

**REMARKS**

This Amendment is made in response to the Office Action dated June 13, 2005. A Request for an Extension of Time is submitted herewith to permit the filing of this Amendment in the third month. Applicants appreciate the courtesies that were extended to the undersigned in a first interview of September 7, 2005 with Examiner Lastra and in second interview of November 16, 2005 with Examiner Lastra and SPE Raquel Alvarez. In the following, the undersigned will respond to each rejection and objection by paragraph number as appears in the outstanding Office Action.

With regard to paragraphs 2 and 5, Applicants appreciate the withdrawal of the rejection under 35 U.S.C. § 101 of claims 1-4 and 13-14 as being non-statutory subject matter, as indicated at first interview with Examiner Daniel Lastra on September 7, 2005.

With regard to paragraph 3, Applicants have amended each of claims 5-12 and 15-20 as being withdrawn. The undersigned apologizes for any inconvenience for the Examiner in view of this oversight.

With respect to paragraph 4, the undersigned and the Examiner discussed at the noted interview whether complete Information Disclosure Statements were filed on July 28, 2004 and November 17, 2004. The Examiner indicated that there were no forms PTO-1449 to be found in the Office's file of this application. The undersigned confirmed that such PTO-1449 forms were, in fact, submitted to the Patent Office. To reconcile this matter, the Examiner suggested that copies of the PTO-1449 forms that Applicant has retained in his file be forwarded to the Examiner, whereby the Office's record will be made complete and this objection overcome.

With respect to paragraph 6, Applicants respectfully traverse and request reconsideration of the rejection of claims 1-4 and 13-14 as being definite under 35 U.S.C. § 112, second

paragraph. In particular, the Examiner has objected to the terms “permitting” and “facilitating”.

In response, Applicant by this Amendment has amended claims 1-4 and 13-14 to avoid the use of “permitting” and “facilitating”, whereby the terms objected to by the Examiner have been removed.

With regard to paragraph 7, Applicants respectfully traverse and request reconsideration of the rejection of claims 1-4 and 13-14 as being anticipated under 35 U.S.C. § 102(e) in view of U.S. Patent No. 6,594,640 of Postrel (herein “the Postrel Patent”).

In particular, Applicants respectfully traverse and request reconsideration of the Examiner’s assertion that the Postrel Patent teaches as recited in **paragraphs (b) and (c) of Claim 1** that “(b) permitting the first and second point issuers to set the point withdrawal and deposit rates of their first and second points respectively (see column 4, lines 3-45; column 3, lines 35-45; column 5, lines 35-40; column 6, lines 37-47”); and “(c) determining an equivalent number of the second points based upon the point withdrawal and deposit rates of the first and second point issuers respectively, and the first number of the first points (see column 4, lines 3-45; column 3, lines 35-45; column 5, lines 35-40; column 6, lines 37-47; column 7, lines 35-40; column 7, lines 63-67.” By contrast to the Examiner’s above cited statement, the Postrel Patent is silent as to permitting its point issuers to set withdrawal and deposit exchange rates, much less to use such withdrawal rates and deposit rates to calculate an equivalent number of second points. Further, the undersigned has studied the above cited portions of the Postrel specification that were relied upon by the Examiner for his alleged disclosure of paragraphs (b) and (c) of Claim 1 without finding any indication or teaching of the use of point withdrawal and deposit rates. If the Examiner should persist that the Postrel Patent discloses point withdrawal and deposit rates as recited in paragraph (b) of claim 1, or the uses of such rates to determine the

equivalent number of second points, applicant respectfully requests the Examiner to identify the specific language within the Postrel Patent upon which he relies.

Further, Applicants respectfully traverse and request reconsideration of the Examiner's statement that paragraph (d) of Claim 1 is taught by Postrel and, in particular, that the "exchanging the first number of first points for a second equivalent number of second points (see column 4, lines 3-45, column 3, lines 35-45; column 5, lines 35-40; column 6, lines 37-47; column 10-12; column 15-20)." The undersigned has carefully considered the above portions of the Postrel Patent as applied by the Examiner to paragraph (d) of claim 1 without finding any teaching of the recited exchange of first points for second points. In contrast to the teachings of the Postrel Patent, Applicants teach the exchange or transmission of award points from one of its issuer terminals 130a, b and c to another of these terminals 130a, b and c. However, the specification of the Postrel Patent is clear that in contrast to the Examiner's interpretation of the Postrel Patent, Postrel teaches that reward points as issued from each of the servers 10, 12 and 14 are transmitted via the network 2 to be stored in a reward exchange account, appreciating that a plurality of such reward exchange accounts for the various members are stored in corresponding ones of the files within the second database 54. It is clear that the Postrel Patent does not disclose transmitting reward points from one of the servers 10, 12 and 14 to another of the servers or issuers 10, 12 or 14. See column 6, lines 1 to 53 of the Postrel Patent.

