

Key IP Issues

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Michael Davis is Founder & President of **Davis Law Group**, a professional corporation. His practice includes a comprehensive array of technology transactions & intellectual property matters for developing, protecting & commercializing technology. During his 15-year legal career, he has represented numerous clients, and several have obtained large investments of venture capital. Before attending law school, he received his bachelor's degree from MIT's school of engineering and worked in the fields of electronic instrumentation, automated control systems, and computer programming.

Austin Business Journal named Mr. Davis as one of Austin's 3 best attorneys in the field of "Technology/Intellectual Property" law (*Best of Business Law* 2004). He is a past President of the Austin Intellectual Property Law Association.

At Davis Law Group, creative fee arrangements are possible. For example, a client may agree to pay Davis Law Group a flat monthly rate instead of an hourly rate for technology transactions, intellectual property strategy, and corporate governance matters. Moreover, via Davis Law Group, a client has freedom to engage Mr. Davis as General Counsel. As the client's General Counsel, Mr. Davis performs certain activities without charge to the client (e.g., Board meetings, executive staff meetings, managing other law firms), and the client pays a discounted charge for his legal services.

Since 2002, Mr. Davis has served as part-time General Counsel of StarCore, LLC (www.starcore-dsp.com), a joint venture (co-owned by Freescale Semiconductor, Infineon Technologies and Agere Systems) that develops and licenses digital signal processor technology.

Before Mr. Davis founded Davis Law Group in 2005, he was a Partner at the large multinational law firm of Haynes & Boone, where he practiced for almost 7 years. Previously, he was a lead attorney for IBM at the Somerset PowerPC Microprocessor Design Center, which was a key strategic alliance between IBM, Motorola and Apple.

In 2004, Gov. Rick Perry appointed Mr. Davis to the Texas Product Development & Small Business Incubator Board, which governs up to \$45 million in economic development incentives for products and businesses in the fields of semiconductors, nanotechnology, biotechnology and biomedicine.

Mr. Davis has served as mentor and judge at several venture capital events and competitions. He was founding Chair of the MIT Enterprise Forum of Austin. He has given numerous presentations to various organizations, including The University of Texas at Austin, Austin Technology Council, Austin Corporate Counsel Institute, Austin In-House Counsel Group, IC2 Institute, CLE International, Texas Angel Investors, Austininvestors, Technology Advisors Group, and Austin Inventors & Entrepreneurs Association.

In community matters, Mr. Davis is a member of Leadership Austin (class of 2004-2005), a member of the Board of Directors for Communities in Schools, and was recently a member of the Austin Children's Museum Board of Directors.

Mr. Davis is a registered patent attorney. He has personally drafted or supervised several hundred original United States patent applications. In patent matters, his experience covers business methods, software, Internet, video/audio standards (e.g., MPEG, JPEG, Dolby AC-3), digital & analog circuitry, microprocessor design & semiconductor manufacturing. For more than 4 years, he wrote the weekly patent column for Austin Business Journal.

He can be reached at 512.306.TECH (8324) and Michael.Davis@LegalVP.com.

Intellectual Property

- Patents
- Trade Secrets (nondisclosure obligations)
- Copyrights
- Trademarks (name of product or service)
Pepto-Bismol, Crest, Ivory, Mr. Clean, Luvs
- Domain Names (name of Internet domain)
www.pg.com, www.procterгамble.com
- Tradenames (name of company)
Procter & Gamble

Intellectual Property

17 U.S.C. § 102(b)

“In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.”

- Courts have agreed (e.g. *Lotus v. Borland* case)
- “Plot” of book is not copyrightable

Intellectual Property

Protects
Against
Independent
Development

Protects
Ideas

Secret

Patents	√	√	
Trade Secrets		√	√
Copyrights			Optional

Intellectual Property

Starting a Company?

Freedom of Action	(defense)
Ownership	(offense)
Licensing	(defense & offense)

Intellectual Property

Freedom of Action

Published
Idea
Not Patented

Intellectual Property

Freedom of Action

Published	(no trade secret)
Idea	(no copyright)
Not Patented	(no patent)

Intellectual Property

Freedom of Action

Published	(no trade secret)
Idea	(no copyright)
Not Patented	(no patent)

Easy to state this rule.

But hard to know whether these facts are true.

Intellectual Property

- Assignment or License (plus Secrecy?)

Written

Signed

- Sources

Founders

Employees

Contractors

Suppliers



Intellectual Property

- **Founders**
 - Assignment or License
 - Do founders have the right?
(e.g. in relation to former employer)
- **Contractors vs. Employees**
 - Wedding photographer owns negatives, unless:
 - written contract
 - employee “within scope of employment”

Intellectual Property

- **Licensing (all rights?)**
 - Use
 - Reproduce
 - Distribute
 - Prepare Derivative Works Based Upon
 - Make
 - Sell
 - Offer for Sale
 - Import
 - Publish

Intellectual Property

- **Trade Secrets**

- Must have security procedures that are reasonable under the circumstances
 - e.g., fence around a chemical plant, even though competitor's airplane can still fly overhead
- Use written agreement (“NDA”)
- Disclosing...don't give away the farm
- Receiving...don't overly contaminate yourself
- Vary the NDA for different situations

Intellectual Property

- **Trade Secrets - Options for NDA**
 - 1-way or 2-way?
 - Time period of secrecy (5 years? Forever?)
 - Level of effort (Absolute? Reasonable Efforts?)
 - Secrecy if memorized?
 - Labeling & record keeping?
 - Prohibit reproduction?
 - Restrict permission to single project?
 - OK to share with “consultants”?
 - Carefully worded exceptions?

Intellectual Property

- **Trade Secrets - Options for NDA**
 - NDA is not a substitute for other agreements.
 - **Software License Agreement**
 - **Technology Co-development Agreement**
 - **Sales Representative Agreement**
 - When disclosing object code, beware that many “form” NDAs fail to prohibit reverse assembly!

Intellectual Property

- **Trademarks**

- **Available** (confusingly similar mark is bad, especially if products or services are similar)

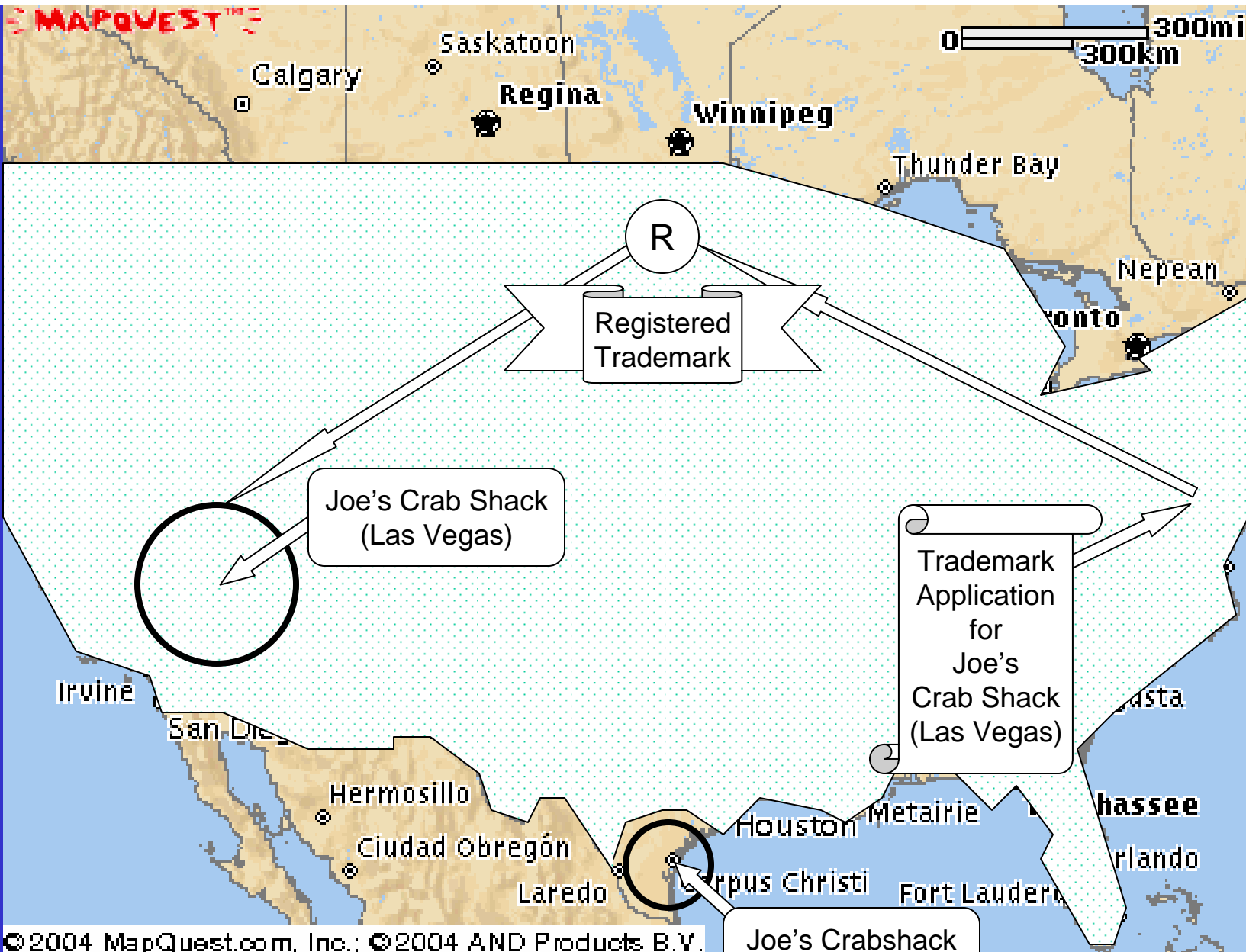
- **Protectable**

- Arbitrary (Amazon, Yahoo, Exxon) - *Good*
- Suggestive (Titleist, Skinvisible) - *Good*
- Descriptive (Lone Star beer, Tripledge wipers)
– *Wait 5 years and prove distinctive*
- Generic (Computer, Car, Beans) - *Bad*

Intellectual Property

- **Trademarks**

- If not federally registered, label with **TM**
- If federally registered, label with **®**
- Federal registration “blankets” entire U.S.
- Can be many things...not just a name
 - **Pink fiberglass**
 - **Taco Cabana v. Two Pesos**



©2004 MapQuest.com, Inc.; ©2004 AND Products B.V.

