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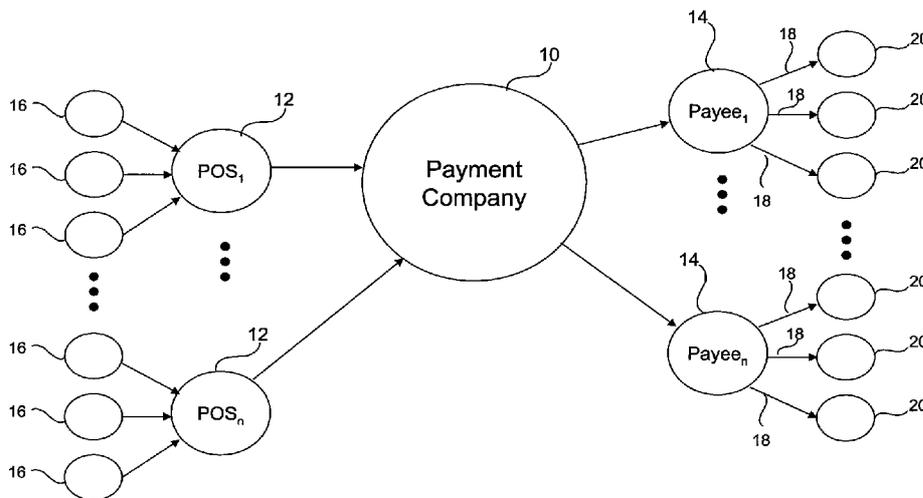
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(54) **Title:** SYSTEM AND METHOD FOR WORLDWIDE BILL PAYMENT



(57) **Abstract:** A method of providing remittance users with an inexpensive and easily accessible service system that directly interfaces merchants with their payment source worldwide. Embodiments of the present invention allow individuals in any country to directly pay the utility bills, service payment, recurring payments and one time payments for another individual in any desired country. Global merchants are unified under one network that effectively process payments and transfer cash of their consumers.

WO 2007/136986 A2

these systems require. Another factor is that banks and card systems often require documentation that many immigrants are unable to provide.

Current card systems for international money transfers are inaccessible to many users because too few automatic teller machines have been available for use in many
5 foreign countries to successfully penetrate the money transfer market. Accordingly card systems are typically only accessible to foreign users online. These online services typically require payment of monthly maintenance fees.

An international bill payment initiative called Single EuroPayment Area (SEPA) has been established in Europe and is expected to begin operations in the near future.

10 This initiative has been unpopular because of its expense and regulatory restrictions which, for example, will require revenue sharing among participant banks, and cause banks to effectively lose sovereignty. Furthermore, SEPA is limited to transactions between European countries.

15 **Summary of the Invention**

The illustrative embodiments of the present invention combine the convenience of money transfer organizations, ("MTO's") the affordability and accounting of bank transfer systems and the versatility of card systems. A payment company's account system can eliminate the need for foreign debtors on the receiving end of international
20 fund transfers to maintain bank accounts or to physically handle the transferred funds. Accordingly, the inventive method provides an alternative to direct money transfer and provides a safe and convenient means of forwarding bill and service payment through a network of global merchants, creditors and service providers, herein described as "payees."

25 The present invention provides a method of providing transferors with an inexpensive and easily accessible service system that directly interfaces foreign payees with their payment source (transferors) worldwide. Embodiments of the present invention allow transferors in any country to directly pay the utility bills, service payment, recurring payments and one time payments to the respective contracting payee
30 for another party (foreign debtor) in any desired country. Contracting payees can be

unified under a network that effectively process payments and transfer cash from transferors for payment of the foreign debtor's bills.

Embodiments of the present invention can provide connections to contracting payees such as merchants, creditors and service providers regardless of their
5 technological capacity and do not burden the contracting payees with significant entry barriers or connectivity cost. Embodiments of the present invention assist contracting payees with prompt payment. By eliminating a middle tier of fund holders, the monthly cash flow of the contracting payees can be significantly improved.

