

Norwich business wins rare patent for Internet buying method

By Stephen Singer, AP Business Writer

NORWICH, Conn. -- A customer who makes a purchase on the Internet simply clicks and buys.

But businesses seeking to exploit the technology of cyberspace must pull customers to the Internet with a software that is embedded with formulas, flow charts and methodologies.

The complicated series of steps has been captured by a Norwich businessman who won a rare patent to protect his Web-based property.

Consumers Interstate Corp., which sells office and janitorial supplies, workplace furniture, forms and even candy and bottled water, was driven to the Internet for good business reasons.

"Every new customer we've picked up in the last three years has taken on the process of buying their supplies through the Internet," said Kenn Fischburg, president of the company.

Doing business on the Internet isn't new, but Fischburg has come up with a way he hopes will keep bringing customers back.

"Our objective is to get you to be a customer and buy from me every week," he said.

Fischburg, 55, won a patent for an Internet procurement method following a five-year review by the U.S. Patent and Trademark Office.

His business method allows customers - typically businesses buying office supplies, for example -- to gain access to a custom order form that simplifies buying by storing records of previous purchases and other data.

Customers can select from about 1 million products such as batteries, clipboards, disposable clothes and foam wrapping. The time saved in ordering is an important selling point, Fischburg said.

"You reduce costs by reducing steps," he said. "You can't make toilet paper cheaper."

An Internet service that most closely resembles Fischburg's Internet ordering process is Peapod.com, which has put grocery shopping on the Internet.

Scott DeGraeve, senior vice president of merchandising, said about 80 percent of Peapod's customers shop from previous order lists.

"Although food has lagged in terms of how quickly it's penetrated on the

Internet, I think people are comfortable enough with the Internet that food has become a lot more appealing," he said.

Fischburg, who as a youngster abandoned thoughts of being a jazz pianist, took over the family business in 1974. His father launched it nearly 30 years earlier as a paper supply company.

By acquiring competing firms, expanding sales into a broad array of products, using the Internet and taking advantage of relatively new highways in eastern Connecticut that have eased truck transportation, the privately-held company now racks up annual sales of more than \$20 million, he said.

Winning the patent was not easy. Only 282 such business method patents were issued by the U.S. Patent and Trademark Office last year, a fraction of the 187,000 patents issued for inventions and products.

Business method patents, which include those for investment banking, accounting systems, loan and tax processes, are rare because they must

be part of computer process or other system involving a step-by-step computation and may not be abstractions, said Daniel Mackas, the lawyer who handled Fischburg's patent.

The number of business method patents rose dramatically as an increasing number of computer applications were discovered, said Mackas, of McCormick, Paulding & Huber in Hartford.

The number of applications seeking patents for business methods rose significantly in 1998 following a federal court decision allowing patents to be issued for mathematical algorithms and business methods.

"There's been an explosion of people starting up businesses on the Internet, but it kind of died down over the last couple of years," Mackas said.

For Fischburg, the next move is to license his patent to distribution or office supply businesses to head off lawsuits that could threaten his patent.

"I have a particular invention and I'd like to capture the value of it," he said.