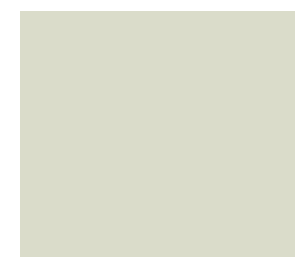
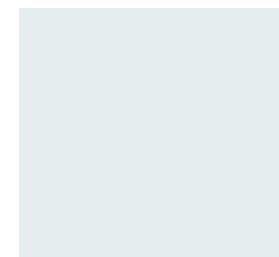
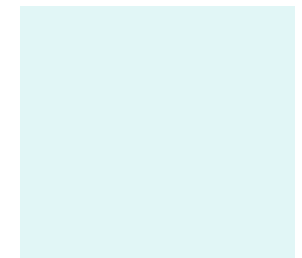
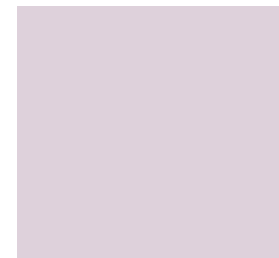
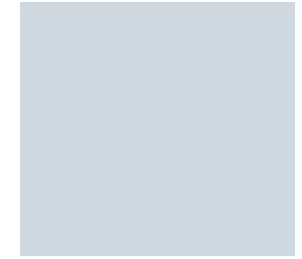
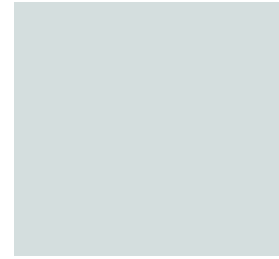


Chris O'Sullivan - Patent Attorney

BSc(Elec Eng)(Hons), Queen Mary College, London University. Chris worked in Intellectual Property in the UK for five years before migrating to Australia. He registered as a Patent Attorney in Australia in 1990 and was invited to join FB RICE & CO as a partner in 1995. He is a Fellow of the Institute of Patent and Trade Mark Attorneys of Australia (IPTA) and the Academy of IPTA. Chris is also President of the Australian group of AIPPI, and has served on the Supervisory Board of CPA.

Chris specialises in patenting all aspects of electronics and software. He has extensive experience in patenting control and security systems and, more recently, information technologies and expert systems developed for service industries. Chris has appeared as an expert witness in patent litigation, and has been involved in small and large scale litigation support.



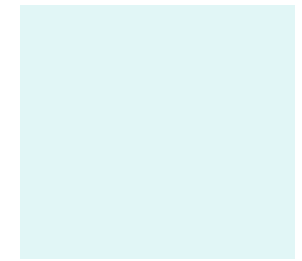


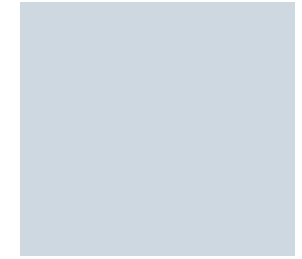
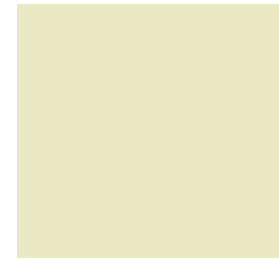
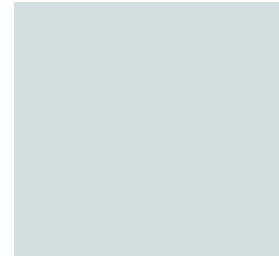
Richard Ollerenshaw - Patent Attorney

Richard graduated from the University of Western Australia in 1986 with a Bachelor of Engineering in Electrical and Electronic Engineering. Richard joined the Australian Patent Office in Canberra as an examiner in 1988 working in the electronics and telecommunications fields, and in 1989 joined the Intellectual Property Group of Telstra. In 1996 he commenced work with a firm of patent attorneys, and was registered as a patent attorney in June 1997. Richard joined F B RICE & CO's Melbourne office in June 2002 as an associate.



Richard is a Fellow of the Institute of Patent and Trade Mark Attorneys of Australia, a registered New Zealand patent attorney, a member of the IPSANZ and of the Institute of Electrical and Electronic Engineers. He specialises in the drafting, filing and prosecution of electrical, telecommunications, software and business process patent applications.

