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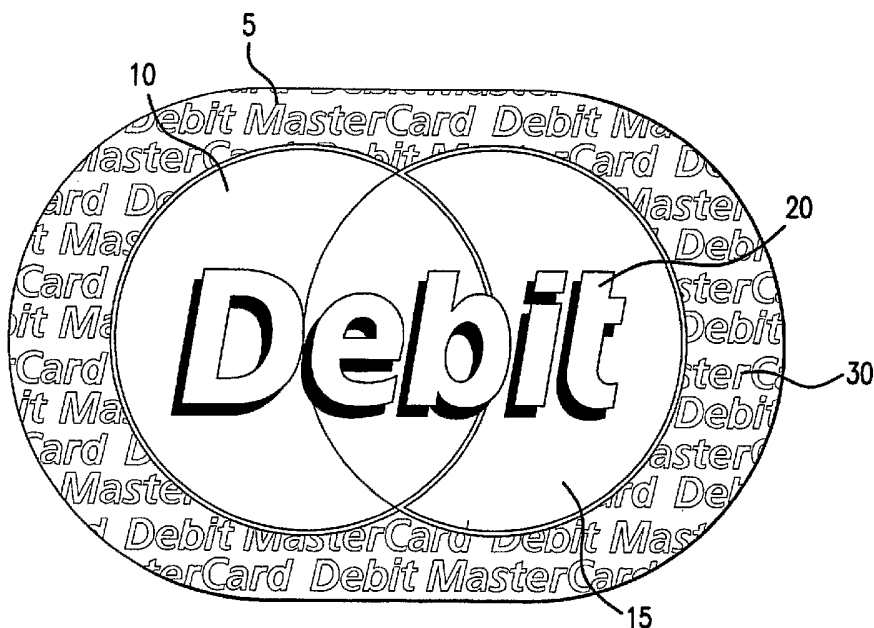
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(54) Title: SYSTEM AND METHOD FOR IDENTIFYING A DEBIT DEVICE USING A HOLOGRAM



(57) Abstract: A system and method is provided that allows merchants and cardholders to simply and rapidly distinguish debit cards from other payment cards. A preferred embodiment is disclosed comprising a payment card bearing a hologram inscribed with the word "Debit" and surrounded by border displaying the words "MasterCard Debit."

WO 2005/015367 A2

SYSTEM AND METHOD FOR IDENTIFYING A DEBIT DEVICE USING A HOLOGRAM

SPECIFICATION

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CROSS-REFERENCE TO RELATED APPLICATIONS

This application claims priority to a U.S. Provisional No. 60/493,741 Patent Application entitled "System for Identifying a Debit Device Using a Hologram," filed on August 8, 2003.

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FIELD OF THE INVENTION

The present invention relates generally to the use of payment cards to purchase goods and services.

BACKGROUND OF THE INVENTION

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Payment cards have achieved great popularity with consumers and merchants because they are easy to use and obviate the need to carry large quantities of cash. Payment cards are generally available in either credit or debit types. In a credit card transaction, a financial institution extends credit to the cardholder to cover the purchase and pays the merchant the purchase price, minus a service fee.

20

Generally, the cardholder is not charged a fee for conducting a credit card transaction. In a debit card transaction, the issuing financial institution debits the cardholder's bank account by the purchase amount and pays the merchant the purchase price, minus a service fee. Cardholders may sometimes be charged for debit transactions and, under certain circumstances, merchants may pay higher fees for debit

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transactions than for credit transactions. Some merchants may, therefore, elect not to accept debit cards, while continuing to accept credit cards.

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A payment card transaction in a retail outlet is generally initiated by swiping the machine-readable magnetic stripe located on the payment card through a card reader. The cardholder may swipe the card herself or may hand the card to the merchant for the merchant to swipe. In a limited number of retail outlets, the consumer or merchant may be prompted to identify the card type, for example, by pressing buttons labeled either "credit" or "debit." However, in the majority of retail

outlets, the consumer or merchant is not prompted to identify the type of payment card.

Generally, after the cardholder's financial institution has approved the transaction, the cardholder authorizes the purchase by entering a personal
5 identification number ("PIN") or, more commonly, by signing a payment slip or display screen. The use of a PIN code is usually associated with debit cards. However, a cardholder may sign a printed payment slip or display screen to authorize either a credit or debit purchase. Accordingly, the authorization means used by the customer does not necessarily correlate with the payment card type. Furthermore,
10 even though the name of the issuing bank, for example, MBNA AMERICA® CITIBANK® or FLEET®, and the card network, for example, VISA® or MASTERCARD®, is often prominently displayed on payment cards, this information alone does not allow the cardholder or merchant to determine whether a particular payment card is a credit or debit card, since individual banks and card networks issue
15 and support, respectively, both debit and credit cards.

