the purchasing system device **310** (FIG. **3**). The table **1400** includes entries defining a retailer at which a buyer may take possession of a product purchased through the purchasing system. The table **1400** also defines fields **1402**, **1404**, **1406**, **1408**, **1410**, **1412** for each of the entries. The fields specify: a retailer identifier **1402**; a total paid by, to date **1404**; a total paid to, to date **1406**; a current amount owed by **1408**; a current amount due to **1410**; and a last billing date **1412**.

The retailer account database **1400** may be used by the purchasing system device **310** to track how much has been paid by **1404** the corresponding retailer to the purchasing system, to date, and how much has been paid to **1406** the corresponding retailer from the purchasing system, to date. For example, the retailer having a retailer identifier **1402** of "R192-05" has paid a total of $53,250 to the purchasing system "to date" (e.g., since participating in the purchasing system or the beginning of the current financial year). Moreover, the purchasing system has paid a total of $723,900 to that retailer during this time.

The retailer account database **1400** may also be used to track how much is currently owed by **1408** the corresponding retailer to the purchasing system in relation to the last billing date **1412**. This amount may be computed, for example, by totaling the amounts related to each completed purchasing system transaction involving that retailer. Likewise, the retailer account database **1400** may be used to track how much is due to **1410** the corresponding retailer from the purchasing system in relation to the last billing date **1412**. Of course, the current amount owed by **1408** and current amount due to **1410** may be associated with different last billing dates, if appropriate. The last billing date **1412** may reflect, for example, monthly, weekly or hourly billing.

In general, the purchasing system device **310** tracks the total of settlement prices for redeemed redemption codes or buyer prices with respect to each retailer (for those transactions where the retailer is the seller). Note that an account with a retailer may instead be settled on a per-transaction basis when the buyer takes possession of the product (e.g., in substantially real time).

Note that instead of having, for example, both the current amount owed by **1408** and a current amount due to **1410** amounts, the purchasing system may instead simply track a "settlement amount" for each retailer that reflects, for example, a positive value when money is due to the retailer and a negative value when money is due to the purchasing system.

Seller Account Database

Referring to FIG. **15**, a table **1500** represents an embodiment of the seller account database that may be stored at the purchasing system device **310** (FIG. **3**). The table **1500** includes entries defining a seller that may sell a product to a buyer through the purchasing system. The table **1500** also defines fields **1502**, **1504**, **1506**, **1508**, **1510**, **1512** for each of the entries. The fields specify: a seller identifier **1502**; a total paid by, to date **1504**; a total paid to, to date **1506**; a current amount owed by 1508; a current amount due to 1510; and a last billing date **1512**.

The seller account database **1500** may be used by the purchasing system device **310** to track how much has been paid by **1504** the corresponding seller to the purchasing system, to date, and how much has been paid to **1506** the corresponding seller from the purchasing system, to date. For example, the seller having a seller identifier **1502** of "S23456" has paid a total of $567,890 to the purchasing system "to date" (e.g., since participating in the purchasing system or the beginning of the current financial year). Moreover, the purchasing system has paid a total of $55,670 to that seller during this time.

The seller account database **1500** may also be used to track how much is currently owed by **1508** the corresponding retailer to the purchasing system in relation to the last billing date **1512**. This amount may be computed, for example, by totaling the amounts related to each completed purchasing system transaction involving that seller. Likewise, the seller account database **1500** may be used to track how much is due to **1510** the corresponding seller from the purchasing system in relation to the last billing date **1512**. Of course, the current amount owed by **1508** and current amount due to **1510** may be associated with different last billing dates, if appropriate. The last billing date **1512** may reflect, for example, monthly, weekly or hourly billing.

In general, the purchasing system device **310** tracks the total of seller amounts for redeemed redemption codes. Note that an account with a seller may instead be settled on a per-transaction basis when the buyer takes possession of the product (e.g., in substantially real time).

Pricing Database

Referring to FIG. **16**, a table **1600** represents an embodiment of the pricing database that may be stored at the retailer device **410** (FIG. **4**). The table **1600** includes entries defining a particular product that may be sold through the purchasing system. The table **1600** also defines fields **1602**, **1604**, **1606** for each of the entries. The fields specify: a product identifier **1602** (which may be the same identifier used by the purchasing system device **310** or a different identifier); a retail price **1604**; and a settlement price **1606**.

The pricing database **1600** may be used by the retailer device **410** to determine the retail price **1604** and the settlement price **1606** for each product. In general, the settlement price may **1606** be less than, equal to, or more than the retail price **1604** for a product. The settlement price **1606** may also be based on the retailer price **1604** (i.e., 95% of the retail price for products having a retail price less than $100 and 90% for all other products). In this case, a separate settlement price field **1606** may not be needed or may instead be used to store a formula (e.g., settlement price= 1.01×retail price).

The pricing database **1600** may be used by the retailer, for example, to determine the price to be charged to a typical buyer (i.e., the retail price **1604**) and the price to be expected from the purchasing system in exchange for providing the product to a buyer when taking possession of a product (i.e., the settlement price) **1606**. Whether the retailer will receive the settlement price **1606** may also depend on whether the retailer is acting as the seller.

Accepted Offer Database (Stored at Retailer Device)

Referring to FIG. **17**, a table **1700** represents an embodiment of the accepted offer database **1700** that may be stored at a retailer device **410** (FIG. **4**). The table **1700** includes entries defining accepted buyer offers wherein the retailer is the seller. The table **1700** also defines fields **1701**, **1702**, **1704**, **1706**, **1708** for each of the entries. The fields specify: an offer identifier **1701**; a redemption code **1702**; a product identifier **1704**; a buyer's price **1706**; and a status **1708**.

Each time the retailer accepts a buyer's offer as a seller, the offer identifier **1701**, the redemption code **1702**, the product identifier **1704**, and the buyer's price (e.g., "first price") **1706** are stored in this database. The status **1708** may also be set to "pending" at this time. The database **1700** may be populated directly by the purchasing system device **310** (e.g., every time a buyer's offer is filled with the retailer as the seller or periodically on a batch basis). This may be

accomplished, for example, by periodically taking a "snapshot" of the data (e.g., every 15 minutes) and storing the data regarding filled offers to accepted offer database **1700**. According to another embodiment, purchasing system device **310** may automatically e-mail the retailer device **410** as needed with each newly accepted offer so that the retailer device **410** can update this database.

The retailer may use this database, for example, when a redemption code is received from a buyer taking possession of a product using a purchasing system voucher. The retailer device **410** creates a new record in the purchasing system account database **1800** (described with respect to FIG. **18**) each time a purchasing system redemption code is redeemed. The retailer device then determines the amount owed by the purchasing system in exchange for honoring the voucher. If the retailer was the seller associated with a particular voucher, the amount provided to the retailer is based on the buyer's price. Thus, the retailer device **410** checks the accepted offer database **1700** to determine whether the retailer has accepted the buyer's price associated with the redemption code of a given transaction. If not, the purchasing system provides the settlement price for the product to the retailer.

Purchasing System Account Database

Referring to FIG. **18**, a table **1800** represents an embodiment of the purchasing system account database that may be stored at a retailer device **410** (FIG. **4**). The table **1800** includes entries defining a transaction in which a buyer took possession of a product, purchased through the purchasing system, at a retailer. The table **1800** also defines fields **1802**, **1804**, **1806**, **1808**, **1810** for each of the entries. The fields specify: a retailer transaction identifier **1802**; a redemption identifier **1804**; a product identifier **1806**; an expected payment **1808**; and a payment status **1810**.

The retailer transaction identifier **1802** may be, for example, a unique alphanumeric string that identifies a purchasing system transaction. As illustrated in FIG. **18**, payment for the transaction having a retailer transaction identifier **1802** of "TR-000-333-111" has been "received." Moreover, with respect to this transaction, a payment of $200 is expected in exchange for the transaction involving the product having a product identifier of "**1806**."

