

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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THE UNITED STATES POSTAL SERVICE (USPS) AND  
THE UNITED STATES OF AMERICA,  
AS REPRESENTED BY THE POSTMASTER GENERAL,  
Petitioner,

v.

RETURN MAIL, INC.,  
Patent Owner.

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CBM2014-00116  
Patent 6,826,548 B2

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Before KEVIN F. TURNER, BARBARA A. BENOIT, and  
JO-ANNE M. KOKOSKI, *Administrative Patent Judges*.

TURNER, *Administrative Patent Judge*.

DECISION  
Institution of Covered Business Method Patent Review  
*37 C.F.R. § 42.208*

## I. INTRODUCTION

### A. *Background*

The United States Postal Service and United States of America, as represented by the Postmaster General (collectively “USPS”), filed a Petition on April 15, 2014, requesting a covered business method patent review of claims 39–44 of U.S. Patent No. 6,826,548 B2 (Ex. 1001, “the ’548 Patent”). Paper 2 (“Pet.”). In response, Return Mail, Inc. (“Return Mail”) filed a Patent Owner Preliminary Response on July 16, 2014. Paper 6 (“Prelim. Resp.”).

We also authorized the filing of a Supplemental Response (Paper 9) by USPS, limited to addressing Patent Owner’s arguments, based on *Alice Corp. Pty, Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347 (2014) (“the Alice decision”), with respect to Petitioner’s asserted ground of unpatentability under 35 U.S.C. § 101 in the Petition. Paper 7. We also authorized the filing of a Sur-Reply (Paper 10) to Petitioner’s Supplemental Response. Paper 7.

We have jurisdiction under 35 U.S.C. § 324, which provides that a post-grant review may not be instituted “unless ... the information presented in the petition ... would demonstrate that it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable.” Taking into account the arguments presented in Return Mail’s Preliminary Response, we determine that the information presented in the Petition establishes that claims 39–44 are more likely than not unpatentable. Pursuant to 35 U.S.C. § 324 and § 18(a) of the AIA,<sup>1</sup> we

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<sup>1</sup> Section 18(a) of the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284, 329 (2011) (“AIA”).

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hereby institute a covered business method patent review of claims 39–44 of the '548 Patent.

*B. The '548 Patent*

The '548 Patent relates to a system and method of processing returned mail. Ex. 1001, Abs. Returned mail is received from United States Postal Service 90 and passed through high volume mail sorter 20 and optical scanner 40, where the optical scanner reads the information previously optically encoded onto each mail piece before it was sent. This information is stored through application server 50 in mass storage device 60, containing a plurality of subscriber databases 62. The addresses may then be extracted from the scanned data for processing. *Id.* at 3:32–51; Fig. 1.

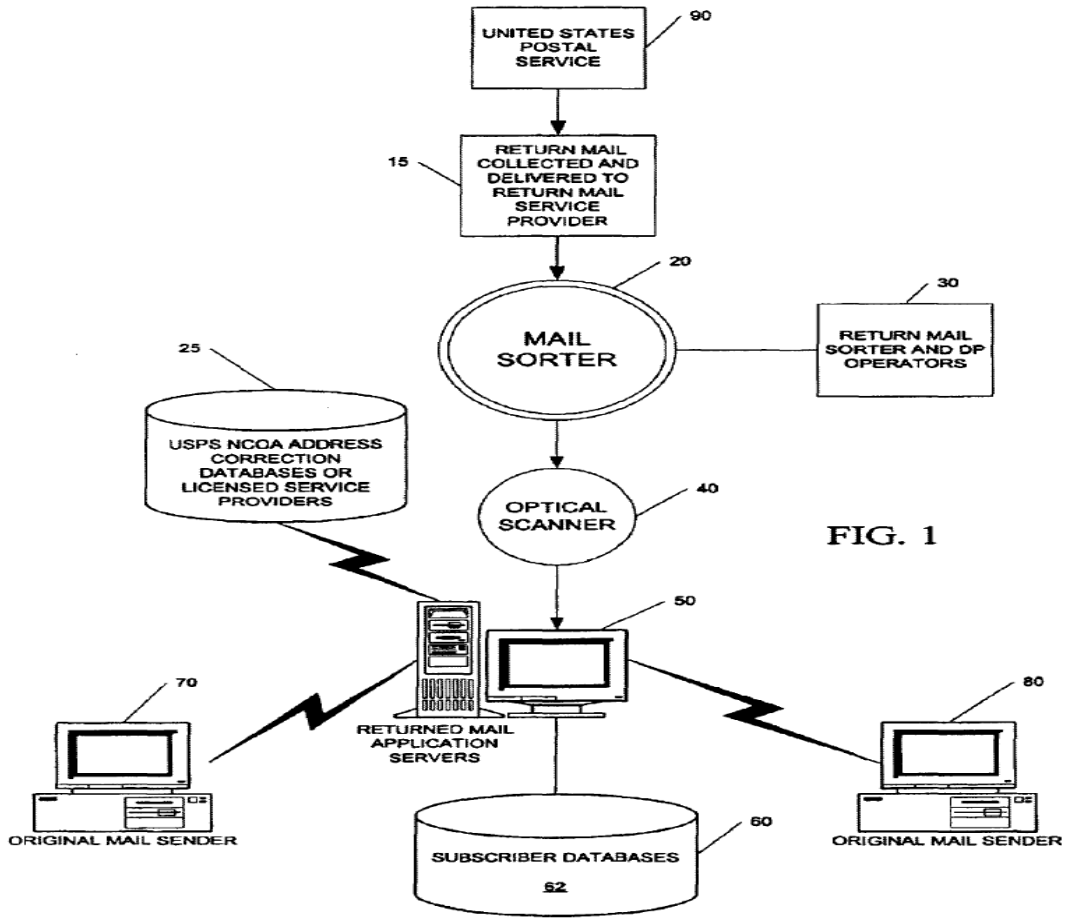


Fig. 1 of the '548 Patent illustrates the processing flow for the returned mail handling system.

