

(19) World Intellectual Property Organization
International Bureau



(43) International Publication Date
15 March 2001 (15.03.2001)

PCT

(10) International Publication Number
WO 01/18712 A1

(51) International Patent Classification⁷: G06F 17/60

(21) International Application Number: PCT/US00/24592

(22) International Filing Date:
8 September 2000 (08.09.2000)

(25) Filing Language: English

(26) Publication Language: English

(30) Priority Data:
09/393,730 10 September 1999 (10.09.1999) US
09/393,730 5 September 2000 (05.09.2000) US
09/657,309 7 September 2000 (07.09.2000) US

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(81) Designated States (national): AE, AG, AL, AM, AT, AU,
AZ, BA, BB, BG, BR, BY, BZ, CA, CH, CN, CR, CU, CZ,
DE, DK, DM, DZ, EE, ES, FI, GB, GD, GE, GH, GM, HR,
HU, ID, IL, IN, IS, JP, KE, KG, KP, KR, KZ, LC, LK, LR,
LS, LT, LU, LV, MA, MD, MG, MK, MN, MW, MX, MZ,
NO, NZ, PL, PT, RO, RU, SD, SE, SG, SI, SK, SL, TJ, TM,
TR, TT, TZ, UA, UG, US, UZ, VN, YU, ZA, ZW.

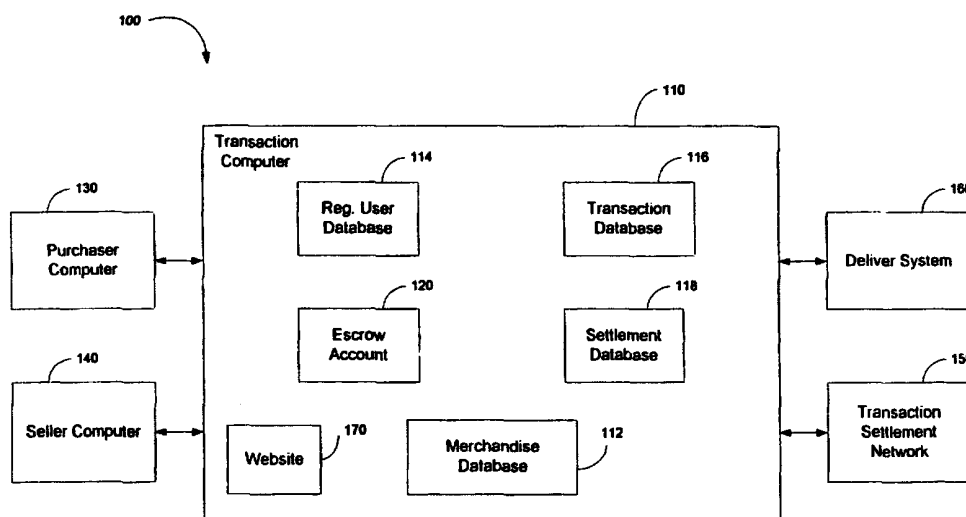
(84) Designated States (regional): ARIPO patent (GH, GM,
KE, LS, MW, MZ, SD, SL, SZ, TZ, UG, ZW), Eurasian
patent (AM, AZ, BY, KG, KZ, MD, RU, TJ, TM), European
patent (AT, BE, CH, CY, DE, DK, ES, FI, FR, GB, GR, IE,
IT, LU, MC, NL, PT, SE), OAPI patent (BF, BJ, CF, CG,
CI, CM, GA, GN, GW, ML, MR, NE, SN, TD, TG).

Published:

- With international search report.
- Before the expiration of the time limit for amending the claims and to be republished in the event of receipt of amendments.

For two-letter codes and other abbreviations, refer to the "Guidance Notes on Codes and Abbreviations" appearing at the beginning of each regular issue of the PCT Gazette.

(54) Title: WEB-BASED SYSTEM TO FACILITATE PURCHASE, PICK-UP, AND DELIVERY OF, AND ESCROW AND PAYMENT FOR, MERCHANDISE



(57) Abstract: A Web-based purchasing method using a networked computer system (100) to facilitate the purchase of merchandise by a purchaser (130) from a seller (140). The system receives a purchase offer from the purchaser to purchase a merchandise at an established purchase price. The system (100) then transmits a request to a shipper to pick the merchandise from the seller (140) and an amount at least equal to the established purchase price is transferred from the purchaser's financial account into an escrow account (120). The escrow account (120) is being controlled by a transaction computer (110) based on information contained in the transaction database (116). After the merchandise is delivered to the purchaser (130) at the purchaser's address, and following an inspection period, at least a portion of the gross purchase price is transferred from the escrow account to the seller's financial account as well as to other participants of the web-based purchasing system.



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1 **WEB-BASED SYSTEM TO FACILITATE PURCHASE, PICK-UP, AND**
2 **DELIVERY OF, AND ESCROW AND PAYMENT FOR, MERCHANDISE**

3
4 **Cross Reference to Related Application**

5 This application is a continuation-in-part of U.S. application serial number 09/393,730,
6 filed September 10, 1999.

7
8 **Field of the Invention**

9 The present invention relates generally to electronic commerce, and, more particularly, to
10 a method and system for enabling commerce over a large public network that includes
11 capabilities for electronically integrating pick-up and delivery of, and escrow and payment for
12 merchandise.

13
14 **Background of the Invention**

15 Increasingly, individuals and businesses are desirous of selling their products and
16 services in an automated fashion using a large, networked computer system such as the Internet.
17 As the number of people worldwide who have access to the Internet (and particularly the World
18 Wide Web portion of the Internet) increases, the Internet is expected to grow and become one of
19 the world's most significant new marketplaces. Currently, the vast majority of electronic
20 commerce, that is the buying and selling of information, products and services over computer
21 networks, is business-to-business. However, one particular e-commerce market segment that is
22 growing almost exponentially each year is individual-to-individual, or so-called peer-to-peer,
23 transactions. Individual-to-individual commerce can take many forms including, for example,
24 the various auction websites available on the Internet. Others who may participate in the
25 individual-to-individual commerce market include merchants for antiques and collectibles,
26 memorabilia enthusiasts, home crafters, sporting and entertainment season ticket holders, family
27 households, and the like. There exists, however, several barriers to this market segment's ability
28 to effectively conduct commerce over the Internet.

29 One drawback to the increased use of the Internet in this individual-to-individual market
30 segment is that the participants often have no means of electronically transferring payments from
31 the buyer to the seller. While conventional businesses typically use credit cards, debit cards, or
32 other forms of payment, sellers, particularly individuals and small businesses, have limited
33 means to establish relationships with credit card companies and other similar financial

1 institutions. The need for a conventional merchant account in order to accept payment with a
2 credit card impedes commerce on the Internet because an average individual Internet user may
3 have a difficult time qualifying for such a merchant account.

4 Additionally, the parties to an individual-to-individual transaction often do not have a
5 relationship with a pick-up and delivery service. Because many potential participants in the
6 individual-to-individual market segment typically ship a small amount of packages on an annual
7 basis, they lack the power and ability to negotiate preferred rates with such delivery services.
8 Furthermore, commercial pickup and delivery services require individuals to pay for shipping
9 with cash only. Individuals may pay for shipping services with check or credit card (noncash
10 payment) through a third party facilitator. However, facilitators currently require that the
11 packages be delivered from the facilitator's location; thus requiring individuals to transport their
12 packages to the facilitator's location for shipping. Currently, independent third parties cannot
13 arrange for delivery of a package from a first party to a second party.

14 One significant problem with e-commerce in general is the instance of fraud. This is
15 particularly problematic in the individual-to-individual market because often there is no
16 established trust relationship between the parties to such a transaction. One possible solution to
17 the fraud problem is the use of a third party escrow service that holds the payment until the
18 purchaser is satisfied in exchange for a fee. While escrow services are generally available for
19 electronic commerce transactions over the Internet, the available services are not seamlessly
20 integrated into the entire purchasing process and, in particular, are not tied directly into the pick-
21 up and delivery of the merchandise. None of these existing online escrow services provide more
22 than the escrow function and all require telephone or other authorization from the buyer before
23 the escrowed funds are distributed. In each instance, pick-up and delivery must be separately
24 arranged and paid for by the parties to the transaction. Also, even if an individual were capable
25 of accepting payment by a credit card, presently most credit card companies do not allow the
26 settlement of funds from a buyer's account until actual shipment of the goods ordered is
27 complete. This puts the merchant or seller at risk that the purchaser will not have sufficient
28 funds or credit availability to complete the transaction.

29 Accordingly, there is a need for a system that facilitates the purchase of merchandise
30 over a networked computer system that fully automates the negotiation, fulfillment and payment
31 aspects of electronic commerce. A preferred system would link and automate the entire

1 commerce process, permitting buyer and seller to arrange and complete the agreed-upon
2 transaction without ever leaving their computer terminals.

3 4 Summary of the Invention

5 A system having these features and satisfying these needs has now been developed. The
6 present invention is a fully electronically integrated web-based purchasing system that links and
7 automates every stage of a transaction in the e-commerce cycle. The system facilitates an e-
8 commerce transaction between a seller and a purchaser by providing the means to allow the
9 purchaser to use his or her credit card, debit card, electronic check, or financial account as a
10 payment vehicle, electronically schedules pick-up and delivery of the purchased merchandise,
11 virtually escrowing the seller's goods during the transaction, escrows the purchaser's money
12 during the fulfillment and inspection period, and electronically distributes funds to the entitled
13 parties after the purchaser has received, inspected and accepted the merchandise.

14 In one embodiment of this invention, a web-based purchasing method using a networked
15 computer system to facilitate the purchase of merchandise by a purchaser from a seller is
16 established. Preferably, the seller and the purchaser each have an associated financial account
17 such as a credit card, check card, electronic check with bank routing and checking account
18 numbers, and/or other financial accounts to facilitate the purchase of merchandise using the
19 invention. The networked computer system includes a merchandise database having stored
20 therein a product profile table for the merchandise. The networked computer system may
21 receive a purchase offer initiated from the purchaser to the seller for merchandise offered for sale
22 by the seller at an established purchase price. Also, the networked computer system may receive
23 an offer to sell initiated from the seller to the purchaser for merchandise wanted for purchase by
24 the purchaser. The offer to sell may or may not include a sales price desired by the seller.
25 Additionally, the purchaser may initiate a purchase offer without stipulating a purchase price.
26 The established purchase price may have been previously negotiated between the parties by
27 using the networked computer system for offer/counter offer, or it may have been predetermined
28 in advance by the seller and accepted by the purchaser. The purchase offer can be associated
29 with the purchaser's financial account and the purchaser's registered delivery address. The
30 networked computer system recognizes acceptance of the offer/counter offer, by the seller or the
31 purchaser, and a transaction identification number (TID) may be created, thus establishing an

1 associated purchase and transaction account between the seller and the purchaser. A request for
2 authorization for credit against the purchaser's financial account is generated and transmitted to
3 a financial institution associated with the purchaser's financial account to verify that the
4 purchaser has the gross purchase price in the purchaser's financial account to make the purchase.
5 The gross purchase price generally includes the purchase price established between the seller and
6 the purchaser, as well as all appropriate transaction fees. The financial institution then generates
7 an authorization indicator in response to the request for authorization, which is then reviewed by
8 the system to verify that the purchaser is authorized to make the purchase using the purchaser's
9 financial account. At this point, the purchaser's funds or credit may be reserved. The seller may
10 be notified by the system that an authorized purchaser desires to purchase the merchandise
11 offered for sale; alternatively, the seller may be notified by the system of an unauthorized
12 purchase offer (i.e. prior to the system requesting an authorization for credit). The seller may be
13 specifically requested to acknowledge the purchase offer by the purchaser, to confirm that the
14 merchandise is still available for purchase, to accept the purchase offer and to establish the date
15 the merchandise may be ready for shipment. The system may generate a query to the seller prior
16 to the established shipment date requesting confirmation that the merchandise is packaged and
17 ready for pick-up and delivery. The system then transmits a request to the delivery system which
18 automatically contacts a carrier associated with the delivery system to pick up the merchandise
19 from the pick-up address specified by the seller. The carrier then picks up the merchandise, as
20 confirmed by the carrier to the delivery system, and an amount equal to the established gross
21 purchase price is transferred from the purchaser's financial account into an escrow account.
22 After the merchandise is delivered to the address specified by the purchaser, as confirmed by the
23 carrier to the delivery system, at least a portion of the established purchase price is transferred
24 from the escrow account to the seller's associated financial account, as well as to other
25 participants of the web-based purchasing system. This transfer from the escrow account may be
26 delayed for a predetermined amount of time pending the purchaser's acceptance of the
27 merchandise.

28 The foregoing and other objects are intended to be illustrative of the invention and are
29 not meant in a limiting sense. Many possible embodiments of the invention may be made and
30 will be readily evident upon a study of the following specification and accompanying drawings
31 comprising a part thereof. Various features and subcombinations of the invention may be

1 employed without reference to other features and subcombinations. For instance, a person may
2 deliver a package utilizing the delivery system of the present invention without using the escrow
3 services. The delivery system of the present invention allows users to pay for shipping using
4 noncash methods such as checks and credit cards, and allows users to arrange for packages to be
5 picked up from any location. The current invention overcomes the deficiencies of previous
6 delivery systems which required either cash payment, or transportation of packages to a third
7 party facilitator's location.

8 9 **Brief Description of the Drawings**

10 These and other features, aspects, and advantages of the present invention will become
11 better understood with regard to the following description, appended claims, and accompanying
12 drawings wherein:

13 Figure 1 is a schematic block diagram of a networked computer system to facilitate the
14 purchase, pick-up and delivery of, escrow, as well as payment for merchandise in accordance
15 with one embodiment of the present invention; and

16 Figures 2 through 5 are flow charts showing the functions of a method to facilitate web-
17 based purchase of merchandise using a networked computer system as shown in Figure 1.

18 Figure 6 is a flow chart showing the options for a person using the system of the present
19 invention to access the delivery system of Figure 1.

20 Figure 7 is a flow chart showing the user registration process shown of Figure 6.

21 Figure 8 is a flow chart showing the user logon process shown of Figure 6.

22 Figure 9 is a flow chart detailing the user menu shown of Figure 6.

23 Figure 10 is a flow chart showing the shipping detail process of Figure 9.

24 Figure 11 is a flow chart showing the payment detail process of Figure 9.

25 Figures 12 through 14 are flow charts showing of the display transaction process of
26 Figure 9.

27
28 These drawings are provided for illustrative purposes only and should not be used to
29 unduly limit the scope of the present invention.

