

# INSURANCE IP BULLETIN

An Information Bulletin on Intellectual Property activities in the insurance industry

A Publication of - Tom Bakos Consulting, Inc. and Markets, Patents and Alliances, LLC

## **Introduction**

In this issue we provides a brief summary of the **Patent Act of 2005**. This legislation (H.R. 2795) was introduced in the House of Representatives on June 8. It could have a significant impact on patent activity and litigation in the U.S.

Our **Feature Article** presents a first hand account by **Jerry Wilson**, an innovator in Long Term Care, who perceived the value of patent protection many years ago – before it even started to become popular in this industry. He documents what the patent environment was like in the late 1990's and what prompted him and his co-inventor, Mike Gamble, to seek and get a patent on their innovative process.

Your editors were invited to participate in the second biennial **Swiss Re Workshop on Best Practices in IP** in July of this year. We include a summary of that workshop in this issue.

In addition, we address how the European Patent Office requires “technological art” to be included in inventive business methods in order for them to be patentable. This is an important consideration for those considering patent protection in Europe.

Insurance Networking News recently published an article on insurance patents. It is entitled [Carriers Unaware of IP Ownership Threats and Opportunities](#) and can be found at their web site, [www.insurancenetworking.com](http://www.insurancenetworking.com). Some familiar names, including past contributors to this Bulletin, are quoted. They address how “woefully oblivious” some insurance carriers are to the increase in the use of patents in the industry. We trust that this does not include our readers.

Enjoy the issue. Please let us know if you have any questions.

---

Our mission is to provide our readers with useful information on how intellectual property in the insurance industry can be and is being protected – primarily through the use of patents. We will provide a forum in which insurance IP leaders can share the challenges they have faced and the solutions they have developed for incorporating patents into their corporate culture.

Please use the FEEDBACK link above to provide us with your comments or suggestions. Use QUESTIONS for any inquiries. To be added to the Insurance IP Bulletin e-mail distribution list, click on ADD ME. To be removed from our distribution list, click on REMOVE ME.

Thanks,  
Tom Bakos & Mark Nowotarski

# INSURANCE IP BULLETIN

An Information Bulletin on Intellectual Property activities in the insurance industry

A Publication of - Tom Bakos Consulting, Inc. and Markets, Patents and Alliances, LLC

## Feature Article

### *An Insurance Patent Experience*

**By:** Jerry Wilson, President, Washington Health Services, [jdw725@aol.com](mailto:jdw725@aol.com)

Every day someone solves a problem. Occasionally the problem involves a business method that makes the solution so unique it falls into a special category. It may be patentable because of its originality. The United States Patent and Trademark Office (USPTO) will now consider applications to patent such inventions.

Patenting a business method is a relatively new concept. For instance, a business method patent for an insurance invention was almost impossible until a relatively short time ago. We think you will find our experience in obtaining a patent interesting.

We are insurance general agents and we've had many innovative ideas over the years. The ones that worked were usually copied in short order. Ironically, we would find ourselves competing with ... ourselves!

We love the senior market. Our products included annuities, Medicare supplements, last expense whole life, short-term home recovery care and long-term care.

Long-term care insurance (LTCi) was always the most difficult to sell. Our prospects ranged from the super-affluent to middle income. The affluent were fewer in number and usually wouldn't buy long-term care at any price (unless they were unhealthy). Most others couldn't afford it. Affordability was, as we saw it, the problem standing in the way of enormous new business production. At that time the only way to lower the premium was to lower the benefit, but lowering the benefit to fit the pocket book of most could result in a benefit that was worthless. A new concept was needed.

A study for the federal government provided us the paradigm for a new business method—a solution—possibly the only solution: Resource Utilization Groupings (RUGs). RUGs are, essentially, a way to classify patients into groupings with common characteristics as to the severity of their medical condition and their need for care. This pointed the way for a better benefit design to make LTCi affordable. It could be done by a tailoring of benefits—**by eliminating unnecessary benefits to some so that necessary benefits could be made available to all.** Effectively, we thought it provided for a more efficient use of Long Term Care insurance premium dollars and was a better deal, a better design all the way around. This was a new business method—it was intellectual property—and, we thought, it was patentable.