### *C. Procedural History*

The '548 Patent issued on November 30, 2004, based on a provisional application, No. 60/263,788, filed January 24, 2001, and a non-provisional application, No. 10/057,608, filed January 24, 2002. USPS points out that Return Mail applied for a reissue of the '548 Patent, cancelling the original claims. Pet. 4.

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The challenged claims in this proceeding were obtained during a reexamination of the '548 Patent requested by USPS (Reexamination Control No. 90/008,470, Ex Parte Reexamination Certificate issued January 4, 2011 as U.S. Patent No. 6,826,548 C1). Ex. 1002, 1:21–2:32; Prelim. Resp. 3.

In addition, Return Mail brought a suit against the United States for infringement of the '548 Patent in the U.S. Court of Federal Claims. *See Return Mail, Inc. (RMI) v. United States*, No. 1:11-cv-00130 (Fed. Cl. Filed Feb. 28, 2011). The Court construed the subject claims in an Order issued on October 4, 2013. Ex. 1011.

#### *D. Illustrative Claims*

The challenged claims include four independent claims, claims 39–42, and dependent claims 43 and 44, which depend from claim 42. Claims 39 and 42 are illustrative of the subject matter of the claims at issue and are reproduced below:

39. A method for processing returned mail items sent by a sender to an intended recipient, the method comprising the steps of:  
decoding, subsequent to mailing of the returned mail items, information indicating whether the sender wants a corrected address to be provided for the intended recipient, on at least one of the returned mail items;  
obtaining an updated address of the intended recipient subsequent to determining that the sender wants a corrected address to be provided for the intended recipient; and

electronically transmitting an updated address of the intended recipient to a transferee, wherein the transferee is a return mail service provider.

42. A method for processing a plurality of undeliverable mail items, comprising:

receiving from a sender a plurality of mail items, each including i) a written addressee, and ii) encoded data indicating whether the sender wants a corrected address to be provided for the addressee;

identifying, as undeliverable mail items, mail items of the plurality of mail items that are returned subsequent to mailing as undeliverable;

decoding the encoded data incorporated in at least one of the undeliverable mail items;

creating output data that includes a customer number of the sender and at least a portion of the decoded data;

determining if the sender wants a corrected address provided for intended recipients based on the decoded data;

if the sender wants a corrected address provided, electronically transferring to the sender information for the identified intended recipients that enable the sender to update the sender's mailing address files; and

if the sender does not want a corrected address provided, posting return mail data records on a network that is accessible to the sender to enable the sender to access the records.

*E. Prior Art Relied Upon*

USPS relies upon the following prior art references:

Uhl	US 6,292,709	Sep. 18, 2001	(Ex. 1005)
Krause	US 7,778,840	May 16, 2002	(Ex. 1006)
Jatkowski	US 6,457,012	Sep. 24, 2002	(Ex. 1007)
Park <sup>2</sup>	KR 2001-0076609	Aug. 16, 2001	(Ex. 1013)

United States Postal Service, *Address Change Service*, Publication 8 (July 1997) (Ex. 1004) (hereinafter “1997 ACS”).

*F. Asserted Grounds of Unpatentability*

USPS challenges claims 39–44 of the ’548 Patent based on the asserted grounds of unpatentability set forth in the table below (Pet. 17–74):

<b>Claims</b>	<b>Basis</b>	<b>Reference(s)</b>
39–44	§ 101	
39–44	§ 102	Park
39–44	§ 102	1997 ACS
39–41	§ 102	Uhl
39 and 40	§ 103	Uhl and Krause
39 and 40	§ 103	Uhl and 1997 ACS
42, 43, and 44	§ 103	Uhl and Jatkowski
42, 43, and 44	§ 103	Uhl, Jatkowski, and 1997 ACS
39–44	§ 305	

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<sup>2</sup>Park is a Korean-language patent reference. The citations to Park are to the certified English-language translation submitted by USPS (Ex. 1003).

## II. ANALYSIS

### A. *Claim Construction*

In a covered business method patent review, we interpret claim terms in an unexpired patent according to the broadest reasonable interpretation in light of the specification of the patent in which it appears. 37 C.F.R. § 42.300(b). Under the broadest reasonable interpretation standard, and absent any special definitions, we give claim terms their ordinary and customary meaning, as would be understood by one of ordinary skill in the art at the time of the invention. *In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007). Any special definitions for claim terms must be set forth with reasonable clarity, deliberateness, and precision. *In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994).

USPS argues that the following claim terms are subject to special construction: “decode” and “encode,” and uses thereof in the claims, “returned mail items” and “mail items returned,” “returned service provider,” “detector” “processor,” “network,” and “posting.” Pet. 13–17. USPS acknowledges that the claims have been construed by the U.S. Court of Federal Claims (Pet. 13, citing Ex. 1011), but argues that we should give the subject claim limitations a broader construction than the Court did. *Id.* Return Mail disagrees, and points out that we may consider the court’s claim construction order and determine whether it is consistent with the broadest reasonable interpretation, in light of the Specification of the ’548 Patent. Prelim. Resp. 17. Additionally, Return Mail argues for a construction of the above-cited claim limitations that is consistent largely with the Court’s Order. *Id.* at 17–22 (citing Ex. 1011). We also note that the parties



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additionally agreed to constructions for specific claim terms in the case pending before the U.S. Court of Federal Claims. Exs. 2003–2005.

