



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
13/966,436	08/14/2013	John F. Gullo	08049.0924-02	5542

22852 7590 09/12/2018
FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER
LLP
901 NEW YORK AVENUE, NW
WASHINGTON, DC 20001-4413

EXAMINER

HARRINGTON, MICHAEL P

ART UNIT	PAPER NUMBER
----------	--------------

3628

NOTIFICATION DATE	DELIVERY MODE
-------------------	---------------

09/12/2018

ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

regional-desk@finnegan.com

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte JOHN F. GULLO, WAYNE A. WILKERSON, ROY R. GORDON,
and DAN LORD

Appeal 2017-007207
Application 13/966,436¹
Technology Center 3600

Before JOHNNY A. KUMAR, JENNIFER L. McKEOWN, and
JAMES W. DEJMEK, *Administrative Patent Judges*.

DEJMEK, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants appeal under 35 U.S.C. § 134(a) from a Final Rejection of claims 28, 30, 31, 33–35, and 45–58. Appellants have canceled claims 1–27, 29, 32, and 36–44. App. Br. 21–22. We have jurisdiction over the remaining pending claims under 35 U.S.C. § 6(b).

We affirm.

¹ Appellants identify the United States Postal Service as the real party in interest. App. Br. 3.

STATEMENT OF THE CASE

Introduction

Appellants' disclosed and claimed invention generally relates to using a "uniquely designed postage indicia for a shipping label" to, according to the Specification, prevent fraud, misuse, abuse, and reuse of postage. Spec. ¶ 2. In a disclosed embodiment, a user (i.e., sender) may connect over the network to a website to purchase an estimated amount of postage necessary to ship a package or mailpiece. Spec. ¶ 22. After the estimated amount has been paid, the website produces postage indicia "by producing a machine-readable representation of information associated with the mailpiece ("postage information"). Spec. ¶¶ 24–25. Exemplary postage information may include the postage paid, the sending zip code, a destination zip code, a delivery confirmation code, or a unique postage number as an identification of the mailpiece. Spec. ¶ 25. Figure 2 is illustrative of an embodiment of the postage indicia and is reproduced below:

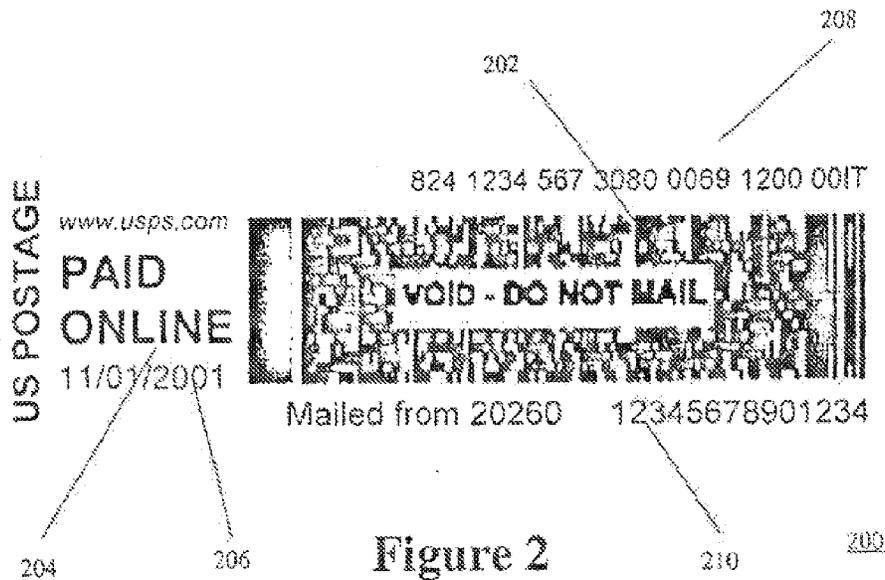


Figure 2 shows an example of a stealth (i.e., the postage amount is represented only in machine-readable form) postage indicia. Spec. ¶¶ 11, 28. The Specification further describes that after the mailpiece has been delivered into the mail stream, the mailing system may scan the postal indicia to verify the correct amount of postage has been paid and to verify that the indicia has not been improperly duplicated. Spec. ¶ 32. Further,

[o]nce the delivery confirmation number barcode and postage number are scanned (block 804), the shipper can then verify (decision 806), against its database, that the postage label is being used with the mail piece for which it was intended. If a match is not determined, then the use of the postage label on the present mailpiece is unauthorized, and the mailpiece is not delivered (block 808).

Spec. ¶ 35.

