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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte RAIMUND OHNEMUS, KLAUS SAAL, and MARKUS ERBAN

Appeal 2014-008921
Application 11/823,004[1]
Technology Center 3600

Before HUBERT C. LORIN, AMEE A. SHAH, and ROBERT J. SILVERMAN, *Administrative Patent Judges*.

LORIN, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Raimund Ohnemus et al. (Appellants) seek our review under 35 U.S.C. § 134 of the final rejection of claims 1–3, 5–18, and 20–30. We have jurisdiction under 35 U.S.C. § 6(b).

SUMMARY OF DECISION

We REVERSE and enter a NEW GROUND OF REJECTION.

[1] The Appellants identify Bayerische Motoren Werke Aktiengesellschaft as the real party in interest. App. Br. 1.

THE INVENTION

Claim 1, reproduced below, is illustrative of the subject matter on appeal.

> 1. A computer system configured to allocate a residual value risk for a vehicle leased to a consumer, the computer system comprising a processor configured to execute instructions to cause the computer system to:
>
> set a residual value for the vehicle to be applicable at a predetermined lease maturity date;
>
> determine, at a time corresponding to the predetermined lease maturity date, an actual value for the vehicle;
>
> calculate a difference between the residual value and the actual value, wherein said difference is the residual value risk associated with said vehicle leased to the consumer;
>
> allocate, at said time corresponding to the predetermined lease maturity date, a first portion of the residual value risk to a dealer organization; and
>
> allocate, at said time corresponding to the predetermined lease maturity date, a second portion of the residual value risk to a manufacturer group, wherein the manufacturer group includes a financing institution which financed the vehicle for the consumer, and a sales organization which sold the vehicle to the dealer organization.

THE REJECTIONS

The Examiner relies upon the following as evidence of unpatentability:

Mills	US 2002/0198820 A1	Dec. 26, 2002
Murase	US 2003/0046199 A1	Mar. 6, 2003

The following rejection is before us for review:

1. Claims 1–3, 5–18, and 20–30 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Murase and Mills.[2]

ISSUE

Did the Examiner err in rejecting claims 1–3, 5–18, and 20–30 under 35 U.S.C. § 103(a) as being unpatentable over Murase and Mills?

ANALYSIS

The independent claims are claims 1, 9, and 16. All include a limitation to allocating, at a time corresponding to a predetermined lease maturity date, a first portion of the residual value risk to a dealer organization that is to reclaim said leased vehicle. The claims also include a limitation to allocating a second portion of the residual risk value.

The Examiner takes the position that said limitation is disclosed at para. 36 of Mills. Answer 4.

Paragraph 36 reads as follows:

> [0036] In some situations, the end of term value at 32 may not be greater (or sufficiently greater) than the residual value of the vehicle at the end of the lease. In these situations, processing may revert via 34 to step 30 where a different investment option or allocation may be selected (e.g., having a higher expected rate

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[2] The statement of the rejection indicates that claims 1–27 are rejected. *See* Non-Final Office Action (mailed Apr. 10, 2013), 3; Answer 3. However, claims 4 and 19 were cancelled and claims 28–30 added by Amendment, filed Dec. 28, 2011, and so indicated on page 2 of the Non-Final Office Action. This is the Appellants' understanding. *See* Appeal Br. 6. Accordingly, the indication that claims 1–27 are rejected is taken as an inadvertent mistake.

> of return). Processing may revert via 34 to allow the buyer to analyze the potential performance of other investment mixes or alternatives as well. In some embodiments, processing may revert to 26 to allow the buyer to create a loan buyout product with different lease terms as well.

We agree with the Appellants that said cited passage does not disclose allocating portions of a residual value risk as claimed. Said passage is directed to providing an option to allocate a different investment with respect to a lease buyout transaction. *See* Mills, para. 13, Fig. 2.

A prima facie case of obviousness has not been made out in the first instance by a preponderance of the evidence.

NEW GROUND OF REJECTION

Claims 1–3, 5–18, and 20–30 are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

Alice Corp. Pty. Ltd. v. CLS Bank International, 134 S. Ct. 2347 (2014) identifies a two-step framework for determining whether claimed subject matter is judicially-excepted from patent eligibility under § 101.

According to *Alice* step one, "[w]e must first determine whether the claims at issue are directed to a patent-ineligible concept," such as an abstract idea. *Id.* at 2355.

