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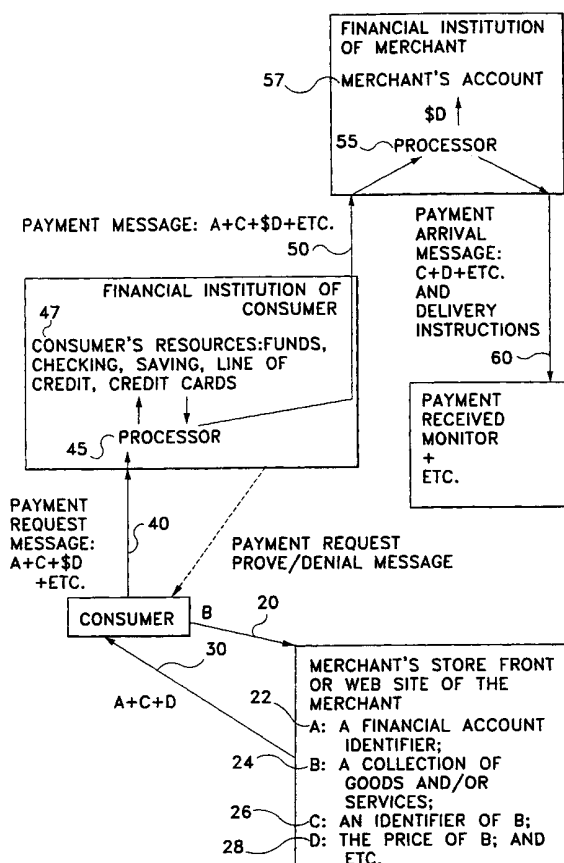
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(54) Title: METHOD OF PURCHASING AND PAYING FOR GOODS AND SERVICES ON THE INTERNET



(57) **Abstract:** A method of purchasing and paying for goods and services on the Internet. The method includes the step of first shopping and selecting goods and services (24) from a merchant's store front (20), catalog or on a Web site over the Internet. The customer would then receive a financial account identifier (22), delivery instructions, a purchase identifier and purchase price (28) from the merchant in exchange for the selected goods and services. The consumer's financial resources (47) are then directed to the financial institution and financial account (57) of the merchant. An arrival message (60) is then sent to the merchant, confirming the transaction. Monitoring the transaction is also possible by the merchant. A method of establishing a financial account identifier is also provided.

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

METHOD OF PURCHASING AND PAYING FOR GOODS AND SERVICES
ON THE INTERNET

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TECHNICAL FIELD

The present invention relates to a method of
purchasing and paying for goods and services on the
Internet.

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BACKGROUND ART

The Internet has radically changed the way that
people shop and the way that they do business. Use of
the Internet often saves time and money for its users,
but at what expense? Users of the Internet must give
out sensitive financial information such as credit
card numbers and bank account numbers. This is
certainly not an ideal way of doing business, since
users really have no way of telling where their
valuable credit card numbers are going or who they are
going to.

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The related art reflects how inventors have
attempted to improve the buying and selling of goods
and services on the Internet. U.S. Pat. No. 5,465,206
and U.S. Pat. No. 6,032,133, both issued to Hilt et
al., outline the use of an electronic bill paying
system. This system allows a consumer to direct their
bank, an agent of their bank or a non-bank bill paying
service bureau to pay amounts owed to merchants,
service providers and other billers who bill consumers
for amounts owed.

35

U.S. Pat. No. 5,557,518, U.S. Pat. No. 5,642,419 and
U.S. Pat. No. 5,671,280, all issued to Rosen, outline
the use of a system for facilitating open electronic
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the use of a system for facilitating open electronic
commerce. Specifically, the system utilizes tamper-
proof electronic units, referred to as trusted agents,
5 in combination with money modules to create a secure
transaction environment for both the buyer and seller
of electronic merchandise and services. The buyer may
pay for electronic merchandise by presenting a
10 credential representing a credit or debit card. This
system also allows for a real-time transaction without
a third party intervention.

U.S. Pat. No. 5,615,269 issued to Micali outlines a
system that relates to cryptographic methods that
15 enable participants in a negotiation to agree on a
common price for a given transaction without requiring
either participant to reveal certain information about
its bargaining position unless a suitable agreement
can be reached. This is accomplished through the use
20 of a "blind" or "ideal" negotiation between the two
parties.

U.S. Pat. No. 5,757,917 issued to Rose et al.
outlines a method for performing secure transactions
on open communication networks and, in particular, on
25 the Internet. The transaction is initiated between a
user and a remotely located server and utilizes both
a transaction identification number and a transaction
authorization number. Using this method, it is noted
that a user can perform secure transactions in a
30 seamless manner over a secure electronic
communications medium that is isolated from the
Internet.