Detailed Description of the Invention

1
2 The present invention transforms the online buying process by linking and automating
3 every stage of the transaction including: (i) purchase offer, negotiation, and offer acceptance; (ii)
4 credit verification and billing authorization; (iii) verification of product manufacture and
5 shipping status; (iv) order fulfillment (i.e., pick-up and delivery) virtually escrowing the
6 merchandise; (v) credit settlement and purchase funds escrow; and (vi) escrow settlement and
7 merchant payment. Referring now to Figure 1, therein is shown one preferred web-based
8 purchasing system **100** to facilitate the purchase of merchandise by a purchaser from a seller.
9 The system **100** includes, and is controlled by, a transaction computer **110** that is connected to a
10 publicly available network, such as the Internet global computer network.

11 The transaction computer **110** controls the overall operation of the web-based purchasing
12 system **100** of the present invention. For example, the transaction computer **110** may provide a
13 website **170** organized in a variety of ways providing functions such as enabling users to become
14 registered sellers and/or purchasers, allowing sellers to advertise their products, allowing
15 potential purchasers to review and select merchandise, allowing the users to negotiate a
16 transaction, and allowing the users to complete a transaction, including the functions of payment
17 and delivery. The website **170** may allow participants of the web-based purchasing system **100**
18 to communicate and interact with the system **100** and other participants. The website **170** may
19 be linked to other websites, allowing users who have negotiated a transaction and agreed upon a
20 purchase price and possible other conditions using other means, such as an auction website, to
21 complete their transaction using the system of the present invention. These other websites may
22 be termed net venue transaction participants. The website **170** may include other functions, such
23 as allowing the merchandise available for purchase through the system to be advertised and
24 accessed in a variety of ways, such as through a conventionally-implemented search engine.

25 In addition to the traditional computer components, such as a processor, random access
26 memory (RAM), read only memory (ROM), an operating system, and various communication
27 devices and ports, the transaction computer **110** incorporates a number of databases. For
28 example, the transaction computer **110** may have a merchandise database **112**, which stores
29 information related to a plurality of products offered for sale through the web-based purchasing
30 system **100**. This information may be arranged into product profiles and includes, for example,
31 the product identity; the seller's identifying information, and the established purchase price for

1 the product. The product profile may also include various types of other product information,
2 i.e., further details on the product and its availability. The product profiles may include digital
3 advertisements in a variety of multimedia formats, including audio, photographs, video, and text.
4 Additionally, the advertisement may direct the potential purchaser to the seller's own website by,
5 for example, a hypertext link. The product profiles stored in the merchandise database **112** may
6 be generated from information obtained from the seller, or may be linked to databases from other
7 websites. Thus, a net venue transaction participant may host its own website containing a
8 database of product profiles that may be accessed via the purchasing system **100**. The
9 transaction computer **110** organizes and uses the information stored in the merchandise database
10 **112** to create the website **170** that digitally advertises and/or provides information about the
11 products for sale.

12 The transaction computer **110** preferably also includes a registered user database **114**,
13 which maintains a list of registered buyers and purchasers as well as information required of the
14 users to allow them to access and use the features of the web-based purchasing system **100**.
15 Each record of the registered user database **114** may include information relating to the user,
16 such as name, e-mail address, delivery and/or pick-up address, telephone number, and financial
17 account information. Financial account information for registered purchasers includes a viable
18 and approved credit card or checking account information. Sellers must generally provide a
19 checking account routing and account number to allow direct electronic deposit of funds upon
20 the completion of a transaction. This information is obtained when a seller or purchaser first
21 registers to use the web-based purchasing system **100** using, for example, website **170**, and may
22 preferably be updated or revised anytime a seller or purchaser connects to the system **100**. The
23 transaction computer **110** may assign an account number and/or a password to each registered
24 user. The use of a password ensures that only the registered user, or someone under his or her
25 control, has access to view and/or modify information relating to his or her account or any
26 transaction that he or she may be participating in through the system.

27 The transaction computer **110** also houses a settlement database **118**, which stores
28 information related to the communications between the transaction computer **110** and a
29 transaction settlement network **150** as described below. The settlement database **118** also
30 controls the automated re-authorization process as described below. The transaction computer
31 **110** also preferably includes a transaction database **116**, which tracks all transactions performed

1 through the system **110** with fields such as delivery status, pick-up status, buyer acceptance of
2 transaction, seller acceptance of transaction, ship date, package delivery, etc. The transaction
3 database **116** thus stores information relating to “active” transactions, i.e., those transactions that
4 are not yet complete, to enable the system **100** to appropriately monitor and process such on-
5 going transactions. Additionally, the transaction database **116** stores information related to
6 completed transactions, to enable the operators of the system **100** to review any past transactions
7 in response to, for example, user complaints. As those skilled in the art will appreciate, portions
8 of the transaction database **116**, particularly the portion related to completed transactions, may
9 be archived and removed from the memory of the transaction computer **110** and stored on other
10 conventional off-line memory devices, such as tape drive or mass storage disks.

11 The transaction computer **110** also includes an escrow account **120**, which temporarily
12 holds the purchaser’s funds pending approval of the merchandise by the purchaser. The escrow
13 account **120** is controlled by the transaction computer **110** based on information contained in the
14 transaction database **116**. The escrow account may be organized by all parties involved in the
15 purchasing system **100**.

16 The transaction computer **110** is connected to a publicly available network, such as the
17 Internet, by an Internet Service Provider through a conventional telephone network, or through
18 commercial on-line services, such as America OnLine, Yahoo!, or Uunet, allowing purchasers
19 and sellers a wide range of connection alternatives through which users may access the system of
20 the present invention. Typically, a buyer or seller may access the system by, for example, a
21 purchaser computer **130** and/or a seller computer **140**. Although Figure 1 shows only one
22 purchaser computer **130** and a single seller computer **140**, the system **100** is understood to
23 extend to include multiple buyers and sellers, each having their own computers to network to,
24 and communicate with, the transaction computer **110**. In another embodiment, multiple users
25 (sellers and purchasers) can access the system **100** through a third party’s computer system,
26 which may be located at, for example, an auction site, a traditional brick and mortar retail store,
27 at a collectibles show, or another’s residence. Thus, a user of the system **100** need not even own
28 a personal computer to take advantages of the benefits of the present invention. Also, a seller or
29 a purchaser may be an individual, a group of people, a company, or an institution.

30 A delivery system **160** is also connected through the network to the transaction computer
31 **110**. The delivery system **160** includes a carrier capable of picking up and delivering

1 merchandise, such as United Parcel Service, Federal Express Corp., the United States Postal
2 Service, or bulk item transportation providers, such as Mark VII. The delivery system **160** also
3 preferably includes a computer system incorporating conventional tracking capabilities to allow
4 the transaction computer **110** to monitor the status of packages picked up and delivered in
5 connection with the system **100**, which may be accessed directly by the purchaser and seller to
6 review the delivery status. The delivery system **160** communicates with the transaction
7 computer **110** via the network to schedule pick-ups and delivery of merchandise and to provide
8 the status of such deliveries. The timely communication between the delivery system **160** and
9 the transaction computer **110** ensures that the escrowing of both the purchaser's money and the
10 seller's merchandise is achieved.

11 The transaction computer **110** is also networked to certain financial services, such as a
12 transaction settlement network **150**. The transaction settlement network **150** represents
13 presently-available commercial institutions that process credit and other financial transactions.
14 For example, the transaction settlement network **150** may represent commercially available
15 credit card processing institutions (e.g., VISA, Master Card, Discover, etc.). The transaction
16 settlement network **150** also includes banks or other institutions that provide merchant accounts
17 for entities that want to receive payment for the sale of goods or services. In this invention, the
18 operators of the system **100** act as a merchant, thus allowing sellers to sell their merchandise to
19 purchasers without having to qualify as credit card merchants. Thus, the operators of the system
20 **100** have a merchant account that is similar or identical to the conventional merchant accounts
21 that are provided to businesses. The transaction computer **110** interfaces with the transaction
22 settlement network **150** to collect and distribute payments to the various parties involved in the
23 system, including purchasers, sellers, delivery systems, escrow services, banks, billboards, and
24 referral sources. For example, a purchaser's transactions that are initiated using the system **100**
25 would show up on the purchaser's credit card statements as a charge from operators of the web-
26 based purchasing system **100**. Processing of credit card transactions by the transaction computer
27 **110** through the transaction settlement network **150** may be supported by various commercially
28 available software packages, such as WebCash Manager by Pulitzer & Haney or WebAuthorize
29 by Tellan.

30 In one embodiment of the present invention, the transaction computer **110** operates as a
31 web server, both receiving and transmitting e-mail messages related to merchandise available for

1 purchase through the system and on active transactions processed by the system. The transaction
2 computer **110** thus must be capable of high volume transaction processing, performing a
3 significant number of mathematical calculations, processing communications as rapidly as
4 possible, and performing database searches. A processor such as a Pentium 686 may be used as
5 the transaction computer **110**, or any equivalent processor or multiple processors networked
6 together. The transaction computer **110** includes software capable of performing all system
7 operations as described below in further detail. Also, while the embodiment described herein
8 describes a single computer performing the functions attributed to the transaction computer **110**,
9 those skilled in the art will appreciate that such functions may be distributed across a larger
10 number of computers, including those connected across a network.

11 Generally, users of the presently preferred web-based purchasing system communicate
12 with the system using e-mail messages. Certain information may also be posted or accessible
13 through website **170**. Alternatively, purchasers and sellers may access the transaction computer
14 **110**, albeit in certain instances with human involvement, telephone, voice-mail, facsimile, or
15 postal mail transmissions.

16 Figures 2 through 5 are schematic flow charts showing the functions of a method to
17 facilitate the purchase of merchandise using a web-based purchasing system as shown in Figure
18 1, in accordance with one embodiment of the present invention. Except for the interaction
19 between the system and the purchaser and seller, the entire process of the present invention may
20 be fully automated.

21 The networked transaction computer **110** waits until a user connects to and logs on the
22 system (function **202**), and selects the type of transaction to process. A user generally connects
23 to the system by accessing website **170** coupled to and controlled by the transaction computer
24 **110**. However, participants may use the system via another's website via a hyperlink to connect
25 to the system through a dedicated home page or by reference from any licensed net venue
26 transaction participant permitted to connect to the website **170**. A net venue transaction
27 participant is one who participates in the web-based purchasing system by providing an entry
28 point into the system. Thus, a net venue transaction participant may host its own website
29 containing a database of product profiles that may be accessed via the purchasing system **100**.
30 Typically, a net venue transaction participant provides a means for its customers to negotiate a
31 transaction, but does not offer services to allow its customers to complete the transaction. For

1 example, the net venue transaction participant may be an auction website that allows its
2 customers to “negotiate” or otherwise arrive at an agreed upon price for the merchandise. Upon
3 completion of the auction process, the auction website may then suggest to its customers that
4 they connect to the present web-based purchasing system **100** to complete the transaction, i.e., to
5 arrange for pick-up and delivery of and payment for the merchandise. Because the net venue’s
6 customers “complete” their transactions separate from the net venue’s website (e.g., pick-up and
7 delivery of, and payment for merchandise purchased), the net venue participant is left to collect
8 its own receivables by conventional means (e.g., billing the merchant/debtor and then receiving
9 payment by mail or phone.) However, the present invention enables net venue participants to
10 collect and receive payment for their receivables at the same time their customers complete their
11 transactions using the web-based purchasing system **100**.

12 In order to use the web-based purchasing system **100** for transactions, the purchaser and
13 the seller both need to have registered as users of the system **100**. As registered users, such
14 purchasers and sellers of the system **100** may conduct commercial transactions with each other,
15 such as selling products using the features of the present invention. The user may logon to the
16 system via an electronic network, with the transaction computer **110** acting as a web server. For
17 example, a person may initially register as a new seller by providing the transaction computer
18 with the seller’s registration information or modify the registered seller’s existing information
19 (function **204**). This seller’s information may include, for example, the seller’s name, e-mail
20 address, pick-up address, telephone number, and financial account information. Another person
21 may elect to register as a new purchaser or modify the registered purchaser’s information
22 (function **206**). A new seller or pre-registered seller may choose to add or modify merchandise
23 to the merchandise database (function **208**). Similarly, a purchaser may advertise that he/she
24 desires to purchase certain merchandise at an established offer price. Each of these actions
25 results in the system updating the appropriate registered user and/or merchandise databases to
26 reflect the new or modified information. Additionally, the transaction computer **110** may assign
27 a password and/or account number to each new registered user. While the preferred method for
28 a user to register with the web-based purchasing system **100** would be to access the system’s
29 website, alternative forms of registration may be used, including e-mail, facsimile transmission,
30 postal mail, etc.

1 In addition to establishing an account with the web-based purchasing system, a purchaser
2 may elect to issue a purchase offer for particular selected merchandise (function **210**) at an
3 established purchase price. The purchase price may be established as an advertised price as
4 shown in the on-line advertisement for the merchandise, or may be a negotiated price, negotiated
5 through the present invention or off-line methods, such as face-to-face negotiation, auction
6 (including web-based auction sites), newspapers, telephonic or written communications, or other
7 advertising mediums. The established purchase price may also be defined as a counteroffer
8 issued by the purchaser to a seller's advertised price, or a counter offer issued by the seller in
9 response to a purchaser's counteroffer. The purchaser may identify the particular merchandise
10 by searching through the products available for sale in the merchandise database **112** using, for
11 example, a search engine located in the transaction computer **110** and accessed by the purchaser
12 computer **130**. Importantly, a purchaser and a seller may meet and negotiate a sale
13 independently of the system **100** and then use the system **100** to complete the transaction by
14 simply logging onto the system and using its features to arrange for pick-up and delivery of, and
15 payment for the sold merchandise.