Upon review of the parties’ arguments, as well as the Court’s Order and the agreed constructions, we are persuaded that the Court’s construction and the parties’ agreed constructions are consistent with the broadest reasonable interpretation, in light of the Specification. In the cases of “detector” “processor,” “network,” and “posting,” although we accept that these terms should be construed according to their plain and ordinary meanings, we supply such constructions for sake of completeness. As such, we adopt the following constructions for purposes of this decision:

<b>Claim Term(s)</b>	<b>Claims</b>	<b>Construction</b>
“decode,” “decoding,” “decoded information,” “decoded data”	39–42	“decipher information into useable form,” “deciphered usable information,” “deciphered, usable data”
“encode,” “encoding,” “encoded information,” “encoded data”	41, 42,44	“convert information into code,” “information converted into code,” “data converted into code”
“returned mail items” “mail items returned”	39, 40	“items that are mailed and come back to a post office facility”
“returned service provider”	39–41	“an entity that performs electronic return mail processing”
“detector”	41	“a device for detecting information”
“processor”	41	“a computing device”
“network”	42	“electronic connections enabling access”
“posting”	42	“making available on a network”

*B. Consideration of AIA § 18(a)(1)(C)*

AIA § 18(a)(1)(C) requires that a challenge to a claim in a covered business method patent be supported by prior art that is (i) described by pre-AIA 35 U.S.C. § 102(a), or (ii) (I) that discloses the invention more than one year before the date of application for patent in the United States and (II) would be described by pre-AIA 35 U.S.C. § 102(a) if the disclosure had been made by another before the invention thereof by the applicant for patent.

Certain references cited in the Petition are prior art to the challenged claims of the ’548 Patent only under 35 U.S.C. § 102(e). Under AIA § 18(a)(1)(C), these

references are not available for consideration in a covered business method review. The application that issued as the '548 Patent was filed January 24, 2002. USPS asserts that claims 39–44 are not entitled to any priority date earlier than that filing date. Pet. 27–30. Consequently, Krause and Jatkowski, based on their publication or issuance dates, which occur after the application filing date, may not be the basis for a covered business method review of the '548 Patent. This removes USPS's asserted grounds, as recited below:

<b>Claims</b>	<b>Basis</b>	<b>References</b>
39 and 40	§ 103	Uhl and Krause
42, 43, and 44	§ 103	Uhl and Jatkowski
42, 43, and 44	§ 103	Uhl, Jatkowski, and 1997 ACS

### *C. Covered Business Method Patent*

#### *1. Financial Product or Service*

Under AIA § 18(a)(1)(E), we may institute a transitional review proceeding only for a patent that is a covered business method patent. A “covered business method patent” is a patent that “claims a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service, except that the term does not include patents for technological inventions.” AIA § 18(d)(1); *see* 37 C.F.R. § 42.301(a). A patent need have only one claim directed to a covered business method to be eligible for review. *See* Transitional Program for Covered Business Method Patents—

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Definitions of Covered Business Method Patent and Technological Invention; Final Rule, 77 Fed. Reg. 48,734, 48,736 (Aug. 14, 2012).

USPS contends that independent claim 39 of the '548 Patent includes subject matter that is financial in nature because it “provides a method for easing the administrative burden of finance companies, mortgage companies, and credit card companies by making relaying updated mailing address data more cost effective.” Pet. 7–8 (citing Ex. 1001, 1:25–38).

USPS also points out that method of claim 39 “is particularly applicable to high volume (bulk) mail users such as credit card companies,” but “is also applicable to any mail user who experiences and must deal with quantities of returned mail each month.” *Id.* at 8 (citing Ex. 1001, 2:60–65). Return Mail does not dispute that claim 39 recites subject matter that is financial in nature. Prelim. Resp. 10–14. We agree with USPS that independent claim 39 satisfies the “financial product or service” component of the definition set forth in AIA § 18(d)(1).

In addition, we note that independent claim 40 is directed to a computer program embodied on a computer-readable medium, yet recites similar claim limitations as those recited in independent claim 39. *Compare* Ex. 1002, 1:21–33, *with id.* at 1:34–51. Therefore, for the same reason discussed above with respect to independent claim 39, independent claim 40 also satisfies the “financial product or service” component of the definition set forth in § 18(d)(1) of the AIA.

## 2. *Technological Invention*

The definition of a “covered business method patent” does not include patents for “technological inventions.” When determining whether a patent is for a technological invention, we consider “whether the claimed subject matter as a whole recites a technological feature that is novel and unobvious over the prior art; and solves a technical problem using a technical solution.” 37 C.F.R. § 42.301(b). The following claim drafting techniques, for example, typically do not render a patent a “technological invention”:

(a) Mere recitation of known technologies, such as computer hardware, communication or computer networks, software, memory, computer-readable storage medium, scanners, display devices or databases, or specialized machines, such as an ATM or point of sale device.

(b) Reciting the use of known prior art technology to accomplish a process or method, even if that process or method is novel and non-obvious.

(c) Combining prior art structures to achieve the normal, expected, or predictable result of that combination.

Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48763-64 (Aug. 14, 2012).

USPS contends that the claimed features merely eliminate the very labor intensive task of manually updating individual mailing address records. Pet. 9 (citing Ex. 1015, 250). USPS argues that the claims employ no specific technology, and “recite only nominal, generic, long-existing technologies, such as the common telephone, any computer, or any Internet or intranet address or location.” *Id.* USPS also argues that, even if these claimed features could be characterized as technical, they are not novel or

nonobvious, nor do they introduce a technical solution to a technical problem. *Id.* at 9–10.

Return Mail alleges that USPS failed to demonstrate that claim 39 is not a technical invention. Prelim. Resp. 11–12. Return Mail argues that USPS has referred only to some elements of that claim, made conclusory statements, and failed to consider the claim as a whole. *Id.* at 12.

Additionally, Return Mail argues that the “decoding” step in claim 39 relates to technology, and that the U.S. Court of Federal Claims found that “electronic terms such as ‘decoding’ and ‘electronically transmitting’ are used.” *Id.* (citing Ex. 1011, 18).

Per the above claim construction, “decoding” is interpreted as “deciphering information into useable form,” which does not necessarily require an electronic means to accomplish. Information can be deciphered in several ways, and does not mean that claim 39 is drawn to a technical invention. Moreover, at the time of the invention of the ’548 Patent, neither decoding, such as bar code reading, nor electronically transmitting, was unknown, unachievable, or incapable of being combined in the manner claimed. In fact, the ’548 Patent discloses that such encoding and decoding were old and well-known at the time the application leading to the ’548 Patent was filed. *See, e.g.*, Ex. 1001, 3:11–15. Similarly, the ’548 Patent Specification provides that the electronic transmission can occur through a connection “electronically linked by a data line, which may be any conventional telecommunications data line.” *Id.* at 3:52–54. Therefore, we

conclude that claim 39 of the '548 Patent does not solve a technical problem using a technical solution. We find the above analysis of the technical invention aspect of claim 39 to be equally attributable to claim 40.

