



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.
13/524,880	06/15/2012	Mathieu STREMSDOERFER	MCG133US	3214
83942	7590	02/26/2020	EXAMINER	
Levy & Grandinetti P.O. Box 18385 Washington, DC 20036			CASEY, ALEXIS M	
			ART UNIT	PAPER NUMBER
			3684	
			MAIL DATE	DELIVERY MODE
			02/26/2020	PAPER

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.

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte MATHIEU STREMSDOERFER and PHILIPPE HOFFMANN

Appeal 2019-001715
Application 13/524,880
Technology Center 3600

Before JASON V. MORGAN, HUNG H. BUI, and JOHN F. HORVATH,
Administrative Patent Judges.

MORGAN, *Administrative Patent Judge.*

DECISION ON APPEAL
STATEMENT OF THE CASE

Introduction

Pursuant to 35 U.S.C. § 134(a), Appellant¹ appeals from the Examiner's decision to reject claims 1–7 and 9–20. Appeal Br.² 15. Claim 8 is canceled. Claims App. 2 (Mar. 22, 2018). We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ We use the word “Appellant” to refer to “applicant” as defined in 37 C.F.R. § 1.42.

² All references to the Appeal Brief (“Appeal Br.”) are to the original Appeal Brief filed March 22, 2018.

Summary of the disclosure

Appellant's claimed subject matter relates to renting an article by: (1) receiving requests from potential lessees to rent the article; (2) agreeing to rent the article to the lessees; (3) transferring sequentially the article between lessees according to a chronology of requested rental periods; (4) monitoring the rental and transfers; and (5) distributing payments. Abstract.

Representative claim (key limitations emphasized)

1. A method for renting portable property comprising:
 - entering into a processor and storage system via an information network a unique identifier of an article of portable property for rent;
 - receiving a plurality of requests via the information network from potential lessees to rent the article for requested rental periods;
 - sorting by the processor and storage system the requests to rent the article according to a chronology of the requested rental periods;
 - qualifying potential lessees based upon criteria predetermined by the owner of the article, wherein the predetermined criteria are selected by the owner specific to each article of portable property for rent;
 - agreeing via the information network to rent the article to a plurality of lessees according to the chronology of the requested rental periods;
 - transferring possession of the article from a lessor to a first lessee, the first lessee being first in the chronology of the sorted, requested rental periods;
 - transferring sequentially the article between lessees according to the chronology of the sorted, requested rental periods;*
 - monitoring for the lessor by the processor and storage system each rental and transfer of the article; and

distributing by the processor and storage system a payment for each rental of the article.

The Examiner's rejections and cited references

The Examiner rejects claims 1–7 and 9–20 under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter. Final Act. 2–5.

The Examiner rejects claims 1–6, 12, 14–16³, and 18–20⁴ under 35 U.S.C. § 103(a) as being obvious over Snapp et al. (US 2003/0233246 A1; published Dec. 18, 2003) (“Snapp”) and Meunier (US 2002/0186144 A1; published Dec. 12, 2002). Final Act. 5–8, 12.

The Examiner rejects claim 7 under 35 U.S.C. § 103(a) as being obvious over Snapp, Meunier, and Thibodeau (US 6,671,697 B1; issued Dec. 30, 2003). Final Act. 9.

³ Although listed in the statement of the rejection, the Examiner does not provide explicit findings showing in what manner Snapp and Meunier teach or suggest the recitations of claim 16. Final Act. 5–8. Appellant does not raise this as an issue, instead arguing claim 16 together with claim 1. Appeal Br. 28. Accordingly, Appellant’s arguments based on this apparent oversight are waived. 37 C.F.R. § 41.37(c)(1)(iv) (2017).

⁴ In rejecting claims 18–20, the Examiner merely finds that the claims “recite the same or similar limitations as those addressed . . . for claims 1–17” (Final Act. 12) even though Appellant had canceled claim 8 at the time of the rejection (Amend. 3 (June 1, 2017)) and even though the Examiner relies on additional references with respect to claims 7, 9–11, 13, and 17 (Final Act. 9–12). Appellant does not raise any issues based on these aspects of the rejection, instead arguing claims 18–20 together with claim 1. Appeal Br. 28. Accordingly, Appellant’s arguments based on these aspects of the rejection are waived. 37 C.F.R. § 41.37(c)(1)(iv).

