US 20100268624A1

(19) United States

(12) Patent Application Publication

(10) Pub. No.: US 2010/0268624 A1

(43) Pub. Date: Oct. 21, 2010

Leonardo et al.

(54) METHOD AND SYSTEM FOR DEALING WITH NON-PAYING BIDDERS RELATED TO NETWORK-BASED TRANSACTIONS

(76) Inventors: **Lou Leonardo**, Aptos, CA (US); **Randy Ching**, Mountain View, CA (US); **Amanda Wahl**, Santa Cruz, CA (US)

Correspondence Address:
**SCHWEGMAN, LUNDBERG & WOESSNER/ EBAY**
**P.O. BOX 2938**
**MINNEAPOLIS, MN 55402 (US)**

(21) Appl. No.: **12/826,504**

(22) Filed: **Jun. 29, 2010**

**Related U.S. Application Data**

(63) Continuation of application No. 09/717,433, filed on Nov. 20, 2000, now Pat. No. 7,774,276.

**Publication Classification**

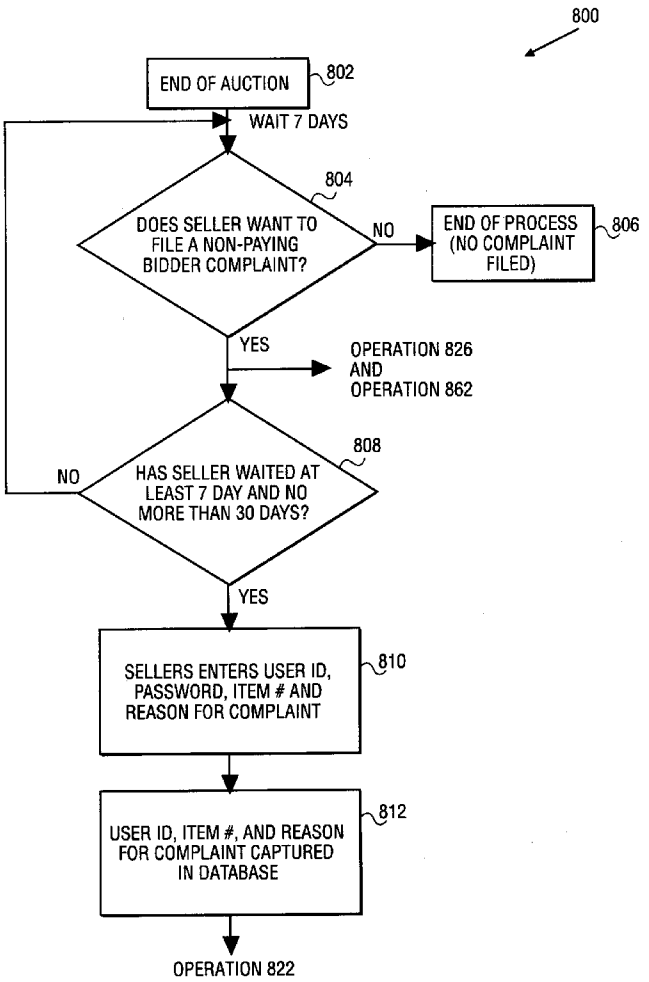
(51) **Int. Cl.**

| | |
|---|---|
| ***G06Q 30/00*** | (2006.01) |
| ***G06Q 20/00*** | (2006.01) |
| ***G06Q 10/00*** | (2006.01) |

(52) **U.S. Cl.** ..... **705/27**

(57) **ABSTRACT**

A method and system for dealing with non-paying bidders related to network-based transactions are disclosed in which a submission of a complaint to a network-based facility is facilitated. The complaint is related to a party who has failed to complete a transaction. A resolution of the complaint is facilitated. A record associated with the part is updated if the complaint is not resolved. The record indicates a count of failed transactions related to the party. A submission of a refund request can also be facilitated if the complaint is not resolved.



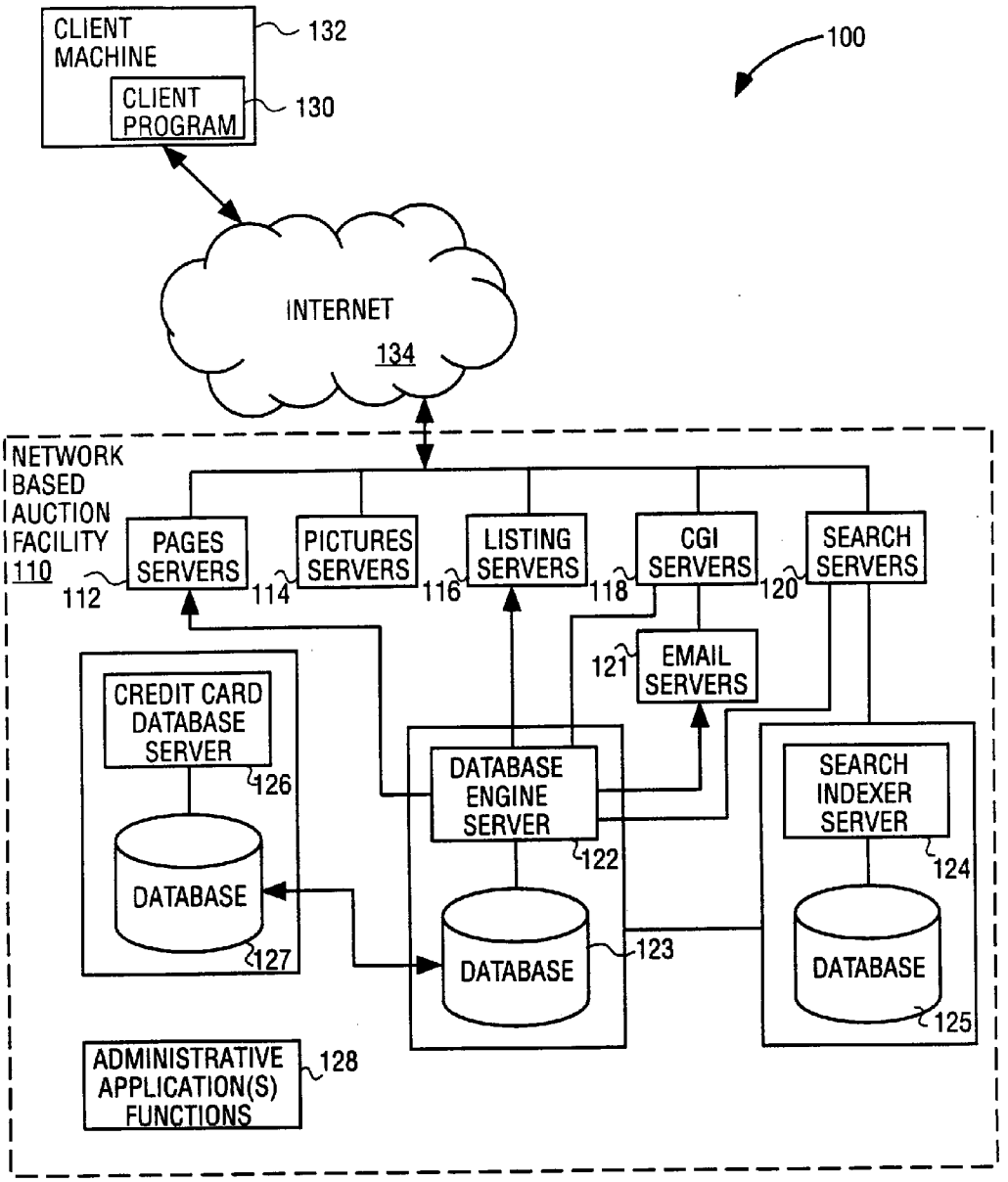

CLIENT MACHINE
132
CLIENT PROGRAM
130
100
INTERNET
134
NETWORK BASED AUCTION FACILITY
110
PAGES SERVERS
112
PICTURES SERVERS
114
LISTING SERVERS
116
CGI SERVERS
118
SEARCH SERVERS
120
EMAIL SERVERS
121
CREDIT CARD DATABASE SERVER
126
DATABASE
127
DATABASE ENGINE SERVER
122
DATABASE
123
SEARCH INDEXER SERVER
124
DATABASE
125
ADMINISTRATIVE APPLICATION(S) FUNCTIONS
128

FIG. 1

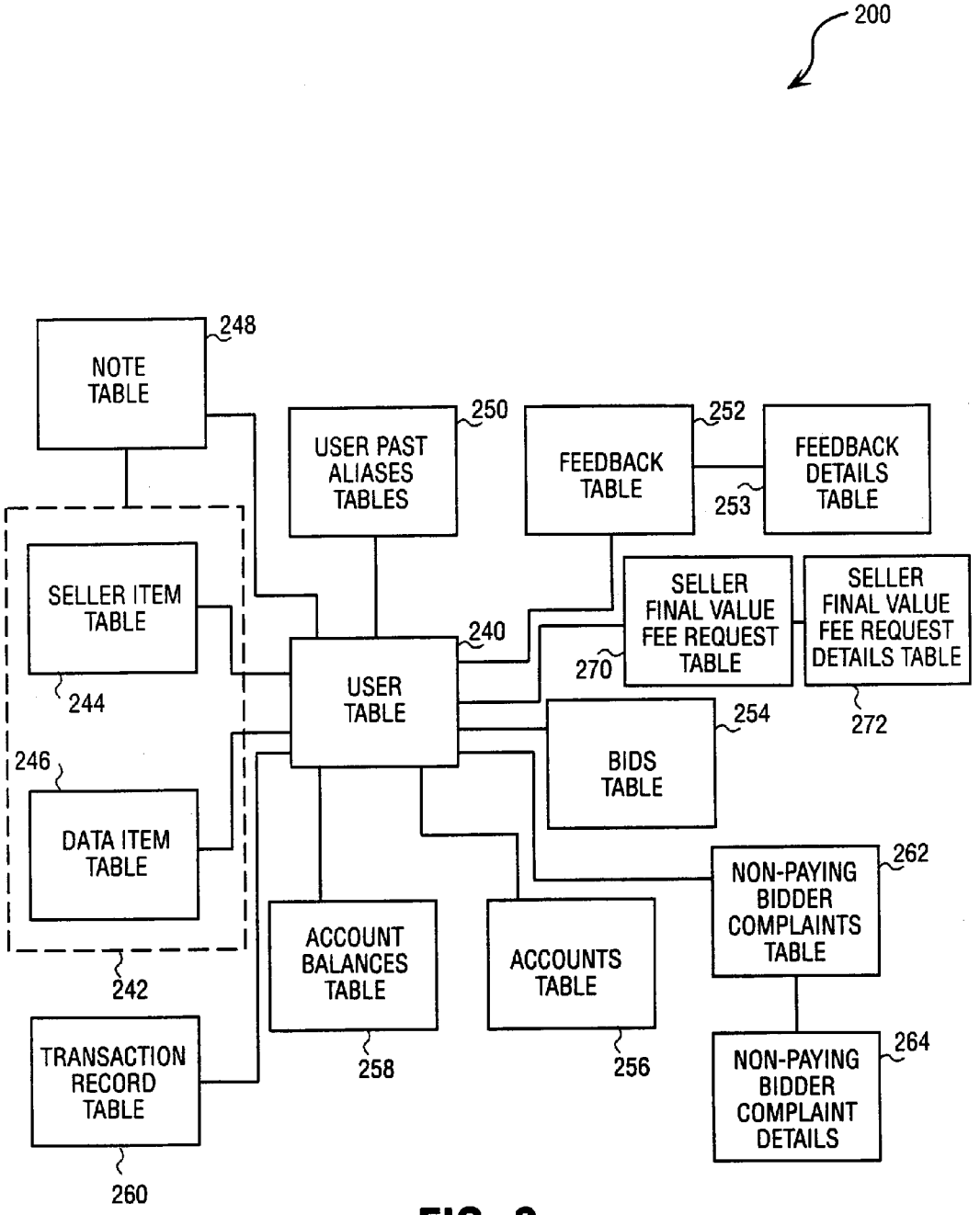

200
NOTE TABLE
248
USER PAST ALIASES TABLES
250
FEEDBACK TABLE
252
FEEDBACK DETAILS TABLE
253
SELLER ITEM TABLE
244
USER TABLE
240
SELLER FINAL VALUE FEE REQUEST TABLE
270
SELLER FINAL VALUE FEE REQUEST DETAILS TABLE
272
246
DATA ITEM TABLE
242
BIDS TABLE
254
NON-PAYING BIDDER COMPLAINTS TABLE
262
ACCOUNT BALANCES TABLE
258
ACCOUNTS TABLE
256
TRANSACTION RECORD TABLE
260
NON-PAYING BIDDER COMPLAINT DETAILS
264

FIG. 2

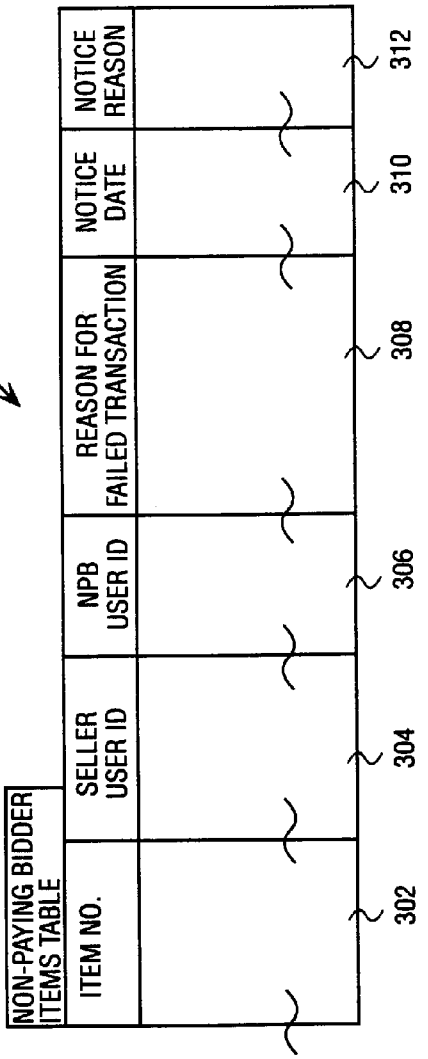

300
NON-PAYING BIDDER ITEMS TABLE
ITEM NO.
SELLER USER ID
NPB USER ID
REASON FOR FAILED TRANSACTION
NOTICE DATE
NOTICE REASON
302
304
306
308
310
312

FIG. 3

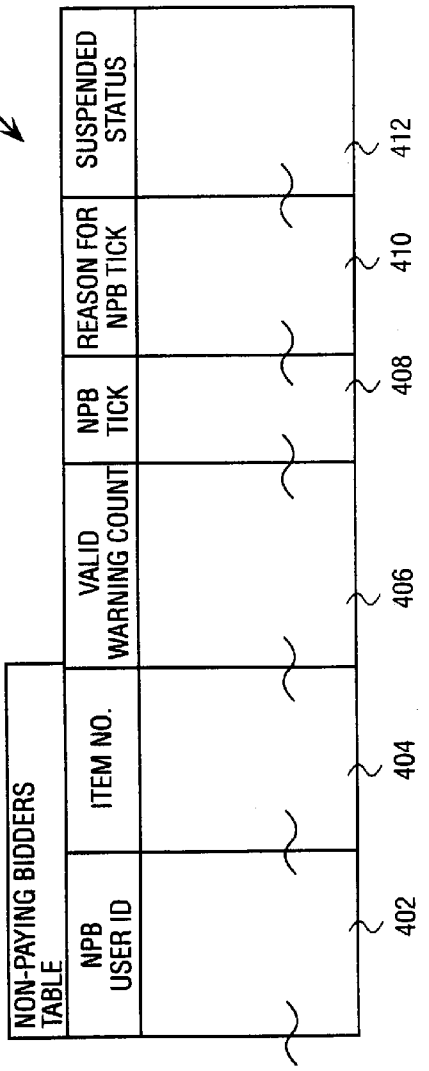

400
NON-PAYING BIDDERS TABLE
NPB USER ID
ITEM NO.
VALID WARNING COUNT
NPB TICK
REASON FOR NPB TICK
SUSPENDED STATUS
402
404
406
408
410
412

