

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 LLC  
Patent Owner

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Case CBM2013-00014  
Patent No. 6,625,582

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**PETITIONER U.S. BANCORP'S REPLY**

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## **I. STATEMENT OF RELIEF REQUESTED**

Petitioner U.S. Bancorp (“Petitioner” or “U.S. Bancorp”) respectfully requests cancellation of asserted claims 1, 13, 14, 18, 30, and 31 of U.S. Patent No. 6,625,582 (“the ‘582 patent,” Ex. 1003) as being unpatentable under 35 U.S.C. § 101 for the reasons set forth herein and in its Corrected Petition for CBM Review.

## **II. PRELIMINARY STATEMENT**

Nothing in Patent Owner Retirement Capital Access Management Company LLC (“RCAMC”) Response (Paper 19) changes the fact that the challenged claims of the ‘582 patent cover an abstract idea – advancing funds based on the present value of future retirement payments. The claims-at-issue do not include any meaningful, concrete limitations that would limit the claims to a specific application of advancing funds based on the present value of future retirement payments. Rather, the claims merely state that the funds are advanced without violating U.S. law. The claimed inventions also do not require specific computer hardware or software. For these reasons, the Board should find the asserted claims are not patentable under Section 101. The Board can make that finding based only on a review of the claims, specification, and file history.

Rather than addressing these simple arguments head-on, RCAMC’s Response raises a number of irrelevant arguments, apparently hoping to cloud the issues to prevent a finding that the claims are not patentable. For example, RCAMC argues

that because U.S. Bancorp has asserted a non-infringement defense in the now-stayed district court litigation, it cannot also assert that the '582 patent is unpatentable under Section 101. Not only is this contention wrong as a matter of law, but RCAMC ignores U.S. Bancorp's non-infringement contention that the accused product, a short-term loan whose limits are based on past checking account deposits, is inapposite from the claimed invention, which provides benefits based on the present value of future deposits. Ex. 2015 at 10 ("no pre[s]ent value calculation of a designated portion of the future retirement payment is performed by U.S. Bank. Instead, the credit limit for cash advances is the lesser of \$500 or half of the total Direct Deposit amounts from the prior month")

The claim limitation identified by RCAMC as the basis for the allowance of the '582 patent – "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 payments" (Resp. at 17) – does not materially limit the claims beyond this abstract idea. Rather, by claiming that the invention complies with U.S. laws, which prohibit encumbering or alienating future retirement or Social Security payments (Ex. 1003, Col. 2:49-53), the claimed invention covers all practical instantiations of the abstract idea of providing benefits based on the present value of future retirement payments.

Likewise, RCAMC's attempt to limit the claims based on an alleged preferred embodiment to cover only deposits made by "electronic funds transfer" is improper. Resp. at 29. Such a claim construction fails to give the claims their broadest reasonable interpretation. Regardless, the specification only discloses "known" computer components, thus confirming that the patented invention can be performed with general purpose computers. *See* Ex. 1003, Col. 2:30-35.

### **III. STATEMENT IDENTIFYING MATERIAL FACTS IN DISPUTE**

U.S. Bancorp's identification of material facts in dispute is set forth in Appendix 1.

### **IV. THE CHALLENGED CLAIMS ARE NOT DIRECTED TO PATENTABLE SUBJECT MATTER UNDER 35 U.S.C. § 101**

RCAMC's assertion that "there is no evidence whatsoever from which a finding can be made that all of the substantive limitations to each claim would have been routine or conventional" is baseless. Resp. at 8. Ample evidence exists, including the patent claims themselves, the specification, and excerpts of the file history, for the Board to conclude that the patent claims the abstract idea of providing a benefit based on the present value of future retirement payments. Indeed, the Board in granting the Petition already determined that sufficient evidence existed such that the challenged claims are unpatentable under 35 U.S.C. § 101. *See* Paper 12 at 9-14. Moreover, as set forth below, this evidence rebuts each argument advanced by RCAMC that "[t]he claims of the '582 Patent include

meaningful, substantive limitations that cause the claims to cover less than the identified abstract concept.” *Id.* at 16.

