

# 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's feature article, *Peer to Patent*, our guest authors, Manny Schecter (Associate General Counsel, Intellectual Property Law for IBM) and Susan Murray (Counsel, Intellectual Property Law for IBM) discuss a new program on trial by the USPTO, Peer to Patent. Peer to Patent opens up the patent review process to interested members of the public in an effort to speed the patent examination process and improve the quality of issued patents.

In our **Patent Q/A** we follow up with a response indicating that Peer to Patent may be available in the future for insurance patents.

The Statistics section updates the current status of issued US patents and published patent applications in the insurance class (i.e. 705/4). We also provide a link to the *Insurance IP Supplement* with more detailed information on recently published patent applications and issued patents.

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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 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

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## Feature Article

### ***Peer to Patent: Community Patent Review A Project Pilot in Which Readers Should Consider Participating***

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&

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The Peer to Patent: Community Patent Review project is an innovative pilot aimed at improving patent quality by changing how the patent examination process works. In short, the pilot opens up to the public the previously closed examination process in order to make better information conveniently available to patent examiners.

Traditionally, patent examiners worked in relative isolation, being held responsible for single-handedly finding and understanding all “prior art” pertinent to their examination of a given patent application. (“Prior art”, loosely defined for our purposes, is typically published information which shows what technical advances have been previously made. Prior art is helpful in proving or disproving the novelty or newness - whether the patent applicant is indeed the first inventor - of an idea for which a patent is sought.) That model worked well for a long time, when the state of technology was well represented by the examiner’s most familiar and most readily available source of prior art --- issued patents.

However, modern realities challenge the model. First, the sheer volume of patent applications submitted to the USPTO is overwhelming --- the USPTO reports a backlog of “historic proportions.” Second, patentable subject matter has expanded into new areas in the last decade or so, including software and business method inventions, for which there exists no history of issued patents upon which to rely. Third, while the Information Age has theoretically made much more non-patent information available online, the volume of that material exceeds human abilities to effectively filter it (with or without tools). These factors and others mean that examiners working in isolation have a rather tall order to fill.

The power of the Peer to Patent pilot is that it taps into the ubiquity and convenience of the technology that brought us the Information Age, the internet, as well as the emergence of collaborative communities, to bring the best information available to the examiner. The project does this by hosting a publicly available web site which posts the patent applications volunteered

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for the pilot. Anyone can get on the web site and browse. If one would like to actively participate, a simple registration is all that is required; the process relies on reputation and self-selection concepts which have been successfully employed by other types of collaborative communities.

Once registered, participants can collaborate with others by engaging in online discussion of issues. Registered participants can also invite additional colleagues into the discussion. For example, if John Brown joins a discussion on a patent application and realizes his colleague Jane Smith has expertise to offer, he can, from within the system, invite Jane to join in the discussion of that particular application.

Usually after some initial discussion, participants can identify and submit prior art for the application, along with commentary on how the prior art corresponds to the application in question. The ability to provide comments on the significance of the prior art is very useful in bridging gaps in an examiner's understanding of the relationship between the prior art and the application under examination. Throughout the process, each participant can vote for the prior art they think to be most relevant. They can change their vote up until final submission, but they will only get one vote per prior art reference. The system tallies the votes and only the ten most relevant prior art references are forwarded to the USPTO.

The patent examiner receives the ten most relevant prior art references along with the corresponding comments. They must consider each of the references, but they need not accept the Peer to Patent analysis at face value; the pilot does not seek to substitute public opinion in the place of the examiner's independent judgment. The final patentability determination remains with the examiner where it has resided for many years. What the pilot does seek to do is to make better information available to examiners. Better informed examiners can make better patentability decisions and better patentability decisions means better quality patents.

The pilot began June 15 and will last for one year, during which 250 applications for software inventions are planned to be reviewed. Each will be available for review and comment over a four month period. At launch, five applications were available for review and new applications will be posted to the pilot over the course of the year. At the time of this publication, 16 applications are active in the pilot, with another 8 having completed reviews.

Since June 15, the pilot has had over 28,461 site visits and nearly 1,600 registered participants, including the editorial staff of the Insurance IP Bulletin. Registered participants hail from all regions of the world, representing more than 100 different countries. Ninety prior art references have been cited for 24 applications.

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Participation is welcome and encouraged, both as a patent applicant submitting an application for pilot review and as a peer reviewer. This is a historical opportunity to influence the outcome not only of individual patents, but also how governmental decision making is done on the public behalf. Please, make yourself heard.

The following are key links where you can find more information:

<http://www.peertopatent.org/> - to check out the pilot system and register as a participant

<http://www.uspto.gov/web/patents/peerpriorartpilot/> - to read the official description of the pilot published in the USPTO Official Gazette June 26, 2007.