Claim 51 is representative of the claimed subject matter on appeal and is reproduced below:

51. A method for preventing postage fraud comprising:
 - receiving a user request for purchasing postage;
 - transmitting, in response to the user request, a postage indicia to the user, the postage indicia including a unique postage number and a unique parcel number different from the unique postage number;
 - updating a database with a record of the postage indicia;
 - receiving a mailpiece having the postage indicia;
 - scanning, using a scanner, the unique parcel number and the unique postage number from the postage indicia on the mail piece;
 - determining, using a processor, whether the unique parcel number is stored in association with the unique postage number in a database; and

indicating to a shipper that the mailpiece may be delivered when it is determined that the unique parcel number is associated with the unique postage number.

The Examiner's Rejection

Claims 28, 30, 31, 33–35, and 45–58 stand rejected under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter. Final Act. 8–9.

ANALYSIS²

Appellants dispute the Examiner's conclusion that the pending claims are directed to patent-ineligible subject matter. App. Br. 9–20; Reply Br. 2–10. In particular, Appellants argue the abstract idea to which the claims allegedly are directed has not been articulated clearly, but rather, is paraphrased claim language. App. Br. 9–10; Reply Br. 2. Appellants contend the claims are not directed to an idea of itself and “do not recite any features that constitute . . . [abstract] financial or contractual transactions or obligations between parties.” App. Br. 10–12; Reply Br. 3–4. Additionally, Appellants assert the claims recite more than well-understood, routine, and conventional activities known in the mail delivery industry to solve a technological problem (i.e., postage fraud) within the conventional industry practice. App. Br. 17–20; Reply Br. 5, 9–10.

The Supreme Court's two-step framework guides our analysis of patent eligibility under 35 U.S.C. § 101. *Alice Corp. Pty. v. CLS Bank Int'l*,

² Throughout this Decision, we have considered the Appeal Brief, filed January 23, 2017 (“App. Br.”); the Reply Brief, filed April 5, 2017 (“Reply Br.”); the Examiner's Answer, mailed February 28, 2017 (“Ans.”); and the Final Office Action, mailed July 15, 2016 (“Final Act.”), from which this Appeal is taken.

134 S. Ct. 2347, 2355 (2014). If a claim falls within one of the statutory categories of patent eligibility (i.e., a process, machine, manufacture, or composition of matter) then the first inquiry is whether the claim is directed to one of the judicially recognized exceptions (i.e., a law of nature, a natural phenomenon, or an abstract idea). *Alice*, 134 S. Ct. at 2355. If so, the second step is to determine whether any element, or combination of elements, amounts to significantly more than the judicial exception. *Alice*, 134 S. Ct. at 2355.

Although the independent claims each broadly fall within the statutory categories of patentability, the Examiner concludes the claims are directed to a judicially recognized exception—i.e., an abstract idea. Final Act. 8. Further, the Examiner concludes the claims do not recite significantly more than the abstract idea itself. Final Act. 9. Accordingly, the Examiner concludes the claims are not directed to patent-eligible subject matter. Final Act. 8–9.

Instead of using a definition of an abstract idea, “the decisional mechanism courts now apply is to examine earlier cases in which a similar or parallel descriptive nature can be seen—what prior cases were about, and which way they were decided.” *Amdocs (Isr.) Ltd. v. Openet Telecom, Inc.*, 841 F.3d 1288, 1294 (Fed. Cir. 2016) (citing *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353–54 (Fed. Cir. 2016)); accord United States Patent and Trademark Office, July 2015 Update: Subject Matter Eligibility 3 (July 30, 2015), <https://www.uspto.gov/sites/default/files/documents/ieg-july-2015-update.pdf> (instructing Examiners that “a claimed concept is not identified as an abstract idea unless it is similar to at least one concept that the courts have identified as an abstract idea.”). As part of this

inquiry, we must “look at the ‘focus of the claimed advance over the prior art’ to determine if the claim’s ‘character as a whole’ is directed to excluded subject matter.” *Affinity Labs of Tex., LLC v. DirecTV, LLC*, 838 F.3d 1253, 1257 (Fed. Cir. 2016).

Our reviewing court has concluded that abstract ideas include the concepts of collecting data, recognizing certain data within the collected data set, and storing the data in memory. *Content Extraction & Transmission LLC v. Wells Fargo Bank, N.A.*, 776 F.3d 1343, 1347 (Fed. Cir. 2014); *see also Smart Sys. Innovations, LLC v. Chicago Transit Authority*, 873 F.3d 1364, 1372 (Fed. Cir. 2017) (concluding “claims directed to the collection, storage, and recognition of data are directed to an abstract idea”).

