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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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*Ex parte* MALCOLM A. CHEUNG, ROBERT A. FISHBEIN,  
JACOB M. HERSCHLER, N. DAVID KUPERSTOCK,  
ROBERT F. O'DONNELL, and STEVEN L. PUTTERMAN<sup>1</sup>

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Appeal 2011-004594  
Application 11/456,930  
Technology Center 3600

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Before, JOSEPH A. FISCHETTI, BIBHU R. MOHANTY, and  
KEVIN F. TURNER, *Administrative Patent Judges*.

TURNER, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF CASE<sup>2</sup>

Appellants appeal under 35 U.S.C. § 134 from a final rejection of  
claims 23-44. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

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<sup>1</sup> The Prudential Insurance Company of America is the real party in interest.

<sup>2</sup> Our decision will make reference to Appellants' Appeal Brief ("App. Br.,"  
filed July 30, 2010) and Reply Br. ("Reply Br.," filed December 1, 2010),  
and the Examiner's Answer ("Ans.," mailed October 1, 2010).

## THE INVENTION

Appellants' disclosure relates to a system and method for managing a benefits account which allows a customer to choose when to purchase benefit units, how much to purchase, when to exercise the benefits, and which benefits to exercise. (Abs; Spec. 4, ll. 5-10.)

Claim 23, reproduced below, is illustrative of the claimed subject matter:

23. A data processing system configured to manage a benefits account, the data processing system comprising:
- one or more memory devices;
  - one or more processing modules; and
  - software embodied in the one or more memory devices and configured, when executed by the one or more processing modules, to:
    - receive order data representing a number of benefits units requested to be purchased, the order data received on a purchase date, the benefits units being associated with a plurality of benefits according to provisions of a benefits contract, wherein each benefits unit is discretionarily exercisable at a later date towards at least one of the plurality of benefits, wherein for each benefits unit purchased a utilizable value of each one of the plurality of benefits is defined at the time that the benefits unit is purchased, and wherein the plurality of benefits comprises:
      - one or more from the first group consisting of:
        - a plurality of income payments; and
        - a withdrawal benefit; and
      - one or more from the second group consisting of:
        - a disability insurance;
        - a long-term care insurance;

a prescription drug coverage;  
a health care coverage; and  
a supplemental health care coverage;  
store, in the one or more memory devices, account data representing a number of benefits units purchased;  
receive transaction data representing a request to exercise a specified number of benefits units towards a specified one of the plurality of benefits;  
generate status information identifying a coverage period provided at least in part by exercise of the specified number of benefits units towards the specified one of the plurality of benefits;  
transmit the status information through a network;  
determine a default benefit to be transferred to a beneficiary designated by an account holder, wherein the default benefit is based at least in part on the account data representing the number of benefits units purchased, and wherein the default benefit comprises a life insurance benefit; and  
in response to a triggering event, transfer the life insurance benefit to the beneficiary designated by the account holder, the triggering event being the death of the account holder.

(App. Br., Claims Appendix 23-24.)

#### PRIOR ART REJECTION

The prior art references relied upon by the Examiner in rejecting the claims are:

Cherny	5,752,237	May 12, 1998
Joao	7,305,347 B1	Dec. 4, 2007
Levit	2002/0128877 A1	Sep. 12, 2002
Sato	2003/0083907 A1	May 1, 2003
De Santis	WO 00/58915	Oct. 5, 2000

S. Travis Prichett et al., “Risk Management and Insurance” West Publishing Company, Seventh Edition, P. 104. © 1996, hereinafter “Risk Management and Insurance”.

The Examiner rejected the claims as follows:

Claims 23-44 rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter of the invention.

Claims 23-44 rejected under 35 U.S.C. § 103(a) as being unpatentable over Joao, Levit, Cherny, Risk Management and Insurance, and Sato.

### ISSUES<sup>3</sup>

Did the Examiner err in rejecting claims 23-44 as being indefinite for failing to particularly point out and distinctly claim the subject matter of the invention under 35 U.S.C. § 112, second paragraph?

