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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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*Ex parte* BRIAN COLODNY and MICHAEL MCLAUGHLIN

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Appeal 2018-005764  
Application 14/497,095  
Technology Center 3600

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Before JENNIFER S. BISK, LARRY J. HUME, and  
JULIET MITCHELL DIRBA, *Administrative Patent Judges*.

BISK, *Administrative Patent Judge*.

DECISION ON REQUEST FOR REHEARING

Appellant<sup>1</sup> requests we reconsider our decision of August 12, 2019 (“Decision”), where we affirmed the Examiner’s rejection of claims 1–20 under 35 U.S.C. § 101. Request for Rehearing filed October 10, 2019 (“Req. Reh’g”).

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<sup>1</sup> We use the word “Appellant” to refer to “Applicant” as defined in 37 C.F.R. § 1.42(a). Appellant identifies the real party in interest as Chargerback, Inc. Appeal Br. 1.

For the reasons discussed below, we deny the request to modify our decision.

*Abstract Idea*

Appellant asserts the Decision did not provide meaningful analysis of its conclusion that claim 1 recites both a method of organizing human behavior and a mental process and is, thus, an abstract idea. Req. Reh’g 1 (citing Decision 7–8). Moreover, according to Appellant, “none of the claims at issue are directed to any of the *denoted* certain methods of organizing human activity or mental processes” as set forth in the Patent Office’s recently issued guidance. *Id.* at 3 (citing USPTO, *2019 Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. 50 (Jan. 7, 2019) (“Revised Guidance”)).

Appellant’s arguments are unavailing. As we noted in our Decision, the five main limitations of claim 1, under the broadest reasonable interpretation, recite matching lost and found items and managing the transfer from one location of an establishment to a different location of the same establishment. Decision 8–9; *see also* Appeal Br. 29 (“Here, the claims are directed to matching lost and found at different establishment locations of an entity.”). We noted that this practice of reuniting lost items and their owners is a method of organizing human activity similar to “the nontechnical human activity of passing a note to a person who is in the middle of a meeting or conversation” found to be an abstract idea by the Federal Circuit. Decision 9 (citing *Interval Licensing LLC v. AOL, Inc.*, 896 F.3d 1335, 1345 (Fed. Cir. 2018)). Specifically, Appellant argues the claims “do not involve commercial or legal interactions.” Req. Reh’g 3. We disagree. The Specification explains that the claimed invention helps

various businesses provide services to their customers. Spec ¶ 4 (“[T]he ability to efficiently record, track, and transfer items between the different offices would assist in the facility of returning found items to its rightful owner, which may be a customer.”). Therefore, we continue to be of the view that claim 1 recites a commercial interaction, which is a method of organizing human activity as recited by the Revised Guidelines.

Appellant also argues that the claims “are necessarily non-mental given recordation of specific data in databases, use of a server . . . , management of transfer of items . . . , and other features.” Req. Reh’g. 3. However, as we noted in our Decision, the five main limitations of claim 1, involve storing information about lost and found items (limitations (1) and (2)), searching for a match between the lost and found items (limitation (3)), managing the transfer of a found item to a different location (limitation (4)), and updating stored information (limitation (5)). Decision 8–9. And each of these steps could be done in the human mind or using pencil and paper. *Id.* (citing *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366 (Fed. Cir. 2011)). For example, a person could keep a list (on paper or in memory) of found items at several locations and search the list to determine if a lost item has been found (limitations (1), (2), and (3)). *Cf. Synopsys, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1148 (Fed. Cir. 2016) (“[T]he limited, straightforward nature of the steps involved in the claimed method make evident that a skilled artisan could perform the steps mentally.”). The person could also manage and update changes to that list mentally (limitations (4) and (5)).

Although the claims themselves recite aspects that require computer devices, such as databases and a server, we continue to be of the view that

the claim 1 recites a mental process. *See Versata Dev. Grp. Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1335 (Fed. Cir. 2015) (“Courts have examined claims that required the use of a computer and still found that the underlying, patent-ineligible invention could be performed via pen and paper or in a person’s mind.”).