FIG. 4

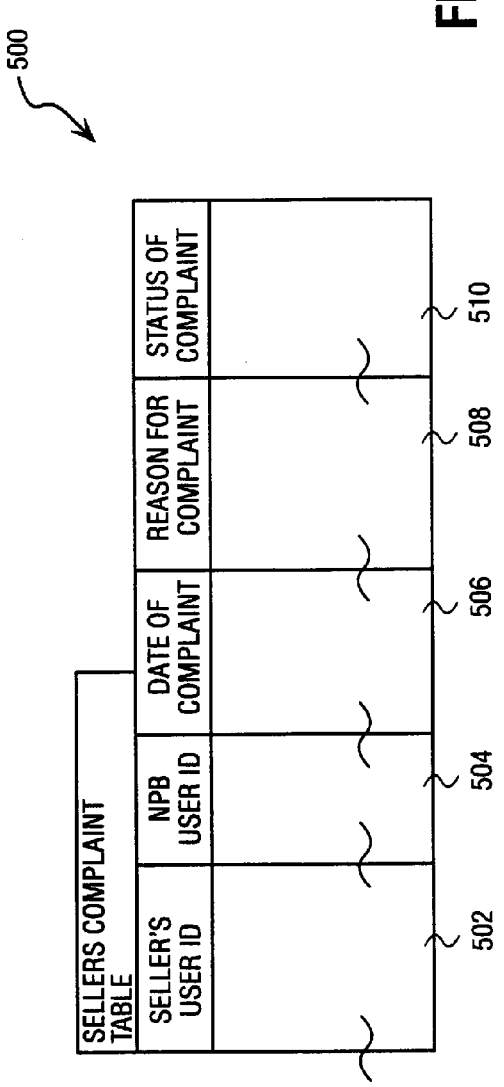

500
SELLERS COMPLAINT TABLE
SELLER'S USER ID
NPB USER ID
DATE OF COMPLAINT
REASON FOR COMPLAINT
STATUS OF COMPLAINT
502
504
506
508
510

FIG. 5

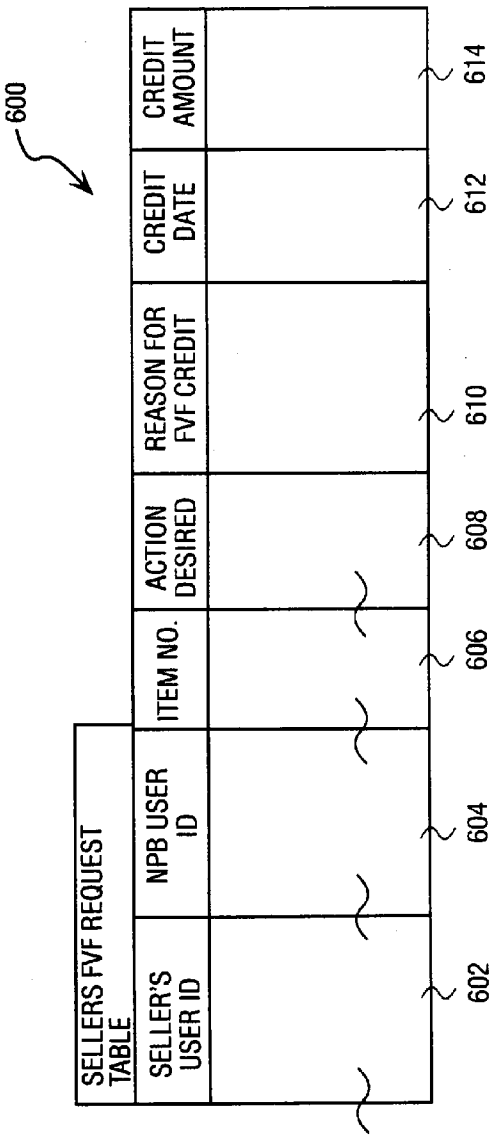

600
SELLERS FVF REQUEST TABLE
SELLER'S USER ID
NPB USER ID
ITEM NO.
ACTION DESIRED
REASON FOR FVF CREDIT
CREDIT DATE
CREDIT AMOUNT
602
604
606
608
610
612
614

FIG. 6

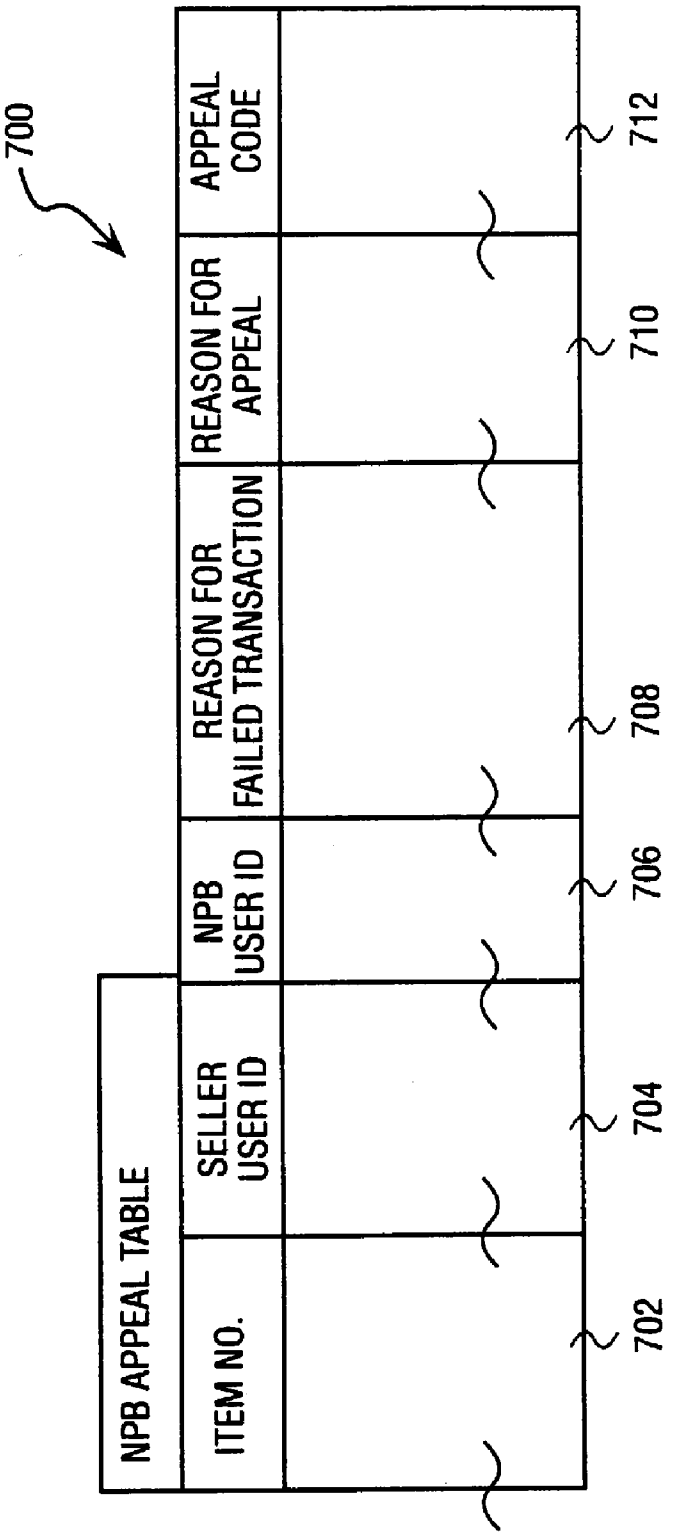

700
NPB APPEAL TABLE
ITEM NO.
SELLER USER ID
NPB USER ID
REASON FOR FAILED TRANSACTION
REASON FOR APPEAL
APPEAL CODE
702
704
706
708
710
712

FIG. 7

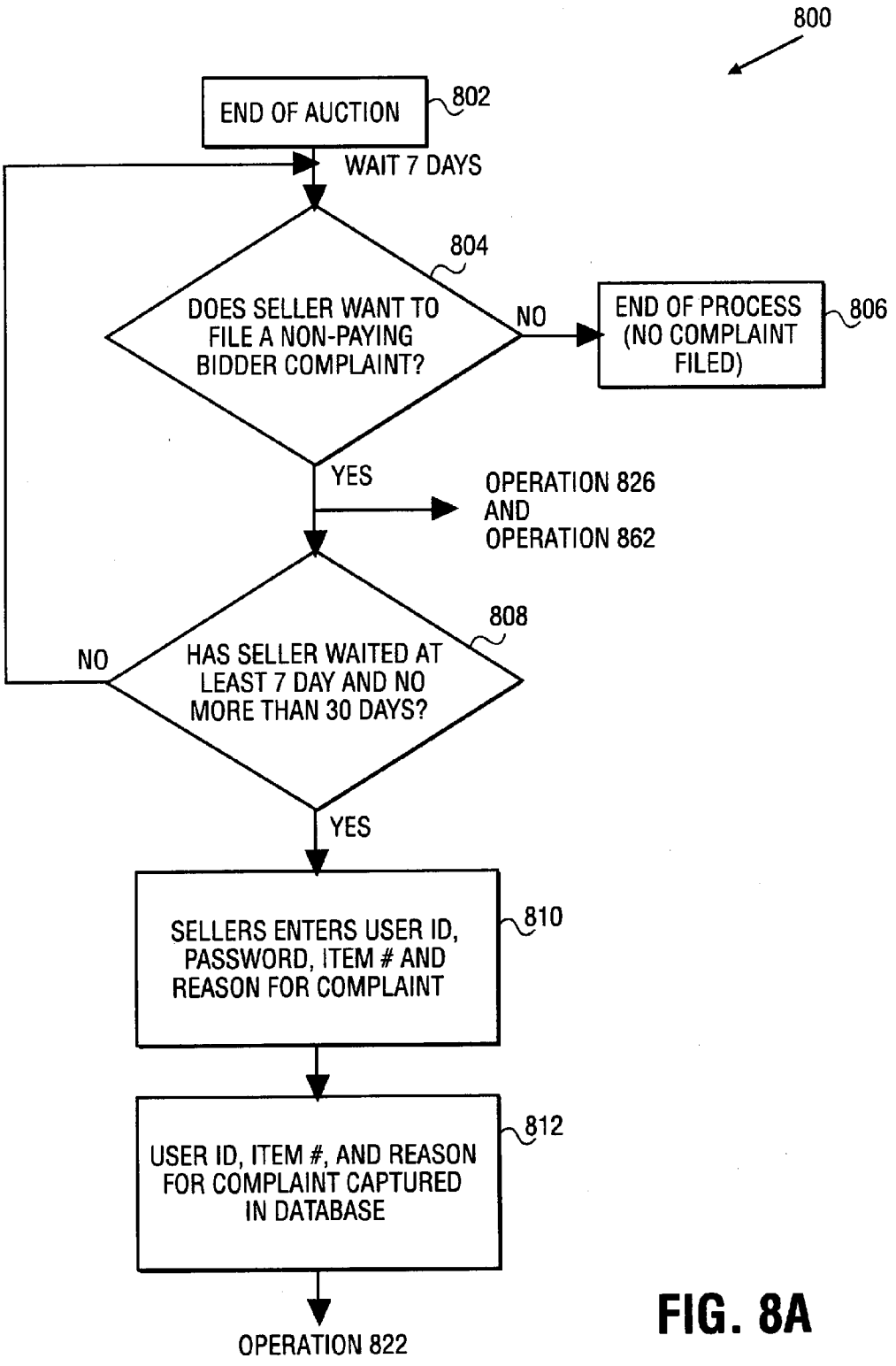

800
END OF AUCTION
802
WAIT 7 DAYS
804
DOES SELLER WANT TO FILE A NON-PAYING BIDDER COMPLAINT?
NO
END OF PROCESS (NO COMPLAINT FILED)
806
YES
OPERATION 826 AND OPERATION 862
808
NO
HAS SELLER WAITED AT LEAST 7 DAY AND NO MORE THAN 30 DAYS?
YES
SELLERS ENTERS USER ID, PASSWORD, ITEM # AND REASON FOR COMPLAINT
810
USER ID, ITEM #, AND REASON FOR COMPLAINT CAPTURED IN DATABASE
812
OPERATION 822

FIG. 8A

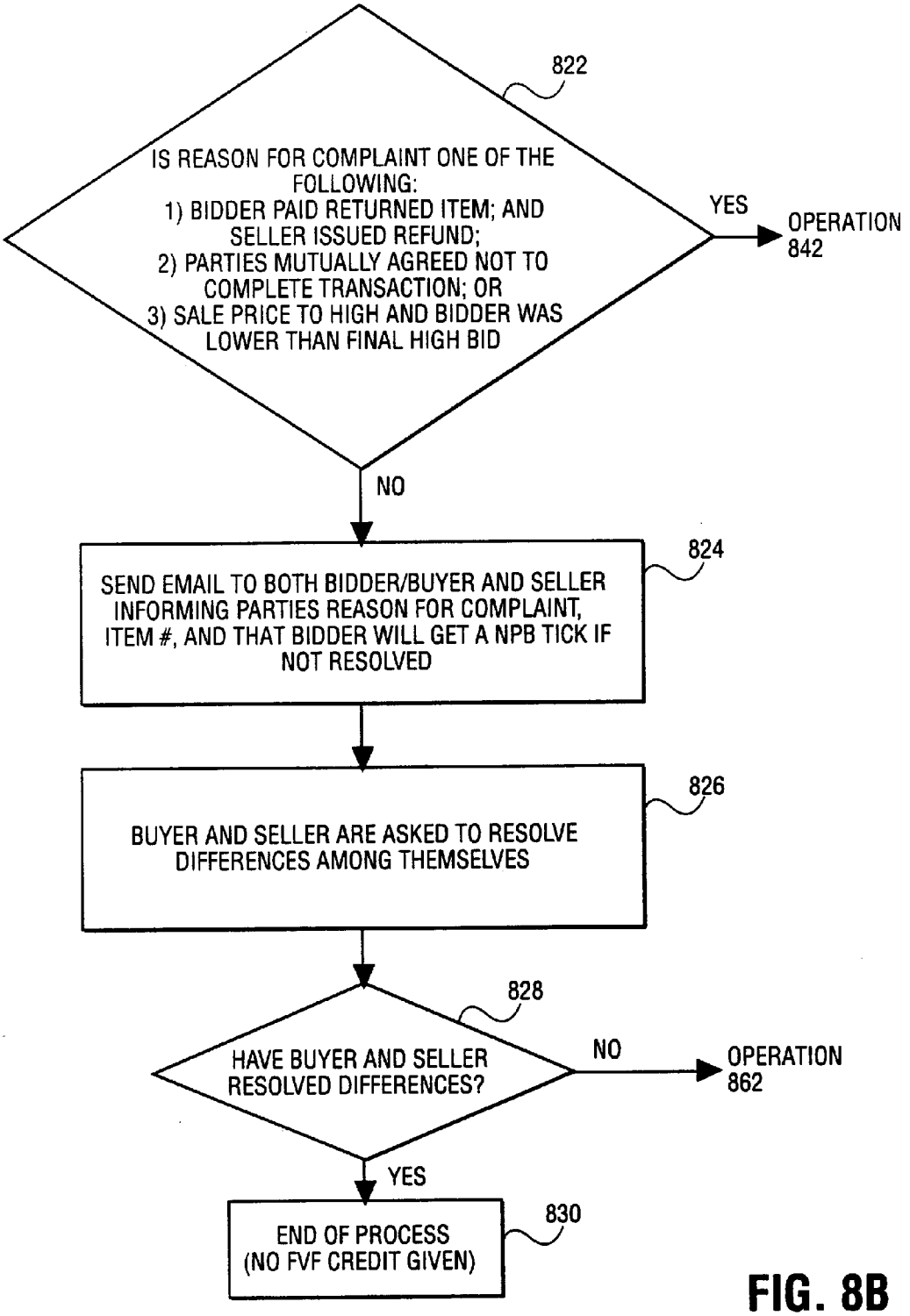

822
IS REASON FOR COMPLAINT ONE OF THE FOLLOWING:
1) BIDDER PAID RETURNED ITEM; AND SELLER ISSUED REFUND;
2) PARTIES MUTUALLY AGREED NOT TO COMPLETE TRANSACTION; OR
3) SALE PRICE TO HIGH AND BIDDER WAS LOWER THAN FINAL HIGH BID
YES
OPERATION 842
NO
824
SEND EMAIL TO BOTH BIDDER/BUYER AND SELLER INFORMING PARTIES REASON FOR COMPLAINT, ITEM #, AND THAT BIDDER WILL GET A NPB TICK IF NOT RESOLVED
826
BUYER AND SELLER ARE ASKED TO RESOLVE DIFFERENCES AMONG THEMSELVES
828
HAVE BUYER AND SELLER RESOLVED DIFFERENCES?
NO
OPERATION 862
YES
830
END OF PROCESS (NO FVF CREDIT GIVEN)