Our very first motivation to apply for a patent in 1997 inspiration we got from Signature Financial Group's early work on a business method patent. This was well before the subsequent State Street Bank decision in 1998. There was a path of sorts to follow and we couldn't find any reason why we shouldn't

# INSURANCE IP BULLETIN

An Information Bulletin on Intellectual Property activities in the insurance industry

A Publication of - Tom Bakos Consulting, Inc. and Markets, Patents and Alliances, LLC

proceed. Dumb luck? Perhaps ... but when it was all done and the beautiful Patent Document was put in safe-keeping, we knew we had gained a great deal from the experience.

It is not easy to describe the entire process. Suffice it to say it was difficult then and it is more difficult now, but there are certain truisms that would be no different today.

First, the USPTO is part of the bureaucracy. There are many forms to fill out, fees to pay and much that has to be written. This includes history, background, references, citations, formulas, explanations, opinions and scope and nature of claims.

There can be no allowance for mistakes, even simple typos. If you make them, you will very likely have to live with them. The patent examiner may make mistakes, also. Again, if you don't catch them, the outcome could be an unintended disaster.

The patent examiner will probably not be an expert in financial/insurance matters. It will be assumed that you are. You will be expected to prove it. You will need legal and actuarial counsel that you can rely on.

You will become convinced the examiner does not understand your invention, and it will be incumbent on you to explain it to his or her complete satisfaction. This process compares, in our opinion, to a complicated lawsuit and, perhaps, a brief.

You must not fear rejection. There are time frames and remedial processes that come into play when a patent application is rejected. In many cases, a rejection is just another way of saying to you, "prove it," or, "tell us why we are wrong."

The good news, however, is that the patent examiner is a human being, earnest, pleasant, thoughtful, courteous and above all, available, when you have questions, comments or need help. Telephone conferences were never a problem. The USPTO people have no preconceived opinions or judgments, or axes to grind. They just want everything done right.

We eventually received US Patent # 6,014,632 for our efforts.

Keep in mind, the patent application starts a special clock running—**exclusivity for 20 years** from the date the patent application is submitted. Imagine, even a two or three years head start with a great new idea like this has the potential for unlimited reward for the inventors/licensees.

Was it easy? No. It cost money and time. Was it worth it? Yes, because the patent protected our long years of effort and sizable expense. Imagine a 3% license fee on, say, a hundred million of premium ... or a billion.

**Moreover, the additional compensation (including to the licensee) through sub-licensing possibilities and arrangements is mind boggling.**

# INSURANCE IP BULLETIN

An Information Bulletin on Intellectual Property activities in the insurance industry

A Publication of - Tom Bakos Consulting, Inc. and Markets, Patents and Alliances, LLC

There is a vast, underserved middle income market age 50 and over that is virtually untouched. It is swelling by the day as “boomers” retire. With the federal government vigorously conditioning the American public to embrace private long-term care insurance because of Medicaid and Medicare budgetary constraints—an insurer couldn’t hope for a better endorsement.

Today, fewer business method patents are being approved and they are being more closely scrutinized. Maybe the good old days will eventually come to an end. However, the window of opportunity, although narrowing, is still open.

The decision to explore the possibilities is the first and most difficult step.

After that, consult with experts. You need a roadmap to avoid the mine fields and pitfalls along the way. If you are not totally familiar with the process, consider a word of advice based on our actual experience in the trenches—seek help.

## **Patent News**

### ***Swiss Re Conference in Innovation and Intellectual Property in the Financial Services Industry***

*In July of this year, Swiss Re sponsored their second biannual conference on innovation and intellectual property in the financial services industry. The conference was held at Swiss Re’s Center for Global Dialog outside of Zurich. Here are a number of highlights of the conference.*

#### **Insurance inventions can be protected by patents in both Europe and Japan.**

One of the barriers to getting effective worldwide patent protection for insurance inventions is the substantial differences between the US, European and Japanese patent laws regarding the patentability of business method inventions. Representatives of the European and Japanese patent offices made presentations to help the attendees understand these differences and more importantly, how to use them to get effective patent protection. The European requirements are discussed in more detail elsewhere in this Bulletin, but the bottom line is insurance inventions can be protected by patents in all three jurisdictions provided that there is at least some sort of technological component to the invention.

