

EXHIBIT 5



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I. REAL PARTY IN INTEREST

The party named in the caption of the brief is the real party in interest.

II. RELATED APPEALS AND INTERFERENCES

There are no related appeals or interferences.

5 **III. STATUS OF CLAIMS**

Claim 16 has been cancelled. Claims 1-15 and 17-44 are pending. Appellant hereby appeals from the final rejection of all pending claims (1-15 and 17-44). Said claims are set forth in the Appendix pursuant to 37 C.F.R. §1.192(c)(9).

IV. STATUS OF AMENDMENTS

10 There have been no amendments filed subsequent to final rejection.

V. SUMMARY OF INVENTION

A buyer's performance during a Price Determining Activity (PDA) is used to determine the price of the product being purchased. (See, e.g., Original Specification at page 5, lines 3-12; Abstract lines 1-3.) Specifically, the price of the product is scaled to the performance of the buyer during the PDA. (See, e.g., Original Specification at page 3, line 22; page 14, lines 1-9.) Typically, the better the buyer performs during the PDA, the lower the price will be of the product being purchased. (See, e.g., Original Specification at page 3, lines 13-16.)

Each of the pending independent claims (1, 13, 19, and 35) recites that the price of the product is "scaled to the performance of the buyer", either "while participating in" (Claims 1, 13, and 19) or "during" (Claim 35) a Price-Determining-Activity (PDA). The specific relevant language of each independent claim is highlighted and emphasized in Appellant / Applicant's RESPONSE AFTER FINAL filed on August 13, 2001.

VI. ISSUES

A. Whether the Examiner properly relied on U.S. Patent No. 6,216,111 B1 (Walker et al) as teaching certain limitations of Appellant's independent Claim 1, namely "determining the price of [a] product [...] said price being [...] scaled to the performance of [a] buyer [...] while participating in a Price-Determining-Activity (PDA)", and then for subsequently rejecting Claim 1 and all claims dependent thereon?

B. Whether the Examiner properly relied on U.S. Patent No. 6,216,111 B1 (Walker et al) as teaching certain limitations of Appellant's independent Claim 13, namely "assigning a price to [a] product, said price being scaled to the performance of [a] buyer [...] while participating in a Price-Determining-Activity (PDA)", and then for subsequently rejecting Claim 13 and all claims dependent thereon?

C. Whether the Examiner properly relied on U.S. Patent No. 6,216,111 B1 (Walker et al) as teaching certain limitations of Appellant's independent Claim 19, namely a computer server programmed to "assign a price to [a] product, said price being scaled to the performance of [a] buyer [...] while participating in a Price-Determining-Activity (PDA)", and then for subsequently rejecting Claim 19 and all claims dependent thereon?

D. Whether the Examiner properly relied on U.S. Patent No. 6,216,111 B1 (Walker et al) as teaching certain limitations of Appellant's independent Claim 35, namely "assigning a price to [a] product, said price being scaled to the performance of [a] buyer [...] during a Price Determining Activity (PDA)", and then for subsequently rejecting Claim 35 and all claims dependent thereon?

E. Whether claims which recite use of an auction to partially determine the price of a product are separately patentable from the claims from which they depend?

F. Whether claims which recite use of a video game as the Price-Determining Activity (PDA) are separately patentable from the claims from which they depend?

VII. GROUPING OF CLAIMS

For purposes of this appeal, and without making any admissions, Appellant submits that the
5 claims in each group of two or more claims which are rejected on a particular grounds stand or fall
together as set forth below, in reference to the particular rejections set forth in the Final Office
Action mailed July 26, 2001 (hereafter the "Final Action"). In accordance with 37 C.F.R.
§1.192(c)(7), Appellant has set forth the reasons for these groupings in Appellant's Argument
section below.

10 **Rejections in paragraph 7 of the Final Action:**

Claims 1-2, 12-15, 18-19, 26, 28, 30, 35-36, and 41 stand or fall together, independent of
Claims 11, 25, and 39.

