

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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NETSIRV and LOCAL MOTION MN,  
Petitioner,

v.

BOXBEE, INC.,  
Patent Owner.

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PGR2015-00009  
Patent 8,756,166 B2

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Before WILLIAM V. SAINDON, JUSTIN T. ARBES, and  
CHRISTOPHER L. CRUMBLEY, *Administrative Patent Judges.*

SAINDON, *Administrative Patent Judge.*

FINAL WRITTEN DECISION  
*35 U.S.C. § 328(a)*

## I. INTRODUCTION

We have jurisdiction under 35 U.S.C. § 6(b)(4). This Final Written Decision is entered pursuant to 35 U.S.C. § 328.

Netsirv and Local Motion MN (“Petitioner”) filed a corrected Petition (Paper 6, “Pet.”) requesting a post-grant review of all claims (1–21) of U.S. Patent No. 8,756,166 B2 (Ex. 1001, “the ’166 patent”) under 35 U.S.C. §§ 101, 102(a), and 103(a). Pet. 12–13. Boxbee, Inc. (“Patent Owner”) waived its preliminary response. Paper 8. We instituted a post-grant review of the ’166 patent on the § 101 ground only. Paper 10, 18 (“Dec. on Inst.”). Patent Owner then filed its Response (Paper 17, “PO Resp.”) to which Petitioner filed its Reply (Paper 18, “Pet. Reply”). No oral argument was held. Paper 19.

For the reasons discussed below, we determine that Petitioner has shown by a preponderance of the evidence that all claims of the ’166 patent are unpatentable.

### *A. Related Matters*

The parties assert that there are no related matters. Pet. 10; Paper 9.

### *B. The ’166 Patent*

The ’166 patent, entitled “SYSTEM AND METHOD FOR STORAGE CONTAINER TRACKING AND DELIVERY,” was filed on August 26, 2013 and issued on June 17, 2014. Ex. 1001, (54), (22), (45). The ’166 patent characterizes itself as relating to “storage container tracking and delivery in the physical storage field.” *Id.* at 1:6–9. In conventional storage systems, according to the ’166 patent, a user rents a single large container (e.g., using the PODS<sup>®</sup> storage system) and stores various personal

property items therein. *Id.* at 1:13–33. The ’166 patent explains that a single large container is inefficient in that a user may not always need that much storage space or a user may not remember all that was in that storage space, or because large storage containers require specialized equipment to move, such as lifts and trucks. *Id.* at 1:34–40. The ’166 patent purportedly improves on conventional storage systems by allowing a user to identify individual items stored in one or more relatively small storage containers. *Id.* at 2:36–51.

The ’166 patent also describes a computerized method of coordinating such a system. *See id.* at 3:11–13. A benefit to this system is that empty containers retrieved from a customer can be immediately put back to use and given to another customer. *See id.* at 2:57–3:3. The ’166 patent characterizes this feature as “dynamic adjustment” or “dynamic disassociat[ion].” *See id.* at 2:64, 3:5.

### *C. Challenged Claims*

Claim 1 is the sole independent claim and is reproduced below, with step identifiers (a)–(m) added for reference purposes.

1. A method for stored item distribution to a user, the user associated with a user identifier, the method comprising:  
by a computing system:
  - (a) receiving a delivery request associated with the user identifier comprising a requested time, a requested location, and a requested number of containers;
  - (b) facilitating delivery of a set of containers to the requested location at the requested time, the set of containers comprising at least the requested number of containers, each container of the set associated with a unique storage identifier;

- (c) receiving a set of storage identifiers from a delivery device remote from the computing system, each storage identifier of the set of storage identifiers associated with one of the set of containers;
- (d) associating the set of storage identifiers comprising a first storage identifier with the user identifier in response to receipt of the set of storage identifiers from the delivery device;
- (e) receiving a media description in association with the first storage identifier from a user device associated with the user identifier, the user device remote from the computing system;
- (f) storing the media description as a storage description for the first storage identifier;
- (g) setting a fill status of the first storage identifier to packed;
- (h) receiving a removal request comprising storage identifiers associated with empty fill statuses from a pickup device remote from the computing system;
- (i) removing the storage identifiers having an empty fill status from the set of storage identifiers associated with the user identifier;
- (j) receiving a summary request associated with the user identifier;
- (k) in response to receipt of the summary request, sending the storage description of the first storage identifier;
- (l) receiving a retrieval request associated with the user identifier comprising a selection associated with the storage description, a retrieval location, and a retrieval time; and
- (m) facilitating delivery of a first container identified by the first storage identifier to the retrieval location at the retrieval time.