The retailer device **410** stores information regarding each redeemed purchasing system redemption code. For example, the amounts stored in the expected payment field **1808** which have a corresponding payment status **1810** of "pending" may be totaled when the retailer sends a "bill" to the purchasing system for funds that are due to the retailer (e.g., directly or through a credit card processing system).

Seller Product Database

Referring to FIG. **19**, a table **1900** represents an embodiment of the seller product database that may be stored at a seller device **510** (FIG. **5**). The table **1900** includes entries defining a product sold by the seller through the purchasing system. The table **1900** also defines fields **1902**, **1904**, **1906** for each of the entries. The fields specify: a product identifier **1902**; a subsidy amount **1904**; and a quantity sold **1906**.

The product identifier **1902** may be, for example, a unique alphanumeric string that identifies a product sold through the purchasing system. The subsidy amount **1904** may be a number reflecting the amount of subsidy a seller has agreed to provide towards the sale of a product. The quantity sold **1906** may be a number reflect the number of products that have been sold through the purchasing system.

According to one embodiment of the present invention, the seller uses this database to track the subsidy amounts **1904** it has agreed to provide to the purchasing system. According to another embodiment of the present invention, the seller may use this database to determine whether or not to accept a buyer's offer (especially if a manufacturer seller has knowledge of the retail price of a given product).

For example, in one embodiment of the present invention, the buyer offers may be routed to the sellers that determine whether or not to accept them. In this case, the subsidy amount **1904** may be stored locally at the seller devices **510** and the purchasing system may not be aware of the subsidy amounts **1904** the seller is willing to provide. Also, in this case the seller may indicate to the purchasing system what product could potentially be used to fulfill the offer (e.g., by sending an appropriate product identifier to the purchasing system). In response to that the purchasing system may retrieve the settlement price(s) for the product, based on the product identifier, and inform the seller of the maximum seller amount or subsidy amount that may be required. The maximum seller amount or subsidy amount may be based on the highest settlement price the purchasing system may have to provide to a retailer, depending on the retailer at which the buyer elects to take possession of the product. The seller may then, based on this maximum seller or subsidy amount, determine whether or not to accept the buyer offer. The seller may make this determination by, for example, comparing the maximum seller amount or subsidy amount received from the subsidy amount **1904** stored in the database **1900** and accepting the buyer's offer if the maximum subsidy amount or seller amount is not greater than the subsidy amount **1904**.

The quantity sold field **1906** of this database may: (i) reflect the number of units of a given product that the purchasing system has sold to date; or (ii) reflect the number of units allotted to the purchasing system (e.g., if a manufacturer limits the quantity that may be sold through the purchasing system).

Issuer, Issuer Account and Seller Account Databases (Stored at Credit Card Processing System Device)

FIGS. **20** to **22** may be used, as described with respect to FIG. **6**, in a "pseudo payment identifier as redemption code" embodiment of the present invention. Referring to FIG. **20**, a table **2000** represents an embodiment of the issuer database that may be stored at a credit card processing system device **610** (FIG. **6**). The table **2000** includes entries defining a credit card issuer. The table **2000** also defines fields **2002**, **2004**, **2006** for each of the entries. The fields specify: an issuer identifier **2002**; an issuer name **2004**; and an issuer address **2006**.

The issuer identifier **2002** may be, for example, a unique alphanumeric string associated with a credit card issuer. The issuer name **2004** may be, for example, an alphanumeric string containing the name of the credit card issuer associated with the issuer identifier **2002**. The issuer address **2006** may be, for example, an alphanumeric string that may be used to communicate with the credit card issuer associated with the issuer identifier **2002**.

Referring to FIG. **21**, a table **2100** represents an embodiment of the issuer account database that may be stored at a credit card processing system device **610** (FIG. **6**). The table **2100** includes entries defining a credit card issuer. The table **2100** also defines fields **2102**, **2104**, **2106** for each of the entries. The fields specify: an issuer identifier **2102**; an amount owed **2104**; and a payment due date **2106**.

The issuer identifier **2102** may be, for example, a unique alphanumeric string associated with a credit card issuer and may or may not be based on the issuer identifier **2002** stored with respect to the issuer database **2000**. The amount owed

2104 may be a number indicating an amount that is owed with respect to the credit card issuer associated with the issuer identifier 2102. The payment due date 2106 may be a date indicating the date by which payment of some or all of the amount owed 2104 may be required with respect to the credit card issuer associated with the issuer identifier 2102.

The issuer database 2000 and issuer account database 2100 may be used by the credit card processing system to identify and track how much is owed by each credit card issuer, including the purchasing system.

Referring to FIG. 22, a table 2200 represents an embodiment of the seller account database that may be stored at a credit card processing system device 610 (FIG. 6). The table 2200 includes entries defining a retailer that provides to a buyer a product purchased through the purchasing system. The table 2200 also defines fields 2202, 2204, 2206, 2208, 2210 for each of the entries. The fields specify: a retailer identifier 2202; an issuer identifier 2204; an amount due 2206; an issuer identifier 2208; and an amount due 2210.

The retailer identifier 2202 may be a unique alphanumeric string associated with a retailer. The retailer associated with the retailer identifier 2202 may have an amount due 2206, 2210 with respect to one or more credit card issuers associated with issuer identifier 2204, 2208. Of course, a due date may also be associated with each of these amounts if appropriate. The seller account database 2200 may be used by the credit card processing system to track how much is owed to each retailer from each credit card issuer, including the purchasing system.

Third Party Subsidy and Third Party Account Databases

Note that the purchasing system may receive a third party subsidy amount from a third party subsidy provider. The third party subsidy amount may be an amount provided by a third party towards a buyer's purchase of a product through the settlement system. For example, an online securities trading company may offer to contribute $30 towards a buyer's purchase of a camera if the buyer opens a trading account. Referring to FIG. 23, a table 2300 represents an embodiment of the third party subsidy database 2300 that may be stored at a purchasing system device 310 (FIG. 3). The table 2300 includes entries defining a third party that provides a subsidy towards a buyer's purchase of a product through the purchasing system. The table 2300 also defines fields 2302, 2304, 2306, 2308 for each of the entries. The fields specify: a third party subsidy identifier 2302; a third party subsidy description 2304; a third party subsidy amount 2306; and a third party identifier 2308.

The third party subsidy identifier 2302 may be a unique alphanumeric string that identifies a particular third party subsidy. The third party subsidy description 2304 may be any information (e.g., text based, graphic, audio-visual) describing the third party subsidy associated with the third party subsidy identifier 2302. The third party subsidy amount 2306 may be number associated with an amount the third party subsidy associated with the third party subsidy identifier 2302 is willing to contribute towards the buyer's purchase of a product. The third party identifier 2308 may be a unique alphanumeric string that identifies a particular third party subsidy provider that is offering the third party subsidy associated with the third party subsidy identifier 2302. Note that a single third party may be offering a number of different third party subsidies.

Referring to FIG. 24, a table 2400 represents an embodiment of the third party account database 2400 that may be stored at a purchasing system device 310 (FIG. 3). The table 2400 includes entries defining a third party. The table 2400 also defines fields 2402, 2404, 2406 for each of the entries. The fields specify: a third party identifier 2402; a third party address 2404; and an amount due from third party 2406. The third party identifier 2402 may be a unique alphanumeric string associated with a third party subsidy provider (and may or may not be based on the third party identifier 2308 described with respect to the third party subsidy database 2300). The third party address 2404 may be an alphanumeric string associated with a way of communicating (e.g., postal address, e-mail address) with the third party associated with the third party identifier 2402. The amount due from third party 2406 may be a number associated with an amount that the third party associated with the third party identifier 2402 should provide to the purchasing system (e.g., for all third party subsidy offers).

These databases 2300, 2400 track how much is owed to the purchasing system by each third party subsidy provider. The purchasing system device 310 may update this database, for example, every time: (i) a buyer accepts a third party offer or satisfies a third party condition, such as by applying for a credit card or subscribing to a magazine; or (ii) a payment is made to the purchasing system by a third party.