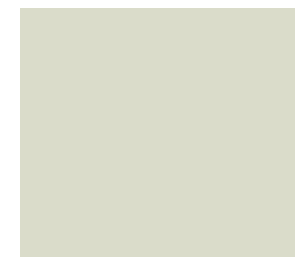
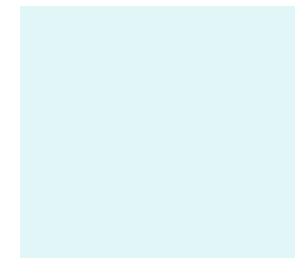
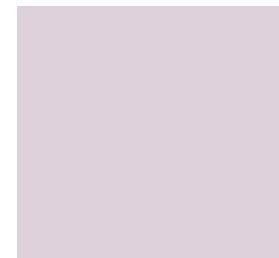
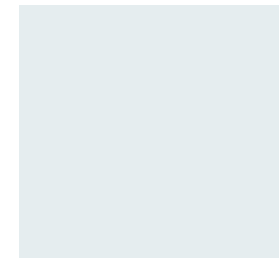


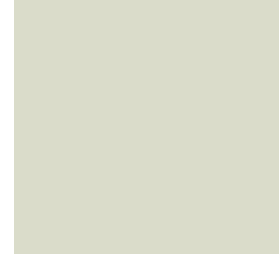


Software/IT

This team specialises in drafting patents for software ranging from high level schema to object code level register manipulations. Our work extends across control, communications, security and business applications software. The team has also gained much experience over the last few years patenting the underlying applications as business methods.

We are happy to assess projects in the software and IT area to indicate which aspects might be patentable.





Welcome Real-Time SA -Claim 1

1. Method of processing coded information during a purchase or payment operation by a customer, holder of a card (4) with a chip (5), at a trader's, in which the contents of the memory (14) of the chip card are read and a coupon (12) is or is not printed on the basis of the information arising from the contents of said memory,

characterized in that, with the memory of the chip card including a first identification file (18), termed the Member file, identifying the card-holding customer, a second accounting file (22), termed the Points file, and a third file (21), termed the Behavior file, relating to the behavior of the card holder towards the user trader or traders,

a specified algorithmic processing is performed dependent, on the one hand, on the date of the operation and, on the other hand, on the information contained in said files, including the Behavior file,

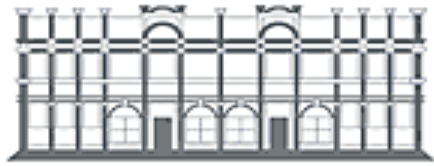
the algorithmic processing including a step of incrementing or decrementing the Point [sic] file by a predetermined number of points depending on the frequency and/or the nature of first, second or xth visit by the card holder over a time period of specified duration,

the coupon is printed only if the number of points contained in the Points file is greater than a specified value

then data is written to the Points file,

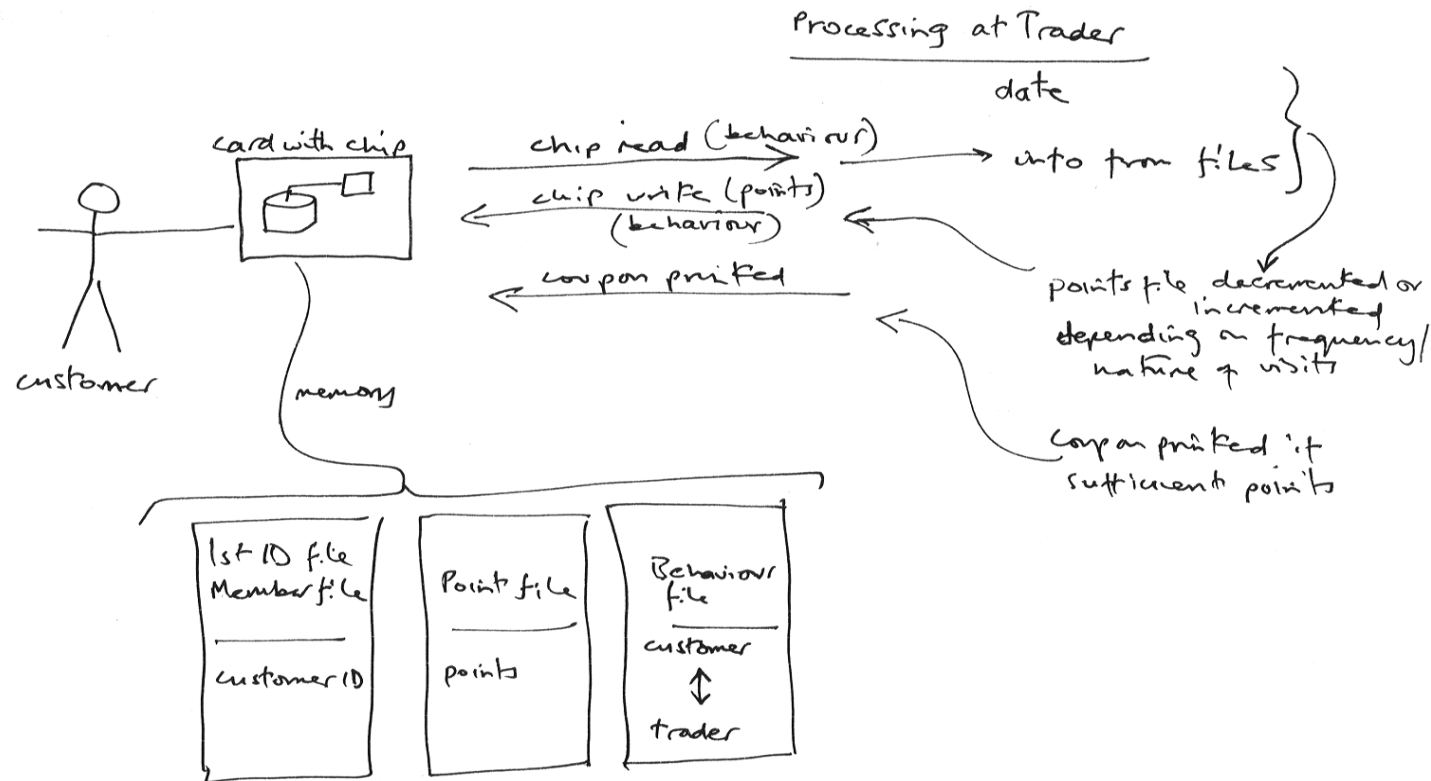
new information is written to the Behavior file,