**A. The Claim Limitations Identified By RCAMC Do Not Limit The Scope Of The Claims To Less Than The Abstract Idea**

RCAMC argues that because the ‘582 patent claims were amended during prosecution to overcome an anticipatory reference to include the limitation of “providing a benefit ‘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,’” the claims cover less than the abstract “concept of advancing funds based on future retirement payments.” Resp. at 17-18. However, that claim limitation is the type of insignificant limitation that does not meaningfully limit a claim for Section 101 purposes. *Ultramercial, Inc. v. Hulu, LLC*, 722 F.3d 1335, 1346 (Fed. Cir. 2013) (a claim “will not be limited meaningfully if it contains only insignificant or token pre- or post-solution activity—such as identifying a relevant audience, a category of use, field of use, or technological environment”).

In the Background section of the ‘582 patent, the inventors acknowledge that, at the time the ‘582 patent was filed, there existed “legislated proscriptions in the United States against assigning or otherwise alienating future retirement benefits.” Ex. 1003, Col. 1:35-37. By not encumbering future retirement payments, the ‘582 patent claims providing a benefit based on the present value



of future payments “while complying with the United States laws and regulations governing the assignment of future Social Security or other retirement benefits.” *Id.* at Col. 1:43-49. Of course, the ‘582 patent does not identify any specific laws and regulations, let alone how to setup a system that complies with those laws and regulations.

Accordingly, claiming that an invention does not violate U.S. law is not a meaningful claim limitation, because at most, only theoretical illegal methods of advancing future retirement benefits are excluded from the abstract concept. No practical implementations of providing benefits based on future retirement payments are excluded, rendering the claimed invention unpatentable. *See Ultramercial*, 722 F.3d at 1345 (“if a claim covers all practical applications of an abstract idea, it is not meaningfully limited”).

Indeed, the Board recently granted CBM Review on Section 101 grounds, rejecting nearly the same argument made by RCAMC here. *See Fid. Nat’l Info. Servs., Inc. v. Cashedge, Inc.*, CBM2013-00028, Paper 15 at 13. There, the patent owner argued that its claim to transferring funds between a user’s accounts using an intermediate third-party account did not preempt the abstract idea of transferring funds using an intermediary because the claim does not cover transfers in which the intermediate account is owned by the user. *Id.* The Board concluded that “[t]he ownership of the intermediate account is a legal concept or

abstraction that does not convert otherwise ineligible subject matter to patent eligible subject matter.” *Id.* As in *Fidelity*, RCAMC’s reliance on the legal concept of compliance with U.S. laws governing alienation of future retirement benefits does not impart patent eligibility.

**B. A Computer Is Not An Integral Component Of And Does Not Meaningfully Limit The Claims**

RCAMC’s argument that “[a] computer is necessary to cause the direct deposit of future retirement and Social Security payments” (Resp. at 36) does not render the ‘582 patent claims patentable. RCAMC is attempting to improperly limit the claims to an embodiment disclosed in the specification, and regardless, that embodiment relies on known computer technology. When the ‘582 patent claims are given their broadest reasonable interpretation, it is clear that the claimed invention is directed to a process that can be performed on pen and paper, as consumers were able to deposit Social Security or retirement payments long before computers. *See CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1372 (Fed. Cir. 2011) (holding method for verifying credit card transaction patent-ineligible because the “method steps can be performed in the human mind, or by a human using a pen and paper.”)

Despite not proposing any construction for the term “deposit” in its Preliminary Response (Paper 9), RCAMC now asserts that deposit only means direct deposit, and that direct deposits are limited to electronic fund transfers, in an

effort to read a computer limitation into the '582 claims. *See* Resp. at 33.

RCAMC's argument violates the basic tenet of claim construction that "limitations from the specification are not to be read into the claims" and should be disregarded. *Comark Commc'ns, Inc. v. Harris Corp.*, 156 F.3d 1182, 1186 (Fed. Cir. 1998). And the Federal Circuit has "expressly rejected the contention that if a patent describes only a single embodiment, the claims of the patent must be construed as being limited to that embodiment." *Phillips v. AWH Corp.*, 415 F.3d 1303, 1323 (Fed. Cir. 2005). If RCAMC wished to limit its claims to direct deposits, it could have done so, rather than claiming deposits generally.

Even if the claims were limited to direct deposits, such a nominal inclusion of a computer would not render the claims patent eligible. For a computer to impose a meaningful limit on the scope of a claim, and therefore impart patent eligibility, "it must play a significant part in permitting the claimed method to be performed, rather than function solely as an obvious mechanism for permitting a solution to be achieved more quickly." *SiRF Tech., Inc. v. ITC*, 601 F.3d 1319, 1333 (Fed. Cir. 2010). Using direct deposit to facilitate depositing of future retirement payments is an obvious mechanism for permitting manual depositing to be achieved more quickly. *See Bancorp Servs., L.L.C. v. Sun Life Assur. Co. of Can.*, 687 F.3d 1266, 1279 (Fed. Cir. 2012) (finding claims patent-ineligible where recited computer

“simply performs more efficiently what could otherwise be accomplished manually.”).