#### *D. Instituted Ground*

We instituted on the ground of whether claims 1–21 of the '166 patent are unpatentable as directed to patent-ineligible subject matter under 35

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U.S.C. § 101. Dec. on Inst. 18; *see also id.* at 7–12 (setting forth our analysis of Petitioner’s ground); Pet. 18–34 (setting forth Petitioner’s § 101 ground).

## II. ANALYSIS

### A. Eligibility for Post-Grant Review

In our Institution Decision, we determined that the ’166 patent was eligible for post-grant review because, *inter alia*, it has an effective filing date after March 16, 2013 and the Petition was filed within 9 months from the ’166 patent’s issuance. Dec. on Inst. 5–6. No arguments challenging the eligibility of the ’166 patent for post-grant review have been raised by Patent Owner.

### B. Claim Construction

We interpret the claims of an unexpired patent using the broadest reasonable interpretation in light of the specification of the patent. 37 C.F.R. § 42.200(b); *see also Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2144–46 (2016) (upholding the use of the broadest reasonable interpretation standard in *inter partes* reviews). Under that standard, a claim term generally is given its ordinary and customary meaning, as would be understood by one of ordinary skill in the art in the context of the entire disclosure. *See In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007). Although our claim interpretation “cannot be divorced from the specification,” *see Microsoft Corp. v. Proxyconn, Inc.*, 789 F.3d 1292, 1298 (Fed. Cir. 2015) (citing *In re NTP, Inc.*, 654 F.3d 1279, 1288 (Fed. Cir. 2011)), we must be careful not to import limitations from the specification that are not part of the claim language, *see SuperGuide Corp. v. DirecTV*

*Enterprises, Inc.*, 358 F.3d 870, 875 (Fed. Cir. 2004). Any special definition for a claim term must be set forth in the specification with reasonable clarity, deliberateness, and precision. See *In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994).

In our Institution Decision, we adopted several of Petitioner’s constructions, with our own slight modification to Petitioner’s construction of “in response to.” Dec. on Inst. 6–7. The constructions we used in the Institution Decision were:

<b>Term</b>	<b>Construction</b>
“facilitating”	Communicating or updating for coordination of.
“time”	Any reference to time, generally, including date, alone, or date/time, or a range of the same.
“summary request”	A general request about the contents in storage and no requirements about what that request looks like or includes. The request can be for all of the contents or some aspect of the contents.
“in response to”	Directly or indirectly in response to.
“delivery device”	A portable electronic that is associated, in some way, with a delivery person or delivery vehicle and has the capability of remote communication.
“pickup device”	Similar to “delivery device,” except that it is associated, in some way, with a pickup, removal, or field person that is performing the role of collecting or returning packed containers to a warehouse or otherwise removing them from a site. Can be the same device as the delivery device.
“signature pattern”	A suitable unique identifier.

Neither party has proposed modifications to these constructions, nor do we find a reason to modify them. We use them once again for this Decision.

Patent Owner proposes an additional term to construe, “remote,” as in “a delivery device remote from the computing system,” found in claim 1. *See* PO Resp. 9. Patent Owner proposes that “remote” refers to something “far removed in space,” based on the language in the ’166 patent discussing a “networked portable device remotely connected to the server.” *Id.* (citing Ex. 1001, 5:31–33, 6:14–15. We do not adopt Patent Owner’s proposed construction. It is clear from the ’166 patent at the cited passages that “remote,” as in claim 1, means “remotely connected.” *See id.* The physical distance separating the device from the computing system does not matter here; the specification is distinguishing the *type of connection*. Based on these portions of the ’166 patent, we understand “remote,” as recited in the claims, to mean “remotely connected.”

### *C. Section 101 – Patent Subject Matter Eligibility*

Petitioner asserts that claims 1–21 are directed to patent-ineligible subject matter. Pet. 18–34. Using the framework set forth in *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347 (2014), Petitioner alleges that claims 1–21 are: 1) directed to a process (*id.* at 20); 2) directed to the abstract idea of “facilitating containerized storage” (*id.* at 20–23); and 3) do not add elements that amount to significantly more than the abstract idea (*id.* at 24–34).