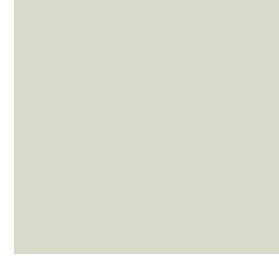
and said coupon is or is not printed on the basis of the result of said algorithmic processing.



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Welcome Real-Time SA - Claim 1





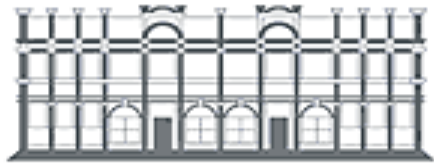
Welcome Real-Time SA - Claim 6

6. Device (1) for processing coded information, during a purchase or payment operation by a user, holder of a card (4) with a chip (5), comprising means (3) for reading coded data from the memory of the chip card, computation means (8, 9) and means (11) of printing a coupon (12),

characterized in that, with the memory (14) of the chip card including a first identification file (18), termed the Member file, identifying the card-holding customer, a second accounting file (22), termed the Points file, and a third file (21), termed the Behavior file, relating to the behavior of the card holder towards the user trader or traders,

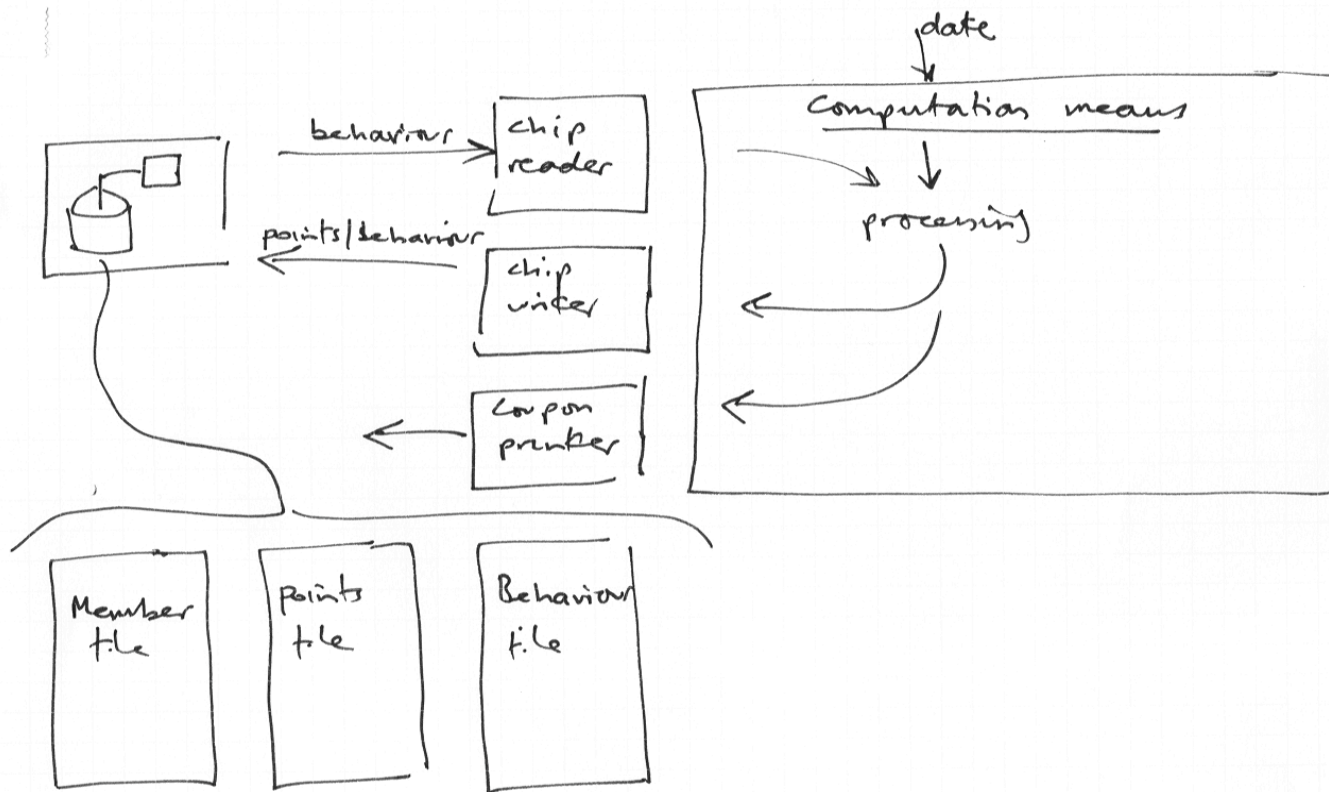
the computation means (8) include means of specified algorithmic processing dependent, on the one hand, on the date of the operation and, on the other hand, on the information contained in said files, including the Behavior file,