U.S. Pat. No. 5,826,241 issued to Stein et al.
outlines a payment system for enabling a first
35 Internet user to make a payment to a second Internet
user, typically for the purchase of an information
product deliverable over the Internet. Security is

maintained by isolating financial and credit information of users' cardholder accounts from the front end portion of the payment system and by isolating the account identifying information from the associated e-mail address.

The system described in the Stein et al. patent addresses the problem of securing cardholders' accounts by simply separating the information from the Internet account used to request the information product. This system is not able to accommodate other types of non-information products and can be improved by not utilizing a cardholders' account at all. That is what is really needed, a method for making broad transactions without the use of a consumer's credit card account.

None of the above inventions and patents, taken either singularly or in combination, is seen to describe the instant invention as claimed. Thus a method of purchasing and selling on the internet solving the aforementioned problems is desired.

DISCLOSURE OF INVENTION

The invention is mainly a method of purchasing and paying for goods and services on the Internet. The method includes the step of first shopping and selecting goods and services from a merchant's store front, catalog or on a Web site over the Internet. The consumer would then receive a financial account identifier, delivery instructions, a purchase identifier and purchase price from the merchant in exchange for the selected goods and services. The consumer's financial resources are then directed to the financial institution and financial account of the merchant. An arrival message is then sent to the merchant, confirming the transaction. The merchant may also monitor the activities of the method. A

method of establishing a financial account identifier is also provided.

BRIEF DESCRIPTION OF THE DRAWINGS

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Fig. 1 is a block diagram of the steps for the method of purchasing and paying for goods and services on the Internet, according to the present invention.

10 Fig. 2 is an overview of the traditional process of purchasing and paying for goods and services.

Fig. 3 is an overview of the method of purchasing and paying for goods and services on the Internet, according to the present invention.

15 Fig. 4 is an example of a deposit only transaction financial account identifier.

Fig. 5 is an example of direct deposit payment icons.

Fig. 6 is a block diagram of the steps for the method of establishing a financial account identifier.

20 Similar reference characters denote corresponding features consistently throughout the attached drawings.

BEST MODE(S) FOR CARRYING OUT THE INVENTION

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The present invention is a method of a consumer purchasing and paying for goods and services provided by a merchant on the Internet 10, as depicted in Fig. 1.

5 The method 10 comprises the steps of shopping and selecting goods and services from a merchant's store front, catalog and Web site 20, receiving a financial account identifier from the merchant, as well as a purchase price, delivery instructions and a purchase identifier of the goods and services 30, after an authentication process, requesting financial resources be directed to the merchant's financial institution

and a financial account 40, processing the financial resources into the merchant's financial account 50 and sending a message to the merchant that the financial resources have been received in the merchant's financial account 60.

Fig. 2 outlines a more traditional method of purchasing and paying for goods and services both on and off of the Internet 70. The method 70 is a consumer simply using a credit card to pay a merchant for goods and services rendered. The merchant typically verifies the consumer's credit card number with the consumer's financial institution and receives payment for the goods and services rendered.

Such a transaction can also be done over the Internet with a credit card number. However, many consumer's do not feel comfortable blindly giving their credit card number over the Internet. Addressing such a problem is the basis for this invention, which enables a user to buy goods and services over the Internet without the use of a credit card number.

The first step 20 of the method 10 involves a consumer to shop and select goods and services from a merchant's store front, catalog or on a merchant's Web site 20. In return for a selected set of goods and services 24, the consumer receives a financial account identifier 22, a purchase price 28 for the goods and services and a purchase identifier 26. Shopping and selecting goods and services on the Internet are well-known in the art and can be done with a personal computer being tied into the Internet and knowledge of the uniform resource locator (URL) of the Web site.

The financial account identifier 22 is a key point of novelty of the overall method 10. The financial account identifier 22 is a deposit only transaction account. This type of account is similar to a savings account used in an individual account. The financial

account identifier 22 supports only deposits, as shown in Fig. 4, and does not support withdrawals. For the sake of simplicity, the financial account identifier 22 is a user friendly identifier that is the name of the merchant at the name of the financial institution of the merchant. Examples of several financial account identifiers 22 are also shown in Fig. 4.

In the second step 30 of the method 10, the financial account identifier 22, delivery instructions, the purchase price 28 and purchase identifier 26 are received by the consumer in exchange for the goods and services 24 received by the consumer. The purchase price 28 can simply be a number that coincides with the actual price of the goods and services rendered by the merchant. The purchase identifier 26 is often times an order number or some representation of an internally controlled inventory code. Note that the financial account identifier 22 can be monitored at anytime by the merchant, as the financial account identifier 22 is processed through each step of the method 10.