In addition, using a computer to enable direct deposit does not play a significant part in permitting the claimed method to be performed. The beneficiary could manually deposit retirement payments, instead of using direct deposit. Indeed, the specification confirms that the use of a computer is optional and for the sake of efficiency, as the “existing computer capabilities” are used only “[d]esirably, and where appropriate” to perform the claimed invention. Ex. 1003, Col. 5:1-5. The specification also refers to “existing” computer components and “well-known” deposit techniques. *See* Ex. 1003, Col. 5:1-22. Merely performing the claimed method using known software on existing hardware does not render a claim patent-eligible. *See Dealertrack, Inc. v. Huber*, 674 F.3d 1315, 1334 (Fed. Cir. 2012) (finding claims covering a software implementation of “a clearinghouse process using any existing or future-devised machinery” patent-ineligible).

RCAMC further argues that system claims 13, 14, 30, and 31 require a computer because they recite several means-plus-function limitations, whose only corresponding structure disclosed in the specification is a computer. Resp. at 29-30, 35-36. Yet even if the means-plus-function limitations in those claims are construed to require a computer, the use of a computer does not place any meaningful limitation on the scope of the claims. The specification states that any

“existing computer capabilities” can be used to perform the claimed invention (Ex. 1003, Col. 5:1-5), and the system claims are then directed to a system for performing the claimed method of providing benefits based on the present value of future benefits. *See CyberSource*, 654 F.3d at 1375 (“the incidental use of a computer to perform the mental process of [the method claims] does not impose a sufficiently meaningful limit on the claim's scope.”); *Bancorp*, 687 F.3d at 1278 (“the fact that the required calculations could be performed more efficiently via a computer does not materially alter the patent eligibility of the claimed subject matter.”); *id.* at 1279 (“the management of the life insurance policy . . . is ‘integral to each of [the] claims at issue,’ not the computer machinery that may be used to accomplish it.”).<sup>1</sup>

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<sup>1</sup> The PTAB’s recent decision not to institute CBM Review in *Apple, Inc. v. Sightsound Technologies, LLC* (CBM2013-00019) on Section 101 grounds provides an instructive contrast. There, the PTAB found that the specific manner in which the recited hardware stores and transmits a digital audio signal “represent[s] meaningful limitations on the scope of the claim that take it beyond the abstract concept of selling music.” *See* CBM2013-00019, Paper 17 at 18-19. Here, the claims “involve the mere performance of calculations that any general purpose computer can do” and involve “steps that can be performed by a human (e.g., using a pen and paper).” *Id.* at 21.

Further, the Supreme Court and the Federal Circuit have held that corresponding system and method claims should be treated the same for Section 101 purposes. *See Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1294, 182 L. Ed. 2d 321 (2012) (cautioning against a patent eligibility analysis that “depend[s] simply on the draftsman's art” (internal quotation marks omitted)); *Bancorp*, 687 F.3d at 1277 (affirming treatment of “the asserted system and medium claims as no different from the asserted method claims for patent eligibility purposes.”).

## **V. RCAMC’S REMAINING ARGUMENTS ARE IRRELEVANT**

RCAMC submits several irrelevant arguments apparently intended to distract the PTAB from the merits of the Section 101 analysis: (1) that U.S. Bancorp has failed to show that the claims are unpatentable because it did not submit expert testimony (Resp. at 9); (2) that the ‘582 patent specification sufficiently describes and enables the “without violating” U.S. law limitation (Resp. at 20-25); (3) that U.S. Bancorp’s non-infringement arguments are inconsistent with the Section 101 challenge (Resp. at 26-29); and (4) that the PTAB lacks authority to grant CBM Review on Section 101 grounds (Resp. at 37-44).

### **A. Expert Testimony Is Not Required To Show That The Challenged Claims Are Invalid**

RCAMC argues that U.S. Bancorp failed to meet its burden of establishing patent-ineligibility because it did not submit any expert testimony on the issue. Resp. at 9. However, “[e]xpert testimony is not necessary in patent cases involving technology that is ‘easily understandable,’” such as the technology at issue here. *Lee v. Mike's Novelties, Inc.*, No. 2013-1049, 2013 WL 6097232, at \*4 (Fed. Cir. Nov. 21, 2013). Indeed, in granting U.S. Bancorp’s CBM Petition, the PTAB correctly noted that “RCAMC’s claims do not solve a technical problem using a technical solution,” and they “lack a novel and unobvious technological feature.” Paper 12 at 8. In view of the non-technical nature of the claims, there is no need for explanatory expert testimony.

