

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

U.S. BANCORP
Petitioner,

v.

RETIREMENT CAPITAL ACCESS MANAGEMENT COMPANY
Patent Owner.

Case CBM2013-00014
Patent 6,625,582

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

WARD, *Administrative Patent Judge*.

DECISION

Institution of Covered Business Method Patent Review
37 C.F.R. § 42.208

I. INTRODUCTION

A. Background

On March 29, 2013, U.S. Bancorp filed a petition (“Pet.”) requesting a review under the transitional program for covered business method patents of U.S. Patent 6,625,582 (“the ’582 patent”) (Ex. 1003). The Retirement Capital Access Management Company (“RCAMC”), filed a preliminary response (“Prelim. Resp.”) on July 2, 2013. We have jurisdiction under 35 U.S.C. § 324. *See* section 18(a) of the Leahy-Smith America Invents Act, Pub. L. 112-29, 125 Stat. 284, 329 (2011) (“AIA”).

The standard for instituting a covered business method review is set forth in 35 U.S.C. § 324(a), which provides as follows:

THRESHOLD --The Director may not authorize a post-grant review to be instituted unless the Director determines that the information presented in the petition filed under section 321, if such information is not rebutted, would demonstrate that it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable.

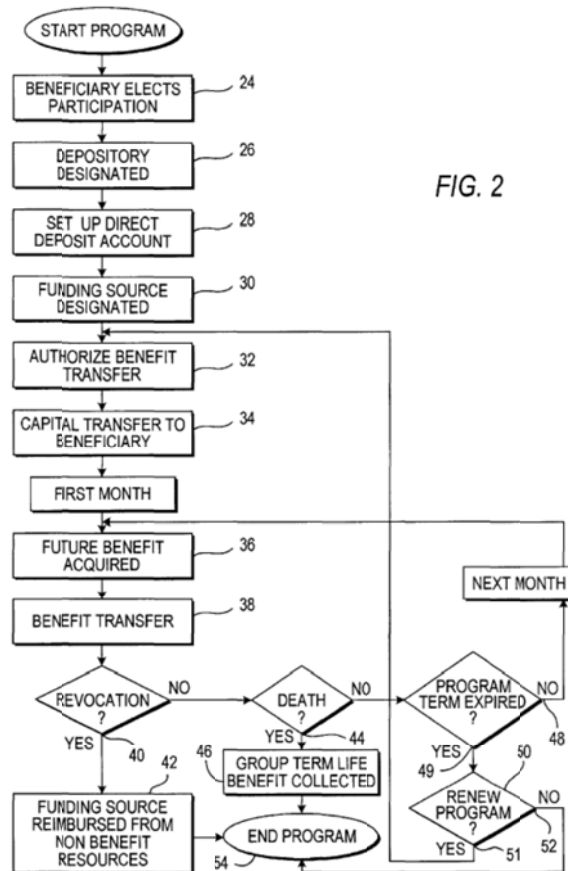
U.S. Bancorp challenges the patentability of claims 1, 13, 14, 18, 30 and 31 of the ’582 patent. Taking into account RCAMC’s preliminary response, we determine that the information presented in the petition demonstrates that it is more likely than not that the challenged claims are unpatentable. Pursuant to 35 U.S.C. § 324 and section 18(a) of the AIA, we authorize a covered business method review of claims 1, 13, 14, 18, 30 and 31 of the ’582 patent for the grounds identified in the Order section of this decision.

U.S. Bancorp’s petition is GRANTED.

II. BACKGROUND

A. The Invention

The '582 patent is titled "Method and System For Converting A Designated Portion Of Future Social Security and Other Retirement Payments To Current Benefits," and 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. '582 patent col. 1, ll. 1-6; 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. 20-27. Figure 2 of the '582 patent provided below illustrates the steps of the method:



'582 patent, Figure 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 agent for such retirement payments in step 26. *Id.* at col. 5, ll. 52-56. 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. 43-45. Capital then is paid to the beneficiary from the funding source in an amount based in part upon 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 automatically is disbursed to the funding source in step 38. *Id.* at col. 5, ll. 60-65. Step 40 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. 1, 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.

B. Procedural History

On June 22, 2012, RCAMC and Benefit Funding Systems LLC sued U.S. Bancorp for infringement of the '582 patent in the District Court for the District of Delaware. *See* Paper 7, 2. Additionally, on June 22, 2012, RCAMC and Benefit Funding Systems LLC sued two other defendants for infringement of the same patent in the District Court for the District of Delaware. *See id.*

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