim 7), for example in the term "pre-customs clearance information". Although the qualifier "pre-customs" is not defined directly in the instant description, the specification does describe "pre-customs" in several contexts, for example:

- "pre-customs clearance processing" is defined as "…registration processing… regarding customs clearance to be performed at customs 903 in relation to products handled by [electronic commerce] server 200" (instant description, para 0015).

- "pre-customs clearance" is described as a function of the customs clearance authentication server 400 (instant description, para 0017).

- The administration server 300 transmits a "pre-customs clearance request" to the customs clearance authentication server 400 and subsequently acquires "pre-customs clearance information" from the customs clearance authentication server 400 regarding a product (instant description, para 0020). The "pre-customs clearance information" is stored in association with the corresponding product information by the administration server 300 (instant description, para 0021).

- The customs clearance authentication server 400 generates "pre-customs clearance information" in response to a request from the administration server 300 (instant description, paras 0023–0026).

- The customs terminal 800, run by customs authorities, processes products that have arrived at customs 903, and determines whether "pre-customs clearance processing" has been performed on the product. If pre-customs clearance

processing has been performed, then the product is carried outside customs and delivered; otherwise, if pre-customs clearance processing has not been performed, normal processing (inspection, tariff classification and tariff amount calculation, call-out notification to delivery address, and the like) is performed (instant description, paras 0027–0028).

[26]　In light of such references, the Preliminary Review letter (page 10) expressed my preliminary view that the person skilled in the art would understand from the instant description that the qualifier "pre-customs" refers to customs-related processing of a product being performed prior to the product arriving at a customs facility.

[27]　Furthermore, the Preliminary Review letter (page 10) stated my preliminary view that given this understanding of the qualifier "pre-customs", the skilled person would readily understand the entire claim language and the resultant scope of the claims. In the absence of further submissions from the Applicant, I adopt these views for my final review.

[28]　Next, as further described above under the heading "Principles", purposive construction identifies the essentiality of the claim elements.

[29]　As a preliminary matter, although the Examiner construed the claims on file in the Final Action according to a previous Office Practice, the Examiner did construe the claims on file in the Summary of Reasons according to current Office Practice, *PN2020–04*, finding that all claim elements are essential. The Preliminary Review letter (page 10) preliminarily agreed with this finding that all claim elements are essential.

[30]　In the absence of further submissions from the Applicant, I adopt the above views regarding the meaning of terms and essential claim elements. The skilled person would understand that there is no use of language indicating that any of the elements are optional, and therefore, following *PN2020–04* and consistent with the Examiner's opinion in the Summary of Reasons, all the elements of the representative claims 1 and 2 on file are essential, including the computer-

implemented elements, their claimed functionalities, and the claimed message flows. A similar reasoning also applies to the remaining claims on file.

PATENTABLE SUBJECT-MATTER

Principles

[31]   Invention is defined 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.

[32]   Subsection 27(8) of the *Patent Act* also prescribes that:

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

[33]   *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.

[34]   The determination of the actual invention is a relevant and necessary question in assessing patentable subject-matter (*Canada (Attorney General) v Amazon.com Inc*, 2011 FCA 328 [*Amazon*] at para 42). As stated by the Federal Court of Appeal in *Canada (Attorney General) v Benjamin Moore & Co*, 2023 FCA 168 [*Benjamin Moore*] at para 68, this determination is in line with that Court's statement in *Schlumberger Canada Ltd v Commissioner of Patents*, [1982] 1 FC

845 (CA) [*Schlumberger*] that a patentable subject-matter assessment involves determining what according to the application has been discovered. The actual invention is identified in the context of the new discovery or knowledge and must ultimately satisfy the "physicality requirement" that is implicit in the definition of "invention" (*Amazon* at paras 65 and 66).

[35] *Amazon* at para 44 tells us that "a patent claim may be expressed in language that is deliberately or inadvertently deceptive" and that what appears on its face to be an "art" or "process" may in fact be a claim to an unpatentable mathematical formula, as was the case in *Schlumberger*.

[36] This sentiment is expressed in the position of the Federal Court of Appeal in *Amazon* on the physicality requirement. There is a requirement for something with physical existence, or something that manifests a discernible effect or change. Nevertheless, this requirement cannot be met merely by the fact that the claimed invention has a practical application (*Amazon* at paras 66 and 69). To illustrate this point, *Amazon* referred to *Schlumberger*, where the claims "were not saved by the fact that they contemplated the use of a physical tool, a computer, to give the novel mathematical formula a practical application" (*Amazon* at para 69).