The Examiner rejects claims 9⁵, 10, 11, 13, and 17 under 35 U.S.C. § 103(a) as obvious over Snapp, Meunier, and Antony et al. (US 7,617,133 B1; issued Nov. 10, 2009) (“Antony”). Final Act. 9–12.

PRINCIPLES OF LAW

To constitute patent-eligible subject matter, an invention must be a “new and useful process, machine, manufacture, or composition of matter, or [a] new and useful improvement thereof.” 35 U.S.C. § 101. There are implicit exceptions to the categories of patentable subject matter identified in 35 U.S.C. § 101, including: (1) laws of nature; (2) natural phenomena; and (3) abstract ideas. *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 573 U.S. 208, 216 (2014). The U.S. Supreme Court has set forth a framework for distinguishing patents with claims directed to these implicit exceptions “from those that claim patent-eligible applications of those concepts.” *Id.* at 217 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66 (2012)). The evaluation follows a two-part analysis: (1) determine whether the claim is *directed to* a patent-ineligible concept, e.g., an abstract idea; and (2) if so, then determine whether any element, or combination of elements, in the claim is sufficient to ensure that the claim amounts to *significantly more* than the patent-ineligible concept itself. *See id.* at 217–18.

⁵ The Examiner also rejects claim 9 based solely on Snapp and Meunier (Final Act. 7–8)—mistakenly referring to claim 8 in the statement of the rejection (*id.* at 5). The Examiner, however, finds that Snapp does not explicitly disclose the features of claim 9, and thus also relies on Antony. *Id.* at 9–10. Because the Examiner’s rejection based on Snapp, Meunier, and Antony arguably contradicts the Examiner’s rejection based on Snapp and Meunier alone (*compare id.* at 9–10 *with id.* at 7–8), we will only consider the Examiner’s rejection based on Snapp, Meunier, and Antony.

“[A]ll inventions at some level embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas.” *Mayo*, 566 U.S. at 71. We “‘must be careful to avoid oversimplifying the claims’ by looking at them generally and failing to account for the specific requirements of the claims.” *McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1313 (Fed. Cir. 2016) (quoting *In re TLI Commc’ns LLC Patent Litigation*, 823 F.3d 607, 611 (Fed. Cir. 2016)).

Last year the U.S. Patent and Trademark Office (“USPTO”) published guidance on the application of the two-part analysis. USPTO, *2019 Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. 50 (January 7, 2019) (“Revised Guidance”); *see also* USPTO, *October 2019 Update: Subject Matter Eligibility*, available at https://www.uspto.gov/sites/default/files/documents/peg_oct_2019_update.pdf (Oct. 17, 2019). Under that guidance, we first look to whether the claim recites:

(1) any judicial exceptions, including certain groupings of abstract ideas (i.e., mathematical concepts, certain methods of organizing human activity such as a fundamental economic practice, or mental processes) (*see id.* at 54 (step 2A, prong one)); and

(2) additional elements that integrate the judicial exception into a practical application (*see id.* at 54–55 (step 2A, prong two); MPEP §§ 2106.05(a)–(c), (e)–(h)).

See Revised Guidance, 84 Fed. Reg. 52–55.

Only if a claim (1) recites a judicial exception and (2) does not integrate that exception into a practical application, do we then look to whether the claim:

(3) adds a specific limitation beyond the judicial exception that is not “well-understood, routine, conventional” in the field (*see* MPEP § 2106.05(d)); or

(4) simply appends well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception.

See Revised Guidance, 84 Fed. Reg. 56.

35 U.S.C. 101

Step 2A, prong one

In rejecting claim 1 as being directed to patent-ineligible subject matter, the Examiner determines that it is “directed to the judicial exception of shopping and organizing rental agreements and providing product and offer information which is considered to be an abstract idea inasmuch as such activity is considered both a fundamental economic practice and a method of organizing human activity.” Final Act. 3; *see also* Ans. 4.

