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Applicants: Joseph J. Caldas
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Examiner: Bruce I. Ebersman
Art Unit: 3694

Watchung, New Jersey

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AMENDMENT B UNDER RULE 116

Commissioner for Patents

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Sir:

In response to the Office Action mailed 02/20/2008, the applicant requests that this application be amended as follows:

CLAIMS: Amendments to the Claims begin on page 2 of this amendment.

REMARKS: Remarks begin on page 10 of this amendment.

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Claims

The following is a listing of all Claims in the application with their status and the text of all active Claims.

1-20 (CANCELED)

21. (CURRENTLY AMENDED) A computer implemented method of conducting a secondary market securities auction on a computer network, including standard network apparatus, including the steps of:

- (a) using a website on the internet to list specific lots of outstanding secondary market securities for sale and request bids from participants to buy the securities;
- (b) displaying on said website bids from said participants for buying said specific lots of secondary market securities including the price of said bids such that said bids including the bid prices thereof are available to all participants immediately upon entry of said bids and throughout the auction;
- (c) providing real-time dynamic updating on said web site of information pertaining to the auction including whether or not the secondary market securities traded;

whereby all participants have equal access to and knowledge of bids to enable informed trading decisions.

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22. (ORIGINAL) The method defined in Claim 21, including the step of dynamically updating the display of new bids including the amount and price of said bids in real time on said web site wherein said web site and the data thereof is accessible to all bidders or participants as the auction proceeds such that all participants have equal, open access to all the bids.

23. (ORIGINAL) The method defined in Claim 21, including the step of providing a host computer network including a computer having databases and programs comprising said web site to be accessed by participants.

24. (ORIGINAL) The method defined in Claim 23, including the step of searching on an auction search screen of said web site through a database of available auction items, using specified criteria, to find the type of security desired to be traded, wherein results of said search are displayed on said web site.

25. (ORIGINAL) The method defined in Claim 24, including the step of accessing an auction detail screen of the computer network showing all bids made in priority order and other information pertinent to the auction including links to other functions concerning the status of the auction and the securities being auctioned including:

(a) independent evaluations

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- (b) spreads to indicative yield curves
- (c) links to calculations
- (d) links to historical bid, offering and trade data
- (e) forms for submitting bids
- (f) forms for selling orders.

whereby substantially all information available on a specific auction and the securities thereof and substantially any permissible action which may be taken by a participant are accessible from a single location web page by all participants.

26. (CURRENTLY AMENDED) The method defined in Claim 25, including the step of accessing a program alert screen of the computer network wherein criteria is selected for notification of activity pertaining to the auction or the overall market, including activity of participants, specific securities or types of securities.

27. (ORIGINAL) The method defined in Claim 23, further including the step of accessing the computer network using a standard Java script enabled web browser.

28. (ORIGINAL) The method defined in Claim 23, further including step of a seller optionally executing a trade within a specified time frame wherein all data pertinent to the sale of the securities including the prices of all bids is displayed on a screen accessible to all participants.

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29. (CURRENTLY AMENDED) A secondary market securities auction system including a computer having programs providing the means for:

- (a) listing lots of secondary market securities to request bids from participants;
- (b) displaying bids from participants on said lots of secondary market securities to all participants during an auction;
- (c) automatically updating all bids on said lots of secondary market securities while said bids are displayed on a real time basis such that all participants have equal, open access to all the bids as the auction proceeds.

30. (ORIGINAL) The system defined in Claim 29, wherein said computer has databases and programs for searching information on the securities and auction, and for alerting participants as to activity pertaining to the auction.

31. (CURRENTLY AMENDED) The system defined in Claim 30 wherein said databases and programs dynamically create and display to participants of the auction, various graphic user interfaces comprising the means for:

- (a) submitting ~~items~~ lots of secondary market securities for auction,
- (b) submitting bids for said lots of secondary market securities ,

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- (c) permitting sellers and bidders to ~~execute~~ participate in secondary market securities trades auctions using the Internet.

32. (CURRENTLY AMENDED) A system for secondary market securities trading including in combination:

- (a) a computer system including a website containing specific lots of secondary market securities to be auctioned;
- (b) said web site providing graphic user interfaces for potential buyers of said specific lots of secondary market securities to enter bids for purchasing said specific lots of secondary market securities;
- (c) said computer system having programs for displaying all bids, immediately upon entry and throughout the auction, received for said lots of secondary market securities on said web site such that the bids, including the bid prices are accessible to all bidders and observers whereby potential buyers are enabled to have knowledge of the status of the auction as it proceeds and to assist the potential buyers in deciding whether to enter a bid and the price of the bid to be entered.

33. (CURRENTLY AMENDED) The system defined in Claim 32, wherein said computer system has programs for receiving and displaying requests for bids by a potential seller of specific lots of secondary market securities wherein said lots of

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secondary market securities are inserted in the system by submitting data pertinent to said lots of secondary market securities including a CUSIP or other unique identifier and the par amount.