Claims 11, 25, and 39 stand or fall together, independent of Claims 1-2, 12-15, 18-19, 26,
28, 30, 35-36, and 41.

15 **Rejections in paragraph 8 of the Final Action:**

Claims 3-4, 6-10, and 20-23 stand or fall together, independent of Claims 5, 29, 31, and 37.

Claims 5, 29, 31, and 37 stand or fall together, independent of Claims 3-4, 6-10, and 20-23.

Rejections in paragraph 9 of the Final Action:

Claims 32, 34, 38, and 42-44 stand or fall together.

20 **Rejections in paragraph 10 of the Final Action:**

Claims 24 and 27 stand or fall together, independent of Claim 33.

Claim 33 stands or falls independent of Claims 24 and 27.

VIII. ARGUMENT

5 A. The Examiner improperly relied on U.S. Patent No. 6,216,111 B1 (Walker et al) as teaching certain limitations of Appellant's independent Claim 1, namely "determining the price of [a] product [...] said price being [...] scaled to the performance of [a] buyer [...] while participating in a Price-Determining-Activity (PDA)", and then for subsequently rejecting Claim 1 and all claims dependent thereon.

In the Final Action, the Examiner rejected independent Claim 1, and each claim dependent thereon, as follows: Claims 1, 2, 11, 12, and 28 were rejected as unpatentable over U.S. Patent No. 5,855,008 (Goldhaber et al) in view of Walker et al (Final Action, ¶7);
10 Claims 3-10, 22, 23, and 29 were rejected over Goldhaber et al in view of Walker et al and U.S. Patent No. 5,269,521 (Rossides) (Final Action, ¶8); Claim 24 was rejected as unpatentable over Goldhaber in view of Walker et al, Rossides, and U.S. Patent No. 5,816,918 (Kelly et al) (Final Action, ¶10).

15 Of the aforementioned claims, only Claim 1 is independent, and the others are dependent thereon. Claim 1 recites "determining the price of [a] product [...] said price being [...] scaled to the performance of [a] buyer [...] while participating in a Price-Determining-Activity (PDA)." (See Appendix, Claim 1.)

20 The Examiner has relied on Walker et al as teaching or suggesting these limitations (Final Action, page 4, first full paragraph), and based on that reliance the Examiner then rejected Claim 1 and all claims dependent thereon as stated above. Appellant respectfully disagrees with the Examiner, because Walker et al does not teach or suggest "determining the price of [a] product [...] said price being [...] scaled to the performance of [a] buyer [...] while participating in a Price-Determining-Activity (PDA)."

25 A PDA is described in detail in Appellant's original specification as an activity which is performed and which performance thereof is used to determine the price of the product.

(See, e.g., page 2, lines 13-16; page 3, lines 1-4; page 6, lines 19-22; page 9, lines 15-19; Example on page 9, line 20, through page 11, line 7; and page 13, line 4, through page 17, line 5.) Thus, the price of the product is determined based upon the performance of the buyer during the PDA. That is, the performance has a direct effect on the determination of the price of the product. Furthermore, the price is scaled to the performance of the buyer during the PDA, such that the better the buyer performs during the PDA, the lower the price will typically be of the product being purchased. (See, e.g., Original Specification at page 3, lines 13-22; page 14, lines 1-9.)

Walker et al does not teach or suggest such a connection between a PDA, a performance during a PDA, and the price of the product. Rather, Walker et al is directed to the field of attention brokerage - that is, paying a customer for the customer's attention. The following portions of Walker et al, with emphasis added, clearly illustrate this point: "A system is described ... *thereby providing the customer with an incentive to listen to the telephone sales presentation*" (Abstract); "An invitation is communicated to a consumer regarding an *opportunity to receive a sales presentation in exchange for a value*" (Abstract); "The program is further adapted to *initiate a transfer of the value to the consumer in response to the consumer receiving the sales presentation*" (Abstract); "The present invention relates to ...*providing an incentive for prospective customers to listen to a telemarketing sales presentation*" (Col. 1, lines 5-9); "The present invention ... *[provides] the customer with an incentive to listen to the telephone sales presentation.*" (Col. 2, lines 55-60); "In our invention, an invitation is communicated to a consumer regarding an *opportunity to receive a sales presentation in exchange for a value*" (Col. 2, lines 63-65); "the program is further adapted to *initiate a transfer of the value to the consumer in*