Does the combination of Joao, Levit, Cherny, Risk Management and Insurance, and Sato teach or suggest the subject matter of independent claims 23, 29, 36, and 42-44, such that it, renders obvious the subject matter of claims 23-44 under 35 U.S.C. § 103(a)?

### FINDINGS OF FACT

1. Appellants’ Specification describes life insurance and health insurance as examples of “benefits contracts” and explains that they include

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<sup>3</sup> We have considered in this decision only those arguments that Appellants actually raised in the Briefs. Arguments which Appellants could have made but chose not to make in the Briefs are deemed to be waived. *See* 37 C.F.R. § 41.37(c)(1)(vii).

an agreement to provide a plurality of benefits to at least one person. (Spec. 3, ll. 6-14 and 21-22.)

2. Joao is directed to a method for providing employee benefits which allows employees to purchase enhanced or upgraded benefits, downgrade benefits, and/or exchange benefits for other benefits, so as to allow the employee to custom tailor benefits packages so as to fit their needs. (Abs; col. 5, ll. 2-7.)

3. Joao's system allows

the employee can pay for and/or purchase the benefits in his or her individual benefits account in whole or in part with funds, monies and/or credits provided by his or her employer during times of employment and/or with personal funds or monies during periods of unemployment or retirement. The employee, as in any of the herein-described embodiments, can change, modify, upgrade, or downgrade, any of his or her benefits and interact with any of the benefits providers in the manners described herein.

(Col. 29, ll. 20-29.)

4. Joao describes that employees may use credit cards in order to pay for benefit upgrades for any of the benefits offered by its system to allow the employee to enhance or upgrade their already existing benefits. (Col. 22, ll. 51-63.)

5. Joao describes its employee benefits and/or employee benefit plans or programs can include health insurance plans or programs, life insurance plans or programs, disability insurance plans or programs, employee savings plans and programs, employee retirement plans and programs, and employee pension benefits or programs. (Col. 3, ll. 31-40.)

6. Joao describes that an intelligent agent can *inter alia* act for the employee or administrator to request benefits information, request services, purchase or order benefits. (Col. 30, ll. 9-13.)

7. Joao states that “the employee may have benefit funds remaining which he or she may elect to take as additional compensation or the employee may have to utilize individual funds in order to make up for any shortage in employer provided benefits funds.” (Col. 29, ll. 1-7.)

#### ANALYSIS

*Claims 23-44 rejected under 35 U.S.C. § 112, second paragraph as being indefinite.*

The Examiner finds independent claims 23, 36, 42, and 44 indefinite because “it is unclear if the ‘benefits units being associated’ is associated by the claimed system or external to the system.” (Ans. 4.) In response, Appellants contend that exemplary independent claim 23 goes on to recite that the benefits units are associated “with a plurality of benefits according to provisions of a benefits contract,” which one of ordinary skill in the art would understand does not require be performed by the claimed data processing system. (App. Br. 14; Reply Br. 5.)

We are persuaded by Appellants’ argument that one of ordinary skill in the art would understand the scope and meaning of the limitation “benefits units being associated,” as presently recited by independent claims 23, 36, and 42. “The requirement to ‘distinctly’ claim means that the claim must have a meaning discernible to one of ordinary skill in the art when construed according to correct principles. Only when a claim remains

insolubly ambiguous without a discernible meaning after all reasonable attempts at construction must a court declare it indefinite.” *See Metabolite Labs., Inc. v. Lab. Corp. of Am. Holdings*, 370 F.3d 1354, 1366, (Fed. Cir. 2004) (internal citations omitted). Accordingly, we cannot agree with the Examiner that the limitation “benefits units being associated” renders the claim indefinite when, as Appellants point out, the claim in its entirety makes clear that the associating is based upon the “provisions of a contract.”

Additionally, the Examiner finds independent claims 23, 29, 36, and 42-44 indefinite because “because it is unclear how events optionally occurring (discretionarily exercisable) ‘at a later date’ further limit the steps of the claimed method as it appears this step occurs outside the scope of the claimed invention.” (Ans. 4.) In response, Appellants assert that the term “discretionarily exercisable at a later date” does not render independent claims 23, 29, 36, and 42-44 indefinite because the independent claims go on to recite steps where the benefits units are indeed exercised. (Reply Br. 6.) We agree with Appellants.