Embodiments of the present invention increase security of funds transfers because
10 end receivers will not be required to physically handle transferred money. On the transferor end of the system, embodiments of the present invention will also help reduce the waiting line and reduce labor cost at payment centers.

Illustrative embodiments of the present invention provide a mechanism for attracting MTO users to the banking system. In one embodiment, a free transfer to debit,
15 money market, saving, checking, credit or bank account of the end user will be provided for every bill paying transaction made by the transferor. These free transfers give transferors an incentive to use the inventive bill payment systems, and also provides incentive to maintain accounts in a banking system.

An illustrative embodiment the present invention completes payment transfers
20 and updates accounts in a short time period, for example within about 24 hours. A network of communication pathways are established with contracting payees to ensure proper financial transactions. In an illustrative embodiment, communication pathways will also be established with certain banks and credit institutions to enable direct transfer of funds thereto, for example as a free incentive as described herein.

Illustrative embodiments of the present invention minimize turnaround time for
25 account credits by having each contracting payee create a receiving account with an agreed upon bank which does business in the country of the payee. A payment company can make periodic deposits from a sender's account to a payee's receiving account. In at least one embodiment, contracting payees can view their account information on the
30 payment company's website to confirm and manage transferred funds. By using this

tool, contracting payees will be able to credit funds within the hour when transactions are submitted electronically.

5 An illustrative embodiment of the present invention provides a method for third party payments by receiving funds from a transferor in a first country, transferring the funds to a payee in a second country for the benefit of a debtor in the second country, wherein the funds are identified for payment in favor of the debtor to the payee. The method can include receiving a fee from the transferor and/or receiving a fee from the payee. The illustrative method can also include receiving debtor's account information from the transferor; and transferring the debtor's account information to the payee along
10 with the funds.

Another illustrative embodiment of the present invention provides a method for third party payment by establishing a contractual relationship with at least one payee in a second country wherein the payee agrees to receive transferred funds and account information for the benefit of a debtor in the second country. At least one point of
15 service can be established in a first country wherein funds to be transferred to the payee for the benefit of the debtor are collected from a transferor along with debtor's account information regarding the debtor's payment to the payee through the point of service.

The illustrative method can include collecting a fee from the payee according to the contractual relationship for transferring the funds, collecting a fee from a transferor in
20 exchange for transferring the funds to the payee and/or paying a fee to a point of service operator for use of the point of service. In the illustrative embodiment, the point of service can be a money transfer company store, check cashing store, a kiosk, a bank branch office, an automated teller machine, and an independent storefront, or the like.

In another illustrative embodiment, a payment company receives funds from a
25 plurality transferors in a first country for payments to the payee. The payment company also receives debtors' account information associated with the payments. The payment company periodically transfers the funds and account information collected from the plurality of transferors to the payee. In a particular embodiment, the payment company formats the account information into a batch format defined according to a contractual
30 relationship with the payee. Payment of the funds can be posted in the payee's

accounting system according to the account information within approximately less than 24 hours after receiving the funds.

Accounts can be established for receiving funds for the benefit of the payee in at least one bank having operations in the payee's country. The payment company can
5 periodically deposit batch payments into payee's accounts according to the contractual relationship between the payment company and payee.

In exemplary embodiments, the payee can be a merchant or service provider, for example, and the debt to be paid can be associated with a purchase of goods or services such as electricity, cable communication services, water, waste management services,
10 natural gas, telephone service, internet service, hospital services, pharmaceuticals, car purchases and rental, school tuition, funeral services, taxes, hotels, insurance, real estate mortgages, and rents.

In at least one embodiment, the point of service can be a website maintained by the payment company, wherein the website provides transferors, payees and debtors with
15 access to payment and account information

The illustrative embodiments of the present invention provide accessible, reliable, affordable and fast fund transfers. For example, the embodiments of the present invention provide a method of securely transferring funds without burdening the customer with recurring costs.