Moreover, as discussed above, no expert testimony is needed to determine that the limitations relied on by RCAMC fail to meaningfully limit the scope of the claims. Nor is expert testimony required to determine whether claims recite a computer limitation that provides a meaningful limitation. The PTAB is competent to make such determinations based on the claim language and the ‘582 patent specification.

**B. Failure To Explain How The Claimed Method Does Not Violate U.S. Law Indicates A Lack Of Meaningful Limitation, Not Invalidity Under 35 U.S.C. § 112**

In response to U.S. Bancorp’s argument that the ‘582 patent specification and claims do not explain how the claimed financial scheme complies with U.S.

law restricting alienation of future retirement benefits, RCAMC makes the irrelevant argument that the '582 patent specification complies with the written description and enablement requirements of 35 U.S.C. § 112. *See* Resp. at 20-25. RCAMC's arguments are misplaced.

U.S. Bancorp has not raised any Section 112 invalidity arguments in this CBM Review, and in fact specifically reserved such arguments. *See* Paper 4 at 14. U.S. Bancorp noted the '582 patent's failure to describe how the claimed method complies with U.S. law to demonstrate that the limitation does not meaningfully limit the scope of the claims. Instead of claiming a particular manner in which the method may comply with U.S. law, the claims broadly cover any method of advancing future retirement benefits that does not violate U.S. law. RCAMC's arguments regarding Section 112, including citations to claim constructions proposed by U.S. Bancorp's co-defendants for this limitation (Resp. at 22-23), are irrelevant to the Section 101 analysis.

**C. U.S. Bancorp's Non-Infringement Contentions Have No Bearing On The Section 101 Analysis**

RCAMC also makes the factually and legally incorrect argument that U.S. Bancorp's Section 101 argument is precluded by U.S. Bancorp's non-infringement argument. First, the Federal Circuit has rejected this argument, finding that a defendant's "alternative assertion of noninfringement does not detract from its affirmative defense of invalidity under § 101." *Bancorp*, 687 F.3d at 1280. Thus,



the non-infringement arguments are irrelevant to the Section 101 issue before the PTAB.

Second, RCAMC incorrectly states that “U.S. Bancorp admits that it is practicing the abstract concept that it has identified in this proceeding but contends that it is not practicing the [without encumbering] claim limitation . . . that was expressly added to secure allowance.” Resp. at 26. U.S. Bancorp has never stated that the accused product is limited to practicing the abstract idea. RCAMC points to the statement in U.S. Bancorp’s Petition (Paper No. 4) that the accused U.S. Bancorp system allows customers “to obtain a short term line of credit that is repaid from the customer’s next Direct Deposit.” Resp. at 26. However, this general description of the accused service is in no way a representation that the accused service is limited to the abstract idea of advancing future retirement benefits.

**D. The PTAB Has Authority To Grant CBM Review On Section 101 Grounds**

In a final effort to save its claims, RCAMC argues that the PTAB lacks authority to grant CBM Review on Section 101 grounds. However, the PTAB rejected this exact argument in the first CBM Review that was instituted, finding that the statutory language, judicial precedent, and legislative history indicate that Section 101 is a proper ground for CBM Review. *See SAP Am., Inc. v. Versata Devel. Grp., Inc.*, CBM2012-00001, Paper 36 at 32-36.

Moreover, Supreme Court and Federal Circuit precedent squarely contradict RCAMC's strained argument that Section 101 is not a condition of patentability that may serve as the basis for CBM Review. In *Graham v. John Deere Co.*, 383 U.S. 1, 12 (1966), the Supreme Court stated that the 1952 Patent Act "sets out the *conditions of patentability* in three sections . . . novelty and utility as articulated and defined in [§] 101 and [§] 102, and nonobviousness, the new statutory formulation, as set out in [§] 103." (emphasis added). The Federal Circuit has also confirmed that Section 101 is a "condition of patentability." In *Aristocrat Technologies Australia. PTY Ltd. v. Int'l Game Tech.*, the Federal Circuit stated:

Section 282(2) authorizes an invalidity defense based 'on any ground specified in part II of this title as a condition for patentability.' A defense falling under this section thus has two prerequisites: it must fall within part II of title 35 and it must be a 'condition for patentability.' . . . It has long been understood that the Patent Act sets out the conditions for patentability in three sections: sections 101, 102, and 103.