In making this determination, we find that exemplary claim 23 receives “transaction data representing a request to exercise a specified number of benefits,” which we find demonstrates that at least some of the “discretionarily exercisable” benefits units are exercised as part of the each of the independent claims. Based on these recitations, we find that one of ordinary skill in the art would understand the scope and meaning of the limitation “discretionarily exercisable at a later date” to be definite based on the context of claims. The test for definiteness under 35 U.S.C. § 112, second paragraph, is whether “those skilled in the art would understand what

is claimed when the claim is read in light of the specification.” *See Orthokinetics, Inc. v. Safety Travel Chairs, Inc.*, 806 F.2d 1565, 1576 (Fed. Cir. 1986) (citations omitted)..

Based on the above, we cannot sustain the Examiner’s rejection of claim 23-44 under 35 U.S.C. § 112, second paragraph.

*Claims 23-44 rejected under 35 U.S.C. § 103(a) as being unpatentable over Joao, Levit, Cherny, Risk Management and Insurance, and Sato.  
Independent claims 23, 29, 36, and 42-44<sup>4</sup>*

Appellants argue that the combination of Joao, Levit, Cherny, Risk Management and Insurance, and Sato fails to teach or suggest “order data representing a number of benefits units requested to be purchased,” as recited by independent claim 23. (App. Br. 16-17.) Specifically, Appellants assert that because the monies and/or credits in Joao are provided by the employer, the monies and/or credits may be allocated without any purchase taking place, and as such, would not result in the “order data representing a number of benefits units requested to be purchased.” (App. Br. 16-17; Reply Br. 8-10.)

We are not persuaded by Appellants’ argument and find that Joao’s system allows either an employee or employer to pay for and/or purchase benefits, in whole or in part, using a combination of funds, monies, or credits. (FF 3.) Additionally, Joao describes that its system enables

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<sup>4</sup> Appellants argue independent claims 23, 29, 36, and 42-44 as a group. (App. Br 21.) Appellants arguments are directed solely towards independent claim 23, and so we select claim 23 as the representative claim for this group, and the remaining independent claims 29, 36, and 42-44 stand or fall with claim 23. 37 C.F.R. § 41.37(c)(1)(vii) (2011).

employees to pay benefit upgrades using credit cards for any of the benefits offered by its system to allow the employee to enhance or upgrade their already existing benefits. (FF 4.) Based on these teachings, we find that one of ordinary skill in the art at the time of the invention would appreciate that Joao's system "receiv[es] order data representing a number of benefits units requested to be purchased," as presently claimed. Thus, we are not persuaded by Appellants' argument.

Additionally, Appellants argue that the combination of Joao, Levit, Cherny, Risk Management and Insurance, and Sato fails to teach or suggest "benefits units being associated with a plurality of benefits according to provisions of a benefits contract," as recited by independent claim 23. (App. Br. 18; Reply Br. 11.) To support this argument, Appellants contend that Joao's benefits are "merely employee income similar to a paycheck or bonus." (App. Br. 18; Reply Br. 11.)

We are not persuaded by Appellants' argument and agree with the Examiner that Joao teaches or suggests "benefits units being associated with a plurality of benefits according to provisions of a benefits contract," as presently claimed. (Ans. 20-21.) In making this determination, we find that Joao teaches that its system provides benefits related to health insurance, life insurance, disability insurance, employee retirement plans, and employee pensions. (FF 5.) Therefore, in contrast to Appellants' contention, the benefits described in Joao are not limited to income similar to a paycheck or bonus, but instead the same type of benefits presently claimed and commensurate with Appellants' Specification. (See FF 1.) Thus, Appellants' argument is not persuasive.

Next, Appellants argue that the combination of Joao, Levit, Cherny, Risk Management and Insurance, and Sato fails to teach or suggest that “each benefits unit is discretionarily exercisable at a later date towards at least one of the plurality of benefits,” as recited by independent claim 23. (App. Br. 18-19; Reply Br. 11.)