Intellectual Property

- **Trademarks**

- Joe's Crabshack (Corpus Christi)
 - **How big is circle? Maybe limited to a suburb?**
- Trademark usually "trumps" domain name
- Federal registration "blankets" entire U.S.
- Be sure that both company name & trademark are distinctive (not descriptive) & available
- Confusingly similar mark is bad, especially if products or services are similar

Intellectual Property

- **Trademarks**
 - Before sending “cease & desist” letter, investigate whether you were first user
 - Use as adjective instead of noun
 - aspirin, cellophane, linoleum, zipper, escalator
 - Kleenex, Singer, Xerox
 - In licensing, monitor quality & ensure that licensee’s use “inures to licensor’s benefit”

Intellectual Property

- **Anticybersquatting Consumer Protection Act**
 - Federal Law signed Nov. 29, 1999
 - “register, traffic in or use” a domain name is illegal if:
 - confusingly similar
 - bad faith intent to profit

Intellectual Property

- **Anticybersquatting Consumer Protection Act**
 - Damages - may elect statutory damages \$1,000 to \$100,000 per domain name, “as the court considers just” (jury)
 - Cancellation of domain name
 - Transfer of domain name
 - Attorneys fees in court’s discretion

Intellectual Property

- **Copyrights**

- Automatically exist when a copyrightable work is fixed in tangible medium
- Copyright notice not required, but recommended
Copyright © 2002-2004, ACME, Inc. All rights reserved.
- Copyright notice helps prevent a bad guy from arguing “innocent infringement”

Intellectual Property

- **Copyrights**
 - Registration not required, but recommended for important works
 - For “statutory” damages & attorneys fees
 - (a) if unpublished, must register before infringement
 - (b) if published, must register within 3 months
 - Statutory damages (per copyrighted work)
 - \$750 to \$30,000 as the court considers “just”
 - “Innocent” might reduce to \$200 (use © notice)
 - “Willful” might increase to \$150,000

United States Patent [19]

Barker et al.

[11] **Patent Number:** 4,674,040

[45] **Date of Patent:** Jun. 16, 1987

[54] **MERGING OF DOCUMENTS**

[75] **Inventors:** Barbara A. Barker, Round Rock;
Irene H. Hernandez; Rex A.
McCaskill, both of Austin, all of Tex.

[73] **Assignee:** International Business Machines
Corporation, Armonk, N.Y.

[21] **Appl. No.:** 686,566

[22] **Filed:** Dec. 26, 1984

[51] **Int. Cl.:** G06F 3/153

[52] **U.S. Cl.:** 364/300; 340/734

[58] **Field of Search:** 340/734;
364/200 MS File, 300 MS File, 900 MS File

[56] **References Cited**

U.S. PATENT DOCUMENTS

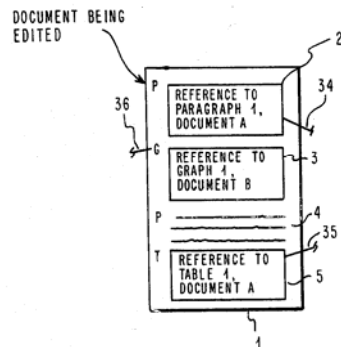
4,445,795 5/1984 Levine et al. 364/300 X

Primary Examiner—Raulfe B. Zache
Attorney, Agent, or Firm—J. H. Barksdale

[57] **ABSTRACT**

A method of, and system for, merging a portion of one document into another and providing for current viewing and on line editing. During preparation of a document, a paragraph from another document can be included in the document being prepared by referencing the other document and paragraph. The result of referencing is inclusion of the paragraph, a view of the document being prepared, and a document including the included paragraph which is dynamically editable. If the paragraph is edited, an operator decision is to be made as to whether the other document is to be updated according to the editing.

5 Claims, 10 Drawing Figures



1. A method for merging a portion of one document into another document, said method comprising:
 - (a) including a reference in said another document to said portion; and
 - (b) causing said portion to be merged with said another document and displayed in merged form.

Intellectual Property

How does a patent work?

I claim:

A + B

Intellectual Property

How does a patent work?

I claim:

A + B

Covers:

A + B + etc.

Intellectual Property

How does a patent work?

I claim:

A + B

Covers:

A + B + etc.

Does Not Cover:

A + etc. (without B)

Davis Law Group

A Professional Corporation

LegalVP.com



Intellectual Property

How does a patent work?

I claim:

A + B

Covers:

A + B + etc.

Does Not Cover:

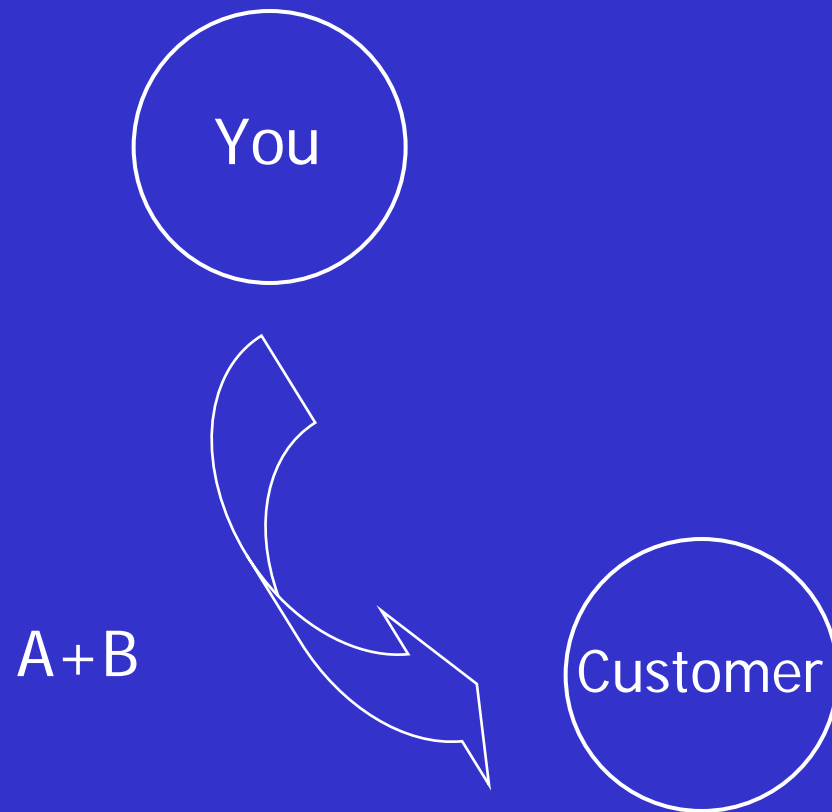
A + etc. (without B)

Does Not Cover:

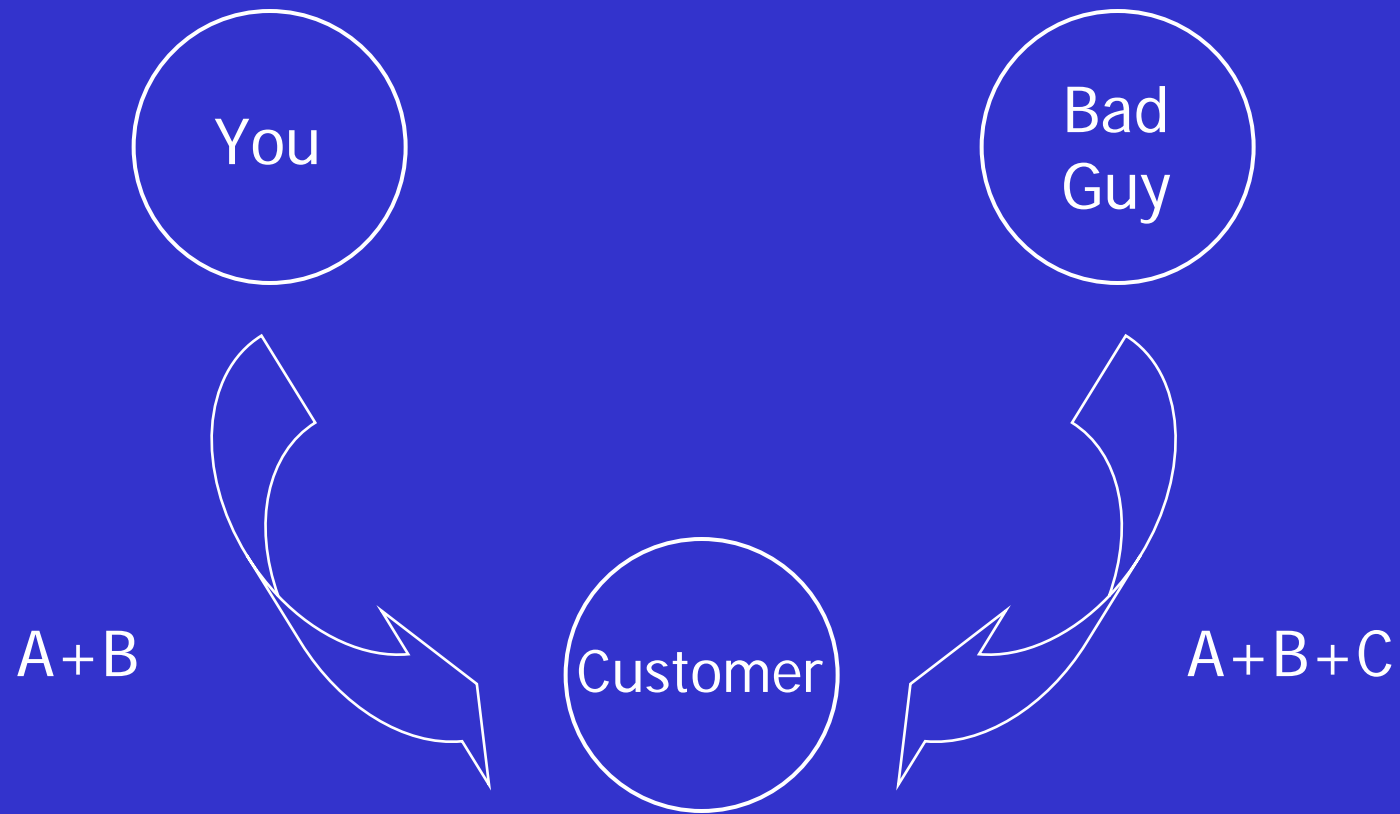
B + etc. (without A)