The third step 40 of the method 10 involves the consumer requesting that some of his financial resources be directed to the merchant's financial institution. The amount of financial resources should coincide with the purchase price 28 of the goods and services provided by the merchant. A processor 45 is provided at the consumer's financial institution to direct financial resources from the consumer's account. These financial resources can be monitored by the merchant once they are released. The consumer's resources 47 include checking accounts, saving accounts, lines of credit, credit cards, debit cards and highly liquid assets. Technology that is used to process these resources is well-known in the art and includes the use of high speed financial computers and databases.

Fig. 5 illustrates direct deposit icons 80 that are used to execute the actual directing of financial resources. Once the icons 80 have been chosen, the consumer is taken to their respective Web sites, together with the financial account identifier 22, delivery instructions, the purchase identifier 26 and the price 28 of the goods and services 24 involved in the transaction. Typically, a consumer will also identify themselves to their financial institution and verify their identity with a code, password or personal identification number (PIN) as part of the transaction.

Available balance information is also provided so the consumer can keep track of his various financial resources 47. If sufficient funds are available, the consumer will receive a positive message that can serve as a receipt for the transaction. If there are insufficient funds, the consumer would only receive a negative message and the transaction would not be executed.

The fourth step 50 of the method 10 involves processing the resources from the financial institution and resources of the consumer and transferring those resources into the financial institution and account of the merchant 57 in addition to delivery instructions. This can be done over the Internet and also involves a processor 55 at the financial institution of the merchant. Like the processor at the consumer's financial institution 45, the processor at the merchant's financial institution 55 also uses high speed computers and databases, that are well-known in the art, to direct financial resources into the merchant's account 57. Note that the financial account identifier 22, delivery instructions, purchase price 28 and purchase identifier 26 are also transmitted to the merchant's account 57.

The fifth and final step 60 of the method 10 is to send an arrival message back to the merchant, informing him that a deposit was made into his account. This information also includes which
5 purchase identifier 26 and price 28 of the goods and services provided are involved with the respective deposit. The merchant may monitor the arrivals of the payment by logging on to the Web site of their financial institution. The payment arrival message
10 can also be transmitted on the Internet to the merchant, where the deposit can be added to the financial and accounting records of the merchant.

Fig. 6 outlines the steps of a method 90 for establishing a financial account identifier 22 used by
15 consumers purchasing and paying for goods and services from merchants on the Internet. The method 90 comprises the steps of the consumer opening a financial account with a financial institution of his choice 100, the consumer and the financial institution
20 agreeing on rules of operating the financial account 110, the consumer choosing a user friendly identifier for the financial account, the financial institution choosing an operationally friendly identifier for the financial account 120, the consumer displaying a
25 combination of an account identifier and an identifier of the financial institution (forming the financial account identifier 22), being used by the merchant and the financial institution soliciting its consumers to utilize the financial account identifier 22 as a
30 payment method 130. The financial institution must also market the financial account identifier 22 as being a preferred method of doing business over traditional methods of purchasing and paying for goods and services.

35 It is to be understood that the present invention is not limited to the embodiment described above, but

encompasses any and all embodiments within the scope of the following claims.

CLAIMS

We claim:

1. A method of a consumer purchasing and paying for goods and services provided by a merchant on the Internet, comprising the steps:

shopping and selecting goods and services from a merchant's store front, catalog and Web site;

receiving a financial account identifier from the merchant, as well as a purchase price, delivery instructions and a purchase identifier of the goods and services;

requesting financial resources be directed to the merchant's financial institution and a financial account;

processing the financial resources into the merchant's financial account; and

informing the merchant that the financial resources have been received in the merchant's financial account and delivering the goods and services.

2. The method of purchasing and paying for goods and services on the Internet according to claim 1, further comprising the receiving step of the financial account identifier being a deposit only transaction account.

3. The method of purchasing and paying for goods and services on the Internet according to claim 1, further comprising the receiving step of the financial account identifier being the name of the merchant and the merchant's financial institution.

4. The method of purchasing and paying for goods and services on the Internet according to claim 1,

further comprising the receiving step of the financial account identifier being monitored by the merchant.

5 5. The method of purchasing and paying for goods and services on the Internet according to claim 1, further comprising the requesting step of the financial resources including the merchant's financial account identifier, purchase price, delivery instructions and purchase identifier.