16 After the purchaser logs-on with the system (function **202**), and then selects the
17 merchandise offered for sale (function **212**), the system requests the purchaser's preferred
18 payment method and delivery address (function **214**). The system then requests the purchaser to
19 validate his or her preferred payment method (function **216**). If the purchaser desires to alter
20 either the payment method or the delivery address for this particular transaction, the purchaser
21 then provides the system with his or her financial account information and/or delivery address
22 (function **218**). Payment methods may include conventional credit cards, personal checks,
23 electronic funds transfer, digital money, E-cash, etc. Using the purchaser's selected or provided
24 financial account information, the system then requests authorization for credit approval for an
25 amount equal to at least the established purchase price, plus possibly an additional estimated
26 amount to cover delivery and transaction fees, from the transaction settlement network (function
27 **220**). The delivery and transaction fees can be paid entirely by the purchaser, paid entirely by
28 the seller, or paid partially by the purchaser and partially by the seller. The transaction fees may
29 include payments to net venue participants, other referral sources, fees for escrow services, fees
30 for the operator of the web-based purchasing system **100**, and applicable taxes. If the transaction
31 settlement network **150** indicates that the purchaser has sufficient funds or credit available to

1 purchase the selected merchandise (function **222**), the system then reserves the funds (function
2 **224**) and control is then transferred to function **226**. This function serves to “lock-up” a portion
3 of the available credit on the purchaser’s credit card or other payment vehicle while the
4 transaction is “active.” At function **222**, the transaction settlement network responds to the pre-
5 authorization request, indicating whether sufficient credit is available. When the purchaser
6 selects merchandise the transaction settlement network **150** will provide a Transaction
7 Identification number (TID), which the transaction computer **110** stores in its transaction
8 database **116** along with other information related to this “active” transaction, for later reference.
9 The other information stored in the transaction database **116** may include the product selected,
10 the seller, the buyer, and the stage of the transaction. If the transaction settlement network **150**
11 responds that the purchaser has insufficient funds or credit available, the system terminates the
12 authorization request and so notifies the purchaser (function **225**). At this point, the purchaser
13 may supply another financial account to make the purchase or terminate the transaction
14 completely. If the purchaser supplies another financial account, the system repeats starting at
15 function **220**.

16 If the purchaser has sufficient funds or credit, the system then notifies the seller and
17 provides the seller with a purchase offer specifying the transaction details, such as the selected
18 merchandise and the purchase amount (function **226**). This notification is preferably by way of
19 an e-mail message delivered by the system. Upon receipt of the notification, and after reviewing
20 the transaction details (which may be provided in the e-mail message or through website **170**),
21 the seller can then either (function **230**): (i) accept the purchase offer; (ii) reject the purchase
22 offer and terminate the transaction process (function **228**); or (iii) reject the purchase offer and
23 attempt to re-negotiate the offer by supplying the purchaser with a counteroffer (function **234**).
24 If the seller elects to attempt to re-negotiate the offer, the seller provides a counteroffer to the
25 purchaser for consideration (function **232**), through the web-based purchasing system, which is
26 tracked by the system in the transaction database **116**. The purchaser can then terminate the
27 transaction or initiate another purchase order, using the seller’s offered price, or another offer
28 from the purchaser (function **234**). The process then repeats starting at function **226**. The
29 system may also include a provision that, in the event that the purchaser or seller does not
30 respond to a purchase offer or a counteroffer within a predetermined period of time, the system
31 will terminate the active transaction. Additionally, if the authorization to charge the purchaser’s

1 credit card account is about to expire, the system can automatically suspend the transaction until
2 the purchaser's credit is re-authorized by repeating functions 220 through 224.

3 Once the seller has accepted the purchaser's offer, or the purchaser has accepted the
4 seller's counteroffer, the seller then provides pick-up instructions, such as, for example, the pick-
5 up address, the estimated pick-up date, the number of packages, and the approximate weight of
6 the packages (function 233). Certain of this information may be retrieved from the registered
7 user database 114 and/or the merchandise database 112. This information is then transferred to
8 the delivery system 160 (function 236), which awaits further instruction from the seller as to
9 when the packages are available for pick-up. Once the package(s) is available for pick-up
10 (function 238), which may be delayed pending product manufacture by the seller, the seller
11 notifies the delivery system 160 through the system. Again, the system can incorporate a
12 number of checks and balances to ensure that all pending transactions are completed within a
13 given period of time. As another example, the system could notify the seller if he or she has not
14 notified the delivery system that the package is available for pick-up within a predetermined
15 amount of time.

16 The delivery system 160 is then provided the transaction information (TID) and is
17 automatically dispatched to pick up the packages (function 240). The information on the
18 transaction sent to the delivery system 160 is preferably sufficient to allow the delivery system to
19 print out a delivery label, which the carrier can then carry out to the seller's address and readily
20 attach on the package(s). An e-mail message may be sent from the delivery system (possibly
21 through the transaction computer) to the seller to remind him or her of the pick-up date and to
22 request more specific information regarding the merchandise (e.g., number and weight of
23 packages) (function 242). The delivery system may not actually dispatch a carrier to the seller's
24 address unless the seller acknowledges this confirmation. Upon confirmation that the packages
25 have been picked up from the seller, the monies previously reserved against the purchaser's
26 financial account are transferred into the system escrow account 120 (function 244). Thus, the
27 escrow account allows payment to the seller to be delayed until the delivery of the merchandise
28 to the purchaser is confirmed and until the purchaser has had a sufficient amount of time to
29 inspect the merchandise, while, at the same time, ensuring that the purchaser will in fact make
30 payment. Thus, during this period of time, both the money and the merchandise are escrowed by
31 the system. Another e-mail message may then be sent to both the purchaser and seller to notify

1 them of the progress of the transaction (function **246**). The merchandise is then delivered to the
2 purchaser's specified delivery address (function **248**).

3 The purchaser's funds are held in the escrow account until the purchaser has an
4 opportunity to inspect the purchased merchandise. After delivery of the merchandise is
5 electronically verified by the delivery system and the buyer has inspected and accepted them, or
6 has failed to reject the merchandise within a predetermined amount of time, the escrowed funds
7 are released to the entitled parties using, for example, automated NACHA electronic fund
8 transfer files through the transaction settlement network **150** (functions **250** through **256**). The
9 interested parties receiving payment may include, in addition to the seller, the operator of the
10 web-based purchasing system **100**, the escrow service, the transaction settlement network **150**,
11 and the delivery system **160**. An additional payment may be made to a third party net revenue
12 transaction participant, such as an auction site, from which the parties initiated their transaction,
13 and/or other referral sources. Details of the transaction may be recorded in the transaction
14 database **116** (function **258**).

15 The present invention also provides for automated resolution of disputes. For example,
16 in the event the purchaser desires to reject the merchandise (function **250**), the purchaser
17 contacts the web-based purchasing system (function **260**) and provides a reason for the rejection,
18 which may include a defective or broken product, that the product is not as advertised, or that the
19 purchaser simply no longer desires the product. The web-based purchasing system may then
20 notify the delivery system to pick-up the merchandise from the purchaser and return it to the
21 seller (function **262**) and release the escrowed money back to the purchaser's account, minus any
22 appropriate transaction fees (function **264**). While those skilled in the art may establish many
23 different approaches for handling each of the various types of rejections, set forth below is one
24 set of approaches.

25 In the event the purchaser rejects the merchandise because it is defective, the purchaser
26 notifies the web-based purchasing system, which then automatically contacts the delivery system
27 **160**, and the carrier associated with the delivery system is notified to return to the purchaser to
28 pick-up the defective merchandise and return it to the seller. The system will send the seller a
29 message via e-mail notifying him or her to expect return of the merchandise. If the seller can
30 repair or replace the defective merchandise, the purchaser can notify the system and arrange for
31 re-delivery. Generally, the seller will incur the charges for this extra shipping charge.

1 In the event the purchaser rejects the merchandise because he or she simply no longer
2 desires the merchandise, the purchaser notifies the web-based purchasing system, which then
3 automatically contacts the delivery system **160**, and the carrier associated with the delivery
4 system is notified to return to the purchaser to pick-up the merchandise and return it to the seller.
5 Upon verified return of the package(s) to the seller, the purchaser's funds are returned via the
6 transaction settlement network **150**, possibly after subtracting any appropriate shipping charges
7 and appropriate transaction fees.

8 In the event the purchaser rejects the merchandise because it is broken or damaged, the
9 purchaser notifies the web-based purchasing system, which then automatically contacts the
10 delivery system **160** for resolution, and the carrier associated with the delivery
11 system is notified to return to the purchaser to pick-up the merchandise for inspection. If the
12 delivery system, and/or carrier, is determined to be at fault, the escrowed funds will be held
13 pending resolution by the delivery system with the purchaser and seller. Upon resolution, the
14 escrowed funds will be released to the appropriate parties. In the event the carrier associated
15 with the delivery system is determined not at fault, the merchandise is returned to the seller for
16 resolution in a manner as a defective product.

17 In the event the purchaser rejects the merchandise because it is not as advertised or
18 represented, the purchaser notifies the web-based purchasing system and the carrier associated
19 with the delivery system is notified to pick up the merchandise and return it to a location
20 associated with the operator of the system **100** for resolution. Such resolution may, in
21 appropriate circumstances, involve contacting authorities if it is determined that commercial
22 fraud may be involved.

23 The present invention also incorporates a means to keep the authorization issued by the
24 transaction settlement network **150** "live" during the pendency of an active transaction. As is
25 known, most credit card issuers automatically drop an authorization if the authorization has not
26 been settled within a certain period of time (e.g., between 7 and 31 days). The present invention
27 includes the ability to re-time a credit card or electronic funds authorization that allows the
28 original credit authorization issued by the settlement transaction network **150** to retain its
29 original authorization number and amount authorized until the authorization is settled, or until a
30 specific predetermined fulfillment date has passed. The re-timing of the authorization must
31 occur before the drop date of the authorization, which varies for each credit issuer. The system's

1 transaction computer **110** references the purchaser's original credit authorization and
2 authorization date for each transaction. The transaction computer **110** then communicates with
3 the settlement network **150** providing the settlement network's computer with a specific re-
4 authorization period of time (e.g., between 3 days and 7 days) which then automatically, and
5 continuously, "re-times" the original credit authorization until a specific predetermined
6 fulfillment date has passed.

7 Additionally, the purchasing system **100** of the present invention can include a means to
8 cancel a credit authorization prior to the credit issuer's drop date, enabling the system to free up
9 the purchaser's credit account in the event a transaction is canceled. Such a feature is useful if
10 the product offered for sale is no longer in the seller's inventory. This function generally
11 involves the seller notifying the web-based purchasing system **100** that the merchandise offered
12 for sale is not longer in inventory, or the purchaser's offer to purchase merchandise is ignored by
13 the seller and a predetermined "offer acknowledgment" date (e.g., between 1 and 5 days) has
14 passed. The transaction computer **110** then communicates with the settlement network **150**
15 providing the settlement network's computer with a specific re-authorization period of time of
16 "0" days. The settlement network **150** then automatically drops the purchaser's original credit
17 authorization.

18 While Figures 2 through 5 show one embodiment of the present invention, those skilled
19 in the art will readily recognize that many variations exist and fall within the spirit and scope of
20 the present invention. For example, a seller may, when adding a particular product to the
21 merchandise database **112**, establish that he or she will automatically accept any purchase offer
22 above a given strike price. This will eliminate the function of having the seller "accept" the
23 purchaser's purchase offer and further streamline the process. The seller may also indicate a
24 quantity of products that are available, which can be stored in the appropriate product profile of
25 the merchandise database. The transaction computer **110** may then keep track of how many
26 products are sold and delivered and continue to advertise such product until all are sold. Thus,
27 using these two features, a seller could connect to the web-based purchasing system **110** once,
28 add a product to the merchandise database **112**, and then "sell" all such products while having
29 the system ensure delivery and acceptance of all such products without further involvement from
30 the seller. A seller's indication that any or all products have indeed sold, may be as simple as a
31 noticeable increase in the seller's deposit account.

1 As previously indicated, the web-based purchasing system **100** of the present invention
2 may be implemented through a web server and the various sellers and purchasers may access the
3 system **100** by logging onto the web server, for example, through the World Wide Web portion
4 of the Internet. The present invention thus includes a system to fully automate the entire
5 commercial transaction process using a network computer system such as the Internet. The
6 system and method preferably includes the escrowing of both funds and merchandise until the
7 parties are satisfied with the transaction, automated dispatch of third party shippers, electronic
8 confirmation of order pick-up and delivery, and built-in fraud protection. The system allows
9 individuals and small businesses around the world to conveniently become importers and
10 exporters of goods at a relatively low cost. The present invention may be implemented through
11 a website that allows small businesses, merchants for antiques and collectibles, memorabilia
12 enthusiasts, home crafters, sporting and entertainment season ticket holders, family households,
13 and the like, to advertise their goods for sale, or the goods they desire to purchase, free of
14 charge, until the sale is consummated.

15 Figure 6 shows an embodiment of the system **100** in which a user accesses only the
16 delivery system **160** without utilizing the negotiation and/or payment aspects of the system **100**.
17 Figure 6 is a flow chart depicting the various options for a person using the system **100** to access
18 the delivery system **160** of Figure 1 to arrange for delivery of a package. The user can be the
19 person possessing the package prior to pickup, the person to which final delivery is intended, or
20 a separate third party. In function **602** a user connects to the system **100** by accessing website
21 **170** and function **604** displays a default menu. The user may access the web site **170** via
22 another's website, via a hyperlink or by reference from a net venue transaction participant. The
23 default menu of function **604** gives the user various options such as: registering for the site
24 (function **606**), logging on (function **610**), reading privacy information (function **616**), reading
25 frequently asked questions (FAQ) (function **622**), reading information about the website
26 (function **626**), and reading the user agreement for the site (function **630**). If the user decides to
27 register (function **606**), a registration process is initiated (function **608**) (see Figure 7 for
28 registration process), after which a delivery user menu (function **614**) is accessed (see Figure 9).
29 If the user is already registered, the user may initiate (function **610**) a logon process (function
30 **612**)(see Figure 8) to the system **100**. Once the logon is complete the delivery user menu
31 (function **614**) is displayed (see Figure 9). If the user selects the privacy option (function **616**),

1 the privacy page is displayed (function **618**), and the default menu is retained (function **620**). If
2 the user chooses to read the FAQ (function **622**), the FAQ page is displayed (function **624**), and
3 the default menu is retained (function **620**). If the user selects About the website (function **626**),
4 the About the website page is displayed (function **628**), and the default menu is retained
5 (function **620**). If the user selects the user agreement (function **630**), the user agreement page is
6 displayed (function **632**), and the default menu is retained (function **620**). If the user does not
7 select any action, function **634** times out the session.

8 Figure 7 shows the user registration process (function **608**) shown in Figure 6. Function
9 **702** begins the registration process. The new user is prompted to enter a user I.D. and a
10 password for the site (function **704**). If the new user I.D. is not unique, the system prompts the
11 user to enter a different user I.D. (function **706**). Once the user has entered a unique user I.D.,
12 the system determines whether or not the password is valid. If the password is not valid, the
13 system will prompt the user to enter a new password (function **708**). Once a valid password is
14 acquired, the user is prompted to enter basic registration information such as address, phone
15 number, billing information, etc. (function **710**). The user is then logged into (function **712**) the
16 system **100**, and the delivery user menu is displayed (function **714, 614**).