Intellectual Property



Intellectual Property

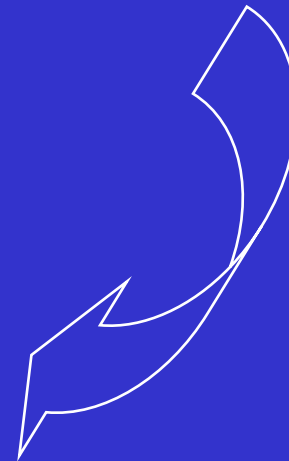


Intellectual Property

You

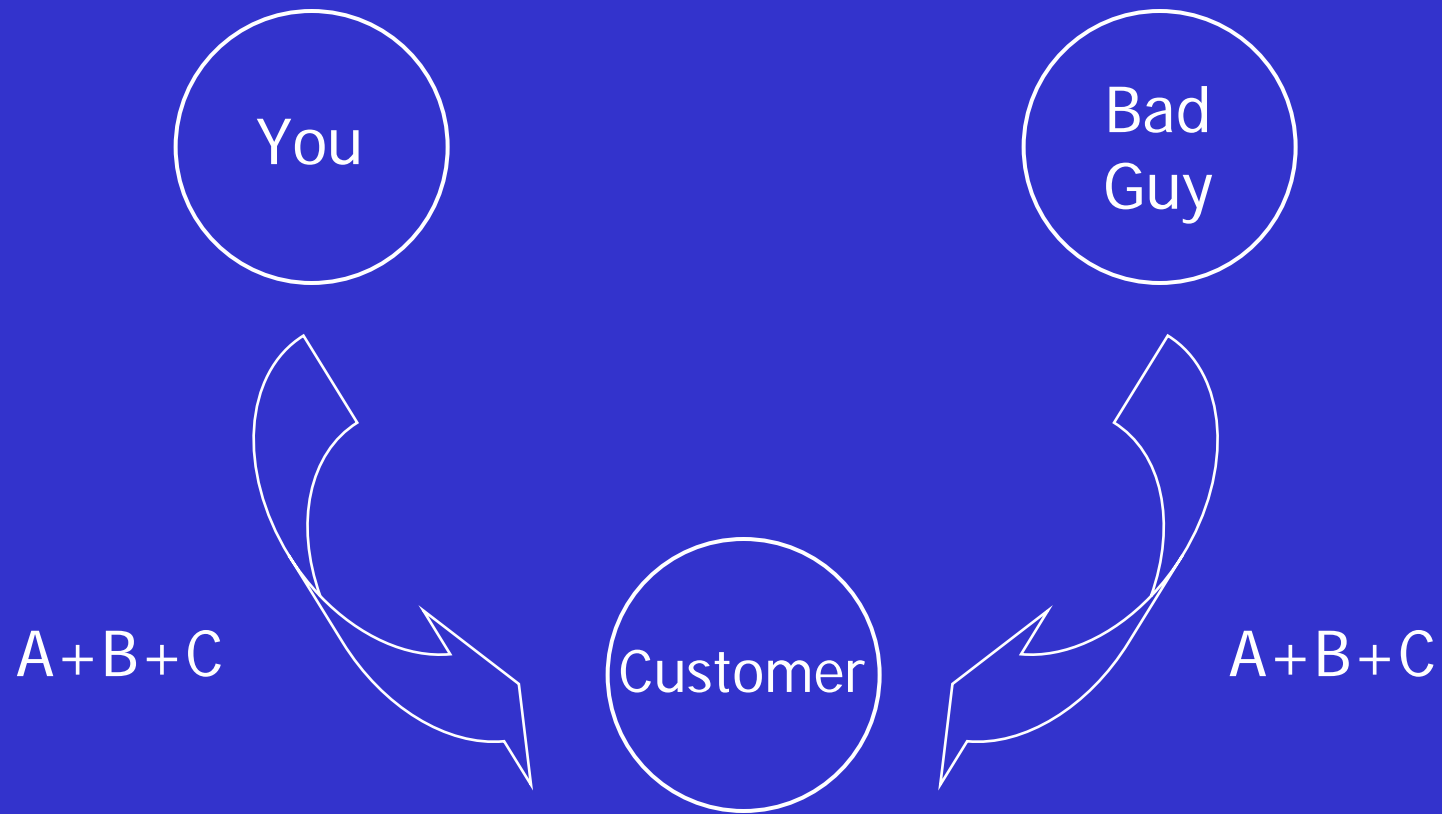
Bad
Guy

Customer

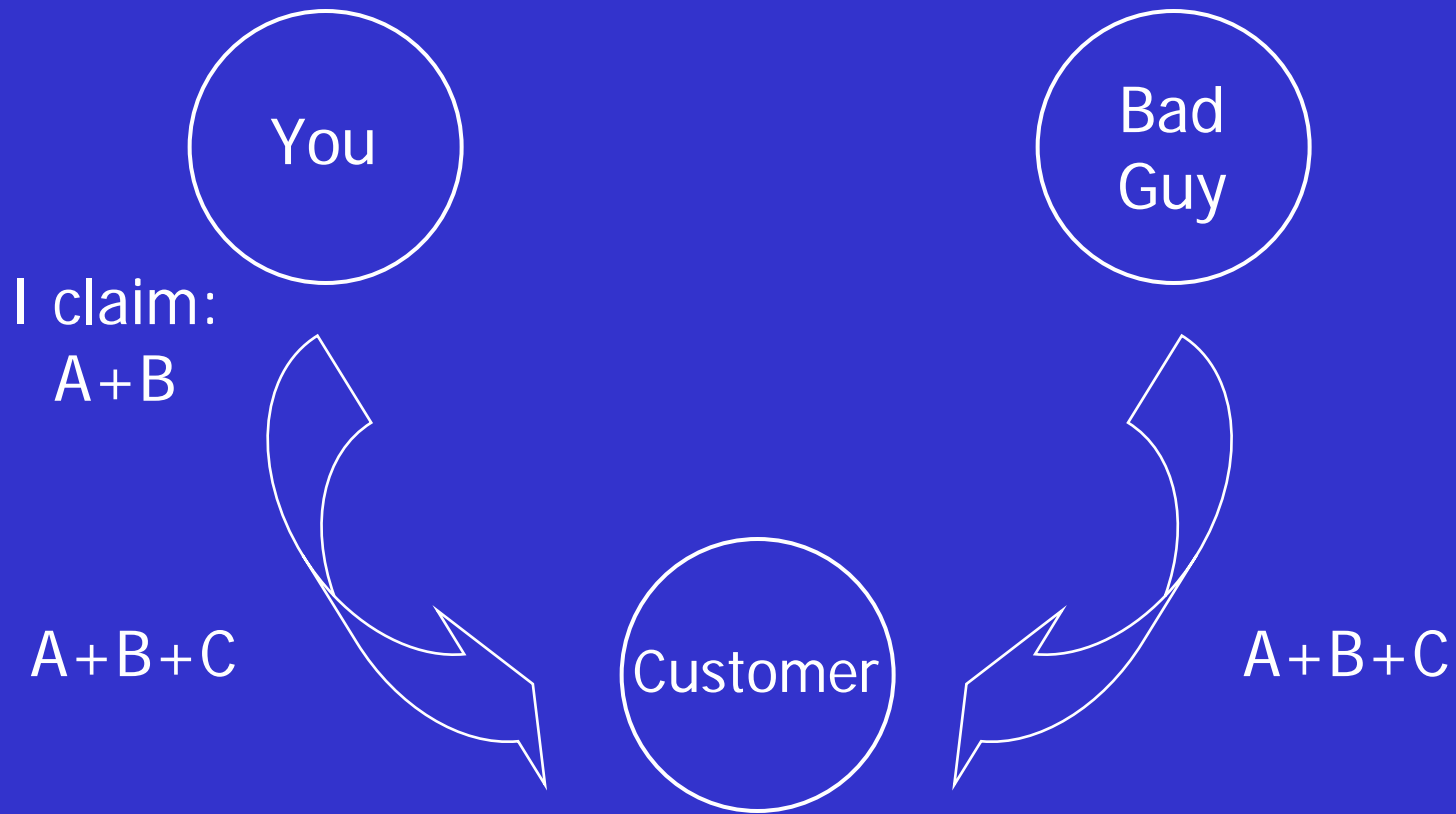


A+B+C

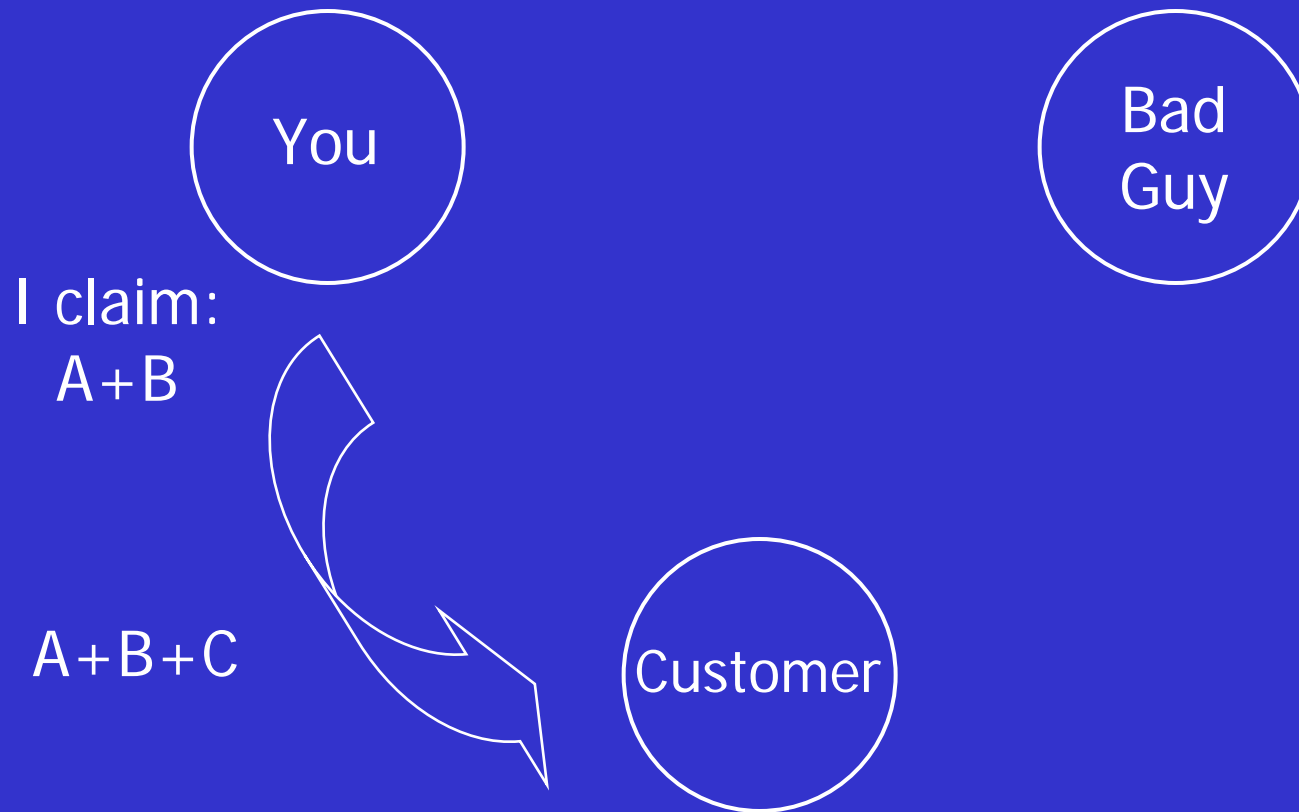
Intellectual Property



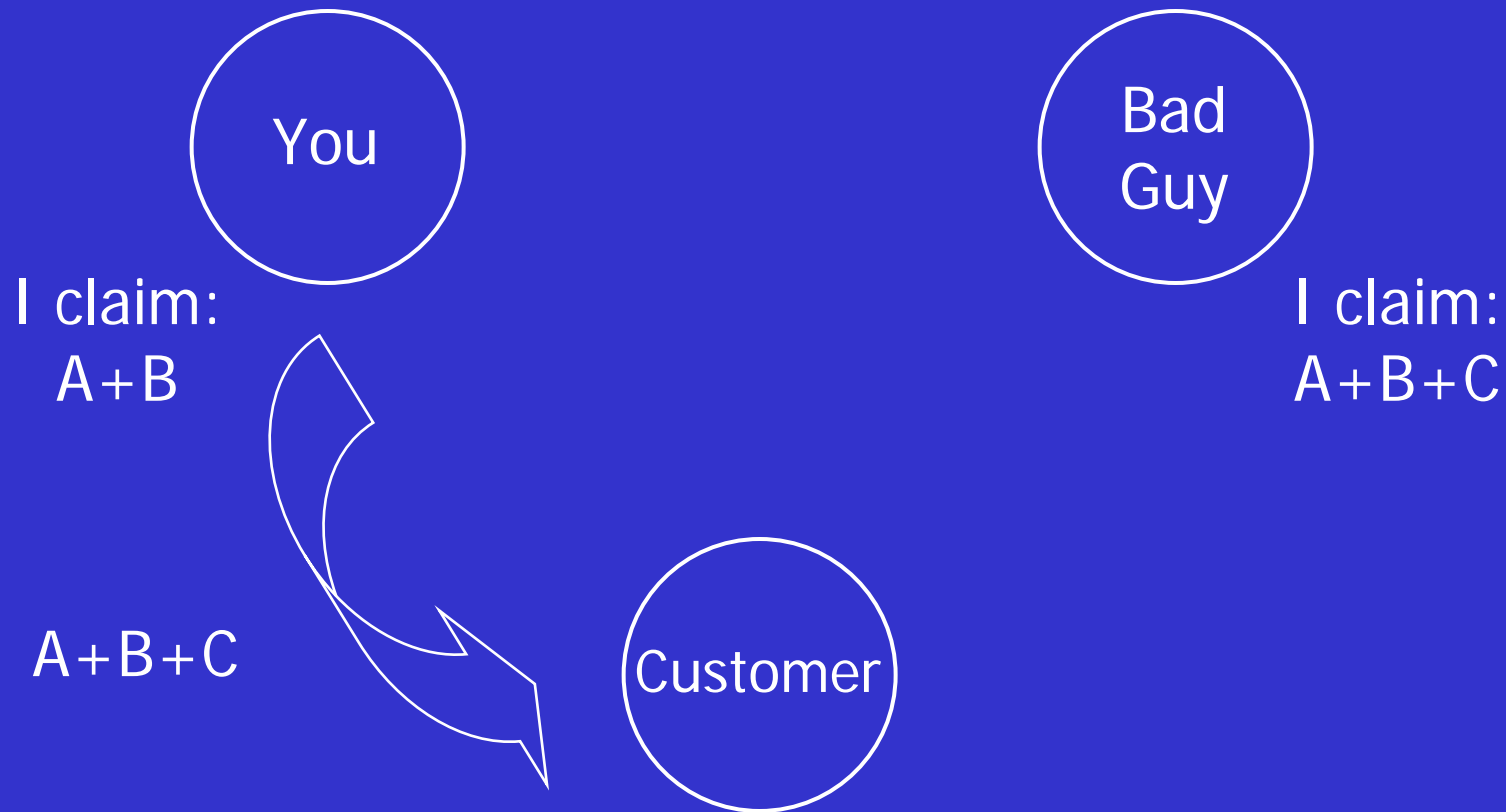
Intellectual Property



Intellectual Property



Intellectual Property



Intellectual Property



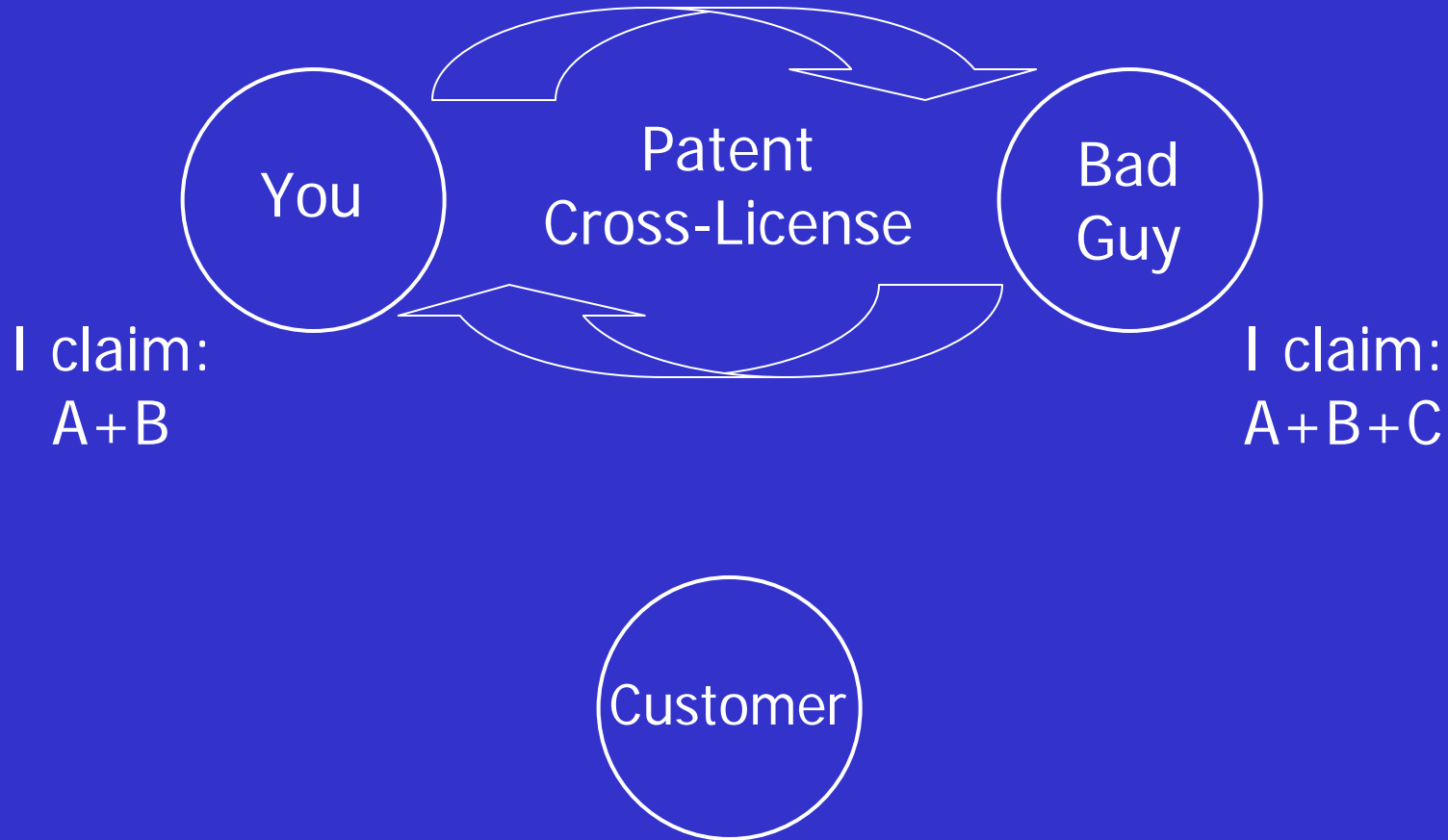
I claim:
A+B



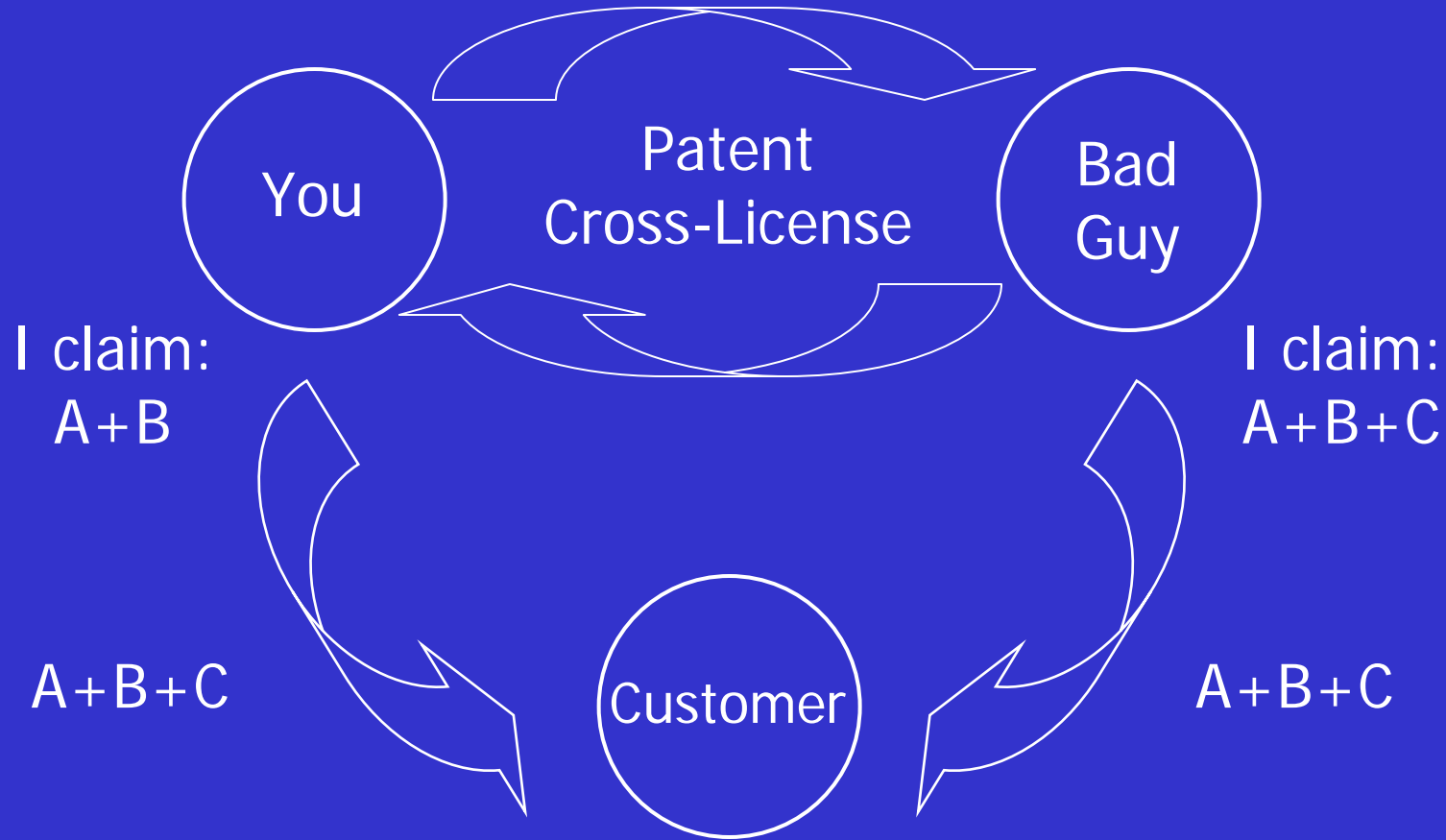
I claim:
A+B+C



Intellectual Property

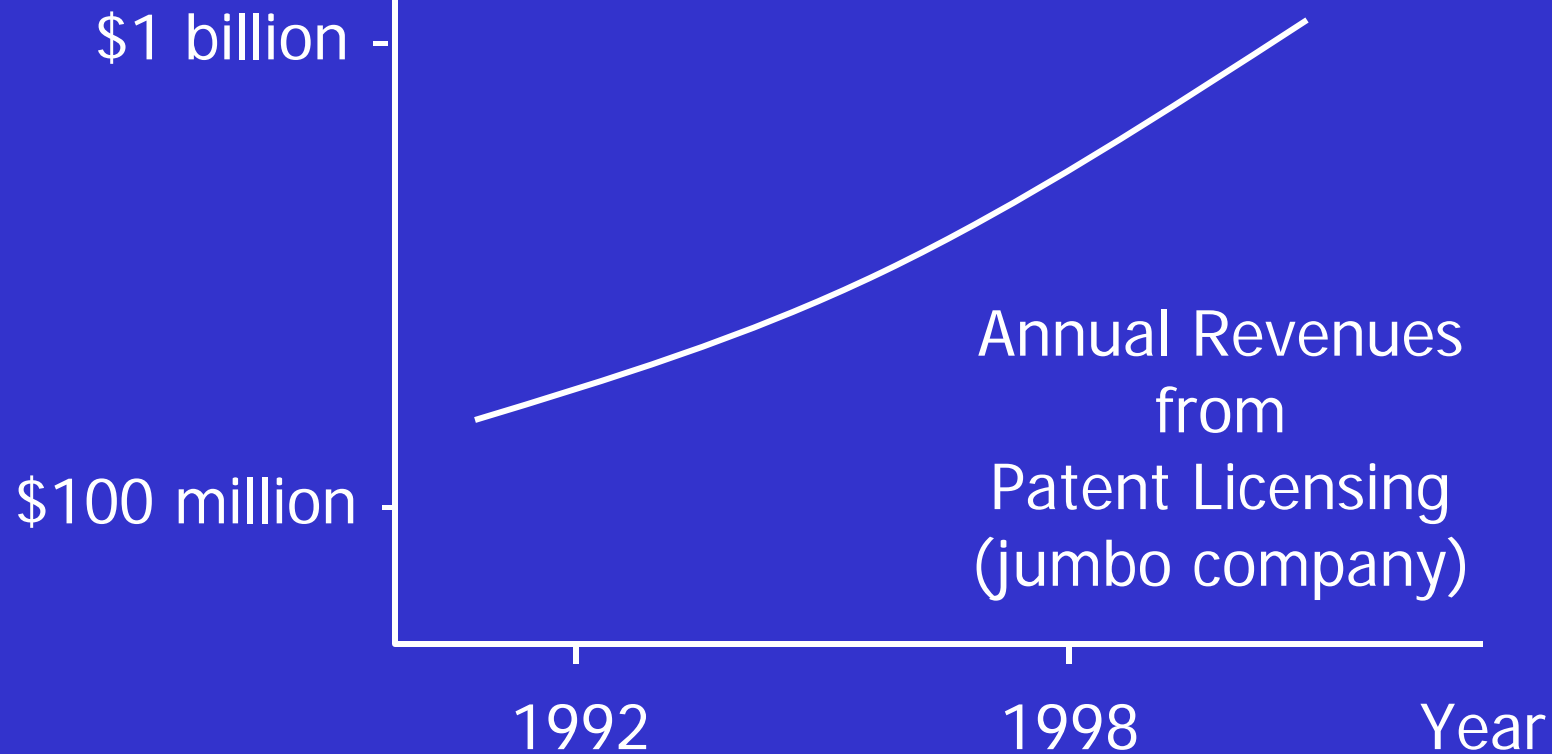


Intellectual Property



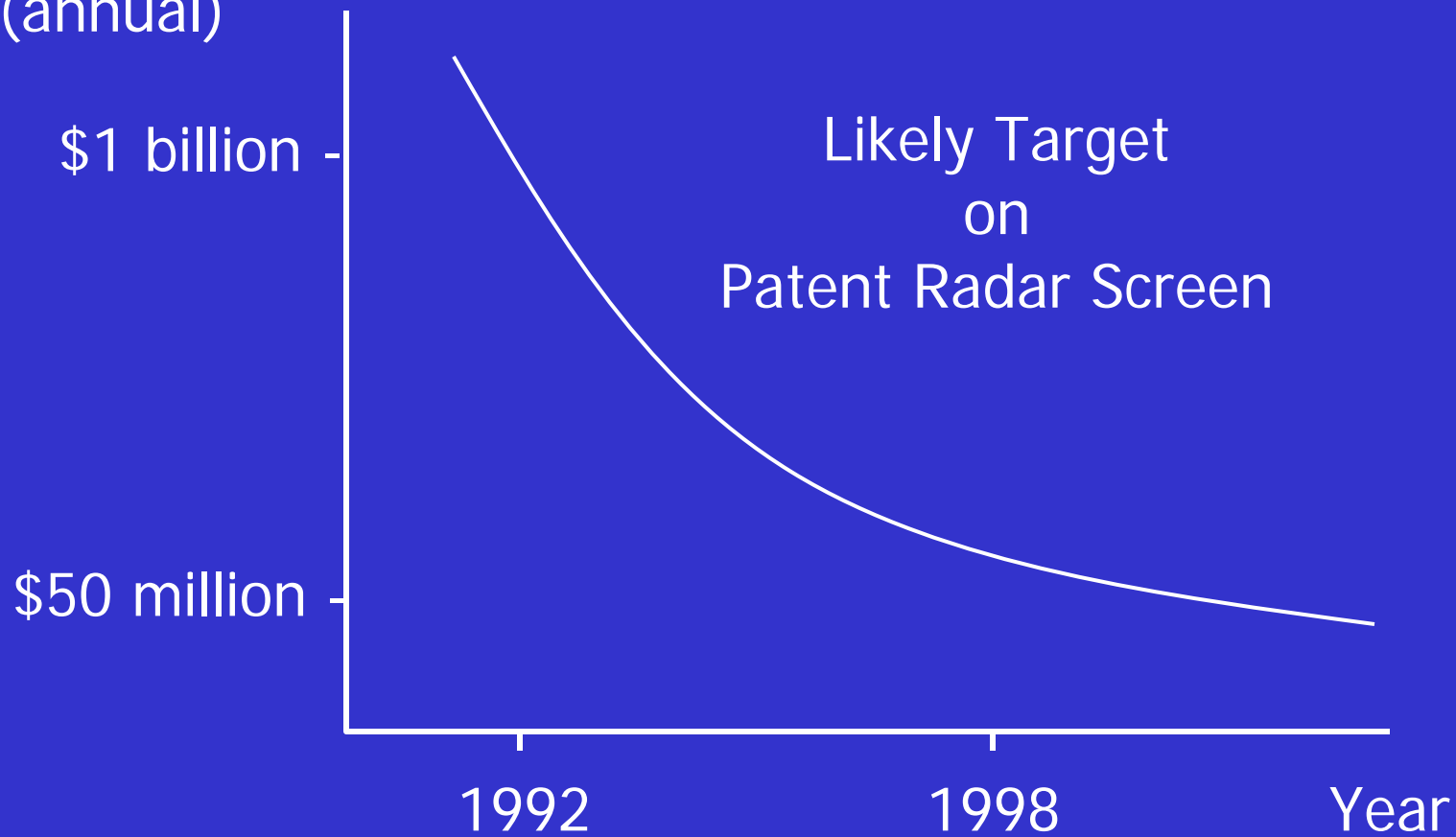
Intellectual Property

Revenues
(annual)



Intellectual Property

Revenues
(annual)



Intellectual Property

- **Patents - Reality**
 - Useful as defensive weapon
 - Many years before enforced
 - Nevertheless, patents ARE important over long term (TI, IBM, etc. seek victims)
 - Increasing number of patents apply to
 - software
 - computer-implemented business methods
- Without patent application, consider publishing

Intellectual Property

- **Patents - Preferably cover:**
 - Patentable (beware “offer for sale” or publication)
 - Publicly discoverable when infringed
 - Important to customers (i.e. hard to avoid)
 - Covers expensive (high \$) component
 - Made, used, sold or imported by competitor alone (not by customer)
- Many claims...all permutations & combinations

Intellectual Property

- **Patents - Requirements:**
 - New (no “single” reference teaches everything)
 - Nonobvious (no combination of “multiple references teaches everything...references must “teach” the combination, not merely be combinable)