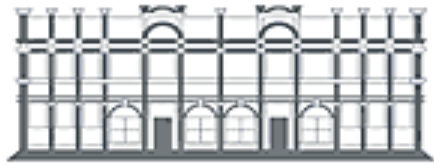
and in that the device includes means (11) for writing information to the Points file and to the Behavior file on the basis of said specified algorithmic processing, the means of printing a coupon being configured so as to print or not print said coupon on the basis of the information arising from the contents of said files and from said algorithmic processing.



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Welcome Real-Time SA - Claim 6



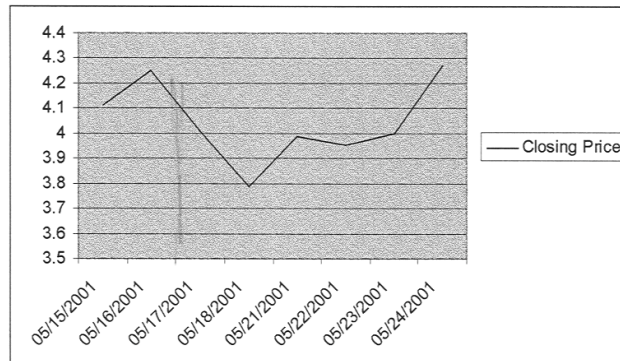


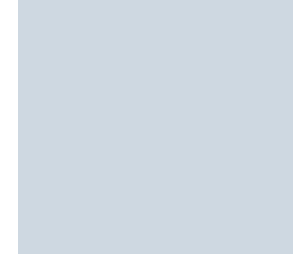
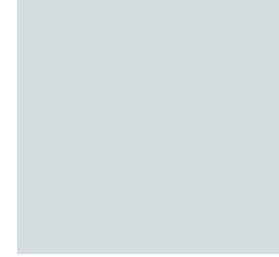
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Patent and Trade Mark Attorneys

- Catuity is dual listed on the Australian Stock Exchange and NASDAQ
- The Federal Court judgement was delivered on 17 May 2001

Catuity's share price on the NASDAQ (15 May 2001 - 24 May 2001):

Date	Closing Price	Volume
05/15/2001	4.110	0
05/16/2001	4.250	300
05/17/2001	4.010	1300
05/18/2001	3.790	6800
05/21/2001	3.990	900
05/22/2001	3.950	100
05/23/2001	4.000	400
05/24/2001	4.270	500

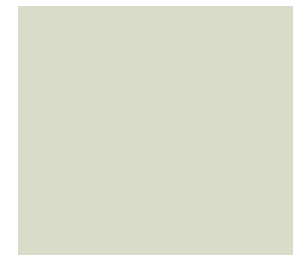
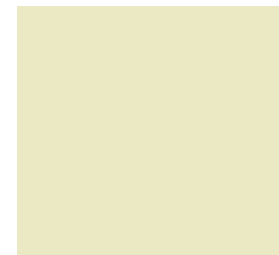
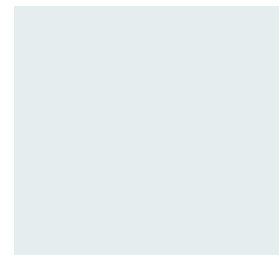
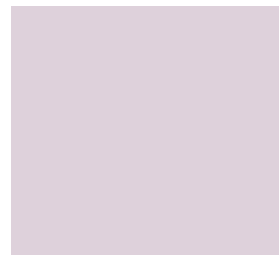
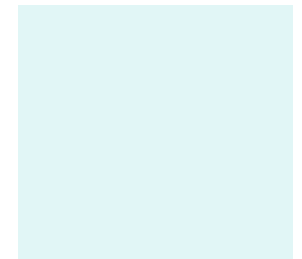


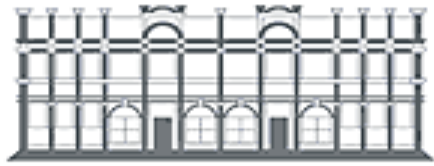


Catuity Patent - Claim 1

The claims defining the invention are as follows:

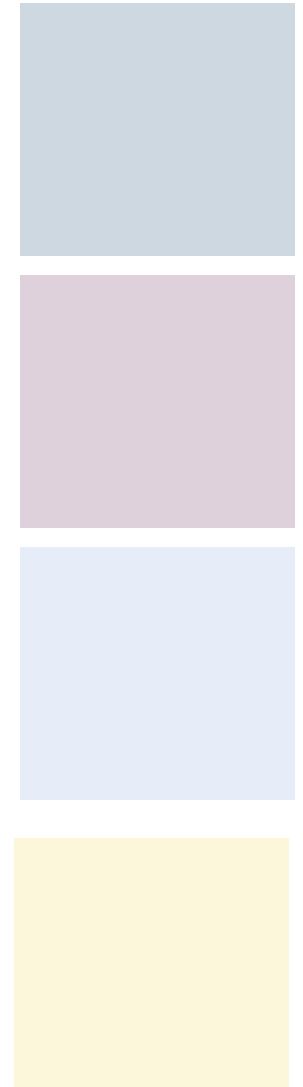
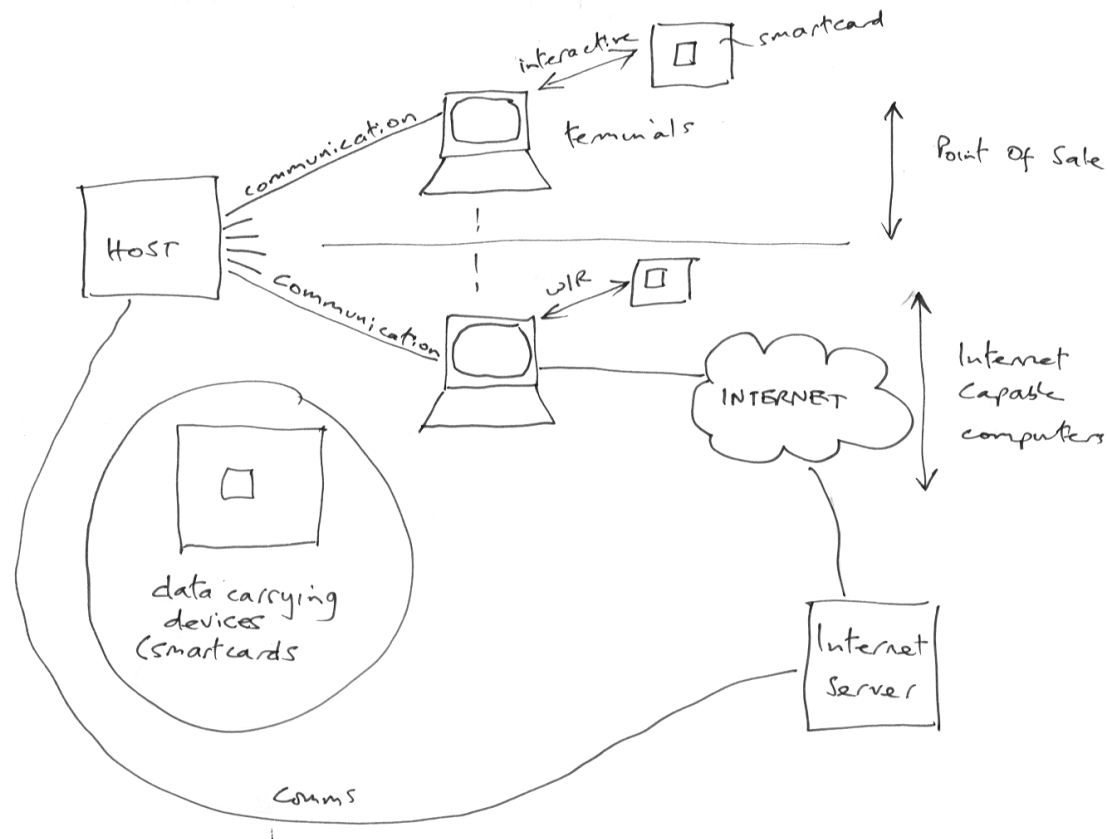
1. A system for manipulating data on a plurality of data carrying devices, said system including at least one host and a plurality of terminals, each terminal being adapted to interact with said data carrying devices and to communicate with said host, wherein a first sub-set of said terminals are point of sale terminals and a second sub-set of said terminals are computing means capable of interfacing to the internet for communication with an internet server which in turn is connected for communication with said host, said computing means being adapted to read from, and write to, said data carrying devices.