response to the consumer receiving the sales presentation" (Col. 3, lines 6-8); "The customer is given a monetary credit on his credit card as a reward for listening to the sales presentation" (Col. 3, lines 18-21); "the amount to be credited to that customer's account as a reward for his listening to the sales presentation and answering the associated questions" (Col. 4, lines 65-67); "The offer ... indicates an award which the customer can earn simply by calling the telephone number, listening to a sales presentation and answering questions" (Col. 5, lines 21-24); "with the awards for listening to the sales presentation being credited to the customer's telephone bill" (Col. 8, lines 25-27); "offering information and real-time awards selected to ensure customer attention and interest" (Col. 8, line 65 through Col. 9, line 1).

Walker et al thus teaches paying a customer for the customer's attention. The attention may be attention to a sales presentation, but ultimately the customer is paid simply for their attention (see cites above). Walker et al does not teach or suggest a price determining activity (PDA) used to determine the price of a product being sold. In fact, Walker et al describes payment to the consumer, not from the consumer, and the payment is consistently described as a direct credit to the customer's credit card or other account. (See, e.g., Walker et al: Col. 3, lines 18-21; Col. 5, line 67 through Col. 6, line 2; Col. 6, lines 29-32; Col. 6, lines 42-46; Col. 6, lines 65-67; Col. 7, lines 60-67; Col. 8, lines 23-26; Col. 8, lines 50-53; Col. 8, lines 57-61.) Significantly, the customer receives the payment in exchange for their attention to a sales presentation, whether or not the customer actually purchases a product offered during the presentation. (See, e.g., Walker et al: Col. 5, lines 20-24; Col. 6, lines 39-46.)

No matter how Walker et al is viewed, it simply does not disclose or suggest determining the price of a product by use of a Price-Determining-Activity, let alone by scaling the price to the buyer's performance while participating in the PDA. Appellant thus submits that while Appellant's Claim 1 recites that the product price is scaled to the buyer's performance while participating in a PDA, Walker et al merely describes paying a consumer for the consumer's attention, independent of the price of any product, and independent of whether the consumer even purchases any product. To further highlight this distinction in Appellant's Claim 1 versus Walker et al, the following examples are provided:

Example 1

A man is walking to the store to buy a product for \$100. Along the way, he finds a \$20 bill. Upon arriving at the store, he buys the product for \$100, and pays the cashier for it with a \$100 bill. He thus paid \$100 for the product. The price of the product was \$100, and he paid the cashier \$100. The man could have used the \$20 bill towards the product, but instead he saved it to use for something else, maybe even to pay off an old debt. He also could have kept the \$20 bill and decided not to go to the store at all. In either case, the \$20 bill he found was certainly welcomed, but it did not affect the price of the product, which remained fixed at \$100. The two events (finding the \$20 bill and purchasing the product for \$100) are completely independent.

Example 1 thus could not properly be used to reject Appellant's Claim 1, because in Example 1 the price of the product was fixed at \$100 and was not "scaled to the performance of the buyer [...] while participating in a Price-Determining-Activity (PDA)", as recited in Appellant's Claim 1.

The disclosure in Walker et al is similar to Example 1, because the price of a product offered in Walker et al is also fixed, and not "scaled to the performance of the buyer [...] while participating in a Price-Determining-Activity (PDA)". The credit provided in Walker et al is similar to the \$20 bill found by the man in Example 1, because it is extra money and it is not related to the price of any product being offered. Further, the consumer in Walker et al (like the man in Example 1) could keep the credit without ever having to "go to the store" to buy the product.

Thus, similar to Example 1, Walker et al could not properly be used to reject Appellant's Claim 1.

