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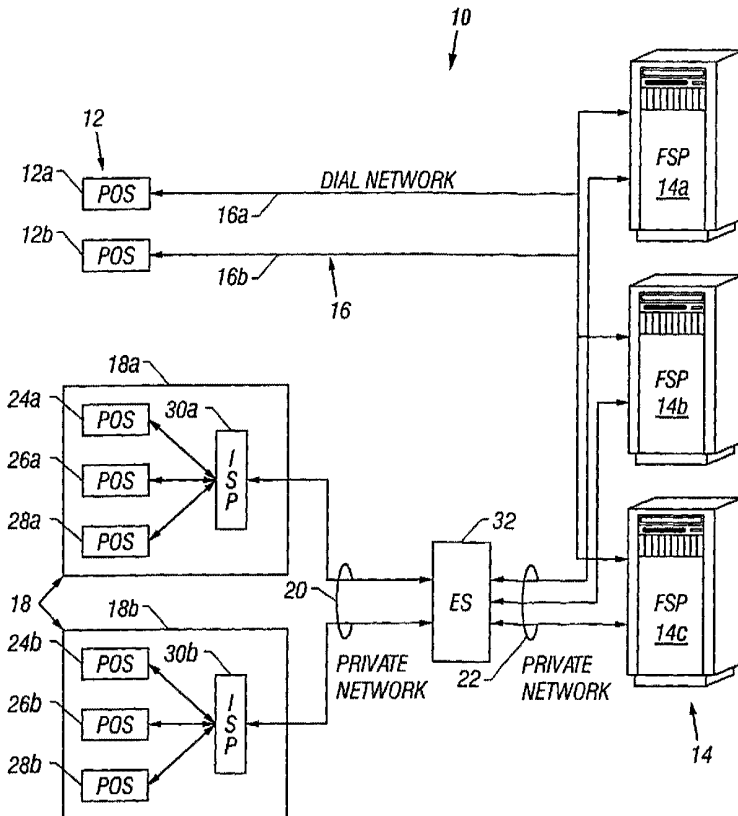
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(54) Title: SYSTEM AND METHOD FOR CONSUMMATING A FINANCIAL TRANSACTION AT A POINT-OF-SALE BASED ON SECURE ELECTRONICS COMMUNICATIONS OVER AN ACTIVE, FULL-TIME PUBLIC NETWORK

(57) Abstract: A system and method for consummating a financial transaction at a POS based on a secure electronic communication over an active, full-time public network such as the Internet. The invention comprises at least one POS, at least one network appliance, at least one primary server, and at least one financial service provider, the network appliance, primary server, and financial service provider being in electronic communication over an active, full-time public network, whereby a financial transaction is consummated at the POS based on the electronic communications over the network.

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SYSTEM AND METHOD FOR CONSUMMATING A FINANCIAL TRANSACTION AT A POINT- OF-SALE BASED ON SECURE ELECTRONICS COMMUNICATIONS OVER AN ACTIVE, FULL-TIME PUBLIC NETWORK

BACKGROUND OF THE INVENTION

1.   Field of the Invention

The present invention relates generally to authentication of non-cash payment methods and more specifically, to an e-commerce gateway system and method for consummating a financial transaction at a point-of-sale system ("POS") based on secure electronic communications over an active, full-time public network such as the Internet.

2.   Description of Related Art

Today's POS environment can be considered broadly segmented into two primary types of businesses: those having a single or small number (i.e., approximately 2 to 5) of POSs within their confines ("single-POS") and those having greater numbers of POSs within ("multiple-POS"). While the former can generally be typified by independent businesses, small regional chains, small business, small professional organizations and the like, the later can be typified by larger chain enterprises and the like.

A primitive multiple-POS business could ostensibly require a separate phone line for each POS. However, it is more customary for the multiple-POS businesses to instead use a single telephone line to handle the multiple-POS transactions. For example, various parties have developed systems for transmitting multiple-POS transactions over a single telephone line, such as that described by U.S. Pat. No. 5,500,890 to Rogge et al., in which a dial-up

asynchronous communication protocol allows multiple threaded transactions and interleaved file transfers over a single phone line.

Not uncommonly, multiple-POS businesses enjoy transactional cost-savings over single-POS businesses because they are frequently able to develop and support an infrastructure of fixed-function in-store-processors ("ISP") that are connected to the various POSs. The ISPs, in turn, are then commonly connected to an enterprise server ("home office" or "ES") that serves multiple enterprise locations. The ISPs frequently connect to the home office through a first set of privately leased phone lines that are primarily dedicated to this singular purpose. Similarly, the ES is commonly connected to a plurality of financial service providers through a second set of privately leased phone lines that are also primarily dedicated to this singular purpose. These privately leased phone networks are all too often the unique province of multiple-POS businesses. These private networks enable rapid financial transaction consummation—and consequently, higher throughput and profit—because the phone lines allow active, full-time communication with the financial service providers.

Multiple-POS businesses justify the cost of building their private networks on the faster transaction times that result at the POS. Heretofore, rarely—if ever—have single-POS businesses been able to afford this luxury. Heretofore, rarely—if ever—have faster transactions and the ability to amortize over multiple-POS systems been available to the single-POS businesses. Rather, single-POS businesses have traditionally been forced to settle for incomplete and more costly payment solutions that are not well integrated with the rest of their enterprises. For example, some single-POS businesses have been forced to accept only

cash payments, thereby having to forego the profits that might otherwise accrue for check and data card consumers.

What is needed, therefore, is a cost-effective POS solution that will enable faster transactions for single-POS businesses.

BRIEF SUMMARY OF THE INVENTION

Briefly and summarily, the current invention presents a system and method for consummating a financial transaction at a POS based on a secure electronic communication over an active, full-time public network such as the Internet. In a preferred embodiment, the invention comprises at least one POS, at least one network appliance, at least one primary server, and at least one financial service provider, the network appliance, primary server, and financial service provider being in electronic communication over an active, full-time public network, whereby a financial transaction is consummated at the POS based on the electronic communications over the public network.

The foregoing and other objects, advantages, and aspects of the present invention will become apparent from the following description. In the description, reference is made to the accompanying drawings which form a part hereof, and in which there is shown, by way of illustration, a preferred embodiment of the present invention. Such embodiment does not represent the full scope of the invention, however, and reference must also be made to the claims herein for properly interpreting the scope of the invention.

BRIEF DESCRIPTION OF THE SEVERAL VIEWS OF THE DRAWINGS

Fig. 1 depicts a schematic diagram of single-POS and multiple-POS businesses in a

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