The various embodiments of the present invention are significantly different from
20 other fund transfer methods because they allow for payments to foreign payees for foreign debtors. Furthermore, embodiments of the present invention provide a sender with the ability to transfer cash as part of the service. The various embodiments of the present invention are unlike known fund transfer initiatives, such as SEPA, for example,
25 because they are inexpensive and do not require any burden sharing loss of sovereignty among banks.

Illustrative embodiments of the present invention can save time for end users by paying their utility bills directly and by replenishing their banking accounts regularly. The illustrative embodiments also eliminate the need for one or more persons to

accompany an end user to provide security against robberies which are common in many end use locations.

Brief Description of the Drawings

5 The foregoing and other features and advantages of the present invention will be more fully understood from the following detailed description of illustrative embodiments, taken in conjunction with the accompanying drawing in which:

Fig. 1 is a schematic diagram of a third party bill payment system according to an illustrative embodiment of the invention; and

10 Fig. 2 is a system flow diagram showing the steps of a fund transfer according to an illustrative embodiment of the invention.

Detailed Description

15 In an illustrative embodiment of the invention, individuals (transferors) residing in the US can go to a point of service venue (POS) or visit a payment company's website to pay a selected service provider or other creditor (contracting payee) of their friends or relatives (foreign debtors) who reside in another country. Point of service venues can include for example, check cashing stores and automatic teller machines (ATMs) which have contractual arrangements with the payment company. The payment amount and
20 account information can be inserted in an account matrix of the payment company. The payment company can periodically forward the funds to the overseas merchants in a individually or in a batch payment with detailed account distribution payments. A payment company account system can eliminate the need for foreign debtors to create bank accounts and to physically handle the transferred funds.

25 The payment company can charge transferors a flat fee for each payment regardless of the amount transferred. In another embodiment, a free bank transfer can also be provided for the transferor for each payment made. Alternatively, transferors can be allowed to pay bills for a flat fee and to make a bank transfer for a small additional fee. This embodiment will eventually give foreign debtors a compelling reason to

establish bank accounts and would thereby pave the way for the banking system to take over the majority of the global transfers.

According to illustrative embodiments of the invention, a payment company can contract with payees who include, for example, cable communication company, water
5 companies, waste management companies, telephone companies, gas companies, hospitals, pharmacies, automobile and goods dealerships and rental companies, home mortgage lenders, apartment complex landlords, insurance companies, funeral homes, banks, debit card companies, credit card companies, other card and mortgage companies, hotels, schools, airlines and the like.

10 The payment company can allow different companies across the globe to communicate with the payment company's payment system without making any technological changes to their infrastructure. For example, companies that do not have modern communication links can manage their accounts with the payment company via phone and fax machine or mail.

15 According to illustrative embodiments of the invention, the payment company can contract with check cashing stores, ATM providers, an independent storefront, or the like, and Kiosks to provide a primary point of service. In another embodiment the payment company can maintain their own storefront service location and/or website as a point of service.

20 In one embodiment the foreign payee pays the payment company a percentage, for example 5% of the amount collected for service fees if the weekly amount of transfers do not exceed a given quota. This percentage fee can be deducted from the collected funds before transfer and posted on each account transfers.

25 Points of service can be paid according to a quarterly schedule that will give the point of service more returns per each transactions. These point of services would thereby be compelled to sell more fund transfer transactions which would benefit the payment company.

In at least one embodiment of the invention, the payment company's website can be a center of operations. The website can be structured as connection point for point of

service venues, transferors, payees and banks. The website can also be used as a marketing tool and to accept contract requests.

In an illustrative embodiment, point of service operators can use the payment company's website to process account payments, reconciliations, transfers, and otherwise manage the details of their relationship with the payment company and transferors. Point of service operators can establish and maintain accounts, track daily transfer amounts, transaction fees and outstanding issues with system or individual transfers due for refund, deletion or re-transfer, for example.

In another embodiment transferors can use the payment company's website as the primary point of service for bill payment. In an illustrative embodiment, transferors can track payments and view account payment information.