FIG. 8B

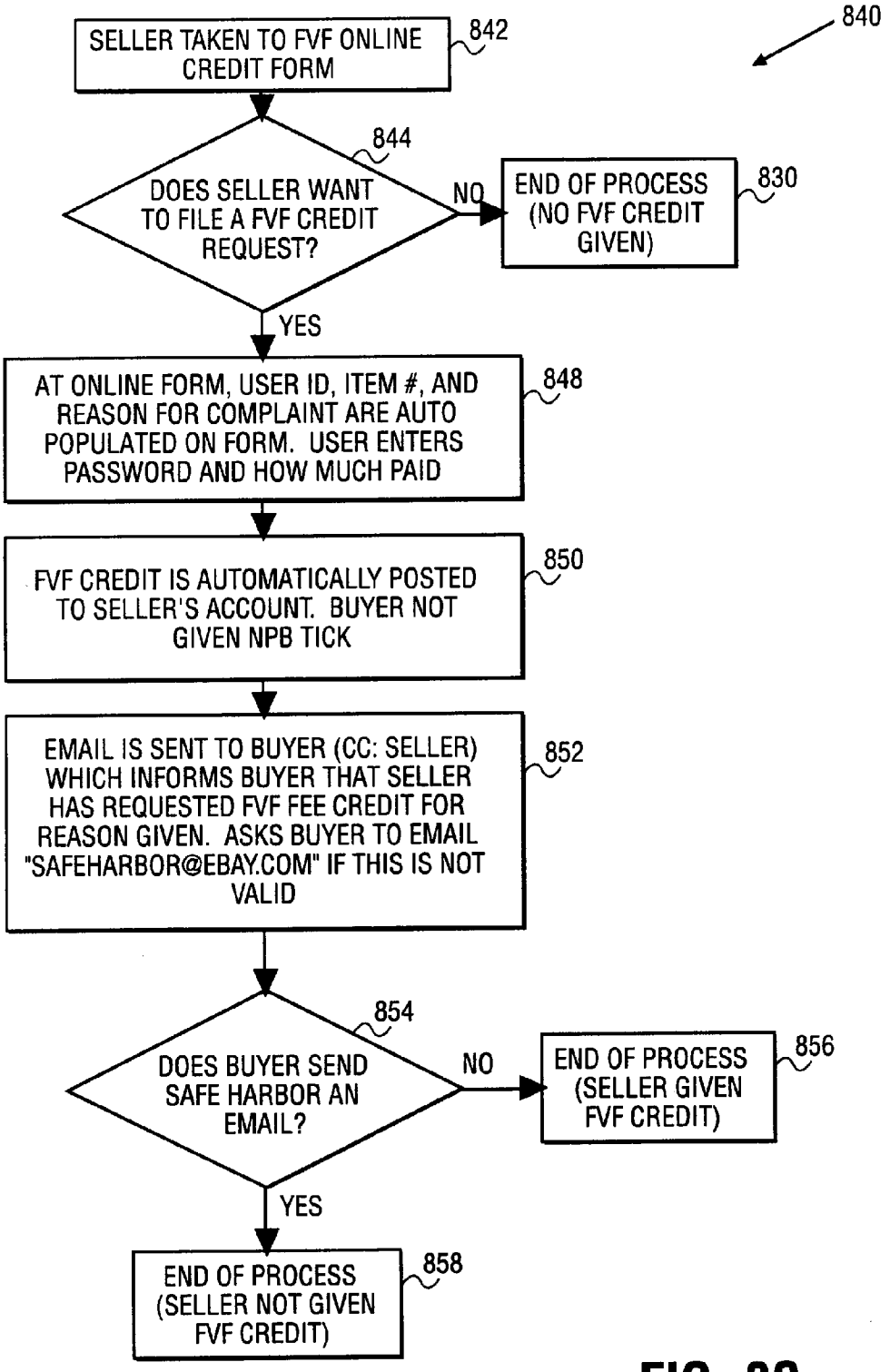

840
SELLER TAKEN TO FVF ONLINE CREDIT FORM
842
DOES SELLER WANT TO FILE A FVF CREDIT REQUEST?
844
NO
END OF PROCESS (NO FVF CREDIT GIVEN)
830
YES
AT ONLINE FORM, USER ID, ITEM #, AND REASON FOR COMPLAINT ARE AUTO POPULATED ON FORM. USER ENTERS PASSWORD AND HOW MUCH PAID
848
FVF CREDIT IS AUTOMATICALLY POSTED TO SELLER'S ACCOUNT. BUYER NOT GIVEN NPB TICK
850
EMAIL IS SENT TO BUYER (CC: SELLER) WHICH INFORMS BUYER THAT SELLER HAS REQUESTED FVF FEE CREDIT FOR REASON GIVEN. ASKS BUYER TO EMAIL "SAFEHARBOR@EBAY.COM" IF THIS IS NOT VALID
852
DOES BUYER SEND SAFE HARBOR AN EMAIL?
854
NO
END OF PROCESS (SELLER GIVEN FVF CREDIT)
856
YES
END OF PROCESS (SELLER NOT GIVEN FVF CREDIT)
858

FIG. 8C

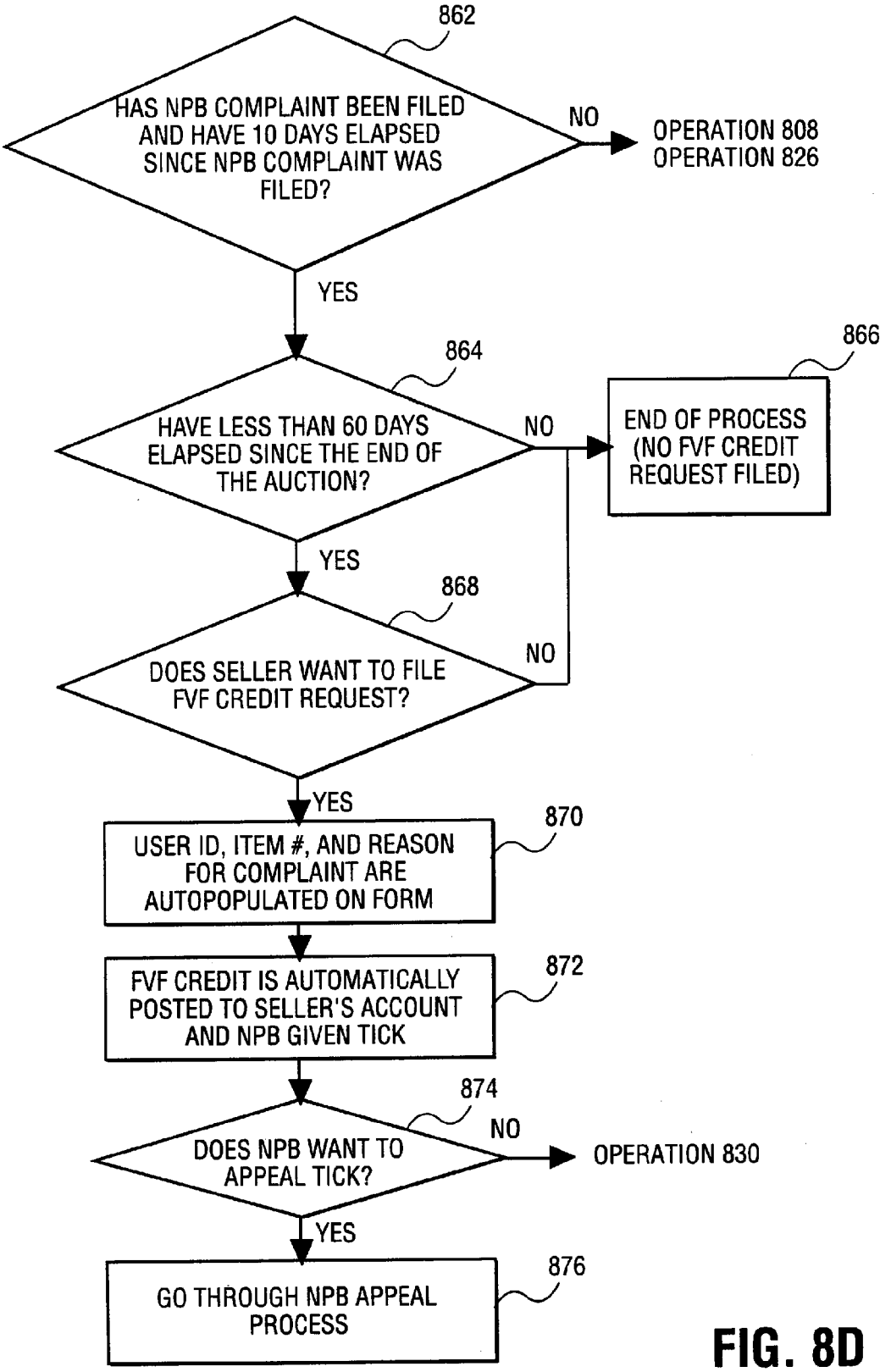

862
HAS NPB COMPLAINT BEEN FILED AND HAVE 10 DAYS ELAPSED SINCE NPB COMPLAINT WAS FILED?
NO
OPERATION 808
OPERATION 826
YES
864
HAVE LESS THAN 60 DAYS ELAPSED SINCE THE END OF THE AUCTION?
NO
866
END OF PROCESS (NO FVF CREDIT REQUEST FILED)
YES
868
DOES SELLER WANT TO FILE FVF CREDIT REQUEST?
NO
YES
870
USER ID, ITEM #, AND REASON FOR COMPLAINT ARE AUTOPOPULATED ON FORM
872
FVF CREDIT IS AUTOMATICALLY POSTED TO SELLER'S ACCOUNT AND NPB GIVEN TICK
874
DOES NPB WANT TO APPEAL TICK?
NO
OPERATION 830
YES
876
GO THROUGH NPB APPEAL PROCESS

FIG. 8D

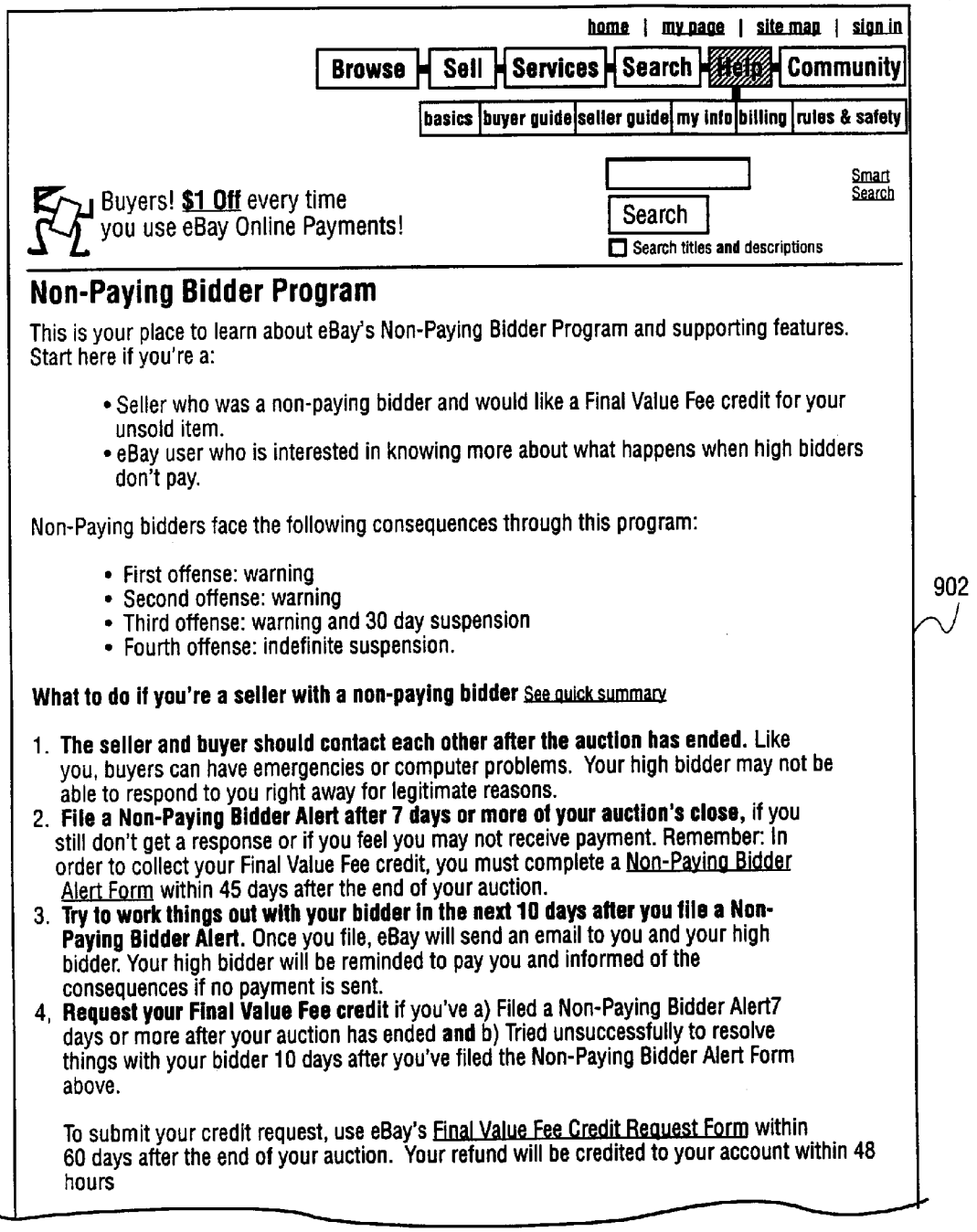

home | my page | site map | sign in
Browse
Sell
Services
Search
Help
Community
basics
buyer guide
seller guide
my info
billing
rules & safety
Buyers! $1 Off every time you use eBay Online Payments!
Search
Smart Search
Search titles and descriptions
Non-Paying Bidder Program
This is your place to learn about eBay's Non-Paying Bidder Program and supporting features. Start here if you're a:
• Seller who was a non-paying bidder and would like a Final Value Fee credit for your unsold item.
• eBay user who is interested in knowing more about what happens when high bidders don't pay.
Non-Paying bidders face the following consequences through this program:
• First offense: warning
• Second offense: warning
• Third offense: warning and 30 day suspension
• Fourth offense: indefinite suspension.
What to do if you're a seller with a non-paying bidder See quick summary
1. The seller and buyer should contact each other after the auction has ended. Like you, buyers can have emergencies or computer problems. Your high bidder may not be able to respond to you right away for legitimate reasons.
2. File a Non-Paying Bidder Alert after 7 days or more of your auction's close, if you still don't get a response or if you feel you may not receive payment. Remember: In order to collect your Final Value Fee credit, you must complete a Non-Paying Bidder Alert Form within 45 days after the end of your auction.
3. Try to work things out with your bidder in the next 10 days after you file a Non-Paying Bidder Alert. Once you file, eBay will send an email to you and your high bidder. Your high bidder will be reminded to pay you and informed of the consequences if no payment is sent.
4. Request your Final Value Fee credit if you've a) Filed a Non-Paying Bidder Alert7 days or more after your auction has ended and b) Tried unsuccessfully to resolve things with your bidder 10 days after you've filed the Non-Paying Bidder Alert Form above.
To submit your credit request, use eBay's Final Value Fee Credit Request Form within 60 days after the end of your auction. Your refund will be credited to your account within 48 hours
902

FIG. 9A

| Quick Summary | Time Frame |
|---|---|
| 1. Contact each other after your auction has ended | Generally within **3 business days** is a good idea. |
| 2. Complete a Non-Paying Bidder Alert Form. | After **7 days but not past 45 days** of your auction's close. |
| 3. Try to work things out. | After you file a Non-Paying Bidder Alert, try to work things out with your bidder in the **next 10 days.** |
| 4. Request your Final Value Fee credit. | If you still haven't resolved things after 10 days of filing an Alert, complete the Final Value Fee Credit Request Form within **60 days** of your auction's close. |

**Special note about Dutch Auctions:** They work the same as other auctions with one exception: You may file a Non-Paying Bidder Alert Form only **once** per auction for as many bidders as necessary. That is, you cannot go back and file additional Alerts if you have more non-paying bidders from the same auction.