10 6. The method of establishing a financial account identifier used by consumers purchasing and paying for goods and services from merchants on the Internet, comprising the steps of:

 the consumer opening a financial account with a financial institution of his choice;

15 the consumer and the financial institution agreeing on rules of operating the financial account;

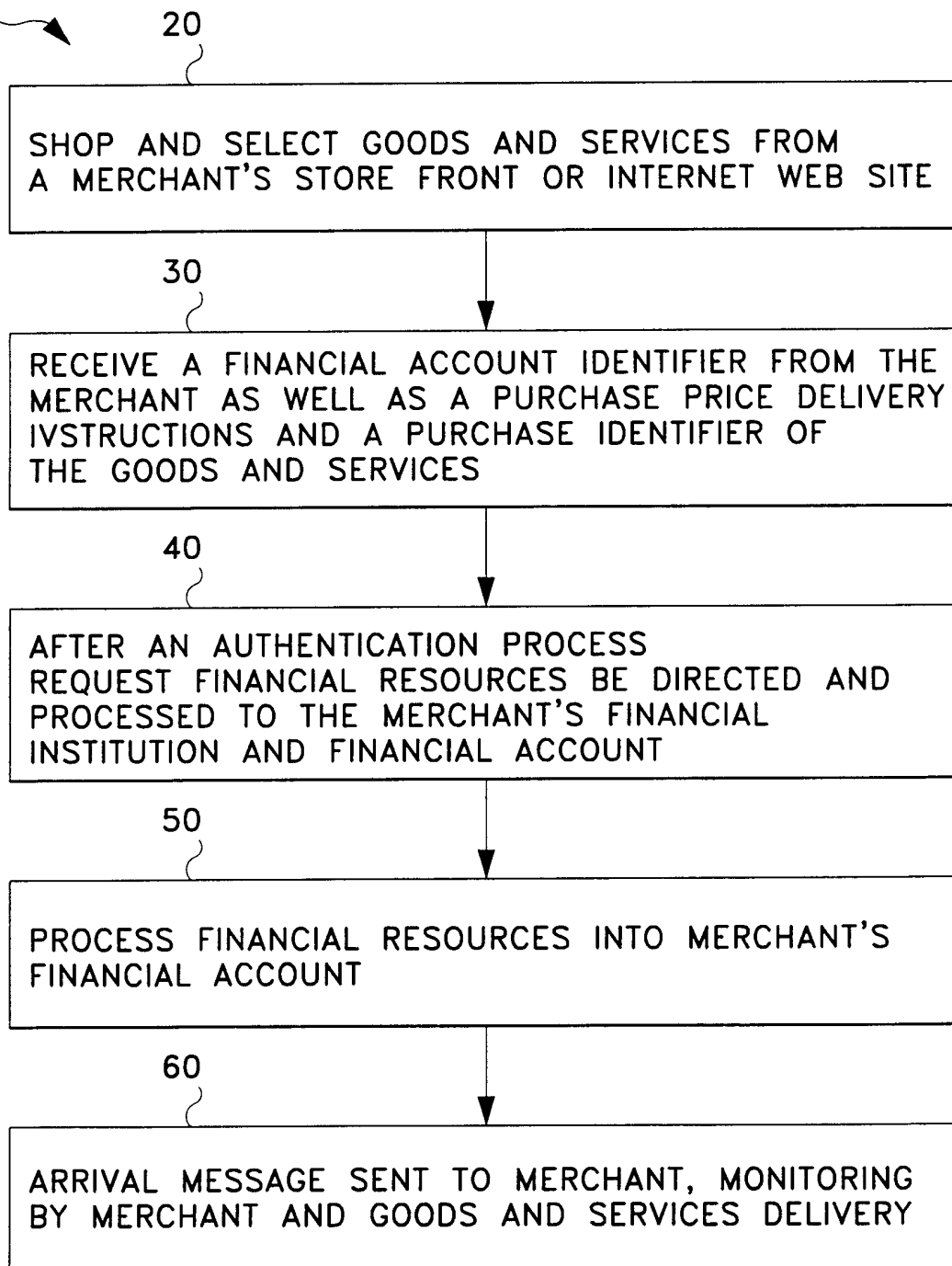
 the consumer choosing a user friendly identifier for the financial account;

20 the financial institution choosing an operationally friendly identifier for the financial account;

 the consumer displaying a combination of an account identifier and an identifier of the financial institution being used by the merchant; and

25 the financial institution soliciting its consumers to utilize the financial account identifier as a payment method.