For example, the buyer submits an offer which includes a price of $150. Before the offer is submitted to one or more sellers, the buyer is presented with an invitation to open a credit card account, for which the buyer will receive $25 towards the current purchase. The buyer accepts the offer and fills out a credit card application online. The $25 (i.e., the amount of the third party subsidy) is added to the buyer's price by the purchasing system before an attempt is made to fill the buyer's offer. Thus, if a product exists in the product database 700 that fulfills the buyer's requirements and has an associated minimum acceptable price of $165, the buyer's offer may only be acceptable if the $25 is used. According to an embodiment of the present invention, when the buyer's offer is not accepted by the purchasing system, the $25 is not provided to the buyer in another form (i.e., the $25 is used to increase a buyer's price but is not directly paid to the buyer).

Settlement System Methods

FIG. 25 is a flow chart illustrating a settlement system method, with respect to the purchasing system device 310, in which a buyer takes possession of a product at a retailer according to an embodiment of the present invention. The flow chart in FIG. 25, as well as the other flow charts discussed herein, are not meant to imply a fixed order to the steps; an embodiment of the present invention can be practiced in any order that is practicable.

At 2502, the purchasing system arranges for a buyer to purchase a product from a seller at a first price, and arranges for the buyer to take possession of the product at a retailer that offers the product for sale at a second price at 2504. According to one embodiment of the present invention, the seller may be a party different from the retailer (e.g., a product manufacturer or the purchasing system itself).

The purchasing system also receives from the buyer a payment of an amount based on the first price at 2506. The actual amount received may differ from the first price if, for example, a tax, penalty or commission is imposed on the sale. At 2508, the purchasing system arranges for the retailer to receive a payment of an amount based on a settlement price. According to one embodiment of the present invention, the retailer receives this payment from the purchasing system. According to another embodiment of the present invention, the retailer receives this payment from another party, such as the seller.

FIG. **26** is a flow chart illustrating a purchasing system method according to an embodiment of the present invention. At **2602**, the purchasing system receives information, including a retailer identifier and a redemption code, associated with a buyer taking possession of a product at a retailer. At **2604**, the seller identifier associated with the redemption code is determined, and the buyer's account identifier is charged an amount based on the first price at **2606**. Additional charges, such as a sales tax and a commission, may also be applied if appropriate.

If the purchasing system determines that the seller is also the retailer at **2608**, an amount based on the first price is provided to the retailer at **2612**. If the seller is not the retailer at **2608**, an amount based on the settlement price is provided to the retailer at **2610**. According to one embodiment of the present invention, the retailer also provides a commission amount to the purchasing system (which may be subtracted from the first price or the settlement price).

The purchasing system then receives any payments and/or a commission amount from the seller at **2614** (e.g., if the first price exceeded the settlement price). Depending on the seller price, the settlement price and the buyer price (and on whether the purchasing system or seller provided a settlement price to the retailer), the purchasing system may instead provide a payment to the seller instead (e.g., if the settlement price exceeded the first price).

FIGS. **27**A to **27**C are flow charts illustrating a purchasing system method, including subsidy amounts, according to another embodiment of the present invention. At **2702**, a buyer offer is received, including a buyer price and a payment identifier. The purchasing system determines a product identifier that fulfills the buyer offer at **2704** and selects a seller associated with that product at **2706**.

Note that when a third party subsidy is involved in a transaction, the value of the third party subsidy may be added to the buyer's price before the purchasing system attempts to find a product that fulfilled the buyer's offer.

At **2708**, a redemption code is assigned to the transaction and stored in a new record of the accepted offer database **1300** in association with the product identifier and the seller identifier. At **2710**, the purchasing system authorizes the buyer's payment identifier for an amount equal to the buyer's price and any applicable sales tax. At **2712**, the buyer's price, the payment identifier, and the authorized amount are stored in the buyer's record of the accepted offer database **1300**.

If it is determined that the seller is a retailer at **2714**, the method shown in FIG. **27**B is performed as will now be described. Information about an attempt to take possession of the product is received from the retailer at **2718**, and the payment identifier is charged an amount based on the buyer price at **2720**. At **2722**, a payment of an amount based on the buyer price is provided to the retailer, and the purchasing system collects a commission fee (if any) at **2724** before the process is complete.

If it is determined that the seller is not a retailer at **2714** (as shown in FIG. **27**A), the method shown in FIG. **27**C is performed as will now be described. A manufacturer's subsidy amount corresponding to the product identifier (if any) is determined at **2726**, and information about an attempt to take possession of the product is received from a retailer at **2728**. The buyer's payment identifier is charged an amount based on the buyer price at **2730**. At **2732**, the purchasing system collects a subsidy amount (if any), and a payment of an amount based on the settlement price is provided to the retailer and at **2734** before the process is complete.

According to another embodiment of the present invention, instead of transmitting payments for each individual transaction, the purchasing system provides a batch payment. For example, the purchasing system may receive a bill for a batch of transactions from each given retailer periodically. This may be done, for example, through a credit card processing system.

FIG. **28** is a flow chart illustrating a pseudo payment identifier batch settlement method according to one embodiment of the present invention.

According to this embodiment, the purchasing system tracks the redemption of products from each retailer. Note that a bill may not be received, but instead a credit card processing system may be authorized to debit an account associated with the purchasing system as necessary. Such an arrangement may be made, in fact, between any of the parties disclosed herein (e.g., sellers, retailers). Upon receiving a periodic bill from a credit card processing system, the purchasing system verifies that the amount requested from the retailer agrees with the predicted amount indicated by redeemed records. In particular, at **2802** the purchasing system receives an indication, including a retailer identifier, from a credit card processing system that a buyer has redeemed a purchasing system voucher. An indication of redemption is stored along with the redemption code at **2804**.

At **2806**, the purchasing system updates the amount owed to the retailer (based on the received retailer identifier) in the retailer's record of the seller account database **1500**, such as by using the settlement price for the product associated with that retailer. At **2808**, a payment request is received from the credit card processing system, including a payment amount and a retailer identifier.

If the amount of the payment request matches the amount indicated in the seller account database **1500** at **2810**, the appropriate amount is provided to the credit card processing system (to be provided to retailer) at **2812**. If, on the other hand, the amounts do not match at **2810**, a message indicating an account discrepancy is sent to the retailer or the credit card processing system at **2814**.

FIG. **29** is a flow chart illustrating a retailer method according to an embodiment of the present invention. The retailer receives an indication of a transaction, including a purchasing system redemption code, from a buyer at **2902** and assigns a transaction identifier. A transaction record is created in the purchasing system account database **1800**, and the transaction identifier is stored along with the product identifier included in the transaction at **2904**.

If the redemption code does not match an outstanding redemption code in the accepted offer database **1700** at **2906**, the retailer retrieves the settlement price corresponding to the product from the pricing database **1600** and stores it in the expected payment field **1808** of the purchasing system account database **1800** at **2908**. If the redemption code matches an outstanding redemption code in the accepted offer database **1700** at **2906**, the retailer retrieves the buyer's price from the accepted offer database **1700** and stores it in the expected payment field **1808** of the purchasing system account database **1800** at **2910**.

The retailer retrieves all records with outstanding payment status from the purchasing system account database **1800** at **2912**. These amounts owed are added, and the result is included in a payment request is transmitted to the purchasing system. (e.g., through a credit card processing system). When payment is received, the appropriate payment status fields **1810** are updated at **2914**.

FIG. **30** is a flow chart illustrating a seller method, where the seller is different from the retailer, according to an embodiment of the present invention. The seller determines a subsidy amount for a product, if any, at **3002**. The subsidy amount for the product is transmitted to the purchasing system at **3004**. At **3006**, the seller receives a request for funds from the purchasing system and provides payment of the subsidy amount at **3008**. At the time of requesting funds, the purchasing system may also transmit an indication of the offers that have been accepted using the manufacturer's products, with a detailed account of how much is owed for each accepted offer (e.g., how the amount of requested funds was determined). A manufacturer may be interested in such information to assess and predict demand for a product, or a type of product.