In *Alice*, the Supreme Court applied the framework set forth previously in *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289 (2012), “for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.” *Alice*, 134 S. Ct. at 2355. The first step in the analysis is to “determine whether the claims at issue are directed to one

of those patent-ineligible concepts.” *Id.* If they are directed to a patent-ineligible concept, the second step in the analysis is to consider the elements of the claims “individually and ‘as an ordered combination’” to determine whether there are additional elements that “‘transform the nature of the claim’ into a patent-eligible application.” *Id.* (quoting *Mayo*, 132 S. Ct. at 1297). In other words, the second step is to “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.’” *Id.* (alteration in original) (quoting *Mayo*, 132 S. Ct. at 1294). Further, the “prohibition against patenting abstract ideas ‘cannot be circumvented by attempting to limit the use of [a] formula to a particular technological environment’ or adding ‘insignificant postsolution activity.’” *Bilski v. Kappos*, 561 U.S. 593, 610–11 (2010) (quoting *Diamond v. Diehr*, 450 U.S. 175, 191–92 (1981)).

*a. Alice Step 1 — Abstract Idea*

The ’166 patent generally relates to a bailment scheme using storage containers, or, as Petitioner describes it, “containerized storage.” *See* Pet. 20–23. Petitioner describes containerized storage as a process that necessarily includes facilitating delivery and association of identifiable containers, receiving and storing an inventory of contents, keeping track of used versus unused containers, and facilitating retrieval of contents from storage. *Id.* at 20. Petitioner adds that claim 1, for example, is “preemptive of the entire containerized storage business that has been around for decades.” *Id.* at 20–21. Petitioner also asserts that none of the dependent claims add limitations that save the claims from ineligibility. *Id.* at 33–34.



Patent Owner first argues that “this method does not recite a ‘business practice known from the pre-Internet world.’” PO Resp. 11. Patent Owner argues that the claims instead recite “a process previously unknown,” as “evidenced by the lack of anticipatory prior art.” *Id.* at 12. As to Patent Owner’s first argument, Petitioner replies that the method is more precisely characterized as “pre-computer practices being performed by a computer.” Pet. Reply 2. Insofar as Patent Owner’s claims are directed to a bailment scheme, we agree with Petitioner’s characterization. Patent Owner’s second argument implicitly would make the § 101 analysis a subset of the § 102 analysis. We are not persuaded that the absence of an anticipatory reference renders a claim directed to patent-eligible subject matter, and Patent Owner offers no binding authority in support of that position. *Cf. Diehr*, 450 U.S. at 190 (“The question therefore of whether a particular invention is novel is wholly apart from whether the invention falls into a category of statutory subject matter.” (internal quotation omitted)).

Reviewing the full record from this trial, we find that bailment schemes were a long-prevalent economic practice, and constitute an abstract idea as recited in claim 1.<sup>1</sup> *See Alice*, 134 S. Ct. 2356; *see also* PO Resp. 1

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<sup>1</sup> Courts have determined similar claims to be directed to abstract ideas. *See, e.g., Wireless Media Innovations, LLC v. Maher Terminals, LLC*, 100 F. Supp. 3d 405, 408–09, 413–15 (D.N.J. 2015) (claims directed to the abstract idea of “monitoring locations, movement, and load status of shipping containers within a container-receiving yard, and storing, reporting and communicating this information in various forms through generic computer functions”), *aff’d*, 636 F. App’x 1014 (Fed. Cir. 2016) (nonprecedential); *GT Nexus, Inc. v. Intra, Inc.*, No. 11-02145-SBA, 2015 WL 6747142, at \*4–6 (N.D. Cal. Nov. 5, 2015) (claims directed to the abstract idea of “intermediated booking and tracing of shipping containers”).

(conceding that “[a]t the time of the invention, storage container delivery methods were known in the art”); Dec. on Inst. 9 (characterizing “containerized storage” as “a bailment scheme”). The added notion of storage in a particular container does not render the idea any less abstract—it is a particular operating environment within the abstract idea of bailment schemes. *See Bilski*, 561 U.S. at 610–11.