Additionally, the collection of information and analysis of information (e.g., recognizing certain data within the dataset) are also abstract ideas. *Elec. Power*, 830 F.3d at 1353–54 (“analyzing information by steps people go through in their minds, or by mathematical algorithms, without more, as essentially mental processes within the abstract-idea category”). Further, “creating an index and using that index to search for and retrieve data” is an abstract idea. *Intellectual Ventures I LLC v. Erie Indem. Co.*, 850 F.3d 1315, 1327 (Fed. Cir. 2017). Also, our reviewing court has concluded that “communicating information about a mail object using a personalized marking” is an abstract idea. *Secured Mail Solutions LLC v. Universal Wilde, Inc.*, 873 F.3d 905, 911 (Fed. Cir. 2017).

Further, merely combining several abstract ideas does not render the combination any less abstract. *RecogniCorp, LLC v. Nintendo Co.*, 855 F.3d 1322, 1327 (Fed. Cir. 2017) (“Adding one abstract idea (math) to another abstract idea . . . does not render the claim non-abstract.”); *see also*

FairWarning IP, LLC v. Iatric Sys., Inc., 839 F.3d 1089, 1093–94 (Fed. Cir. 2016) (determining the pending claims were directed to a combination of abstract ideas).

Here, Appellants’ claims are directed to determining whether information contained in postage indicia affixed to a mailpiece to be delivered is present in a database. This is consistent with Appellants’ description of the claims. App. Br. 11 (“These claimed features recite operations related to reading specific information from a label on a mailpiece, and determining whether or not the mailpiece may be delivered by a shipper based on that information.”). Upon the purchase of postage indicia, the postage is transmitted to the purchasing user and a database is updated with a record associated with the postage indicia. The postage indicia may be affixed to a mailpiece and read by a scanner to retrieve unique parcel and postage numbers. It is determined whether the retrieved parcel number is stored in association with the postage number in the database. If so, an indication that the mailpiece may be delivered is provided to a shipper.

Like the purchasing of a stamp, the claimed transmitting of postage indicia to a user after the user purchases the postage indicia is a fundamental economic practice long prevalent in society. *See Alice*, 134 S. Ct. at 2356; *see also buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1355 (Fed. Cir. 2014) (concluding that creating a contractual relationship “is beyond question of ancient lineage”); 39 U.S.C. § 404 (providing specific powers of the Postal Service). Further, the reading of data present in the postage indicia is similar to the abstract idea of collecting and analyzing data. *See Content Extraction*, 776 F.3d at 1347; *Elec. Power*, 830 F.3d at 1353.

Similarly, as stated above, “communicating information about a mail object using a personalized marking” is an abstract idea. *Secured Mail Solutions*, 873 F.3d at 911. Also, entering or retrieving data from a database is similar to the abstract idea of searching a database using an index (i.e., an index is associated with other data). *See Intellectual Ventures*, 850 F.3d at 1327.

The comparing of collected data to retrieved data (i.e., data read from postage indicia compared to data retrieved from the database) is similar to the abstract idea of collecting and comparing data. *See Content Extraction*, 776 F.3d at 1347; *Elec. Power*, 830 F.3d at 1353; *see also Berkheimer v. HP Inc.*, 881 F.3d 1360, 1366 (Fed. Cir. 2018) (concluding “parsing, comparing, storing, and editing data” are abstract ideas). Accordingly, we conclude the character as a whole of the claims is directed to an abstract idea, as identified hereinabove.

Because we determine the claims are directed to an abstract idea or combination of abstract ideas, we proceed to analyzing the claims under step two of *Alice* to determine if there are additional limitations that individually, or as an ordered combination, ensure the claims amount to “significantly more” than the abstract idea. *Alice*, 134 S. Ct. at 2355 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 71–73, 78–79 (2012)). The implementation of the abstract idea involved must be “more than [the] performance of ‘well-understood, routine, [and] conventional activities previously known to the industry.’” *Content Extraction*, 776 F.3d at 1347–48 (quoting *Alice*, 134 S. Ct. at 2359) (alteration in original). “Whether something is well-understood, routine, and conventional to a skilled artisan at the time of the patent is a factual determination.” *Berkheimer*, 881 F.3d at 1369.