Note that if a manufacturer specifies a quantity of a product to be sold through the purchasing system, the manufacturer may pre-pay the subsidy amounts for the whole quantity products. For example, if the manufacturer provides the purchasing system with 100 units of a product and a $50 subsidy for each unit, the manufacturer may simply prepay the $5,000(100×$50=$5,000) to the purchasing system. If the purchasing system has not sold the 50 units within a predetermined period of time, the purchasing system may repay a portion of the prepayment, according to one embodiment of the present invention.

FIGS. **1** to **30** describe only some of possible embodiments according to the present invention. Several other embodiments will now be briefly described to illustrate various applications of the present invention. These examples are presented only to demonstrate the wide applicability of the present invention. The examples do not constitute a definition of all possible embodiments or all possible applications. Those skilled in the art will understand that there are many more applications of the present invention consistent with the present disclosure. Further, although the following examples are briefly described for clarity, those skilled in the art will understand how to make any changes, if necessary, to the above-described apparatus and methods to accommodate these and other embodiments and applications.

According to one embodiment of the present invention, a buyer may be required to pay part of, or all of, a commission fee to the purchasing system. For example, a buyer may pay $1 for each submitted offer. In another example, the buyer may pay a fixed fee or a fixed percentage of the offer price (or whichever is greater) to the purchasing system device **310** when a buyer offer is accepted.

According to another embodiment of the present invention, when a buyer offer is accepted a retailer scans the product bar code—or enters an ID number—into a "reservation" system and puts the product behind the counter at the service desk until the buyer arrives. For example, the retailer may have implemented a Telxon Wireless Retail Management System, which includes a wireless remote scanning inventory device. Thus, store personnel, upon receiving an offer for a product, may accept the offer and take the product off the shelf. The product bar code may be using, for example, a PTC 960SL Wireless Mobile Information Manager, deducting the product from inventory and reserving it in association with the buyer identifier. The buyer may present his identifier upon arrival at the retailer (e.g., the buyer's voucher identifier serves as the buyer and reservation identifier) and be given the product.

According to yet another embodiment of the present invention, instead of being charged the price of the product online at the point of a seller's acceptance of a buyer's offer, the buyer may be allowed to pay the established price directly to the retailer when he or she arrives at the retailer to take possession of the product. In such an embodiment, the buyer would "reserve" an established price online (rather than purchase the product online and take possession at a local retailer). The purchasing system device **310** would store the buyer's primary offer information in a similar manner to that described with respect to other embodiments—but would not require the buyer to guarantee payment when submitting the buyer offer. Once the buyer offer is accepted by a seller, the acceptance would be stored at the purchasing system device **310**. A voucher may be printed for the buyer in the above described manner, with the addition of the offer price. When the buyer attempts to redeem the redemption code at a local retailer, the retailer: (i) retrieves the reserved price from the purchasing system device **310** or from a local database; or (ii) reads the needed information from the voucher. The retailer collects the online price from the buyer at the POS and communicates the redemption to the purchasing system device **310**, either in real time or in a batch process at a later time. The retailer and the purchasing system device **310** then settle the transfer of payment as necessary.

In another embodiment of the present invention, the retailer does not open a back-channel with the purchasing system device **310** during the transaction. Instead, the information regarding the redemption of the redemption code (e.g., the product identifier, the retailers at which it is redeemable, the accepted price) is encoded onto the voucher itself. Such encoding may be in the form of, for example, a bar code.

According to another embodiment of the present invention, only retailers with current inventory (based on real time inventory checks) or who potentially have the product in stock (based on purchase orders from the manufacturer, or daily inventory notification downloads) will receive a buyer offer or be listed on a purchasing system voucher.

Another embodiment of the present invention lets the buyer select a time window and geographic region within which the buyer will take possession of the product. The purchasing system determines which stores will have the product during the specified time period based on, for example, statistical likelihood. If the buyer does not take possession of the product within the time window, the purchasing system device **310** may, for example: (i) invalidate the voucher charge the buyer a penalty; or (ii) increase the price of the product. The price may be increased, for example, by predefined increments for each day the buyer fails to take possession of the product.

According to still another embodiment of the present invention, an extra fee may be charged for "guaranteed" availability at a local store. When submitting an offer, the buyer checks off a "guaranteed availability at a particular retailer" button. Upon receiving an acceptance of the buyer's offer, the purchasing system device **310** determines which, if any, retailer currently has the product in stock and communicates with the retailer to have the product put aside for the buyer (this may be done, for example, via e-mail or facsimile). The extra fee that the buyer pays for this guaranteed availability may be disbursed (the entire or partial amount) to the retailer which puts the product aside.

It is also possible, according to another embodiment of the present invention, for the seller to ship the product to the buyer if the buyer cannot find the product in a local retailer

within a predefined time period. In this case, the seller may "guarantee" the product to the buyer. If the buyer cannot find the product, a purchasing system service representatives may help track the product down. If the product cannot be found, the purchasing system device **310** notifies the manufacturer, who ships the product to the buyer at no extra charge.

According to another embodiment of the present invention, the voucher contains commands that change the retail price to the price named by the buyer. The command may be, for example, to determine an appropriate amount to subtract from the retail price such that the product costs $X. The voucher may also contain a command that prompts the POS to instruct the buyer to swipe the credit card used to bind the buyer offer. The POS then verifies that the credit card has the same number that is embedded in the voucher's bar code. If so, the price is applied to the product and the scanned credit card can be used to make the purchase. This lets the buyer's credit card act as a private key.

According to another embodiment of the present invention, the purchasing system device **310** tracks the redemption rate of vouchers at retailers. When, for example, a week has passed and the buyer has not taken possession of the product, the purchasing system generates an e-mail that lets the buyer either cancel the contract (maybe in exchange for a penalty amount) or have the product shipped. Also, after a buyer has taken possession of the product, a "thank you" message can be sent from the purchasing system (e.g., via e-mail) along with other types of offers (e.g., for additional products the buyer may be interested in purchasing).

In a similar way, a buyer may present a credit card or frequent shopper card when making a purchase at the POS, and the purchasing system device **310** may determine if a reservation exists for another product the store typically stocks. If the buyer does have a reservation, the POS can prompt the cashier to remind the buyer about the reservation.

Another embodiment of the present invention is directed to manufacturers that sell slightly altered products through different retailers, such as products with different model numbers and/or slightly different features. In this case, the voucher issued to the buyer may be valid for different types of products depending on the retailer. The identifier (e.g., make/model number) of each product may be printed directly on the voucher next to the corresponding retailer name, leaving it up to the buyer or store personnel to ensure that the buyer takes possession of the correct product.

Similarly, the voucher may contain several bar codes, one for each retailer, that contain the encoded product identifier corresponding to each retailer. According to another embodiment, a separate voucher may be issued for each retailer and, once it is determined by the purchasing system device **310** that the buyer has redeemed one voucher, the other associated voucher be voided. For example, each voucher can have the same voucher identifier or redemption code, and when the purchasing system receives a signal at a retailer indicating that a redemption code has been redeemed, it invalidates any corresponding vouchers with the same redemption code.

According to still another embodiment of the present invention, a redemption code may be redeemable for products from different sellers. For example, several sellers may have agreed to accept a buyer's offer. Instead of selecting one seller to fulfill the buyer's offer, the purchasing system device **310** may give the buyer the option of selecting any of the accepting sellers. This option may be presented to the buyer directly at the Web site, before a redemption code is issued (in which case the redemption code would be issued for whichever seller's product the buyer elects), or the redemption code may be issued for different sellers (and/or different products) and the buyer indicates his selection at the point of redemption (i.e., by selecting which retailer and/or which product).

