



US008036988B2

(12) **United States Patent**
D'Agostino

(10) **Patent No.:** **US 8,036,988 B2**
(45) **Date of Patent:** ***Oct. 11, 2011**

(54) **SYSTEM AND METHOD FOR PERFORMING SECURE CREDIT CARD TRANSACTIONS**

FOREIGN PATENT DOCUMENTS

CA 2167543 7/1997

(Continued)

(76) Inventor: **John D'Agostino**, Sarasota, FL (US)

OTHER PUBLICATIONS

(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 0 days.

Lee et al.: Evolutionary business models for e-cash with smart cards, Korea Advanced Institute of Science and Technology, Korea, <http://koasas.kaist.ac.kr/bitstream/10203/4774/1/2000-092.pdf> , pp. 352-358.*

This patent is subject to a terminal disclaimer.

(Continued)

(21) Appl. No.: **12/902,399**

Primary Examiner — Bijendra K Shrestha

(22) Filed: **Oct. 12, 2010**

(74) *Attorney, Agent, or Firm* — Maxey Law Offices, PLLC; Stephen Lewellyn

(65) **Prior Publication Data**

US 2011/0071945 A1 Mar. 24, 2011

Related U.S. Application Data

(63) Continuation of application No. 11/252,009, filed on Oct. 17, 2005, now Pat. No. 7,840,486, which is a continuation of application No. 10/037,007, filed on Nov. 9, 2001, now abandoned, which is a continuation-in-part of application No. 09/231,745, filed on Jan. 15, 1999, now Pat. No. 6,324,526.

(57) **ABSTRACT**

A method and system of performing secure credit card purchases in the context of a remote commercial transaction, such as over the telephone, wherein only the customer, once generally deciding upon a product or service to be purchased, communicates with a custodial authorizing entity, such as a credit card company or issuing bank wherein such entity has previous knowledge of the credit card number as well as custodial control of other account parameters such as interest rate, payment history, available credit limit etc. The customer supplies the custodial authorizing entity with the account identification data such as the credit card number and a requested one of a possible plurality of predetermined payment categories which define the dollar amount for the purchase and specific, predetermined time parameters within which authorization by the custodial authorizing entity will remain in effect. The custodial authorizing entity then generates a transaction code which is communicated exclusively to the customer wherein the customer in turn communicates only the transaction code to the merchant instead of a credit card number. The transaction code is indicative of merchant identification, credit card account identification and a designated one of the plurality of predetermined payment categories.

(51) **Int. Cl.**
G06Q 40/00 (2006.01)

(52) **U.S. Cl.** **705/44**

(58) **Field of Classification Search** **705/44**
See application file for complete search history.

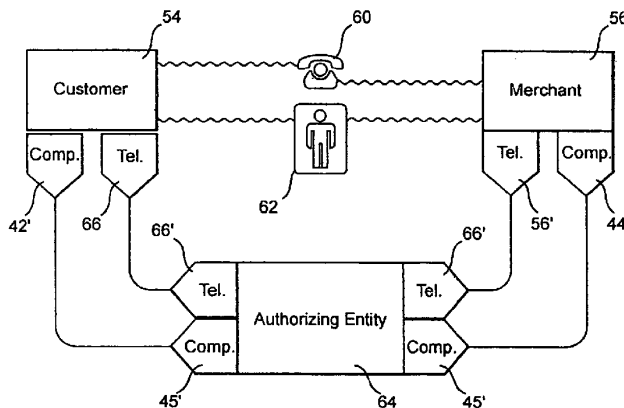
(56) **References Cited**

U.S. PATENT DOCUMENTS

3,376,661 A 4/1968 Hulett
3,938,091 A 2/1976 Atalla et al.
4,016,405 A 4/1977 McCune et al.
4,023,012 A 5/1977 Ano et al.