17 Figure 8 shows the user logon process (function **612**) shown in Figure 6. The user
18 requests to logon (function **802**) to the system **100**, and a logon page is displayed (function **804**).
19 The user is prompted to enter his/her user I.D. and password (function **806**). The system
20 determines whether or not the user I.D. is valid (function **808**). If the user I.D. is valid, the
21 system determines whether or not the password is valid (function **810**). If the user I.D. and
22 password are valid, the delivery user menu is displayed (function **814, 614**). If either the user
23 I.D. or the password is invalid, the logon is failed (function **812**) and the user is prompted to
24 attempt to logon again (function **816**). If the user decides to attempt to logon again, the logon
25 page is displayed (function **804**), and the functions already described repeat from that point. If
26 the user decides not to attempt logon again, the user is prompted to register (function **818**). If
27 the user decides not to register, the user exits the system **100** (function **820**). If the user decides
28 to register, function **822** sends the user to function the user registration (function **702**) (see
29 Figure 7).

1 Figure 9 shows the delivery user menu shown (function **614**) in Figure 6. Function **902**
2 displays the delivery user menu. The delivery user menu allows the user to edit registration
3 information (function **904**). If the user selects to edit registration information, the system sends
4 the user to a registration edit function (function **906**). The delivery user menu allows the user to
5 begin a transaction (function **908**); alternatively (not shown), a user may choose to cancel an
6 existing transaction, initiate a trace of a shipment, or file a claim for damaged or missing items.
7 If the user begins a transaction, the user is prompted to enter shipping details (function **910**) (see
8 Figure 10). After entering shipping details, the user is prompted to enter payment details
9 (function **912**) (see Figure 11). The delivery menu also allows a user to monitor existing
10 transactions (function **914**). If the user chooses to monitor the status of an existing transaction, a
11 transaction list is displayed (function **916**) (see Figure 12). The delivery menu allows the user to
12 log out (function **918**) of the system **100**. While the user is logged on, the system while wait a
13 predetermined amount of time for a user action (function **420**). If there is no user action the
14 system times out the session (function **922**). If the session times out, or if the user logs out, the
15 system ends the session and returns the user to the delivery homepage (function **924**) displaying
16 the Default Menu (function **604**) (see Figure 6).

17 Figure 10 shows the shipping detail process (function **910**) of Figure 9. The system **100**
18 displays the shipping details page (function **1002**). The user enters a pick-up address (function
19 **1004**) and the system **100** filters out carrier options based on the pick-up address (function
20 **1006**). The user then enters the delivery address (function **1008**) and the system **100** filters out
21 carrier options based on the pick-up and delivery addresses (function **1010**). The user then
22 selects a pick-up date (function **1012**) and the system **100** filters out carrier options based on the
23 pick-up address, delivery address, and pick-up date (function **1014**). The user can select a
24 delivery date (function **1016**) and the system **100** filters out carrier options based on the pick-up
25 address, delivery address, pick-up date, and delivery date (function **1018**). The pick-up and
26 delivery dates can designate an earliest available date, a latest possible date, or a date range for
27 pick-up/delivery by the carrier. The user can select a price limit (function **1020**) and the system
28 **100** filters out carrier options by pick-up and delivery addresses, pick-up and delivery dates, and
29 price limit (function **1022**). The user can enter package details (i.e. weight, description, type of
30 contents of each package, etc.) (function **1024**) and the system **100** filters out carrier options

1 based on pick-up and delivery addresses, pick-up and delivery dates, price limit, and package
2 details (function **1026**). The system **100** allows the user to cancel the shipping transaction, or to
3 select a carrier from the filtered carrier options (function **1028**). If the user has selected a carrier,
4 the system requests the user to enter payment details (function **1030**) (see Figure 11). If the user
5 does not select a carrier within a predetermined time or chooses to cancel the transaction, the
6 system **100** will return the user to the user menu of Figure 9 (function **1032**).

7 Figure 11 shows the payment detail process (function **912**) of Figure 9. The system **100**
8 allows the user to specify funding source information (i.e. amount, type, and source of funding)
9 (function **1102**). The system **100** then determines whether the funding source information is
10 complete (function **1104**). If the funding source information is incomplete the system **100**
11 allows the user to re-enter the funding source information (function **1106**), and the system **100**
12 again determines whether the funding source information is complete (function **1104**). Once the
13 funding source information is complete, the system **100** determines whether funds can be
14 validated (function **1108**) by the funding source. If the funds cannot be validated, the system
15 **100** indicates that funds could not be verified with the current source (function **1110**) and the
16 system **100** then determines whether or not there is another funding source available (function
17 **1112**). If another funding source exists, the system **100** retrieves information about the
18 alternative funding source (function **1114**) and requests the user to enter any additional funding
19 source information (function **1106**). If an alternative funding source is unavailable, the system
20 **100** determines that funds could not be validated (function **1122**), fails the transaction (function
21 **1126**) and displays the delivery user menu (function **1128**) (see Figure 9). If the system **100** can
22 validate funding (see function **1108**) the system then creates a final total itemization of charges
23 (function **1116**). The system then requests the user to either accept or decline the total (function
24 **1118**). If the user accepts the total, the system **100** displays a confirmation screen (function
25 **1120**), and determines whether the validation of funds remains viable (validation may become
26 inactive if a predetermined time period has elapsed) (function **1122**). If the validation is viable,
27 the system completes the transaction/shipping request (function **1124**) and returns the user to the
28 delivery user menu (function **1128**) (see Figure 9). If the system **100** cannot validate funding
29 (i.e. the user does not accept the total charges, the original validation is no longer viable, or

1 validation was never achieved), the system **100** will fail the transaction (function **1126**) and
2 display the delivery user menu (function **1128**).

3 Figures 12 through 14 show the display transaction process (function **1202, 916**) of
4 Figure 9. If the user selects to display the transaction list the system **100** determines whether the
5 user has any pending transactions with the system (function **1204**). If the user does not have any
6 transactions, the system **100** determines whether a prior transaction has been cancelled (function
7 **1205**). If a previous transaction has been cancelled, the system displays a message indicating
8 that the transaction has been cancelled (function **1207**). If a transaction has not been cancelled,
9 the system **100** displays a message indicating the absence of any transactions (function **1206**). If
10 the user has one or more pending transactions, the system **100** determines whether shipping data
11 has been entered (function **1208**). If the transaction has the system **110** displays a message
12 indicating that a transaction has been initiated, for which the shipping data is incomplete
13 (function **1210**). If the shipping data has been entered, the system **100** determines whether the
14 payment data for shipping has been completed (function **1212**). If the payment data is
15 incomplete, the system **100** displays a message indicating that the shipping data is completed,
16 and the payment data is pending (function **1214**). If the payment data is complete, the system
17 **100** determines whether a package level detail (PLD) file (i.e. pick-up information, size/number
18 of packages, etc.) has been created for the transaction (function **1216**), and whether the PDL has
19 been forwarded to the carrier (function **1222**). If the PDL has not been created, or not been
20 forwarded to the carrier, the system **100** will display a message indicating that payment data is
21 complete and carrier pick-up is pending (function **1218, 1224**); and cancellation of the
22 transaction is prohibited (function **1220, 1226**). If the PLD file has been forwarded to the
23 carrier, the system **100** determines whether the package has been picked up (function **1228**). If
24 the package has not been picked up, the system **100** displays a message indicating that payment
25 data is complete and carrier pickup is pending (function **1230**). If the package has been picked
26 up, the system determines whether the package is still in transit to the delivery address (function
27 **1232**). If the package is in transit, the system displays a message indicating that the shipment
28 has been picked up by the carrier and is in transit to the delivery address (function **1234**). If the
29 shipment is no longer in transit, the system determines whether the package has been delivered
30 (function **1236**). If the package has not been delivered, the system **100** determines whether a

1 trace is pending on the package (function **1240**). If a trace is pending, the system **100** displays a
2 message indicating that a trace is in progress (function **1242**). If no trace is pending, the system
3 **100** displays a message indicating that the shipment has been picked up by the carrier and is still
4 in transit (function **1238**). If the package has been delivered, the system **100** determines whether
5 a damage claim is pending on the package (function **1244**). If a damage claim is pending, the
6 system displays a message indicating that a damage claim is pending (function **1246**). If no
7 damage claim is pending, the system **100** determines whether the transaction is complete
8 (function **1252**). If the transaction is complete, the system displays a message indicating that the
9 transaction is complete (function **1254**). If the transaction is not complete, the system displays
10 the delivery user menu (function **1256**) (see Figure 9).

11 Although the present invention has been described in considerable detail with reference
12 to certain presently preferred versions thereof, other versions are possible without departing
13 from the spirit and scope of the present invention. Therefore the appended claims should not be
14 limited to the description of the preferred versions contained herein.

Claims

What is claimed is:

- 1 1. A method of sending an item comprising the steps of:
2 receiving by a facilitator pick-up information for an item from a first party,
3 combining facilitator acquired delivery information with the pick-up information to form
4 a transit information for the item,
5 communicating the transit information from the facilitator to a commercial carrier, and
6 transmitting a request from the facilitator to the commercial carrier to pick up the item at
7 a first location other than the facilitator's location and to deliver the item to a
8 second location other than the facilitator's location.

- 1 2. A method as claimed in claim 1, wherein the first location is part of the pick-up
2 information, the second location is part of the delivery information, and the delivery information
3 is provided by a second party.

- 1 3. A method as claimed in claim 1, wherein the first location is a part of the pick-up
2 information.

- 1 4. A method as claimed in claim 1, wherein the second location is a part of the delivery
2 information.

- 1 5. A method as claimed in claim 1, wherein the carrier is selected from a plurality of
2 delivery services.

- 1 6. A method as claimed in claim 1, further comprising the step of:
2 receiving credit information to be used for payment to the carrier.

- 1 7. A method as claimed in claim 1, further comprising the step of:
2 picking up the item by the carrier at the first location and delivering the item to the
3 second location.

- 1 8. A method as claimed in claim 1, further comprising the steps of:
2 preparing a label, and
3 delivering the label to the first location.
- 1 9. A method as claimed in claim 1, further comprising the step of:
2 notifying the carrier by the facilitator upon recipient rejection of the item.
- 1 10. A method as claimed in claim 9, wherein the item is rejected for being damaged.
- 1 11. A method as claimed in claim 9, wherein the item is rejected for failing to meet the
2 recipient's expectations.
- 1 12. A method as claimed in claim 1, wherein the first location represents an address provided
2 by a seller and the second location represents an address provided by a purchaser, and claim 1,
3 further comprising the step of:
4 receiving by the facilitator information regarding a sales transaction between the
5 purchaser and the seller of the item.
- 1 13. A method as claimed in claim 12, further comprising the step of:
2 providing for a transfer of funds from the purchaser to the seller.
- 1 14. A method as claimed in claim 12, wherein the information regarding the sales transaction
2 includes a purchase price that is predetermined by the seller and stored within a product profile
3 table.
- 1 15. A method as claimed in claim 12, further comprising the step of:
2 negotiating a purchase price for the item.
- 1 16. A method as claimed in claim 12, wherein the address provided by the seller is stored in
2 a product profile table and the carrier is requested to pick up the item from the stored address.

- 1 17. A method as claimed in claim 12, further comprising the step of:
2 notifying the seller that a pick-up is scheduled, and
3 receiving verification from the seller that the item is available for pick-up prior to the
4 carrier picking up the item from the seller.
- 1 18. A method as claimed in claim 12, further comprising the step of:
2 receiving a rejection of the item from the purchaser and arranging for re-delivery of the
3 item to the first location.
- 1 19. A method as claimed in claim 12, wherein the sales transaction is negotiated using a net
2 venue transaction participant, the participant directing the sales transaction information to the
3 facilitator, and claim 12, further comprising the steps of:
4 collecting payments on behalf of the participant, and
5 transferring the collected payments to the participant.
- 1 20. A method as claimed in claim 12, wherein the information regarding a sales transaction
2 includes a purchase price, and claim 12, further comprising the step of:
3 transferring an amount at least equal to the purchase price from a purchaser's financial
4 account into an escrow account.
- 1 21. A method as claimed in claim 20, further comprising the step of:
2 transferring at least a portion of the purchase price from the escrow account to a seller's
3 financial account.
- 1 22. A method as claimed in claim 21, further comprising the step of:
2 receiving an acceptance of the item from the purchaser prior to the step of transferring
3 at least a portion of the purchase price from the escrow account to the seller's
4 financial account.

- 1 23. A method as claimed in claim 22, further comprising the step of:
2 waiting a predetermined amount of time to receive a notice of rejection from the
3 purchaser, and
4 transferring at least a portion of the purchase price from the escrow account to the
5 seller's financial account upon passage of the predetermined amount of time
6 without receiving notice of rejection.
- 1 24. A method as claimed in claim 12, wherein the information regarding the sales transaction
2 includes a purchase offer.
- 1 25. A method as claimed in claim 24, wherein the purchase offer includes a purchase price.
- 1 26. A method as claimed in claim 12, wherein the information regarding the sales transaction
2 includes a sales offer.
- 1 27. A method as claimed in claim 26, wherein the sales offer includes a sales price.
- 1 28. A method as claimed in claim 12, further comprising the step of:
2 creating a transaction identification number associated with the sales transaction.
- 1 29. A method as claimed in claim 25, further comprising the step of:
2 transmitting a request for authorization for credit of a transaction amount against a
3 purchaser's financial account.
- 1 30. A method as claimed in claim 29, wherein the purchaser's financial account is selected
2 from the group consisting of credit card account, check card, and electronic check.
- 1 31. A method as claimed in claim 29, wherein the request for authorization is transmitted
2 prior to notifying the seller of the purchase offer.

- 1 32. A method as claimed in claim 29, wherein the transaction amount comprises the
2 purchase price, a calculated shipping charge and transaction fees.
- 1 33. A method as claimed in claim 29, further comprising the steps of:
2 receiving an approved request for authorization, and
3 notifying the seller that the purchaser is authorized to purchase the item.
- 1 34. A method as claimed in claim 29, further comprising the step of:
2 receiving an approved request for authorization.
- 1 35. A method as claimed in claim 34, further comprising the step of:
2 reserving funds in the amount of the transaction amount from the purchaser's financial
3 account without withdrawing the funds from the purchaser's financial account.
- 1 36. A method as claimed in claim 34, further comprising the step of:
2 transferring an amount at least equal to the purchase price from the purchaser's financial
3 account into an escrow account.
- 1 37. A method as claimed in claim 36, further comprising the step of:
2 transferring at least a portion of the purchase price from the escrow account to a seller's
3 associated financial account.
- 1 38. A method as claimed in claim 29, wherein the approved request for authorization is for a
2 period of time, and claim 29, further comprising the step of:
3 extending the authorization period of time for a re-time period prior to expiration of the
4 authorization period of time.
- 1 39. A method as claimed in claim 38, further comprising the step of:
2 canceling an authorization request by providing a re-time period of zero days.