34. (ORIGINAL) The system defined in Claim 32 wherein potential buyers and sellers of securities may access said web site of said computer system with a standard JavaScript enabled web browser on a computer via the Internet or through a proprietary direct connection wherein full functionality of the system, including dynamic real-time updating of content, is available.

35. (CURRENTLY AMENDED) A computer implemented method of trading securities in the secondary market on a computer network, including programs and standard network apparatus, including the steps of:

- (a) a potential seller requesting bids for specific lots of secondary market securities utilizing a program of said computer network wherein said request requires the submission of data including a CUSIP or other unique identifier and the par amount of each said specific lot of secondary market securities
- (b) displaying said specific lots of secondary market securities to be sold on a website of said computer network

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- (c) receiving and displaying on said website bids to purchase each said specific lot of secondary market securities,
- (d) displaying all said bids immediately upon entry on said website such that all bidders, potential bidders and sellers have access to said bids as the auction proceeds.

36. (CURRENTLY AMENDED) The method defined in Claim 35, further including the step of the seller reviewing the bids on the website utilizing a program of said computer network and, at said sellers discretion, entering into said website that said specific lot of securities are for sale at a price bid by the highest bidder wherein the current trade status of the lot of securities is explicitly displayed to all participants and updated as necessary.

37. (ORIGINAL) The method defined in Claim 35, including the steps of:

- (a) entering a bid greater than the current high bid plus a predetermined increment;
- (b) entering a maximum bid where said maximum bid is not disclosed to any participants;
- (c) automatically increasing the bid in one or more predetermined increments to top out a new submitted competitive high bid but not to exceed said maximum bid.

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whereby a bidder may implement a predetermined decision to automatically increase bids based on market competition.

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Remarks

Claim Objections

1. The applicant has modified Claim 31 (C) to state “permitting sellers and bidders to ~~execute~~ participate in secondary market securities trades auctions using the Internet.” The applicant accepts the examiners assumption that securities trades are basically exchanging securities for money. The present invention provides a novel and non-obvious method to determine the price at which such an exchange takes place. The result of a successful auction is the consummation of a trade. This modification is made to clearly define the subject matter that the applicant regards as his invention, which is the system and method of the auction as opposed to one of the multiple results achieved.

Claim Rejections - 13 USC 101

The applicant has modified Claims 21-26, 35-37 to positively recite the other statutory class to which it is tied namely Computer implemented methods

Claim Rejections - 35 USC 112

It is the intent of the applicant to Claim secondary market offerings. Therefore the applicant has modified the body of the Claims 21,29,32,35 to address secondary market type securities as suggested by the examiner.

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Claim Rejections – 13 USC 103

Claim 21

- (a) The Office Action states Harrington discloses “using a web site to list specific lots of outstanding securities for sale...” There are no securities listed in Harrington. What is listed is the potential structure of a New Issue of securities an issuer desires to sell. The underwriting process acts on a completely different material than that of the present invention and produces a completely different outcome.
- (b) (Harrington Col.9 lines 1-15, col. 4, lines 35-45) pertains to the preparation and submission of a bid and the optional display of a current best bid. This differs completely from the Claim, which teaches the display of all bids and the prices thereof to all participants immediately upon entry and throughout the auction. In the present invention there is no discretionary or optional display of data. The present invention teaches complete transparency as to current prices, indeed a novel concept.
- (c) (Harrington col.7, lines 30-47) does not pertain to the subject matter of the Claim namely providing real-time dynamic updating on said web site. The Claim pertains to a technical aspect of the invention that is not addressed in Harrington. Real-time dynamic updating does not require any action on part of the viewer. It means that information displayed on the web site changes as it is viewed when another remote participant updates the information. For example when a new bid

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is entered it automatically updates the screens that may be being viewed by other participants without any action on part of the viewer thus providing real-time (as it happens) dynamic (able to change or adapt as the result of an external force) updating of the web page. This is discussed in the description of the current invention and in the comparative example presented in Amendment A page 24 of the present invention. While the terminology used to describe the data displayed is similar the data itself and the method of display are not. The specific differences in the data points are discussed in Amendment A of this application. As to (col. 9 lines 10-20) the reference teaches the discretionary nature of the selection of the data displayed this is in direct conflict with the teaching of the present invention and the subject matter of the Claim: whereby all participants have equal access and knowledge of bids.

