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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte JOHN J. WINCH and DANIEL A. SCHOCH

Appeal 2012-012695[1]
Application 10/382,276[2]
Technology Center 3600

Before ANTON W. FETTING, BIBHU R. MOHANTY, and
TARA L. HUTCHINGS, *Administrative Patent Judges*.

HUTCHINGS, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner's final rejection of claims 1–8, 10, 11, 13–43, and 45. We have jurisdiction under 35 U.S.C. § 6(b).

We REVERSE.

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[1] Our decision references Appellants' Appeal Brief ("App. Br.," filed April 26, 2012) and Reply Brief ("Reply Br.," filed Sept. 18, 2012), and the Examiner's Answer ("Ans.," mailed July 18, 2012).

[2] Appellants identify The Minster Machine Company as the real party in interest. App. Br. 3.

CLAIMED INVENTION

Appellants' claimed invention "relates to a method and apparatus for calculating an equipment usage fee, such as for the use of durable goods equipment (having a useful life of three years or longer), for example mechanical presses." Spec. 1:2–5.

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

> 1. An apparatus for calculating a usage fee for equipment, the apparatus comprising:
>
> a monitoring means connected to a mechanical press for monitoring usage of the mechanical press and creating mechanical press usage data, said usage data being related to at least one of vibration level, vibration severity, stroke frequency, operating torque, operating temperature, operating pressure, operating deflection, and operating noise level;
>
> a comparing means connected to said monitoring means for comparing said mechanical press usage data to a predetermined depreciation level to determine a corresponding depreciation level value, said comparing means being configured to select said corresponding depreciation level from a plurality of depreciation levels dependent upon said mechanical press usage data; and
>
> a calculating means connected to said comparing means for calculating an equipment usage fee, said equipment usage fee is calculated by combining said equipment usage data and said corresponding depreciation level value.

REJECTION[3]

Claims 1–8, 10, 11, 13–43, and 45 are rejected under 35 U.S.C. § 103(a) as unpatentable over Yui (US 2002/0174077 A1, pub. Nov. 21, 2002), Lockwood (US 6,694,234 B2, iss. Feb. 17, 2004), and Applicants' Admitted Prior Art (hereinafter "AAPA").

ANALYSIS

Independent claim 1 and dependent claims 2–8 and 10

We are persuaded by Appellants' argument that the Examiner erred in rejecting claim 1 under 35 U.S.C. § 103(a) because neither Yui, nor Lockwood, nor AAPA, alone or in combination, discloses or suggests "usage data being related to at least one of vibration level, vibration severity, stroke frequency, operating torque, operating temperature, operating pressure, operating deflection, and operating noise level," as recited in claim 1. App. Br. 15–17, Reply Br. 2–3.

The Examiner acknowledges that a combination of Yui and Lockwood does not teach that the equipment being monitored is "a mechanical press" or that "usage data being related to at least one of vibration level, vibration severity, stroke frequency, operating torque, operating temperature, operating pressure, operating deflection, and operating noise level," as recited in claim 1. Ans. 24. But the Examiner posits that:

> It is well known that . . . equipment[,] such as mechanical press[es,] have been rented and . . . subject to misuse[,] as disclose[d] in the background of invention of the

[3] The Examiner has withdrawn the rejection of claims 22–28 under 35 U.S.C. § 101. Ans. 21.

> [Specification] . . . YUI/LOCKWOOD discloses monitoring the usage data of the rental equipment, [and] the rental fee [being] base[d] on the equipment usage [and] misuse . . . . Taking the principle of the combination of YUI/LOCKWOOD and applying this [to] the rental equipment [(e.g., mechanical press)] as taught by AAPA, one of ordinary skill and creativity in the art would have readily appreciated that at least one of the usage data of the mechanical press related to vibration level, vibration severity, stroke frequency, operating torque, operating temperature, operating pressure, operating deflection, and operating noise level would have been monitored in order to determine the amount of wear and tear of the mechanical press[,] as well as the depreciation value over time.

Id. 24–25.

We find that the Examiner has not established a prima facie case of obviousness. Critically, the Examiner does not articulate any reasoning with rational underpinning for modifying the combination of Yui, Lockwood, and AAPA to arrive at the method recited in claim 1, which requires "usage data being related to at least one of vibration level, vibration severity, stroke frequency, operating torque, operating temperature, operating pressure, operating deflection, and operating noise level." Instead, the Examiner merely makes the conclusory statement that "one of ordinary skill in the art would have readily appreciated that at least one of the usage data of the mechanical press related to vibration level, vibration severity, stroke frequency, operating torque, operating temperature, operating pressure, operating deflection, and operating noise level would have been monitored." Ans. 25. "[R]ejections 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." *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006) (quoted with approval in *KSR Int'l Co. v. Teleflex, Inc.*, 550 U.S. 398, 418 (2007)).

On this record, the Examiner has failed to establish a prima facie case of obviousness. Therefore, we do not sustain the Examiner's rejection of claim 1 under 35 U.S.C. § 103(a). For the same reasons, we also do not sustain the Examiner's rejection of dependent claims 2–8 and 10. *Cf. In re Fritch*, 972 F.2d 1260, 1266 (Fed. Cir. 1992) ("dependent claims are nonobvious if the independent claims from which they depend are nonobvious").

Independent claims 11, 13, 22, 29, 30, and 37, and dependent claims 14–21, 23–28, 31–36, 38–43, and 45

Independent claims 11, 13, 22, 29, 30, and 37 include language substantially similar to the language of claim 1, and the Examiner applies the same rationale in rejecting these claims under 35 U.S.C. § 103(a) as applied with respect to claim 1. Ans. 2–21, 26–52. Therefore, we do not sustain the Examiner's rejection under 35 U.S.C. § 103(a) of independent claims 11, 13, 22, 29, 30, and 37, and claims 14–21, 23–28, 31–36, 38–43, and 45, which depend therefrom, for the same reasons set forth above with respect to claim 1.

DECISION

The Examiner's rejection of claims 1–8, 10, 11, 13–43, and 45 under 35 U.S.C. § 103(a) is reversed.

REVERSED