Our reviewing court recently instructed that the “‘directed to’ inquiry applies a stage-one filter to claims, considered in light of the specification, based on whether ‘their character as a whole is directed to excluded subject matter.’” *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335 (quoting *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015)); *see also Genetic Techs. Ltd. v. Merial L.L.C.*, 818 F.3d 1369, 1375–76 (Fed. Cir. 2016) (inquiring into “the focus of the claimed advance over the prior art”). The *Enfish* case confirmed that not all claims directed to improvements in computer-related technology are abstract. *Enfish*, 822 F.3d at 1335. A claim “for which computers are invoked merely as a tool,” however, “requir[es] that the analysis proceed to the second step of the *Alice* inquiry.” *Id.* at 1335–36.

The claims of the ’166 patent fall into the computer-as-a-tool category. *See also id.* at 1336 (contrasting claims directed to “an improvement to computer functionality itself” from claims directed to “economic or other tasks for which a computer is used in its ordinary capacity”). In particular, the steps of the ’166 patent use computers as a tool to facilitate the receipt, storage, and transmission of information ancillary to operating a bailment scheme—an economic task, or method of conducting business. The computer acts as a device to move and hold data, but the

computer is used merely in its ordinary capacity. *See* Ex. 1001, 1:14–43 (describing the invention in terms of its practical business application, not in terms of an improvement to computer functionality itself); *id.* at 3:11–20 (describing the system performing the method in generic computer terms). Accordingly, we find that claim 1 is directed to the abstract idea of a bailment scheme using storage containers.

We also have reviewed dependent claims 2–21, and likewise find that they are directed to abstract ideas as well. For example, claim 7 recites that “facilitating delivery of a first container to the requested location at the requested time comprises sending a delivery request to the delivery device, the delivery request comprising the requested location and requested time.” This merely specifies that the facilitating delivery step of claim 1 (step (m)) involves sending data (i.e., a delivery request) to the delivery device, as part of the overall bailment scheme, the ultimate result of which is to facilitate delivery of the container. Similarly, claim 8 recites “selecting the delivery device from a plurality of delivery devices provided by a third party vehicle service.” This merely adds a step of selecting the particular delivery device for delivering the container, again as part of the overall bailment scheme. We are persuaded by Petitioner’s assertions that dependent claims 2–21 are directed to abstract ideas, and Patent Owner does not address the dependent claims specifically in its Response. *See* Pet. 33–34; PO Resp. 11–12.

*b. Alice Step 2 — Meaningful Limitations*

Petitioner asserts that the steps of the claims, as a whole, are “insufficient to amount to significantly more than the judicial exception.” Pet. 24 (emphasis removed); *id.* at 33. In particular, Petitioner explains how each limitation of the claims is either:

Mere instructions to implement the idea on a computer (i.e., apply it);

Simply appending well-understood, routine and conventional activities . . . specified at a high level of generality, to the judicial exception;

Insignificant extra-solution activity[; and]

Generally linking the use of the judicial exception to a particular technological environment or field of use.

*Id.* at 24 (citing *2014 Interim Guidance on Subject Matter Eligibility*, CBT Slides, slide 22 (Feb. 2015));<sup>2</sup> *id.* at 24–34 (stepping through each limitation for each claim). Petitioner argues that the steps of the claims generally recite bookkeeping items that do not add meaningful limitations beyond the abstract idea because they are simply those conventional, routine things a bailment business would track to run the business properly. *See id.* at 24–34. In particular, Petitioner argues that “the steps are all common steps that naturally flow from a containerized storage business. They reflect fundamental steps that a storage provider would perform merely by being involved in the business.” *Id.* at 31. Petitioner also provides evidence of record indicating what practices were known in the containerized storage field. *See Ex. 1002* (patent directed to a system for remote access to a computerized inventory); *Ex. 1003* (computer system for managing and

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<sup>2</sup> Available at <http://www.uspto.gov/patent/laws-and-regulations/examination-policy/2014-interim-guidance-subject-matter-eligibility-0> (last visited July 22, 2015). The substance of this slide is also available at 79 Fed. Reg. 74,618, 74,624 (Dec. 16, 2014).

operating a storage business); *see also* Pet. 49–80 (explaining where the claim limitations can be found in Exhibits 1002 and 1003).<sup>3</sup>

Our reviewing court has recently provided further guidance as to the appropriate considerations for step two of the *Alice* analysis. *See BASCOM Global Internet Services, Inc. v. AT&T Mobility LLC*, No. 2015-1763, 2016 WL 3514158 (Fed. Cir. June 27, 2016). “An inventive concept that transforms the abstract idea into a patent-eligible invention must be significantly more than the abstract idea itself, and cannot simply be an instruction to implement or apply the abstract idea on a computer.” *Id.* at \*6. The inquiry involves determining whether the claims are a “technology-based solution” and not “an abstract-idea-based solution implemented with generic technical components in a conventional way.” *Id.* at \*7.