902

**Special note to bidders:** If you are a bidder and believe you received an unfair warning, you may appeal it by using eBay's Non-Paying Bidder Appeal Form. Warnings will remain on your record until they are successfully appealed.

Click here to visit our Non-Paying Bidder Frequently Asked Questions page.



FIG. 9B

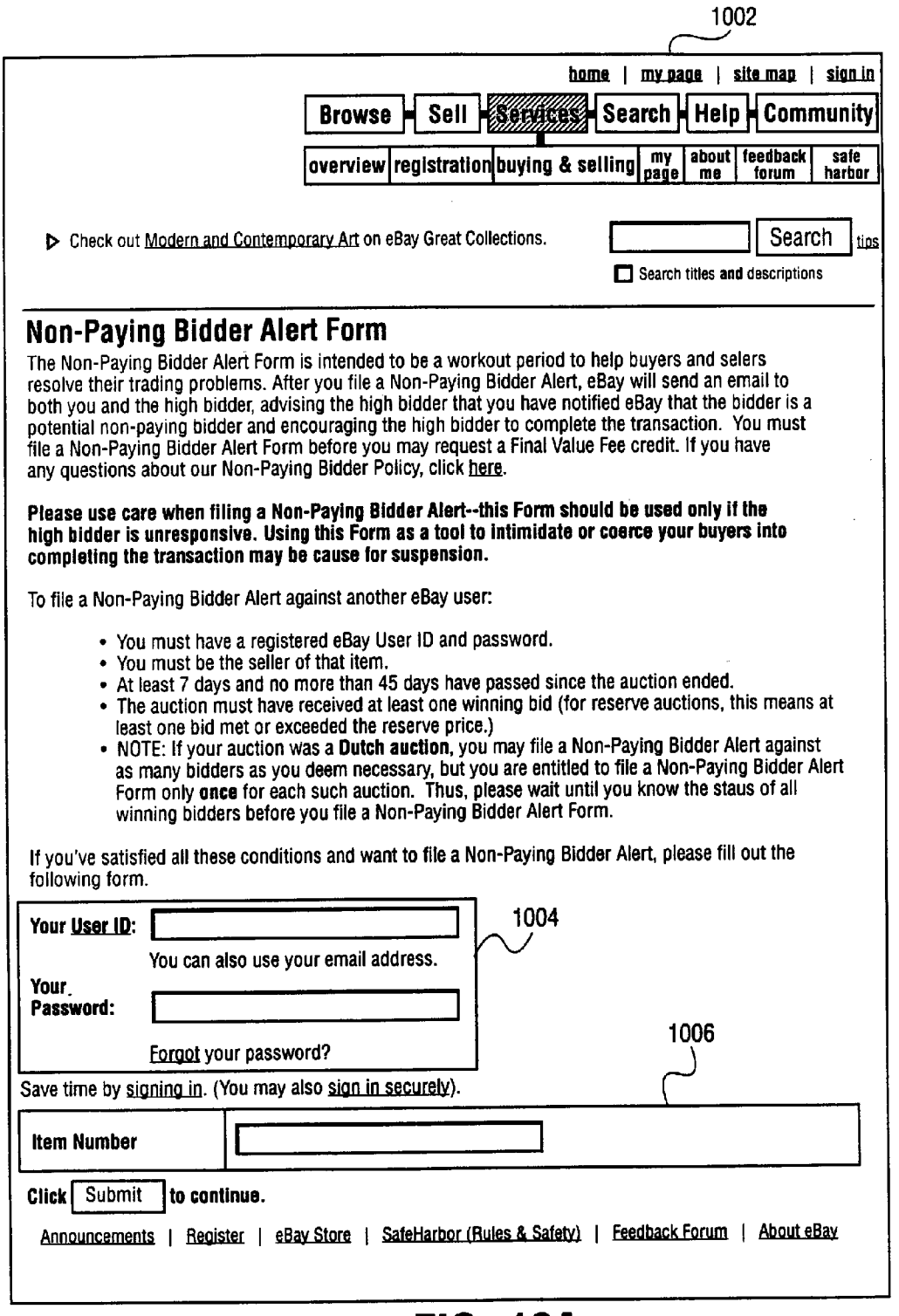

1002
home | my page | site map | sign in
Browse
Sell
Services
Search
Help
Community
overview
registration
buying & selling
my page
about me
feedback forum
safe harbor
Check out Modern and Contemporary Art on eBay Great Collections.
Search
tips
Search titles and descriptions
Non-Paying Bidder Alert Form
The Non-Paying Bidder Alert Form is intended to be a workout period to help buyers and selers resolve their trading problems. After you file a Non-Paying Bidder Alert, eBay will send an email to both you and the high bidder, advising the high bidder that you have notified eBay that the bidder is a potential non-paying bidder and encouraging the high bidder to complete the transaction. You must file a Non-Paying Bidder Alert Form before you may request a Final Value Fee credit. If you have any questions about our Non-Paying Bidder Policy, click here.
Please use care when filing a Non-Paying Bidder Alert--this Form should be used only if the high bidder is unresponsive. Using this Form as a tool to intimidate or coerce your buyers into completing the transaction may be cause for suspension.
To file a Non-Paying Bidder Alert against another eBay user:
• You must have a registered eBay User ID and password.
• You must be the seller of that item.
• At least 7 days and no more than 45 days have passed since the auction ended.
• The auction must have received at least one winning bid (for reserve auctions, this means at least one bid met or exceeded the reserve price.)
• NOTE: If your auction was a Dutch auction, you may file a Non-Paying Bidder Alert against as many bidders as you deem necessary, but you are entitled to file a Non-Paying Bidder Alert Form only once for each such auction. Thus, please wait until you know the staus of all winning bidders before you file a Non-Paying Bidder Alert Form.
If you've satisfied all these conditions and want to file a Non-Paying Bidder Alert, please fill out the following form.
Your User ID:
You can also use your email address.
Your Password:
Forgot your password?
1004
1006
Save time by signing in. (You may also sign in securely).
Item Number
Click Submit to continue.
Announcements | Register | eBay Store | SafeHarbor (Rules & Safety) | Feedback Forum | About eBay

FIG. 10A

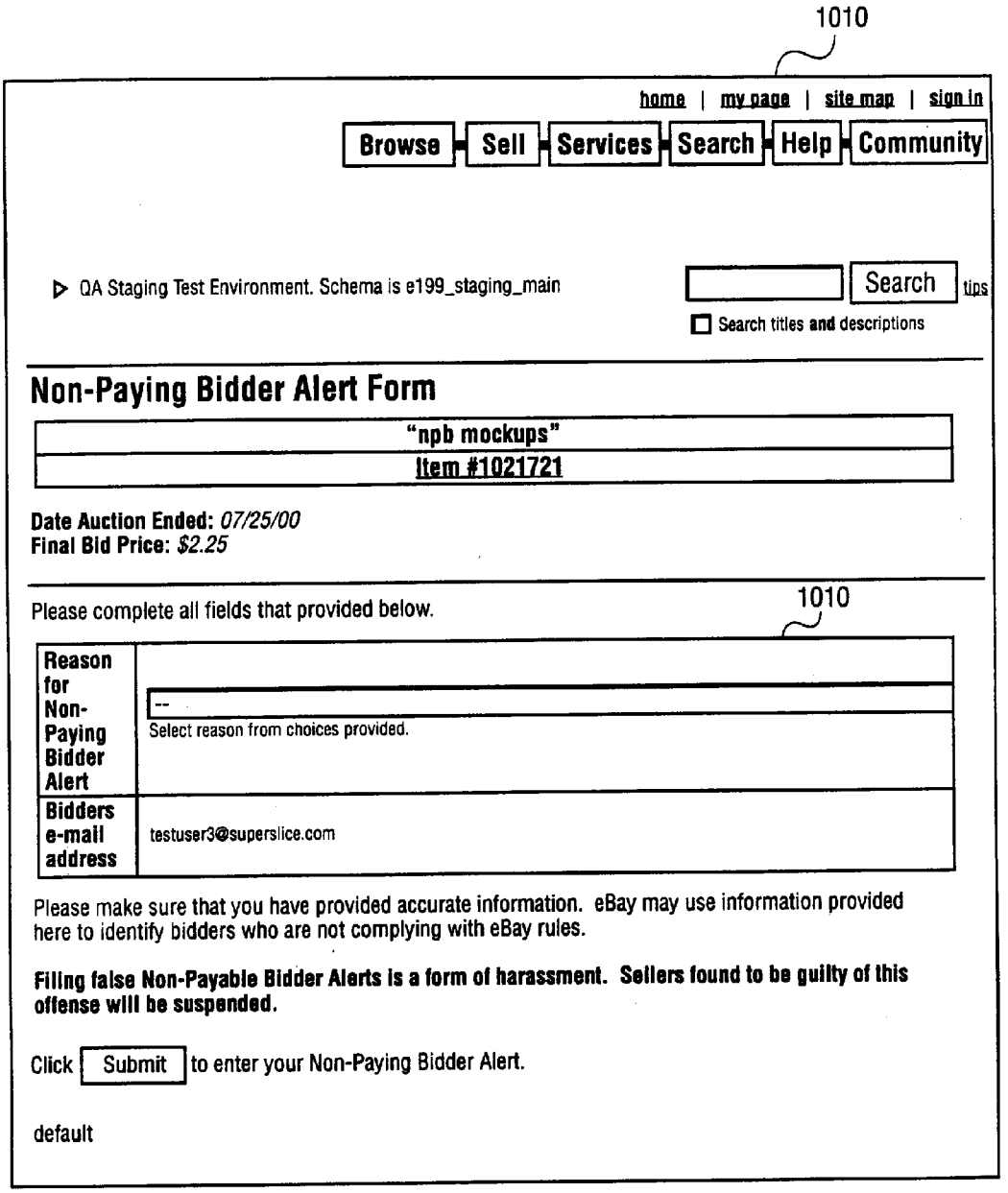

1010
home | my page | site map | sign in
Browse
Sell
Services
Search
Help
Community
QA Staging Test Environment. Schema is e199_staging_main
Search
tips
Search titles and descriptions
Non-Paying Bidder Alert Form
"npb mockups"
Item #1021721
Date Auction Ended: 07/25/00
Final Bid Price: $2.25
Please complete all fields that provided below.
1010
Reason for Non-Paying Bidder Alert
--
Select reason from choices provided.
Bidders e-mail address
testuser3@superslice.com
Please make sure that you have provided accurate information. eBay may use information provided here to identify bidders who are not complying with eBay rules.
Filing false Non-Payable Bidder Alerts is a form of harassment. Sellers found to be guilty of this offense will be suspended.
Click
Submit
to enter your Non-Paying Bidder Alert.
default

FIG. 10B

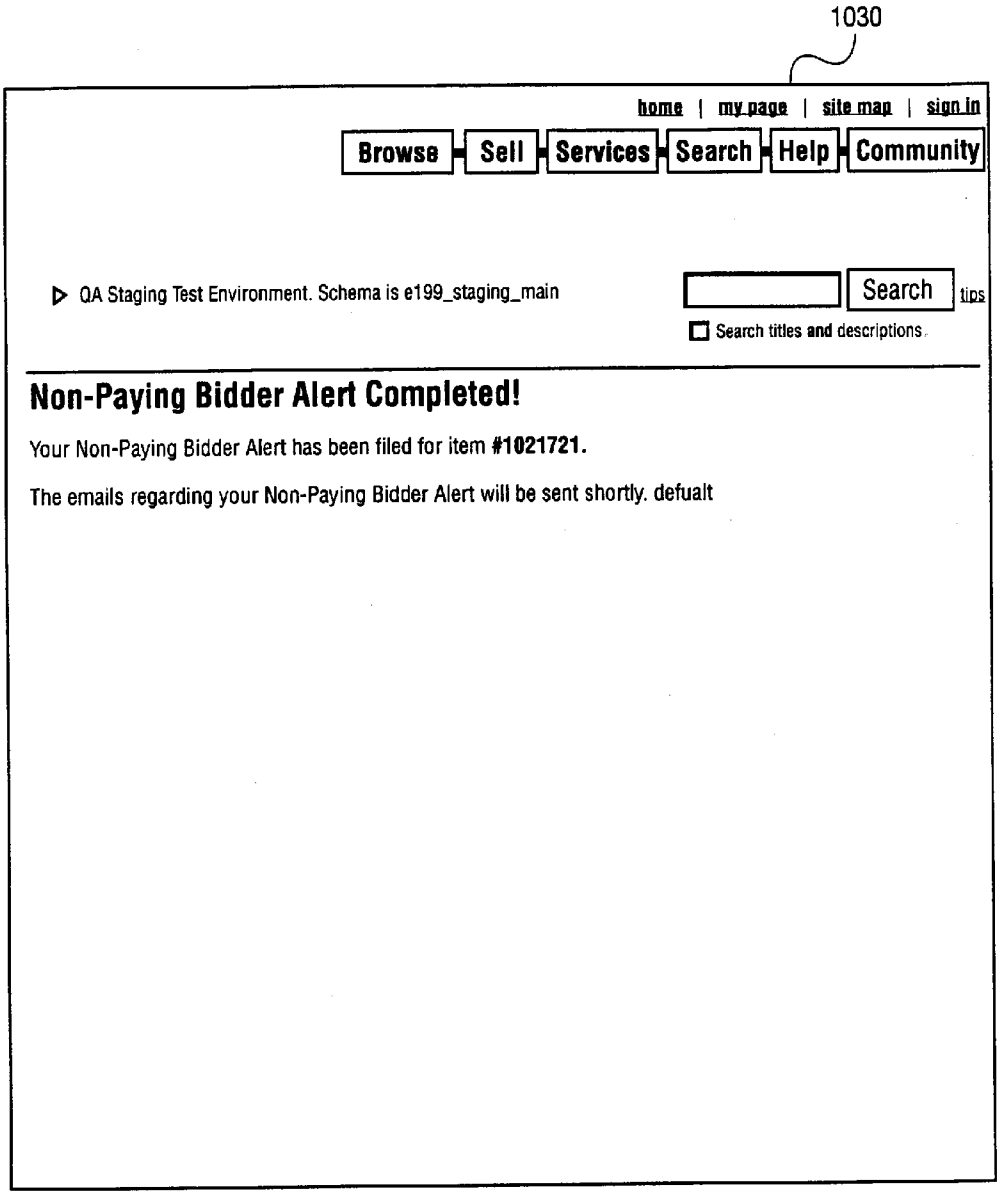

1030
home | my page | site map | sign in
Browse
Sell
Services
Search
Help
Community
QA Staging Test Environment. Schema is e199_staging_main
Search
tips
Search titles and descriptions
Non-Paying Bidder Alert Completed!
Your Non-Paying Bidder Alert has been filed for item #1021721.
The emails regarding your Non-Paying Bidder Alert will be sent shortly. defualt