The current situation does not require us to assess whether all of the claimed subject matter of the '548 Patent, as a whole, recites a technological feature that is novel and unobvious over the prior art. Because we conclude that the claimed subject matter of claims 39 and 40 of the '548 Patent does not solve a technical problem using a technical solution, the '548 Patent is a covered business method patent eligible for a covered business method patent review.

#### *D. Standing Under AIA Section 18*

AIA Section 18 limits covered business method patent reviews by requiring that “[a] person may not file a petition for a transitional proceeding with respect to a covered business method patent unless the person or the person's real party in interest or privy *has been sued for infringement of the patent or has been charged with infringement under that patent.*” AIA § 18(a)(1)(B) (emphasis added); *see* 37 C.F.R. § 42.302.

Return Mail argues that for a suit for infringement to be brought, it must be brought under 35 U.S.C. §§ 271 and 281, whereas Return Mail sued the United States in the U.S. Court of Federal Claims under an eminent domain statute, 28 U.S.C. § 1498, for unlicensed use of the '548 Patent. Prelim. Resp. 6–8. Return Mail points out that “the Federal Circuit has held that the ‘plain language of

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§ 1498(a) indicates that § 1498(a) operates independently from Title 35.” *Id.* at 8 (citing *Zoltek Corp. v. U.S.*, 672 F.3d 1309, 1321 (Fed. Cir. 2012)). On this basis, Return Mail alleges that the United States lacks proper standing to petition for covered business method patent review of the ’548 Patent. *Id.* at 8–10.

We disagree with Return Mail. The plain language of § 18(a) of the AIA limits covered business method patent reviews to persons sued or charged with infringement of the covered business method patent. There is no dispute that Return Mail sued the United States in the U.S. Court of Federal Claims under 28 U.S.C. § 1498 for unlicensed use of the ’548 Patent. *See* Prelim. Resp. 6-8; Pet. 10. The question before us, then, is whether an action brought against the United States under Section 1498(a) is a suit for infringement.

Section 1498(a) states the following:

Whenever an invention described in and covered by a patent of the United States is used or manufactured by or for the United States without license of the owner thereof or lawful right to use or manufacture the same, the owner's remedy *shall be by action against the United States in the United States Court of Federal Claims* for the recovery of his reasonable and entire compensation for such use and manufacture.

28 U.S.C. § 1498(a) (emphasis added). Section 271(a) states that “whoever without authority makes [or] uses . . . any patented invention, within the United States . . . during the term of the patent therefor, infringes the patent.” 35 U.S.C. § 271(Infringement of patent). Because 28 U.S.C. § 1498(a) indicates the United States is liable for its use or manufacture of a patented invention without license or lawful right, which falls within the definition of patent infringement under 35 U.S.C. § 271, the United States is liable under 28 U.S.C. § 1498(a) for



infringement of a patent when those circumstances are met.

Accordingly, because the United States has been sued for infringement of the '548 Patent under 28 U.S.C. § 1498(a), the United States has standing, under Section 18 of the AIA, to seek a covered business method patent review of the '548 Patent. The fact that 28 U.S.C. § 1498(a) further specifies that a patent owner's remedy for patent infringement by the United States "shall be by action against the United States in the United States Court of Federal Claims" does not disqualify the United States from seeking a covered business method patent review of the '548 Patent. The plain language of § 18(a) of the AIA does not limit covered business method patent reviews to persons sued for infringement under 35 U.S.C. §§ 271 and 281, as Return Mail contends. *See* Prelim. Resp. 6-10. Return Mail has not pointed to any of the legislative history, or particular portion, of the AIA that would suggest that covered business method patent reviews should be limited to persons sued for infringement under 35 U.S.C. §§ 271 and 281 or that the United States should be barred from petitioning for a covered business method patent review under Section 18(a) of the AIA.

Moreover, 37 C.F.R. § 42.302 provides, in part, that in the context of a covered business method patent review, "[c]harged with infringement means a real and substantial controversy regarding infringement of a covered business method patent exists such that the petitioner would have standing to bring a declaratory judgment action in Federal court." The latter makes clear that it is the ability to seek relief in *Federal court* that is important to the standing inquiry, and not the specific court or action.

Return Mail also analogizes that *inter partes* reviews under 35 U.S.C. § 315(b) must be brought under 35 U.S.C. §§ 271 and 281, such that “sued for infringement of the patent,” per 37 C.F.R. § 42.302, should have the same meaning as “served with a complaint alleging infringement of the patent,” per § 315(b). Prelim. Resp. 7 (citing *Amkor Technology, Inc. v. Tessera, Inc.*, Case IPR2013-00242, slip op. at 18 (PTAB Jan. 31, 2014) (Paper 98)). We are not persuaded that “has been sued for infringement of the patent” for purposes of determining eligibility for a covered business method patent review should be interpreted the same way as “served with a complaint alleging infringement of the patent” is interpreted with respect to whether a petition for *inter partes* review is timely. Nor are we persuaded that “charged with infringement under that patent,” in 37 C.F.R. § 42.302(a) relating to covered business method patent reviews, has the same legislative history as § 315(b), alluded to in decision cited by Return Mail and relating to *inter partes* reviews. See *Amkor Technology, Inc. v. Tessera, Inc.*, Case IPR2013-00242, slip op. at 12–15 (PTAB Jan. 31, 2014) (Paper 98).

As such, we are not persuaded that the United States lacks standing under Section 18(a) of the AIA or 37 C.F.R. § 42.302 to petition for covered business method patent review.