Example 2

A man owes \$50 on a credit card bill, or a telephone bill. He is told that if he performs an activity (e.g., listening to an advertisement), he will receive a \$10 credit, thus reducing the balance owed to \$40. He is also given the opportunity to purchase the product being advertised for \$100.

Again, the \$10 credit will certainly be welcomed, but the \$10 does not affect the price of the product. The extra \$10 credit did not reduce the price of the product to \$90, but instead the \$10 was used to pay off an old debt for a separate product previously purchased with the credit card. He also could have kept the \$10 credit after listening to the advertisement, never having purchased any product at all. The two events (receiving the \$10 credit and purchasing a product) are completely independent.

Example 2 thus could not properly be used to reject Appellant's Claim 1, because in Example 2 the price of the product was again fixed (at \$100) and was not "scaled to the

performance of the buyer [...] while participating in a Price-Determining-Activity (PDA)", as recited in Appellant's Claim 1.

The disclosure in Walker et al is also similar to Example 2, because the price of a product offered in Walker et al is also fixed, and not "scaled to the performance of the buyer [...] while participating in a Price-Determining-Activity (PDA)". The credit provided in Walker et al is similar to the \$10 credit in Example 2, because it is extra money paid directly to the consumer's credit card or credited to the consumer's phone account, and it is not related to the price of a product being offered. (See, e.g., Walker et al, Col. 6, lines 65-67; Col. 8, lines 25-27.) Further, the consumer in Walker et al (like the man in Example 2) could keep the credit without ever having to buy any product.

Thus, similar to Example 2, Walker et al could not properly be used to reject Appellant's Claim 1.

Example 3

A man is invited to attend a seminar or sales presentation, and is offered free merchandise or services if he agrees to attend. (See, e.g., Walker et al, Col 1, lines 13-16.) Offers of this type are common in Palm Springs, California, wherein the presentation is for time share condos (the "product"), and the free services are a weekend at a Palm Springs resort. Assume the condo is being offered at \$200,000, and the free resort weekend is valued at \$300.

If the man attends, he receives the package deal worth \$300, *whether or not he buys the product*. He is paid simply for his time or attention in which he listened to the sales presentation for the product. If he buys the product, the price is still fixed at \$200,000. Again, the \$300 package will certainly be welcomed, but the \$300 does not affect the price

of the product. The extra \$300 did not reduce the price of the product to \$199,700, but instead the \$300 was realized in the form of a weekend at a resort. The two events (realizing the \$300 package deal and purchasing the condo) are completely independent.

5 Example 3 thus could not properly be used to reject Appellant's Claim 1, because in Example 3 the price of the product was again fixed (at \$200,000) and was not "scaled to the performance of the buyer [...] while participating in a Price-Determining-Activity (PDA)", as recited in Appellant's Claim 1.

10 The disclosure in Walker et al is also similar to Example 3, because the price of the product offered in Walker et al is also fixed, and not "scaled to the performance of the buyer [...] while participating in a Price-Determining-Activity (PDA)". The credit provided in Walker et al is similar to the \$300 realized in Example 3, because it is an extra benefit and it is not related to the price of a product being offered. Further, the consumer in Walker et al (like the man in Example 3) could keep the credit without ever having to buy the product.

15 Thus, similar to Example 3, Walker et al could not properly be used to reject Appellant's Claim 1.

Summary Of Examples

20 In each of the aforementioned examples, as in Walker et al, the price of the product being offered is fixed. A separate benefit is provided to the consumer for a reason independent of the price of the product, and the benefit itself is independent of the price of the product. Similarly, in Walker et al, the extra benefit is in the form of an instant credit to the consumer's credit card or other account, and is paid to the consumer in exchange for the consumer's attention while listening to a presentation. In the aforementioned examples, the extra benefit is cash found by chance (Example 1), or a payment for the consumer's attention

similar to Walker et al (Examples 2 and 3). Such benefits (in Walker et al and in the
aforementioned examples), are totally independent of determining the price of the product
being offered. The price of the product being offered is fixed.