543 F.3d 657, 661 (Fed. Cir. 2008).

RCAMC also ignores the pertinent legislative history of the AIA, which further confirms that Section 101 challenges may be asserted in post-grant review:

In its 1998 *State Street* decision, the Federal Circuit greatly broadened the patenting of business methods. Recent court decisions, culminating in last year's Supreme Court decision in *Bilski v. Kappos*, have sharply pulled back on the patenting of business methods, emphasizing that these

“inventions” are too abstract to be patentable. In the intervening years, however, PTO was forced to issue a large number of business-method patents, many or possibly all of which are no longer valid. The Schumer proceeding offers a relatively cheap alternative to civil litigation for challenging these patents, and will reduce the burden on the courts of dealing with the backwash of invalid business-method patents.

157 Cong. Rec. S1367 (daily ed. Mar. 8, 2011). The Manager’s Amendment’s references to the Supreme Court’s *Bilski* decision, which was specifically directed to Section 101, and “inventions that are too abstract to be patentable” (*see Bilski v. Kappos*, 130 S. Ct. 3218, 3223 (2010)), demonstrates Congress’ intent to include Section 101 challenges in CBM Reviews. Moreover, Senator Kyl reaffirmed Congress’ intent to include Section 101 challenges in CBM Reviews, noting that the “more likely than not invalid” standard applies to “issues that can be raised in post-grant review, such as enablement and section 101 invention issues.” 157 Cong. Rec. S1375 (daily ed. Mar. 8, 2011). Thus, both controlling case law and the legislative history establish that the PTAB has clear authority to review patentability under Section 101.

## **VI. CONCLUSION**

For the reasons set forth above, and in U.S. Bancorp’s Petition, U.S. Bancorp respectfully requests that the PTAB find claims 1, 13, 14, 18, 30, and 31 of the ‘582 patent invalid under 35 U.S.C. § 101.

Respectfully submitted,

Dated: January 21, 2014

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## **APPENDIX 1**

### **STATEMENT IDENTIFYING MATERIAL FACTS IN DISPUTE**

This Appendix identifies material facts alleged by RCAMC in its Response and disputed by U.S. Bancorp, as required by 37 C.F.R. § 42.23.

1. “U.S. Bancorp contends that the claims amount to a monopoly on the abstract concept of ‘advancing funds based on future retirement payments...[and] that all of the claim limitations are so insignificant, conventional, or routine that each of the claims effectively covers the abstract concept itself. It does so by improperly dissecting the claims, and without any evidence other than the ‘582 patent itself, which is plainly insufficient and wrong.” Resp. 2.

**U.S. Bancorp’s Response:** Denied.

2. “The claims of the ‘582 Patent encompass significantly less than the identified abstract idea of advancing funds based on future retirement payments.” Resp. 2.

**U.S. Bancorp’s Response:** Denied.

3. “[E]ach of the challenged claims of the ‘582 Patent includes significant, inventive limitations, including, for example, limitations that funds are advanced without encumbering the beneficiary’s right to future retirement payments and without violating legislative proscriptions in the United States against alienation of future retirement benefits.” Resp. 2.

**U.S. Bancorp's Response:** Denied.

4. “The Patent and Trademark Office determined that this claim limitation was both novel and nonobvious, and U.S. Bancorp does not point to even a scintilla of evidence that this limitation, or any other claim limitation, was routine or conventional.” Resp. 2-3.

**U.S. Bancorp's Response:** Denied.

5. “U.S. Bancorp does even actually argue that any of these limitations would have been or are routine or conventional. Instead, it improperly argues that some of them were not ‘new’ or were already ‘known.’” Resp.3.

**U.S. Bancorp's Response:** Denied.

6. “U.S. Bancorp could never shot that, in practice, the claims cover the abstract concept itself.” Resp. 3.

**U.S. Bancorp's Response:** Denied.

7. “[I]n related litigation, U.S. Bancorp contends that it is practicing the identified abstract concept of advancing funds based on future retirement payments while simultaneously arguing, based on unambiguous factual representations, that it is not infringing the ‘582 Patent.” Resp. 3.