Appellant contends the Examiner “improperly concludes under Step 2A of the *Mayo* framework that the claims are directed to ‘Concepts identified as abstract.’” Appeal Br. 16. In particular, Appellant argues “the selected statements that the ‘claims are directed to’ or the paraphrasing of elements do not comply with the analysis required under the *Alice* test. The claims under the test are to be viewed as a whole.” *Id.* at 18. Appellant further argues “[t]he technology or technical field of [claim 1] is the field of leasing personal property.” *Id.* at 20.

Appellant’s arguments are unpersuasive because the Examiner’s determinations accord with the recitations of claim 1. In particular, claim 1

recites: (1) “receiving a plurality of requests . . . from potential lessees to rent the article for requested rental periods”; (2) “qualifying potential lessees based upon criteria predetermined by the owner of the article”; (3) “agreeing . . . to rent the article to a plurality of lessees according to the chronology of the requested rental periods”; (4) “transferring possession of the article from a lessor to a first lessee”; (5) “transferring sequentially the article between lessees according to the chronology of the sorted, requested rental periods”; (6) “monitoring . . . each rental and transfer of the article”; and (7) “distributing . . . a payment for each rental of the article.” Thus, claim 1 recites steps taken to organize transfers of an article for rent—first from a lessor to a lessee and then among a sequence of lessees—according to agreements to rent the article for consideration.

These steps represent certain methods of organizing human activity in the form of commercial or legal interactions, and therefore claim 1 recites an abstract idea. Revised Guidance, 84 Fed. Reg. 52. Moreover, Appellant’s argument that the field of claim 1 “is the field of leasing personal property” (Appeal Br. 20) supports, rather than shows error in, the Examiner’s determination (Ans. 4).

Step 2A, prong two

As part of the process for organizing transfers of an article for rent, claim 1 further recites the use of a *processor and storage system* and an *information network* as part of several of the steps discussed above. The process’s use of these elements further includes both “entering into a processor and storage system via an information network a unique identifier of an article of portable property for rent” and “sorting by the processor and storage system the requests to rent the article according to a chronology of

the requested rental periods.” The claimed use of a processor, storage system, and information network merely use the recited technologies as “tool[s] to perform [the] abstract idea.” Revised Guidance, 84 Fed. Reg. 55.

Appellant argues claim 1 recites “very specific instructions or rules, which provide a secure method for transferring personal property between and among multiple lessees without the personal property having to be returned to lessors or their agents at the termination of each leasing period.” Appeal Br. 21. Appellant’s argument is unpersuasive because claim 1 does not have limited rules structured to reflect a specific implementation that differs from what a human would have used in organizing transfers of an article for rent. *See McRO*, 837 F.3d at 1316 (citing *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 595–96 (2013)). The most specific rule that exists in claim 1 relates to sorting requests to rent an article for requested rental periods such that the article can be transferred sequentially according to the chronology of the sorted, requested rental periods. Such sorting, however, would have been expected for such transfers so that as many potential lessees as possible could have access to the article when needed, rather than before or after the article is needed (when the article may be needed by another lessee). Moreover, transferring the article between lessees rather than from lessee to lessor and then back to another lessee merely represents part of the recited certain methods of organizing human activity rather than an additional element. Revised Guidance, 84 Fed. Reg. 54–55.

For these reasons, claim 1 does not include recitations that integrate the recited certain methods of organizing human activity (commercial or legal interactions) into a patent-eligible practical application.

Step 2B

The Examiner determines that claim 1 does “not include additional elements that are sufficient to amount to significantly more than the judicial exception” (Final Act. 3) because the technological elements of claim 1 “each execute in a manner routinely and conventionally expected of these elements” (*id.*) and because, even when taken in combination, the technological elements of claim 1 “do not offer substantially more than the sum of the functions of the elements when each is taken alone” (*id.* at 4). Appellant contends the Examiner erred because claim 1 recites “specific components, required by the claimed process, and [a] claimed specified manner in which the property is required to be transferred between sequential lessees [thus] prevent[ing] preemption of all relationships between a lessor and lessees.” Appeal Br. 25.

We first note that if a claim proves to be unpatentable as a result of the two-part analysis (i.e., steps 2A (prongs one and two) and 2B), no additional determination regarding preemption is necessary. “While preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility,” as “questions on preemption are inherent in and resolved by the § 101 analysis.” *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) (internal quotation marks and citation omitted).