 - Not “offered for sale” more than 1 year before filing
 - Not “published” more than 1 year before filing
 - Not “publicly used” more than 1 year before filing

Intellectual Property

- **Patents - Requirements:**
 - Don't have to actually “build” invention
 - Must describe sufficient detail to enable a person (of “ordinary skill” in the relevant technology) to make and use the invention, without requiring the person to engage in “undue experimentation”
 - Must describe the inventor’s “best mode” of carrying out the invention (e.g., don't “hide the ball”)

Intellectual Property

- **Patents – Provisional applications:**
 - Inferior to a regular application
 - Superior to “zero” application
 - Work with attorney, even if just a few hours
 - Guidelines
 - “Working” lunches (non-billable) to help point you in the right direction
 - File with at least 1 claim (helps foreign priority)
 - Identify “strategic” concepts for later claims

Intellectual Property

- **Patents – Provisional applications:**
 - OK to file several provisional applications (e.g., 1 per month)
 - Each provisional can add a few extra pages (e.g., text, figures)
 - USPTO won't review...essentially mailing a sealed envelope to evidence a postmark date
 - Must file regular application within 1 year of the earliest provisional...claim priority to all of them

Intellectual Property

- **Patents – Regular applications:**
 - New material doesn't benefit from provisional
 - When filing, decide whether to prohibit U.S. Patent & Trademark Office (“USPTO”) from publishing
 - Later, cannot switch to prohibit USPTO publication
 - Later, can switch to allow USPTO publication