According to another embodiment of the present invention, the purchasing system presents the buyer with a number of retailers that have the product available, and the associated price at each retailer, letting the buyer select one of the prices. For example, a buyer may be willing to pay a little more for a product if he or she can take possession of the product at a retailer located near his or her home. In another embodiment of the present invention, the purchasing system device **310** selects retailers based on distance from the buyer's home address.

According to another embodiment of the present invention, prices available to a buyer through the purchasing system device **310** vary based on the buyer (e.g., the buyer's transactional history with the purchasing system device **310**) or the buyer's location (e.g., based on a telephone number area code or the buyer's home address ZIP code). For example, the settlement price may be based on the number of transactions previously completed by the buyer with the purchasing system (e.g., if the buyer previously completed no transactions the minimum selling price is $200, if the buyer previously completed one transaction the minimum price is $195, and so on). A "complete" transaction may comprise, for example: (i) submitting an offer to the purchasing system device **310**; (ii) having an offer accepted by the purchasing system device **310**; or (iii) redeeming a redemption code at a retailer.

If a seller specifies a certain quantity of a product available in a location to be sold through the purchasing system device **310**, a certain number of redemption codes may be issued based on a statistical likelihood of redemption. That is, the number of redemption codes issued may be greater than the allocated available supply, and the redemption codes may be authorized for redemption at the retailer POS until the designated supply is depleted. If a buyer attempts to redeem a redemption code after the supply has been depleted, the purchasing system device **310** may transmit a counter-offer to the buyer at the POS or service desk of the retailer.

According to another embodiment of the present invention, instead of specifying a settlement price, a seller can specify a maximum subsidy amount that that will be provided to the purchasing system device **310** for each product sold. Thus, when determining whether to accept a buyer's offer for a given product, the purchasing system device **310** may determine: (i) the subsidy amount provided by the manufacturer for the product; and (ii) the settlement price due to a retailer for the product. If, for example, the offer plus the subsidy amount is at least equal to the settlement price, the purchasing system device **310** may accept the buyer offer. The purchasing system device **310** may also, in some cases, determine that a monetary loss up to a predetermined amount is acceptable in order to increase the volume of sales. In this case, the purchasing system device **310** would accept an buyer's offer if the buyer's price plus the manufacturer's subsidy amount was not below the predetermined acceptable loss amount (in effect, the purchasing system device **310** is further subsidizing the buyer's purchase).

According to another embodiment of the present invention, the redemption information sent from the pur-

chasing system to the buyer is similar to a product manufacturer coupon. That is, a voucher can be recognized by a retailer to be worth, for example, the difference between the retail price for the product and the buyer price. By way of example, a buyer may arrange with the purchasing system to purchase a television for $190. The buyer brings a voucher to a retailer that normally sells the product for $200 (i.e., the retail price). In this case, the retailer may recognize that the voucher is redeemable for $10 towards the purchase of the product. If the buyer brought the voucher to another retailer at which it was redeemable, where the product was normally sold for $210, that retailer would recognize that the voucher is redeemable for $20. In other words, in such an embodiment, the actual value that the voucher is redeemable for depends on the retail price of the retailer at which the buyer takes possession of the product. The retailer may then be subsequently reimbursed the difference between the retail price and the buyer price by the purchasing system.

According to another embodiment of the present invention, instead of the purchasing system transmitting redemption information to the buyer, the redemption information is instead sent from the buyer to the purchasing system. For example, the buyer may supply his or her name, address, social security number, telephone number and/or a password to the purchasing system. In this case, the buyer can provide the redemption information to the retailer to take possession of the product.

According to another embodiment of the present invention, the purchasing system may establish a price between a buyer and seller for a product that fulfills at least one product requirement without specifying a particular product that will be provided to the buyer. For example, the purchasing system may establish that the buyer will pay $200 for a 21 inch screen television with a remote control. The product requirement may also, for example, describe a suggested retail price or average retail price associated with the product that will be provided to the buyer without specifying the particular product. Note that the price established between the buyer and the seller (e.g., the $200) may be proposed by the purchasing system, the seller or the buyer. A particular product (e.g., a particular model television available from a particular manufacturer) is then selected and provided to the buyer at the retailer. Note that either the purchasing system, the seller or the retailer may select the particular product. If the retailer is to select the particular product, a voucher identifying the product requirements may be transmitted to the buyer. If the purchasing system or seller is to select the particular product, the voucher may, if desired, identify the particular product that has been selected.

In another embodiment, rather than defining a maximum subsidy amount, the manufacturer specifies a subsidy amount that will be provided to the purchasing system regardless of the buyer's price (i.e., not a maximum subsidy amount where the manufacturer may actually end up paying less than the maximum amount if the buyer's price is high enough). In this embodiment, it is up to the purchasing system to determine whether or not to accept a given buyer offer.

For example, a manufacturer may provide the purchasing system with a $50 subsidy for each product X sold through the purchasing system. The settlement price for the product is $190. A buyer submits a price of $150 with a product description that the purchasing system determines product X meets. The purchasing system accepts the buyer's offer price and fulfills the buyer's offer with product X. Thus, the purchasing system makes a $10 profit off of the transaction (i.e., collects $150 from the buyer, collects $50 from the manufacturer, and pays $190 to the retailer).

The purchasing system may have a minimum profit amount used to determine which buyer offers to accept. Such a minimum profit amount may also be negative at times. For example, the administrator of the purchasing system may determine that a loss on transactions is acceptable for a time in order to build sales volume. Or the purchasing system may determine whether or not to accept a particular buyer's offer based on an average running profit. Thus, some offers may be accepted at a loss if there are others that result in a high enough profit that the average offer profit is positive.

According to another embodiment of the present invention, the purchasing system (and not the seller) determines a buyer price directly. In this embodiment of the settlement system, the manufacturer makes a separate agreement with at least one retailer and the purchasing system. In the agreement with the retailer, the manufacturer sets a price for which the retailer will redeem or honor a purchasing system. The retailer may agree to provide a product through the purchasing system for a price lower than the retail price for the product. The manufacturer's agreement with the purchasing system may include (i) which of the manufacturer's products (e.g. model number, color, size, etc.) the purchasing system can sell; (ii) the quantity of a particular product the purchasing system can sell; and (iii) a monetary amount that will be provided to the purchasing system by the manufacturer for each specified product sold through the purchasing system. The purchasing system collects buyer offers for products and determines at what price to the products will be sold.

According to another embodiment of the present invention, the purchasing system uses the amount provided by the manufacturer to reimburse the retailer at which the buyer takes possession of the product. The amount of money provided to the purchasing system by the manufacturer may be on a per-product basis ($50 per product) or on a bulk inventory basis (e.g., $20,000 to sell 200 products). The purchasing system may also be made aware of the value agreed upon between the manufacturer and the retailer.

According to another embodiment of the present invention, the contract the manufacturer has with the retailer may specify terms under which the retailer agrees to honor purchasing system vouchers. For example, the contract may specify products the retailer has in stock after a certain predetermined date will be made available to the purchasing system. Thus, the retailer has a predetermined amount of time to try and sell the manufacturer's products in inventory at the retail price. After that time, the manufacturer may make the products in inventory available to the purchasing system. Another term of a contract between the manufacturer and the retailer may specify a rate of sale of a particular product. If the retailer's selling rate of this product falls below a predetermined threshold, the manufacturer has the option of making a certain quantity of the products available for local pick-up sale through the purchasing system. The selling rate specified in the contract may depend on the characteristics of the product. For example, the manufacturer may require a higher selling rate for perishable products or products that have a short product life. The manufacturer does not want the retailer's shelves to be filled up with expired or obsolete products, especially if fresh or updated version are available. Thus, the manufacturer may allow the retailer time to sell the products, or to achieve a preferred sales rate, at the retailer's preferred price and profit margin. If, however, the retailer still has products in stock after a certain time, or is not selling enough of the products,

the manufacturer gives the purchasing system access to a certain quantity of that product.