[37] The patentable subject-matter concerns regarding the well-known use of a computer to process an algorithm, illustrated by *Schlumberger*, are expressed in the factors set out in *PN2020–04* that may be considered when reviewing computer-implemented inventions, namely:

- 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, unpatentable subject-matter and prohibited by subsection 27(8) of the *Patent Act*;

- a computer programmed to merely process an abstract algorithm in a well-known manner without more will not make it patentable subject-matter; and

- if processing an algorithm improves the functionality of the computer, then the computer and the algorithm would together form a single actual invention that would be patentable.

[38]   The above factors and the general concerns around the well-known use of a computer to process new abstract algorithms can be seen to involve considerations of novelty or ingenuity. Canadian law does not prohibit considerations of the novelty or ingenuity of elements of a claim in considering patentable subject-matter and finds support in situations like that of *Schlumberger* where a known tool, a computer, is used to give an abstract mathematical formula a practical application (*Benjamin Moore* at paras 69–70, referring to *Amazon*). These considerations assist in the determination of the discovery or new knowledge, the method of its application and the actual invention (*Benjamin Moore* at para 89) that is ultimately measured against the physicality requirement.

[39]   As noted in *Benjamin Moore* at para 94 (and similarly expressed in *Amazon* at para 61), the physicality requirement will not likely be satisfied without something more than only a well-known instrument, such a computer, being used to implement an abstract method. The factors set out above from *PN2020–04* assist in determining whether something more is present.

Analysis: Patentable subject-matter

[40]   I consider claims 1–7 on file define unpatentable subject-matter.

[41]   As a preliminary matter, although the Examiner assessed the patentable subject-matter defect in the Final Action according to a previous Office Practice, the Examiner did re-assessed patentable subject-matter of the claims on file according to current Office Practice, *PN2020–04*, in the Summary of Reasons.

[42]   The Examiner found that "although the claims recite an electronic commerce server, a customs clearance authentication server, an administration server, a customs terminal and a user terminal, the description describes these elements

as generic computer elements" and that "the system is described as using only generic networks" (Summary of Reasons, page 2).

[43] The Examiner further explained in the Summary of Reasons (pages 2–3):

> Thus there is no indication from the specification that improvements have been made to the functioning of the servers, terminals, their components or to computer networks. Finally, the description does not appear to place emphasis on specific computational challenges, such as architectural or performance requirements, associated with computer elements.
>
> Therefore, the input, output and processing elements do not form part of a single actual invention.

[44] The Examiner concluded that "[a]s the disclosure is focused on a set of rules for acquiring pre-customs clearance information", then "the actual invention [of an administrative set of rules enabling commerce] is considered to have no physical existence and does not manifest a discernible physical effect or change" (Summary of Reasons, page 3).

[45] I note that the Examiner did not directly respond in the Summary of Reasons to the Applicant's arguments for allowance. Nor did the Applicant respond to the Examiner's opinion presented in the Summary of Reasons. But the Applicant's arguments in its Response to the Final Action must be considered in this review.

[46] Keeping in mind the context of the Applicant's arguments in its Response to the Final Action regarding the Examiner's patentable subject-matter assessment according to a now outdated Office Practice, the Applicant argued that (Response to the Final Action, pages 5–6):

> The distributed functions of each of the servers of the present claims contributes to a system that may enable an e-commerce provider to provide pre-customs clearance of a product and delivery processing without requiring the e-commerce provider to build the infrastructure necessary to provide such services. Additionally, this distributed processing enables a customs authority to provide advance clearance of products into the country

and this speed up processing when the product enters the country without requiring the customs authority to provide the necessary computing resources to enable such processing.

A separate administration server is provided to handle the logistical aspect of delivering the product to the destination country. The administration server relies on the customs clearance authentication server to interface with the customs terminal to obtain customs clearance prior to purchase of the product. The customs clearance authentication server must build a trusted relationship with the customs terminal and the customs authority such that customs clearance is provided prior to the product being purchased or shipped and also such that the customs terminal contacts the customs clearance authentication server when the product reaches the customs authority. The administration server may not desire or may not be able to build such a trusted relationship with the customs terminal and thus the customs clearance authentication server is operated separately therefrom. Additionally, the customs clearance authentication server may be a server that is operated by a third party or even by the customs authority themselves.

The above illustrates the complicated, distributed nature of the functionality of the present system. This distributed nature provides advantages as illustrated above. Thus, contrary to the Examiner's position, not only are there new features that are not present in prior systems but the distribution of these features in the manner outlined in the claims provides advantages.

[47] The Applicant concluded that (Response to the Final Action, page 7):

Based on the above, Applicant submits that it is clear that the present application is directed to a distributed configuration of servers for providing for automated clearance of products through customs prior to purchase and is in compliance with Section 2 of the *Patent Act*.