The examiner notes that (col.6, lines 10-30) that specific lots of securities could be a lot of 1 singular security. This is absolutely true. The examiner further notes that Harrington does not explicitly disclose a quantity of securities. This statement is inaccurate. (Col.7 line 38) "the size of the issue" which is the specific par value of the securities to be sold by the issuer that may be spread over various maturities or a single maturity and (col. 9 line 7-8) "a schedule of principal maturity amounts". As cited McCarthy also discloses quantity of securities. It is common practice in securities underwriting and trading and apparent to one of ordinary skill in the art to specify an amount, par value,

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quantity or principal amount (for the most part interchangeable terms) in a securities transaction, bid, offer, auction, purchase or sale. This is not relevant to the subject matter of this Claim. The term specific in this Claim identifies a specific lot of securities not a matching lot that may be available from another party. For example if bidder A has a bid for auction item 1 that bid is good only for auction item 1 even if auction item 2 is an identical lot.

Dependant Claim 22-28 are a fortiori patentable over Harrington and McCarthy

Dependent Claim 22-28 incorporate all the subject matter of Claim 21 and add additional subject matter, which makes them a fortiori and independently patentable over these references.

Claim 22

The reference cited in the Office Action (Harrington col. 12 lines 45-50) does not apply to the same subject as that of Claim 22. Claim 22 is concerned with the manner of updating the display of bids in an auction to ensure equal open access to the bids. The cited reference pertains to the accessibility of a web site that hosts an "auction of an original issue financial instrument" Any web base internet system has the inherent capability to be accessed by global participants, if permitted by the host. This Claim teaches to another matter specifically: the step of dynamically updating the display of new bids including the amount and price of said bids in real time on said web site

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wherein said web site and the data thereof is accessible to all bidders or participants as the auction proceeds such that all participants have equal, open access to all the bids.

Claim 23

Dependent Claim 23 incorporates all the subject matter of Claim 21 and adds additional subject matter, which makes it a fortiori and independently patentable over the references.

Claim 24

Dependant Claim 24 incorporates all the subject matter of Dependent Claim 23, which in turn incorporates all the subject matter of Claim 21 and adds additional subject matter, which makes it a fortiori and independently patentable over the references.

This Claim describes searching for items out for auction using specific criteria as described in the present application (Caldas [0041]). The ref (Harrington col. 7 lines 30-35) simply provides a list of auctions from which to choose. The prior art lacks any suggestion that the reference should be modified in a manner required to meet the Claim.

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Claim 25

Dependent Claim 25 incorporates all the subject matter of Claim 24 and adds additional subject matter, which makes it a fortiori and independently patentable over the references.

- (c) (Harrington col.8, lines 60-65) contains no mention of calculations or the calculator function of the current invention (Caldas [0043]) which to one of ordinary skill in the art would refer to various price and yield computations duration, convexity or extended dollar values among other calculations described in the current application
- (d) Historical bid offering and trade data of this Claim refers to bids offerings and trades from previous auctions or other market sources as disclosed in the present application [0043]. (Col. 9,lines 10-21) pertains to the display of bids on a current auction not other auctions that have past. They are not the same.
- (e) (Col. 7,lines 20-25) The reference refers to a registration page for the system, which is required before a bid may be, submitted not the matter of this Claim which is a form for submitting actual bids (Caldas [0044]).
- (f) (Col. 7,lines 20-25) refers to a registration page for the system which is required before a bid may be submitted not the matter of this Claim which is a form for submitting actual sell orders (Caldas [0043]).

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As to (col.7 lines1-25) The applicant has modified the word "location" to read "Web Page" for clarity these links appear on a single web page "the auction detail screen" the reference refers to a series of web pages, which perform various dissimilar functions. In the current invention all this functionality is available from a single Web Page, the Auction detail described in depth in (Caldas [0043-0044]).

- (a) Independent evaluations of the present invention described in (Caldas [0043]) and credit rating (McCarthy 0078) are not the same thing. Independent evaluations are estimates of actual market prices for individual specific securities credit ratings are an assessment of an issuer's ability to satisfy its debt.
- (b) (McCarthy 0104, yield spreads) is a basis point value spread by which one security trades in relation to another specific security The spread to indicative yield curves of the present invention is a basis point spread to a corresponding point on a representative yield curve of the overall market not the spread to which one security is linked to trade based on the value of another benchmark security. In McCarthy as the value of the benchmark changes the value of the corresponding linked security would change in kind. In the present invention as the value of the security changes the spread to the indicative yield curve would change however the indicative yield curve would remain unaffected. The individual references do not teach what the examiner relies upon them as

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supposedly teaching. Each of the differences is cited above. In every case the reference teaches to different matter than that of the Claim. Even if combined the references would not meet the Claim on any point. Furthermore the motivation of providing access to a wide range of securities has nothing to do with the matter of this Claim. This Claim pertains to the organization and presentation of information on a specific single security. It is a matter of common knowledge that the motivation for a competitive market is an inherent aspect of any auction process.

Claim 29

The applicant's arguments concerning this rejection include many of the points presented in Amendment A of this application in the response to the rejection of Claim 10 rewritten as Claim 29. The addition of McCarthy has no bearing on this argument.