In an illustrative embodiment of the invention, contracting payees can use the payment company's website to establish and maintain accounts tailored to their specifications (language, time, security features and system access accounts) to track all past payments (by year, month and day), accounts paid by batches, retractions for unavailable accounts and the processing fee deducted by the payment company before the transfer.

The payment company can be linked electronically with the contracting payee. The payment company can also be linked to contracted banks for fund transfers. Accounts can be created for transferors, payees, banks and/or debtors in the payment company's accounting system. These accounts can be personalized with data such as past account information, transactions, funds received, section for transfers in dispute.

An illustrative embodiment of the present invention is described with reference to Fig. 1 in which a payment company 10 is has established contractual relationships with a plurality of domestic points of service 12, and a plurality of foreign payees 14. Funds to be transferred and transfer fees are collected from domestic transferors 16 by points of service 12. Funds to be transferred and optionally at least a portion of the transfer fees are transferred from the points of service 12 to the payment company 10 either individually or in bulk transfers. The payment company 10 accumulates funds to be transferred to each of a plurality of foreign payees 14 in exchange for goods, services or

credit 18 that the payees have provided or will provide to a plurality of foreign debtors
20.

In an alternative embodiment (not shown), banks or other financial institutions
may be interposed between points of service 12 and the payment company 10 or between
5 the payment company 10 and foreign payees 14. For example, in a particular
embodiment, the payment company and payees are each required to maintain bank
accounts in the payees country. The payment company transfers funds to its own bank
account and then requests its own bank to transfer funds to appropriate payee accounts in
the payees banks.

10 Fig. 2 provides a block diagram of a fund transfer transaction according to an
illustrative embodiment of the invention. In a fund collection step 22, funds, fees and
account information are collected from a transferor at a point of service. In a first
transfer step 24, funds are transferred individually or in a batch to a payment company.
In a compilation step 26, funds are compiled and payment information is compiled and
15 formatted for each payee. In a second transfer step 28, funds are transferred from the
payment company to each payee along with formatted account information.

In a particular embodiment of the invention, transferors can be issued payment
cards for use at ATMs or other points of service. When identified by a payment card,
personalized information for the transferor can be easily accessed and made available to
20 expedite a transaction. For example, a card could indicate that pre-paid amounts have
been credited to a transferor or that refunds are due to the transferor. A transferor's
payment card could also be used to allow a transferor to view his account histories,
currency exchange rates, or to summon a list of payee's that have been commonly paid
by the transferor.

25 For fund transfer made according embodiments of the present invention,
transferors, debtors, and payees will be provided with detailed receipts and will have
access to account information electronically. Refunds can be provided to transferors
when failures of a payment transaction occurs. In embodiments wherein a payment card
is held by the transferor, the refund can be optionally applied to a pre-payment amount
30 associated with the payment card. Alternatively, residual balances for pre-payment

amounts associated with a payment card can be exchanged for cash at point of service locations.

In an example, an embodiment of the present invention can be used to transfer funds from a transferor in the United States to a friend or relative who is a debtor residing
5 in Mexico. In this example, the transfer could be made to pay a Mexican telephone company in advance for telephone service to be provided to the friend or relative (the friend/relative corresponds to the party described generally herein as the debtor).

In this example, the transferor may bring cash to a point of service such as a storefront in the U.S. along with the friend or relatives telephone service account
10 information. An employee at the point of service may accept the payment along with a service fee and may provide a receipt to the transferor. The employee can then enter the payment amount and information into a payment information system. The payment information system can include dedicated communication equipment, or may simply be a connection to a payment company's website. Once the payment amount and account
15 information has been entered at the point of service, the payment company can notify the Mexican telephone company that a payment has been made for the benefit of the relative debtor's telephone bill. The Mexican telephone company can then post the payment in its internal accounting system.

In this example, the Mexican telephone company is assured that it will receive the
20 funds according to a contractual agreement between the Mexican telephone company and the payment company. The payment company is assured that it will receive payment for forwarding to the Mexican telephone company according to contractual agreement between the payment company and the point of service. The payment information may be posted and telephone services delivered to the debtor almost immediately after the
25 transferor makes a payment.