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10 STEPS FOR METHOD OF PURCHASING AND PAYING FOR
GOODS AND SERVICES ON THE INTERNET*Fig. 1*

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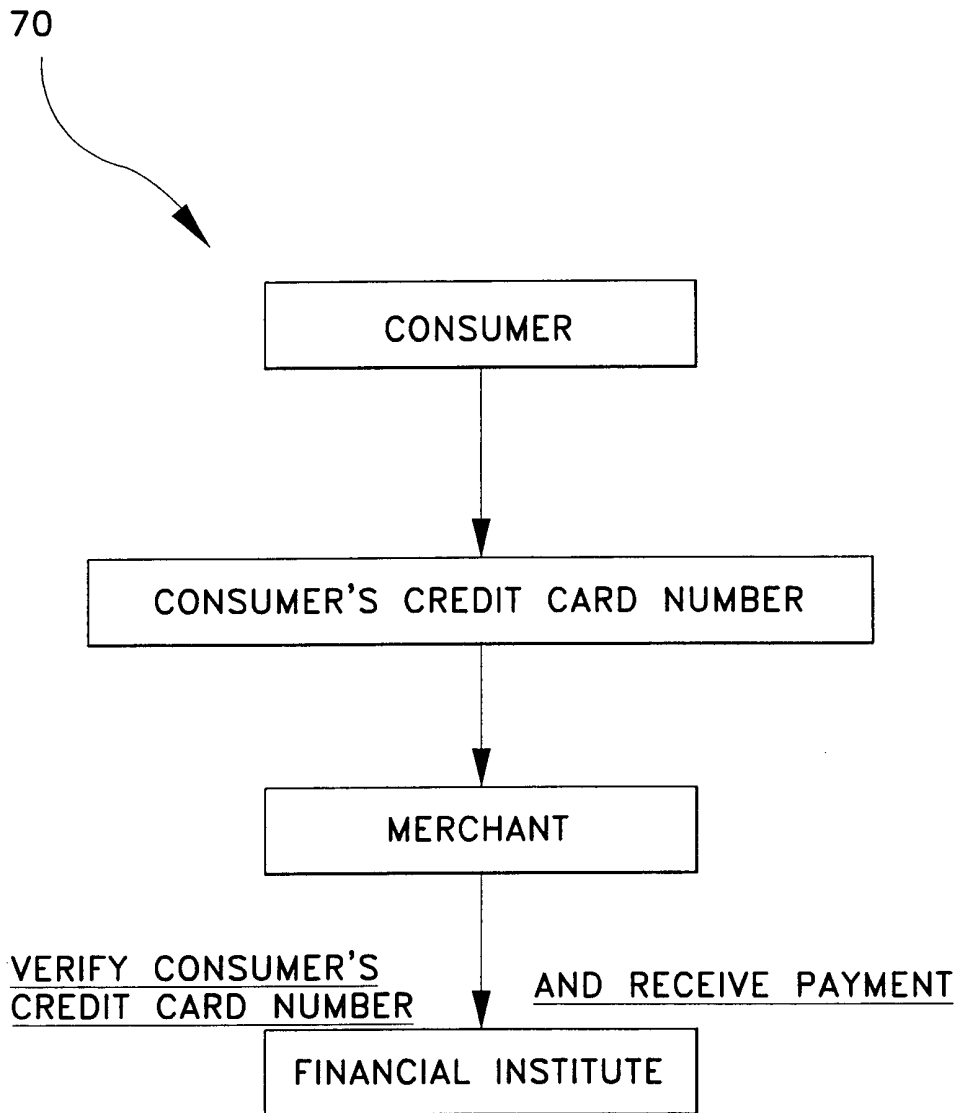