(Continued)

38 Claims, 2 Drawing Sheets



US 8,036,988 B2

Page 2

U.S. PATENT DOCUMENTS

4,048,475	A	9/1977	Yoshida	5,768,381	A	6/1998	Hawthorne
4,269,874	A	5/1981	Pryor et al.	5,777,305	A	7/1998	Smith et al.
4,395,628	A	7/1983	Silverman et al.	5,777,306	A	7/1998	Masuda
4,423,316	A	12/1983	Sano et al.	5,794,221	A	8/1998	Egendorf
4,599,509	A	7/1986	Silverman et al.	5,799,285	A	8/1998	Klingman
4,629,874	A	12/1986	Pugsley et al.	5,815,657	A	9/1998	Williams et al.
4,667,087	A	5/1987	Quintana	5,822,737	A	10/1998	Ogram
4,679,236	A	7/1987	Davies	5,825,881	A	10/1998	Colvin, Sr.
4,707,592	A	11/1987	Ware	5,826,241	A	10/1998	Stein et al.
4,720,860	A	1/1988	Weiss	5,826,243	A	10/1998	Musmanno et al.
4,725,719	A	2/1988	Oncken et al.	5,826,245	A	10/1998	Sandberg-Diment
4,747,050	A	5/1988	Brachtl et al.	5,832,087	A	11/1998	Hawthorne
4,797,920	A	1/1989	Stein	5,845,267	A	12/1998	Ronen
4,856,062	A	8/1989	Weiss	5,845,281	A	12/1998	Benson et al. 1/1
4,893,330	A	1/1990	Franco 379/91.02	5,864,830	A	1/1999	Armetta et al.
4,941,090	A	7/1990	McCarthy	RE36,116	E	2/1999	McCarthy
4,988,849	A	1/1991	Sasaki et al.	5,868,236	A	2/1999	Rademacher
4,998,279	A	3/1991	Weiss	5,878,141	A	3/1999	Daly et al.
5,010,485	A	4/1991	Bigari	5,883,452	A	3/1999	Masuda
5,023,904	A	6/1991	Kaplan et al.	5,883,810	A	3/1999	Franklin et al.
5,093,861	A	3/1992	Graham	5,890,137	A	3/1999	Koreeda
5,097,505	A	3/1992	Weiss	5,893,907	A	4/1999	Ukuda
5,117,355	A	5/1992	McCarthy	5,899,980	A	5/1999	Wilf et al.
5,130,519	A	7/1992	Bush et al.	5,903,830	A	5/1999	Joao et al.
5,163,097	A	11/1992	Pegg	5,903,878	A	5/1999	Talati et al.
5,163,098	A	11/1992	Dahbura	5,905,736	A	5/1999	Ronen et al.
5,192,947	A	3/1993	Neustein	5,913,203	A	6/1999	Wong et al.
5,193,114	A	3/1993	Moseley	5,914,472	A	6/1999	Foladare et al. 235/380
5,196,840	A	3/1993	Leith et al.	5,953,710	A	9/1999	Fleming 705/38
5,202,826	A	4/1993	McCarthy	5,955,961	A	9/1999	Wallerstein
5,231,666	A	7/1993	Matyas	5,956,699	A	9/1999	Wong et al.
5,239,583	A	8/1993	Parrillo	5,959,699	A	9/1999	Patel et al.
5,287,268	A	2/1994	McCarthy	5,984,180	A	11/1999	Albrecht
5,311,594	A	5/1994	Penzias	5,991,749	A	11/1999	Morrill, Jr.
5,317,636	A	5/1994	Vizcaino	5,991,750	A	11/1999	Watson
5,323,338	A	6/1994	Hawthorne	6,000,832	A	12/1999	Franklin et al. 700/232
5,326,960	A	7/1994	Tannenbaum	6,012,048	A	1/2000	Gustin et al.
5,343,529	A	8/1994	Goldfine et al.	6,014,650	A	1/2000	Zampese
5,350,906	A	9/1994	Brody et al.	6,029,150	A	2/2000	Kravitz 705/39