**U.S. Bancorp's Response:** Denied.

8. “At the time of the claimed invention of the '582 patent, the inventors, who are RCAMC's sole owners, recognized that the fast growing ranks of

retirement age individuals were, for various reasons, finding Social Security benefits or other retirement benefits, or the anticipated timing of receipts therefrom, often to be inadequate to meet their present and future financial needs, expectations, and objectives.” Resp. 4.

**U.S. Bancorp’s Response:** Denied.

9. “However, considering the then existing and current legislated proscriptions in the United States against assigning or otherwise alienating future retirement benefits (e.g., as set forth in the Social Security Act, the Employee Retirement Income Security Act of 1974, as amended (‘ERISA’), and the United States tax laws), Social Security benefits or other retirement benefits were not generally seen as an adequate source of current capital, particularly to support financing based upon future receipts.” Resp. 4.

**U.S. Bancorp’s Response:** Denied.

10. “Thus, the inventors recognized a need for a financial program that allows a beneficiary of Social Security benefits or other retirement benefits to access, in a convenient, automated, and automatic manner, present value of future retirement benefits to meet current financial objectives while complying with the United States laws and regulations governing the assignment of future Social Security or other retirement benefits.” Resp. 4-5.

**U.S. Bancorp Response:** Denied.

11. The inventors therefore conceived a system and method for a beneficiary of Social Security payments or other retirement payments to access present value of future benefits to meet current financial and other objectives.

**U.S. Bancorp Response:** Denied.

12. “As a matter of law, the above-identified evidence is insufficient for U.S. Bancorp to satisfy its burden of proof.” Resp. 7.

**U.S. Bancorp Response:** Denied.

13. “There is no dispute that every claim in the ‘582 patent at issue contains substantive limitations on what U.S. Bancorp has identified as the involved abstract concept.” Resp. 7-8.

**U.S. Bancorp Response:** Denied.

14. “And, there is no evidence whatsoever from which a finding can be made that all of the substantive limitations to each claim would have been routine or conventional.” Resp. 8.

**U.S. Bancorp Response:** Denied.

15. “The ‘582 patent is not evidence of whether each of the indisputably substantive limitations on the abstract concept would have been routine or convention.” Resp. 8.

**U.S. Bancorp Response:** Denied.

16. “The only other thing U.S. Bancorp can point to is attorney argument,



which is tantamount to no evidence at all.” Resp. 8.

**U.S. Bancorp Response:** Denied.

17. “One of the critical aspects of the invention of the ‘582 patent is the limitation that the benefit provider be reimbursed from resources other than future retirement or Social Security payments in the event transfer of those benefits from the depository to the benefit provider are curtailed, such as a result of the beneficiary's own choice to revoke participation.” Resp. 8.

**U.S. Bancorp Response:** Denied.

18. “While RCAMC does not argue for a bright-line rule that expert testimony is required to be submitted in connection with every petition for covered business method review, it is evident that such testimony or other evidence submitted pursuant to § 322 was necessary in this instance.” Resp. 9.

**U.S. Bancorp Response:** Denied.

19. “It is abundantly clear that each of the challenged claims of the ‘582 Patent contains substantive limitations on this abstract concept, and that none of the claims amounts to a monopoly on the identified abstract concept.” Resp. 16.

**U.S. Bancorp Response:** Denied.

20. “The claims of the ‘582 Patent include meaningful, substantive limitations that cause the claims to cover less than the identified abstract concept. One example is clearly evidenced by the prosecution history of the ‘582 patent.”

**U.S. Bancorp Response:** Denied.

21. During prosecution of the application leading to the '582 Patent, the Examiner cited U.S. Patent No. 5,933,815 to Golden (hereinafter 'Golden') against all pending claims, contending that Golden disclosed 'a method of providing present value to a beneficiary based on future retirement payments . . .,' i.e., the very abstract concept that US Bancorp contends RCAMC has attempted to monopolize. *Office Action dated March 13, 2002* at 3 (emphasis added)." Resp. 16-17.

**U.S. Bancorp Response:** Denied.

22. In response, RCAMC'S inventor-owners amended their claims to, among other things, include a substantive limitation that narrowed the claims to providing a benefit 'without encumbering the beneficiary's right to the future retirement payments and without violating legislative proscriptions in the United States against alienation of future retirement benefits.' (*Applicants' December 11, 2002 Response to Office Action* (Exh. 2006) at 12 and Appendix thereto).

**U.S. Bancorp Response:** Denied.

23. As a result of this substantive limitation, the Examiner allowed their claims, stating:

Applicant's [sic] have amended the Claims to recite a feature whereby part of a future retirement benefit can be used to realize

a current benefit without alienating the beneficiary's access to future retirement payments. The best prior art of record, Golden, discloses elements of the claimed invention but neither discloses or fairly suggests this feature. References cited in connection with Golden or found in an updated search also do not address this feature.