Contrary to Appellants' assertions, the Examiner finds the claims require no more than a generic computer functions or elements performing well-understood, routine, and conventional generic computer functions. Final Act. 9; Ans. 16–17. As Appellants' acknowledge in the Background section of the Specification, purchasing postage over the internet using a computer whereby a label (i.e., postage indicia) could be printed and affixed to a mailpiece was known and in practice at the time of Appellants' claimed invention. *See* Spec. ¶ 4. Additionally, the claimed processor, interface, and database do not otherwise transform the abstract idea into a patent-eligible application. *See Mortgage Grader, Inc. v. First Choice Loan Servs. Inc.*, 811 F.3d 1314, 1324–25 (generic computer components such as an “interface,” “network,” and “database,” fail to satisfy the inventive concept requirement); *Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1368 (Fed. Cir. 2016 (a “database” and “a communication medium” “are all generic computer elements”)); *buySAFE v. Google, Inc.*, 765 F.3d 1350, 1355 (Fed. Cir. 2014) (“That a computer receives and sends the information over a network—with no further specification—is not even arguably inventive.”). “[A] claim directed to an abstract idea does not move into § 101 eligibility territory by merely requiring generic computer implementation.” *buySAFE*, 765 F.3d at 1354 (quoting *Alice*, 134 S. Ct. at 2357) (internal quotation omitted). Further, the claims do not recite improving any of the computer technology or, contrary to Appellants' arguments (*see, e.g.*, App. Br. 19), solve a technological problem in conventional industry practice. Rather, the claims make a determination that the postage indicia is valid and provide an indication to the shipper that delivery of the mailpiece may proceed. As Appellants acknowledge in the

Background of the Specification, the Postal Service would already determine whether the postage amount was appropriate (i.e., valid) and, if so, deliver the mailpiece. Spec. ¶ 5. If the postage amount were not sufficient, the mailpiece would be returned to the sender (i.e., not delivered). Spec. ¶ 5.

Further, to the extent Appellants are asserting a lack of rejection under Sections 102 and/or 103 suggests the instant claims do not recite well understood, routine, or conventional activities or, otherwise, recite an inventive concept (*see, e.g.*, App. Br. 14–15; Reply Br. 9–10), we are not persuaded. Subject-matter eligibility under 35 U.S.C. § 101 is a requirement separate from other patentability inquiries. *See Mayo*, 566 U.S. at 90 (recognizing that the § 101 inquiry and other patentability inquiries “might sometimes overlap,” but that “shift[ing] the patent-eligibility inquiry entirely to these [other] sections risks creating significantly greater legal uncertainty, while assuming that those sections can do work that they are not equipped to do”); *see also Diamond v. Diehr*, 450 U.S. at 188–89 (“[t]he ‘novelty’ of any element or steps in a process, or even of the process itself, is of no relevance in determining whether the subject matter of a claim falls within the § 101 categories of possibly patentable subject matter”); *Two-Way Media Ltd. v. Comcast Cable Commc’ns, LLC*, 874 F.3d 1329, 1340 (Fed. Cir. 2017) (“[e]ligibility and novelty are separate inquiries”).

Additionally, to the extent Appellants contend the claims are not preemptive of the field of “preventing postage fraud” (*see* App. Br. 15–17; Reply Br. 7–8), we are unpersuaded of Examiner error. “[W]hile preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.” *FairWarning IP*, 839 F.3d at 1098 (quoting *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*,

788 F.3d 1371, 1379 (Fed. Cir. 2015); *see also OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 2015) (“[T]hat the claims do not preempt all price optimization or may be limited to price optimization in the e-commerce setting do not make them any less abstract.”). Further, “[w]here a patent’s claims are deemed only to disclose patent ineligible subject matter under the *Mayo* framework, as they are in this case, preemption concerns are fully addressed and made moot.” *Ariosa*, 788 F.3d at 1379.

For the reasons discussed *supra*, we are unpersuaded of Examiner error. Accordingly, we sustain the Examiner’s rejection of independent claim 51 under 35 U.S.C. § 101. For similar reasons, we sustain the Examiner’s rejection of independent claim 28, which recites similar limitations and was not argued separately. *See* 37 C.F.R. § 41.37(c)(1)(iv) (2016). Additionally, we sustain the Examiner’s rejection of claims 30, 31, 33–35, 45–50, and 52–58, which depend directly or indirectly therefrom. *See* 37 C.F.R. § 41.37(c)(1)(iv) (2015).

DECISION

We affirm the Examiner’s decision rejecting claims 28, 30, 31, 33–35, and 45–58 under 35 U.S.C. § 101.

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. § 41.50(f).

AFFIRMED