5,361,062	A	11/1994	Weiss et al.	6,029,890	A	2/2000	Austin
5,363,449	A	11/1994	Bestock	6,049,785	A	4/2000	Gifford
5,420,926	A	5/1995	Low et al.	6,064,879	A	5/2000	Fujiwara et al.
5,428,684	A	6/1995	Akiyama et al.	6,068,192	A	5/2000	McCabe et al.
5,434,398	A	7/1995	Goldberg	6,144,948	A	11/2000	Walker et al.
5,457,747	A	10/1995	Drexler et al.	6,154,879	A	11/2000	Pare et al.
5,466,919	A	11/1995	Hovakimian	6,163,771	A	12/2000	Walker et al. 705/18
5,478,994	A	12/1995	Rahman et al.	6,188,761	B1	2/2001	Dickerman et al.
5,479,494	A	12/1995	Clitherow	6,195,649	B1	2/2001	Gifford
5,479,530	A	12/1995	Nair et al.	6,202,055	B1	3/2001	Houvener et al.
5,485,510	A	1/1996	Colbert	6,226,624	B1	5/2001	Watson et al.
5,485,519	A	1/1996	Weiss	6,227,447	B1	5/2001	Campisano
5,500,513	A	3/1996	Langhans et al. 235/380	6,240,397	B1	5/2001	Sachs
5,504,808	A	4/1996	Hamrick, Jr.	6,253,188	B1	6/2001	Witek et al.
5,509,070	A	4/1996	Schull	6,267,292	B1	7/2001	Walker et al.
5,555,497	A	9/1996	Helbing	6,298,335	B1	10/2001	Bernstein
5,559,313	A	9/1996	Claus et al.	6,324,526	B1	11/2001	D'Agostino
5,577,109	A	11/1996	Stimson et al.	6,330,544	B1	12/2001	Walker et al.
5,583,918	A	12/1996	Nakagawa	6,339,766	B1	1/2002	Gephart
5,585,787	A	12/1996	Wallerstein	6,341,724	B2	1/2002	Campisano
5,590,038	A	12/1996	Pitroda	6,343,279	B1	1/2002	Bissonette et al.
5,592,553	A	1/1997	Guski et al.	6,352,205	B1	3/2002	Mullins et al.
5,606,614	A	2/1997	Brady et al.	6,370,525	B1	4/2002	Kaufman
5,621,201	A	4/1997	Langhans et al.	6,375,084	B1	4/2002	Stanford et al.
5,627,355	A	5/1997	Rahman et al.	6,422,462	B1	7/2002	Cohen
5,649,118	A	7/1997	Carlisle et al.	6,456,984	B1	9/2002	Demoff et al. 705/40
5,671,279	A	9/1997	Elgamal	6,466,901	B1	10/2002	Loofbourrow et al.
5,677,955	A	10/1997	Doggett et al.	6,470,490	B1	10/2002	Hansen
5,694,471	A	12/1997	Chen et al.	6,484,166	B1	11/2002	Maynard
5,696,908	A	12/1997	Muehlberger et al.	6,598,031	B1	7/2003	Ice
5,715,314	A	2/1998	Payne et al.	6,636,833	B1	10/2003	Flitcroft et al.
5,721,768	A	2/1998	Stimson et al.	6,885,857	B1	4/2005	Hanson
5,724,424	A	3/1998	Gifford	2001/0011249	A1	8/2001	Yanagihara et al. 705/41
5,727,163	A	3/1998	Bezos	2002/0077837	A1	6/2002	Krueger et al.
5,729,594	A	3/1998	Klingman	2002/0116341	A1	8/2002	Hogan et al.
5,748,737	A	5/1998	Daggar	2002/0120587	A1	8/2002	D'Agostino
5,748,908	A	5/1998	Yu	2002/0152158	A1	10/2002	Paleiov et al.
5,754,653	A	5/1998	Canfield	2003/0018567	A1	1/2003	Flitcroft et al.
5,757,917	A	5/1998	Rose et al.	2003/0028481	A1	2/2003	Flitcroft et al.