*(Notice of Allowability (Exh. 2007) at 4).*

**U.S. Bancorp Response:** Denied.

24. “The claims of the ‘582 Patent thus were narrowed relative to the concept of advancing funds based on future retirement payments. Moreover, it was neither disclosed nor even suggested by the best prior art of record.” Resp. 18.

**U.S. Bancorp Response:** Denied.

25. “Yet, it also is clear that if the limitation is not one that must be performed – there is no evidence whatsoever that it is – the recognition that no prior art even suggests the limitation is itself substantiation that the limitation was not routine or conventional.” Resp. 18.

**U.S. Bancorp Response:** Denied.

26. “Given the circumstances under which the not encumbering limitation was added to all of the claims of the ‘582 patent, it is clear that the limitation is essential to the invention.” Resp. 18.

**U.S. Bancorp Response:** Denied.

27. “For this reason alone, the claims are limited meaningfully and directed to eligible subject matter. Of course, there are a number of other meaningful limitations as well.” Resp. 18.

**U.S. Bancorp Response:** Denied.

28. “Moreover, the undisputed evidence establishes that the encumbering limitation was novel and nonobvious.” Resp. 19.

**U.S. Bancorp Response:** Denied.

29. “U.S. Bancorp did not address [the encumbering] limitation, much less offer any evidence that it would have been routine or conventional as of the priority date.” Resp. 19.

**U.S. Bancorp Response:** Denied.

30. “Absent such evidence there is no basis for the Board to find that the encumbering limitation was so insignificant, conventional, or routine as to yield a claim that effectively covers the identified abstract idea.” Resp. 19-20.

**U.S. Bancorp Response:** Denied.

31. “There literally is no reference to the without encumbering or without violating the legal proscriptions against alienation of Social Security or other retirement benefits limitations.” Resp. 20.

**U.S. Bancorp Response:** Denied.

32. “In other words, no entity actually disputes that there is sufficient detail in the specification of the ‘582 patent to construe these limitations.” Resp. 23.

**U.S. Bancorp Response:** Denied.

33. “U.S. Bancorp admits that it is practicing the abstract concept that it has identified in this proceeding but contends that it is not practicing the very claim limitation identified above that was expressly added to secure allowance.” Resp. 26.

**U.S. Bancorp Response:** Denied.

34. “U.S. Bancorp also contends that it has implemented the abstract concept alleged to be involved in the ‘582 patent claims without practicing the ‘providing said monetary benefit from said benefit provider based at least in part on present value of a designated portion of said future payments’ limitation.” Resp. 27.

**U.S. Bancorp Response:** Denied.

35. “U.S. Bancorp’s contention that there exist non-infringing alternative to the ‘582 patent’s particular implementation of the abstract concept of advancing funds based on future retirement payments is not directed to a mere theoretical non-infringing alternative. It is directed to an actual service offered by U.S. Bancorp – one that is so important to U.S. Bancorp that it is willing to risk

subjecting itself to a ‘crack down’ on ‘big bank’ payday loans by the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation.”

Resp. 28.

**U.S. Bancorp Response:** Denied.

36. “[U.S. Bancorp] cannot meet its burden of proving (as it must) that the claims of the ‘582 Patent are coextensive with the concept of advancing funds based on future retirement payments, while at the same time identifying specific changes that can be made to RCAMC’s patented methods and systems that do not infringe.” Resp. 28.

**U.S. Bancorp Response:** Denied.

37. “U.S. Bancorp’s non-infringement contentions foreclose a finding that it has met its burden of proving the challenged claims subsume the identified fundamental concept.” Resp. 28-29.

**U.S. Bancorp Response:** Denied.

38. “[T]his clearly is not an instance where a patentee is attempting to patent an otherwise patent-ineligible process simply for reciting a general-purpose computer.” Resp. 29.

**U.S. Bancorp Response:** Denied.

39. “[D]irect deposit via electronic funds transfer is the structure disclosed in the specification for causing retirement payments (or Social Security

retirement benefits) to be deposited.” Resp. 29.

**U.S. Bancorp Response:** Denied.

40. “[M]eans for causing . . . to be deposited into said account’ should be interpreted as disclosing ‘electronic funds transfer’ as the corresponding structure for this means-plus-function limitation.” Resp. 30.