We, therefore, continue to conclude that claim 1 recites both a method of organizing human activity and a mental process, each of which are listed in the abstract idea groupings of the Revised Guidance, and thus claim 1 recites an abstract idea. *See Revised Guidance*, 84 Fed. Reg. at 52.

#### *Practical Application*

Appellant argues that in considering whether the claims integrate the abstract idea into a practical application, “the Board failed to consider the recited aspects of the claims.” Req. Reh’g 5. According to Appellant, the claims “have meaningful limitations that integrate the alleged abstract idea into a practical application.” *Id.* For example, Appellant asserts that the claims “make[] use of a server and databases, which are technological and not mental activity.” *Id.* Appellant also asserts that transferring an item cannot be mental. *Id.* In addition, Appellant argues “[t]he field of locating, transferring, and uniting lost items with an owner is a complex web of activities and the claims clearly improve that technical field” and “clearly improve[] . . . the lost and found industry.” *Id.* at 5–6. Appellant concludes that “given that the claims recite particular details of *how* a lost item that is found can be track[ed], stored and transferred to different location of an establishment, the claims practically apply any abstract idea that might be present.” *Id.* at 6–7.

Appellant’s arguments are unavailing. First we note that whether the claims recite a mental process is analyzed above. Second, as we noted in our Decision, the elements of claim 1 that are additional to the recited abstract idea, including “a lost item database,” “a found item database,” “at least one server,” and “a transfer manager,” do not apply or use the abstract idea in a meaningful way such that the claim as a whole is more than a drafting effort designed to monopolize the exception. Decision 10.

We do not agree with Appellant that the field of locating, transferring, and uniting lost items with an owner is a technical field as contemplated by the Revised Guidance. *See* Revised Guidance, 84 Fed. Reg. at 55 (stating “an additional element (or combination of elements) may have integrated the exception into a practical application . . . [if] an additional element reflects an improvement in the functioning of a computer, or an improvement to other technology or technical field.”). As we explained in the Decision, “[h]ere, the claims focus on improving the efficiency of returning lost items to their owners.” Decision 12 (citing Spec. ¶ 23). According to the Specification, prior to the claimed invention, this process involved finding the lost item, transferring it to a custody center, and “contact[ing] a shipping company, such as FedEx, UPS, or packag[ing] the item and drop[ping] it off at a post office,” charging the shipping cost to the customer. Spec. ¶¶ 2–3. This is a business process.

Moreover, the improvements referred to by Appellant are the typical improvements expected by automating a manual process using a computer. *See* Spec ¶ 4 (“Thus, the ability to efficiently record, track, and transfer items between the different offices”). There is no indication that any increase in efficiency or accuracy comes from the recited process itself as

opposed to the use of computers to implement that process. *See Fair Warning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1095 (citing *Bancorp Services, LLC v. Sun Life Assurance Co.*, 687 F.3d 1266, 1278 (Fed. Cir. 2012) (“[T]he fact that the required calculations could be performed more efficiently via a computer does not materially alter the patent eligibility of the claimed subject matter.”)); *see also Intellectual Ventures I LLC v. Erie Indemnity Co.*, 711 F. App’x 1012, 1017 (Fed. Cir. 2017) (unpublished) (“Though the claims purport to accelerate the process of finding errant files and to reduce error, we have held that speed and accuracy increases stemming from the ordinary capabilities of a general-purpose computer ‘do[] not materially alter the patent eligibility of the claimed subject matter.’” (alteration in original) (citation omitted)).

Appellant does not assert that the additional elements use the abstract idea in conjunction with a particular machine or manufacture that is integral to the claim, effect a transformation or reduction of a particular article to a different state or thing, or use the abstract idea in some other meaningful way. *See Revised Guidance*, 84 Fed. Reg. at 55. Accordingly, we continue to be of the view that the elements recited by claim 1 in addition to the abstract idea “do no more than generally link” the abstract idea to a particular technological environment or field of use and, thus, do not integrate the abstract idea into a practical application. *See id.*