*E. 35 U.S.C. § 101 Ground of Unpatentability*

USPS contends that claims 39–44 of the ’548 Patent are directed to non-statutory subject matter under 35 U.S.C. § 101. Pet. 17–27. Return Mail argues that claims 39–44 recite patent-eligible subject matter. Prelim. Resp. 22–36. We

have also reviewed the arguments provided in the Supplemental Response (Paper 9) and Sur-Reply (Paper 10). Although we have not relied on those arguments, we disagree with Return Mail's contention (Sur-Reply 3) that supplemental briefing is not permitted before institution of a covered business method patent review. The rule relied on by Return Mail addresses filing supplemental information after institution, and does not preclude supplemental briefing before institution. Sur-Reply 3 (citing 37 C.F.R. § 42.223). In the particular circumstances of this case and in view of the challenged claims, supplemental briefing on the recent Supreme Court case addressing 35 U.S.C. § 101, which was decided after the Petition was filed, was warranted. *See* Paper 7.

Upon reviewing Petitioner's analysis and supporting evidence, we are persuaded that USPS has established that claims 39-44 more likely than not are directed to non-statutory subject matter under § 101.

Section 101 provides that: "Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title."

The Supreme Court recognizes three exceptions to these statutory classes: laws of nature, natural phenomena, and abstract ideas. *Alice Corp.*, 134 S. Ct. at 2354; *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1293 (2012). Although an abstract idea by itself is not patentable, a practical application of an abstract idea may be deserving of patent protection. *Alice*, 134 S. Ct. at 2355. We must consider "the elements of each claim both individually and 'as an

ordered combination’ to determine whether the additional elements ‘transform the nature of the claim’ into a patent-eligible application.” *Id.* (citing *Mayo*, 132 S. Ct. at 1298). The claim must contain elements or a combination of elements that are “sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [abstract idea] itself.” *Id.* (citing *Mayo*, 132 S. Ct. at 1294).

### *1. Claims 39 and 40*

Claims 39 and 40 are independent claims, and we are persuaded that, on the current record, USPS has shown sufficiently that those claims are more likely than not directed to non-statutory subject matter. USPS contends that claim 39 recites the abstract idea of relaying mailing address data, with only insignificant extra-solution activity and fails the machine-or-transformation test. Pet. 19–22. USPS cites *Dealertrack, Inc. v. Huber*, 674 F.3d 1315 (Fed. Cir. 2012) and *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366 (Fed. Cir. 2011), and argues that claim 39 uses conventional technology to relay mailing address data. *Id.* at 19–20. USPS also argues that “electronically transmitting” applies conventional telecommunications systems, and is not integral to the claimed subject matter, and further argues that claim 39 fails to transform any article. *Id.* at 20–22. Return Mail responds that claim 39 deals with “actual hard copy mail,” and not just abstract ideas. Prelim. Resp. 26. Return Mail also argues that claim 39 does not rely merely on a computer to be patent-eligible. *Id.* at 27. We do not agree with Return Mail.

Claim 39, as a whole, is directed to the processing of returned mail items,

involving decoding information, obtaining an updated address, and electronically transmitting that updated address to a transferee. We are persuaded that the steps are directed to the abstract idea of relaying mailing address data, with the inclusion of an electrical transmission step.

Regarding whether claim 39 includes limitations that amount to significantly more than the abstract idea of relaying mailing address data, per our claim construction, we find that the “decoding” step is “deciphering information into useable form,” but that does not necessarily bring it out of the realm of processes performed in the past by human beings. In fact, all of the claimed steps could be performed in the human mind, with the exception of the transmitting step. Additionally, on the current record, we are persuaded that what the data might be deemed to represent to the human mind — e.g., “information indicating whether the sender wants a corrected address to be provided for the intended recipient” — does not substantially affect the underlying structure or function of the claim or any machine on which it is carried out. Consistent with USPS’s position, the ’548 Patent disclosure does not describe any particular hardware to perform the steps recited in claim 39, but refers merely in broad terms to generic computer hardware and software.

In addition, even if we agree with Return Mail that claim 39 uses *data* provided on “actual hard copy mail,” (Prelim. Resp. 26), this would not, in itself, amount to being significantly more than the abstract idea of relaying mailing address data. Most abstract ideas have some tether to real world objects, but that tether does not bring with it subject matter eligibility.

Additionally, like the terms “computer-aided” in *Dealertrack*, and “transaction database” in *Accenture Global Servs., GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336 (Fed. Cir. 2013), the last limitation in claim 39, namely “electronically transmitting an updated address of the intended recipient to a transferee, wherein the transferee is a return mail service provider,” does not amount to significantly more than the abstract idea of relaying mailing address data. The transmission technology is employed only for the purposes of creating more efficient communication, and would be a basic function of any electrical transmission system.

As such, we are persuaded that USPS has shown that claim 39 is more likely than not directed to non-statutory subject matter.

With respect to claim 40, USPS argues that the claim merely embodies the steps of claim 39, and cites *Dealertrack* for the proposition that apparatus claims directed to a “computer readable medium” that simply transcribed, applied, or embodied an abstract method claim would not render the claim patentable.

Pet. 22–23. USPS further argues that claim 40 differs from claim 39 in substance only that it includes a step of “causing a computer to store decoded information,” and the claims should be considered equivalent for purposes of patent eligibility.

*Id.* Return Mail relies on the analysis for claim 39 and argues that USPS has failed to address the steps of claim 40 as a whole. Prelim. Resp. 29–30.

We are persuaded, based on the current record, that the analysis of claim 40 should be similar to that of claim 39. Claim 40 also recites a “customer number,” and determining decoded data based on that number. It does little to further limit

the same abstract idea embodied in claim 39. As such, we are persuaded that USPS has shown that claim 40 is more likely than not directed to non-statutory subject matter.

## 2. Claims 41–44

Claims 41 and 42 are independent, and claims 43 and 44 depend from independent claim 42. We are persuaded that claims 41–44 are more likely than not directed to non-statutory subject matter.