#### **Watch out for “copyleft” infringement.**

There was a lot of discussion at the conference about open source software and a new type of intellectual property related to it called “copyleft”.

Most insurance inventions require innovations in software in order to be implemented on a large scale. Copyleft is a new type of intellectual property that promotes innovations in software by encouraging the release of software as “open source”. Open Source software is software where the source code for a

# INSURANCE IP BULLETIN

An Information Bulletin on Intellectual Property activities in the insurance industry

A Publication of - Tom Bakos Consulting, Inc. and Markets, Patents and Alliances, LLC

particular program is made available to the public and the public is free to improve it, provided the improvements are also made available as open source. A well-known example of open source software is the Linux operating system.

Copyleft refers to a body of specialized copyright licenses that are designed, among other things, to enforce the release of improvements as open source.

Violating a copyleft can be just as disruptive to commercializing a new product as violating a patent. Developers within many IT departments commonly incorporate open source software components into the proprietary software products they are developing if it can make that development go faster. If the open source component is protected by a copyleft, then the company developing the proprietary software product may be obligated to make some or all of the source code of the proprietary software product available as open source.

The good news about copyleft is that, just like patents, they promote innovation by rewarding public disclosure of inventions. It remains to be seen however, to what extent the insurance industry will be able to take advantage of this new type of intellectual property to promote its own innovations.

## US Patent Reform Legislation.

Gerald J. Mossignhoff, former commissioner of the US patent office, and Q. Todd Dickenson, also a former commissioner of the US patent office, gave an overview of the pending US patent reform legislation and its prospects for passage. More details of the legislation are elsewhere in this issue. The consensus regarding the prospects for passage is that it's pretty good. The legislation is needed and has reasonably broad public support, special interest support, and administration support. It may not get passed in 2005, but it has a reasonably good chance of being passed in 2006.

## Patent Law

### *The Patent Act of 2005 – A Summary of Major Provisions*

As noted in our last issue, the *Patent Act of 2005* (H.R. 2795) was introduced by Congressman Lamar Smith on June 8, 2005. Its purpose is to improve the quality of patents and reduce costs associated with their enforcement. It proposes significant modifications to patent law in the U. S. – the most significant, per Congressman Smith, since Congress passed the 1952 Patent Act. These changes to U.S.C. Title 35 appear to be well received (there were nine bi-partisan co-sponsors) and passage of the Bill is expected by, at least, 2006.

We hope the brief summary of the changes proposed in the Bill that we provide below will serve to keep our readers informed. Certainly, this pending Bill deserves the attention of anyone involved in U. S. patent activity.

The Act specifies changes in the following areas:

# INSURANCE IP BULLETIN

An Information Bulletin on Intellectual Property activities in the insurance industry

A Publication of - Tom Bakos Consulting, Inc. and Markets, Patents and Alliances, LLC

## ***Right of the First Inventor to File***

Currently, in the U. S. the person who is *first-to-invent* has the principle right to a patent. In effect, the first person to invent something is the only one entitled, under current U.S. patent law, to be recognized as the “inventor”. U. S. patent law differs from that of foreign patent offices which follow a *first-inventor-to-file* rule. Changes proposed in the Patent Act of 2005 would make U. S. patent law consistent with patent law in most other countries.

These changes are accomplished by adding definitions which recognize that an “inventor” is someone who “invented or discovered the subject matter of the invention”. In effect, it is recognized that more than one inventor of an invention may exist.

A big component of existing patent law relative to inventorship are provisions which specify how someone’s claim to being an earlier inventor are to be resolved. This component of current patent law supports the patent rights of the *first-to-invent*. These are called “interference” actions because one inventor’s patent application may *interfere* with another’s. The Patent Act of 2005 amends or modifies provisions of current patent law in order to make them consistent with the change to a *first-inventor-to-file* approach.