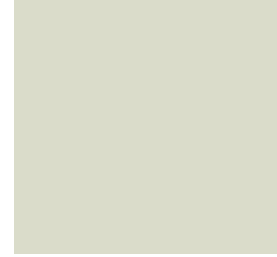




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Patent and Trade Mark Attorneys

Catuity - Claim 1





Catuity Patent - Claim 7

7. A method for manipulating data on data a carrying device which includes combinations of any one or more programs for the following applications: an electronic purse or other payment system; loyalty; electronic tickets; memberships; and/or access control, said method including the steps of:

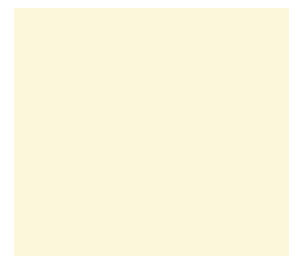
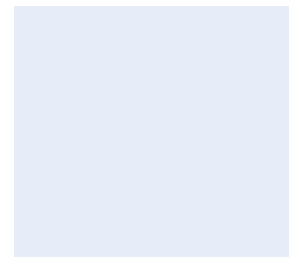
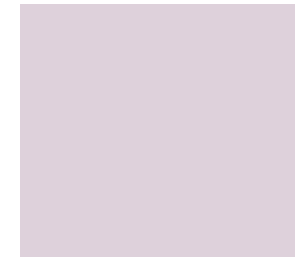
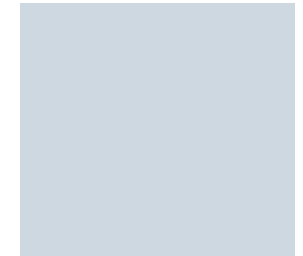
a) inserting a data carrying device into a computing means adapted to read from, and write to, said data carrying devices, said computing means being adapted to interface to the internet for communication with an internet server which, in turn, is connected for communication with a host;

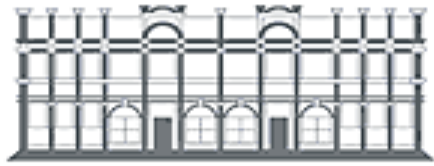
b) using said computing means to establish a connection with a merchant internet site;

c) if transaction enabling software is not already stored on the computing means, downloading said software across the internet;

d) using said computing means to select a good or service offered by said merchant; and

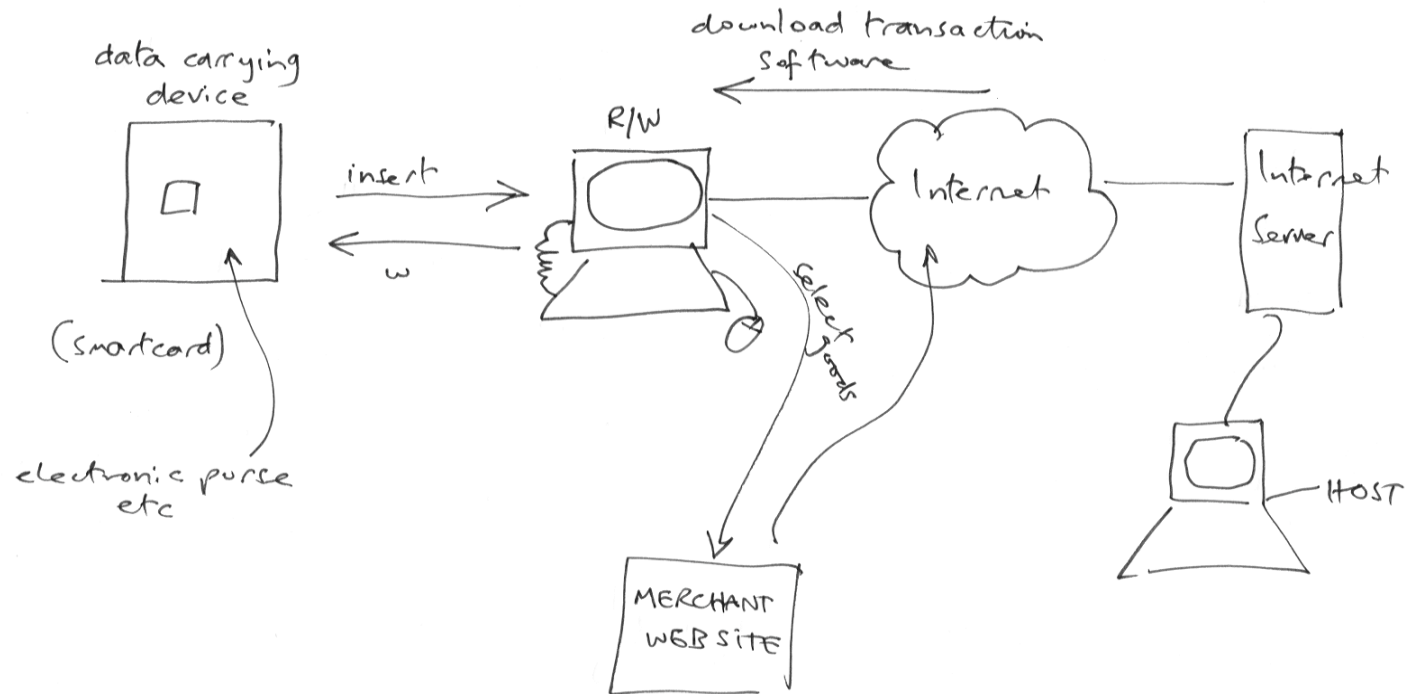
e) using said computing means to write updated data to at least one of said programs as appropriate for said transaction.