USPS argues that claim 41 merely recites a detector and a processor, and adds an encoding limitation. Pet. 23. According to USPS, a detector and a processor are alleged to be generic and only capable of performing the method steps of claim 39. Pet. 23–24. USPS emphasizes the format of a claim does not change its patent eligibility analysis under § 101. *Id.* at 23 (citing *Bancorp Servs., L.L.C. v. Sun Life Assurance Co. of Canada*, 687 F.3d 1266, 1276-1277 (Fed. Cir. 2012)). USPS also alleges that “detector” is broad enough to encompass all forms of optical scanning, including by a person, and the encoded information could be a zip code. *Id.* at 24. USPS also urges that even if claim 41 requires a particular detector, decoder, or computer, that claim still is not a “technical advance used to implement an abstract idea unrelated to that technology.” *Id.* at 24 (citing *CRS Adv. Tech Inc., v. Frontline Tech Inc.*, Case CBM2012–00005, slip op. at 15 (PTAB Jan. 23, 2014) (Paper 66)). Lastly, USPS cites to *Ex parte Ramanujam*, No. 2009-002483, 2010 WL 3214559, at \*4 (BPAI Aug. 12, 2010), for the proposition that decoding technology is nonstatutory. Pet. 24–25.

Return Mail contends that claim 41 recites limitations that are significantly more than just an abstract idea. Prelim. Resp. 31-32. Based on the claim construction discussed above, we construe “detector” as “a device for detecting information;” however, we are persuaded, on this record, that the recited “detector” and “processor” are generic. As discussed previously, the ’548 Patent discloses that encoding and decoding were old and well-known at the time the application leading to the ’548 Patent was filed. *See, e.g.*, Ex. 1001, 3:11–15.

We, however, agree with Return Mail (Prelim. Resp. 31) that USPS has mischaracterized *Ex parte Ramanujam*, by suggesting that decoding technology is nonstatutory. The Board determined, in that case, that the recited claim elements did not invoke hardware or any physical element, and were directed to software *per se*. *Ex parte Ramanujam*, No. 2009–002483, 2010 WL 3214559, at \*3 (BPAI Aug. 12, 2010).

Thus, we are persuaded that USPS has shown that claim 41 is more likely than not directed to non-statutory subject matter.

USPS acknowledges that claim 42 adds posting and creating output data steps to the steps recited in claim 39, but argues that those steps are “conventional, non-technological steps that simply ensnare the abstract business process of relaying mailing address data.” Pet. 25. Return Mail contends that the receiving, identifying, and determining steps recited by claim 42 are distinct from the limitations recited in claim 39, and impart meaningful limitations that recite patent-eligible subject matter.

On this record, we are persuaded that claim 42 more likely than not is



directed to non-statutory subject matter. Claim 42 recites steps that receive mail items including certain types of data, identify mail items that are returned subsequent to mailing as undeliverable, decode encoded data indicating whether the sender wants a corrected address to be provided, create output data including a customer number and decoded data, and determine if the sender wants a corrected address. The method of claim 42 also recites steps based on whether the sender wants a corrected address—electronically transferring information if a corrected address is wanted, and posting return mail data records on a network if the sender does not want to receive the corrected address.

We agree with USPS that claim 42 is directed to the abstract idea of relaying mailing address data and does not recite limitations that amount to significantly more than that abstract idea. For reasons discussed previously, we are persuaded, on this record, that decoding, encoding, and electronically transferring information do not impart meaningful limitations to the abstract idea of relaying mailing address data. We are not persuaded that limiting claim 42 to handling hard copy mail, as Return Mail contends (Prelim. Resp. 33), in itself, amounts to being significantly more than the abstract idea of relaying mailing address data, for the reasons discussed earlier. Nor are we persuaded on this record that the recited steps of posting customer number and decoded data on a network, determining whether a sender wants a corrected address, or identifying mail items that are returned subsequent to mailing as undeliverable impart meaningful limitations to the abstract idea of relaying mailing address data.

Return Mail contends that, because USPS and its declarant Dr. Lubenow fail

to address all of the limitations recited in claim 42, the Petition is deficient. Prelim. Resp. 33–34. We cannot find a claim unpatentable over a petition that does not comply with 37 C.F.R. § 42.304(b)(4) (“For all other grounds of unpatentability, the petition must identify the specific part of the claim that fails to comply with the statutory grounds raised and state how the identified subject matter fails to comply with the statute.”).

In its Petition, however, USPS asserts that claim 42 fails to comply with 35 U.S.C. § 101 because claim 42 adds only conventional non-technological steps to the abstract concept of relaying mailing address data recited in claim 39. Pet. 25. USPS contends that claim 42, as a whole, is directed to the abstract idea of relaying mailing address data and does not recite additional elements that amount to significantly more than the abstract idea. In its assertions, USPS addresses posting and creating output (*id.* at 25-26), electronic transmission (*id.* at 21-22), and decoding (*id.* at 21). Thus, USPS has identified the claim as a whole fails to comply with 35 U.S.C. § 101 and how the identified subject matter of claim 42 fails to comply with 35 U.S.C. § 101.

Therefore, we are persuaded that USPS has shown that claim 42 is more likely than not directed to non-statutory subject matter.

Claims 43 and 44 depend from independent claim 42. Claim 43 recites transmitting a name and address, and claim 44 recites the encoded data indicates a name and address of the intended recipient. USPS asserts that the limitations of claims 43 and 44 do not recite non-generic technological limitations and, therefore, do not amount to significantly more than the abstract concept of relaying mailing

address data. Pet. 26-27.

Return Mail counters that the limitations recited by claims 43 and 44 are meaningful because they are added to the meaningful limitations recited in claim 42. Prelim. Resp. 35. Return Mail also contends again that the Petition is deficient because USPS has not addressed the specific limitations. *Id.*

As discussed above, we are not persuaded, on this record, that the limitations of claim 42 add significantly more to the abstract idea of relaying mailing address data. We are persuaded that USPS has met the requirements of 37 C.F.R. § 42.304(b)(4). USPS, in its contentions that claims 43 and 44 are unpatentable under 35 U.S.C. § 101, addresses the additional limitations recited by claimed 43 and 44 and asserts the limitations do not amount to significantly more than the abstract concept of relaying mailing address data. Pet. 26-27.

As such, we are persuaded that USPS has shown that claims 43 and 44 are more likely than not directed to non-statutory subject matter.