As we identified above, the abstract idea here is a bailment scheme. It is a business practice long in use. *See* Ex. 1001, 1:14–17 (discussing the existing “PODS storage system”); PO Resp. 1 (“storage container delivery methods were known in the art”); *id.* at 1–2 (distinguishing the ’166 patent method from “Pods<sup>TM</sup>” and cardboard boxes); Ex. 1002, 2:1–3 (describing a prior art bailment business using “vaults”); Ex. 1003 ¶ 4 (discussing how a “number of companies provide mobile or portable self-storage services”); *see also* *Lionberger v. United States*, 371 F.2d 831, 840 (Ct. Cl. 1967) (“A bailment relationship is said to arise where an owner, while retaining title, delivers personalty to another for some particular purpose upon an express or implied contract. The relationship includes a return of the goods to the

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<sup>3</sup> Although we did not institute on Petitioner’s anticipation or obviousness grounds due to a deficiency in a declaration (*see* Dec. on Inst. 17, 18), these references nonetheless are of record and are indicative of the state of the art.

owner or a subsequent disposition in accordance with his instructions.”). To determine whether the ’166 patent claims *significantly* more than the abstract idea, we must identify what the claims recite beyond the abstract idea and evaluate whether that additional subject matter, individually or in combination, renders the claims significantly more than the abstract idea. *Mayo*, 132 S. Ct. at 1294. We find three concepts beyond the bailment scheme that are recited in the claims of the ’166 patent. We investigate each of these concepts in turn, to determine whether they are an inventive concept.

The first concept is that each of the steps is performed “by a computing system” and that several steps involve communication of data between that computing system and a remote device. *See* PO Resp. 13–16 (arguing that the claimed invention is more than an abstract concept because of the use of computers). The involvement of these computing devices, however, is limited to the ordinary transfer and storage of data. For example, the computing system “receiv[es] a delivery request” (claim 1) that includes information such as a user identifier, time, location, and number of containers, or “send[s] a delivery request to the delivery device” (claim 7) that includes the time and location. On its face, this is the computerization of routine bookkeeping functions; the transfer and storage of data. As another example, the computer system “receiv[es] a set of storage identifiers from a delivery device” (claim 1). This is the ordinary transfer of data between two computing devices and does not accomplish more than any other transfer of information from one device to another remotely-connected device, e.g., by phone, fax, or voice. As a final example, the step of “extracting a signature pattern from each image” (claim 11) simply involves

reading a bar code. *See* Ex. 1001, 3:65–66 (“a signature pattern on the storage unit (e.g., barcode, QR code, etc.)”). For each of the steps in the challenged claims, the computing system and the device are used in a routine and conventional manner—sending, storing, or retrieving data. These basic data operations are not used to any particular new technical effect. The claims, therefore, provide a “solution implemented with generic technical components in a conventional way.” *BASCOM*, 2016 WL 3514158, at \*7; *see also id.* at \*6 (“An inventive concept . . . cannot simply be an instruction to implement or apply the abstract idea on a computer.”). The use of the computing system and remote devices recited in the claims, therefore, is not an inventive concept. *See TLI Comm’cns. LLC Patent Litig.*, 823 F.3d 607, 612 (Fed. Cir. 2016) (determining claims to be ineligible because they were “directed to the use of conventional or generic technology in a nascent but well-known environment, without any claim that the invention reflects an inventive solution to any problem presented by combining the two”).

