UNITED STATES PATENT AND TRADEMARK OFFICE
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BEFORE THE PATENT TRIAL AND APPEAL BOARD
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U.S. BANCORP,
Petitioner,

v.

RETIREMENT CAPITAL ACCESS MANAGEMENT COMPANY,
Patent Owner.

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Case CBM2013-00014
Patent 6,625,582 B2

_____

Before GLENN J. PERRY, THOMAS L. GIANNETTI, and
TRENTON A. WARD, *Administrative Patent Judges*.

WARD, *Administrative Patent Judge*.

FINAL WRITTEN DECISION
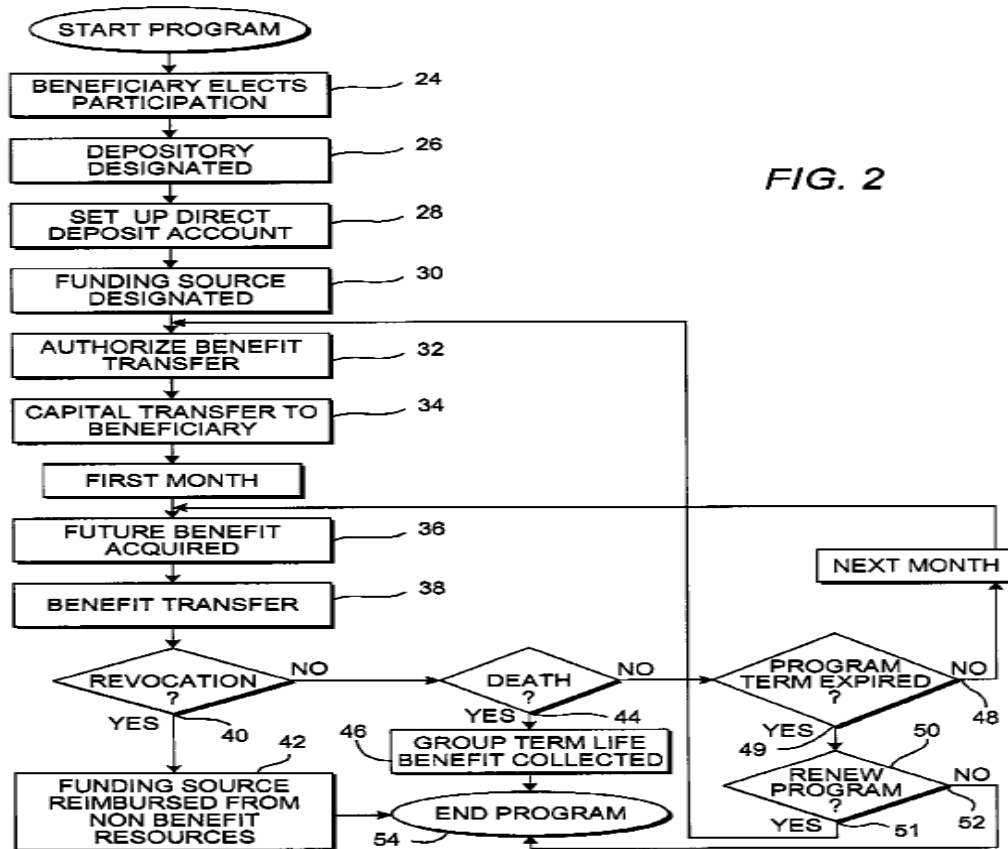*35 U.S.C. § 328(a) and 37 C.F.R. § 42.73*

I. BACKGROUND

On June 22, 2012, Retirement Capital Access Management Company ("Patent Owner") and Benefit Funding Systems LLC sued U.S. Bancorp ("Petitioner") for infringement of U.S. Patent No. 6,625,582 ("the '582 patent") (Ex. 1003) in the District Court for the District of Delaware in *Benefit Funding Systems LLC, et al. v. U.S. Bancorp*, Case No 1:12-cv-803-LPS (D. Del. filed June 22, 2012). *See* Paper 7, 2.