Fig. 2

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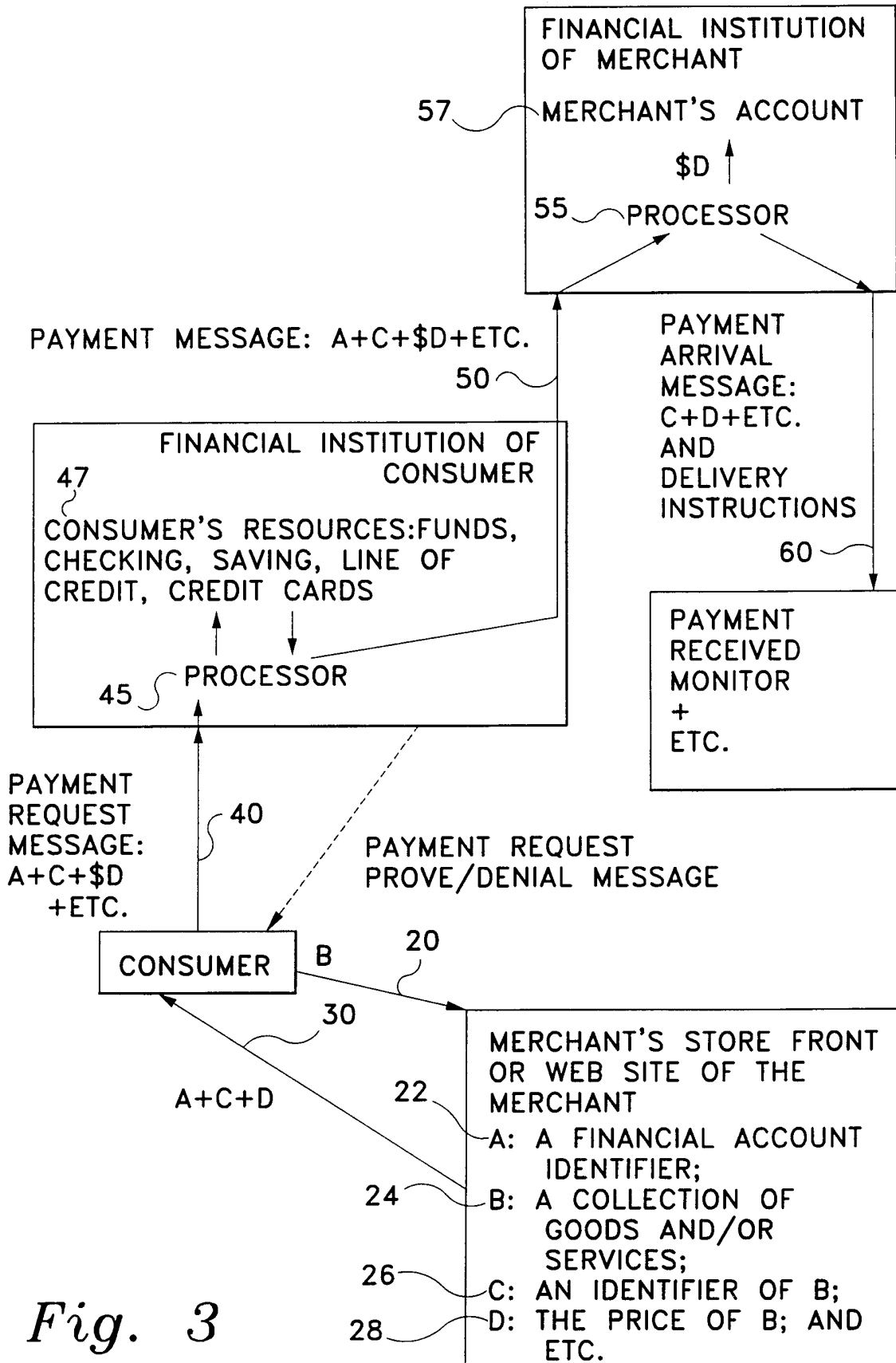


Fig. 3

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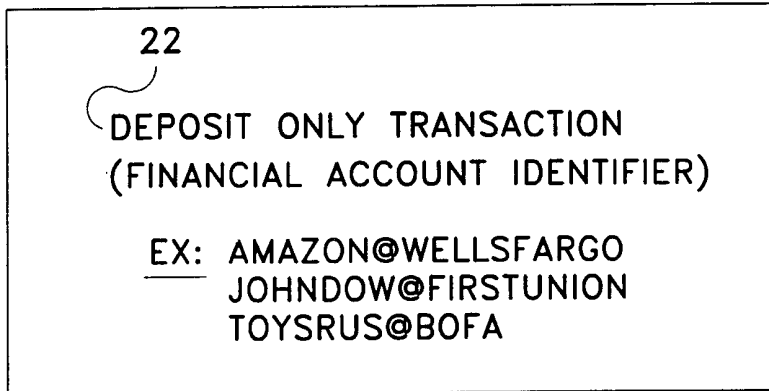