In particular, section 102 is substantially rewritten and simplified. “Interference” rights are redefined to be an “inventor’s rights contest” which addresses the rights of an inventor to patent under revised section 101. References to “interferences” are generally eliminated and the *Board of Patent Appeals and Interferences* becomes just the *Board of Patent Appeals*. Other changes to make the patent law consistent with a *first-inventor-to-file* approach are also made.

In particular, the effect of prior art on patentability is simplified. Prior art must only be “reasonably and effectively accessible” through its use, sale, or disclosure by means not otherwise excepted in the law. This requirement is measured in terms of information that is available to someone of ordinary skill in the art “without resort to undue efforts”.

In testimony it was noted that the existing *first-to-invent* approach more often than not defaults to a *first-inventor-to-file* approach because of the complexity of the current law and the difficulty of asserting a prior right to patent in an interference action. This is compounded by the significant cost associated with such a proof.

The belief is that a *first-inventor-to-file* rule is a recognition of a “best practices” approach.

## ***Right of an Assignee to File***

Under current U.S. law only the inventor has the right to file for a patent.

Under the *first-inventor-to-file* approach proposed by these amendments, one still must be an inventor to receive a patent. However, the Patent Act of 2005 would make it possible for a person to whom an

# INSURANCE IP BULLETIN

An Information Bulletin on Intellectual Property activities in the insurance industry

A Publication of - Tom Bakos Consulting, Inc. and Markets, Patents and Alliances, LLC

inventor has assigned (or is under obligation to assign) the invention to file for a patent in the inventor's name.

The revisions made to redefine the right to patent also amend section 112 to eliminate key language which requires that an applicant "shall set forth the best mode contemplated by the inventor of carrying out his invention". It is believed that the subjective "best mode" requirement (added by the 1952 Patent Act) is inefficiently applied in litigation.

## ***Duty of Candor Imposed***

By the addition of two new sections, 136 and 137, the USPTO is given authority to enforce a "duty of candor and good faith" expected of individuals filing and prosecuting a patent application or assisting in this activity. Under current patent law this enforcement is a function of the federal court system.

Essentially the duty of candor requires any individual involved to disclose on a timely basis any information material to a patent application in a way that does not misrepresent such material. If the USPTO finds that the duty of candor has been breached and misconduct has occurred, a patent can be held unenforceable as well as other consequences can be imposed (including monetary penalties).

## ***Right of the Inventor to Obtain Damages***

Section 284 is amended in an attempt to eliminate the "entire market value" approach used to determine damage awards. That is, new language limits a "reasonable royalty" to the contribution to "realizable profit that should be credited to the inventive contribution as distinguished from other features of the combination, the manufacturing process, business risks, or significant features or improvements added by the infringer."

Conditions are spelled out with respect to a determination of "willful infringement" which can result in treble damages. The Patent Act of 2005 would limit additional damages only to situations in which the plaintiff provided written notice of infringement "identifying with particularity each claim of the patent, each product or process that the patent owner alleges infringes the patent, and the relationship of each product or process to such claim." That is, vague claims of infringement cannot result in a determination of "willful infringement" and treble damages.

## ***Injunctions***

The purpose of this very short section of the Patent Act of 2005 is to make it more difficult for a person claiming infringement to get injunctive relief in patent infringement actions.

Under current law, the threat of an injunction has been used to encourage settlement. The amendment requires the court to "consider the fairness of the remedy in light of all of the facts and relevant interests of the parties associated with the invention."

# INSURANCE IP BULLETIN

An Information Bulletin on Intellectual Property activities in the insurance industry

A Publication of - Tom Bakos Consulting, Inc. and Markets, Patents and Alliances, LLC

## ***Continuation Applications***

Under current patent law patent applications can be “kept alive” by filing continuations. It is felt that there has been abuse in this by applicants who use the procedure to track the commercial development of a technology and update their inventions related to this technology in order to encompass what others may be doing.