 - If foreign patent application will claim priority to U.S. patent application, then must allow USPTO to publish the U.S. patent application

Intellectual Property

- **Patents – Foreign applications:**
 - Within 12 months after filing U.S. patent application (even if provisional), make the foreign filing decision
 - U.S. patent application – budget \$20,000 to grant
 - European Patent Office – budget \$25,000 to grant
 - For Patent Cooperation Treaty (“PCT”) patent application, budget \$4,000 to file...allows you to delay specific country-by-country selection & filing by an extra 18 months...delay payment of high foreign fees...review progress in USPTO

Intellectual Property

- **Patents – Publication:**
 - If U.S. patent application has been published by USPTO, then notice of infringement has teeth
 - If USPTO ultimately grants U.S. patent, then patent owner may ultimately collect damages for post-notice infringement, even if such damages occurred before patent granted
 - Granted claims must be similar to published claims
 - Willful infringement can result in award of triple damages, plus attorneys fees

Intellectual Property

- **Patents – Commercialization:**
 - If you get a patent, the world will NOT “beat a path to your door”
 - You have to beat the path to the world’s door
 - Usually, the successful path involves starting your own company to commercialize the invention
 - prove value
 - adjust to fit demands from customers
 - continuation & continuation-in-part applications
 - friendly negotiations with copyrights & trade secrets



US005329672A

United States Patent [19]

[11] Patent Number: 5,329,672

Froehlich et al.

[45] Date of Patent: Jul. 19, 1994

[54] METAL WIRE PAPER CLIP STRUCTURE