- (a) The Claimed element is to list fungible securities in the secondary market to request bids from auction participants (traders and investors) The ref has to do with soliciting bids on a new issue from underwriters. The terminology is similar but the actual function of the element of the Claim is completely different from that described in (Harrington col. 6 lines 19-45). These are not just different terms for the same thing. It is apparent to one of ordinary skill in the art these are completely different functions in different market spaces performed by

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different participants in a different manner on completely different materials which produce different results.

(b) The ref teaches selective information is optionally displayed There is no such qualification attached to this element of the Claim of the present invention or for that matter anywhere else in the present invention. (Harrington col. 9 lines 1-15, col.4, lines 35-45) The present invention teaches complete transparency which is a new principle of operation. The present invention blazes a trail rather than follows one.

(c) This particular element of the Claim clearly pertains to automatically updating bids while said bids are displayed on a real-time basis... the Ref (Harrington col. 12, lines 45-50) has to do with bidders accessing a real-time auction of an original issue financial instrument. The applicant respectfully submits that the reference does not teach what the examiner relies upon it supposedly teaching. The examiner has noted that Harrington does not explicitly disclose a secondary market and that Harrington is applicable to any securities. This is a valid observation. The applicant would like to note that Harrington describes the difference between secondary and primary (new issue markets) (col.2 lines 49-60) and explicitly states that the invention is directed to original issue auctions which involve distinctly different issues than those associated with the secondary market. While Harrington may be applicable to many other security types there is no indication in the patent (express or implied) that such versatility could be

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applied to anything but the new issue market for said security types. In fact Harrington specifically teaches against this in directing his invention to original issue auctions (Harrington col. 2 lines 57-58)

McCarthy teaches a trading system that is applicable to non-primary offering securities, commonly referred to as secondary market securities as other references also teach. If combined the result would not meet the Claim. The disclosures of Harrington do not equal those of the current invention. The present invention does far more than provide Harrington's auction to the secondary market.

The reference themselves expressly teach away from the suggested combination in that they each specifically state that their perspective inventions relate to a specific market sectors, trading (the secondary market) for (McCarthy 0002) and underwriting, the primary new issue market for Harrington. Harrington elaborates on this further in (col.2 lines 49-60) as cited above.

The motivation of providing access to a wide range of securities and a competitive market has no relevance to the true motivation of the present invention which is repeatedly stated in both the specification and Claims which is to improve the knowledge and transparency of an electronic securities auction by eliminating technical barriers and applying equal open standards to all participants. While the present invention has the capability to provide access to a wide range of securities this functionality has no bearing on the validity or

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usefulness of the present invention. It performs equally as well whether it is applied to a single security or many.

Claim 30

Dependent Claim 30 incorporates all the subject matter of Claim 29 and adds additional subject matter, which makes it a fortiori and independently patentable over the references.

Claim 31

Dependant Claim 31 incorporates all the subject matter of dependant Claim 30 which incorporates all the subject matter of Claim 29 and adds additional subject matter, which makes it a fortiori and independently patentable over the references. To address each cited reference individually:

- (a) Submitting items for auction, (col. 6, lines 19-45) The items most certainly could be bonds and in both cases most likely would be. To clearly define the scope of the Claim the applicant has replaced the term "items" with "lots of secondary market securities". It is apparent to one of ordinary skill in the art that the 2 processes bear no resemblance. This can be clearly established by comparing the reference to the specification of the current invention (Caldas[0038])
- (b) Submitting bids, (col.7 lines 20-25) Again simply for clarity the applicant has added for said lots of secondary market securities to this component of the

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Claim. The cited reference however does not pertain to the actual submission of bids but to process of registering in the system so one may be authorized to submit bids. That is not the subject matter of this Claim or of any other Claim in the present application

- (c) Permitting sellers and bidders to execute securities trades. (col.2, lines 25-30 ref Silverman) This component of the Claim was modified previously in this Amendment to “permitting sellers and bidders to ~~execute~~ participate in secondary market securities trades auctions “ in order to clearly define the subject matter that the applicant regards as his invention, which is the system and method of the auction as opposed to one of the multiple results achieved. The modification should clearly eliminate any objection based on Silverman or any other trade matching system. No component, description or Claim of the present invention has anything to do with a trade matching system concisely defined in the cited reference. The present invention pertains to soliciting bids on individual lots of secondary market securities.