However, it is recognized that there are many instances where continuation applications are entirely appropriate and necessary. Therefore, the proposed new section 123 allows the Director to establish regulations to “limit the circumstances” under which continuation applications which claim the filing date of a prior application (other than a divisional application) may be filed.

## ***Post Grant Opposition Procedures***

A new Chapter 32 is added by the Patent Act of 2005 which inserts a new post grant opposition procedure under which anyone can request the USPTO to reconsider any claims granted in an issued patent. Such a request could be made either:

- within 9 months after the grant of a patent; or
- within 6 months after notification by the patent holder alleging infringement.

In order to make a post grant opposition procedure and participation by the general public more workable, section 122 is amended to effectively require that almost all patent applications be published after 18 months. Another amendment to section 122 effectively allows the public a period of time to submit prior art relative to a patent application which they feel the USPTO should consider or should have considered during the examination of the application.

These changes are viewed as a way for the interested public to address any perceived errors or mistakes made by the USPTO in granting a patent or point to specific prior art the USPTO ought to consider during the examination of an application.

## ***Transitional Rules***

Transitional rules make the change to a *first-inventor-to-file* approach effective with respect to patent applications filed one or more years after the enactment of the Patent Act of 2005. Special effective date transition rules apply with respect to nonprovisional patent applications filed before the effective date of the amendments that introduce the *first-inventor-to-file* rule.

The Right of an Assignee to File, the change in the right of an inventor to obtain damages, and injunctive relief would be effective from the date the Act became effective except that they would not apply with respect to any action brought in any court before such date.

The Duty of Candor requirements would apply to any patent issued on or after the effective date of the Act. However, a patent owner may elect, with respect to a patent issued prior to the effective date of the

# INSURANCE IP BULLETIN

An Information Bulletin on Intellectual Property activities in the insurance industry

A Publication of - Tom Bakos Consulting, Inc. and Markets, Patents and Alliances, LLC

Act, to be under the jurisdiction of the USPTO rather than a federal court with respect to any action brought on or after the effective date of the Act.

Any regulations the Director introduces to control continuation applications would be effective with respect to patent applications filed on or after the effective date of the Act. Such regulations cannot be effective until one year after the effective date of the Act.

The changes making patent application publication after 18 months almost universal would become effective with respect to patent applications filed on or after the enactment of the Act.

The added Post Grant Opposition Procedures would become effective on the date of enactment of the Act except that no opposition proceeding request can be made until one year after the effective date of the Act and the Director may establish an even later date for such opposition proceedings. This opposition procedure would only apply to patents filed under the *first-inventor-to-file* rule.

The amendments allowing the submission of prior art by third parties would become effective one year after the enactment of the Act.

## Conclusions

The most significant elements of this proposed amendment to U.S. patent law are:

- the move to a *first-inventor-to-file* rule
- the elimination of some “subjective” elements from current law: “best mode” requirement eliminated; “definition of “willful infringement” clarified; and duty of candor clarifies “inequitable conduct”
- creation of a post grant opposition system.

The end result is supposed to be greater clarity and less costly legal actions to defend or assert patent rights.

Please recognize that this is a brief summary of a complex set of amendments and these amendments are subject to change as the bill works its way through congress. We refer you to the Intellectual Property Owner’s web site, <http://www.ipo.org/>, for updates on the bill and its current contents.

## Patent Tech

### Prospects for Getting Insurance Patents in Europe

*It’s quite a challenge to get a business method patent through the European Patent Office. Whether or not it’s worthwhile depends upon how important your idea is.*

# INSURANCE IP BULLETIN

An Information Bulletin on Intellectual Property activities in the insurance industry

A Publication of - Tom Bakos Consulting, Inc. and Markets, Patents and Alliances, LLC

Europe doesn't like business method patents. In fact, it's written right in their rules that business methods "[as such](#)" are not patentable (Article 52, European patent convention). A quick search of issued European patents reveals only 12 examples specifically related to insurance business methods (i.e. they had the word "insurance" in their claims). This is substantially less than the 400 or so issued US patents that fall into the same category. Getting a European patent on an insurance related invention is clearly a tough proposition.