In another variation of the invention, the retailer may also have an agreement with the purchasing system to ensure that the purchasing system preferentially uses that retailer to fill a buyer offer. The retailer may agree to pay the purchasing system a fee, in effect helping to subsidize the customer offers, in exchange for the privilege of being targeted by the purchasing system. For example, a retailer may pay $2 for every transaction they receive through the purchasing system. Thus, if a customer makes an offer for a certain brand and model of a television set, and the purchasing system determines that several retailer are available for filling that offer, the purchasing system may select that retailer. There are, of course, other fee plans that a retailer may agree to in exchange for being targeted by the purchasing system. Some examples of fee plans between the retailer and the purchasing system include: (i) a flat monthly fee; (ii) a fixed or variable percentage of the sales total received by the retailer through the purchasing system; (iii) a percentage from each transaction; and (iv) a fixed fee for each transaction.

According to another embodiment of the present invention, the purchasing system may choose to optimize revenues or profits by setting a minimum acceptance price for any given product. In other words, the purchasing system may at times accept offers on which it suffers a monetary loss in order to promote overall traffic and revenues through the system. At other times, the purchasing system may wish to only accept offers that are profitable. For example, consider the case where a retailer has agreed with the manufacturer to honor a price of $175 for a camera and the manufacturer has agreed to give the purchasing system $50 for each camera sold. The purchasing system may use this $50 to make the retailer whole. Thus, if the purchasing system accepts an offer for the camera from a customer for $125, it has to use the $50 allotted by the manufacturer to make the retailer whole (i.e., use it to bring the total value the retailer receives for the camera up to the $175 agreed upon by the manufacturer and the retailer). Any offer above $125 will be profitable for the purchasing system, because it keeps any value left from the $50 after making the retailer whole. If the purchasing system accepts an offer for $130, only $45 is needed to make the retailer whole and a $5 profit is made from the transaction.

The purchasing system may choose to optimize profits based on individual sales or batch processes. If the profit is determined from each individual sale, only offers above $125 would be accepted in the above example. If the batch process profit model is used, the average sale price has to be above $125. So in the batch process model, some offers below $125 may be accepted in the above example if enough offers above $125 are received for the average price to result in being over $125. The purchasing system in this batch process model may constantly re-calculate the average price received thus far in determining whether to accept an incoming offer.

Although the manufacturer may negotiate a settlement price with each retailer individually for each product, the manufacturer may instead set the same settlement price for a given product with each participating retailer. Similarly, the settlement price the manufacturer sets with each participating retailer for a given product can be based on: (i) the quantity of the product typically purchased by the retailer from the manufacturer; (ii) the quantity of the product typically sold by the retailer; or (iii) the quantity of the product in stock at the manufacturer at the time the agreement is made or at the time a buyer takes possession the product from the retailer. In other words, a retailer who historically sells more of a product will be given a different settlement amount than one who sells less of the item.

According to another embodiment of the present invention, there are several settlement prices associated with each given product, each with at least one associated condition. For example, the settlement price may be based on: (i) the amount of the product in stock at the retailer at the time the buyer takes possession of the product; (ii) the number of units of the product provided to purchasing system buyers at the retailer within a predefined time period (e.g. the settlement price is $50 if the retailer provided less than 10 product units to buyers within the previous thirty days, and the settlement price is $60 if the retailer provided 10 or more product units within the previous thirty days): (iii) the time of day/year at which the buyer takes possession the product at the retailer; or (iv) the amount of time elapsed between the time the buyer established the buyer's price for the product online and the time he or she takes possession of product up at the retailer.

According to another embodiment of the present invention, the retailer is reimbursed the full retail price for any product provided to a purchasing system buyer. A manufacturer accepts a buyer named price online and provides the amount necessary to make the retailer whole. In other words, the manufacturer subsidizes the buyer's purchase. For example, a participating retailer sells television X for a retail price of $250. A buyer names a price of $200 for television X. The manufacturer of television X accepts the buyer's price and agrees to provide a $50 subsidy to the purchasing system in order to make the retailer whole. Once the buyer picks up the television at the retailer, the purchasing system transmits the $200 paid by the buyer to the retailer as well as the $50 provided by the manufacturer necessary to reimburse the retailer the full retail price for television X. Additionally, the purchasing system charges the manufacturer a $10 commission fee for processing the transaction.

According to still another embodiment, the subsidy necessary to make the retailer whole is provided by the purchasing system and there is no manufacturer involvement. Thus, the purchasing system has access to the retailer's retail prices for various products. The purchasing system evaluates a buyer named price for a product and, if t accepts the price, it provides the price plus any subsidy necessary to make the retailer whole when the buyer takes possession of the product at the retailer.

According to another embodiment of the present invention, the purchasing system authorizes a freeze for an amount of funds greater than the buyer's price plus an applicable sales tax (e.g., 5% greater). This is to provide a cushion to the purchasing system in case something unforeseen happens at the point of sale when the buyer takes possession of the product at the retailer. For example, the buyer may take possession of the product in a sales tax region that requires a greater sales tax than that applied by the purchasing system (e.g., the purchasing system determined the applicable sales tax based on the buyer's home address but the buyer actually redeemed the redemption code in a neighboring state, with a higher tax rate). The credit card processing system charges the purchasing system a fee for each authorization of a credit card account (a typical fee is 25¢ per authorization). Thus, if the purchasing system were to authorize a certain amount, but the buyer actually should be charged more than the authorized amount (e.g., due to a higher than expected sales tax) the purchasing system would need to send another authorization through the

credit card processing system for the increase—and thus pay another fee. In authorizing an amount greater than what should be necessary, the purchasing system is only paying one authorization fee and is free to subsequently process a charge that is less than the authorized fee. Accordingly, in this embodiment of the present invention, the purchasing system would store the amount it authorized when the buyer's offer was accepted. Then when it received the data from the retailer regarding the final conditions of the transaction during which the redemption code was redeemed (e.g. the address of the retailer at which the redemption code was used), the purchasing system would determine the appropriate amount to charge to the buyer's account.

According to another embodiment of the present invention, rather than authorizing an extra amount, the processing system charges or authorizes the exact amount the buyer is expected to owe, and any necessary adjustments are handled at the retailer. The buyer may pay any adjustment necessary, based on the final conditions of the transaction when he or she takes possession of the product, directly to the retailer. In such a case, the retailer notifies the purchasing system, and, if the adjustment requires a reimbursement to the buyer, the retailer may provide this reimbursement to the buyer directly (e.g., out of the cash drawer). Accordingly, the purchasing system may add the reimbursement to the settlement amount it owes the retailer.

The present invention has been described in terms of several embodiments solely for the purpose of illustration. Persons skilled in the art will recognize from this description that the invention is not limited to the embodiments described, but may be practiced with modifications and alterations limited only by the spirit and scope of the appended claims.

What is claimed is:

1. A method of operating a purchasing system, comprising:

arranging through a communication network for a buyer to (i) purchase a product from a seller at a first price, and (ii) take possession of the product at a retailer that offers the product for sale at a second price, wherein the retailer is not the seller;

receiving from the buyer a payment of an amount based on the first price; and

arranging for the retailer to receive payment of an amount based on a settlement price in exchange for providing the product to the buyer.

2. The method of claim **1**, wherein the settlement price is based on the second price.

3. The method of claim **2**, wherein the settlement price is equal to the second price.

4. The method of claim **2**, wherein the settlement price is a percentage of the second price.

5. The method of claim **2**, wherein the settlement price is more than the second price.

6. The method of claim **2**, wherein the settlement price is further based on a commission amount.

7. The method of claim **1**, wherein the settlement price is not solely a function of the second price.

8. The method of claim **1**, wherein the settlement price is not based on the second price.

9. The method of claim **1**, wherein said receiving payment from the buyer comprises charging a financial account associated with the buyer.

10. The method of claim **9**, wherein the payment is received at a tune based on when the purchasing system arranges for the buyer to purchase the product.