5 Appellant's Claim 1, on the other hand, recites a direct link between a Price-
Determining-Activity (PDA) and the price of the product, namely "determining the price of
[a] product [...] said price being [...] scaled to the performance of [a] buyer [...] while
participating in a Price-Determining-Activity (PDA)."

10 The recited limitation(s) are not obvious over Walker et al, because linking the price
of a product to a performance during a PDA (Appellant's Claim 1) is completely different
from paying someone for their attention (Walker et al). In the former, the *price of the
product is not fixed*, and the seller hopes to close the sale by allowing the buyer to lower the
price based upon the buyer's performance while participating in a PDA. In the latter, the
15 *price of the product is fixed*, and the seller hopes to close the deal by ensuring the buyer
listens to the seller's sales presentation, which is why the seller pays the buyer for the buyer's
attention. These two sales strategies represent two completely different methodologies.

Based on the arguments set forth herein, Appellant respectfully submits that
independent Claim 1, and all claims dependent thereon, are patentable over the cited art, and
the Examiner's rejections should be withdrawn.

20 B. The Examiner improperly relied on U.S. Patent No. 6,216,111 B1 (Walker et al) as teaching
certain limitations of Appellant's independent Claim 13, namely "assigning a price to [a]
product, said price being scaled to the performance of [a] buyer [...] while participating
in a Price-Determining-Activity (PDA)", and then for subsequently rejecting Claim 13 and
all claims dependent thereon.

25 In the Final Action, the Examiner rejected independent Claim 13, and each claim
dependent thereon, as follows: Claims 13-15, 18, 25, 26, and 30 were rejected as

unpatentable over Goldhaber et al in view of Walker et al (Final Action, ¶7); Claim 31 was rejected over Goldhaber et al in view of Walker et al and Rossides (Final Action, ¶8); Claim 32 was rejected over Goldhaber et al in view of Walker et al and Kelly et al (Final Action, ¶9); Claims 27 and 33 were rejected as unpatentable over Goldhaber, in view of Walker et al, Rossides, and Kelly et al (Final Action, ¶10); Claim 17 was rejected as unpatentable over Goldhaber, in view of Walker et al, Kelly et al, and Rossides (Final Action, ¶12).

Of the aforementioned claims, only Claim 13 is independent, and the others are dependent thereon. Claim 13 recites "assigning a price to [a] product, said price being scaled to the performance of [a] buyer [...] while participating in a Price-Determining-Activity (PDA)". (Appendix, Claim 13.)

The Examiner has relied on Walker et al as teaching or suggesting these limitations (Final Action, page 4, first full paragraph), and based on that reliance the Examiner then rejected Claim 13 and all claims dependent thereon as stated above. Appellant respectfully disagrees with the Examiner, because Walker et al does not teach or suggest "assigning a price to [a] product, said price being scaled to the performance of [a] buyer [...] while participating in a Price-Determining-Activity (PDA)".

Appellant's arguments are set forth herein in paragraph VIII.A, and Appellant hereby incorporates the arguments herein by reference.

Based on the arguments set forth herein, Appellant respectfully submits that independent Claim 13, and all claims dependent thereon, are patentable over the cited art, and the Examiner's rejections should be withdrawn.

C. The Examiner improperly relied on U.S. Patent No. 6,216,111 B1 (Walker et al) as teaching certain limitations of Appellant's independent Claim 19, namely a computer server programmed to "assign a price to [a] product, said price being scaled to the performance of [a] buyer [...] while participating in a Price-Determining-Activity (PDA)", and then for subsequently rejecting Claim 19 and all claims dependent thereon.

In the Final Action, the Examiner rejected independent Claim 19, and each claim dependent thereon, as follows: Claim 19 was rejected over Goldhaber et al in view of Walker et al (Final Action, ¶7); Claims 20 and 21 were rejected over Goldhaber et al in view of Walker et al and Rossides (Final Action, ¶8); Claim 34 was rejected over Goldhaber et al in view of Walker et al and Kelly et al (Final Action, ¶9).