But it is not an impossible one.

The key to getting an insurance patent in Europe is to forget about the insurance product and focus on the technology required to bring the product to market. The technology alone must be inventive. If you invent a new way to calculate a premium, for example, then you must show that some sort of inventive technology is required to carry out the calculation.

Telematic auto insurance is a new way to calculate a premium that is patented in Europe (Method And System For Individual Evaluation Of Motor Vehicle Risk, EP700009B1). Telematic auto insurance calculates premiums by directly measuring driving behavior in a car. The method for calculating premiums was found to be patentable because the apparatus used to measure driving behavior (e. g. sensors mounted in a car) was a technological invention.

Those who have been following the development of telematic auto insurance may be surprised to learn that the assignee of the European patent, Salvador Minguijon Perez, is not the same as the assignee of the US patents, Progressive Auto Insurance. Both Progressive and Sr. Perez independently invented their own versions of telematic auto insurance and filed their respective patent applications in Europe and the US at about the same time. Sr. Perez, however, beat Progressive by five months. Hence, according to the European "first to file" rules, Sr. Perez's application "has priority" over Progressive's and Sr. Perez gets the European patent. This is not to say that Progressive can't get their own telematic auto insurance patents in Europe, but their patents will only be able to cover aspects of the invention that are not already disclosed in Sr. Perez's patent. Progressive does have patents on telematic auto insurance process in the U.S.

Both inventors have been able to license their patents and patent applications. The licensee is Norwich Union. Norwich Union is an English insurance company that has invested considerable sums of money in developing a commercial version of telematic auto insurance called [Pay as You Drive™](#). By taking licenses to both inventors' intellectual property, Norwich Union has made sure that neither will cause problems in their commercialization efforts. Some of the licenses, particularly those covering England, are exclusive. This means that in addition to securing their "freedom to practice", Norwich has effectively excluded unlicensed competition from England and thus created sustainable competitive advantage that could last for years.

It is much more difficult to get patents on insurance related inventions in Europe than it is in the US. At least some aspect of an invention must be technological in nature. If the idea is important enough, however, getting a European patent can bring substantial returns to not only an inventor, but to his/her licensees as well. Inventors can earn a reasonable royalty in exchange for publicly disclosing how to

# INSURANCE IP BULLETIN

An Information Bulletin on Intellectual Property activities in the insurance industry

A Publication of - Tom Bakos Consulting, Inc. and Markets, Patents and Alliances, LLC

make and use their inventions. Insurance companies that take a license can create sustainable competitive advantage in the marketplace.

## Statistics

### An Update on Current Patent Activity

The table below provides the latest statistics in overall class 705 and subclass 4. The data shows issued and published patents and published patent applications for this class and subclass.

Insurance Patents Issued by Year as of 8/2/05		
	Class 705	Subclass 4
YEAR	#	#
2005	815	17
2004	996	23
2003	968	21
2002	883	15
2001	880	19
2000	1,062	29
1999	1,005	36
1998	744	20
1978-1997	2,776	47
1976-1977	80	0
<b>TOTAL</b>	<b>10,209</b>	<b>227</b>

Insurance Patents Pending by Year Published as of 7/28/05		
	Class 705	Subclass 4
YEAR	#	#
2005	3,769	80
2004	5,560	156
2003	5,991	128
2002	6,135	164
2001	1,326	30
<b>TOTAL</b>	<b>22,781</b>	<b>558</b>

Class 705 is defined as: DATA PROCESSING: FINANCIAL, BUSINESS PRACTICE, MANAGEMENT, OR COST/PRICE DETERMINATION.

Subclass 4 is used to identify claims in class 705 which are related to: *Insurance (e.g., computer implemented system or method for writing insurance policy, processing insurance claim, etc.)*.