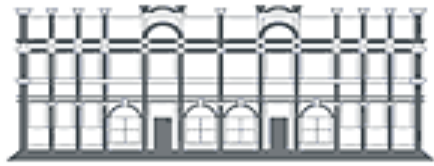




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Catuity - Claim 7

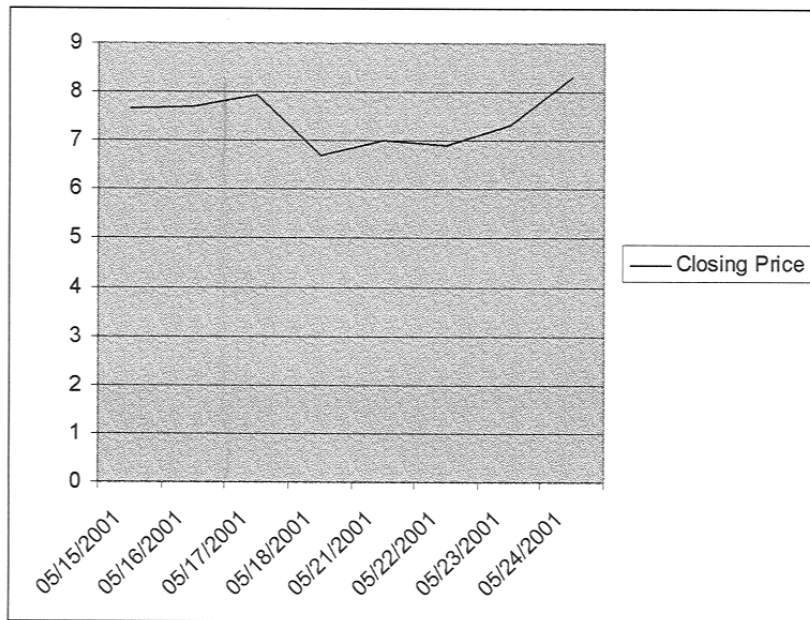


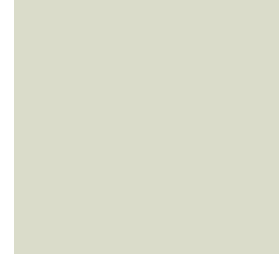
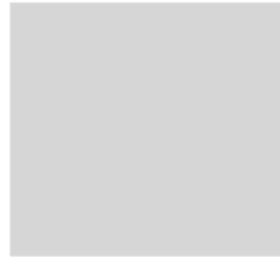


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Patent and Trade Mark Attorneys

Catuity's share price on the ASX (15 May 2001 - 24 May 2001):

<u>Date</u>	<u>Closing Price</u>	<u>Volume</u>
05/15/2001	7.66	13560
05/16/2001	7.70	26956
05/17/2001	7.95	26500
05/18/2001	6.70	55636
05/21/2001	7.00	36374
05/22/2001	6.90	20639
05/23/2001	7.30	9675
05/24/2001	8.30	70317



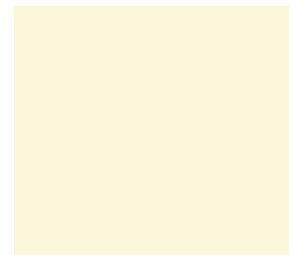
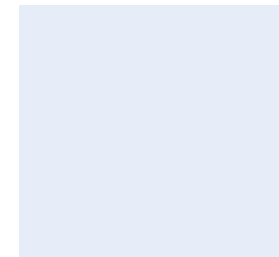
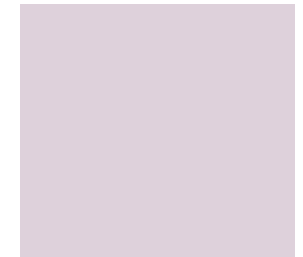
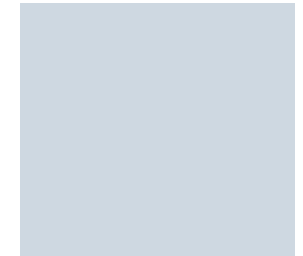


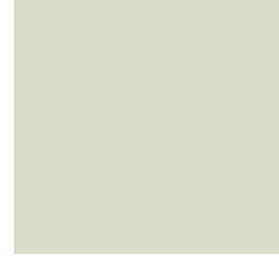
Exclusive rights given by patent

13. (1) Subject to this Act, a patent gives the patentee the exclusive rights, during the term of the patent, to exploit the invention and to authorise another person to exploit the invention.

(2) The exclusive rights are personal property and are capable of assignment and of devolution by law.

(3) A patent has effect throughout the patent area.