Claim 32

The Office Action states Harrington discloses:

- (a) a computer system including a website containing specific lots of securities to be auctioned (col. 6, lines 16-45) The applicant has modified this Claim to read specific “lots of secondary market securities” Additionally the applicant

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acknowledges that equities and indeed most other securities in the secondary market are sold in lots. This term, to one of ordinary skill in the art, refers to a specific amount of a specific security it is synonymous with the term "item" which the applicant has endeavored to remove from the Claims for sake of clarity. Whether a specific amount of a specific security in the secondary market comprises equity, bond or other type of security it is generally accepted terminology to refer to them as a lot. The term Lots is generally not applicable in the primary market. As stated before in the response to the rejection to Claim 29 the applicant would like to note that Harrington describes the difference between secondary and primary (new issue markets) (col.2 lines 49-60) and explicitly states that the invention is directed to original issue auctions which involve distinctly different issues than those associated with the secondary market. While Harrington may be applicable to many other security types there is no indication in the patent (express or implied) that such versatility could be applied to anything but the new issue market for said security types. In fact Harrington specifically teaches against this in directing his invention to original issue auctions (Harrington col. 2 lines 57-58).

- (b) Said web site providing graphic user interfaces for potential buyers of said specific lots of securities to enter bids for purchasing said specific lots of securities (col. 6, lines 16-45 fig 13) Fig. 13 in Harrington represents a Confirmation, it discloses the structure of a new issue stating specific

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amounts of specific maturities and coupons of the new issue after the successful completion of the auction. At this point Harrington's functionality is completed. This screen shot represents the confirmation of the sale of a new issue. This is not a representation of specific lots of secondary market securities for which bids are requested.

Fig 10 and 11 in Harrington represent an auction bid submittal form for bids on a new issue. Notice there is no coupon displayed, for it has not yet been determined, additionally the principal amounts and even the maturities may be adjusted in some cases to produce a lower TIC (True Interest Cost) to the issuer which is the number (in this particular example) by which a winning bid is determined the lowest TIC is the winning bid. In Harrington this bid may comprise individual bids for specific maturities or an AON (all or none) bid for the entire issue. This provides a potential advantage over prior art in the primary market sector but has no relevance to the secondary market where lots of specific secondary market securities (fungible securities) are dealt with. The process is different, the material acted upon is different and the results are different. This is a key rejection as it has permitted the applicant to clearly describe the complete differences between Harrington and the applicant's invention in a broader sense in addition to responding to the rejection of this specific Claim. These differences would be apparent to one of ordinary skill in the art of trading or underwriting. Bids in the primary and secondary market

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consist of different components and the methods and systems applied to them are accordingly different. The similar terminology applied to both should not occlude this fact. They are not the same. As to the reference to (col.2, line 25-30) this has been addressed above in the response to the rejection to Claim 31(c). No component, description or Claim of the present invention has anything to do with a trade matching system concisely defined in the sited reference. One of ordinary skill in the art of electronic trading systems would most likely refer to the present invention as an RFP (request for proposal) system as opposed to an Order Matching or trade matching System such as that sited in the reference.

(c) Said computer system having programs for displaying bids, immediately upon entry and throughout the auction (Col.7 lines 30-47) the reference does not meet the Claim. The applicant agrees that "view auction results" is correctly interpreted as whether or not the securities were purchased by a participant however, this is not a provision for the non-discretionary immediate disclosure of all bids that is taught in the present invention and is the subject matter of this Claim nor is there anything in Harrington that teaches this.

As to (website disclosed in Harrington Fig 10, website information helps buyer) This was discussed above in the response to part (b) and in fact provides a perfect example of what is not presented in Harrington namely competing bids. (70 in Fig 10) states that bids have been submitted but there

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is no display of the bids as taught in the present invention. Most of the information displayed on the sited web page is required to describe the securities that are for sale. The auction could not occur without the disclosure of this data. There is not data presented in the reference that would that would meet the Claim and assist the potential buyers in deciding whether to enter a bid and the price of the bid to be entered.

As to (col.9, lines 10-20) The reference clearly discloses the discretionary, optional nature of the data that may be displayed. There is no discretion applied in the display of data in the present invention as written in the Claim whereby all participants have equal access to and knowledge of bids to enable informed trading decisions. The reference does not meet the Claim.

As to McCarthy's explicit security quantity teachings. Quantities, amounts, par value, or lot sizes are for the most part synonymous terms. No security transaction can take place without the disclosure of quantities. All the sited references, including Harrington, and all trading systems known to the applicant include this component.

As to the combination, Even if combine the references would not meet the Claim nor would the suggested combination enhance either reference or produce anything new. Each reference is complete and functional in itself so there would be no reason to use parts from or add or substitute parts to any reference. The reference themselves expressly teach away from the

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suggested combination in that they each specifically state that their perspective inventions relate to a specific market sectors, trading (the secondary market) for (McCarthy 0002) and underwriting, the primary new issue market for Harrington. Harrington elaborates on this further in (col.2 lines 49-60)

Claim 33

Dependent Claim 33 incorporates all the subject matter of Claim 32 and adds additional subject matter, which makes it a fortiori and independently patentable over the references.