[48] At the core of the patentable subject-matter assessment, as described above under the heading "Principles", is to determine what the inventor has actually

invented or claims to have invented (*Amazon* at para 42; *Benjamin Moore* at para 68). This is referred to in *PN2020–04* as determining the "actual invention", or equivalently, identifying the "discovery" (as in *Schlumberger*), or "determining where the discovery lies" (as in *Benjamin Moore* at para 89). Given that the claims in this application embody a computer-implemented invention, the assessment becomes what role, if any, does the computer elements have in the actual invention.

[49]   In other words and with respect to the instant application, are the computer elements merely well-known and without improvement in terms of their functionality and therefore outside the actual invention, as argued by the Examiner? Or is the distributed functionality of the claimed servers part of the actual invention, as argued by the Applicant? In my view, the computer-implemented elements, including the claimed servers, are not part of the actual invention.

[50]   Claim 1 embodies a computer-implemented system comprising three servers. At the center of the system is an administration server, connected to an electronic commerce server and a customs clearance authentication server. The administration server as claimed manages the information flows between the other two servers.

[51]   The information flows embodied in claim 1 recite that the administration server requests registration of product information with the customs clearance authentication server. In response, the administration server receives pre-customs clearance information associated with the product information, received from a terminal on the customs authentication server.

[52]   The information flows embodied in claim 1 also recite that the administration server transmits the pre-customs clearance information, including a tariff, associated with the product to the electronic commerce server. The pre-customs clearance information is displayed, along with the product information, to a user when accessed by a user terminal. The electronic commerce server accepts from the user terminal an instruction to circulate the product through customs.

[53]   Similarly for independent claim 2 directed to an administration server, the administration server receives and requests registration of product information with the customs clearance authentication server. Subsequently, the administration server receives pre-customs clearance information associated with the product information and customs clearance information received from a terminal on the customs authentication server. The administration server transmits the pre-customs clearance information, including a tariff, associated with the product to the electronic commerce server.

[54]   In summary, based on the claimed functionality and information flows between the claimed servers, pre-customs clearance information for a product, including a tariff, is requested, registered, generated and provided to a user of an electronic commerce site when considering a product for purchase. The claimed embodiments provides that a user receives customs clearance information for the product prior to purchase. As stated in the Preliminary Review letter (page 17), my preliminary view was that the information flows embodied in the representatives claims 1 and 2 are part of the actual invention. But the question becomes: are the distributed computer-implemented elements embodied in representative claims 1 and 2 as three claimed servers that enable these information flows also part of the actual invention?

[55]   I have already established above under "Purposive Construction" that the computer-implemented elements, such as the servers, are essential to the claimed invention. But, as explained under the heading "Principles", this factor does not provide a definitive conclusion in an assessment of patentable subject-matter (*Amazon* at paras 61–63; *Schlumberger*; *Benjamin Moore* at 94).

[56]   The Preliminary Review letter (page 17) stated my preliminary view that the role of the computer-implemented elements in the representative claims enable the claimed information flows in a well-known manner. The computer elements are merely executing programming according to the claimed functions and information flows. The description only describes well-known computer-implemented networking architectures (instant description, para 0009, figures 1–4) and well-known computer-implemented elements (instant description, paras 0009, 0013, 0016–0022, 0024–0029, 0031–0035, and 0042).

[57]   The Preliminary Review letter (pages 17–18) further expressed that the execution of the information flows does not improve the functioning of the computer, for example, in terms of memory usage or processing speed. In my preliminary view, the computations needed to request, register, generate and provide the pre-customs clearance information to the user for a product adds to, rather than improves, the processing requirements of the system. Furthermore, the application does not describe any improvements to the computer-implemented elements resulting from the execution of the information flows in the claimed invention.

[58]   This situation in this application is analogous to the one highlighted by *Amazon* at paras 61–62 describing *Schlumberger*, where the claims to an unpatentable mathematical formula were not made patentable by being programmed into a computer providing a practical application.

[59]   The Preliminary Review letter (page 18) further stated my preliminary view that the Applicant's argument regarding the distributed functionality of the claimed servers forms part of the actual invention was not persuasive. Such distributed functionality is already part of the skilled person's common general knowledge, as evidenced by D4 and noted above in the analysis of the skilled person and their common general knowledge.

[60]   The Preliminary Review letter (page 18) noted that D4 discloses an intermediary terminal connected to a server that manages data relating to the order and delivery of goods (para 0007). D4 describes that the results of a customs inspection, including the calculation of tariffs, are communicated from the intermediary terminal to the user via the server (para 0015).

[61]   My preliminary view presented in the Preliminary Review letter (page 18) further noted that the server of D4 functions as an intermediary that manages information flows between the customs system and the electronic commerce system in a similar manner as the authentication server of the instant application. Therefore, the actual invention of the instant application, when viewed by the skilled person in light of the common general knowledge, relates more so to the

timing of the information flows, that is, pre-customs clearance information is determined and provided to a user prior to product purchase.