Taking claim 1 as representative of the claims on appeal, the claimed subject matter is directed to risk allocation. There is no meaningful difference between risk allocation and risk hedging (*see Bilski v. Kappos*, 130 S. Ct. 3218 (2010)) and risk management (*see Int'l Sec. Exch., LLC v. Chicago Bd. Options Exch., Inc.,* No. CBM2013-00049 (PTAB March 2, 2015), *aff'd*, *Chicago Bd. Options Exch., Inc. v. Int'l Sec. Exch.*, LLC, 640

Fed. Appx. 986 (mem) (Fed. Cir. 2016) (nonprecedential) (Rule 36)). Like them, risk allocation is a fundamental economic practice and as such is an abstract idea.

Step two of *Alice* is "a search for an 'inventive concept'—*i.e.*, an element or combination of elements that is 'sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.'" 134 S. Ct. at 2355 (quoting *Mayo Collaborative Servs. v. Prometheus Labs, Inc.*, 132 S. Ct. 1289, 1294 (2012)).

We see nothing in the subject matter claimed that transforms the abstract idea of risk allocation into an inventive concept.

Claim 1 seeks to allocate a *residual value risk* for a vehicle leased to a consumer. But a residual value risk for a vehicle leased to a consumer is well known. *See* Spec., para. 6. Applying the abstract idea of risk allocation to well-known residual value risks is insufficient to ensure that the claimed subject matter in practice amounts to significantly more than it being directed to risk allocation itself.

Claim 1 sets out five steps, the first three involve setting a residual value for a vehicle to be applicable at a predetermined lease maturity date; determining an actual value for a vehicle at a time corresponding to the predetermined lease maturity date; and, calculating a difference between the residual value and the actual value, difference being the residual value risk associated with said vehicle leased to the consumer. These steps describe a procedure for obtaining a residual value risk; in effect, they are information-gathering steps. These steps appear to be known (*see* Spec., para. 7) but nevertheless do not patentably transform the risk allocation abstract idea.

The final two steps seek to allocate two portions of said obtained residual value risk — the first to a dealer organization and the second to a manufacturer group. Allocating two portions of risk for distribution to different entities does little to patentably transform the risk allocation abstract idea itself. It simply divides the risk and makes an arrangement to share it between entities.

Otherwise, claim 1 calls for employing a "computer system configured" to allocate the risk as claimed. But any general-purpose computer available at the time the application was filed would have satisfied the computer system as claimed. The Specification supports that view. *See* Spec., para. 19.

For the foregoing reasons, we find that claim 1 covers claimed subject matter that is judicially-excepted from patent eligibility under § 101. Claims 9 and 15 parallel claim 1 and similarly cover claimed subject matter that is judicially-excepted from patent eligibility under § 101. The dependent claims describe various risk allocation schemes which do little to patentably transform the risk allocation abstract idea.

Therefore, we enter a new ground of rejection of claims 1–3, 5–18, and 20–30 under 35 U.S.C. § 101.

For the foregoing reasons, the rejection is reversed but the claims are newly rejected under § 101.

CONCLUSIONS

The rejection of claims 1–3, 5–18, and 20–30 under 35 U.S.C. § 103(a) as being unpatentable over Murase and Mills is reversed.

Claims 1–3, 5–18, and 20–30 are newly rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

DECISION

The decision of the Examiner to reject claims 1–3, 5–18, and 20–30 is reversed.

Claims 1–3, 5–18, and 20–30 are newly rejected.

NEW GROUND

This decision contains a new ground of rejection pursuant to 37 C.F.R. § 41.50(b). 37 C.F.R. § 41.50(b) provides "[a] new ground of rejection pursuant to this paragraph shall not be considered final for judicial review." 37 C.F.R. § 41.50(b) also provides that the Appellants, WITHIN TWO MONTHS FROM THE DATE OF THE DECISION, must exercise one of the following two options with respect to the new ground of rejection to avoid termination of the appeal as to the rejected claims:

> (1) *Reopen prosecution.* Submit an appropriate amendment of the claims so rejected or new evidence relating to the claims so rejected, or both, and have the matter reconsidered by the examiner, in which event the proceeding will be remanded to the examiner. . . .
>
> (2) *Request rehearing.* Request that the proceeding be reheard under § 41.52 by the Board upon the same record. . . .

<u>REVERSED; 37 C.F.R. § 41.50(b)</u>