Fig. 4

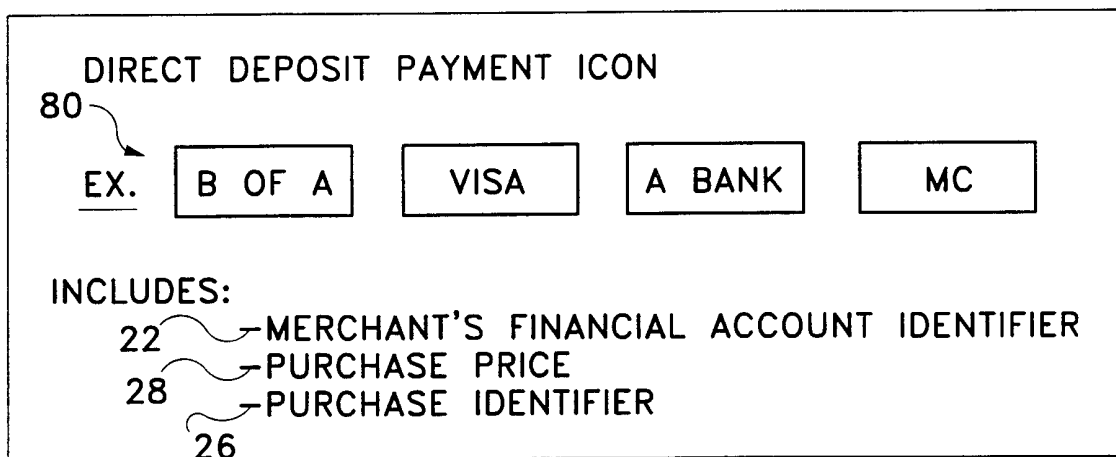
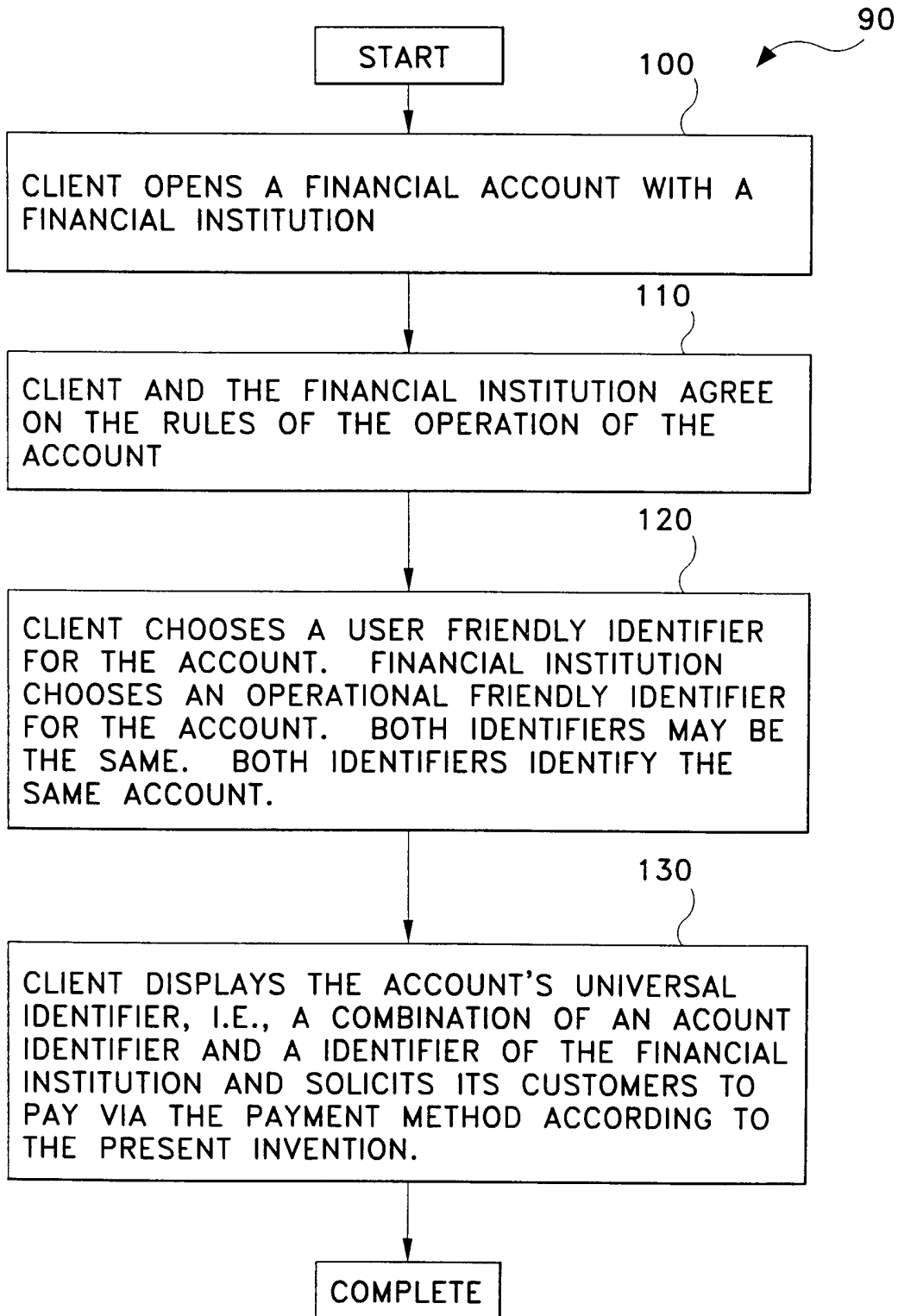