11. The method of claim **9**, wherein the payment is received at a time based on when the buyer takes possession of the product at the retailer.

12. The method of claim **9**, wherein said receiving payment comprises receiving payment of an amount based on the first price plus a penalty amount.

13. The method of claim **12**, wherein the penalty amount is imposed when the buyer has not took possession of the product from the retailer within a predetermined period of time.

14. The method of claim **13**, wherein the penalty amount is based on a cost associated with shipping the product to the buyer.

15. The method of claim **1**, wherein said arranging for the buyer to purchase the product comprises:

receiving a buyer offer, including a buyer-defined first price and information about the product, from the buyer; and

determining if the buyer offer will be accepted.

16. The method of claim **15**, wherein the information about the product includes at least one of: a product category; a product class; a product feature; a product manufacturer; and a product identifier.

17. The method of claim **15**, wherein the buyer offer includes a payment identifier.

18. The method of claim **15**, wherein said determining comprises at least one of: (i) sending information about the buyer offer to at least one seller; and (ii) locally determining if the buyer offer will be accepted.

19. The method of claim **1**, wherein the first price is set by the seller.

20. The method of claim **1**, wherein the first price is set by the buyer.

21. The method of claim **1**, wherein the first price is set by the purchasing system.

22. The method of claim **1**, wherein said arranging for the buyer to purchase the product comprises evaluating at least one of: the first price; the settlement price; a seller price; a subsidy amount; a commission amount; and a minimum acceptable price.

23. The method of claim **22**, wherein said evaluation further comprises evaluating a minimum profit amount.

24. The method of claim **23**, wherein said evaluation comprises comparing the minimum profit amount to the first price less the settlement price.

25. The method of claim **23**, wherein said evaluation comprises comparing the minimum profit amount to the first price and the subsidy amount less the settlement price.

26. The method of claim **23**, wherein the minimum profit amount is a negative amount.

27. The method of claim **22**, wherein said arranging for the buyer to take possession of the product comprises selecting at least one product from a plurality of possible products.

28. The method of claim **22**, wherein said arranging for the buyer to take possession of the product comprises selecting at least one retailer from a plurality of possible retailers.

29. The method of claim **22**, wherein said arranging for the buyer to take possession of the product comprises selecting a plurality of retailers.

30. The method of claim **22**, wherein said evaluation comprises:

comparing the first price with a minimum acceptable price; and

comparing the minimum profit amount to the first price and the subsidy amount less the settlement price.

31. The method of claim 22, wherein said arranging for the buyer to purchase the product is only performed if(i) first price is at least equal to the minimum acceptable price; and (ii) the minimum profit amount is at least equal to the first price and the subsidy amount less the settlement price.

32. The method of claim 1, wherein said arranging for the buyer to purchase the product comprises arranging for the seller to sell the product to the buyer at a seller price.

33. The method of claim 32, wherein said arranging for the seller to sell the product further comprises evaluating a minimum acceptable price below which a product will not be sold.

34. The method of claim 33, wherein the minimum acceptable price is set by the seller.

35. The method of claim 33, wherein the minimum acceptable price is set by the purchasing system.

36. The method of claim 32, wherein the first price is not equal to the seller price.

37. The method of claim 33, comprising exchanging payment of a seller amount with the seller, the seller amount being based on the first price and the settlement price.

38. The method of claim 1, wherein said arranging for the buyer to take possession of the product comprises sending redemption information to buyer.

39. The method of claim 1, wherein said arranging for the buyer to take possession of the product comprises:

receiving from the retailer information related to an attempt to take possession of the product; and

sending to the retailer a verification authorizing the buyer to take possession of the product.

40. The method of claim 1, wherein said arranging for the retailer to receive payment of the settlement price comprises paying the settlement price to the retailer.

41. The method of claim 40, wherein said arranging for the buyer to take possession of the product comprises selecting a plurality of retailers and the settlement price is paid to the retailer at which the buyer took possession of the product.

42. The method of claim 1, wherein said arranging for the buyer to purchase the product comprises arranging for a seller to sell the product to the buyer, and said arranging for the retailer to receive payment of the settlement price comprises arranging for the retailer to receive payment of the settlement price from the seller.

43. The method of claim 1, further comprising receiving payment of a subsidy amount from a subsidy provider.

44. The method of claim 43, wherein the subsidy provider comprises at least one of: a manufacturer of the product; a seller of the product; the retailer; and a third party subsidy provider.

45. The method of claim 43, wherein said arranging for the buyer to purchase the product comprises arranging for a product manufacturer to sell the product to the buyer at a seller price, and said receiving payment of a subsidy amount comprises adjusting a seller amount exchanged with the manufacturer.

46. The method of claim 43, wherein said arranging for the buyer to purchase the product comprises arranging for the retailer to sell the product to the buyer at a seller price, and said receiving payment of a subsidy amount comprises adjusting the settlement price paid to the retailer.

47. The method of claim 43, wherein the subsidy amount is variable and further includes a maximum subsidy amount.

48. The method of claim 43, wherein the subsidy amount is associated with a plurality of transactions performed by the purchasing system.

49. The method of claim 1, further comprising receiving payment of a commission amount from a commission provider.

50. The method of claim 49, wherein the commission provider comprises at least one of: a manufacturer of the product; a seller of the product; the retailer; and the buyer.

51. The method of claim 49, wherein the commission amount is based on at least one of: a predetermined amount; a percentage of the first price; a percentage of the settlement price; and a percentage of a seller price.

52. The method of claim 49, wherein said receiving payment of the commission amount comprises adjusting at least one of: the first price; the settlement price; and a seller amount exchanged with a seller.

53. The method of claim 1, wherein the settlement price is not equal to the second price.

54. The method of claim 1, wherein the first price is not equal to the second price.

55. The method of claim 1, wherein the first price is not equal to the settlement price.

56. The method of claim 1, further comprising subsidizing the purchase of the product.

57. The method of claim 56, wherein the purchasing system subsidizes the purchase of the product based on at least one of: subsidies provided to other buyers; past subsidies provided to the buyer; and a maximum purchasing system subsidy amount.

58. The method of claim 1, wherein the purchasing system arranges for a plurality of buyers to take possession of a plurality of products at the retailer.

59. The method of claim 58, wherein the purchasing system arranges for the retailer to receive a payment corresponding to each settlement price as each of the plurality of products is provided.

60. The method of claim 58, wherein the purchasing system arranges for the retailer to receive a payment corresponding to a plurality of settlement prices after the retailer has provided a plurality of products.

61. A method of operating a purchasing system, comprising:

receiving, from a buyer through a communication network, information about a product to be purchased from a seller at a first price;

receiving payment based on the first price from the buyer;

arranging for the buyer to take possession of the product at a retailer that offers the product for sale at a second price, wherein the retailer is not the seller;

sending to the retailer verification information enabling the retailer to authorize the buyer to take possession of the product; and

arranging for the retailer to receive payment of a settlement puce in exchange for providing the product to the buyer.

62. The method of claim 61, wherein the received information comprises a buyer offer, the first price is a buyer-defined price, and the information about the product includes at least one of: a product category; a product class; a product feature; and a payment identifier.

63. The method of claim 62, further comprising determining if the buyer offer will be accepted.

64. The method of claim 63, wherein said determining comprises at least one of:

(i) sending information about the buyer offer to at least one seller; and

(ii) locally determining if the buyer offer will be accepted.

65. The method of claim 1, wherein said arranging for a buyer to purchase a product comprises evaluating at least one of: the first price; the settlement price; a seller price; a subsidy amount; a commission amount; and a minimum acceptable price.

66. The method of claim 61, further comprising:

receiving a subsidy amount from a subsidy provider, wherein the subsidy amount is at least equal to the difference between the first price and the settlement price.

67. The method of claim 1, wherein said sending to the retailer verification information comprises:

sending redemption information to the buyer;

receiving from the retailer information related to an attempt to take possession of the product; and

sending to the retailer a verification authorizing the buyer to take possession of the product.