[62]   The Preliminary Review letter (pages 18–19) found that, contrary to the Applicant's arguments, the skilled person would understand that the computer-implemented elements are not part of the actual invention, but rather the actual invention as viewed by the skilled person is directed to the information flows themselves and to the timing of customs information made available to a user. Such an actual invention is an abstract set of rules or a scheme that enables the pre-customs clearance information of a product to be provided to a user prior to product purchase.

[63]   In the absence of any further submissions from the Applicant, I adopt the above preliminary views for my final review. Therefore, in my view, representative claims 1 and 2 on file are not directed to patentable subject-matter within the meaning of the term "art" as used in section 2 of the *Patent Act*. The claims are directed to solely abstract subject-matter prohibited by subsection 27(8) of the *Patent Act*. A similar reasoning also applies to the remaining claims on file, that is, claims 3–7 on file.

DO THE PROPOSED CLAIMS REMEDY THE DEFECTS?

[64]   I do not consider the proposed claims to remedy the defect of the claims on file.

[65]   In the Response to the Final Action, the Applicant proposed amendments to independent claim 1 to embody:

- economic zones associated with both the electronic commerce site and the customs terminal;

- claimed information flows using "means for" language;

- additional limitations clarifying that the pre-customs clearance information is associated with the product when accessed or searched by a user terminal on the electronic commerce site; and

- additional limitations recording information indicating completion of custom clearance processing when the product has arrived at the customs authority.

[66]   Similar amendments were proposed for independent clam 2. The "means for" language was also used in the proposed dependent claim 6.

[67]   Claim 3 on file was removed and the claim dependencies were revised for the remaining proposed claims.

[68]   In my view, the skilled person and their common general knowledge would be the same as identified above. I note that the Examiner raised an indefiniteness defect regarding several proposed claims in the Summary of Reasons. As stated in the Preliminary Review letter (pages 19–20), my preliminary view was that the identified antecedent or editorial issues are easily corrected and do not affect my ability to assess the validity of the proposed claims, given that the skilled person would be able to understand the language of the proposed claims, the scope of the proposed claims, and the meaning of claim terms similar to the claims on file, as discussed above.

[69]   The skilled person would also view the information flows, computer-implemented functionality and the computer-implemented elements are all essential, as the skilled person would understand that there is no use of language indicating that any of the elements are optional.

[70]   The Preliminary Review letter (page 20) also stated that my previous analysis of the unpatentable subject-matter of the claims on file equally applied to the proposed claims: information flows to enable the pre-customs clearance information of a product provided to a user prior to product purchase does not change the role of the computer-implemented elements in the proposed claims, as the computer-implemented elements are still operating in a conventional manner. The actual invention of the proposed claims therefore does not include computer-implemented elements and is solely directed to information flows themselves, similar to the assessment of the claims on file.

[71]   In the absence of any further submissions from the Applicant, I adopt the above preliminary views for my final review.

[72] Given that the actual invention of the proposed claims is directed to an abstract set of rules or a scheme, the subject-matter of the proposed claims is not within the meaning of the term "art" as used in section 2 of the *Patent Act* and is directed to solely abstract subject-matter prohibited by subsection 27(8) of the *Patent Act*.

[73] It follows that proposed claims 1–6 are not considered a necessary amendment under subsection 86(11) of the *Patent Rules*.

CONCLUSIONS

[74] Claims 1–7 on file define unpatentable subject-matter, falling outside the categories of invention defined in section 2 of the *Patent Act* and prohibited by subsection 27(8) of the *Patent Act*.

[75] The proposed claims would not overcome the patentable subject-matter defect and are therefore not considered a "necessary" amendment for compliance with the *Patent Act* and *Patent Rules* as required by subsection 86(11) of the *Patent Rules*.

RECOMMENDATION OF THE BOARD

[76] In view of my analysis above, I recommend that the application be refused on the grounds that:

- claims 1–7 on file are directed to subject-matter prohibited under subsection 27(8) of the *Patent Act*, and

- claims 1–7 on file are directed to subject-matter falling outside the definition of "invention" in section 2 of the *Patent Act*.

Lewis Robart

Member

DECISION OF THE COMMISSIONER

[77]   I agree with the Board's findings and its recommendation that the application be refused on the ground that:

- claims 1–7 on file are directed to subject-matter prohibited under subsection 27(8) of the Patent Act, and

- claims 1–7 on file are directed to subject-matter falling outside the definition of "invention" in section 2 of the Patent Act.

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

Konstantinos Georgaras

Commissioner of Patents
Dated at Gatineau, Quebec
this 27th day of March, 2025.