Of the aforementioned claims, only Claim 19 is independent, and the others are dependent thereon. Claim 19 recites a computer server programmed to "assign a price to [a] product, said price being scaled to the performance of [a] buyer [...] while participating in a Price-Determining-Activity (PDA)." (Appendix, Claim 19.)

The Examiner has relied on Walker et al as teaching or suggesting these limitations (Final Action, page 4, first full paragraph), and based on that reliance the Examiner then rejected Claim 19 and all claims dependent thereon as stated above. Appellant respectfully disagrees with the Examiner, because Walker et al does not teach or suggest a computer server programmed to "assign a price to [a] product, said price being scaled to the performance of [a] buyer [...] while participating in a Price-Determining-Activity (PDA)."

Appellant's arguments are set forth herein in paragraph VIII.A, and Appellant hereby incorporates the arguments herein by reference.

Based on the arguments set forth herein, Appellant respectfully submits that independent Claim 19, and all claims dependent thereon, are patentable over the cited art, and the Examiner's rejections should be withdrawn.

5 D. The Examiner improperly relied on U.S. Patent No. 6,216,111 B1 (Walker et al) as teaching certain limitations of Appellant's independent Claim 35, namely "assigning a price to [a] product, said price being scaled to the performance of [a] buyer [...] during a Price Determining Activity (PDA)", and then for subsequently rejecting Claim 35 and all claims dependent thereon.

10 In the Final Action, the Examiner rejected independent Claim 35, and each claim dependent thereon, as follows: Claims 35-36, 39, and 41 were rejected over Goldhaber et al in view of Walker et al (Final Action, ¶7); Claim 37 was rejected over Goldhaber et al in view of Walker et al and Rossides (Final Action, ¶8); Claims 38, and 42-44 were rejected over Goldhaber et al in view of Walker et al and Kelly et al (Final Action, ¶9); Claim 40 was rejected over as applied to Claim 35, and further in view of Goldhaber et al, Walker et al, and Rockoff: Design of an Internet-based system for remote Dutch Auctions" (Final Action, ¶11).

15 Of the aforementioned claims, only Claim 35 is independent, and the others are dependent thereon. Claim 35 recites "assigning a price to [a] product, said price being scaled to the performance of [a] buyer [...] during a Price Determining Activity (PDA)". (Appendix, Claim 35.)

20 The Examiner has relied on Walker et al as teaching or suggesting these limitations (Final Action, page 4, first full paragraph), and based on that reliance the Examiner then rejected Claim 35 and all claims dependent thereon as stated above. Appellant respectfully disagrees with the Examiner, because Walker et al does not teach or suggest "assigning a price to [a] product, said price being scaled to the performance of [a] buyer [...] during a Price Determining Activity (PDA)."

25 Appellant's arguments are set forth herein in paragraph VIII.A, and Appellant hereby incorporates the arguments herein by reference.

Based on the arguments set forth herein, Appellant respectfully submits that independent Claim 35, and all claims dependent thereon, are patentable over the cited art, and the Examiner's rejections should be withdrawn.

- 5 E. Claims which recite use of an auction to partially determine the price of a product are separately patentable from the claims from which they depend.

As set forth in Paragraph VII herein, Appellant submits that of the claims rejected in ¶7 of the Final Action, Claims 11, 25, and 39 are separately patentable from the others because Claims 11, 25, and 39 each recite that the price is determined at least partially upon either "participation of the buyer in" (Claims 11 and 39) or "results of" (Claim 25) "an
10 auction." Based on these limitations, Claims 11, 25, and 39 are separately patentable, as is Claim 40 which depends from Claim 39.

Using an auction as an additional factor in determining the price of a product is not obvious over the cited art, because though auctions were known in the art, auctions were not used in combination with a PDA in which the price of a product was scaled to the
15 performance of a buyer while participating in the PDA. The portion of Goldhaber et al relied on by the Examiner in the Final Action to reject these claims (Goldhaber, Col. 4, lines 63-64) merely discloses an auction in the context of attention brokerage, not in the context as set forth in Appellant's claims. As stated herein previously, attention brokerage and price reduction represent two completely different sales methodologies.