Fig. 5

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METHOD TO ESTABLISH FINANCIAL ACCOUNT IDENTIFIER

*Fig. 6*

INTERNATIONAL SEARCH REPORT

International application No.
PCT/US00/09535

<p>A. CLASSIFICATION OF SUBJECT MATTER IPC(7) : G06F 17/60 US CL : 705/39 According to International Patent Classification (IPC) or to both national classification and IPC</p>																				
<p>B. FIELDS SEARCHED Minimum documentation searched (classification system followed by classification symbols) U.S. : 705/39,26,35</p>																				
<p>Documentation searched other than minimum documentation to the extent that such documents are included in the fields searched None</p>																				
<p>Electronic data base consulted during the international search (name of data base and, where practicable, search terms used) WEST search terms: Internet, deposit only account, account identifier, financial account</p>																				
<p>C. DOCUMENTS CONSIDERED TO BE RELEVANT</p> <table border="1"> <thead> <tr> <th>Category*</th> <th>Citation of document, with indication, where appropriate, of the relevant passages</th> <th>Relevant to claim No.</th> </tr> </thead> <tbody> <tr> <td>X --- Y</td> <td>US 6,029,150 A (KRAVITZ) 22 February 2000, Fig. 1, 2, 7A, col. 11, lines 50-60, col. 12, lines 30-59, col. 15, lines 15-29, col. 17, lines 25-37, col. 22, lines 50-66, col. 23, lines 1-54, col. 24, lines 33-67.</td> <td>1,3-6 ----- 2</td> </tr> <tr> <td>Y</td> <td>US 5,898,838 A (WAGNER) 27 April 1999, col 18, lines 48-55.</td> <td>2</td> </tr> <tr> <td>A</td> <td>US 5,971,272 A (HSIAO) 26 October 1999</td> <td>1-6</td> </tr> <tr> <td>A</td> <td>US 5,999,596 A (WALKER et al.) 07 December 1999</td> <td>1-6</td> </tr> <tr> <td>A, E</td> <td>US 6,064,990 A (GOLDSMITH) 16 May 2000</td> <td>1-6</td> </tr> </tbody> </table>			Category*	Citation of document, with indication, where appropriate, of the relevant passages	Relevant to claim No.	X --- Y	US 6,029,150 A (KRAVITZ) 22 February 2000, Fig. 1, 2, 7A, col. 11, lines 50-60, col. 12, lines 30-59, col. 15, lines 15-29, col. 17, lines 25-37, col. 22, lines 50-66, col. 23, lines 1-54, col. 24, lines 33-67.	1,3-6 ----- 2	Y	US 5,898,838 A (WAGNER) 27 April 1999, col 18, lines 48-55.	2	A	US 5,971,272 A (HSIAO) 26 October 1999	1-6	A	US 5,999,596 A (WALKER et al.) 07 December 1999	1-6	A, E	US 6,064,990 A (GOLDSMITH) 16 May 2000	1-6
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<p><input type="checkbox"/> Further documents are listed in the continuation of Box C. <input type="checkbox"/> See patent family annex.</p>																				
<table border="0"> <tr> <td>* Special categories of cited documents:</td> <td>*T* later document published after the international filing date or priority date and not in conflict with the application but cited to understand the principle or theory underlying the invention</td> </tr> <tr> <td>*A* document defining the general state of the art which is not considered to be of particular relevance</td> <td>*X* document of particular relevance; the claimed invention cannot be considered novel or cannot be considered to involve an inventive step when the document is taken alone</td> </tr> <tr> <td>*E* earlier document published on or after the international filing date</td> <td>*Y* document of particular relevance; the claimed invention cannot be considered to involve an inventive step when the document is combined with one or more other such documents, such combination being obvious to a person skilled in the art</td> </tr> <tr> <td>*L* document which may throw doubts on priority claim(s) or which is cited to establish the publication date of another citation or other special reason (as specified)</td> <td>*G* document member of the same patent family</td> </tr> <tr> <td>*O* document referring to an oral disclosure, use, exhibition or other means</td> <td></td> </tr> <tr> <td>*P* document published prior to the international filing date but later than the priority date claimed</td> <td></td> </tr> </table>			* Special categories of cited documents:	*T* later document published after the international filing date or priority date and not in conflict with the application but cited to understand the principle or theory underlying the invention	*A* document defining the general state of the art which is not considered to be of particular relevance	*X* document of particular relevance; the claimed invention cannot be considered novel or cannot be considered to involve an inventive step when the document is taken alone	*E* earlier document published on or after the international filing date	*Y* document of particular relevance; the claimed invention cannot be considered to involve an inventive step when the document is combined with one or more other such documents, such combination being obvious to a person skilled in the art	*L* document which may throw doubts on priority claim(s) or which is cited to establish the publication date of another citation or other special reason (as specified)	*G* document member of the same patent family	*O* document referring to an oral disclosure, use, exhibition or other means		*P* document published prior to the international filing date but later than the priority date claimed							
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<p>Name and mailing address of the ISA/US Commissioner of Patents and Trademarks Box PCT Washington, D.C. 20231 Facsimile No. (703) 305-3230</p>		<p>Authorized officer ALLAN MACDONALD <i>James R. Matthews</i> Telephone No. (703) 308-0000</p>																		