In this example, wire transfers is made to transfer batch funds between the point of service and payment company and between the payment company and the payee Mexican telephone company periodically at times specified in the respective contractual agreements. The contractual agreements can also provide that the point of service may
30 keep a portion of the transfer fee, the payment company may receive a portion of the

transfer fee and/or the payment company may receive a fee from the Mexican telephone company.

5 In another illustrative embodiment of the invention, transferors can establish accounts in their own banks, with points of service, or with the payment company for automatic payment of recurring bills.

10 Although the term debtor is used herein for consistency to describe a party for the benefit of whom funds are being transferred, it should be appreciated to persons having ordinary skill in the art that the term debtor is in no way limited to persons having a formal debt, such as by signing a promissory note to a payee. Rather, the term debtor can be used to describe virtually any receiver of goods, services or other value for whom payments can be made to a payee after or even in advance of receiving the goods, services or other value from the payee. Further, the term debtor can also be used to describe persons who owe fines, taxes, judgments and the like, wherein no value may have been directly provided in exchange for the debt.

15 Although the invention has been shown and described with respect to exemplary embodiments thereof, various other changes, omissions and additions in the form and detail thereof may be made therein without departing from the spirit and scope of the invention.

Claims

What is claimed is:

1. A method for third party payment comprising:
5 receiving funds from a transferor in a first country;
transferring said funds to a payee in a second country for the benefit of a debtor in said second country, wherein said funds are identified for a payment in favor of said debtor to said payee.
2. The method according to claim 1 further comprising:
10 receiving a fee from said transferor.
3. The method according to claim 1 further comprising receiving a fee from said payee.
4. The method according to claim 1 further comprising:
receiving debtor's account information from said transferor; and
15 transferring said debtor's account information to said payee along with said funds.
5. A method for third party payment comprising:
establishing a contractual relationship with at least one payee in a second country wherein said payee agrees to receive transferred funds and account information for the benefit of a debtor in said second country; and
20 establishing at least one point of service in a first country wherein funds to be transferred to said payee for the benefit of said debtor are collected from a transferor along with debtor's account information regarding said debtor's payment to said payee through said point of service.
6. The method according to claim 5 further comprising collecting a fee from
25 said payee according to said contractual relationship for transferring said funds.
7. The method according to claim 5 further comprising collecting a fee from a transferor in exchange for transferring said funds to said payee.
8. The method according to claim 5 further comprising paying a fee to a point of service operator for use of said point of service.

9. The method according to claim 5 wherein said point of service comprises a website.

10. The method according to claim 5 wherein said point of service is a member of the group consisting of a money transfer company store, check cashing store, a kiosk, a bank branch office, an automated teller machine, and an independent storefront.

11. The method according to claim 5 further comprising:
receiving funds from a plurality transferors in a first country for payment to said payee;
10 receiving debtors' account information associated with said payments;
periodically transferring said funds and account information collected from said plurality of transferors to said payee.

12. The method according to claim 11 further comprising formatting said account information into a batch format defined according to said contractual relationship with said payee.

13. The method according to claim 5 wherein said payee is a merchant or service provider and said payment is associated with a purchase of goods or services that are members of the group consisting of, electricity, cable communication services, water, waste management services, natural gas, telephone service, internet service, hospital services, pharmaceuticals, car purchases and rental, school tuition, funeral services, taxes, hotels, insurance, real estate mortgages and rents.

14. The method according to claim 7 further comprising:
providing fee credits to said transferor, said fee credits being redeemable for transfer of funds to a bank, to provide incentive for transferors to establish bank accounts.

15. The method according to claim 5 further comprising:
establishing accounts according to said contractual relationship in at least one bank having operations in said second country for receiving said funds for the benefit of said payee; and
30 periodically transferring funds to said accounts.