The Office action notes Harrington discloses bids and offer of securities and a web site to accept orders (fig 13) This was discussed above in the response to the rejection of Claim 32(b). Fig. 13 in Harrington represents a Confirmation, it discloses the structure of a new issue stating specific amounts of specific maturities and coupons of the new issue after the successful completion of the auction. At this point Harrington's functionality is completed. This screen shot represents the confirmation of the sale of a new issue. This is not a representation of specific lots of secondary market securities for which bids are requested.

As to McCarthy's CUSIP; As discussed above in the response to 32(c) concerning McCarthy's teaching of quantities a similar argument applies here. The use of CUSIP or ICIN in secondary market trades is required by regulation in most markets and

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countries. The reason it is not discussed in Harrington is because at the time of the Harrington application CUSIPS were not assigned to a security until it was underwritten in other words until it was issued or created.

As to the combination, even if combine the references would not meet the Claim nor would the suggested combination enhance either reference or produce anything new. Each reference is complete and functional in itself so there would be on reason to use parts from or add or substitute parts to any reference. The reference themselves expressly teach away from the suggested combination in that they each specifically state that their perspective inventions relate to a specific market sectors, trading (the secondary market) for (McCarthy 0002) and underwriting, the primary new issue market for Harrington. Harrington elaborates on this further in (col.2 lines 49-60)

Claim 34

Dependent Claim 34 incorporates all the subject matter of Claim 32 and adds additional subject matter, which makes it a fortiori and independently patentable over the references.

As to the sited reference, the Claim pertains to using a Standard JavaScript enabled browser to access the site, the reference makes no mention of the means to access the site the reference pertains to the various technologies which may be utilized to create the site

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The same reference was site in the previous Office Action in the rejection of Claim 8 rewritten as Claim 27. The same response, previously presented in Amendment A page 16-17, is appropriate here. This is a matter of definition. To reiterate; The reference teaches: "In an alternative embodiment, portions of the source code implementing certain features remains resident on the user's computer, e.g. in the form of applets written in the JAVA language." JavaScript is often confused with the JAVA programming language. They are, in fact, completely different. JavaScript is a scripting language most commonly used on client side web development; it provides an interface to a range of browser capabilities and can be interpreted by commonly used web browsers. Whereas the code written in the JAVA language, used to create an applet, is compiled and interpreted by a virtual machine installed on the end users computer. The applicant teaches the use of different combined technologies intended to solve the problems, inherent to Harrington and other prior art, in the specification of the current application (0012 and 0038). This is discussed further in the Comparative Example provided in Amendment A page 24 and also in the response to the rejection of Claim 10 on page 22 of Amendment A." The technology applied in the present invention is not applied in any of the sited references and the technical problems solved by the present invention are not even recognized in the sited prior art.

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Claim 35

The reference (Harrington col.9, lines 1-15) discloses the display of the potential structure of a new issue yet to be sold on a bid preparation and submission page. Part (b) and (c) of the Claim is for specific lots of secondary securities they are not the same.

The applicant cannot overstate the fact that underwriting and trading are two distinct processes in a market. They are analogous to manufacturing and commerce.

Underwriting creates the product trading provides a method of commerce for the resultant product of the prior process.

Harrington simply does not disclose the elements of this Claim as recited. As stated in the Office Action lots may be a bond or equity and they may be singular. The composition of the lot of secondary market securities, outside of them being a fungible security, has no bearing on the subject matter of this Claim.

- (d) This particular element of the Claim positively recites displaying all bids immediately upon entry (Harrington col.7, line 30-47) teaches the optional display of data. The applicant accepts the Office Action interpretation of view auction results, as such that whether or not the securities were purchased by a participant. This is not an element of this Claim. This Claim pertains to equal knowledge of bids throughout the auction process, which is not taught in any reference. The Claim recites such that all bidders, potential bidders and sellers have access to said bids as the auction proceeds. A novel and

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non-obvious concept in markets that have been previously driven by limited knowledge to certain data.

1. Once again the applicant agrees with the examiners belief that bonds are identified by CUSIP. This particular element of the Claim recites a potential seller requesting bids for specific lots of secondary market securities. The use of CUSIP and Amounts would be assumed by one of ordinary skill in the art. The applicant previously modified this Claim to recite these obviously required data points used in the process to distinguish the Claimed element from that a previous rejection citing Harrington. Harrington does not teach the use of CUSIP because CUSIP does not exist for unissued securities. The use of the term CUSIP and Amount in this Claim list some data points included in the method of the Claim. McCarthy (0068) makes no mention of either. The amount of (Harrington fig. 6) is a Principal Amount. In a new issue that is the size of the particular maturity. The amount of the present invention may be that amount or any permissible lesser incremental amount thereof for which a bid is desired. It is not the principle amount of bonds an issuer desires to sell in a specific maturity of an underwriting.