**U.S. Bancorp Response:** Denied.

41. “[M]ethod claim 1 requires the step of ‘causing said future retirement payments to be deposited into said account’ immediately after identifying the step of requiring an account to receive future retirement payments payable from a source of said retirement payments.” Resp. 30.

**U.S. Bancorp Response:** Denied.

42. “The direct tie between receiving from the source and depositing in the context of this patent shows that ‘deposited’ as used in claim 1 should be interpreted to mean ‘deposited via direct deposit.’” Resp. 30.

**U.S. Bancorp Response:** Denied.

43. “Each and every time the specification discusses the designated account and (the means for) causing future retirement and Social Security payments to be deposited into the account, the specification clearly and explicitly describes a direct deposit account and the method of direct deposit.” Resp. 31.

**U.S. Bancorp Response:** Denied.

44. “The broadest reasonable interpretation of ‘depositing’ as used in the method claims is, therefore, ‘depositing via direct deposit.’” Resp. 33.

**U.S. Bancorp Response:** Denied.

45. “The claims of the ‘582 patent thus require that future retirement payments, including future Social Security retirement payments, be deposited via direct deposit into a beneficiary's account.” Resp. 33.

**U.S. Bancorp Response:** Denied.

46. “The only method of direct deposit disclosed in the specification of the ‘582 patent is electronic funds transfer.” Resp. 33.

**U.S. Bancorp Response:** Denied.

47. “A computer programmed with software to effect electronic funds transfers is totally inconsistent with U.S. Bancorp suggestion that ‘any general computer will suffice.’” Resp. 35.

**U.S. Bancorp Response:** Denied.

48. “By U.S. Bancorp's own admission, therefore, at least the system claims require the use of a computer, for example, to deposit the future retirement or Social Security payments.” Resp. 36.

**U.S. Bancorp Response:** Denied.

49. “A computer is integral to the challenged claims.” Resp. 36.

**U.S. Bancorp Response:** Denied.



50. “[H]ere there very clearly is ‘more’—the novel, nonobvious, not routine, and not conventional substantive limitations on creating a source of funds based on future retirement or Social Security payments.” Resp. 36.

**U.S. Bancorp Response:** Denied.

51. “A computer is necessary to cause the direct deposit of future retirement and Social Security payments.” Resp. 36.

**U.S. Bancorp Response:** Denied.

52. “Nevertheless, it is clear that [a computer] is required to implement the challenged claims of the ‘582 patent.” Resp. 37.

**U.S. Bancorp Response:** Denied.

53. “Nevertheless, Section 101 is not a proper basis for covered business method review.” Resp. 37.

**U.S. Bancorp Response:** Denied.

54. “As a result, the PTAB lacks authority to adjudicate any rights relating to the ‘582 Patent on the basis of patent eligibility under Section 101.” Resp. 37.

**U.S. Bancorp Response:** Denied.

55. “Section 282(b)(2) does not allow challenges on the basis of *patent eligibility* under 35 U.S.C. § 101.” Resp. 38.

**U.S. Bancorp Response:** Denied.

56. “Congress never mentions Section 101 as an express basis for invalidating a patent through the CBM Review proceedings.” Resp. 40-41.

**U.S. Bancorp Response:** Denied.

57. “Nowhere in the AIA did Congress expressly grant the PTAB authority to reconsider patent eligibility under Section 101 in CBM Review proceedings.” Resp. 41.

**U.S. Bancorp Response:** Denied.

58. “The CBM Review procedures enacted by Congress were adopted specifically to address the PTO's perceived inability to find prior art in the late 1990's.” Resp. 41.

**U.S. Bancorp Response:** Denied.

59. “Congress enacted the CBM Review procedures for the purpose of responding to the perceived difficulty in finding prior art and experts in the fields of business method patents – not to retroactively reconsider patent eligibility under Section 101.”

**U.S. Bancorp Response:** Denied.

60. “The Supreme Court made essentially the same observation in *Diamond v. Diehr*, 450 U.S. 175, 190-91 (1981).” Resp. 44.

**U.S. Bancorp Response:** Denied.

61. “As a result, the PTAB lacks statutory authority to cancel any claims

of the '582 Patent on the basis of patent eligibility under Section 101.

**U.S. Bancorp Response:** Denied.

### **CERTIFICATE OF SERVICE**

I certify that a copy of the foregoing PETITIONER U.S. BANCORP'S  
REPLY was served on January 21, 2014 by email to counsel for patent owner at  
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