It is therefore possible for a cardholder to conduct a transaction in a retail outlet without knowing whether the payment card is a credit or debit card. Often times, only upon reviewing a statement provided by her financial institution, will the cardholder, for example, become aware of the type of payment card that was
20 used in a particular transaction. Furthermore, after reviewing the financial statement, the cardholder may wish that she had used a different payment card type. For example, because interest payments are periodically charged against the outstanding balance on credit accounts, certain cardholders may favor debit transactions over credit transactions. On the other hand, certain other cardholders may favor credit
25 transactions, in order to preserve funds in their bank accounts and as a result of differences between the fees charged for debit and credit transactions.

It is therefore further possible for a merchant to conduct a transaction in a retail outlet without knowing the payment card type. As for those merchants who may prefer to accept one type of card over another due to differences between the fees
30 charged for each, and who, more specifically, may have elected not to accept debit card transactions while continuing to accept credit cards, such merchants may discover that their customers have, nevertheless, been paying with debit cards.

It is also further possible that, during the course of a transaction, in those retail outlets that employ card readers that prompt the customer or merchant to

identity of the card type, that a cardholder or merchant will accidentally select the wrong payment card type, leading to delay and annoyance.

A payment card transaction conducted remotely, for example over the telephone or using the Internet, is initiated when the cardholder speaks or inputs
5 information about the payment card. This information is commonly limited to personal information about the cardholder, the name of the issuing bank, the name of the card network, for example, VISA® or MASTERCARD®, and the expiration date of the payment card. Such information does not generally indicate to the cardholder or merchant whether the transaction involves a debit card or credit card.

10 It is therefore possible for a payment card transaction to be conducted remotely without the cardholder or merchant knowing which type of payment card, debit or credit, is employed. In such circumstances, the merchant and consumer will not become aware of the type of card until after they review statements provided by their respective financial institutions. For the reasons noted above, some merchants or
15 cardholders may not be satisfied with the choice of payment card type and will wish that the payment card had been clearly identified as either a credit or debit card.

Known payment cards use holograms solely as a security feature. Such holograms contain three-dimensional images that are discernable to the naked eye, but are difficult for a counterfeiter to reproduce. Accordingly, financial
20 institutions advise merchants to inspect holograms on payment cards to see whether, for example, the image moves or changes color when viewed at different angles. It is known that security can be further enhanced by encoding the hologram with information about the issuer and cardholder and rendering such information invisible to the naked eye. It is also known that such machine-readable information can be
25 used to authenticate transactions made using payment cards. See, e.g., U.S. Pat. No. 4,641,017 to Lopata (using an encoded hologram in conjunction with the magnetic stripe); U.S. Pat. No. 5,336,871 to Colgate (incorporating such an encoded hologram within the magnetic stripe); U.S. Pat. No. 6,328,209 to O'Boyle (using an encoded hologram in conjunction with a barcode and a magnetic stripe). Finally, the use of
30 microholograms, where the hologram itself is invisible to the naked eye, is also known. See, e.g., U.S. Pat. No. 5,835,245 to Robillard and Chesak. Accordingly, the known uses of holograms on payment cards have thus far been directed at preventing the fraudulent use of payment cards. Security holograms do not feature lettering superimposed or adjacent to the hologram that identifies the payment card type.

It would, therefore, be advantageous to have a payment card displaying information that, at the time a transaction is being executed, would enable the cardholder or merchant to determine whether a particular payment card is a credit or debit card. It would further be advantageous to accomplish this by means of a
5 hologram, since merchants and cardholders are accustomed to inspecting holograms on payment cards.

DESCRIPTION OF THE DRAWINGS

Further objects, features and advantages of the invention will become
10 apparent from the following description of the invention taken in conjunction with the accompanying figures showing illustrative embodiments of the invention in which:

FIG. 1 shows a hologram comprising two interlocking spheres, inscribed with the word DEBIT and bordered by a field containing the words
15 MASTERCARD DEBIT®;

FIG. 2 shows a payment card bearing the name of the issuing bank, account number and expiration date and the hologram inscribed with the word DEBIT located above the conventional MASTERCARD® logo of interlocking spheres.

Throughout the figures, unless otherwise stated, the same reference numerals and characters are used to denote like features, elements, components, or
20 portions of the illustrated embodiments.

DESCRIPTION OF THE INVENTION

It is therefore an object of the present invention to present a system and method that allows a cardholder or merchant to rapidly differentiate between different payment card types.

25 The invention is an improvement over known payment cards that display solely the name of the issuing bank, for example, CITIBANK®, MBNA AMERICA® or FLEET®, and that of the card network, for example, VISA® or MASTERCARD®, and do not indicate to the consumer or merchant the type of payment card, that is, debit or credit. The present invention employs a unique design
30 and combination of holographic elements to enable merchants and cardholders to identify and distinguish one payment card from another, and in a preferred

embodiment, from visibly distinguishing DEBIT MASTERCARD® cards from other MASTERCARD® cards.

The present invention will therefore better enable merchants that have decided not to accept debit cards to distinguish such cards from credit cards, and to enable cardholders to readily distinguish their debit cards from their credit cards. The invention utilizes a conspicuous design that enables quick and certain identification of the card type for commercial purposes.