#### *Inventive Concept*

Appellant argues that the Decision did not adequately consider the step of determining whether an additional element or combination of elements “adds a specific limitation or combination of limitations that are not well-understood, routine, conventional activity in the field, which is

indicative that an inventive concept may be present.” Req. Reh’g 7; *see* Revised Guidance, 84 Fed. Reg. at 56. According to Appellant “neither the Board nor the Examiner made any findings on whether the limitations of claim 1 or any other claims are ‘well-understood, routine, and conventional’ in the field.” Req. Reh’g 7. Appellant notes that the obviousness rejection was reversed, which “supports the fact that claim 1 does indeed contain a specific limitation beyond the judicial exception that is not ‘well-understood, routine, and conventional.’” *Id.* at 7–8.

Appellant’s arguments are unavailing. To be sure, the Examiner must show—with supporting facts—that certain claim elements are well-understood, routine, and conventional where such a finding is made. *See Berkheimer v. HP Inc.*, 881 F.3d 1360, 1369 (Fed. Cir. 2018) (noting that “[whether] something is well-understood, routine, and conventional to a skilled artisan at the time of the patent is a factual determination.”). After the Federal Circuit issued its decision in *Berkheimer*, the United States Patent and Trademark Office (USPTO) issued the *Berkheimer* Memorandum in which the Office revised “the procedures set forth in [Manual of Patent Examiner Procedure] (MPEP) § 2106.07(a) (Formulating a Rejection For Lack of Subject Matter Eligibility) and MPEP § 2106.07(b) (Evaluating Applicant’s Response).” *Berkheimer* Memo. 3.

As we noted in our decision, the databases, server, and transfer manager are the only additional recited elements beyond the abstract idea—additional elements whose generic computing functionality is well-understood, routine, and conventional as evidenced by Appellant’s own Specification. *See* Decision 11, 14 (citing Spec. ¶¶ 95–102). The Examiner, in the Answer mailed April 13, 2018 (“Ans.”), also cited to the Specification

as evidence that the additional elements are well-understood, routine, and conventional. Ans. 13–14 (citing Spec. ¶¶ 95–101). Appellant’s contention, then, that no evidence is provided that all recited functional limitations are well-understood, routine, and conventional (Req. Reh’g 7) is unpersuasive because it does not address our determination in the Decision or the Examiner’s reference to the Specification in the Answer.

Moreover, these evidentiary findings are supported by case law. *See Alice*, 573 U.S. at 225 (the “use of a computer to obtain data, adjust account balances, and issue automated instructions; all of these computer functions are ‘well-understood, routine, conventional activit[ies]’ previously known to the industry”) (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 71–73 (2012)); *see also Gottschalk v. Benson*, 409 U.S. 63, 65 (1972) (noting that a “computer operates then upon both new and previously stored data. The general-purpose computer is designed to perform operations under many different programs.”); *Fair Warning*, 839 F.3d at 1096 (noting that using generic computing components like a microprocessor or user interface do not transform an otherwise abstract idea into eligible subject matter); *Mortgage Grader, Inc. v. First Choice Loan Servs. Inc.*, 811 F.3d 1314, 1324–25 (Fed. Cir. 2016) (indicating components such as an “interface” are generic computer components that do not satisfy the inventive concept requirement); *CyberSource*, 654 F.3d at 1372 (“Moreover, as discussed above, even if some physical steps are required to obtain information from the database (e.g., entering a query via a keyboard, clicking a mouse), such data-gathering steps cannot alone confer patentability.”).

Accordingly, we have considered the arguments raised by Appellant in the Request for Rehearing, but none of these arguments persuade us that the Decision was in error. We are still of the view the invention set forth in claims 1–20 is patent ineligible under 35 U.S.C. § 101 for the reasons noted above and in our earlier decision.

### CONCLUSION

For the foregoing reasons, we have granted Appellant’s request to the extent that we have reconsidered our decision of August 12, 2019, but we deny the request with respect to making any changes to that decision.

### DENIED

<b>Claims</b>	<b>35 U.S.C §</b>	<b>Reference(s)/Basis</b>	<b>Denied</b>	<b>Granted</b>
1–20	101	Subject matter eligibility	1–20	