68. The method of claim 67, wherein the redemption information and the information related to an attempt to take possession of the product comprise a redemption code.

69. The method of claim 68, wherein the redemption code is a pseudo payment identifier.

70. The method of claim 69, wherein the pseudo payment identifier is one of a pseudo: credit card number; debit card number; and banking account number.

71. The method of claim 69, wherein the pseudo payment identifier is uniquely associated with the purchase of the product by the buyer.

72. The method of claim 71, wherein said receiving from the retailer the pseudo payment identifier comprises receiving the identifier through a credit card processing system.

73. The method of claim 71, wherein the pseudo payment identifier is provided on a voucher, and the retailer sends the voucher to the purchasing system as a record of charge.

74. The method of claim 71, wherein said arranging for the buyer to take possession of the product at a retailer further comprises adjusting a spending limit associated with the pseudo payment identifier.

75. The method of claim 74, wherein said adjusting a spending limit comprises establishing a minimum spending amount and a maximum spending amount based on the settlement price.

76. The method of claim 75, wherein the information related to an attempt to take possession of the product comprises a purchase price and said sending a verification is only performed if the purchase price is more than the minimum spending amount and less than the maximum spending amount.

77. The method of claim 74, wherein said adjusting comprises adjusting the spending limit based on one of: the second price; the settlement price; and the first price.

78. The method of claim 77, wherein said adjusting is further based on one of: a penalty amount; and a tax amount.

79. The method of claim 74, wherein said adjusting is based on one of (i) an average; and (ii) the highest of a plurality of settlement prices or retail prices associated with the product.

80. The method of claim 74, wherein the spending limit is re-adjusted when the buyer takes possession of the product at the retailer.

81. The method of claim 67, wherein the information received from the retailer comprises:

a sixteen digit pseudo credit card number, including four digits associated with the purchasing system and twelve digits associated with the buyer's purchase of the product; and

an expiration date.

82. The method of claim 67, wherein said receiving payment of the buyer price from the buyer is only performed after said sending of the verification to the retailer.

83. The method of claim 67, further comprising:

receiving, after the verification is sent to the retailer, payment of a subsidy amount from a subsidy provider.

84. A method of operating a purchasing system, comprising:

receiving, from a buyer through a communication network, a buyer offer, including information about a product to be purchased, a first price and a payment identifier;

determining if the buyer offer will be accepted by evaluating at least one of: the first price, a settlement price to be paid to a retailer in exchange for providing the product to the buyer, a seller price to be paid to a seller of the product, a subsidy amount to be paid by a subsidy provider, a commission amount to be paid by a commission provider, and a minimum acceptable price;

receiving from the buyer payment of the first price using the payment identifier;

sending a pseudo payment identifier to the buyer;

receiving the pseudo payment identifier from the retailer;

sending to the retailer a verification authorizing the buyer to take possession of the product; and

arranging for the retailer to receive payment of the settlement price.

85. The method of claim 84, further comprising:

adjusting a spending limit associated with the pseudo payment identifier when the pseudo payment identifier is sent to the buyer; and

re-adjusting the spending limit when the buyer takes possession of the product at the retailer.

86. A purchasing system device, comprising:

a processor; and

a storage device coupled to said processor and storing instructions adapted to be executed by said processor to:

arrange through a communication network for a buyer to (i) purchase a product from a seller at a first price, and (ii) take possession of the product at a retailer, different from the seller, that offers the product for sale at a second price;

receive from the buyer a payment of an amount based on the first price; and

arrange for the retailer to receive payment of an amount based on a settlement price in exchange for providing the product to the buyer.

87. A purchasing system apparatus, comprising:

means for arranging through a communication network for a buyer to (i) purchase a product from a seller at a first price, and (ii) take possession of the product at a retailer, different from the seller, that offers the product for sale at a second price;

means for receiving from the buyer a payment of an amount based on the first price; and

means for arranging for the retailer to receive payment of an amount based on a settlement price in exchange for providing the product to the buyer.

88. A medium storing instructions adapted to be executed by a processor to perform a method for operating a purchasing system, said method comprising:

arranging through a communication network for a buyer to (i) purchase a product from a seller at a first price, and (ii) take possession of the product at a retailer, different from the seller, that offers the product for sale at a second price;

receiving from the buyer a payment of an amount based on the first price; and

arranging for the retailer to receive payment of an amount based on a settlement price in exchange for providing the product to the buyer.

89. A method of using a purchasing system, comprising:

arranging with the purchasing system, through a communication network, to purchase a product from a seller at a first price;

paying an amount based on the first price to the purchasing system;

receiving redemption information from the purchasing system;

providing the redemption information to a retailer that offers the product for sale at a second price; and

taking possession of the product at the retailer.

90. A method of operating a purchasing system, comprising:

arranging through a communication network for a buyer to render payment equal to a first price, through the communication network, to a seller for a product, the product being offered for sale by the seller for the first price;

arranging for the buyer to take possession of the product at a retailer that offers the product for sale at a second price; and

arranging for the retailer to receive payment of a settlement price in exchange for providing the product to the buyer.

91. The method of claim **90**, wherein the settlement price is the first price when the seller is the retailer.

92. The method of claim **90**, further comprising:

determining if the seller is the retailer.

93. The method of claim **92**, wherein the seller is a party other than the retailer and the settlement price is based on the second price.

94. The method of claim **92**, wherein the seller is the retailer and the settlement price is based on the first price.

95. The method of claim **92**, wherein the seller is the retailer and the settlement price is based on the second price.

96. A method of operating a purchasing system, comprising:

arranging through a communication network for a buyer to (i) purchase a product from a seller at a first price, and (ii) take possession of the product at a retail that offers the product for sale at a second price, wherein the retailer is not the seller;

arranging for the buyer to provide to the retailer a payment of an amount based on the first price; and

arranging for the retailer to receive payment of an amount based on a difference between the first price and a settlement price in exchange for providing the product to the buyer.

97. A method of operating a purchasing system, comprising:

arranging through a communication network for a buyer to (i) purchase a product from a seller at a first price, and (ii) take possession of the product at a retail that offers the product for sale at a second price, wherein the retailer is not the seller;

determining if the second price is less than the first price; and

if the second price is less than the first price, arranging for the buyer to purchase the product from the seller at no more than the second price.

* * * * *

UNITED STATES PATENT AND TRADEMARK OFFICE

CERTIFICATE OF CORRECTION

PATENT NO. : 7,039,603 B2
APPLICATION NO. : 09/348566
DATED : May 2, 2006
INVENTOR(S) : Walker et al.

It is certified that error appears in the above-identified patent and that said Letters Patent is hereby corrected as shown below:

In claim 10, column 43, line 66, REPLACE the word "tune" with the word --time--.

In claim 13, column 44, lines 8, REPLACE the word "took" with the word --taken--.

In claim 31, column 45, line 2, INSERT the word --the-- before the word "first".

In claim 38, column 45, line 23, INSERT the word --the-- before the word "buyer".

In claim 61, column 46, line 49, DELETE the word "puce" and REPLACE with the word --price--.

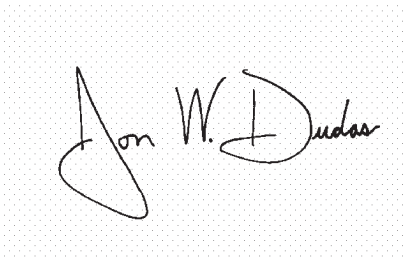
In claim 67, column 47, line 6, DELETE the number "1" and REPLACE with the number --61--.

In claim 96, column 50, line 12, DELETE the word "retail" and REPLACE with the word --retailer--.

In claim 97, column 50, line 26, DELETE the word "retail" and REPLACE with the word --retailer--.

Signed and Sealed this

Twenty-fourth Day of April, 2007



JON W. DUDAS
Director of the United States Patent and Trademark Office