FIG. 10C

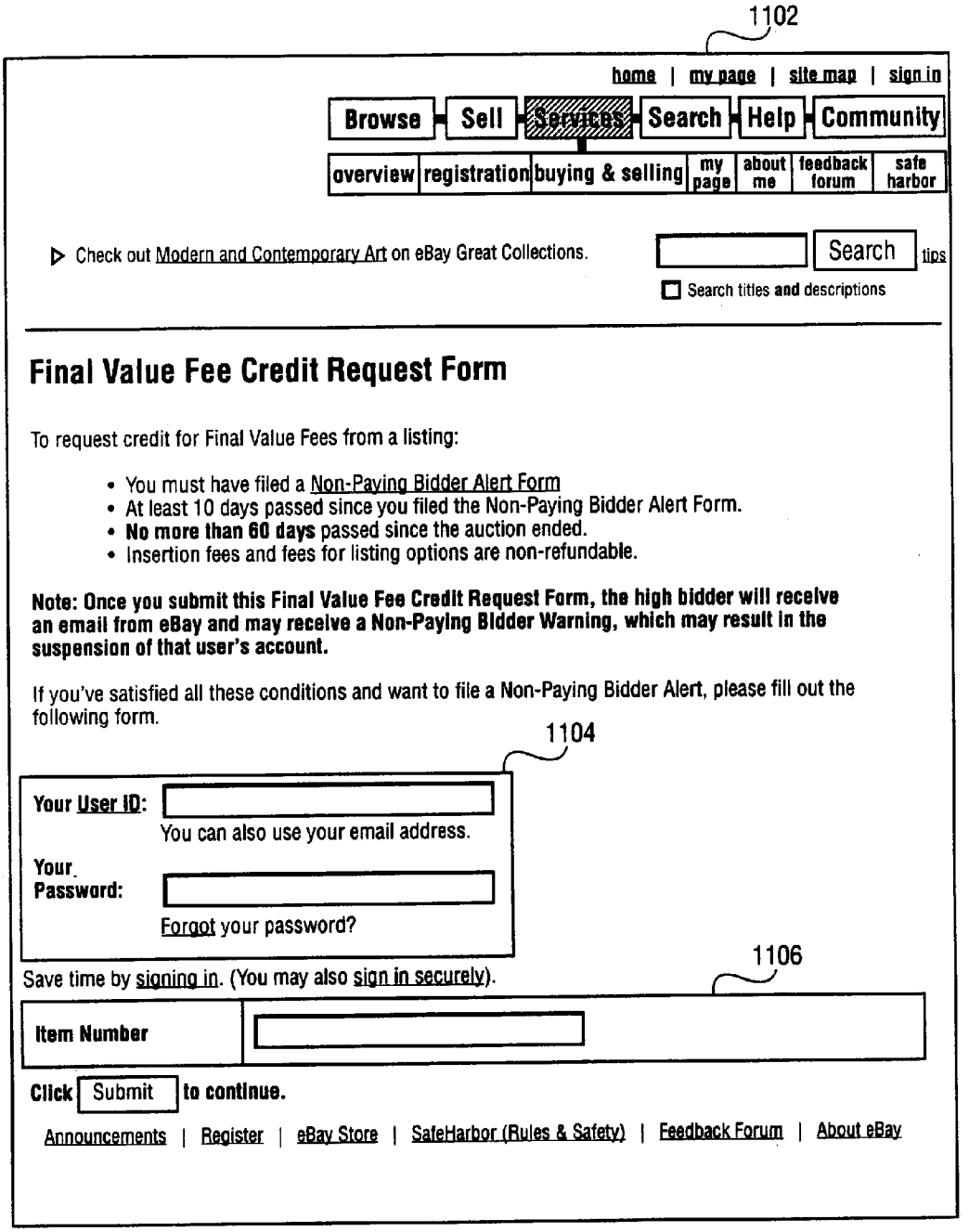

1102
home | my page | site map | sign in
Browse
Sell
Services
Search
Help
Community
overview
registration
buying & selling
my page
about me
feedback forum
safe harbor
Check out Modern and Contemporary Art on eBay Great Collections.
Search
tips
Search titles and descriptions
Final Value Fee Credit Request Form
To request credit for Final Value Fees from a listing:
• You must have filed a Non-Paying Bidder Alert Form
• At least 10 days passed since you filed the Non-Paying Bidder Alert Form.
• No more than 60 days passed since the auction ended.
• Insertion fees and fees for listing options are non-refundable.
Note: Once you submit this Final Value Fee Credit Request Form, the high bidder will receive an email from eBay and may receive a Non-Paying Bidder Warning, which may result in the suspension of that user's account.
If you've satisfied all these conditions and want to file a Non-Paying Bidder Alert, please fill out the following form.
1104
Your User ID:
You can also use your email address.
Your Password:
Forgot your password?
Save time by signing in. (You may also sign in securely).
1106
Item Number
Click Submit to continue.
Announcements | Register | eBay Store | SafeHarbor (Rules & Safety) | Feedback Forum | About eBay

FIG. 11A

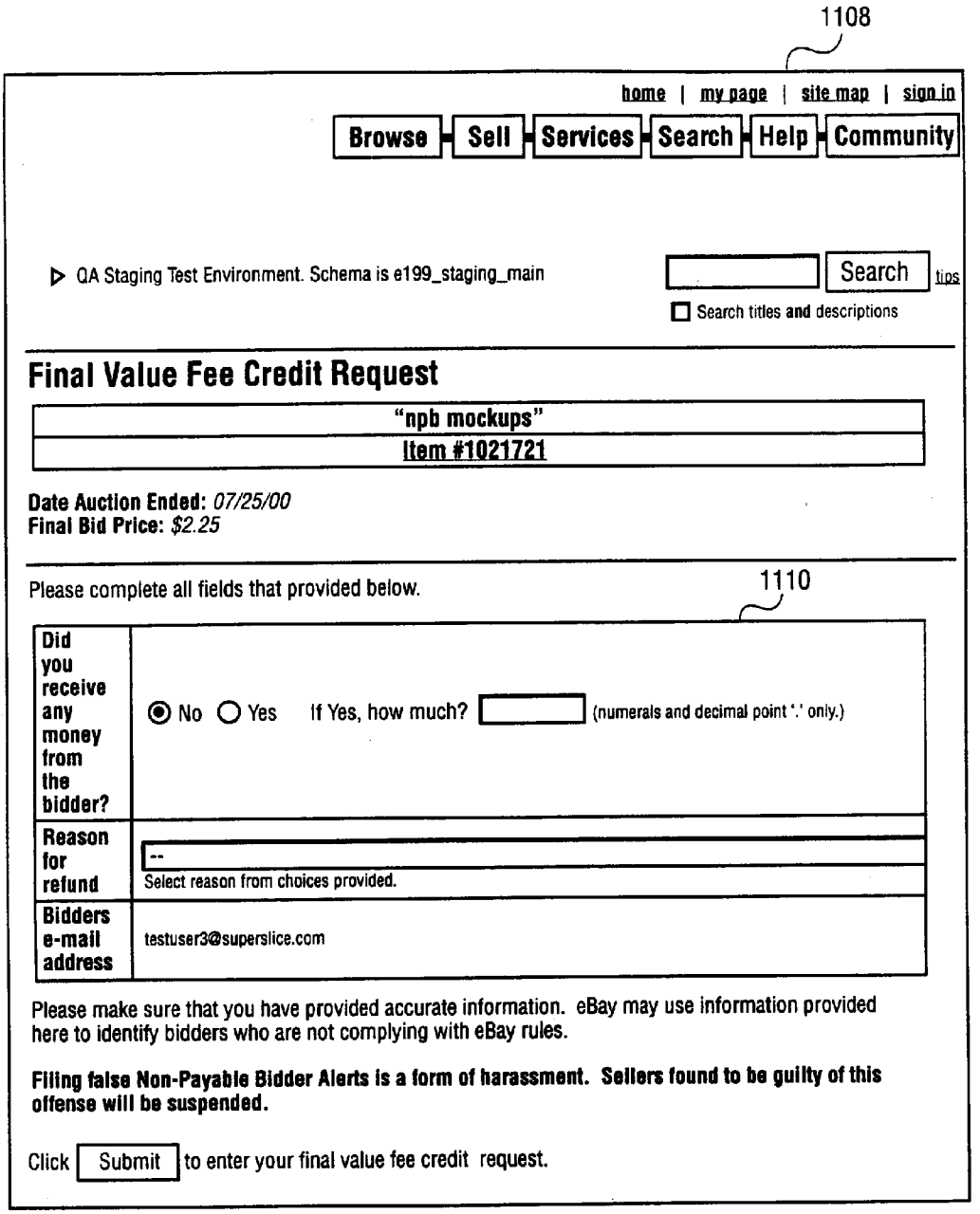

1108
home | my page | site map | sign in
Browse
Sell
Services
Search
Help
Community
QA Staging Test Environment. Schema is e199_staging_main
Search
tips
Search titles and descriptions
Final Value Fee Credit Request
"npb mockups"
Item #1021721
Date Auction Ended: 07/25/00
Final Bid Price: $2.25
Please complete all fields that provided below.
1110
Did you receive any money from the bidder?
No
Yes
If Yes, how much?
(numerals and decimal point '.' only.)
Reason for refund
--
Select reason from choices provided.
Bidders e-mail address
testuser3@superslice.com
Please make sure that you have provided accurate information. eBay may use information provided here to identify bidders who are not complying with eBay rules.
Filing false Non-Payable Bidder Alerts is a form of harassment. Sellers found to be guilty of this offense will be suspended.
Click
Submit
to enter your final value fee credit request.

FIG. 11B

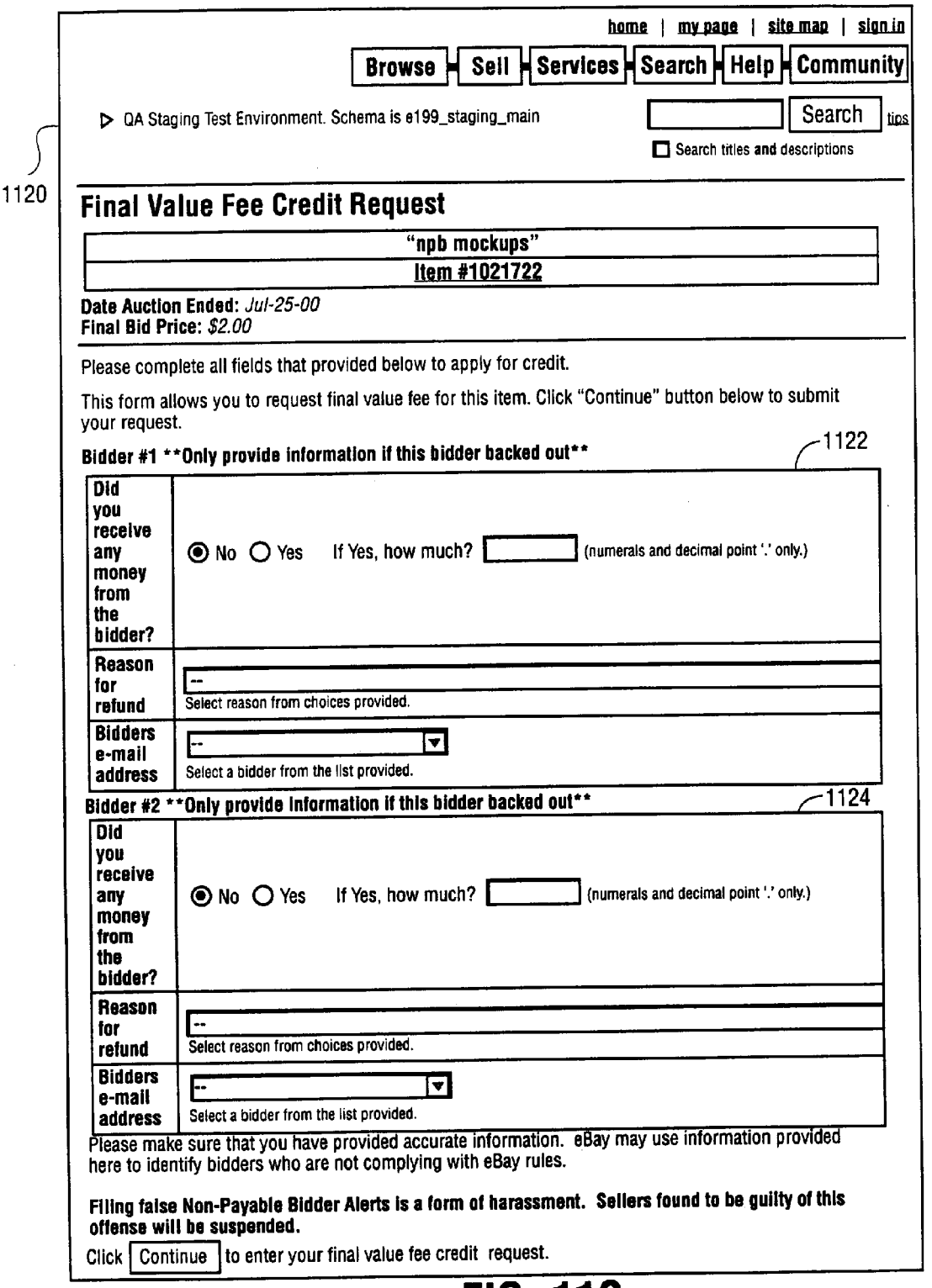

home | my page | site map | sign in
Browse
Sell
Services
Search
Help
Community
QA Staging Test Environment. Schema is e199_staging_main
Search
tips
Search titles and descriptions
1120
Final Value Fee Credit Request
"npb mockups"
Item #1021722
Date Auction Ended: Jul-25-00
Final Bid Price: $2.00
Please complete all fields that provided below to apply for credit.
This form allows you to request final value fee for this item. Click "Continue" button below to submit your request.
1122
Bidder #1 **Only provide information if this bidder backed out**
Did you receive any money from the bidder?
No Yes If Yes, how much? (numerals and decimal point '.' only.)
Reason for refund
Select reason from choices provided.
Bidders e-mail address
Select a bidder from the list provided.
1124
Bidder #2 **Only provide information if this bidder backed out**
Did you receive any money from the bidder?
No Yes If Yes, how much? (numerals and decimal point '.' only.)
Reason for refund
Select reason from choices provided.
Bidders e-mail address
Select a bidder from the list provided.
Please make sure that you have provided accurate information. eBay may use information provided here to identify bidders who are not complying with eBay rules.
Filing false Non-Payable Bidder Alerts is a form of harassment. Sellers found to be guilty of this offense will be suspended.
Click Continue to enter your final value fee credit request.