<http://dotank.nyls.edu/communitypatent/> - to learn more from the project management team led by Professor Beth Noveck at New York Law School's Institute for Information Law & Policy

## **Meeting Announcement**

A session on new patented or patent pending retirement income products has been added to the upcoming RIIA meeting, [Managing Retirement Income Conference](#), to be held at the Doral Resort Golf Resort and Spa in Miami Florida, **February 13 – 18, 2008**. Mark Nowotarski will be hosting a panel of inventors and IP attorneys who will discuss the challenges and successes they've had in bringing new retirement income inventions to market. Q&A will follow.

The panelists include:

- Chuck Robinson, SVP Investment Products & Services, Northwestern Mutual Life Insurance Company
- John Bevacqua, Principal Deloitte Consulting
- Matt Schoen, Managing Principal, Private Placement Insurance Products, LLC
- Matthew Reece, Counsel Pepe & Hazard LLP.

Information and Registration can be found at:

<http://www.iirusa.com/retirement/eventhome/35279.xml>

To obtain a "moderator referral" discount, please contact Mark Nowotarski at (203) 975-7678.

## **Patent Q & A**

### ***Peer to Patent Availability for Insurance Patents***

**Question:** Will the Peer-to-Patent program be opened up to insurance patents anytime soon?

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**Disclaimer:** *The answer below is a discussion of typical practices and is not to be construed as legal advice of any kind. Readers are encouraged to consult with qualified counsel to answer their personal legal questions.*

**Answer:** Yes, perhaps in about a year.

**Details:** The US Patent and Trademark Office is looking forward to expanding the Peer-to-Patent program to other technology areas beyond the computer technologies that are currently part of the initial trials. They want to be sure, however, that the expansion is done in an orderly manner so that difficulties with the system can be corrected as they emerge.

Wynn Coggins, director of the USPTO technology art unit that includes insurance patents, has indicated to us that she is very much in favor of expanding Peer-to-Patent to include her area once the initial trial is complete. Manny Schechter, our featured author this issue, is in agreement.

We too look forward to the opening up of the system to insurance patents. As a currently registered member of Peer-to-Patent, we've been impressed with its design and the quality of the prior art submissions that have been made. We anticipate that opening up the system to insurance patents will benefit both inventors and the industry as better quality patents issue in a much shorter time frame.

## **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 patents and published patent applications for this class and subclass.

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Issued Patents as of 10/16/07		
	Class 705	Subclass 4
YEAR	#	#
2007	1,686	37
2006	2,223	44
2005	1,453	30
2004	998	23
2003	969	21
2002	887	15
2001	880	19
2000	1,062	29
1999	1,005	36
1998	745	20
1978-1997	2,778	47
1976-1977	80	0
<b>TOTAL</b>	<b>14,766</b>	<b>321</b>

Published Patent <i>Applications</i> as of 10/18/07		
	Class 705	Subclass 4
YEAR	#	#
2007	5,686	152
2006	6,115	169
2005	6,300	148
2004	5,590	156
2003	6,009	128
2002	6,135	164
2001	1,326	30
<b>TOTAL</b>	<b>37,161</b>	<b>947</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.)*.

## Issued Patents

A total of 37 patents have been issued in class 705/4 so far in 2007. This continues the recent trend over the past few years of increasing patent activity.

Patents are categorized based on their claims. Some of these newly issued patents, therefore, may have only a slight link to insurance based on only one or a small number of the claims therein.

The [Resources](#) section provides a link to a detailed list of these newly issued patents.

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## Published Patent Applications

A total of 152 patent applications have been published so far this year in class 705/4 indicating continued patent activity in the insurance industry.

The [Resources](#) section provides a link to a detailed list of these newly published patent applications.

## 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 that are not yet published. A conservative estimate would be that there are, currently, close to 250 new patent applications filed every 18 months in class 705/4.

The published patent applications included in the table above are not reduced when applications are either issued as patents or abandoned. Therefore, the table only gives an indication of the number of patent applications currently pending.

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## Resources

[Recently published U.S. Patents and U.S. Patent Applications](#) with claims in class 705/4.

**The following are links to web sites which contain information helpful to understanding intellectual property.**

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

United States Patent and Trademark Office (USPTO): *Patent Application Information Retrieval* - <http://portal.uspto.gov/external/portal/pair>

Free Patents Online - <http://www.freepatentsonline.com/>

Provides free patent searching, with pdf downloading, search management functions, collaborative document folders, etc.

US Patent Search - <http://www.us-patent-search.com/>

Offers downloads of full pdf and tiff patents and patent applications free

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

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

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### **Here is how to call the USPTO Inventors Assistance Center:**

- Dial the USPTO's main number, 1 (800) 786-9199.
- At the first prompt press 2.
- At the second prompt press 4.
- You will then be connected to an operator.
- Ask to be connected to the Inventors Assistance Center.
- You will then listen to a prerecorded message before being connected to a person who can help you.

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### **The following links will take you to the authors' websites**

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

Tom Bakos, FSA, MAAA - Actuarial services – <http://www.BakosEnterprises.com>