2003/0097331 A1 5/2003 Cohen
 2003/0216997 A1 11/2003 Cohen
 2010/0012720 A1* 1/2010 Baker-Dean et al. 235/380

FOREIGN PATENT DOCUMENTS

EP 0 081 921 A1 6/1983
 EP 0 515 448 A1 12/1992
 EP 0 590 861 A2 4/1994
 EP 0 590 861 A3 4/1994
 EP 0 590 961 A2 4/1994
 FR 2 661 996 A1 11/1991
 GB 2 145 265 A 3/1985
 GB 2 252 270 A 8/1992
 GB 2 305 393 4/1997
 GB 2 327 831 A 2/1999
 GB 2 361 790 A 10/2001
 JP 06-282556 10/1994
 WO WO 91/12680 8/1991
 WO WO 91/12693 8/1991
 WO WO 93/14476 7/1993
 WO WO 95/07512 3/1995
 WO WO 96/08756 3/1996
 WO WO 96/42150 12/1996
 WO WO 97/15893 5/1997
 WO WO 97/19549 5/1997
 WO WO 98/26376 6/1998
 WO WO 98/30985 7/1998
 WO WO 99/49424 9/1999
 WO WO 00/42486 7/2000

OTHER PUBLICATIONS

Jones, R.: Prepaid cards, an emerging internet payment mechanism, the Nuvantage Group, Jun. 2001, pp. 1-9.*
 Anne Finnigan. *The Safe Way to Shop Online*, Good Housekeeping, pp. 1-2 (Sep. 1998).
 Blake Ives & Michael Earl. *Mondex International Reengineering Money*, London Business School Article, isds.bus.lsu.edu/cases/mondex.html, Nov. 1, 2001.
 Bob Woods. *New Dell E-Commerce Guarantee Called 'Weak'*, Newsbytes News, pp. 1-2 (Sep. 1998).
 CITI.COM, *Total Fraud Protection . . . Solutions for Your Safety and Peace of Mind* (printout) CBSD002144-CBSD002153.

Eran Gabber & Abraham Silberschatz. *A Minimal Distributed Protocol for Electronic Commerce*, www.usenix.org/publications (Article), Oakland, USAa, Nov. 18-21, 1996.
 GE Capital Financial Inc., *GE Pre-Authorization System* (GE's website printout).
 Jones, R. *Prepaid Cards, An Emerging Internet Payment Mechanism*, The Nuvantage Group, Jun. 2001, pp. 1-9.
 Keith Lamond. *Credit Card Transactions Real World and Online*, www.virtualschools.edu/mon/ElectronicProperty/klamond/credit_card.htm, Sep. 11, 2001.
 Larry Chase. *Taking Transactions Online*, Target Marketing, pp. 1-4 (Oct. 1998).
 Lee, et al. *Evolutionary Business Models of e-Cash with Smart Cards*, Korea Advanced Institute of Science and Technology, Korea, http://koasas.kaist.ac.kr/bitstream/10203/4774/1/2000-092.pdf, pp. 352-358.
 Matt Barthel. *Diebold Plans Major Push in Market for Debit-Card Point of Sale Terminals*, American Banker, pp. 1-2 (Sep. 28, 1993).
Netchex—A Short Brief, www.tml.hut.fi/Studies/Tik-110.50/1997/Ecommerce/netchex-5html (Article), Nov. 5, 2002.
 Owen Thomas. *Money Changers*, www.ecompany.com (Article), Oct. 2000.
 Paul Demery. *Attaching the Smart Card Fortress*, Credit Card Management, pp. 1-4 (Sep. 1998).
 Putting Risk in Perspective (Article), *Internet Outlook* (Jul. 20, 1997), vol. 1, No. 3, www.webreference.com.
 Re-examination of U.S. Patent No. 6,324,526 granted to John D'Agostino, assigned U.S. Appl. No. 90/007,481, filed Mar. 28, 2005.
 Smart Card New Ltd's Information Gateway, www.smartcard.co.uk/articles/electronicmoney.html, Nov. 1, 2001.
 Smart Cards, disc.cba.uh.edu (printout), Nov. 1, 2001.
 Steven P. Ketchpel & Andreas Paepcke. *Shopping Models: A Flexible Architecture for Information Commerce*, dbpubs.stanford.edu:8090, Oct. 1, 2002 (Stanford, USA).
 Vincent Moscaritolo & Robert Hettinga. *Digital Commerce for the Rest of Us Apple in a Geodesic Economy*, www.shipwright.com/rants/rant_15.html (Article), Sep. 4, 1996.
 Virtual Credit Card (VCC), www.geocities.com/Eureka/Park/5014/vcc.htm (printout), Jun. 28, 1999.

