Dear Colleague:

FPA works diligently to keep abreast of issues important to your business and the financial planning profession at large. We have recently heard from members regarding a legal case that is garnering media attention and we wanted to provide you with our perspective on the situation.

In August, a patent infringement lawsuit was filed by Financeware, Inc. (parent company of Wealthcare Capital Management IP LLC) against UBS Financial Services, Inc., for using the product in question, which was developed by a Financeware competitor. The lawsuit is in its beginning stages so many details are unknown at this time. But based on reports, we are concerned about how this lawsuit could impact commonly used financial planning processes and strategies.

Media accounts have noted that Financeware's actions suggest that it is trying to enforce a patent on commonly used financial planning processes and strategies. Patenting financial planning processes and strategies could become a problem if it limited the ability of planners to serve clients and help them achieve their goals. Recently, FPA successfully lobbied Congress to end the practice of patenting of tax strategies. As in that case, we firmly believe that consumers will suffer the most if financial planners must first seek permission of a patent holder in order to simply provide advice in accordance with their training and experience -- or risk a lawsuit.

For a business process to be patented, it must be useful, novel and non-obvious. Tens of thousands of financial planners have used financial planning process to serve their clients and help them meet their goals for decades. FPA is committed to ensuring you are able to freely engage in the process and advise your clients to the best of your ability.

FPA will continue to monitor developments and assess whether the lawsuit does in fact implicate the financial planning process. We will keep you informed as the case progresses and how FPA will respond on your behalf as well as your clients and the profession as a whole.