In a preferred embodiment, as illustrated in FIGs. 1 and 2, the present invention comprises a payment card with the word "Debit" 20 in approximately fourteen point italic type, contrasted against a hologram background 10 that includes two interlocking three-dimensional spheres 15. As shown in detail in FIG. 1, preferably, the word "Debit" 20 is burnished so it appears in white against a multicolored 3-D hologram background 10. As also shown in more detail in FIG. 1, the word "Debit" 20 also has a dropped shadow to enhance its visibility and the area of the hologram around the spheres preferably contains the words "Debit MasterCard" 30 in smaller letters. In the embodiment shown in FIG. 2, the identifying hologram 5 is placed above the symbol identifying the issuing card network 40, in this case MASTERCARD®, which is shown located in the lower right hand corner of the card. However, various combinations of holograms and identifying elements could be employed, including the use of more than one hologram for identification purposes.

Although the present invention has been described in connection with specific exemplary embodiments, it should be understood that various changes, substitutions, and alterations apparent to those skilled in the art can be made to the disclosed embodiments without departing from the spirit and scope of the invention as set forth in the appended claims.

I CLAIM:

1. A system for identifying different types of payment cards, comprising:
a payment card having at least one face; and,
at least one holographic marking disposed on the at least one
5 face indicating the payment card type.
2. The system of claim 1, wherein the word "Debit" is superimposed on at
least one of said holographic markings.
3. The system of claim 1, wherein the name of the issuing card network is
affixed adjacent to at least one of said holographic markings.
- 10 4. A method for identifying different types of payment cards, comprising
the steps of:
placing at least one holographic marking on at least one face of
a payment card; and,
indicating the payment card type using at least one of said
15 holographic markings.
5. The method of claim 4, wherein said step of indicating the payment
card type further comprises the step of superimposing the word "Debit" on at least one
of said holographic markings.
- 20 6. The method of claim 4, wherein said method further comprises the step
of affixing the name of the issuing card network adjacent to at least one of said
holographic markings.

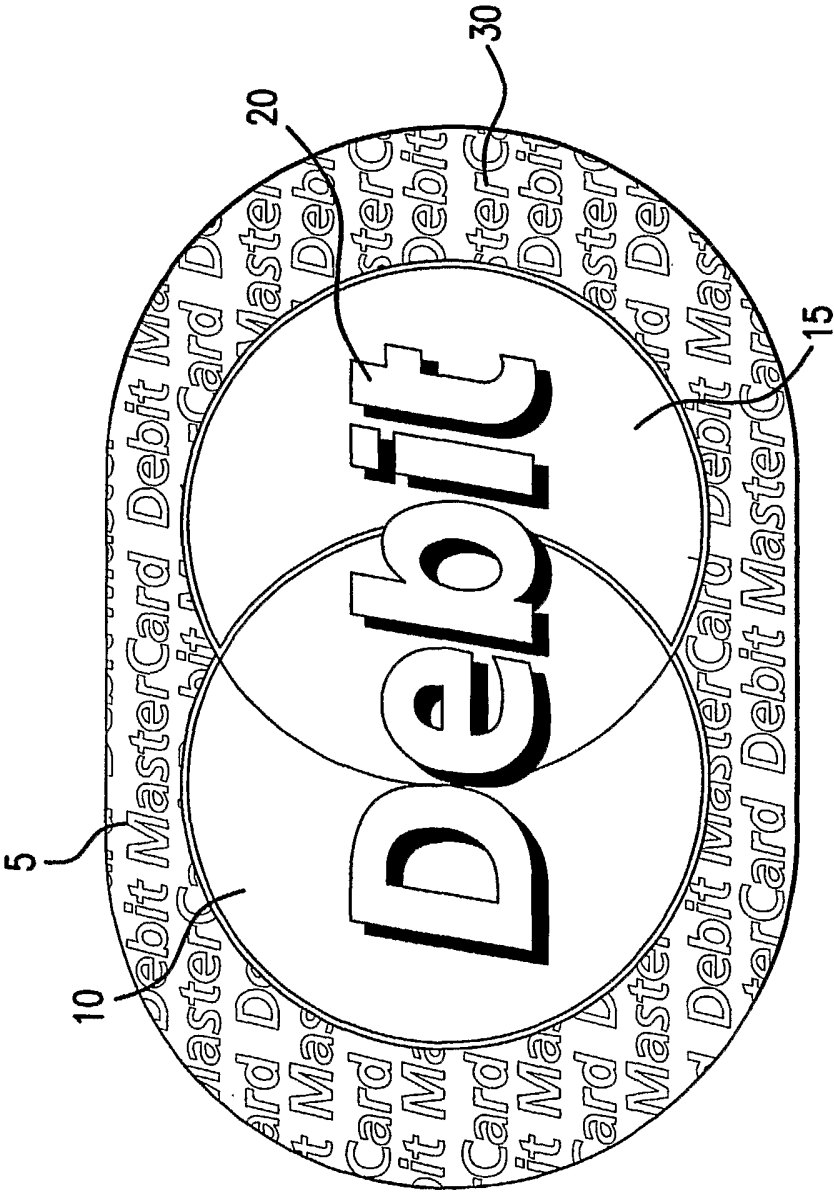


FIG. 1