Second, we look to the nature of the data passed between the above computers to determine if the data provide an inventive concept. *See* PO Resp. 16–18 (arguing the claimed variables, i.e., the data, render the claims more than an abstract idea). The first category of data contains those data items attendant to the bailment scheme: pickup and delivery instructions (time, location, count)<sup>4</sup> and internal bookkeeping (associations between

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<sup>4</sup> Dependent claims 2, 6–8, 10, and 21 also recite steps involving pickup and delivery instructions. Claim 2 specifies that the containers have “empty fill status.” Claims 6–8 and 10 involve additional delivery information such as location and time received by a delivery device. Claim 21 (discussed in detail below) involves delivering more than the requested number of containers.

containers and customers).<sup>5</sup> Ex. 1001, claim 1. This first category of data represents nothing more than the practice and bookkeeping of the bailment scheme and, as such, does not serve to provide a meaningful limitation beyond the abstract idea itself. The second category of data contains other data items supplementary to the bailment scheme, such as a “media description” (claims 1, 18), “digital photograph[]” (claims 12, 19), and “list of contents” (claim 13). This second category of data involves routine and conventional practices in the practice of prior art bailment schemes. *See* Pet. 74–77 (citing Ex. 1003 ¶ 53 (“enter a bar-coded identifier number on the subject portable storage”); *id.* ¶ 71 (“capturing and storing images of the mobile storage container [and] the customer’s property”); Ex. 1002, 2:48–52 (“a photographic image of each item is created”); *id.* at 3:6–9 (“a computer record for each stored item may further include . . . a name of the item”)). Further, notwithstanding the conventional nature of these additional data items, we are not persuaded that collecting and storing this data in and of itself transforms an abstract idea into a patent-eligible invention. A description, a photograph, a list, and the like, are simply data that are stored. The claims do not recite any particular use or technological innovation tied to their storage. *See BASCOM*, 2016 WL 3514158, at \*7 (holding that “an abstract-idea-based solution implemented with generic technical components in a conventional way” does not render a claim patent-eligible); *see also Parker v. Flook*, 437 U.S. 584, 590 (1978) (“post-solution activity . . .

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<sup>5</sup> Dependent claims 3–5, 9, 11, 14–17, and 20 also recite steps involving bookkeeping. Claims 3, 4, 15, and 16 involve setting fill status of containers in response to information received. Claims 5, 9, 11, 14, 17, and 20 involve associations of users and containers.



can[not] transform an unpatentable principle into a patentable process”). Thus, the recited data do not provide an inventive concept.

The third candidate concept is the step of facilitating delivery of more boxes than requested, as recited in dependent claim 21. *See* PO Resp. 2–3 (arguing that delivering more boxes than requested is a problem addressed by the claims). As explained in the ’166 patent, this may occur, for example, if a user initially requests four containers and then decides that five containers are necessary. Ex. 1001, 2:65–3:3. Providing more boxes than initially requested is an idea unto itself. Even if the extra containers are provided without prompt from the customer, given the existence of popular phrases such as “baker’s dozen,” it is not an uncommon business practice to provide more than asked. There is no particular technical feature in claim 21 for the claim to be directed to any more than the idea of providing more boxes. *Cf. BASCOM*, 2016 WL 3514158, at \*7 (holding that “an abstract-idea-based solution implemented with generic technical components in a conventional way” does not render a claim patent-eligible).

Having reviewed the claims of the ’166 patent, we do not find claim language that recites significantly more than the abstract idea. The claims are directed closely to the abstract idea, and recite no more than the steps required to perform the abstract idea using boxes, in conjunction with routine computer application and the associated data. That is, considering the limitations as a whole, and especially the three above-noted concepts, we find little more than the computerized application of a bailment scheme

using storage containers. In this regard, the claims of the '166 patent do not transform the abstract idea into patent-eligible subject matter.<sup>6</sup>

The claims of the '166 patent are similar to the ineligible claims at issue in *Ultramercial v. Hulu, LLC*, 772 F.3d 709 (Fed. Cir. 2014). In *Ultramercial*, the claims were directed to a long series of steps performed “for distribution of products over the Internet.” *Id.* at 712. Even though some of the steps “were not previously employed in this art,” that fact was not enough to confer patent eligibility because the steps themselves were “conventional steps, specified at a high level of generality,” “data-gathering steps,” or otherwise “add[ed] nothing of practical significance to the underlying abstract idea.” *Id.* at 716 (quoting *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1370 (Fed. Cir. 2011)). We find the same here with the '166 patent claims, which are all high-level steps that do not add anything of practical significance beyond the abstract idea and are generally directed to data storage and retrieval used in the generic implementation of the abstract idea.