Furthermore, we disagree with Appellant that claim 1 “recites a method for renting portable property that is limited in its scope to the use of specific indicia or devices.” Appeal Br. 25. The claimed transfer or use of portable property, even if identified uniquely with a device such as an RFID chip, a processor, storage system, and information network all represent

well-understood, routine, and conventional activities specified at a high level of generality. Revised Guidance, 84 Fed. Reg. 56. This is evident in the Specification, which discusses prior art management of equipment tagged with RFIDs (Spec. 2) and a number of other examples of identifiers including barcodes and serial numbers (*id.* at 10). The Specification further discloses that the system performing the claimed process “is readily operated or supported by an online Internet processor, such as a computer or ‘smartphone’” (*id.* at 6), that the system can include “a digital memory device in at least one computer, a series of electronic devices, or [a] similar device” (*id.* at 7–8), and that “storage can be as simple as an electronic device that wirelessly connects to the Internet or [a] comparable source of data and information” (*id.* at 8). Thus, contrary to Appellant’s arguments, the Specification discloses generic (i.e., not specific) indicia and devices.

Moreover, we are unable to ascertain any inventive concept that arises out of the recitations of claim 1, when read as an ordered combination, that transforms the underlying abstract idea into a patent-eligible invention. *See BASCOM Glob. Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1349 (Fed. Cir. 2016). Thus, the evidence of record supports, and we agree with, the Examiner’s determination that claim 1 does not have additional recitations that add significantly more to the underlying certain methods of organizing human activity. Final Act. 3–4; Ans. 4–6.

Accordingly, we sustain the Examiner’s 35 U.S.C. § 101 rejection of claim 1, and of claims 2–7 and 9–20, which Appellant does not argue separately. Appeal Br. 16–25.

35 U.S.C. § 103(A)

In rejecting claim 1 as obvious, the Examiner finds that Snapp’s transfer of an item from a bailee to a buyer, combined with Snapp’s disclosure related to a leasing as an alternative to selling, teaches or suggests “transferring sequentially the article between lessees according to the chronology of the sorted, requested rental periods.” *See* Final Act. 6 (citing Snapp ¶¶ 32, 69); Ans. 6.

Appellant contends the Examiner erred because the use of a bailee means that “[t]he item in Snapp is not transferred from a lessee sequentially to the next lessee.” Appeal Br. 27. Appellant further argues that Meunier, Thibodeau, and Antony also do not teach or suggest transferring an article from one lessee to another without going through a third party. *Id.* at 27–30. Thus, Appellant argues “[a]ny combination of the cited references teaches away from the [claimed] sequential transfer from one lessee to the next lessee.” *Id.* at 30.

Appellant’s arguments are unpersuasive because, as the Examiner correctly finds, Snapp teaches transferring an article from one lessee to another, even if a third party (e.g., a bailee) is used in carrying out the transfer. *See* Ans. 6–7. Claim 1 does not include any negative recitations that preclude the use of a third party in such manner. Moreover, the Specification explicitly discloses that although a transfer can be done through an in-person meeting, an alternative is for a “temporary provider [to] ship the article”—an alternative that “is particularly desirable for low value items.” Spec. 15. Therefore, the broadest reasonable interpretation of the disputed recitation, when read in light of the Specification, encompasses the use of a third party to transfer an article from one lessee to another lessee.

Accordingly, we sustain the Examiner's 35 U.S.C. § 103(a) rejection of claim 1, and the Examiner's 35 U.S.C. § 103(a) rejections of claims 2–7 and 9–20, which Appellant argues are patentable for similar reasons. *See* Appeal Br. 26–30.

CONCLUSION

Claims Rejected	35 U.S.C. §	References/ Basis	Affirmed	Reversed
1–7, 9–20	101	Eligibility	1–7, 9–20	
1–6, 12, 14–16, 18–20	103(a)	Snapp, Meunier	1–6, 12, 14–16, 18–20	
7	103(a)	Snapp, Meunier, Thibodeau	7	
9–11, 13, 17	103(a)	Snapp, Meunier, Antony	9–11, 13, 17	
Overall Outcome			1–7, 9–20	

TIME PERIOD FOR RESPONSE

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. § 1.136(a)(1)(iv).

AFFIRMED