*F. Claims 39–44 – Anticipation by 1997 ACS*

USPS asserts that claims 39–44 of the '548 Patent are anticipated by 1997 ACS. Pet. 42–53. USPS relies on the testimony of Dr. Lubenow to support its assertions. Ex. 1008. Return Mail counters that 1997 ACS does not anticipate the subject claims. Prelim. Resp. 49–59. We are persuaded by USPS that, on this record and for the purposes of institution, 1997 ACS, more likely than not, anticipates claims 39–44, as discussed below.

### 1. Overview of 1997 ACS

1997 ACS discloses an automated electronic process for providing address corrections to mail senders. Ex. 1004, 5. Senders place an intended recipient on the mail piece and encode an Address Change Service (“ACS”) participant code on the mail piece for which they would like a corrected address. *Id.* at 8. The ACS participant code includes seven alphabetical characters preceded by a pound sign (“#”). *Id.*; see “#BXBJDCK” in the figure, reproduced below.

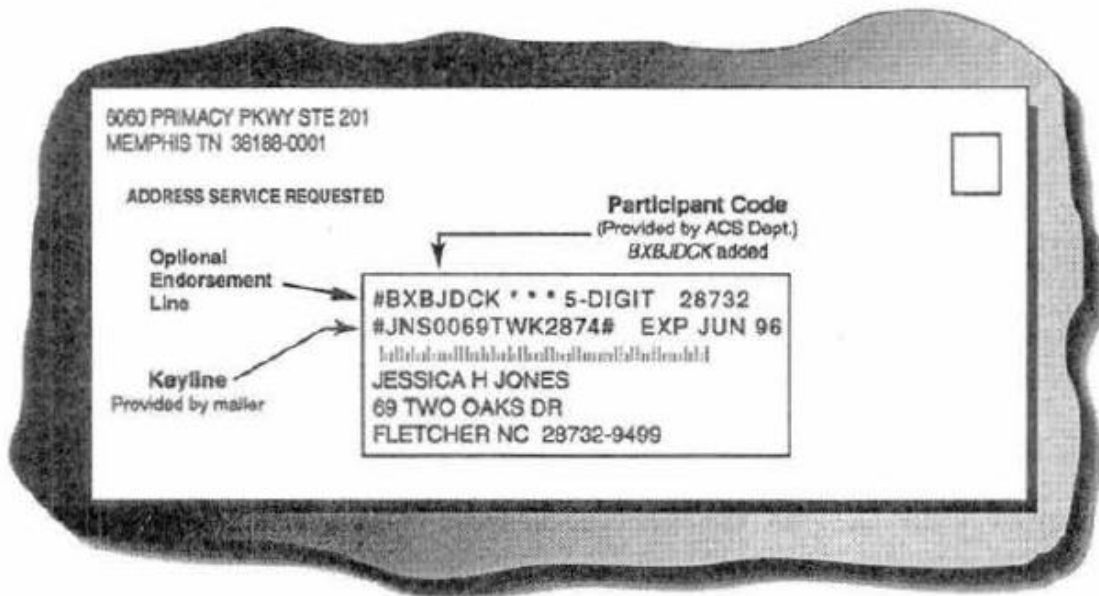


Figure from page 8 of 1997 ACS illustrating the participation requirements of its address change service.

A properly coded ACS participant code includes information about the additional service (known as an “ancillary service”) or set of services the mailer is requesting (e.g., corrected address requested or destroy mail piece subsequent to mailing). Ex. 1004, 4. Dr. Lubenow states that “[t]o receive address change

services a sender must place either an ancillary service endorsement or a participant code on the mail piece.” Ex. 1008, ¶ 176. The ACS participant code needs to be deciphered into usable information, as one merely regarding the code cannot know what ancillary services it includes.

When the mail is undeliverable-as-addressed (e.g., the intended recipient moved and did not file a change of address), the carrier sends the mail to the Computerized Forwarding System (CFS), where the CFS decodes the ACS participant code and determines how to process the returned piece of mail. Ex. 1004, 4. The ACS system obtains an updated address of the intended recipient by matching the name and address to a Change of Address (COA) record on file at the CFS. *Id.* ACS electronically transmits the updated address for the intended recipient to a mail service provider (e.g., National Customer Service Center), which provides updated addresses to ACS participating mailers. *Id.* at 4–8. 1997 ACS describes that the notifications can occur through “telecommunications transmissions rather than physical magnetic media.” *Id.* at 9. Returned mail without an ancillary service endorsement or ACS participant code indicates corrected address service is not wanted for this mail piece. *Id.* at 4; Ex. 1008, ¶ 176.

## *2. Consideration of Return Mail’s Arguments*

Return Mail argues that 1997 ACS does not disclose the participant code relating in any way to whether a sender wants a corrected address to be provided. Prelim. Resp. 49–51. Based on the current record, we are persuaded that Petitioner

has shown sufficiently that the ACS participant code details the mailer and also provides information about the services the mailer is requesting, including whether a corrected address is requested. Pet. 44-45. Although Return Mail contends that the ACS participant code “is an identification tool given to senders that helps assemble electronic reports and invoices to give the sender” (Prelim. Resp. 50–51), we are persuaded that it also provides information about services requested. *See* Pet. 45-46. On this record, we also find persuasive Dr. Lubenow’s testimony that if the mail piece does not have a participant code, the electronic notification will not be generated. Ex. 1008, ¶¶ 171–181.

We have also considered Return Mail’s arguments regarding claims 40-44. There is sufficient evidence in the record, however, to support USPS’s contentions with respect to those claims.

Having considered the information in the Petition and the Preliminary Response, we are persuaded, for purposes of institution and on this record, that USPS has demonstrated a reasonable likelihood that it would prevail in its contention that 1997 ACS anticipates claims 39–44.

#### *G. Claims 39–44 – Impermissible Broadening*

USPS alleges that claims 39–44 were impermissibly broadened during reexamination, and that we should cancel claims 39–44 “for being in violation of [35 U.S.C.] § 305.” Pet. 66–68. USPS goes on to discuss the broadening in each of claims 39–44, with citations to Dr. Lubenow’s Declaration. *Id.* at 68–74. USPS asserts, based on 35 U.S.C. § 324(b), that we may institute “when there is a

showing that the petition raises a novel or unsettled legal question that is important to other patents or patent applications.” *Id.* at 12.