We are not persuaded by Appellants’ argument and agree with the Examiner that Joao does not specify that the funds, monies and/or credits provided by the employer for the purchase of employee benefits must be redeemed immediately upon deposit, and as such, suggests that these funds, monies and/or credits may be utilized at a later date. (Ans. 6-7.) This position is supported by Joao’s teaching that the employee may have benefit funds remaining in their account which they may elect to take as additional compensation. (FF 7.) Based on this teaching, one of ordinary skill in the art at the time of the invention would understand that Joao’s credits are discretionarily exercisable upon either deposit or at a later date towards at least one benefit. *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 421 (2007) (“A person of ordinary skill is also a person of ordinary creativity, not an automaton.”). Accordingly, Appellants’ argument is not persuasive.

Following, Appellants argue that the combination of Joao, Levit, Cherny, Risk Management and Insurance, and Sato fails to teach or suggest “receiv[ing] transaction data representing a request to exercise a specified number of benefits units towards a specified one of the plurality of benefits,” as recited by independent claim 23. (App. Br. 20; Reply Br. 12.) Specifically, Appellants assert that while “an employee can purchase benefits ‘in whole or in part’ using either money provided by the employer

or using the employees own money,” Joao fails to teach or suggest “a request to exercise the employer-provided monies/credits ‘in whole or in part.’” (Reply Br. 12.)

We are not persuaded by Appellants’ argument and find that Joao teaches or suggests “receiv[ing] transaction data representing a request to exercise a specified number of benefits units towards a specified one of the plurality of benefits,” as presently claimed. Specifically, Joao teaches that that an intelligent agent can request benefits information and purchase or order benefits for an employee. (FF 6.) Thus, Joao teaches receiving transaction data representing a request to exercise benefits units, and as such, Appellants’ argument is not persuasive.

Lastly, Appellants argue that the combination of Joao, Levit, Cherny, Risk Management and Insurance, and Sato fails to teach or suggest for that “for each of the ‘monies and/or credits’ purchased, ‘a utilizable value of each one of the plurality of benefits is defined at the time that the’ ‘monies and/or credits’ is allegedly purchased,” as generally recited by independent claim 23. (App. Br. 20; Reply Br. 12-13.) Specifically, Appellants’ assert that the value or balance of the retirement account in Joao refers to a market-driven fluctuating account, and as such, cannot have a “utilizable value . . . defined at the time that the benefits unit is purchased.” (Reply Br. 13.)

We are not persuaded by Appellants’ argument and agree with the Examiner that Joao’s investment options have a utilizable value defined at the time the benefit unit is purchased. (Ans. 22.) Appellants are correct that some of Joao’s investment options (e.g., employee retirement plans) are market driven, such that they would not have a defined value, however, Joao

additionally teaches employee pension benefits. (FF 5.) We find that one of ordinary skill in the art at the time of the invention would have appreciated employee pensions to be defined benefits which have a value defined upon purchase.

Accordingly, Appellants' arguments are not persuasive, and as such, we sustain the Examiner's rejection of independent claims 23, 29, 36, and 42-44 under 35 U.S.C. § 103(a) as unpatentable over Joao, Levit, Cherny, Risk Management and Insurance, and Sato.

*Dependent claims 24-28, 30-35, 37-41*

Appellants do not separately argue claims 24-28, 30-35, 37-41, which depend from independent claims 23, 29, and 36, respectively, and so we sustain the rejection of these claims under 35 U.S.C. § 103(a) as unpatentable over Joao, Levit, Cherny, Risk Management and Insurance, and Sato for the same reasons we found as to independent claims 23, 29, 36, and 42-44 *supra*.

CONCLUSIONS

We conclude that the Examiner erred in rejecting claims 23-44 as indefinite under 35 U.S.C. § 112, second paragraph.

We conclude that the combination of Joao, Levit, Cherny, Risk Management and Insurance, and Sato teaches or suggests the subject matter of independent claims 23, 29, 36, and 42-44, and as such, renders obvious the subject matter of claims 23-44 under 35 U.S.C. § 103(a).

Appeal 2011-004594  
Application No. 11/456,930

DECISION

We affirm the rejection of claims 23-44 under 35 U.S.C. § 103(a), but reverse the rejection under 35 U.S.C. § 112, second paragraph.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R. § 1.136(a)(1).

AFFIRMED

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