* cited by examiner

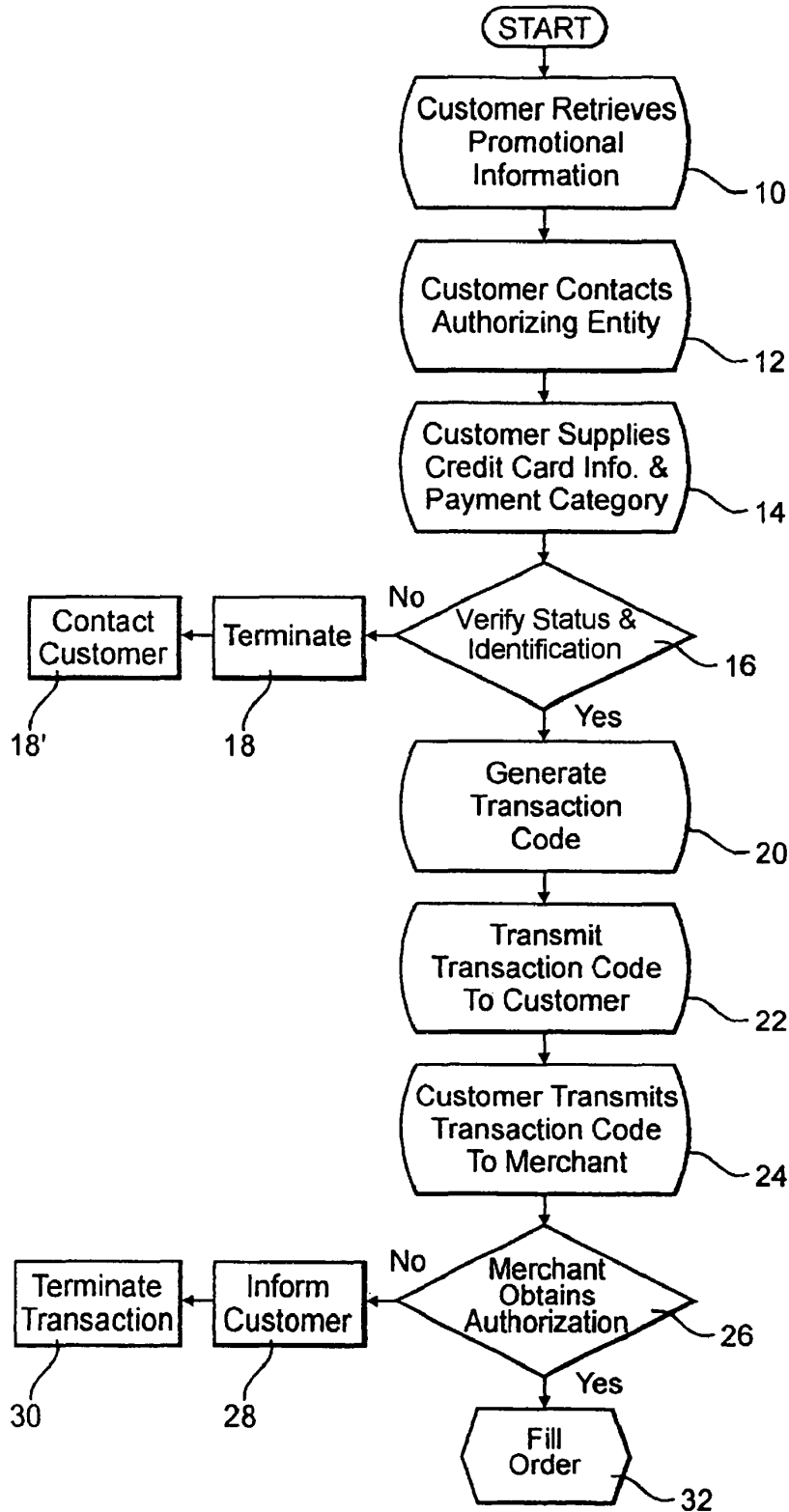


FIG. 1

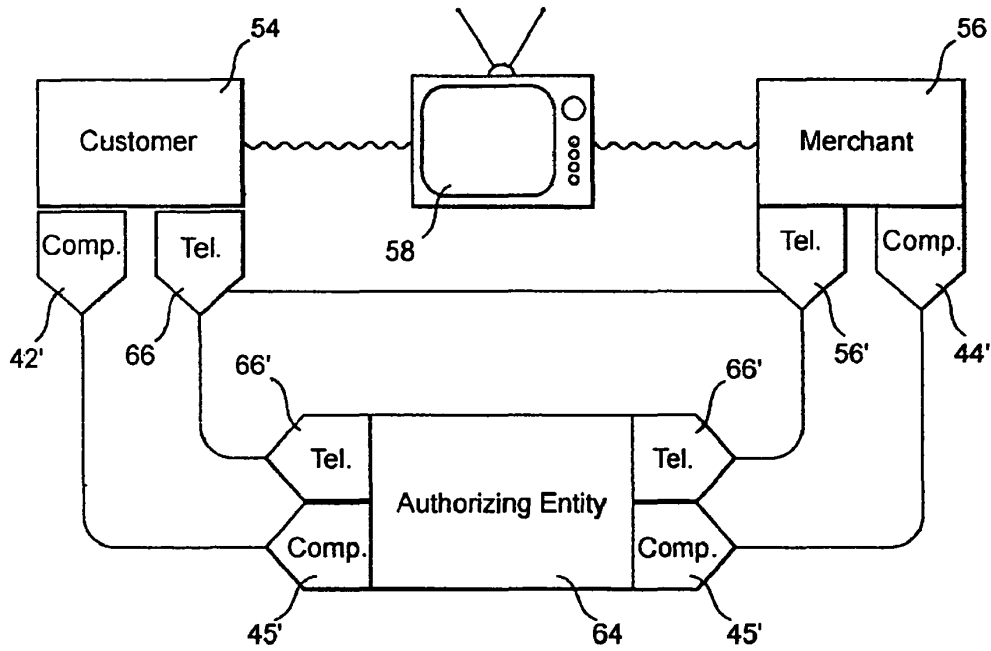