For the reasons set forth above, we are persuaded by Petitioner’s analysis that claims 1–21 do not set forth significantly more than an abstract idea. We now turn to Patent Owner’s rebuttal arguments. Patent Owner responds that the claims amount to significantly more than an abstract idea. PO Resp. 12–22. For example, Patent Owner argues that “a human cannot

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<sup>6</sup> We further note that the '166 patent’s background discussion suggests the primary inventive concept therein is *providing smaller boxes* than is typical in similar bailment schemes. *See* Ex. 1001, 1:14–43 (explaining how prior art containers “are typically too large” and setting forth examples of why). The notion of smaller boxes is not claimed, however, and we need not discuss this aspect of the '166 patent.

perform the dynamic associations and disassociations with sufficient speed and accuracy to enable method performance.” *Id.* at 14. Patent Owner also argues that the claims confine the abstract idea to a particular useful application rooted in computer technology (*id.* at 15–16), that the claims specifically relate variables, as in *Diehr* (*id.* at 16–18), and that the totality of the steps improve the allegedly technical field of storage management (*id.* at 18). Our analysis above, addressing the three concepts claimed that allegedly are more than the abstract idea, sufficiently explains why Patent Owner’s arguments are not persuasive. Notwithstanding, we go into further detail as to why Patent Owner’s arguments do not persuade us that Petitioner’s analysis is flawed.

Patent Owner argues that the claims amount to significantly more than the abstract idea “because a human cannot perform the dynamic associations and disassociations with sufficient speed and accuracy to enable method performance.” PO Resp. 3–5, 14. Patent Owner similarly argues that the “claimed invention addresses the new challenge of dynamically reassigning reusable con[tainers] to different customers while still in the field.” *Id.* at 15. Contrary to Patent Owner’s arguments, the claims merely recite the transmission and storage of data, something at which humans are proficient (with or without the aid of pen and paper or telephone). The notion of “dynamic associations” that occur “in the field” is not found in the broadly-worded set of claims. The claims involve associations and disassociations of boxes to customers, but Patent Owner does not direct us to any language in the claims that takes the method beyond rote computerization of bookkeeping. Instead, we are persuaded by Petitioner’s characterization of the claims on this topic as “fundamental steps for facilitating a containerized

storage business” (Pet. 22; *see also* Pet. 24–34) because these steps involving associations and disassociations are no more than tracking container assignment.

Patent Owner also argues that the claims relate particular variables and how they are used, similar to the claims in *Diehr*. *Id.* at 16–17. Unlike *Diehr*, however, the data used in the ’166 patent claims are not used to control a technological process and are not used to transform materials. *Diehr*, 450 U.S. at 187 (“In contrast, the respondents here do not seek to patent a mathematical formula. Instead, they seek patent protection for a process of curing synthetic rubber.”). The ’166 patent claims use the data for bookkeeping. The data is complementary to the process, but the process stands without the data, wholly unlike the relationship between the process and data in *Diehr*. *Id.* at 192–93 (finding the claims not “an attempt to patent a mathematical formula, but rather to be drawn to an industrial process for the molding of rubber products”).

Patent Owner then argues that the claims “improve[] another technical field, specifically the field of storage management.” PO Resp. 18. We are not persuaded, on this record, that storage management is a technical field. Rather, “storage management” is another name for a bailment scheme, which at base relies on no particular technology. To the extent the claims of the ’166 patent rely on technology, it is for bookkeeping. Although computerization may improve a field, rote computerization does not make an abstract idea patentable. *BASCOM*, 2016 WL 3514158, at \*6 (“An inventive concept . . . cannot simply be an instruction to implement or apply the abstract idea on a computer.”).

We have reviewed the arguments and evidence before us, and conclude that claims 1–21 of the '166 patent, taken as a whole, are directed to an abstract idea and do not recite a patent-eligible application of the abstract idea.

*D. Conclusion*

Petitioner has shown, by a preponderance of the evidence, that claims 1–21 of the '166 patent are unpatentable under 35 U.S.C. § 101.

**III. ORDER**

In view of the foregoing, it is hereby:

ORDERED that claims 1–21 of the '166 patent have been shown to be unpatentable; and

FURTHER ORDERED that this is a Final Written Decision under 35 U.S.C. § 328(a) and that parties to the proceeding seeking judicial review of the decision under 35 U.S.C. § 329 must comply with the notice and service requirements of 37 C.F.R. § 90.2.

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