[76] Inventors: Linda A. Froehlich; Richard D. Froehlich, both of 5151 Keimers Ln., Pittsburgh, Pa. 15205

[21] Appl. No.: 604,970

[22] Filed: Oct. 29, 1990

Related U.S. Application Data

[63] Continuation of Ser. No. 45,452, May 4, 1987, abandoned, which is a continuation of Ser. No. 764,566, Aug. 12, 1985, abandoned.

[51] Int. Cl.: B42F 1/04

[52] U.S. Cl.: 24/67.9

[58] Field of Search: 24/67.9, 546, 545, 547

[56] References Cited

U.S. PATENT DOCUMENTS

742,892	11/1983	McGill	24/547
742,893	11/1983	McGill	24/547 X
2,268,649	1/1942	Cooley	24/547
4,017,557	4/1977	Winter et al.	24/547 X
4,557,139	7/1986	Lau	24/546

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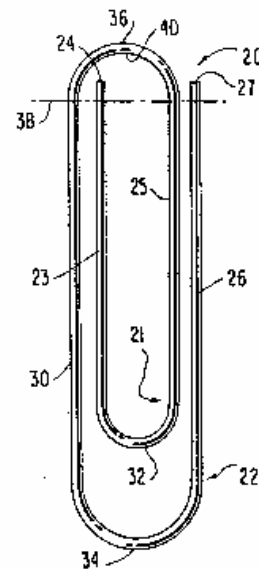
665547 9/1936 Fed. Rep. of Germany 24/546

Primary Examiner—James R. Brittain
Attorney, Agent, or Firm—Raymond N. Baker

[57] ABSTRACT

Improved paper clip is formed from a single piece of spring-quality metal wire to have an elongated U-shaped inner loop nested within an elongated U-shaped outer loop. Each loop includes a free leg and a connector leg. The longitudinally-extending leg portions of the free leg and connector leg of each respective loop are of substantially the same length. The U-shaped loops are joined together by an arcuately-curved interconnector extending between the connector leg of each loop. Distal ends of the free leg of each loop are located contiguous to such arcuately-curved interconnector which defines one longitudinal end of the paper clip; with such new configurational and other features, damage to outer surfaces of stacked paper by such distal ends is avoided and clamping force is applied along substantially the full length of such free legs during use of the improved clip.