FIG. 11C

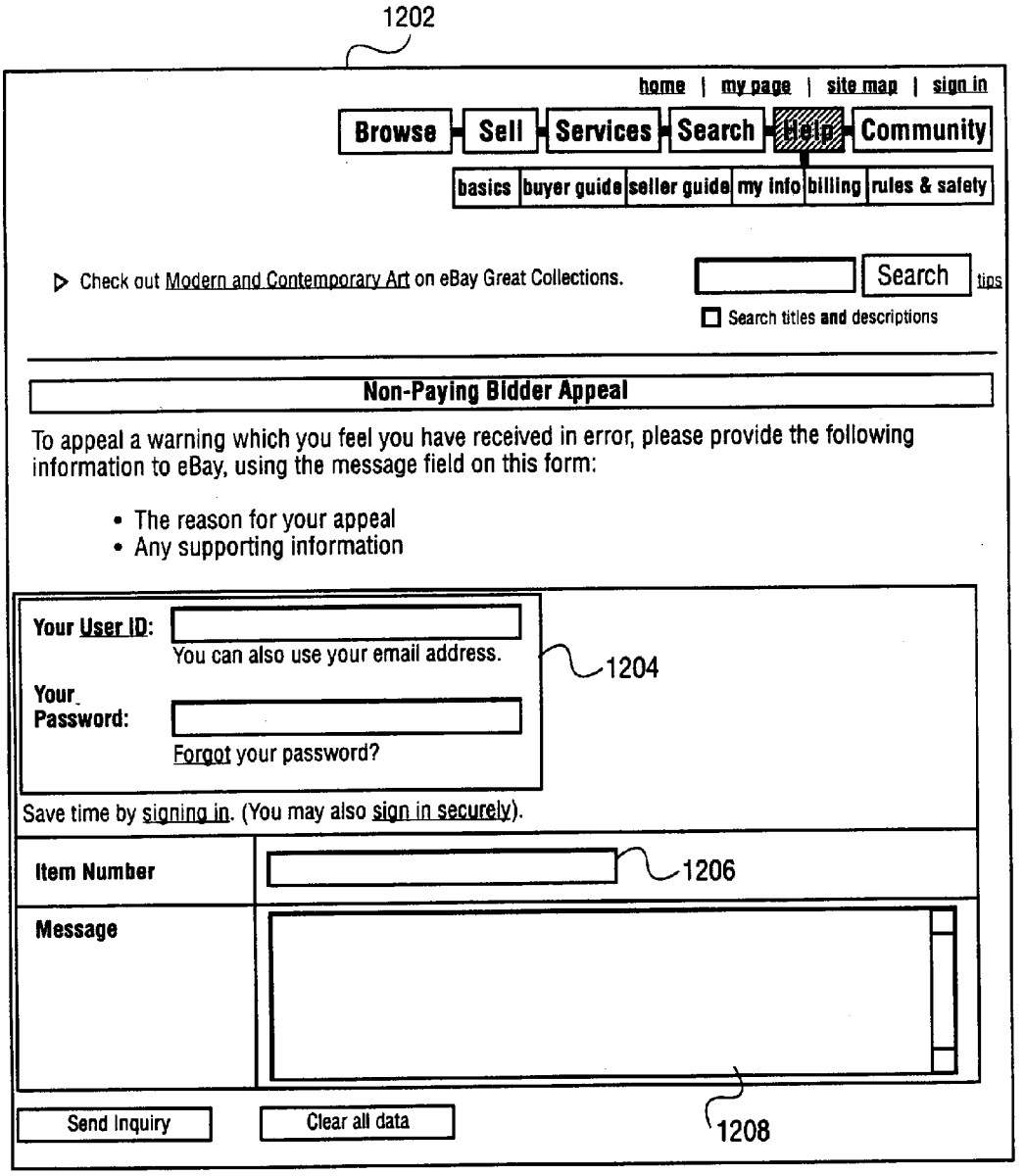

1202
home | my page | site map | sign in
Browse
Sell
Services
Search
Help
Community
basics
buyer guide
seller guide
my info
billing
rules & safety
Check out Modern and Contemporary Art on eBay Great Collections.
Search
tips
Search titles and descriptions
Non-Paying Bidder Appeal
To appeal a warning which you feel you have received in error, please provide the following information to eBay, using the message field on this form:
• The reason for your appeal
• Any supporting information
Your User ID:
You can also use your email address.
Your Password:
Forgot your password?
1204
Save time by signing in. (You may also sign in securely).
Item Number
1206
Message
Send Inquiry
Clear all data
1208

FIG. 12

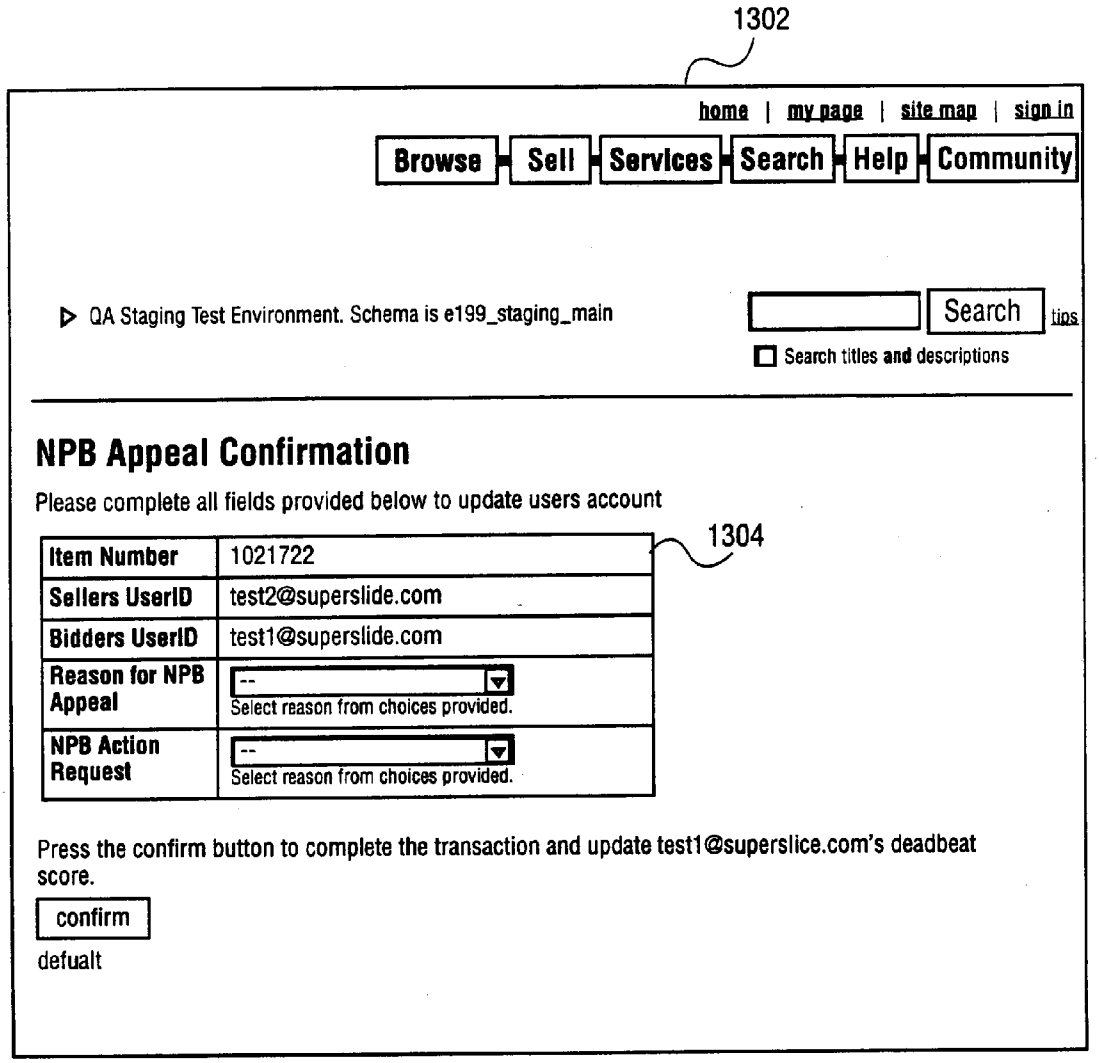

1302
home | my page | site map | sign in
Browse
Sell
Services
Search
Help
Community
QA Staging Test Environment. Schema is e199_staging_main
Search
tips
Search titles and descriptions
NPB Appeal Confirmation
Please complete all fields provided below to update users account
1304
Item Number
1021722
Sellers UserID
test2@superslide.com
Bidders UserID
test1@superslide.com
Reason for NPB Appeal
--
Select reason from choices provided.
NPB Action Request
--
Select reason from choices provided.
Press the confirm button to complete the transaction and update test1@superslice.com's deadbeat score.
confirm
defualt

FIG. 13

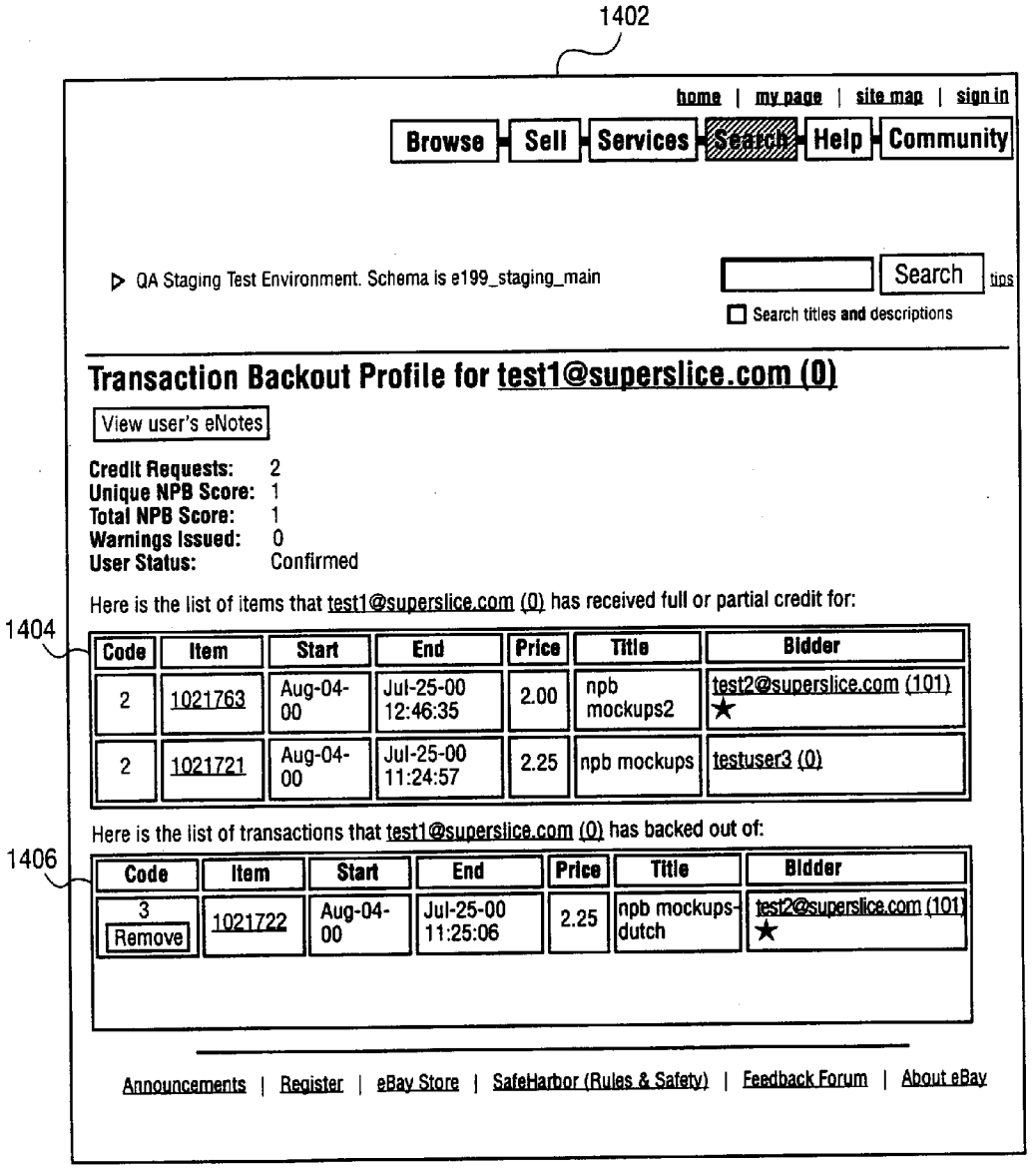

1402
home | my page | site map | sign in
Browse
Sell
Services
Search
Help
Community
QA Staging Test Environment. Schema is e199_staging_main
Search
tips
Search titles and descriptions
Transaction Backout Profile for test1@superslice.com (0)
View user's eNotes
Credit Requests: 2
Unique NPB Score: 1
Total NPB Score: 1
Warnings Issued: 0
User Status: Confirmed
Here is the list of items that test1@superslice.com (0) has received full or partial credit for:
1404
Code
Item
Start
End
Price
Title
Bidder
2
1021763
Aug-04-00
Jul-25-00 12:46:35
2.00
npb mockups2
test2@superslice.com (101)
2
1021721
Aug-04-00
Jul-25-00 11:24:57
2.25
npb mockups
testuser3 (0)
Here is the list of transactions that test1@superslice.com (0) has backed out of:
1406
Code
Item
Start
End
Price
Title
Bidder
3
Remove
1021722
Aug-04-00
Jul-25-00 11:25:06
2.25
npb mockups-dutch
test2@superslice.com (101)
Announcements | Register | eBay Store | SafeHarbor (Rules & Safety) | Feedback Forum | About eBay