On March 29, 2013, Petitioner filed a Petition requesting a review of the '582 patent under the transitional program for covered business method patents, asserting that claims 1, 13, 14, 18, 30, and 31 are directed to unpatentable subject matter under 35 U.S.C. § 101. Paper 4. Patent Owner filed a Preliminary Response on July 2, 2013. Paper 10. We determined that Petitioner sufficiently demonstrated it was more likely than not that the challenged claims were unpatentable, and we instituted a trial on September 20, 2013. Paper 12, Decision to Institute ("Dec.").

Patent Owner filed a Response on November 20, 2013, arguing that 35 U.S.C. § 101 is not reviewable in a covered business method review and that the challenged '582 patent claims are patentable. Paper 19 ("PO Resp."). Petitioner filed a Reply on January 21, 2014. Paper 23 ("Reply"). Both Patent Owner and Petitioner requested an oral hearing under 37 C.F.R. § 42.70(a). Paper 24; Paper 26. The oral hearing was held on April 1, 2014, a transcript of which appears in the record. Record of Oral Hearing, Paper 32 ("Tr.").

II. THE '582 PATENT

The '582 patent generally relates to a method for enabling recipients of Social Security payments to convert a designated portion of future payments into currently available financial resources. Ex. 1003, col. 1, ll. 1–5; 52–56. The patent explains that the beneficiary may access current capital through a funding source in exchange for payment of a predetermined portion of the beneficiary's future retirement benefits. *Id.* at col. 3, ll. 20–28. Figure 2 of the '582 patent, reproduced below, illustrates the steps of the method:

FIG. 2

As shown above in Figure 2, the beneficiary first elects participation in the program in step 24 and then designates a financial institution to act as the depository for the beneficiary's retirement payments and a disbursement

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agent for such retirement payments in step 26. *Id*. at col. 5, ll. 34–39. Step 30 involves designating a bank, insurance company, or other source of capital to be the funding source of current capital provided to the beneficiary. *Id*. at col. 5, ll. 43–46. Capital then is paid to the beneficiary from the funding source in an amount based in part upon the present value of a designated portion of the beneficiary's future retirement payments in step 34. *Id*. at col. 5, ll. 53–56. Step 36 involves directly depositing a future retirement benefit into the beneficiary's deposit account, and then a predetermined portion of this benefit is disbursed automatically to the funding source in step 38. *Id*. at col. 6, ll. 60–65. Step 42 involves a possible premature termination of participation in the program, in which the beneficiary may become obligated to reimburse the funding source for any advance from resources other than the future retirement benefits. *Id*. at col. 6, ll. 7–12.

Claim 1, illustrates the claimed subject matter and is reproduced below:

> 1. A computerized method for creating a source of funds based on present value of future retirement payments, comprising the steps of:
>
> a. designating an account in a depository for a beneficiary to receive future retirement payments payable to said beneficiary from a source of said retirement payments for a preselected period of time;
>
> b. designating a benefit provider for providing a monetary benefit to said beneficiary;
>
> c. authorizing said depository to periodically disburse a predetermined portion of said

retirement payments deposited in said account to said benefit provider during said preselected period of time;

d. providing said monetary benefit to said beneficiary from said benefit provider based at least in part on present value of a designated portion of said future retirement payments without encumbering said beneficiary's right to said future retirement payments and without violating legislated proscriptions in the United States against alienation of future retirement benefits;

e. causing said future retirement payments to be deposited into said account throughout said preselected period of time;

f. causing said depository to transfer a portion of said retirement payments deposited into said account to said benefit provider during said preselected period of time; and

g. reimbursing said benefit provider from resources other than said future retirement payments if said transfer of a portion of said retirement payments from said depository to said benefit provider are curtailed prior to said end of said preselected period of time, and making said retirement payments available for the exclusive use of said beneficiary.

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