- 1 40. A method of facilitating a transaction comprising the steps of:
2 transmitting a request for authorization for credit of a transaction amount against a
3 purchaser's financial account,
4 receiving an approved request for authorization for a period of time, and
5 extending the authorization period of time for a re-time period prior to
6 expiration of the authorization period of time.
- 1 41. A method as claimed in claim 40, wherein the authorization has an associated
2 authorization number.
- 1 42. A method as claimed in claim 40, wherein the authorization is retained during the
2 extended period of time.
- 1 43. A method as claimed in claim 40, wherein the step of extending the authorization period
2 of time is repeated until an occurrence.
- 1 44. A method as claimed in claim 43, wherein the occurrence is a cancellation of the
2 transaction.
- 1 45. A method as claimed in claim 43, wherein the occurrence is a completed transaction.
- 1 46. A method as claimed in claim 43, wherein the occurrence is a predetermined fulfillment
2 date.
- 1 47. A method as claimed in claim 40, further comprising the step of:
2 canceling an authorization request by providing a re-time period of zero days.
- 1 48. A method as claimed in claim 40, wherein the transaction involves the sale of a good.
- 1 49. A method as claimed in claim 40, wherein the transaction involves the sale of a service.

1 50. A method as claimed in claim 40, wherein the transaction amount comprises a purchase
2 price and transaction fees.

1 51. A method of providing escrow services for a transaction comprising the steps of:
2 transferring a transaction amount at least equal to a purchase price from a purchaser's
3 financial account into an escrow account,
4 sending at least a portion of the purchase price from the escrow account to a seller's
5 associated financial account, and
6 integrating the transferring and sending steps into a purchasing process.

1 52. A method as claimed in claim 51, wherein the purchasing process comprises negotiation
2 between a seller and a purchaser using a net venue transaction participant.

1 53. A method as claimed in claim 51, wherein the sending step is performed without
2 authorization of the purchaser.

1 54. A method as claimed in claim 53, wherein the transferring step is performed after a
2 predesignated time period.

1 55. A method as claimed in claim 51, wherein the transaction involves the sale of a good.

1 56. A method as claimed in claim 51, wherein the transaction involves the sale of a service.

1 57. A method as claimed in claim 51, wherein the transaction amount comprises the
2 purchase price and transaction fees.

- 1 58. A method of sending an item comprising the steps of:
2 receiving by a facilitator pick-up information for an item from a first party,
3 combining facilitator acquired delivery information with the pick-up information to form
4 a transit information for the item,
5 communicating the transit information from the facilitator to a commercial carrier, and
6 transmitting a request from the facilitator to the commercial carrier to pick up the item at
7 a first location other than the facilitator's location and to deliver the item to a
8 second location other than the facilitator's location,
9 wherein the delivery information is provided by the first party.
- 1 59. A method as claimed in claim 58, wherein the first location is a location of the first party.
- 1 60. A method as claimed in claim 58, wherein the second location is a location of the first
2 party.
- 1 61. A method as claimed in claim 58, wherein a location of the first party is a location other
2 than the first location and the second location.

- 1 62. A web-based purchasing method using a networked computer system to facilitate the
2 purchase of merchandise by a purchaser from a seller, the seller and the purchaser each having
3 an associated financial account, the computer system comprising a merchandise database having
4 stored therein a product profile table for the merchandise, the method comprising the steps of:
- 5 (a) receiving over the network a purchase offer from the purchaser to purchase the
6 merchandise at a purchase price, the purchase offer associated with the purchaser's financial
7 account;
 - 8 (b) generating and transmitting a request for authorization for credit against the
9 purchaser's financial account to a financial institution associated with the purchaser's financial
10 account to verify that the purchaser has at least the purchase price in the purchaser's financial
11 account to make the purchase;
 - 12 (c) generating an authorization indicator in response to the request for authorization;
 - 13 (d) reviewing the authorization indicator to verify that the purchaser is authorized to
14 make the purchase using the purchaser's financial account;
 - 15 (e) transmitting a request to a carrier to pick up the merchandise from an address
16 specified by the seller;
 - 17 (f) picking up the merchandise from the seller;
 - 18 (g) transferring an amount at least equal to the purchase price from the purchaser's
19 financial account into an escrow account;
 - 20 (h) delivering the merchandise to the purchaser; and
 - 21 (i) transferring at least a portion of the purchase price from the escrow account to the
22 seller's associated financial account.