FIG. 14

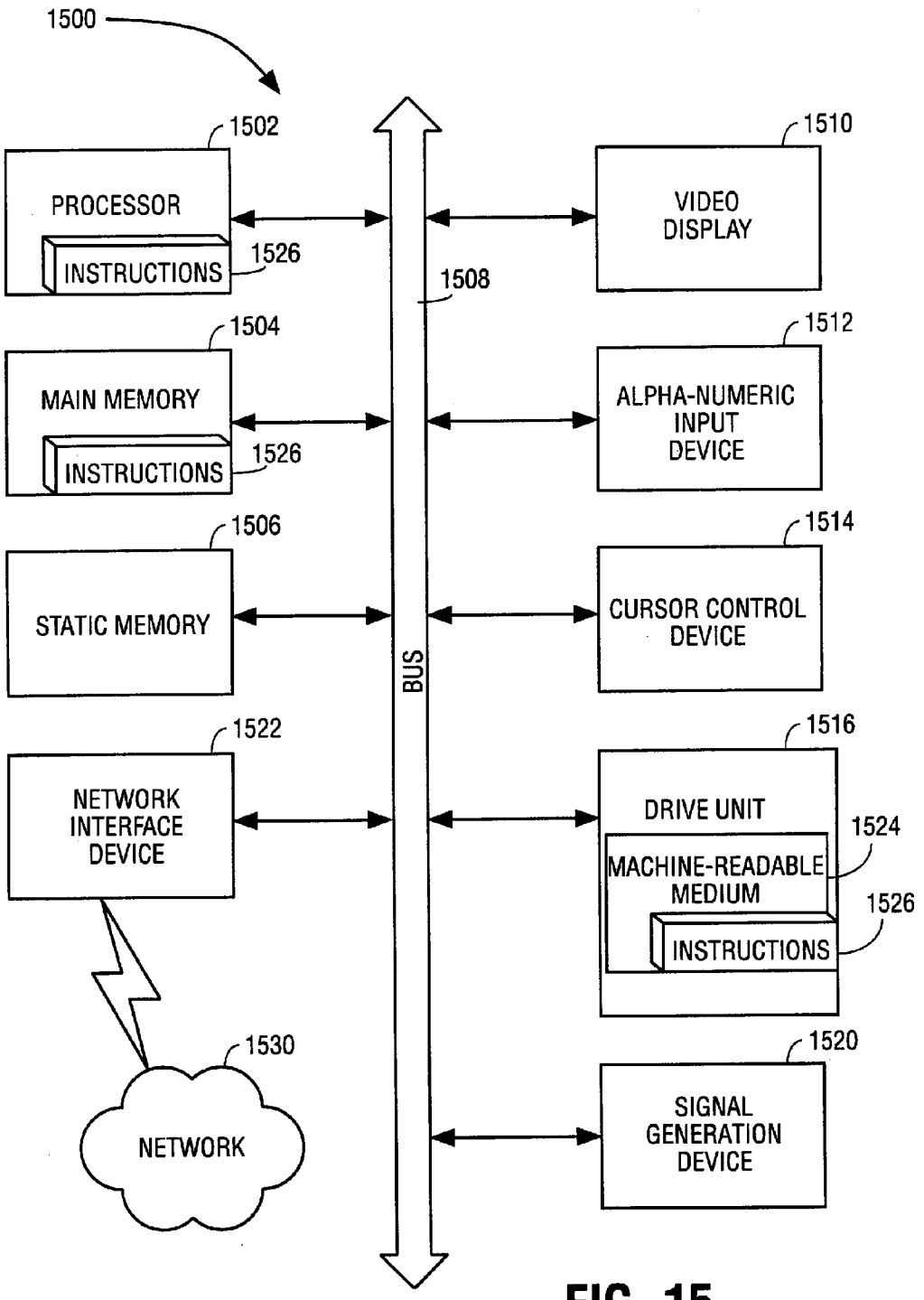

1500
1502
PROCESSOR
INSTRUCTIONS
1526
1504
MAIN MEMORY
INSTRUCTIONS
1526
1506
STATIC MEMORY
1522
NETWORK INTERFACE DEVICE
1530
NETWORK
BUS
1508
1510
VIDEO DISPLAY
1512
ALPHA-NUMERIC INPUT DEVICE
1514
CURSOR CONTROL DEVICE
1516
DRIVE UNIT
MACHINE-READABLE MEDIUM
1524
INSTRUCTIONS
1526
1520
SIGNAL GENERATION DEVICE

FIG. 15

# METHOD AND SYSTEM FOR DEALING WITH NON-PAYING BIDDERS RELATED TO NETWORK-BASED TRANSACTIONS

## RELATED APPLICATIONS

**[0001]** This application is a continuation of U.S. application Ser. No. 09/717,433, filed Nov. 20, 2000, entitled "Method and System for Dealing with Non-Paying Bidders Related to Network-Based Transactions," which is incorporated by reference herein in its entirety.

## FIELD OF THE INVENTION

**[0002]** The present invention relates generally to the field of e-commerce. More particularly, the present invention relates to a method and system for dealing with non-paying bidders related to network-based transactions.

## BACKGROUND OF THE INVENTION

**[0003]** A common type of network-based transaction is purchasing goods or services via a network-based transaction facility, e.g., a website on the Internet. One type of network-based transaction is an online-auction transaction. In an online-auction transaction, a seller offers an item for sale via an auction website in which a number of bidders access the website and bid for the item. A transaction is completed after the winning bidder pays for the item and the seller delivers the item to the winning bidder.

**[0004]** A typical problem associated with such a transaction is a winning bidder failing to follow through with the transaction. For example, the winning bidder may fail to pay for the auctioned item or provide a fraudulent check to purchase the item. In such a case, the bidder is referred to as a "non-paying bidder." As a result of a failed transaction, the seller may request a refund for a fee that may have been charged by the network-based transaction facility to facilitate the transaction. Another problem that may occur is a seller falsely claiming that a transaction did not go through to obtain a refund when in fact a valid sale occurred.

**[0005]** Thus, there is a need to minimize the number of non-paying bidders and to minimize seller abuse in falsely claiming refunds. Furthermore, there is a need to track non-paying bidders and to minimize network-based transaction facility resources in tracking non-paying bidders.

## SUMMARY OF THE INVENTION

**[0006]** A method and system for dealing with non-paying bidders related to network-based transactions are disclosed. For one embodiment, a submission of a complaint is submitted to a network-based facility. The complaint is related to a party in a failed a transaction. A resolution of the complaint is facilitated. A record associated with the party is updated if the complaint is not resolved. The record indicates a count of failed transactions related to the party. A refund request can also be facilitated if the complaint is not resolved.

**[0007]** Other features of the present invention will be apparent from the accompanying drawings and from the detailed description that follows.

## BRIEF DESCRIPTION OF THE DRAWINGS

**[0008]** The present invention is illustrated by way of example and not intended to be limited by the figures of the accompanying drawings in which like references indicate similar elements and in which:

**[0009]** FIG. **1** is a block diagram illustrating an exemplary network-based transaction facility in the form of an Internet-based auction facility;

**[0010]** FIG. **2** is a database diagram illustrating an exemplary database for the transaction facility;

**[0011]** FIG. **3** is a diagrammatic representation of an exemplary non-paying bidder items table of the database illustrated in FIG. **2**;

**[0012]** FIG. **4** is a diagrammatic representation of an exemplary non-paying bidders table of the database illustrated in FIG. **2**;

**[0013]** FIG. **5** is a diagrammatic representation of an exemplary sellers complaint table of the database illustrated in FIG. **2**;

**[0014]** FIG. **6** is a diagrammatic representation of an exemplary sellers final value fee request table of the database illustrated in FIG. **2**;

**[0015]** FIG. **7** is a diagrammatic representation of an exemplary non-paying bidder appeal table of the database illustrated in FIG. **2**;

**[0016]** FIGS. **8**A through **8**D are flow charts illustrating an exemplary operation for a network-based facility to handle non-paying bidders and to handle final value fee refund requests;

**[0017]** FIGS. **9**A and **9**B illustrate exemplary interfaces providing information about a non-paying bidder program;

**[0018]** FIGS. **10**A and **10**B illustrate exemplary interfaces for entering a non-paying bidder alert or complaint form;

**[0019]** FIG. **10**C illustrates an exemplary interface indicating that a non-paying bidder alert or complaint form has been filed;

**[0020]** FIGS. **11**A through **11**C illustrate exemplary interfaces for entering a final value fee credit request form;

**[0021]** FIG. **12** illustrates an exemplary interface for entering a non-paying bidder appeal;

**[0022]** FIG. **13** illustrates an exemplary interface for providing a non-paying bidder appeal confirmation;

**[0023]** FIG. **14** illustrates an exemplary interface for providing a transaction backout profile; and

**[0024]** FIG. **15** is a diagrammatic representation of a machine, in an exemplary form of a computer system, in which a set of instructions for causing the machine to perform any of the methodologies of the present invention may be executed.

## DETAILED DESCRIPTION

**[0025]** A method and system for dealing with non-paying bidders related to network-based transactions are described. For one embodiment, a submission of a complaint is submitted to a network-based facility. The complaint is related to a party in a failed a transaction. A resolution of the complaint is facilitated. A record associated with the party is updated if the complaint is not resolved. The record indicates a count of failed transactions related to the party. A refund request can also be facilitated if the complaint is not resolved.

**[0026]** The method and system described herein can reduce abuse by users filing false refund requests for failed transactions by allowing a user who fails to follow through in a transaction an opportunity to resolve or complete the transaction. Furthermore, the number of users failing to complete a transaction can be reduced by maintaining a record indicating a count of failed transactions related to the user. If the

count exceeds a threshold, the user is suspended from participating in transactions on the network-based facility.

**[0027]** In the following embodiments, for purposes of explanation, numerous specific details are set forth in order to provide a thorough understanding of the present invention. It will be evident, however, to one skilled in the art that the present invention may be practiced without these specific details.

Terminology

**[0028]** In the following embodiments, the term "transaction" or "transactions" refers to any communications between two or more entities and is to be construed to include, but limited to, commercial transactions including sale and purchase transactions, online-auction transactions and other like transactions.

Transaction Facility

**[0029]** FIG. **1** is a block diagram illustration of an exemplary network-based transaction facility **100** in the form of an "Internet" network-based auction facility **110**. While an exemplary embodiment of the present invention is described within the context of an auction facility, it will be appreciated by those skilled in the art that the invention will find application in many different types of computer-based, network-based, or e-commerce based facilities.

**[0030]** The auction facility **110** includes one or more of a number of types of front-end servers, namely pages servers **112** that deliver web pages (e.g., markup language documents), pictures servers **114** that dynamically deliver images to be displayed within Web pages, listing servers **116**, CGI servers **118** that provide an intelligent interface to the back-end of facility **110**, and search servers **120** that handle search requests to the facility **110**. Email servers **121** provide, inter alia, automated email communications to users of the facility **110**. Auction facility **110** also includes administrative application(s) functions **128** for providing functions for applications running auction facility **110**.

**[0031]** The back-end servers include a database engine server **122**, a search index server **124** and a credit card data server **126**, each of which maintains and facilitates access to respective databases **123**, **125**, **127**, respectively.

**[0032]** The Internet-based auction facility **110** may be accessed by a client program **130**, such as a browser (e.g., the Internet Explorer® distributed by Microsoft Corp. of Redmond, Wash.) that executes on a client machine **132** and accesses the facility **110** via a network such as, for example, the Internet **134**. Other examples of networks that a client may utilize to access the auction facility **110** include a wide area network (WAN), a local area network (LAN), a wireless network (e.g., a cellular network), or the Plain Old Telephone Service (POTS) network.

Database Structure

**[0033]** FIG. **2** is a database diagram illustration of an exemplary database **200**, maintained by and accessed via the database engine server **122**, which at least partially implements and supports the network-based auction facility **110**. Database **123** may, in one embodiment, be implemented as a relational database, and includes a number of tables having entries, or records, that are linked by indices and keys. In an alternative embodiment, database **123** may be implemented as a collection of objects in an object-oriented database.

**[0034]** Central to the database **123** is a user table **240**, which contains a record for each user of the auction facility **110**. A user may operate as a seller, buyer, or both, within the auction facility **110**. Database **123** also includes item tables **242** that may be linked to the user table **240**. Specifically, tables **242** include a seller item table **244** and data items table **246**. A user record in user table **240** may be linked to multiple items that are being, or have been, auctioned via auction facility **110**. A link indicates whether the user is a seller or a bidder (or buyer) with respect to items for which records exist within the item tables **242**. Database **123** also includes a note table **248** populated with note records that may be linked to one or more item records within the item tables **242** and/or to one or more user records with the user table **240**. Each note record within the note table **248** may include, inter alia, a comment, description, history of other information pertaining to an item being auction via auction facility **100**, or to a user of auction facility **110**.

**[0035]** A number of other tables are also shown to be linked to the user table **240**, namely a user past aliases table **250**, a feedback table **252**, a feedback details table **253**, a transaction record table **260**, account balances table **258**, accounts table **256**, bids table **254**, seller final value fee request table **270**, seller final value fee request details table **272**, non-paying bidder complaints table **262**, and non-paying bidder complaint details table **264**.

Non-Paying Bidder Complaint/Final Value Fee Request Record Tables

**[0036]** FIGS. **3-8** are diagrammatic representations of exemplary embodiments of transaction record tables that are populated with records or entries for non-paying bidder complaints and final value fee requests relating to failed transactions (e.g., failed Internet based auction transactions) that have been facilitated by auction facility **110**. Such transaction record tables may be stored in non-paying bidder complaints table **262**, non-paying bidder complaint details table **264**, seller final value fee request table **270**, seller final value fee request details **272**.

**[0037]** FIG. **3** is a diagrammatic representation of an exemplary non-paying bidder items table **300** of the database illustrated in FIG. **2**. Referring to FIG. **3**, non-paying bidder (NPB) items table **300** includes a item no. column **302**, seller user ID column **304**, NPB user ID column **306**, reason for failed transaction column **308**, notice date column **310**, and notice reason column **312**.

**[0038]** Item no. column **302** stores item identifiers of items involved in failed transactions. Seller user ID column **304** stores user IDs of sellers who auctioned an item in item no. column **302**. NPB user ID column **306** stores user IDs of buyers who did not follow through on a transaction related to the items identified in item no. column **302**. Reasons for failed transaction column **308** stores reasons why the transaction failed that may be given by a seller. For example, reasons may include a buyer failing to purchase an item or providing a fraudulent check to pay for the item.

**[0039]** Notice date column **310** stores the date a notice was sent to the respective buyer identified in the NPB user ID column **306** that he/she has not completed the transaction for the item identified in the respective item no. column **302**. Notice reason column **312** stores the reasons why the notice was sent. For example, the notice can be sent because a seller filed a final value fee refund request or the seller filed a NPB alert against the buyer.

**[0040]** FIG. **4** is a diagrammatic representation of an exemplary non-paying bidders table **400** of the database illustrated in FIG. **2**. Referring to FIG. **4**, non-paying bidders table **400** includes a NPB user ID column **402**, item no. column **404**, valid warning count **406**, NPB tick column **408**, reason for NPB tick column **410**, and suspended status column **412**.

**[0041]** NPB user ID column **402** stores the user IDs of buyers in which a complaint has been filed. The buyers listed in NPB user ID column **402** are buyers involved in failed transactions. Item no. column **404** stores identifiers of items involved in transactions in which the buyer listed in NPB user ID column **402** was the winning bidder and failed to complete the transaction for the item.

**[0042]** Valid warning count column **406** stores a count value on the number of times the NPB received a warning for being a "non-paying bidder" or for failing to complete a transaction. NPB tick column **408** stores the number of times the NPB has been involved in a failed transaction in which the NPB was at fault. Reason for NPB tick column **410** stores the reasons for the NPB tick. Suspended status column **412** stores the status of the NPB to participate on the network-facility. For example, after a certain number of NPB ticks, the NPB can be suspended from participating in an on-line auction on the network-based facility.

**[0043]** FIG. **5** is a diagrammatic representation of an exemplary sellers complaint table **500** of the database illustrated in FIG. **2**. Referring to FIG. **5**, sellers complaint table **500** includes a seller user ID column **502**, NPB user ID column **504**, date of complaint column **506**, reason for complaint column **508**, and status of complaint column **510**.

**[0044]** Seller user ID column **502** stores the user IDs of sellers filing NPB complaints. NPB user ID column **504** stores user IDs of buyers in which a NPB complaint has been filed against. Date of complaint column **506** stores the date in which the NPB complaint was filed. Reason for complaint column **508** stores the reasons why the seller filed the NPB complaint. Status of complaint column **510** stores the status of the complaint. For example, the status can indicate that the complaint has been resolved or if it is pending.

**[0045]** FIG. **6** is a diagrammatic representation of an exemplary sellers final value fee (FVF) request table **600** of the database illustrated in FIG. **2**. Referring to FIG. **6**, sellers FVF request table **600** includes sellers user ID column **602**, NPB user ID column **604**, item no. column **606**, action desired column **608**, reason for FVF credit column **610**, credit date column **612**, and credit amount column **614**.

**[0046]** Sellers user ID column **602** stores the user IDs of sellers filing a FVF refund request. NPB user ID column **604** stores the user IDs of the NPB related to the FVF refund request by the seller. Item no. column **606** stores an identifier of the item related to the FVF refund request. Action desired column **608** stores the requests of the seller. For the seller may request a refund or a credit for future transactions.