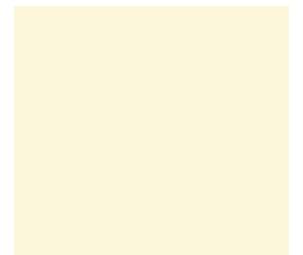
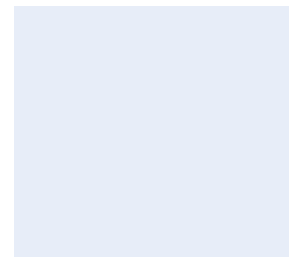
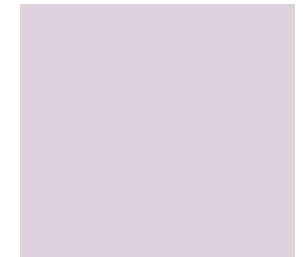
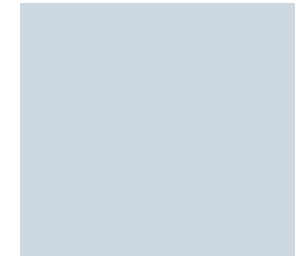


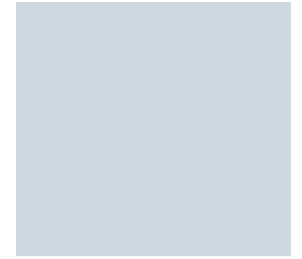
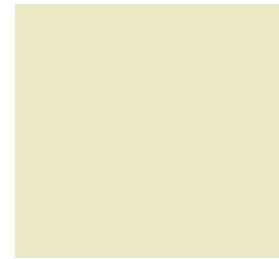
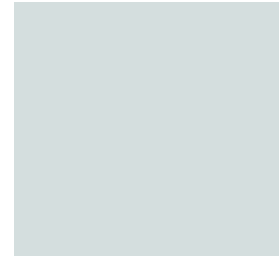


117. (1) If the use of a product by a person would infringe a patent, the supply of that product by one person to another is an infringement of the patent by the supplier unless the supplier is the patentee or licensee of the patent.

(2) A reference in subsection (1) to the use of a product by a person is a reference to:

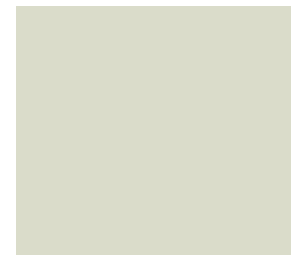
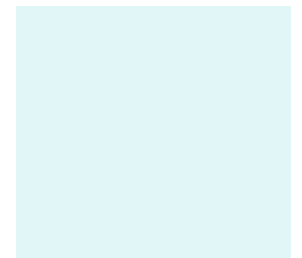
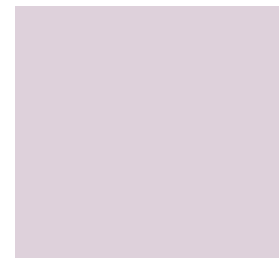
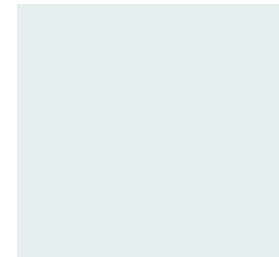
- (a) if the product is capable of only one reasonable use, having regard to its nature or design - that use; or**
- (b) if the product is not a staple commercial product - any use of the product, if the supplier had reason to believe that the person would put it to that use; or**
- (c) in any case - the use of the product in accordance with any instructions for the use of the product, or any inducement to use the product, given to the person by the supplier or contained in an advertisement published by or with the authority of the supplier.**

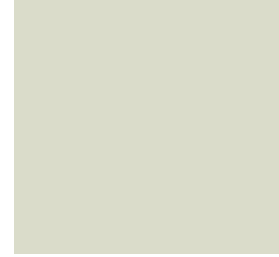




“exploit”, in relation to an invention, includes:

- (a) where the invention is a product - make, hire, sell or otherwise dispose of the product, offer to make, sell, hire or otherwise dispose of it, use or import it, or keep it for the purpose of doing any of those things; or
- (b) where the invention is a method or process - use the method or process or do any act mentioned in paragraph (a) in respect of a product resulting from such use.





UK: Internet Use of Wagering System Still Infringes UK Patent - The UK Court of Appeal has laid down important guidelines for infringements of intellectual property rights, in this case a patent, via the Internet. The gambling chain William Hill set up host computers located in Antigua and Curaçao which enabled punters to log in and engage in interactive gaming using their PCs as terminals. **The Court held that it was no defence to infringement of a UK patent that the host computer forming part of the patented invention was located abroad if there would have been infringement if the host computer had been situated in the UK. The host computer's physical location was immaterial, the relevant test being "effect within the UK" not "use within the UK".** The judgment is important in clarifying the difficult but common situation where one or more infringing acts take place over a multiplicity of jurisdictions via the Internet. It is then always difficult to say whether infringement has taken place, and in which jurisdiction it has occurred. According to the UK Court of Appeal, it is sufficient that the infringing act has an effect within the country in order to constitute patent infringement. In Australia, there is no authority on point, although the recent High Court ruling in Dow Jones & Company Inc v Gutnick might suggest that a court here would adopt similar reasoning to the English Court of Appeal.