Figure 1

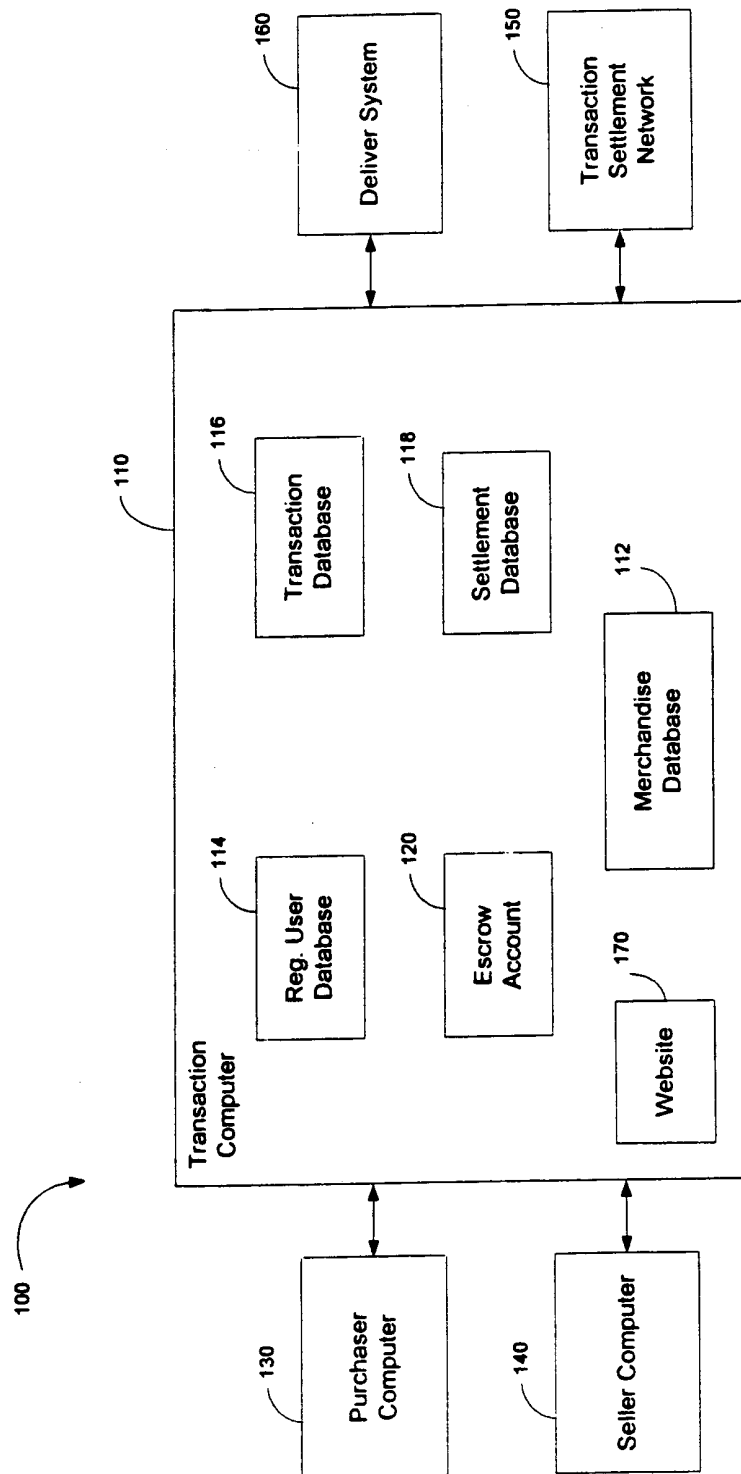


Figure 2

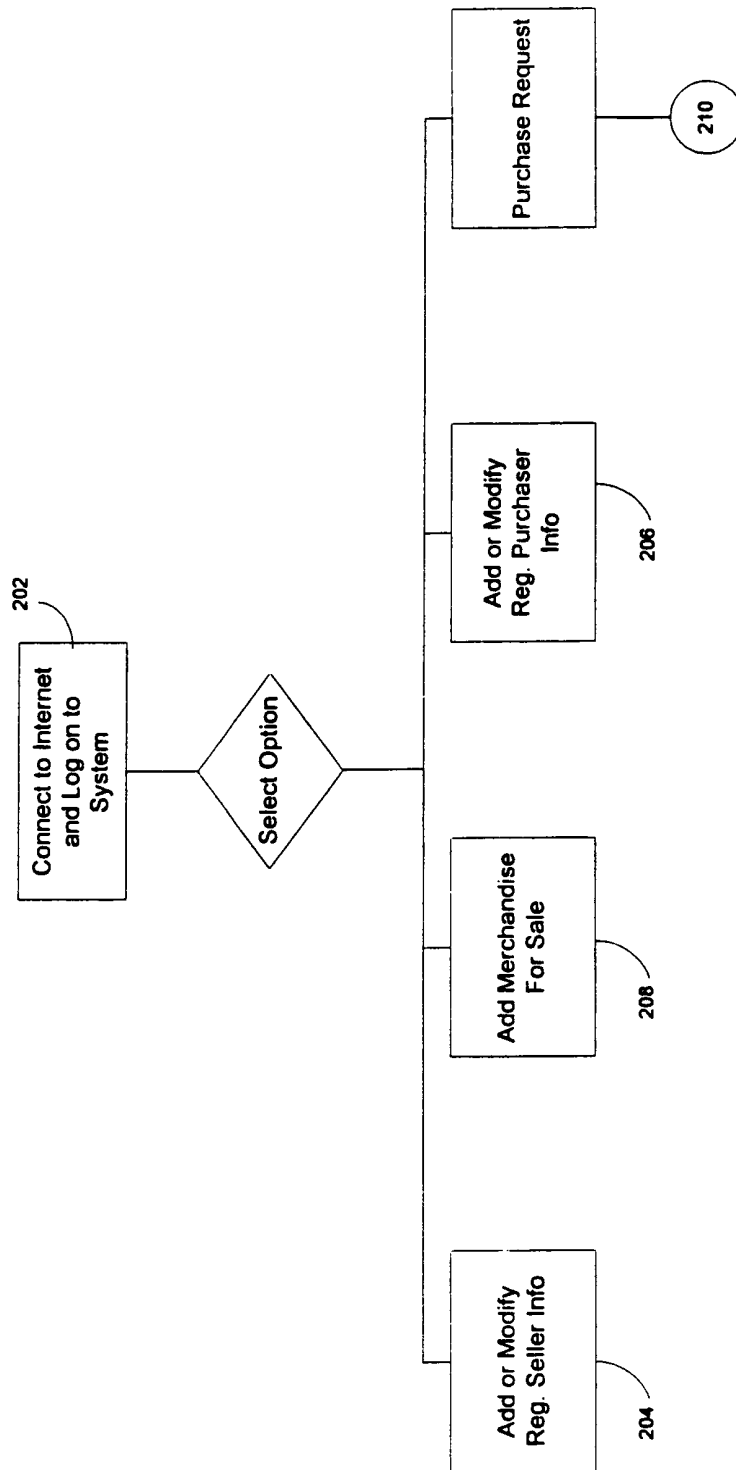


Figure 3

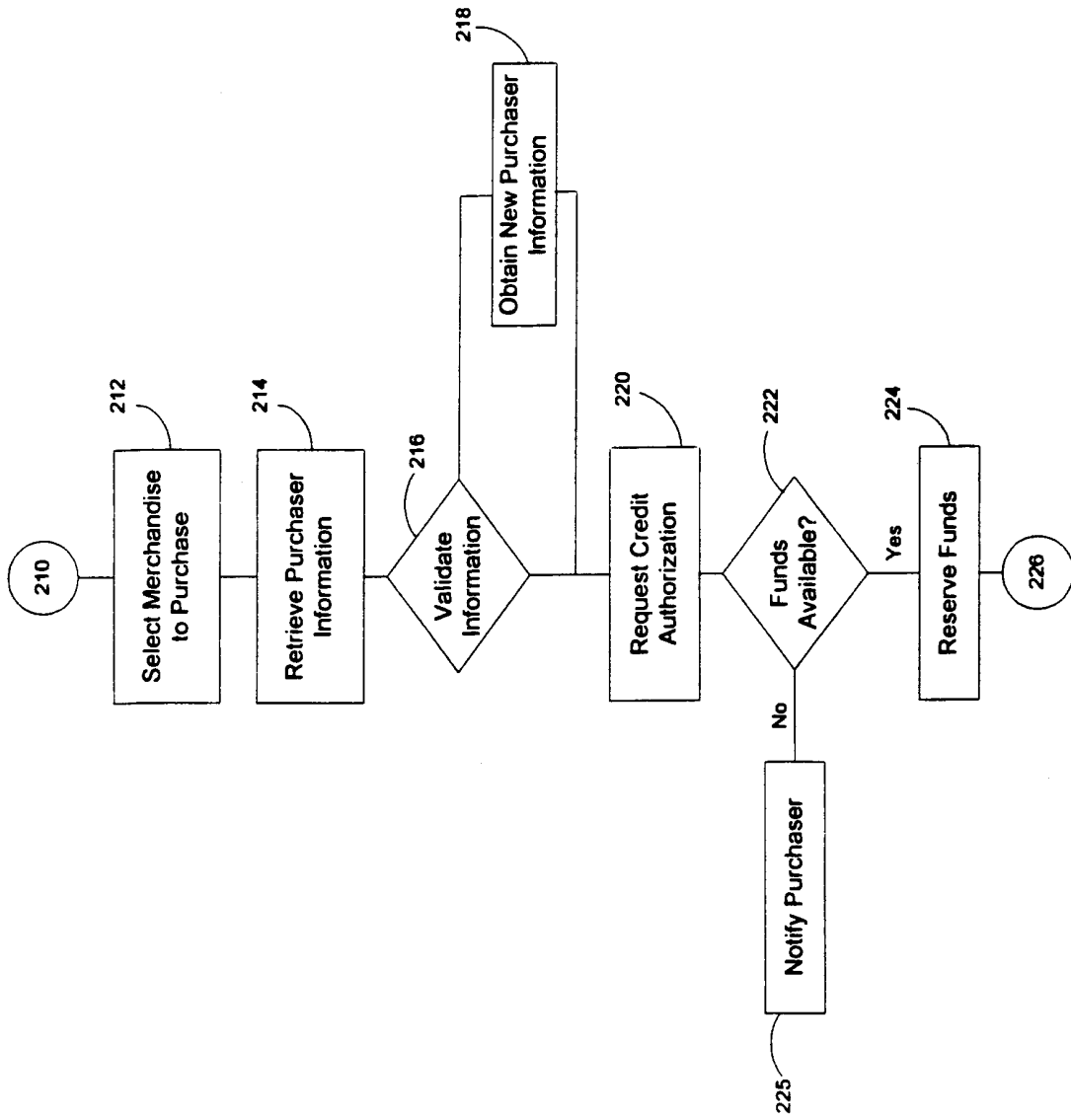


Figure 4

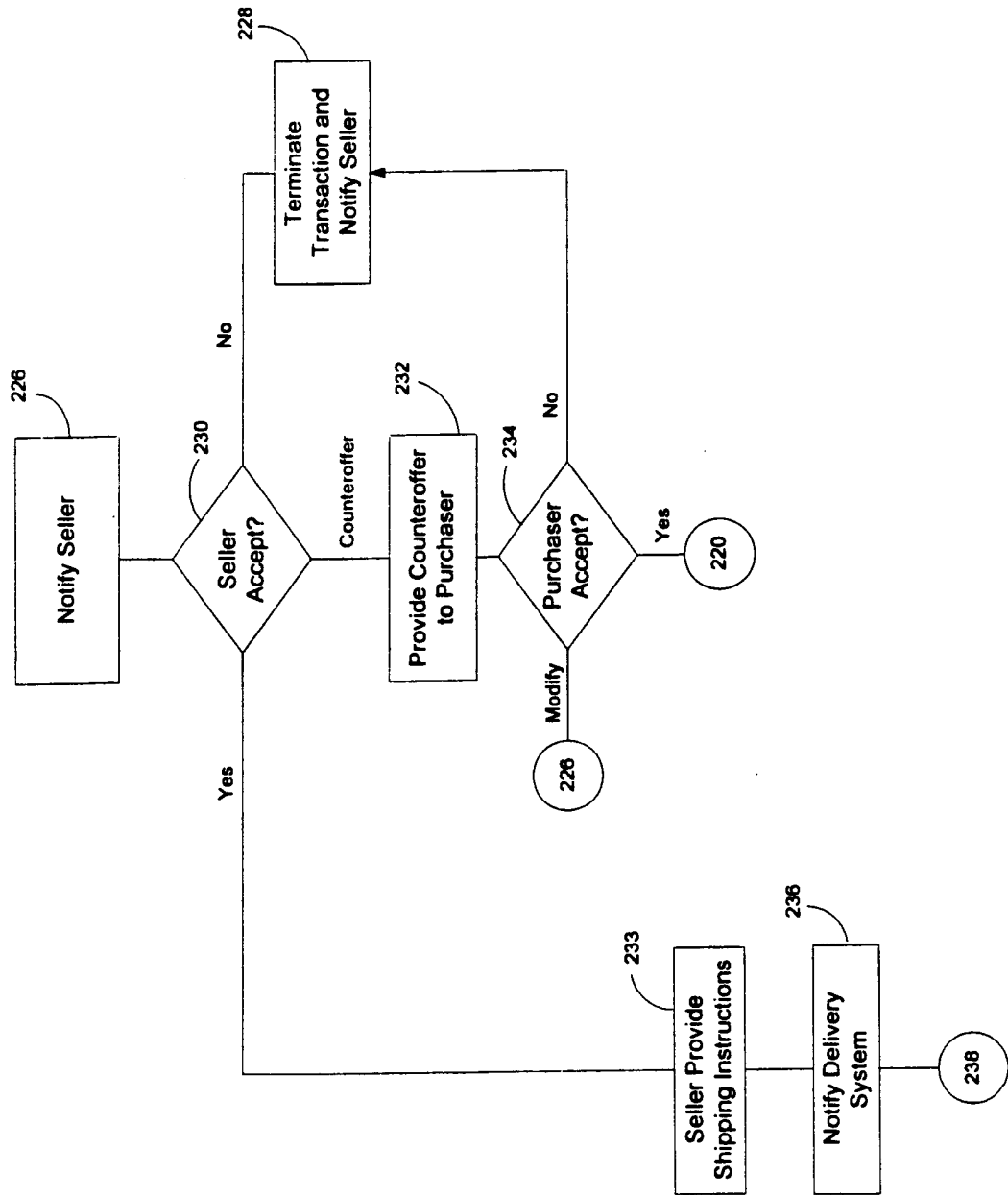
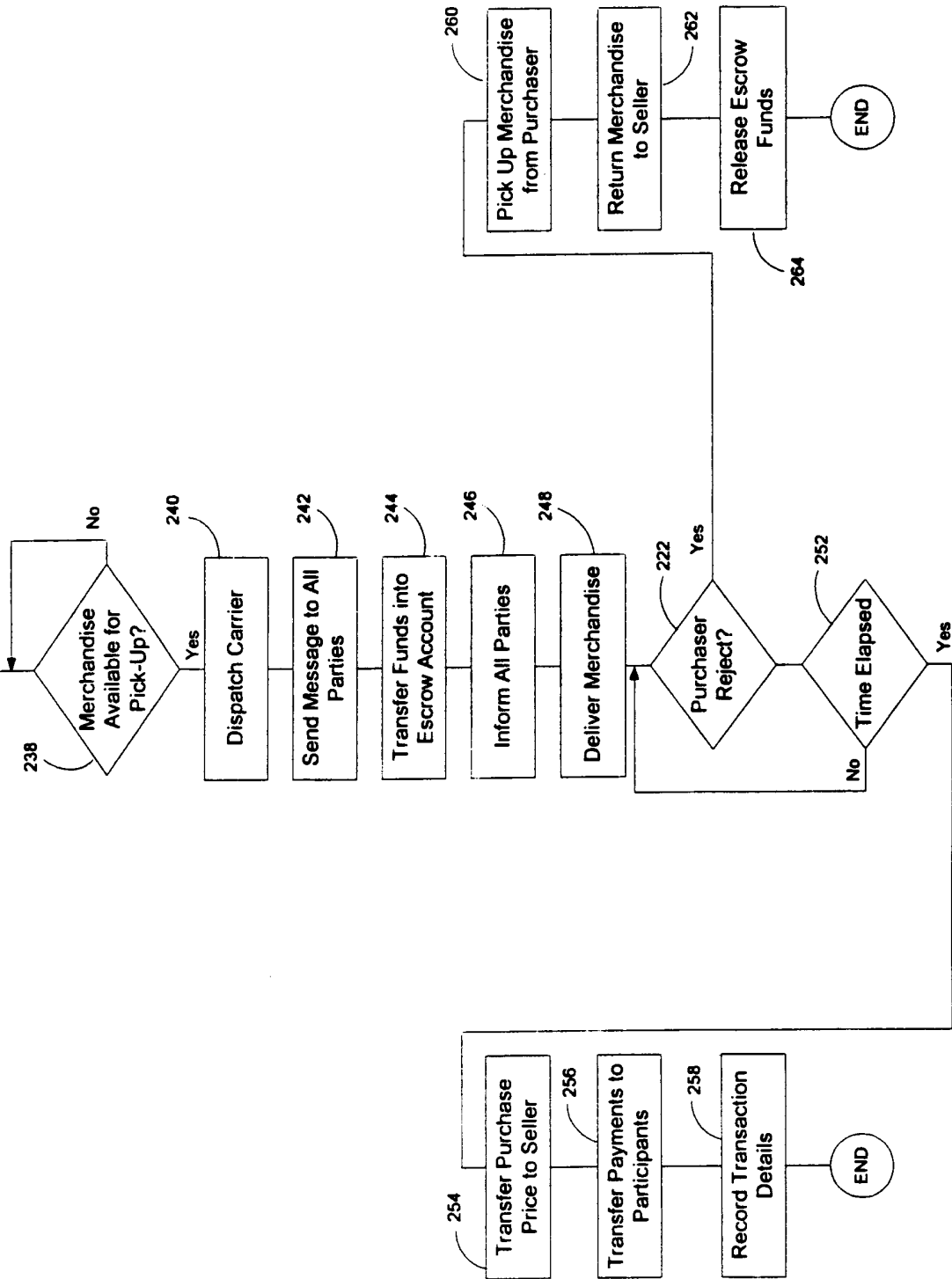