5 Claims, 2 Drawing Sheets



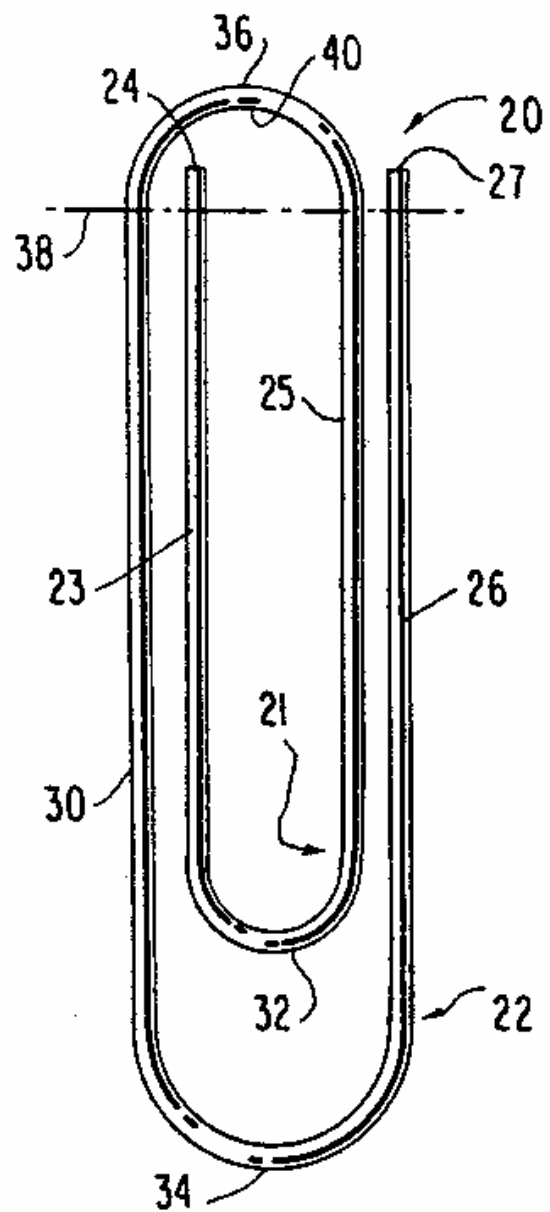


FIG. 5

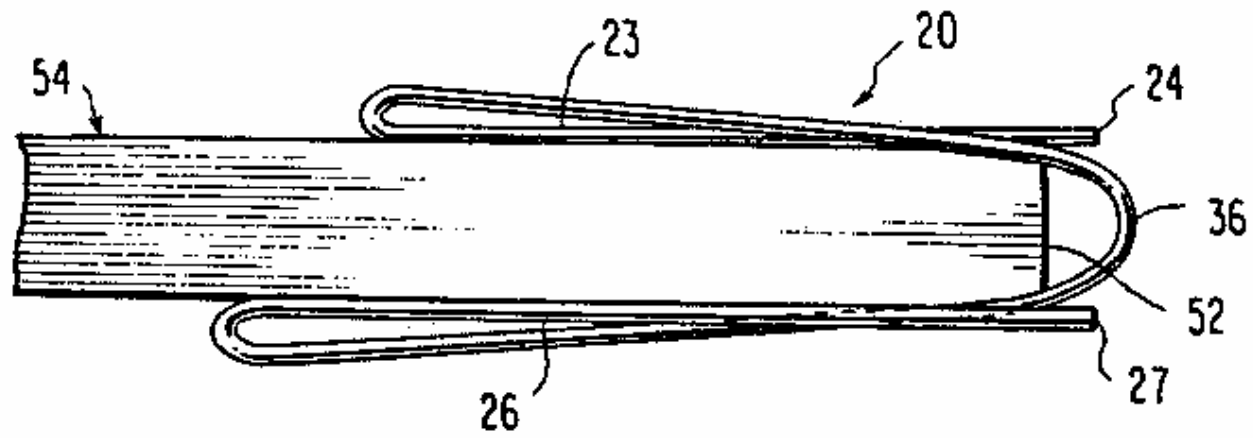
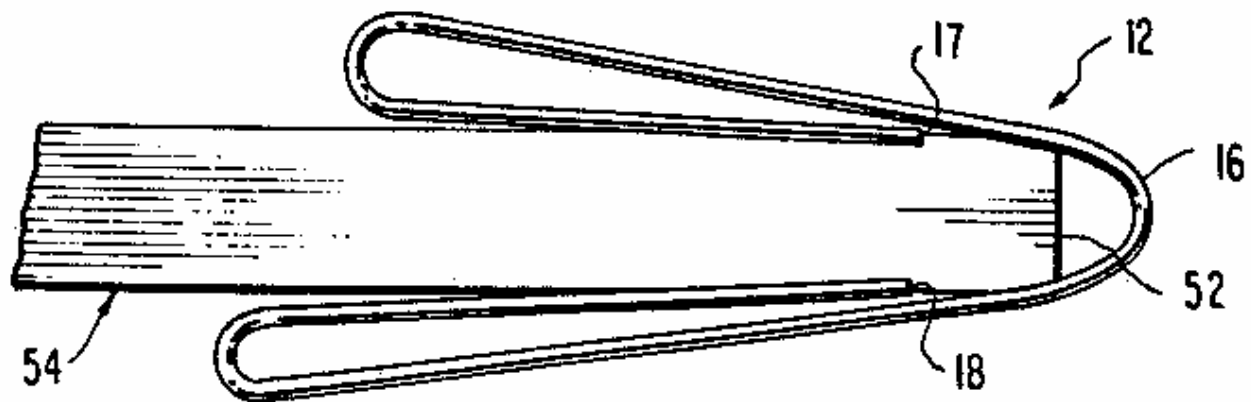


FIG. 6 (PRIOR ART)





US005535486A

United States Patent [19]
Cabili

[11] **Patent Number:** **5,535,486**
[45] **Date of Patent:** **Jul. 16, 1996**

[54] **SPRING-WIRE PAPER CLIP**

[76] **Inventor:** **Camilo P. Cabili**, 12 Diego Silang,
New Capitol Estates, Diliman, Quezon
City, Philippines

[21] **Appl. No.:** **255,965**

[22] **Filed:** **Jun. 7, 1994**

[51] **Int. Cl.⁶** **B42F 1/00**

[52] **U.S. Cl.** **24/67.9; 24/546; 24/547**

[58] **Field of Search** **24/67.9, 545, 546,**
24/547

[56] **References Cited**

U.S. PATENT DOCUMENTS

186,314	1/1977	Davis	24/546
742,892	11/1903	McGill	24/547
742,893	11/1903	McGill	24/547
2,269,649	1/1942	Comley	24/547
2,822,593	2/1958	Sponzel	24/67.9
5,329,672	7/1994	Froehlich et al.	24/67.9

Primary Examiner—Victor N. Sakran

[57] **ABSTRACT**

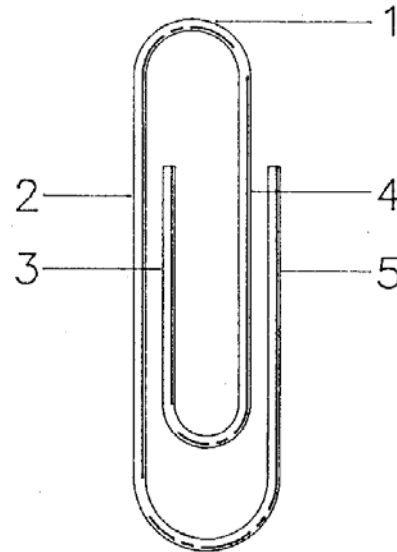
This invention is about a spring-wire paper clip formed in a

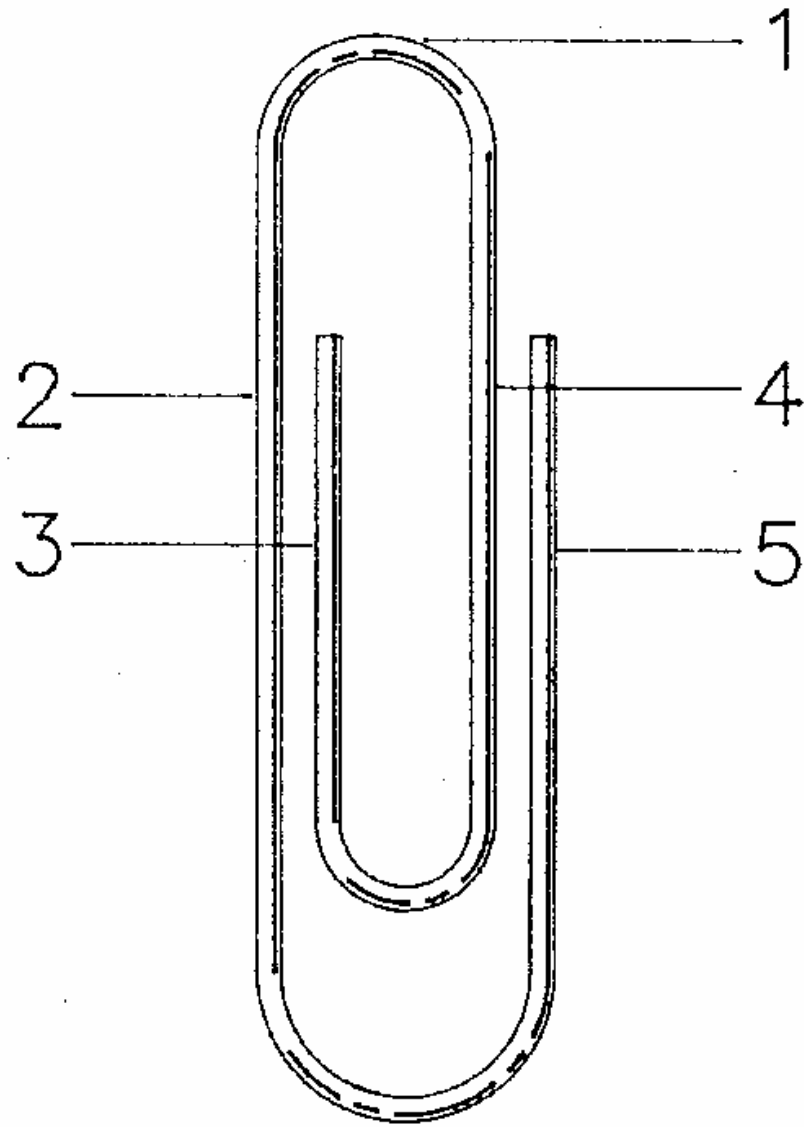
single plane without any overlapping of its parts, with a stronger hold because of the unique configuration of its inner frame whose left leg, instead of moving straight downward curves inward to the right, diagonally, where it joins the right leg of the outward frame, both moving straight down parallel and close to each other in forming a stronger gripping engagement on papers. This unique inner frame also makes possible a novel positioning of the inner frame's end portion underneath and hooded by its own uppermost loop, which together with the outer frame's end portion positioned close to the very top of the clip, practically eliminates any damage to paper held.

The unique inner frame also makes it possible for manufacturers to select the strength of the clip's hold, without having to radically change its configuration, to use less wire, and to make slimmer or smaller clips which occupy less space at the left corner.

This clip is manufactured and handled by the user in much the same way as the currently popular Gem-type of of spring-wire paper clips.

3 Claims, 2 Drawing Sheets





[54] SYSTEM FOR AUTOMATICALLY PROOFREADING A DOCUMENT

[75] Inventors: Robert A. Kolpek, Lexington, Ky.;
David L. MacDuffee, Ramsey, N.J.;
Walter S. Rosenbaum, Bethesda, Md.

[73] Assignee: International Business Machines Corporation, Armonk, N.Y.