### Highlight of Newly Issued Patents and Applications During Last Two Months

***Our analysis and summary of issued patents and newly published patent applications is based on a quick read and interpretation of the published documents. It is not intended to be and should not be considered to be a complete or exhaustive analysis of the breadth of these inventions or claimed inventions.***

# INSURANCE IP BULLETIN

An Information Bulletin on Intellectual Property activities in the insurance industry

A Publication of - Tom Bakos Consulting, Inc. and Markets, Patents and Alliances, LLC

*This information is provided to give our readers a way to quickly find patents or patent applications in their field of interest. To understand the full range of a patent or intended range of a patent application, the original document must be studied and analyzed.*

## Issued Patents

Since our last issue 3 new patents with claims in class 705/4 have been issued. Patents are assigned to classes based on their claims. See the detailed list for a brief description of these new patents.

## Published Patent Applications

Seventeen new patent applications with claims in class 705/4 have been published since our last issue. They are broken down by product line or type area as follows:

P&C:	7
Life:	4
Health:	4
Systems:	2

## Again, a reminder -

Patent applications have been published 18 months after their filing date only since March 15, 2001. Therefore, there are many pending applications not yet published. A conservative assumption would be that there are about 150 applications filed every 18 months in class 705/4. Therefore, there are, probably, about 625 class 705/4 patent applications currently pending, only 473 of which have been published.

Because the pending patents total above includes all patent applications published since March 15, 2001, applications that have been subsequently issued will also appear in the issued patents totals.

## Resources

These are links to web sites which contain information helpful to understanding intellectual property.

United States Patent and Trademark Office (USPTO) - <http://www.uspto.gov>

World Intellectual Property Organization (WIPO) - <http://www.wipo.org/pct/en>

Patent Law and Regulation - <http://www.uspto.gov/web/patents/legis.htm>

Patent Agent services – <http://www.marketsandpatents.com/>

Actuarial services – <http://www.BakosEnterprises.com>

# INSURANCE IP BULLETIN

An Information Bulletin on Intellectual Property activities in the insurance industry

A Publication of - Tom Bakos Consulting, Inc. and Markets, Patents and Alliances, LLC

## Newly Issued Patents (6/15 – 8/8/05) in Class 705/4

6,895,390      Filed: April 20, 2000      Issued: May 17, 2005      Pendency: 5.08 years

**L&H**      *System for monitoring increasing income financial products*

**ASSIGNEE:**      None

**FIELD:**      Annuity Income – increasing income financial product

**PROBLEMS:**      The fact that prior art did not disclose certain important administrative problems associated with an increasing income financial product.

**SOLUTIONS:**      A data processing system for implementing and administering an investment account structure consisting of increasing income contracts that pay out from commingled funds increasing income to survivors of a group. The original principal is distributed to heirs of group members upon expiration of the contract caused by the death of all group members or time.

6,915,266      Filed: July 31, 2000      Issued: July 5, 2005      Pendency: 5.0 years

**L&H**      *Method and system for providing evaluation data from tracked, formatted administrative data of a service provider*

**ASSIGNEE:**      None

**FIELD:**      Administrative services to a medical service provider

**PROBLEMS:**      Medical service providers encounter problems with billing for the services they perform because of the need to comply with the varying requirements of the many different entities they deal with. The billing software provided by third parties is difficult to select from because reliable information regarding said third party providers is unknown and these systems are not amenable to competition because the software systems used are incompatible.

**SOLUTIONS:**      An agent-neutral system for processing administrative data of a medical service provider is described.

In summary, this is a method for reducing costs to medical service providers, especially small medical practices, by establishing an agent-neutral coordinator

# INSURANCE IP BULLETIN

An Information Bulletin on Intellectual Property activities in the insurance industry

A Publication of - Tom Bakos Consulting, Inc. and Markets, Patents and Alliances, LLC

which systemizes the outsourcing of administrative processes to practice management agents.

The agent-neutral coordinator creates and maintains agent-neutral operational standards and agent-neutral internet-integrated computer system standards, where agent-neutral means that the practice management agents comply with the coordinator system's operational and data processing standards and software standards, thereby substantially eliminating costs to the medical service provider for switching between the practice management agents.