Figure 5



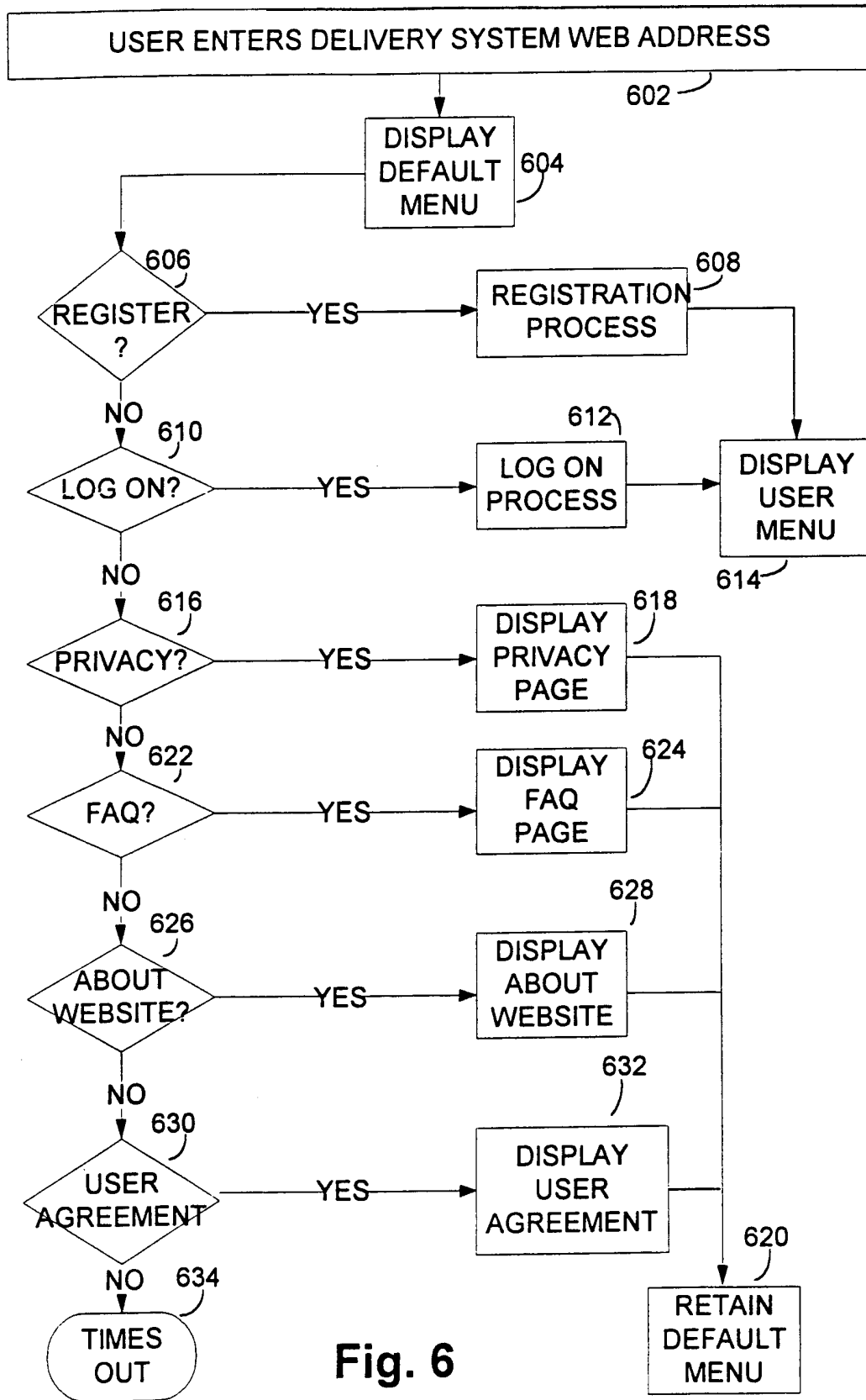


Fig. 6

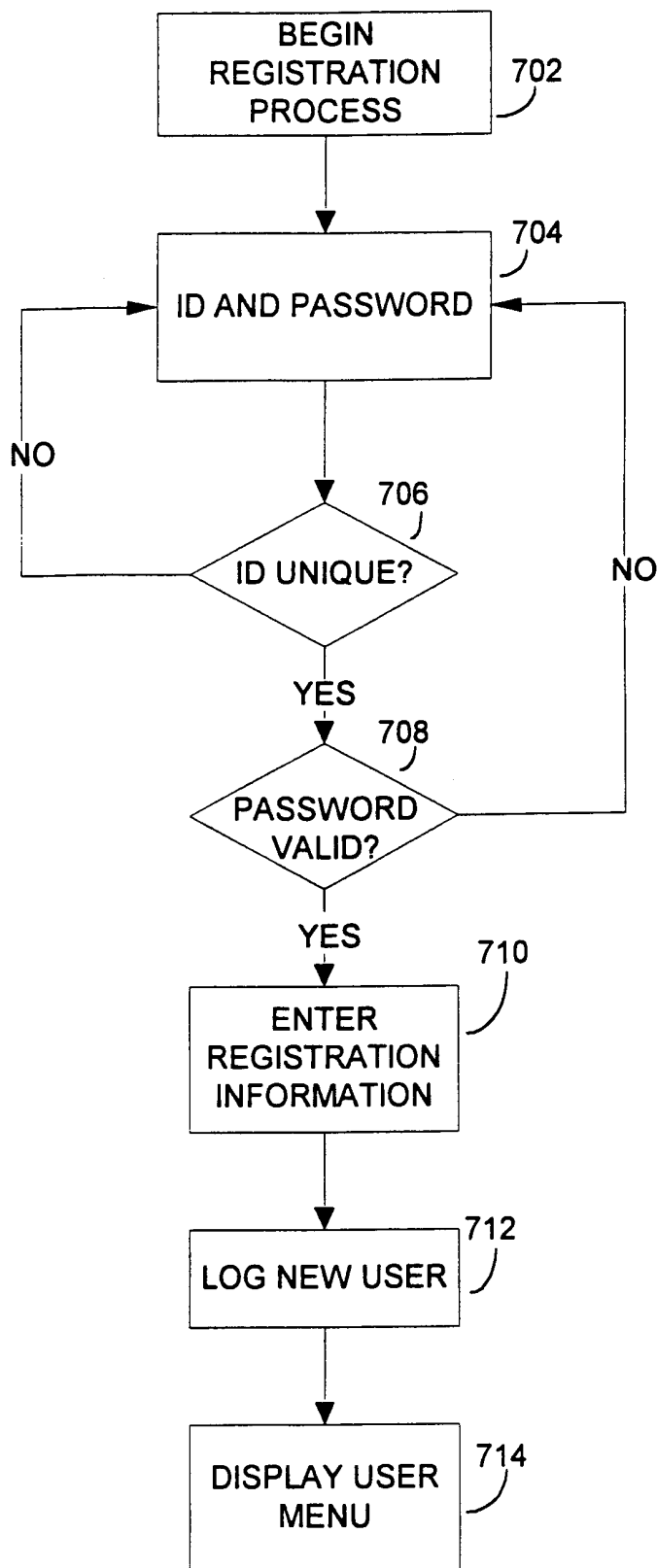


Fig. 7

Fig. 8

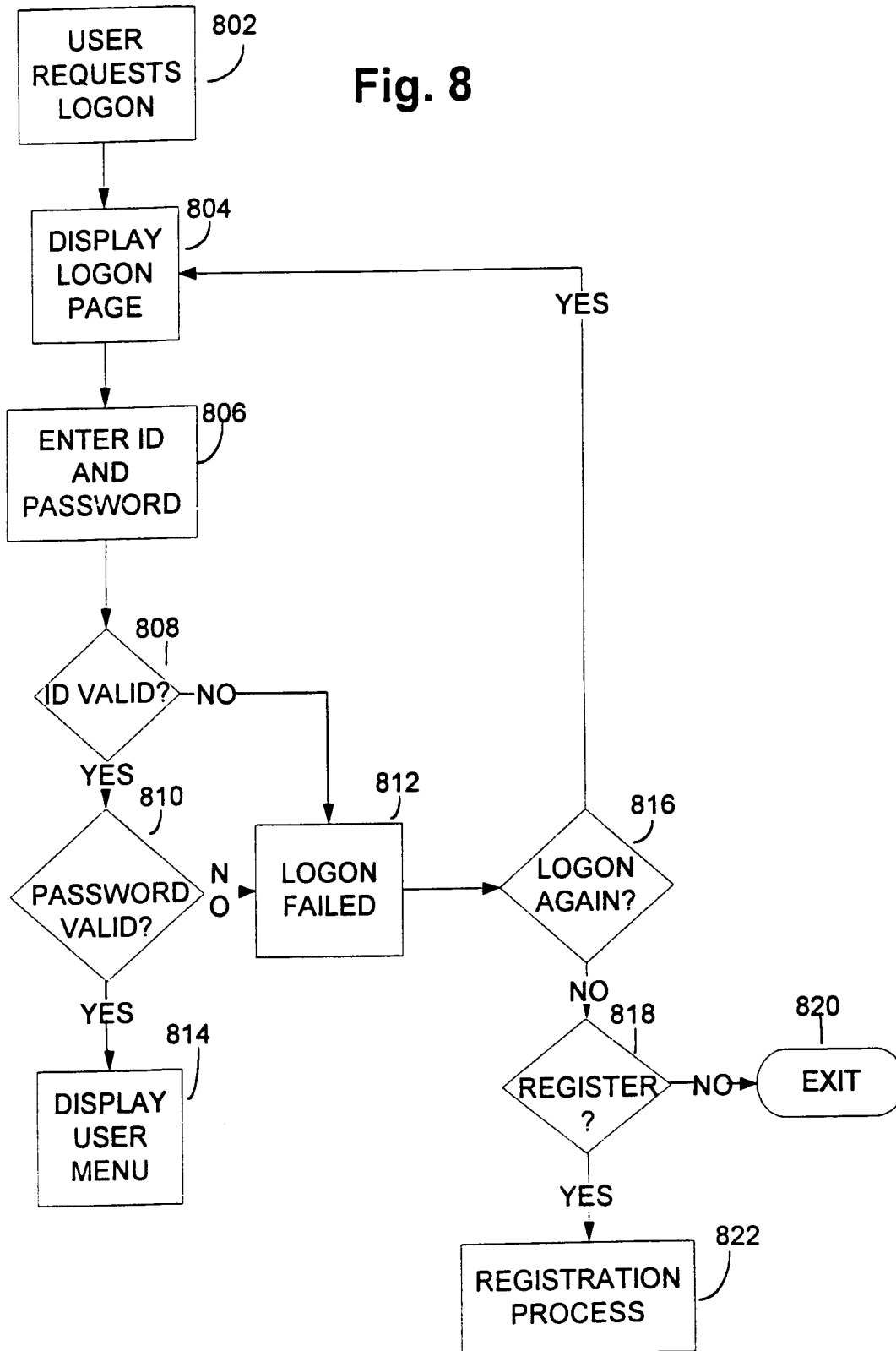
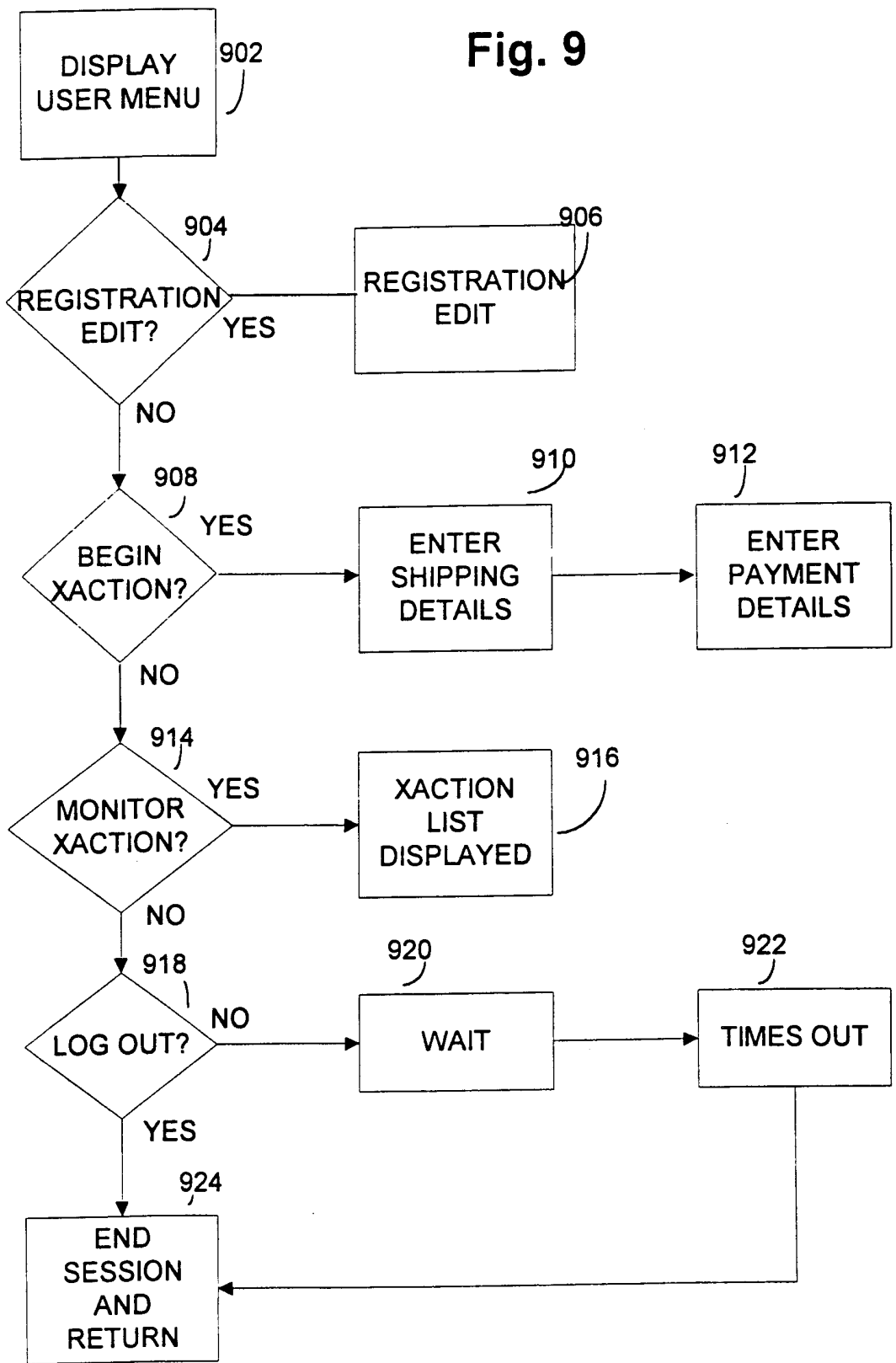