**[0047]** Reason for FVF credit column **610** stores the reason for the credit. For one embodiment, the following reasons are not valid reasons for filing a FVF credit, which are: (1) the bidder paid, returned it and seller issued a refund; (2) Seller and Buyer mutually agreed not to complete the transaction; or (3) sale price to high bidder was lower than final high bid. Credit date column **612** stores the date in which a refund or a credit for future transactions was given. Credit amount column **614** stores the amount of the credit or refund given.

**[0048]** FIG. **7** is a diagrammatic representation of an exemplary non-paying bidder appeal table **700** of the database illustrated in FIG. **2**. Referring to FIG.**7**, NPB table **700** includes an item no. column **702**, seller user ID column **704**, NPB user ID column **706**, reason for failed transaction column **708**, reason for appeal column **710**, and appeal code column **712**.

**[0049]** Item no. column **702** stores item identifiers related to failed transactions. The failed transaction has caused an NPB to have a "tick" or count against him in which the NPB is considered at fault. Seller user ID column **304** stores user IDs of sellers who auctioned an item in item no. column **302** and filed a NPB complaint or alert against the NPB. NPB user ID column **306** stores user IDs of buyers who did not follow through on a transaction related to the items identified in item no. column **302**.

**[0050]** Reasons for failed transaction column **308** stores reasons why the transaction failed. For example, reasons may include a buyer failing to pay for an item or providing a fraudulent check to pay for the item. Reason for appeal column **710** stores reasons why the NPB is appealing a NPB tick. A valid reason for appeal can be that the NPB did pay for the item and the seller is providing a false complaint to obtain a FVF refund or credit. The appeal code column **712** stores codes related to the appeal. For example, the codes can indicate if the appeal is granted and the NPB tick is taken away or if the appeal is denied.

**[0051]** The above record tables are exemplary and additional column entries or tables can be used by network facility **110** to provide services such that users of network facility **110** may file complaints for a bidder or buyer ("non-paying bidder") who has failed to follow through on a transaction (e.g., an online auction sale). Furthermore, the network facility **100** can also provide a final value fee (FVF) refund request or credit service for sellers involved in a failed transaction. The network facility **110** can also keep track of NPB and suspend the NPB if involved in more than a certain number of failed transactions.

**[0052]** In the following operations, a seller is able to file a complaint against a bidder ("non-paying bidder") who has failed to follow through on a transaction (e.g., an auction sale) after a certain period of time from the end of the sale. A notification is provided to the non-paying bidder ("NPB") so that the seller and a bidder can communicate with each other to resolve the complaint or complete the transaction. If the parties cannot resolve the complaint after a certain period of time, the seller is allowed to file a FVF refund request for the FVF that the seller may have paid to facilitate the sale on the network-based facility. A NPB count or "tick" will be maintained for every failed transaction in which the NPB is involved in.

Filing a Non-Paying Bidder Alert or Complaint

**[0053]** FIGS. **8**A through **8**D are flow charts illustrating an exemplary operation **800** for a network-based facility to handle non-paying bidders and to handle final value fee refund requests. The following exemplary operation **800** can utilize the record tables of FIGS. **3**-**7** and other information contained in the database as shown in FIG. **2**.

**[0054]** Referring to FIG. **8**A, for purposes of explanation, operation **800** begins at operation **802** after an end of an auction. At operation **804**, a seller who was involved in a failed transaction with a buyer can file a non-paying bidder (NPB) complaint or alert. For one embodiment, the seller, however, must wait at least 7 calendar days before a complaint can be filed. To learn about the NPB program, the seller

can access an interface such as interface **902** shown in FIG. **9**A to learn more about the NPB program.

**[0055]** At operation **806**, if the seller does not wish to file a complaint or alert, operation **800** ends. If the seller does wish to file a complaint, operation **800** can continue to operation **826**, **862**, and **808**. At operation **808**, a determination is made if the seller has waited at least 7 days and no more than 30 days. The waiting period is to give the bidder an opportunity to complete the transaction before the seller can file a complaint or request a final value fee refund or request.

**[0056]** If the seller has not waited at least 7 days and no more than 30 days, operation **800** returns to operation **804**. If after the 7 day waiting period, but before 30 days after end of auction, at operation **810**, the seller may file a NPB complaint. For example, interfaces such as interfaces **1002** and **1010**, as shown in FIGS. **10**A and **10**B, can be presented to the seller. The seller can then enter information such as User ID, Password, and Item Number as shown in windows **1004** and **1006**. The seller can also enter reasons for the complaint as shown in window **1012**.

**[0057]** At operation **812**, the information entered by the seller is captured or stored in a database such as that shown in FIG. **2**. An interface such as interface **1030** shown in FIG. **10**C can be presented to the seller indicating that NPB complaint or alert has been completed. Operation **800** then continues to operation **822** in FIG. **8**B.

**[0058]** Referring to FIG. **8**B, at operation **822** a determination is made if the reasons for the complaint are one of the following:

**[0059]** 1) bidder paid returned item and seller issued a refund;

**[0060]** 2) the parties mutually agreed not to complete the transaction; or

**[0061]** 3) sale price to high and bidder bid price was lower than final high bid.

**[0062]** If the reasons for the complaint are one of the above reasons, operation **800** continues at operation **842** in FIG. se. If not, operation **800** continues to operation **824**.

**[0063]** At operation **824**, an email is sent to both bidder/buyer and seller informing the parties reason for complaint, item number, and that bidder will get a NPB tick if the complaint is not resolved. The buyer is informed that the seller has filed a complaint. If the buyer believes the seller has made false statements, the buyer can inform the network facility. For example, the buyer can send an email to a "safeharbor" within the network facility.

**[0064]** At operation **826**, the buyer and seller are asked to resolve differences among themselves. This notification can be a separate email or contained in the email of operation **824**. For one implementation, the email to the NPB can encourage the buyer to leave negative feedback for the seller if the buyer responded during the mediation period and the seller did not respond and is now filing a FVF credit request.

**[0065]** At operation **828**, a determination is made if the buyer and seller have resolved their differences, i.e., completed the transaction. If the parties have not resolved their differences, operation **800** continues to operation **862** in FIG. **8**D. If the parties do resolve their differences, at operation **830** the process ends. The seller cannot file a FVF refund request because the transaction has been completed and no FVF credit is given. Furthermore, the buyer is not given a NPB tick.

Filing a Final Value Fee Refund Request

**[0066]** Referring to FIG. **8**C, if the reason for filing the complaint is one of the reasons stated in operation **822** of FIG. **8**B, operation **800** continues to operation **842**. At operation **842**, the seller is taken to an FVF online credit form such as that shown in interfaces **1102**, **1108**, or **1120** of FIGS. **11**A through **11**C. For one implementation, the seller is not allowed to file a FVF credit until at least 10 days have passed since the seller filed the NPB complaint. Furthermore, the FVF credit request cannot be made more than 60 days after the end of auction

**[0067]** At this point, the seller can request a FVF refund or credit because transaction that was not completed for valid reasons. At operation **844**, a determination is made of the seller wants to file a FVF refund or credit request. At operation **846**, if the seller does not wish to file a FVF credit request, the seller can leave interfaces **1102**, **1108**, or **1120** and the process ends. If, however, the seller does wish to file a FVF credit request, operation **800** continues to operation **848**.

**[0068]** At operation **848**, the seller's user ID, item number, and reasons for complaint can be auto-populated on the online form. Alternatively, the aforementioned information can be entered by the seller as shown in windows **1104** and **1106** in FIG. **11**A. The seller can then enter his/her password and how much was paid for the item in windows **1104** and **1110**, **1122**, and **1124** as shown in FIGS. **11**A through **11**C.

**[0069]** At operation **850**, the FVF credit is automatically posted to seller's account. Buyer is not given a NPB tick because there was a valid reason on why the transaction was not completed. At operation **852**, an email is sent to the buyer (cc. Seller) that informs the buyer that seller has request FVF credit for reasons given. Ask buyer to email the "safeharbor" if this is not valid. For example, if the buyer did complete the transaction, then the seller is fraudulently request a FVF refund request/credit.

**[0070]** At operation **854**, a determination is made if the buyer has sent an email to the "safeharbor." If no email is sent, at operation **856**, the process ends. If the buyer does send an email to the safeharbor, at operation **858**, the seller is not given a FVF credit and the process ends. Here, a further determination can be made by the network facility to inquire about the validity of the buyer's and seller's statements.

Filing a Non-Paying Bidder Appeal

**[0071]** Referring to FIG. **8**D, at operation **862**, a determination is made if a NPB complaint has been filed and if 10 days have elapsed since the NPB complaint was filed. If not, operation **800** continues to operation **808** if not complaint has been filed and to operation **826** if 10 days have not elapsed.

**[0072]** If a NPB complaint has been field and 10 days or more have elapsed, operation **800** continues to operation **864**. At operation **864**, a determination is made if less than 60 days have elapsed since the end of the auction. If more than 60 days have elapsed, at operation **866**, operation **800** ends and no FVF credit request is filed. Here, approximately two months have passed since the auction, which exceeds a maximum time limit to file a FVF credit request.

**[0073]** If less than 60 days have elapsed since the end of the auction, at operation **868**, a determination is made if the seller wants to file a FVF credit request. If the seller does not want to file a FVF credit request, operation **800** ends at operation **866**. If the seller does want to file a FVF credit request, at operation **870**, the seller is taken to the FVF online credit form such as that shown in interfaces **1102**, **1108**, or **1120** of FIGS. **11**A through **11**C. For one embodiment, the user ID, item no., and reason for the complaint are autopopulated on the FVF online form.

**[0074]** At operation **872**, after the seller completes the FVF online form, the FVF credit is automatically posted to the seller's account and a NPB tick is given to the NPB. For example, the seller's account can be credited within 24 hours of FVF credit request. The NPB is notified via email that a tick has been given and is given the opportunity to appeal the tick.

**[0075]** At operation **874**, a determination is made if the NPB wants to appeal the tick. If the NPB does not want to appeal the tick, operation **800** continues to operation **830**. If the NPB does want to appeal the tick, the NPB is taken to an online NPB appeal form such as interface **1202** shown in FIG. **12**.

**[0076]** At interface **1202**, the NPB is given a window **1204** to enter a user ID and password and a window **1206** to enter the item number. Interface **1202** also provides a window **1208** for the NPB to enter a message on why the tick should not be given to him. After the NPB completes the NPB appeal form, the network-based facility can give the NPB a confirmation such as interface **1302** shown in FIG. **13**. Furthermore, the seller and NPB can access an interface **1402** shown in FIG. **14** to determine number of credit requests and NPB tick scores for users.

**[0077]** For one embodiment, the NPB is given a maximum number of ticks (e.g., 3 ticks) before the NPB is suspended from participating in online auctions. If the NPB tick goes from 3 to 2, the NPB can be reinstated. If the FVF credit for the seller is reversed, the NPB tick can later be reversed and the tick can be removed. For another embodiment, the NPB must receive at least three NPB ticks from three different sellers before that bidder is automatically suspended. If, for example, a bidder receives three NPB ticks from Seller A and one NPB tick from Seller B, the bidder should not be automatically suspended (NPB tick score=2). However, the bidder should be flagged so that customer support may manually review the bidder and have the ability to suspend the bidder.

Exemplary Computing System

**[0078]** FIG. **15** is a diagrammatic representation of a machine, in an exemplary form of a computer system **1500**, in which a set of instructions for causing the machine to perform any of the methodologies of the present invention may be executed. In alternative embodiments, the machine may comprise a network router, a network switch, a network bridge, Personal Digital Assistant (PDA), a cellular telephone, a web appliance or any machine capable of executing a sequence of instructions that specify actions to be taken by that machine.

**[0079]** The computer system **1500** includes a process **1502**, a main memory **1504** and a static memory **1506**, which communicate with each other via a bus **1508**. The computer system **1500** may further include a video display unit **1510** (e.g., a liquid crystal display (LCD) or a cathode ray tube (CRT)). The computer system **1500** also includes an alpha-numeric input device **1512** (e.g., a keyboard, a cursor control device **1514** (e.g., a mouse), a disk drive unit **1516**, a signal generation device **1520** (e.g., a speaker) and a network interface device **1522**.

**[0080]** The disk drive unit **1516** includes a machine-readable medium **1524** on which is stored a set of instructions (i.e., software) **1526** embodying any one, or all, of the methodologies described above. The software **1526** is also shown to reside, completely or at least partially, within the main memory **1504** and/or within processor **1502**. The software **1526** may further be transmitted or received via the network interface device **1522**. For purposes of this specification, the term "machine-readable medium" shall be taken to include any medium that is capable of storing or encoding a sequence of instructions for execution by the machine and that cause the machine to perform any one of the methodologies of the present invention. The term "machine-readable medium" shall accordingly be taken to include, but no limited to, solid-state memories, optical and magnetic disks, and carrier wave signals.

**[0081]** Thus, a method and system for dealing with non-paying bidders related to network-based transactions have been described. In the foregoing specification, the invention has been described with reference to specific exemplary embodiments thereof. It will, however, be evident that various modifications and changes may be made thereto without departing from the broader spirit and scope of the invention as set forth in the appended claims. The specification and drawings are, accordingly, to be regarded in an illustrative sense rather than a restrictive sense.

What is claimed is:

**1**. A method comprising:

collecting a fee from a seller at a network based facility, the fee based on publishing a description of an item for sale by the seller to one or more potential buyers;

receiving a complaint related to a failed transaction that is not completed by a buyer of the item for sale; and

updating, using one or more processors, a seller refund request table upon crediting the fee based on the failed transaction to the seller.

**2**. The method of claim **1**, wherein the fee is collected when the description of the item for sale is published.

**3**. The method of claim **1**, wherein the fee is collected when the buyer purchases the item for sale.

**4**. The method of claim **1**, wherein the publishing of the description is on a website.

**5**. The method of claim **1**, further comprising determining that the failed transaction is due to the buyer not paying the seller for the item for sale.

**6**. The method of claim **1**, wherein the transaction comprises an online auction.

**7**. The method of claim **1**, wherein the complaint is received from the seller.

**8**. The method of claim **1**, further comprising notifying the buyer that the complaint was received.

**9**. A system comprising:

a database configured to maintain a plurality of records of network-based transactions, the plurality of records including a first record; and a processor configured to:

collect a fee from a seller at a network based facility, the fee based on publishing a description of an item for sale by the seller to one or more potential buyers;

receive a complaint related to a failed transaction that is not completed by a buyer of the item for sale; and

update a seller refund request table upon crediting the fee based on the failed transaction to the seller.

**10**. The system of claim **9**, wherein the fee is collected when the description of the item for sale is published.

**11**. The system of claim **9**, wherein the fee is collected when the buyer purchases the item for sale.

**12**. The system of claim **9**, wherein the publishing of the description is on a website.

**13**. The system of claim **9**, wherein the processor is further to determine that the failed transaction is due to the buyer not paying the seller for the item for sale.

**14**. The system of claim **9**, wherein the transaction comprises an online auction.

**15**. The system of claim **9**, wherein the complaint is received from the seller.

**16**. The system of claim **9**, wherein the processor is further to notify the buyer that the complaint was received.

**17**. A non-transitory machine-readable medium that provides instructions, which when executed by a machine, cause the machine to:

collect a fee from a seller at a network based facility, the fee based on publishing a description of an item for sale by the seller to one or more potential buyers;

receive a complaint related to a failed transaction that is not completed by a buyer of the item for sale; and

update a seller refund request table upon crediting the fee based on the failed transaction to the seller.

* * * * *