The combination of the cited references from Harrington and McCarthy do not meet the elements of this Claim. The motivation of creating a market in fixed income trading is not applicable. The market in fixed income trading already exists. The motivation behind this invention is stated in the Claims, this

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document and elaborated upon in the specification. No apparent combination of the cited references would meet the elements of this Claim as recited. The references are individually complete and the combination unsuggested furthermore the references expressly teach away from the suggested combination as discussed earlier.

Claim 36

Dependent Claim 36 incorporates all the subject matter of Claim 35 and adds additional subject matter, which makes it a fortiori and independently patentable over the references.

The Office Action states that Harrington discloses; further including the step of the seller reviewing the bids on the website and, at said sellers discretion, entering into said website that said specific lot of securities are for sale at a price bid by the highest bidder wherein the current trade status of the lot of securities is explicitly displayed to all participants and updated as necessary. The references (Harrington col.6 lines 40-45 bids on a web site) is not the review of bids by the seller, (col.7, lines 30-35 items for sale) is viewing and entering an auction it is not the elements of this Claim as recited, and multiple security lots taught by McCarthy) alone or in any combination do not meet the elements of the Claim. The Claim pertains to the method by which the seller determines if a specific lot of securities is to be sold and the subsequent dissemination

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of that decision to all participants. It is a further step of Claim 35 involving the seller only and the automated subsequent response employed in the method.

Claims 29-31

At this point the Office Action states that Claims 29-31 rejected under 35 U.S.C. 103(a) as being unpatentable over us patent 6161099 to Harrington but does not list any specific reasons or cite any references. The applicant believes these rejections were responded to above and has not treated this as additional rejections.

Claims 25-26,37

The Office Action states that the above Claims were rejected under 103(a) as being unpatentable over Harrington in view of McCarthy and Kaplin

As per Claim 26

Dependent Claim 26 incorporates all the subject matter of Claim 25 and adds additional subject matter, which makes it a fortiori and independently patentable over the references.

For lack of a specifically cited reference in Harrington the applicant will assume Harrington as a whole. Above in the response to the rejection of Claim 29 the applicant wrote. "The disclosures of Harrington do not equal those of the current invention. The present invention does far more than provide Harrington's auction to the secondary

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market. “ This holds true in this matter also. The Kaplin component of this rejection, assumed by the applicant to be (0123), describes an order matching system, the Reverse Inquiry Matrix which matches up buyers and sellers interest. The bond Alert memo is a form by which a seller notifies a potential seller of his specific interest to sell. It would be apparent to one of ordinary skill in the art that this bears no resemblance to the current invention. Order matching systems were cited and discussed above in the response to the rejection of Claim 32(b) The principal of operation is completely different than that of the current invention. Even if combined, and allowing the broadest possible interpretation of the references, the resultant combination would not meet the Claims in any manner. The prior art references do not contain any suggestion (express or implied) that they be combined. The motivation supplied in the Office Action of “determining a market price through mutual competition” Kaplan (0004) is shown as “the important principle in auctioning”. The applicant respectfully submits it would be improper to apply a generalized, broad motivation directly to such a specific element of the invention. If this motivation were valid, it could be applied to any auction process, component or improvement thereof and would render them obvious and therefore unpatentable under 103. Furthermore each reference is complete and functional in itself so there would be no reason to use parts from any other reference.

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As per Claim 27

The Claim pertains to using a Standard JavaScript enabled browser to access the site, the (Harrington col.6, lines 60-65) makes no mention of the means to access the site the reference pertains to the various technologies which may be utilized to create the site The same reference was site in the previous Office Action in the rejection of Claim 8 rewritten as Claim 27. The same response, previously presented in Amendment A page 16-17, is appropriate here. This is a matter of definition. To reiterate; The reference teaches: "In an alternative embodiment, portions of the source code implementing certain features remains resident on the user's computer, e.g. in the form of applets written in the JAVA language." JavaScript is often confused with the JAVA programming language. They are, in fact, completely different. JavaScript is a scripting language most commonly used on client side web development; it provides an interface to a range of browser capabilities and can be interpreted by commonly used web browsers. Whereas the code written in the JAVA language, used to create an applet, is compiled and interpreted by a virtual machine installed on the end users computer. The applicant teaches the use of different combined technologies intended to solve the problems, inherent to Harrington and other prior art, in the specification of the current application (0012 and 0038). This is discussed further in the Comparative Example provided in Amendment A page 24 and also in the response to the rejection of Claim 10 on page 22 of Amendment A." The technology applied in the present invention is not applied in any

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of the cited references and the technical problems solved by the present invention are not even recognized in the cited prior art.

As per Claim 28

Dependent Claim 28 incorporates all the subject matter of Claim 23 and adds additional subject matter, which makes it a fortiori and independently patentable over the references.