- 20 F. Claims which recite use of a video game as the Price-Determining Activity (PDA) are separately patentable from the claims from which they depend.

As set forth in Paragraph VII herein, Appellant submits that of the claims rejected in ¶8 of the Final Action, Claims 5, 29, 31, and 37 are separately patentable from the others. Similarly, of the claims rejected in ¶10 of the Final Action, Claim 33 is separately patentable

from the others. Claims 5, 29, 31, 33, and 37 each recite that "the PDA is a video game".

Based on these limitations, Claims 5, 29, 31, 33, and 37 are separately patentable.

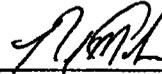
Using a video game as a Price-Determining Activity is not obvious over the cited art, because though video games were known in the art, video games were not used to determine the price of a product by scaling the price to a performance while participating in the video game. Appellant accepts the Examiner's reliance on Official Notice of video games in that video games are popular, but Appellant disagrees with the Examiner's assertion that use of video games as a PDA was obvious merely because the games are popular.

IX. CONCLUSION

For the foregoing reasons, Appellant submits that the Examiner's rejections of Claims 1-15 and 17-44 were erroneous, and reversal of the rejections is respectfully requested.

Respectfully submitted,

DATE: November 15, 2001

By  _____

Neal M. Cohen
Reg. 41,683
Customer Number 23410
Attorney for Appellant

Law Offices of Neal M. Cohen
2424 S.E. Bristol Street, Suite 300
Newport Beach, California 92660
TEL: (949) 724-1849
FAX: (949) 724-8806



X. APPENDIX - CLAIMS ON APPEAL

1. A method of doing business over a global communications network comprising the steps:
 - communicating to a buyer via the global communications network, a description of a
5 product;
 - accepting a first request from the buyer to buy the product for a price to be determined
within a price range;
 - accepting a second request from the buyer to allow the price to be determined based upon a
performance of the buyer while participating in a Price-Determining-Activity (PDA);
10 receiving data from the buyer over the global communications network, said data
representing the performance of the buyer during the PDA; and
 - determining the price of the product based at least partially upon the data received, said price
being within the price range and scaled to the performance of the buyer.
2. The method of claim 1, further comprising the step of accepting payment information
15 from the buyer over the global communications network.
3. The method of claim 1, further comprising the step of presenting to the buyer over the
global communications network, a plurality of PDAs to choose from, said presentation of the
plurality of PDAs occurring before accepting the second request from the buyer.
4. The method of claim 3, further comprising the step of presenting price determination
20 rules to the buyer over the global communications network, said price determination rules being
associated with the plurality of PDAs.
5. The method of claim 4, wherein the PDA is a video game.

6. The method of claim 1, further comprising the step of associating the PDA with the product based at least partially upon a number of participants required for execution of the PDA.
7. The method of claim 1, further comprising the step of sending price data to the buyer via the global communications network, said price data representing the price.
- 5 8. The method of claim 1, further comprising the step of accepting offer data from the seller representing an offer from the seller to sell the product within the price range.
9. The method of claim 1, wherein the PDA requires participation of at least one participant in addition to the buyer.
10. The method of claim 1, wherein the steps of accepting the first request from the buyer, 10 accepting the second request from the buyer, and receiving the performance data from the buyer, are performed by a master controller.
11. The method of claim 1, wherein the price is determined at least partially upon participation of the buyer in an auction.
12. The method of claim 1, wherein the global communications network is the Internet.
- 15 13. A method of determining a price of a product using a global communications network, comprising the steps:
- communicating to a buyer via the global communications network, data representing a plurality of products available, said plurality of products including a first product;
- accepting acknowledgement from the buyer representing an intent of the buyer to buy the 20 first product at a price to be determined based upon a performance of the buyer while participating in a Price-Determining-Activity (PDA), said acknowledgement being communicated over the global communications network;
- determining the performance of the buyer; and

assigning a price to the product, said price being scaled to the performance of the buyer.

