

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

REGIONS FINANCIAL CORPORATION, ADVANCE AMERICA,
CASH ADVANCE CENTERS, INC., and CNU ONLINE HOLDINGS,
LLC F/K/A CASH AMERICA NET HOLDINGS, LLC,
Petitioner,

v.

RETIREMENT CAPITAL ACCESS MANAGEMENT COMPANY LLC,
Patent Owner.

Case CBM2014-00012
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 LLC (“Patent Owner”) sued, among others, Regions Financial Corporation, Advance America, Cash Advance Centers, Inc., and CNU Online Holdings, LLC F/K/A Cash America Net Holdings, LLC (collectively “Petitioner”) for infringement of U.S. Patent No. 6,625,582 B2 (“the ’582 patent”) (Ex. 1003) in the District Court for the District of Delaware in lawsuits styled *Benefit Funding Systems LLC v. Regions Financial Corporation*, Case No. 1:12-cv-802-LPS (D. Del.) and *Benefit Funding Systems LLC v. Advance America, Cash Advance Centers, Inc.*, Case No. 1:12-cv-801-LPS (D. Del.).¹ Pet. 1–2; Paper 13, 3.

On March 29, 2013, U.S. Bancorp, also sued by Patent Owner for allegedly infringing the ’582 patent, filed a petition for review under the transitional program for covered business method patents of claims 1, 13, 14, 18, 30, and 31 (“the challenged claims”) of the ’582 patent. CBM2013-00014, Paper 4. Subsequently, on October 14, 2013, Petitioner separately filed the petition in this proceeding, requesting a covered business method patent review of the same claims of the ’582 patent challenged by U.S. Bancorp. Paper 6.² Both this Petition and the U.S. Bancorp petition assert that these claims are directed to unpatentable subject matter under 35 U.S.C. § 101. Patent Owner filed a Preliminary Response on January 16, 2014. Paper 15 (“Prelim. Resp.”). We determined that Petitioner sufficiently

¹ CNU Online Holdings, LLC F/K/A Cash America Net Holdings, LLC was added to the civil action by an amended complaint filed by Retirement Capital Access Management Company LLC and Benefit Funding Systems LLC on July 3, 2013. Pet. 2.

² Petitioners filed a corrected petition on October 24, 2013. Paper 9. We refer herein to the corrected petition as the Petition (“Pet.”).

demonstrated it was more likely than not that the challenged claims were unpatentable, and we instituted a trial on March 25, 2014. Paper 16, Decision to Institute (“Dec.”).

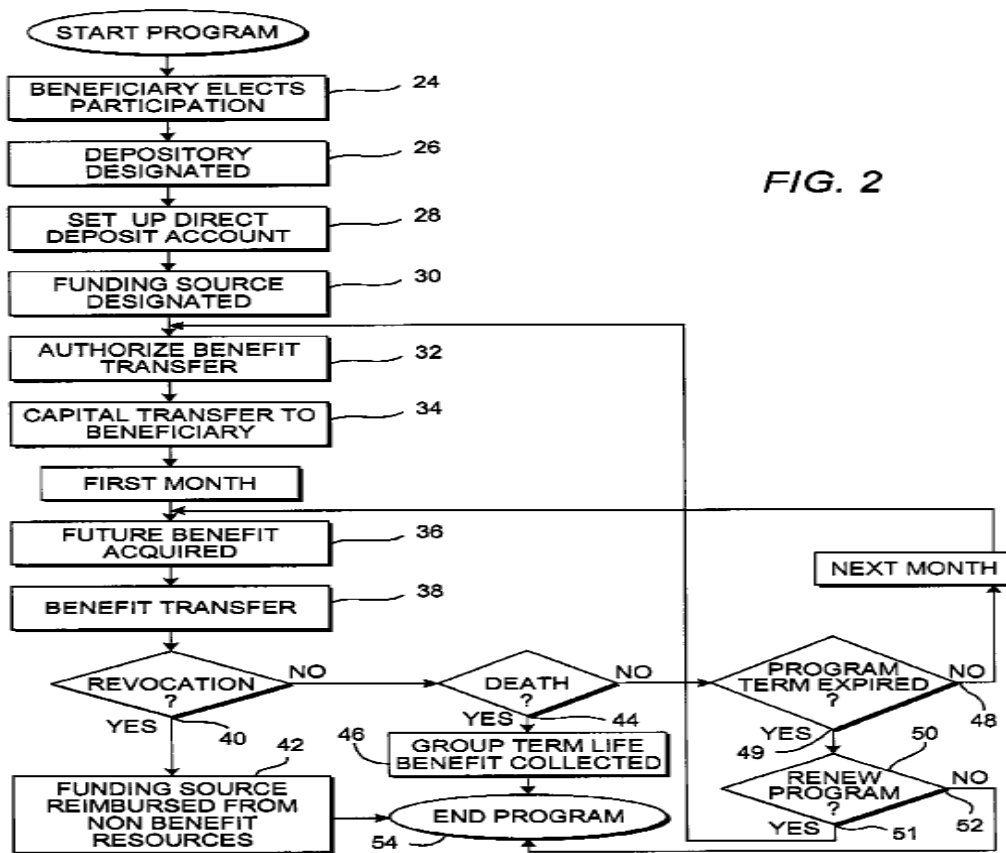
Patent Owner filed a Response on May 27, 2014, arguing that 35 U.S.C. § 101 is not reviewable in a covered business method patent review and that the challenged ’582 patent claims are patentable. Paper 21 (“PO Resp.”). Petitioner filed a Reply on August 11, 2014. Paper 23 (“Reply”). Although Petitioner initially requested an oral hearing under 37 C.F.R. § 42.70(a), it withdrew that request on September 25, 2014. Paper 25; Paper 27.

On August 22, 2014, the Patent Trial and Appeal Board (“Board”) issued a final decision in CBM2013-00014 in which it determined that claims 1, 13, 14, 18, 30, and 31 of the ’582 patent are unpatentable under 35 U.S.C. § 101. CBM2013-00014, Paper 33 (“CBM2013-00014 Final Decision”), 21. As explained below, and for reasons similar to those set forth in the CBM2013-00014 Final Decision, we determine that the challenged claims of the ’582 patent are unpatentable.

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 illustrates the steps of the method. Figure 2 of the '582 patent is reproduced below:



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. 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. 5, 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

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