Return Mail responds that assertions of impermissible reexamination broadening under 35 U.S.C. § 305 are not proper bases for covered business method patent review. Prelim. Resp. 14–16. Return Mail argues that the statutes governing this proceeding define what grounds may be the basis of review, and USPS “has not shown that its ‘impermissible broadening’ assertion” raises a novel or unsettled legal question. *Id.* at 16. We agree with Return Mail.

35 U.S.C. § 321(b) provides that:

(b) SCOPE.—A petitioner in a post-grant review may request to cancel as unpatentable 1 or more claims of a patent on any ground that could be raised under paragraph (2) or (3) of section 282(b) (relating to invalidity of the patent or any claim).

In turn, 35 U.S.C. § 282(b)(2) and (3) provide:

(2) Invalidity of the patent or any claim in suit on any ground specified in part II as a condition for patentability.

(3) Invalidity of the patent or any claim in suit for failure to comply with—(A) any requirement of section 112, except that the failure to disclose the best mode shall not be a basis on which any claim of a patent may be canceled or held invalid or otherwise unenforceable; or (B) any requirement of section 251.

Part II covers §§ 100–212, such that § 305 falls outside the scope of § 282(b)(2) or (3). As such, we are not convinced that assertions of impermissible broadening under § 305 can be a proper basis for a covered business method patent review.

USPS also argues that grounds applying § 305 may be considered based on

§ 324(b). Pet. 12. Section 324(b) provides that the threshold for institution “may also be satisfied by a showing that the petition raises a novel or unsettled legal question that is important to other patents or patent applications.” 35 U.S.C.

§ 324(b). USPS has not provided a persuasive rationale for why we should address impermissible broadening in a covered business method patent review. USPS details how amendments made during reexamination may not be broadened beyond their original scopes (Pet. 66–67), but the instant proceeding is not a reexamination proceeding. The reexamination proceeding for the ’548 Patent has concluded, with the issuance of the instant claims. If amendments are made in the instant proceeding, they will be evaluated under 35 U.S.C. § 326(d) and their scopes considered under § 326(d)(3), a different section than applies in reexamination. Lastly, it is not necessary to consider whether challenging claims under § 305 is a proper ground for covered business method patent review, because the patentability of claims 39-44 of the ’548 Patent will be considered during this proceeding.

#### *H. Other Asserted Grounds of Unpatentability*

USPS also asserts the following grounds of unpatentability:



<b>Claims</b>	<b>Basis</b>	<b>Reference(s)</b>
39–44	§ 102	Park
39–41	§ 102	Uhl
39 and 40	§ 103	Uhl and 1997 ACS

The Board’s rules for AIA post-grant proceedings, including those pertaining to institution, are “construed to secure the just, speedy, and inexpensive resolution of every proceeding.” 37 C.F.R. § 42.1(b); *see also* 35 U.S.C. §§ 316(b), 326(b) (regulations for AIA post-grant proceedings take into account “the efficient administration of the Office” and “the ability of the Office to timely complete [instituted] proceedings”). Therefore, we exercise our discretion and do not institute a review based on the other asserted ground for reasons of administrative necessity to ensure timely completion of the instituted proceeding. *See* 35 U.S.C. §324(a) (indicating a covered business method patent review may not be authorized unless the information presented in the petition, if not rebutted, would demonstrate that is more likely than not that at least one of the challenged claims is unpatentable); 37 C.F.R. § 42.108(a).

*I. 35 U.S.C. § 325(d)*

Return Mail points out that 35 U.S.C. § 325(d) specifies that the Director may take into account whether the same or substantially the same prior art or arguments were presented previously to the Office and reject the petition on that basis. Prelim. Resp. at 4–6. Return Mail argues that four of the five prior art references that USPS has submitted in this proceeding were submitted and

considered by the Office during the reexamination proceeding, and that USPS “has already tried, unsuccessfully, to invalidate the ’548 patent, and should not be permitted to waste more resources trying again.” *Id.* at 4, 6.

We recognize that the Board has the authority under 35 U.S.C. § 325(d) to reject a petition when the same or substantially the same prior art or arguments were presented in a previous proceeding before the Office. It is important to note, however, that we are not required to reject a petition merely for that reason. Both the statutory provision and its legislative history include permissible language, e.g., “may” and “allows,” rather than mandatory language, e.g., “must” or “requires.”

Although we are cognizant of the burden on Return Mail and the Board to rehear the same or substantially the same prior art or arguments that were considered in prior proceedings, there are sufficient reasons in this proceeding to exercise our discretion to institute a covered business method patent review. Notably, not all of the art proffered has been considered previously in the reexamination or reissue proceedings. There are additional grounds that can be considered in a covered business method patent review, as well some, as discussed above, that cannot be considered, as compared with the prior reissue or reexamination proceedings.

Accordingly, taking into account the burden on Return Mail and the considerations set forth in 35 U.S.C. § 326(b), e.g., the efficient administration of the Office, we grant the Petition as to the grounds discussed above.

### III. CONCLUSION

For the foregoing reasons, we determine that the information presented in the Petition establishes that it is more likely than not that Petitioner would prevail in establishing unpatentability of claims 39–44 of the '548 Patent.

The Board has not made a final determination on the patentability of any challenged claims.

### IV. ORDER

It is:

ORDERED that pursuant to 35 U.S.C. § 324(a) and § 18(a) of the AIA, a covered business method patent review is hereby instituted for the following grounds of unpatentability:

<b>Claims</b>	<b>Basis</b>	<b>Reference</b>
39–44	§ 101	
39–44	§ 102	1997 ACS

FURTHER ORDERED that the trial is limited to the grounds authorized and no other grounds; and

FURTHER ORDERED that pursuant to 35 U.S.C. § 324(d) and 37 C.F.R. § 42.4, the trial commences on the entry date of this decision, and notice is hereby given of the institution of a trial.

CBM2014-00116  
Patent 6,826,548 B2

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