[21] Appl. No.: 755,094

[22] Filed: Dec. 28, 1976

[51] Int. Cl.: G06K 9/00

[52] U.S. Cl.: 364/518; 340/146.3 WD;
400/63; 400/74

[58] Field of Search: 235/153 R; 340/146.1 R,
340/146.2, 146.3 AG, 146.3 ED, 146.3 WD;
197/19; 864/518

[56] References Cited

U.S. PATENT DOCUMENTS

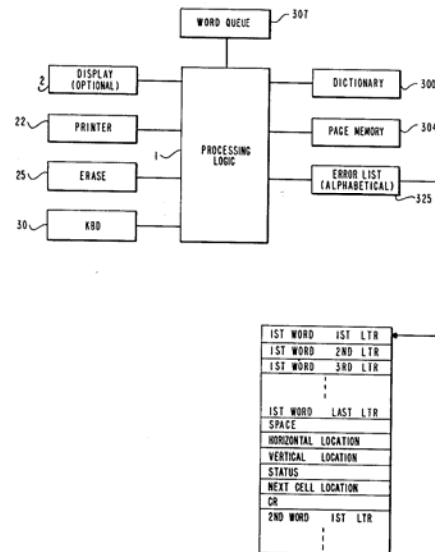
3,259,883	7/1966	Rabinow et al.	340/146.3 ED
3,850,279	11/1974	Kolpek	197/19
3,969,698	7/1976	Bollinger et al.	340/146.3 WD
4,010,445	3/1977	Hoshino	340/146.3 WD

Primary Examiner—Jerry Smith
Attorney, Agent, or Firm—John W. Henderson, Jr.

[57] ABSTRACT

Spelling errors in a word processing system are detected and presented to the operator for correction at the end of a document page. A dictionary memory contains representations of the correct spellings for words most frequently used. As each word is typed, it is stored in a word queue where it is compared to the contents of the dictionary memory. If the compare is unequal, then the word and its location on the page are stored in an error memory. When an end of page indicator is set the printer automatically repositions the print head at the ending character of the first word in the error list. When the operator keys in the correct spelling, the printer is caused to remove the misspelled word from the page and type the correct spelling. The corresponding word in the error memory is also corrected. As each misspelled word in the error memory is corrected, the remainder of the memory is scanned and repetitions of the same spelling error are automatically corrected.

13 Claims, 8 Drawing Figures



12. A method for detecting and correcting erroneous data signals in a number of data signals comprising the steps of:

(a) receiving a stream of data signals;

(b) comparing said stream of data signals with a list of valid data signals;

(c) indicating erroneous data signals in said stream when said stream of data signals do not compare to said valid data signals; and

(d) correcting the first occurrence of said erroneous data signals such that subsequent occurrences of said erroneous data signals will be automatically corrected.



US005960411A

United States Patent [19]
Hartman et al.

[11] **Patent Number:** **5,960,411**
[45] **Date of Patent:** **Sep. 28, 1999**

- [54] **METHOD AND SYSTEM FOR PLACING A PURCHASE ORDER VIA A COMMUNICATIONS NETWORK**
- [75] Inventors: **Peri Hartman; Jeffrey P. Bezos; Shel Kaphan; Joel Spiegel**, all of Seattle, Wash.
- [73] Assignee: **Amazon.com, Inc.**, Seattle, Wash.
- [21] Appl. No.: **08/928,951**
- [22] Filed: **Sep. 12, 1997**
- [51] Int. Cl.⁶ **G06F 17/60**
- [52] U.S. Cl. **705/26, 705/27, 345/962**
- [58] Field of Search **705/26, 27, 380/24, 380/25, 235/2, 375, 378, 381; 395/188.01; 345/962**

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[57] **ABSTRACT**

A method and system for placing an order to purchase an item via the Internet. The order is placed by a purchaser at a client system and received by a server system. The server system receives purchaser information including identification of the purchaser, payment information, and shipment information from the client system. The server system then assigns a client identifier to the client system and associates the assigned client identifier with the received purchaser information. The server system sends to the client system the assigned client identifier and an HTML document identifying the item and including an order button. The client system receives and stores the assigned client identifier and receives and displays the HTML document. In response to the selection of the order button, the client system sends to the server system a request to purchase the identified item. The server system receives the request and combines the purchaser information associated with the client identifier of the client system to generate an order to purchase the item in accordance with the billing and shipment information whereby the purchaser effects the ordering of the product by selection of the order button.

26 Claims, 11 Drawing Sheets



11. A method for ordering an item using a client system, the method comprising:
displaying information identifying the item and
displaying an indication of a single action that is to be performed to order the identified item; and
in response to only the indicated single action being performed, sending to a server system a request to order the identified item;
whereby the item is ordered independently of a shopping cart model and the order is fulfilled to complete a purchase of the item.



US005794207A

United States Patent [19]

[11] Patent Number: 5,794,207

Walker et al.

[45] Date of Patent: Aug. 11, 1998

- [54] **METHOD AND APPARATUS FOR A CRYPTOGRAPHICALLY ASSISTED COMMERCIAL NETWORK SYSTEM DESIGNED TO FACILITATE BUYER-DRIVEN CONDITIONAL PURCHASE OFFERS**
- [75] Inventors: **Jay S. Walker**, Ridgefield, Conn.; **Bruce Schneier**, Oak Park, Ill.; **James A. Jorasch**, Stamford, Conn.
- [73] Assignee: **Walker Asset Management Limited Partnership**, Stamford, Conn.
- [21] Appl. No.: **707,660**
- [22] Filed: **Sep. 4, 1996**
- [51] Int. Cl.⁶ **G06F 15/20**
- [52] U.S. Cl. **705/23; 705/26; 380/49; 380/23; 380/25**
- [58] **Field of Search** 395/226, 227, 395/237, 238, 239, 244; 380/23, 24, 25, 49; 705/26, 27, 37, 38, 39, 44, 1, 5, 6

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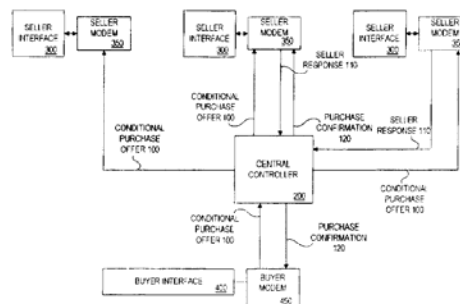
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[57] ABSTRACT

The present invention is a method and apparatus for effectuating bilateral buyer-driven commerce. The present invention allows prospective buyers of goods and services to communicate a binding purchase offer globally to potential sellers, for sellers conveniently to search for relevant buyer purchase offers, and for sellers potentially to bind a buyer to a contract based on the buyer's purchase offer. In a preferred embodiment, the apparatus of the present invention includes a controller which receives binding purchase offers from prospective buyers. The controller makes purchase offers available globally to potential sellers. Potential sellers then have the option to accept a purchase offer and thus bind the corresponding buyer to a contract. The method and apparatus of the present invention have applications on the Internet as well as conventional communications systems such as voice telephony.

44 Claims, 20 Drawing Sheets



1. A method for using a computer to facilitate a transaction between a buyer and at least one of sellers, comprising:
inputting into the computer a conditional purchase offer which includes an offer price;
inputting into the computer a payment identifier specifying a credit card account, the payment identifier being associated with the conditional purchase offer;
outputting the conditional purchase offer to the plurality of sellers after receiving the payment identifier;
inputting into the computer an acceptance from a seller, the acceptance being responsive to the conditional purchase offer; and
providing a payment to the seller by using the payment identifier.



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(12) **United States Patent**
Segal

(10) **Patent No.:** US 6,272,471 B1
(45) **Date of Patent:** Aug. 7, 2001

(54) **METHOD AND APPARATUS FOR
DETECTING FRIVOLOUS PROFESSIONAL
LIABILITY CLAIMS**

(76) Inventor: **Jeffrey J. Segal**, 608 Putnam St., Terre Haute, IN (US) 47802

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

(21) Appl. No.: 09/365,437

(22) Filed: Aug. 2, 1999

(51) Int. Cl.⁷ G06F 17/60

(52) U.S. Cl. 705/4

(58) Field of Search 705/4; 283/54

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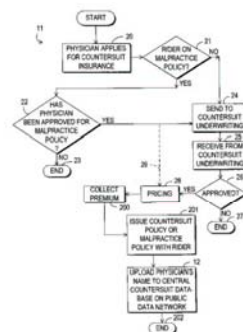
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(57) **ABSTRACT**

A plan of countersuit insurance provided to professionals, possibly as part of or along with their professional liability insurance, deters frivolous professional malpractice claims. The plan of insurance pays legal costs of countersuits for improper prosecution when a frivolous claim has been made and, preferably, tried to a judgment for the accused professional, and an objective review concludes that the claim was frivolous. As part of the insurance plan, the names of covered professionals are posted on a publicly accessible database. If a potential plaintiff or his or her attorney finds a potential defendant's name on the database, it may be a deterrent to filing weaker claims that might be viewed as frivolous. Upon approval of an applicant for such countersuit insurance, the applicant's name is posted to a public database such as a central database on a World Wide Web site, or it is posted to an in-house database at the insurance carrier, which is accessible, along with other carriers' databases, through a central search engine on a World Wide Web site. Instead of, or in addition to, access via the Internet, access can be provided through a dial-up facility.

21 Claims, 6 Drawing Sheets



1. A method of deterring prosecution of frivolous professional liability claims against professionals, said method comprising:

- offering to professionals a plan of insurance for paying legal costs of prosecuting an improper prosecution claim against a proponent of a frivolous professional liability claim;
- receiving applications from professionals for said insurance;
- accepting professionals, from whom said applications are received, for coverage under said plan of insurance;
- maintaining a database of professionals covered under said plan of insurance;
- linking said database to a publicly-accessible data communications interface for viewing and searching by any member of the public; and
- publicizing existence of said database.

Key IP Issues

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