The Office action notes that Harrington discloses; further including step of a seller optionally executing a trade within a specified time frame wherein all data pertinent to the sale of the securities including the prices of all bids is displayed on a screen accessible to all participants. (col. 7, 45-50) The reference cited in the Office Action does not meet the elements of the Claim. Harrington does not provide the display of results to all participants (col. 7, lines 45-53). Harrington does not provide for the optional execution of a trade (col. 12, lines 26-30) Additionally, the present invention provides for a specified time frame for execution (0035). The prior art makes no provision for such a time frame.

As per Claim 37

Dependent Claim 37 incorporates all the subject matter of Claim 35 and adds additional subject matter, which makes it a fortiori and independently patentable over the references.

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It appears the office action adds McCarthy (0063) and the additional motivation of McCarthy (0002) creating a market in fixed income trading to the previous rejection from the first office action rejection of the same claim. As to McCarthy (0063) the applicant will assume that the reference "Price range area 520 enables execution minimum 522 and maximum 524 amounts to be specified for the purchase or sale of a security" should read "minimum 522 and maximum 524 prices to be specified" even so the reference goes on to teach that this can be activated by checking box 521. The Claim includes has no such feature. When a maximum bid is entered it is automatically implemented there is no option. An element of the prior-art device has been omitted. As to the combination; the applicant will assume the disclosure of Harrington refers to the discretionary disclosure of information previously cited and discussed, which is a far lesser degree of disclosure than that which is taught in the present invention. No apparent combination of the sited references would meet the elements of this Claim as recited. The claim recites; whereby a bidder may implement a predetermined decision to automatically increase bids based on market competition. The references are individually complete and the combination unsuggested.

As to the motivation McCarthy (0002) the applicant address this above in the response to the rejection of Claim 35 (a) The motivation of creating a market in fixed income trading is not applicable. The market in fixed income trading is

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vibrant. The motivation behind this invention is stated in the Claims, this document and elaborated upon in the specification.

The Office Action further notes that Kaplan teaches a bid topping technology that is not automated and that it would be obvious to one of ordinary skill in the art to automate the feature. The prior art lacks any suggestion that the reference be modified in a manner required to meet the claim. The motivation for the "Top Bid" feature of Kaplan is clearly stated (0065). The applicant's invention solves a different problem than the reference and such different problem is recited in the claims. Harrington, Kaplan, McCarthy or other cited prior art do not even recognize the problem that is solved in an electronic securities auction by the elements of claim 37 whereby a bidder may predetermine to automatically increase bids based on new competitive bids. Inherent to this element would be the ability to implement such discriminative trading decisions on multiple simultaneous auctions. Even if the "Top Bid" feature of Kaplan were to be modified in the manner suggested an element of the prior art device has been omitted: Kaplan (0110) "Upon submission of subsequent bids, the cancellation clock is started for the corresponding buyer". There is no provision for a cancellation clock in the present invention.

Motivation of Kaplan The prior art references do not contain any suggestion (express or implied) that they be combined. The motivation supplied in the Office Action of "determining a market price through mutual competition" Kaplan (0004) is shown as "the important principle in auctioning". The applicant respectfully

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submits it would be improper to apply a generalized, broad motivation directly to such a specific element of the invention. If this motivation were valid, it could be applied to any auction process, component or improvement thereof and would render them obvious and therefore unpatentable under 103. Furthermore each reference is complete and functional in itself so there would be no reason to use parts from any other reference. Harrington, Kaplan and McCarthy each address bidding in a manner appropriate to their respective fields of endeavor. If the references were to be combined they would not meet the elements of this Claim.

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Conclusion

For all the reasons given above the applicant respectfully submits that the errors sited in the Office action have been corrected,

Claim Objections

1. The Claim Objections because of informalities have been corrected by rewriting Claim 31.

Claim Rejections 35 U.S.C. 101

1. The Rejections under 35 U.S.C. 101 to Claims 21-26, 35-37 because the claimed invention is directed to non-statutory subject matter have been corrected as suggested by the examiner.

Claims 13-17 had previously been canceled in the response to the first office action

Claim Rejections 35 U.S.C. 112

2. The body of the claims has been modified to include secondary market securities . Various arguments have been presented to address the addition of McCarthy as a reference..

Claim Rejections 35 U.S.C. 103

3. Additional arguments have been made and previous ones re-enforced for all Claim rejections based on 103. Many of these rely on the applicants understanding of what he determines to be the knowledge of one of ordinary

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skill in the art. An art who's nuances and vernacular can, and often are mis-interpreted by many knowledgeable individuals

The applicant has endeavored to be as informative as possible in areas of question and would welcome the opportunity to discuss these matters if desired.

Accordingly, applicant submits that this application is now in full condition for allowance, which the applicant respectfully solicits. If the examiner agrees but does not deem the present Claims technically adequate, applicant respectfully requests the examiner write acceptable Claims pursuant to MPEP 707.07(j)

The applicant would again like to thank the examiner for another clear and understandable Office Action to which he has made his best effort to respond.

Very respectfully,

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