6,922,720

Filed: March 7, 2002

Issued: July 26, 2005

Pendency: 3.3 years

## P&C

*Systems and methods for insuring data over the internet*

**ASSIGNEE:** Portogo, Inc. (Minneapolis, MN)

**FIELD:** Insuring the security of information handling systems

**PROBLEMS:** Not all users of systems that transmit data electronically have access to, can effectively utilize because of the need for in-house technical support, or can afford commercially available security measures which utilize, for example, the encryption of data.

**SOLUTIONS:** A system to insure, bond, or underwrite the electronic transmission and receipt of data for a fee is described.

# INSURANCE IP BULLETIN

An Information Bulletin on Intellectual Property activities in the insurance industry

A Publication of - Tom Bakos Consulting, Inc. and Markets, Patents and Alliances, LLC

## Class 705/4 Patent Applications Published between (approximately) June, 15 2005 and August 8, 2005 (In order latest to earliest)

CATAGORY	Publication Number	TITLE
Life – Agency value of insurance policies	<a href="#">20050171885</a>	<i>Object oriented demographically predictive insurance agency asset evaluation system and method</i>
Life – Utilizing VLI in College Funding	<a href="#">20050171820</a>	<i>Process for creating a financial plan for funding of college education</i>
Health – Claims processing	<a href="#">20050171819</a>	<i>Web-based claims processing method and system</i>
P&C – Liability insurance	<a href="#">20050154619</a>	<i>Partner protection insurance</i>
P&C – Hazardous substance insurance	<a href="#">20050154618</a>	<i>Environmentally hazardous substance insurance system, computer program product, and business method using insurance certificate regarding environmentally hazardous substance and results of analysis by third party</i> <b>Assignee = Hitachi Maxell, Osaka, Japan</b>
All – Data retrieval system	<a href="#">20050154617</a>	<i>System and method for providing global information on risks and related hedging strategies</i>
Health – Automate compliance with Medicare billing guidelines	<a href="#">20050149365</a>	<i>System and method for automatic conditioning of clinically related billing</i>
All Underwriting – On line interface to legacy systems	<a href="#">20050144047</a>	<i>Method and system for computerized insurance underwriting</i>

# INSURANCE IP BULLETIN

An Information Bulletin on Intellectual Property activities in the insurance industry

A Publication of - Tom Bakos Consulting, Inc. and Markets, Patents and Alliances, LLC

- P&C** – New insurance against economic damage caused by goods purchased from supplier [20050144046](#) *System and method for assisting a buyer in selecting a supplier of goods or services*
- P&C** – Using collateralized deductibles to reduce malpractice ins., etc. premiums [20050144045](#) *System and method to reduce insurance premiums*
- Health** – Utilizes health and drug claims to develop healthcare knowledge database [20050144039](#) *System and method for healthcare management*
- P&C** – Provides link of medical credentials to Medical malpractice Ins. [20050137915](#) *Credentialer/medical malpractice insurance collaboration*  
**Assignee = The Premium Group, Inc.**
- P&C** – Auto Insurance, stop loss for balance sheet protection of vehicle fleet owners [20050137914](#) *Method, computer program product, and system for calculating a premium for stop loss insurance for a fleet of vehicles*
- Life** – provides benefits to offset effects of change in tax law [20050137913](#) *System and method for insuring against tax liabilities*
- Health** – expert system for claim scrubbing or editing [20050137912](#) *Systems and methods for automated classification of health insurance claims to predict claim outcome*
- P&C** – provides insurance to offset cost of backing up lost data and covers cost associated with inability to restore from backup [20050137911](#) *Systems and methods for data insurance*

# INSURANCE IP BULLETIN

An Information Bulletin on Intellectual Property activities in the insurance industry

A Publication of - Tom Bakos Consulting, Inc. and Markets, Patents and Alliances, LLC

Life – Underwriting,  
system to evaluate  
financial impact of  
specific sets of  
underwriting criteria

[20050131742](#)

*System and method for evaluating underwriting requirements*