16. The method according to claim 11 further comprising posting payment of said funds in said payee's accounting system according to said account information within approximately less than 24 hours after receiving said funds.

17. A system for third party payment comprising:

5

at least one point of service in a first country;

a payment company in communication with said point of service for receiving funds and account information therefrom;

10

at least one payee in a second country, said payee in communication with said payment company for receiving funds and account information therefrom, said payee being owed payment from a debtor in said second country, wherein said account information identifies said debtor and said payment owed, and wherein said funds are received to make said payments for said debtor.

15

18. A system according to claim 17 further comprising at least one payee's bank account in communication with said payment company and said payee, said bank account established for receiving payments from said payment company for said payee.

20

19. The system according to claim 17 wherein said payee is a merchant or service provider and said payments are owed for provision of goods, services or value in the group consisting of electricity, cable communication services, water, waste management services, natural gas, telephone service, internet service, hospital services, pharmaceuticals, car purchases, real estate mortgages and rents.

25

20. The system according to claim 17 wherein said point of service comprises a website maintained by said payment company, said website providing transferors, payees and debtors with access to payment and account information.

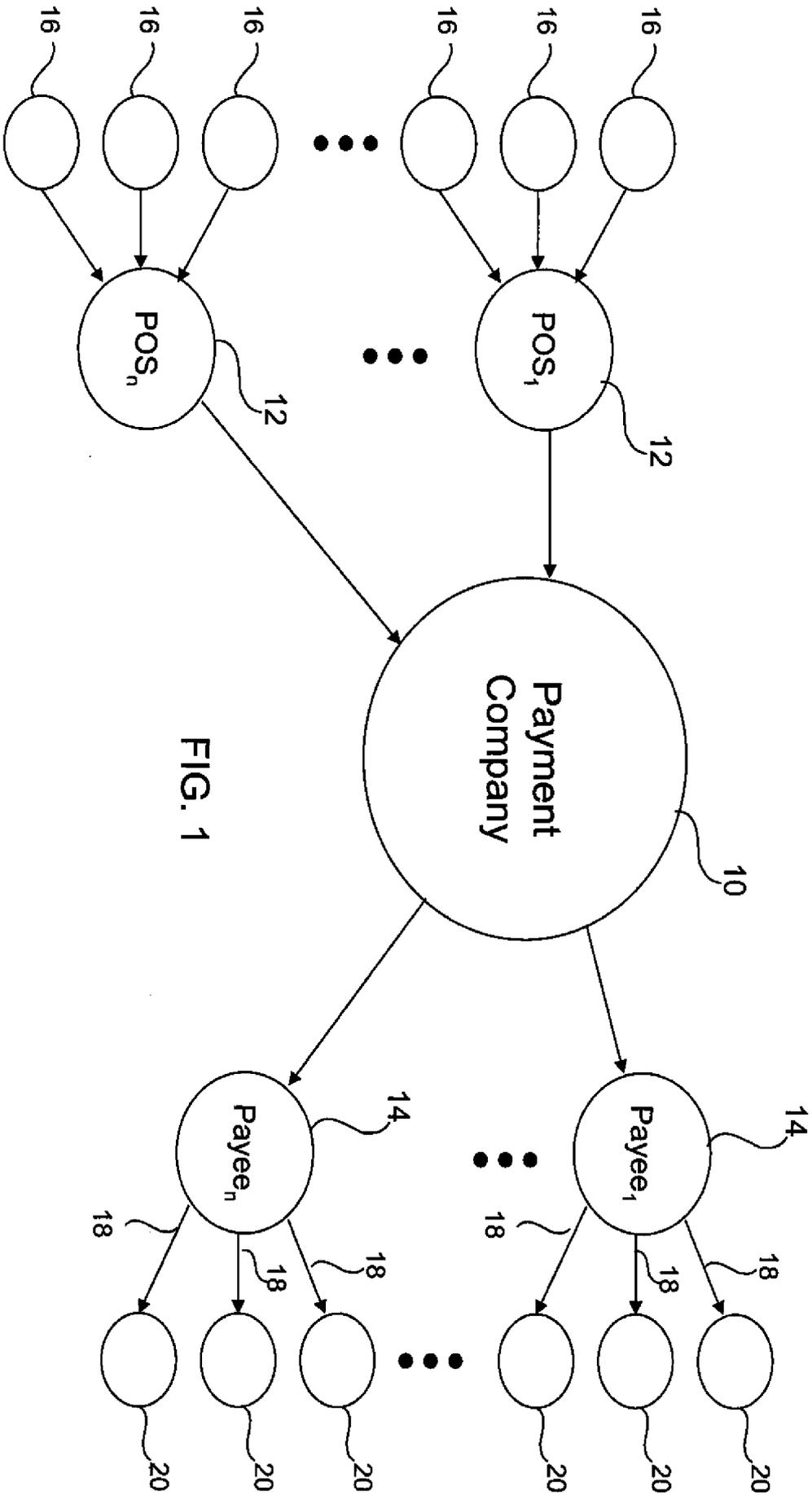


FIG. 1

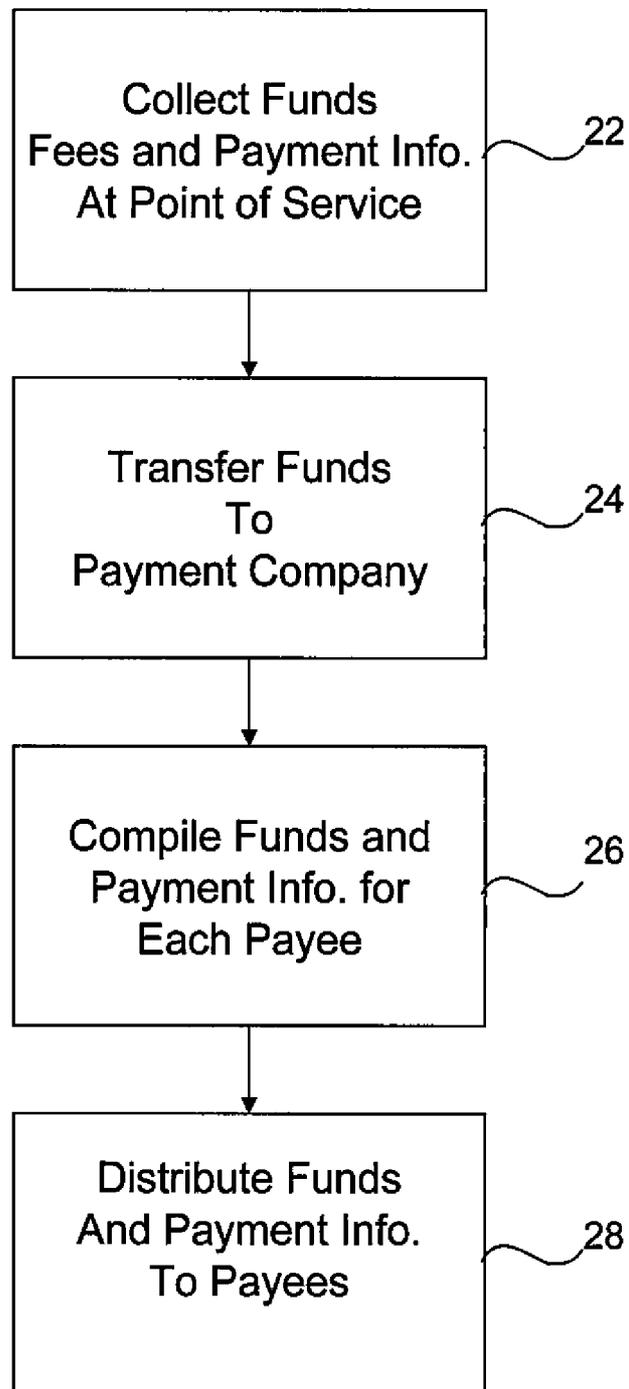


FIG. 2