14. The method of claim 13, further comprising the step of receiving data over the global communications network representing an election of the buyer to select the PDA.

15. The method of claim 13, further comprising the step of accepting payment information
5 from the buyer over the global communications network.

17. The method of claim 32, wherein the PDA is adapted to accommodate participation of a second participant.

18. The method of claim 13 wherein the price is dependent at least partially upon a bid selected by the buyer.

10 19. A system for conducting e-commerce over a global communications network, comprising:

a computer server having access to the global communications network, and being programmed to:

15 a) communicate to a buyer via the global communications network, data representing a plurality of products, said plurality of products including a first product;

b) accept acknowledgement from the buyer representing an intent of the buyer to buy the first product at a price to be determined dependent on a performance of the buyer while participating in a Price-Determining-Activity (PDA), said acknowledgement being communicated over the global communications network;

20 c) determine the performance of the buyer based upon data received over the global communications network; and

d) assign a price to the product, said price being scaled to the performance of the buyer.

20. The system of claim 19, wherein the PDA comprises computer-executable code sent to the buyer over the global communications network.

21. The system of claim 20, wherein the server is further programmed to process payment information of the buyer communicated over the global communications network.

5 22. The method as in claim 1, wherein the price is determined at least partially upon an offer received from the buyer.

23. The method as in claim 9, further comprising the step of determining the price based at least partially upon a competition between the buyer and the at least one participant using the PDA.

10 24. The method as in claim 23, wherein the at least one participant is a second buyer, and further comprising the steps of accepting a second request from the second buyer to buy the product for a second price to be determined within the price range, and determining said second price based at least partially upon the competition.

25. The method as in claim 13, wherein the price is determined at least partially upon results of an auction.

15 26. The method as in claim 13, wherein the price is determined at least partially upon an offer received from the buyer.

27. The method as in claim 17, further comprising the step of determining the price based at least partially upon a competition between the buyer and the second participant using the PDA.

28. The method of Claim 1, wherein the PDA is selected by the buyer.

20 29. The method of Claim 1, wherein the PDA is a video game.

30. The method of Claim 13 wherein the PDA is selected by the buyer.

31. The method of Claim 13, wherein the PDA is a video game.

32. The method of Claim 13, further comprising the step of determining a price range prior to determining the performance of the buyer, said price range having a lower limit associated with a best performance, and an upper limit associated with a worst performance, and wherein the price assigned to the product is within the price range.

5 33. The method of Claim 32, wherein the PDA is a video game.

34. The system of Claim 19, wherein the server is further programmed to determine a price range prior to determining the performance of the buyer, said price range having a lower limit associated with a best performance, and an upper limit associated with a worst performance, and wherein the server is further programmed to assign the price to the product within the price range.

10 35. A method of assigning a price to a product comprising the steps:

determining a performance of a buyer during a Price Determining Activity (PDA); and
assigning a price to the product, said price being scaled to the performance of the buyer.

36. The method of Claim 35, further comprising the step of determining a price range prior to determining the performance of the buyer, said price range having a lower limit associated with a
15 best performance, and an upper limit associated with a worst performance, and wherein the price is within the price range.

37. The method of Claim 36, wherein the PDA is a video game.

38. The method of Claim 36, further comprising the step of setting a difficulty level of the PDA based at least in part on an average target price for the product.

20 39. The method of Claim 36, wherein the price is determined at least partially based upon participation of the buyer in an auction.

40. The method of Claim 39, wherein the auction is a reverse auction.

41. The method of Claim 35, further comprising the step of determining a target price prior to determining the performance of the buyer, said target price being selected by the buyer, and wherein the price is not greater than the target price.

42. The method of Claim 35, further comprising the step of selecting the PDA based at least
5 in part on a minimum price associated with the product.

43. The method of Claim 35, further comprising the step of selecting the PDA based at least in part on a skill level of the buyer.

44. The method of Claim 35, further comprising the step of setting a difficulty level of the PDA based at least in part on an average target price for the product.