Fig. 9



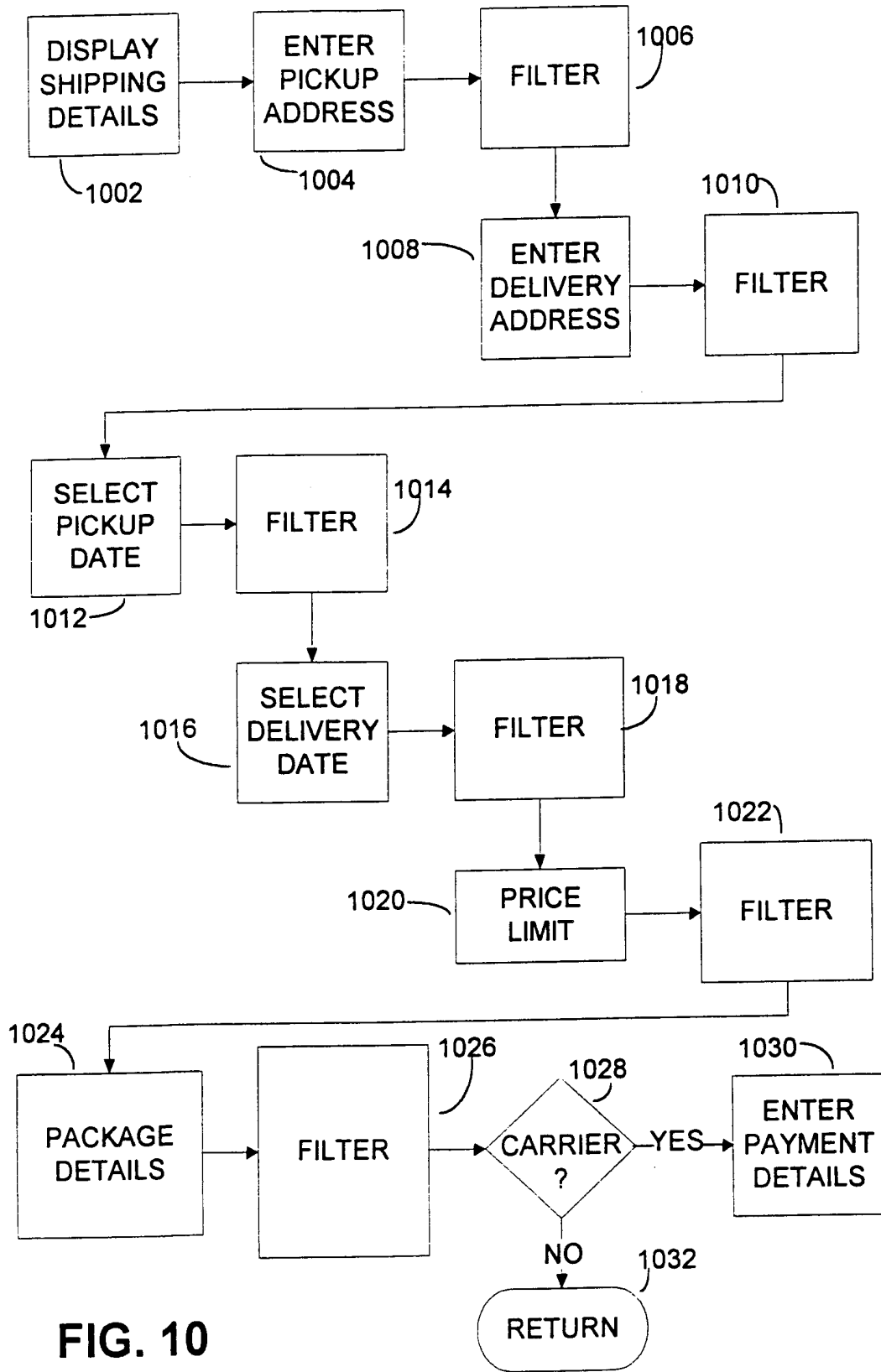


FIG. 10

Fig. 11

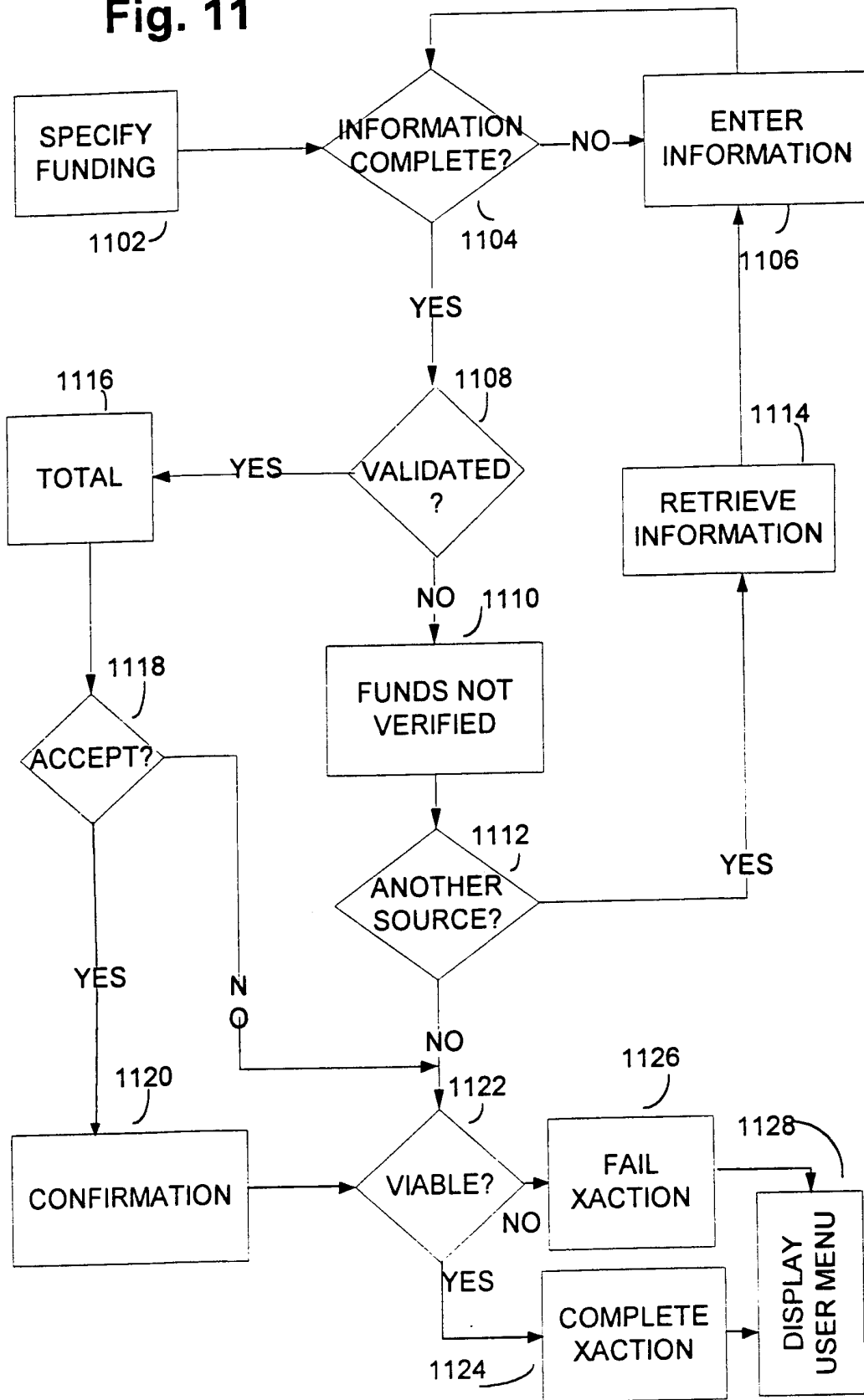
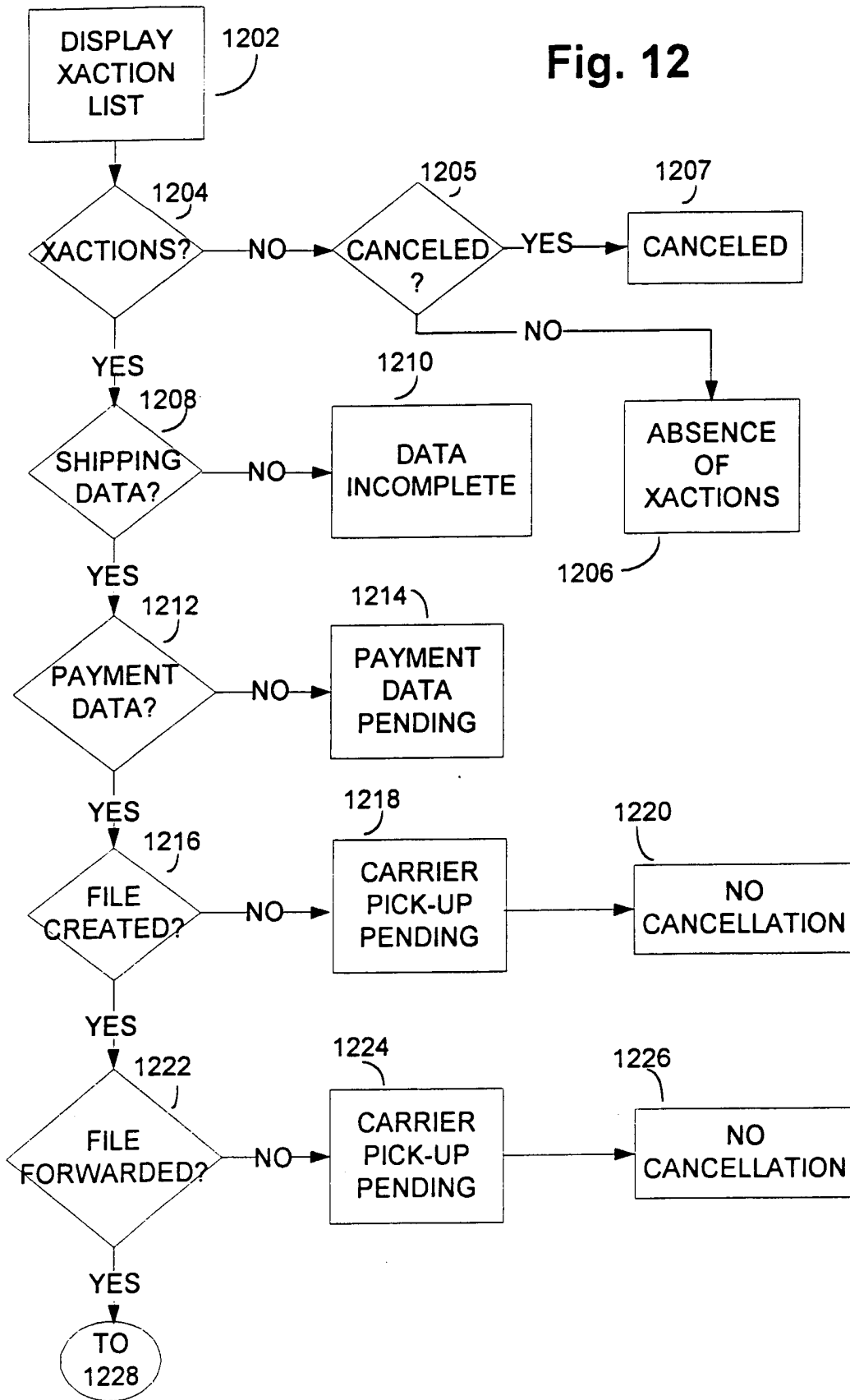


Fig. 12



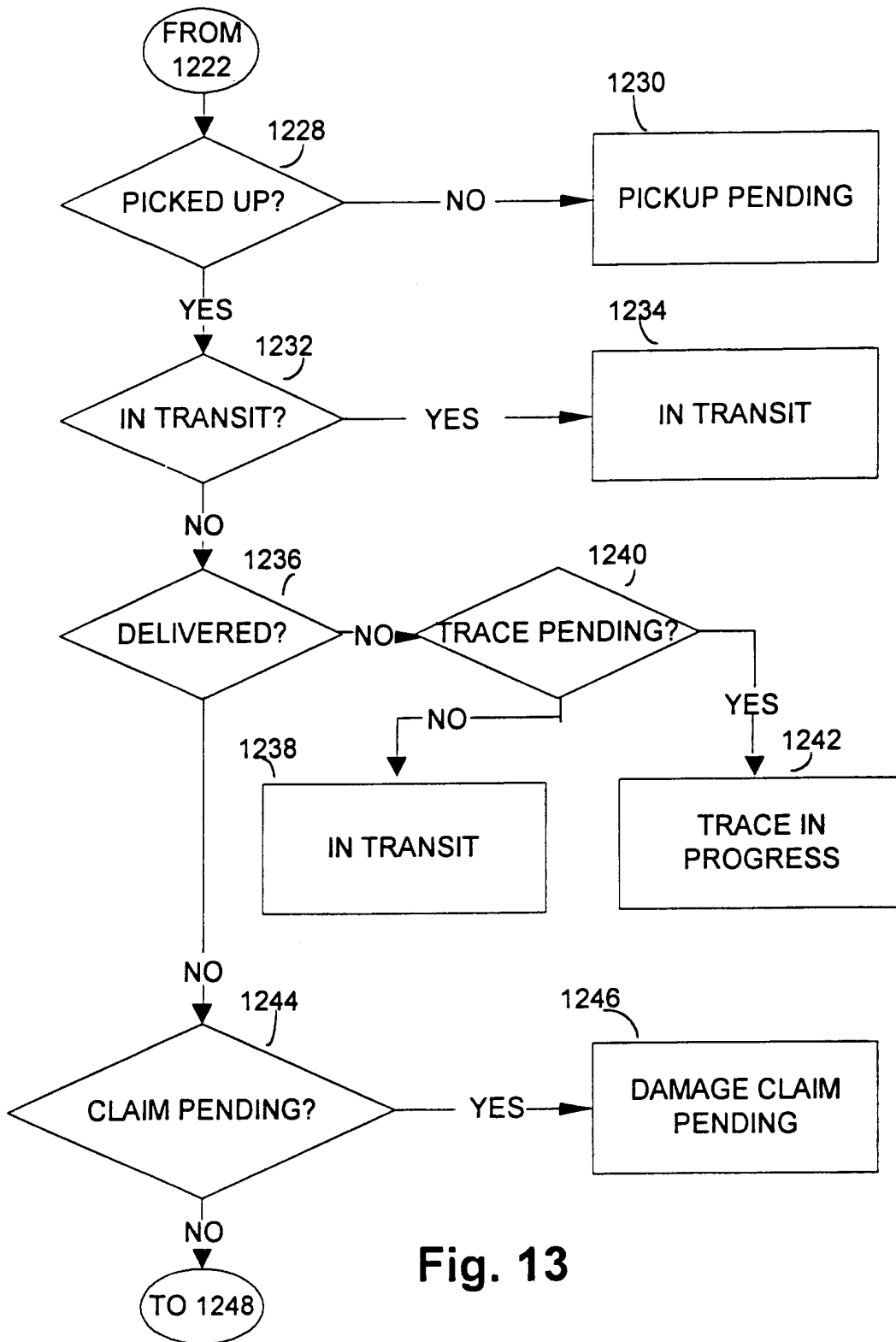


Fig. 13

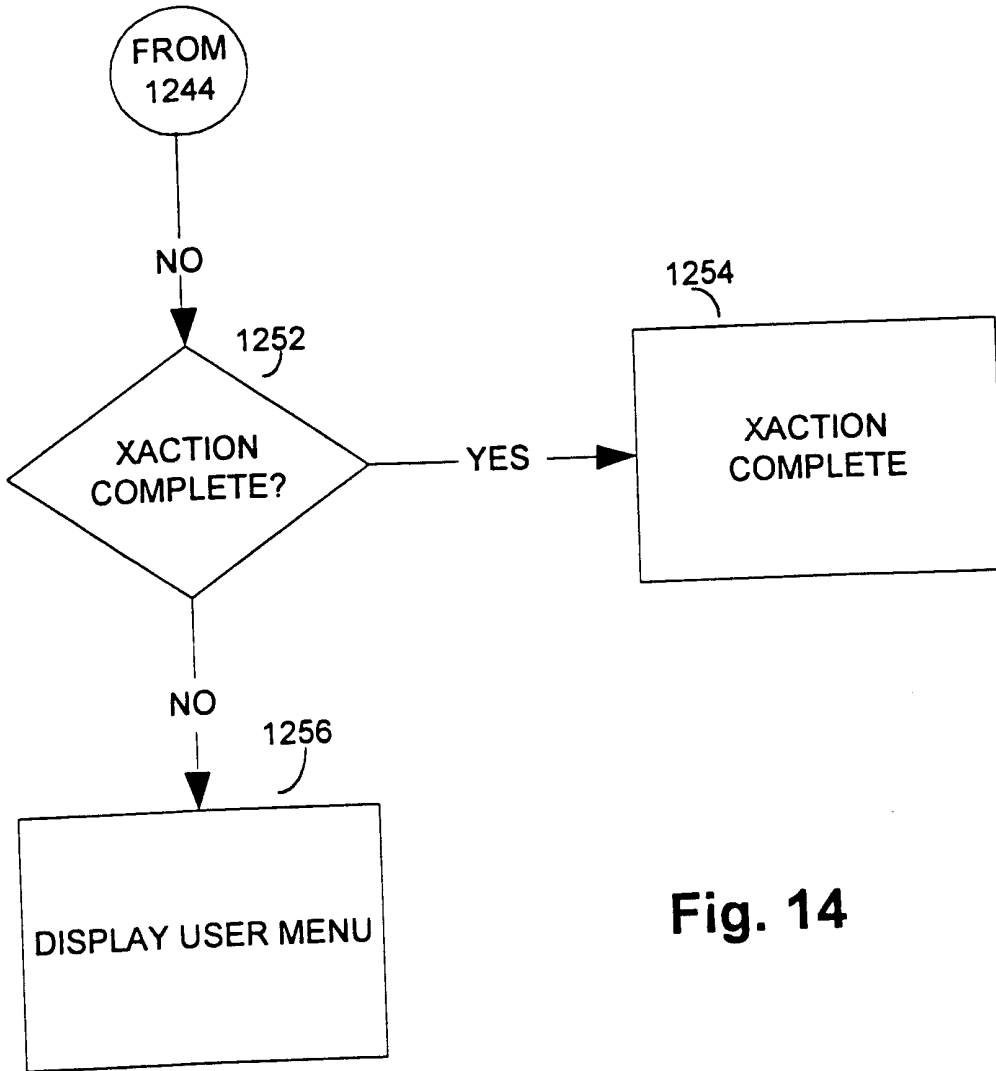


Fig. 14

INTERNATIONAL SEARCH REPORT

International application No.
PCT/US00/24592

A. CLASSIFICATION OF SUBJECT MATTER

IPC(7) :G06F 17/60
US CL :705/39

According to International Patent Classification (IPC) or to both national classification and IPC

B. FIELDS SEARCHED

Minimum documentation searched (classification system followed by classification symbols)

U.S. : 705/1, 26, 27, 39; 707/10, 100-104; 364/479.01

Documentation searched other than minimum documentation to the extent that such documents are included in the fields searched

Electronic data base consulted during the international search (name of data base and, where practicable, search terms used)

C. DOCUMENTS CONSIDERED TO BE RELEVANT

Category*	Citation of document, with indication, where appropriate, of the relevant passages	Relevant to claim No.
A	US 5,910,896 A (HAHN-CARLSON) 08 JUNE 1999, SEE COLUMN 4, LINE 5 TO COLUMN 8, LINE 50	1-62
A	US 5,794,207 A (WALKER et al) 11 AUGUST 1998, SEE COLUMN 9, LINE 17 TO COLUMN 10, LINE 56.	1-62
A	US 5,717,989 A (TOZZOLI et al) 10 FEBRUARY 1998, SEE COLUMN 14, LINE 52 TO COLUMN 17, LINE 41.	1-62
A	US 5,222,018 A (SHARPE et al) 22 JUNE 1993, SEE COLUMN 3, LINE 45 TO COLUMN 11, LINE 51.	1-62

Further documents are listed in the continuation of Box C. See patent family annex.

* Special categories of cited documents.	"T" later document published after the international filing date or priority date and not in conflict with the application but cited to understand the principle or theory underlying the invention
"A" document defining the general state of the art which is not considered to be of particular relevance	"X" document of particular relevance, the claimed invention cannot be considered novel or cannot be considered to involve an inventive step when the document is taken alone
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"L" document which may throw doubts on priority claim(s) or which is cited to establish the publication date of another citation or other special reason (as specified)	"&" document member of the same patent family
"O" document referring to an oral disclosure, use, exhibition or other means	
"P" document published prior to the international filing date but later than the priority date claimed	

Date of the actual completion of the international search

31 OCTOBER 2000

Date of mailing of the international search report

05 JAN 2001

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