FIG. 2

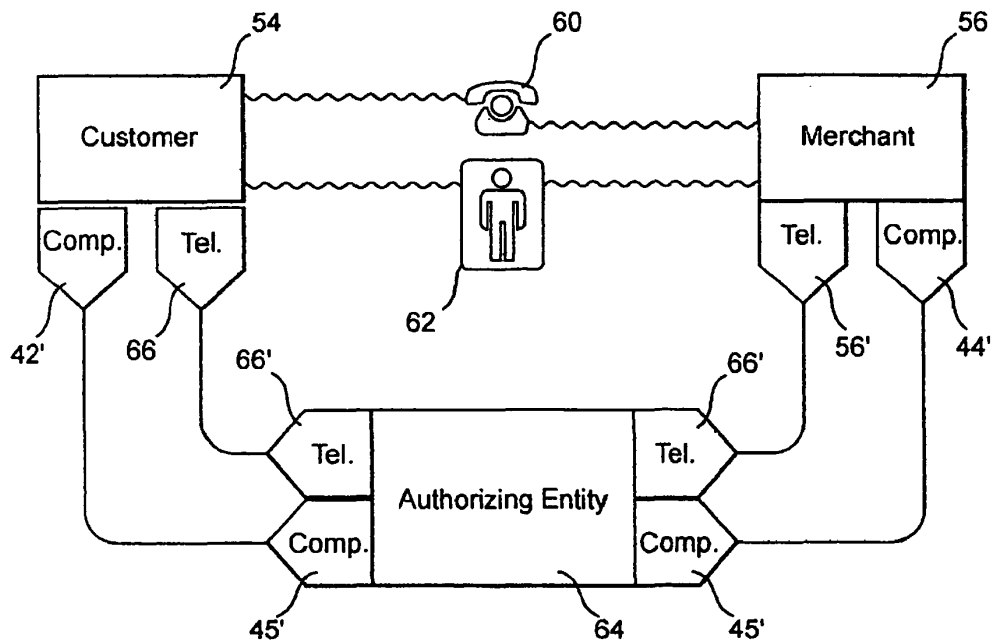


FIG. 3

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.