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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte THOMAS J. FOTH,
CHARLES R. MALANDRA, JR.,
THOMAS H. ROSENKRANZ, and
FREDERICK W. RYAN, JR.

Appeal 2011-000731
Application 11/503,444
Technology Center 3600

Before MURRIEL E. CRAWFORD, BIBHU R. MOHANTY, and
MICHAEL W. KIM, *Administrative Patent Judges*.

CRAWFORD, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants seek our review under 35 U.S.C. § 134 of the Examiner's final rejection of claims 1-12. We have jurisdiction over the appeal under 35 U.S.C. § 6(b).

We REVERSE.

BACKGROUND

Appellants' invention is directed to a method for handling a rental article at an end of a rental steam process (Spec., para. [0001]).

Claim 1 is illustrative:

1. A computer-implemented method of offering a rental article for sale comprising:

determining, on a computer, a number of times the rental article has been rented; and

establishing, on the computer, a scaled purchase price for selling the rental article based at least partially upon the number of times the rental article has been rented.

Appellants appeal the following rejections:

Claims 1-2, 4, and 8-10 rejected under 35 U.S.C. § 103(a) as unpatentable over Krause (US 2006/0212304 A1; pub. Sep. 21, 2006) and Agarwal (US 7,447,646 B1; iss. Nov. 4, 2008).

Claims 3, 5-7, and 11-12 rejected under 35 U.S.C. § 103(a) as unpatentable over Krause, Agarwal, and Ling (US 2002/0002538 A1; pub. Jan. 3, 2002).

ANALYSIS

Claims 1-2, 4, and 8-10 rejected under 35 U.S.C. § 103(a) as unpatentable over Krause and Agarwal.

We are persuaded of error by Appellants' argument that the combination of Krause and Agarwal fails to teach or suggest the step of "establishing, on the computer, a scaled purchase price for selling the rental article based at least partially upon the number of times the rental article has been rented." Br. 5. Krause discloses a counter, but describes that the counter is used to indicate whether a return envelope is being sent to a customer or whether the rental article is being returned to the renter (paras. [0033] – [0034]). While the counter may increase in increments of one, the increases are not indicative of "the number of times the rental article has been rented," as recited in independent claim 1. Agarwal does not cure this deficiency nor has the Examiner shown how Agarwal's dynamic product pricing system teaches or suggests scaling the purchase price for selling the rental article based at least partially upon the number of times the rental article has been rented, as presently claimed.

While we acknowledge that Agarwal's dynamic product pricing system automatically adjusts prices for products (i.e., articles) that are sold or rented based upon triggers (e.g., number of product units sold, a pricing history of the product, a sales ranking of the product, an amount of inventory left, the release of a new edition or version of the product, etc.) (col. 1, l. 59 – col. 2, l. 24), Agarwal does not teach or suggest that these triggers would adjust a rental product's price from a rental to an outright sale, much less do so based at least partially on the number of times the rental article has been rented. *See In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006) ("rejections on

obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness”).

Additionally, we agree with Appellants that the Examiner erred by asserting “that the clause ‘for selling the rental article based at least partially upon the number of times the rental article has been rented’ can be ignored as a statement of function.” Br. 5; referring to Ans. 9-10. Claim 1 is a method claim, and the functions there are considered part of the method and must be given weight.

Accordingly, we cannot sustain the rejection of independent claim 1, and claims 2, 4, and 8-10 from which they depend.

Claims 3, 5-7, and 11-12 rejected under 35 U.S.C. § 103(a) as unpatentable over Krause, Agarwal, and Ling.

This rejection is directed to claims which depend upon independent claim 1, whose rejection we have reversed above. For the same reason, we will not sustain the rejection of claims 3, 5-7, and 11-12 over the combination of Krause, Agarwal, and Ling. *Cf. In re Fritch*, 972 F.2d 1260, 1266 (Fed. Cir. 1992) (“[D]ependent claims are nonobvious if the independent claims from which they depend are nonobvious.”).

DECISION

We REVERSE the decision of the Examiner.

REVERSED

Appeal 2011-000731
Application 11/503,444

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