For reasons similar to those stated above with respect to Claim 1, Applicants respectfully traverse and request reconsideration of the Examiner's statement that the Postrel Patent teaches that the first and second point issuers set respectively the point withdrawal and deposit rates as recited in applicant's claim 3. Further, Applicant respectfully traverses and requests

reconsideration of the Examiner's assertion that the Postrel Patent teaches the determining an equivalent number of the second points based upon the point withdrawal and deposit rates of the first and second point issuers as recited in step (iii) of paragraph (c) of Claim 3.

Further, Applicants respectfully assert that the Postrel Patent discloses none of the following recitations of **Claim 13** of the Postrel Patent: the preamble, paragraph (a), paragraph (c) and paragraph (d). In particular, Applicant respectfully traverses and requests reconsideration of the Examiner's assertion that Postrel teaches the following recitations that correspond to: 1) the preamble of Applicant's claim 13, "A method of exchanging first points that are issued by a first point issuer for second, different points that are issued by a second point issuer at exchange rates set by the first and second point issuers respectively;" and 2) paragraph (a) entering the "first and second exchange rates by the first and second point issuers respectively (see column 3, line 35 – column 4, line 45; column 6, lines 35-67; column 10, lines 15-20." By contrast, the Postrel Patent discloses in its Figure 4 a plurality of reward servers 10, 12 and 14, each of which serves as an issuer of points. Even so, the Postrel Patent fails to disclose that each of the servers or issuers 10, 12 and 14 is able to issue different points with different exchange rates as set by each of the issuers 10, 12 and 14. The undersigned has carefully considered those portions of the Postrel Patent set out above, upon which the Examiner has relied on for his characterization of the preamble and paragraph (a) of Claim 13. The most relevant portion of the Postrel Patent as identified by the Examiner is found at column 10, lines 18-20, which reads: "(t)he system can prioritize the order of points being traded based on a predetermined set of rules such as in higher value points being issued before those with a lower value." This single cited sentence does not teach whether the referred to values are being used as exchange rates, much less that these points are being set by the respective issuers from which the points are issued.

Further with regard to paragraph (b) of Claim 13, Applicants respectfully traverse and request consideration of the Examiner's assertion that the Postrel Patent teaches the entering "of a customer's order for exchanging first points for second points (see column 3, line 35 – column 4, line 45; column 6, lines 35-67; column 10, lines 15-20)." The undersigned has carefully studied each of these portions of the Postrel Patent that were identified by the Examiner as being relevant to paragraph (b) of Claim 13, without finding any teaching of exchanging first points for second points, much less than facilitating the entry of first and second exchange rates to make such a transaction. In this regard, the Examiners' attention is drawn to Figure 4, where the Postrel Patent discloses that each of the reward servers or issuers 10, 12 and 14 transmits over a network 2 its corresponding points to be inputted into one of the reward exchange accounts making up the second data base 54. Applicant respectfully asserts that though there are a variety of points issued from the corresponding servers or issuers 10, 12 and 14 that are disposed in a reward exchange account, there is no teaching in the Postrel Patent that the points inputted into a reward exchange account are exchanged for each other. The processing and transferring of points from each of the server issuers 10, 12 and 14 to the trading server 20 and eventually to the corresponding reward exchange account (as stored in the database 54) of the member are best disclosed in column 6 and Figure 4 of the Postrel Patent. Study of this portion of the Postrel Patent clearly fails to identify any teaching of Applicant's recited "exchanging first points for second points".

Further as recited with respect to paragraphs (c) and (d) of Claim 13, Applicant respectfully traverses and requests reconsideration of the Examiner's statement that the Postrel Patent teaches, "(c) determining the presence or absence of each of the first and second exchange rates (see column 4, lines 1-45); and (d) blocking the exchange of points in the absence of either

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