



## Patent News

Thursday, June 09, 2005

To view the issued patents, follow the link and enter one of the following patent numbers:

<http://patft.uspto.gov/netahtml/srchnum.htm>

**6,895,557**

**6,732,162**

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## Press Release

### AdMission Corp. Granted Web-Based Media Submission Patent

*Innovation Proven in over One Billion e-Commerce Transactions Now Patent Protected*

**SAN RAMON, CA, June 2, 2005** - AdMission Corporation, a provider of directional advertising solutions, today announced that the U.S. Patent and Trademark Office issued U.S. Patent No. 6,895,557 entitled "Web-Based Media Submission Tool." The patent is directed to a process of efficiently and intelligently collecting media objects such as digital photos, video and audio files from remote contributors. AdMission's Web-Based Media Submission Tool has supported over one billion e-commerce transactions on sites which license the technology such as eBay, Realtor.com, The Washington Post and Cars.com.

One aspect of the patent is the concept of preprocessing media on the user's computing device prior to transmission. The AdMission platform facilitates drag-and-drop selection of files with visual feedback and affords the user the ability to crop, rotate, enhance, and annotate their media. Behind the scenes, AdMission accelerates uploads by up to 30X by performing intelligent operations such as format conversion, image scaling, and file compression on the client computer before passing the data to remote servers. This process guarantees that only useful data is transferred resulting in fast uploads, and consistent, reliable media submission, greatly improving usability, and increasing efficiency.

"This technology has proven itself to be an invaluable and fundamental building block for the future of the Web," said Alexis Gerard, president of imaging consulting firm Future Image and co-author of 'Going Visual - Using Images to Enhance Productivity, Decision-Making and Profits' (John Wiley & Sons). "Devices such as digital cameras, camera-phones and camcorders are proliferating, and becoming ever more capable. Providing a simple, intuitive means for collecting media from millions of users and making it distributable becomes critical, whether it is for photo sharing, auctions, classifieds, communities, blogs, personals, real estate, or many applications not yet imagined."

"This latest addition to our expanding intellectual property portfolio has broad implications across a myriad of industries," said Sarah Pate, president and CEO, AdMission Corporation. "For over ten years we have been pioneering the use of media to enhance commerce and communication. In that time frame, digital photo sharing has become a core online activity. Making that process easy and pain-free is what our patents facilitate. We will remain focused on making our directional

advertising customers successful with innovative products, and we look forward to licensing our intellectual property for use in other markets.

### **About AdMission Corporation**

AdMission Corporation is a provider of patented technology solutions for directional advertising publishers including newspaper classifieds, yellow pages, e-commerce websites and online directories. AdMission is a hosted media platform that provides local advertisers with the means to create rich, visual ads showcasing their businesses, products and services, resulting in more relevant searches for consumers and qualified leads for advertisers. AdMission's powerful competitive advantage provides publishers with one of the most visual, interactive online marketing solutions available. Admission is offered as fully featured products via AdMission Classifieds™ and AdMission Directories™ or as a custom integrated solution. Learn more about AdMission at [www.admissioncorp.com](http://www.admissioncorp.com).

AdMission Corporation became a privately held independent company with substantial employee ownership in February of 2005. Prior to that time, it was a fully owned business unit of IPIX Corporation. All directly related customer contracts, operations, hardware, software, intellectual property and business know-how, were acquired by AdMission Corporation.

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## **Classified Intelligence Alert (Jim Townsend)**

### **AdMission granted far-reaching patent on uploaded media**

AdMission Corp. has been granted a patent for technology that has far-reaching implications for not only the San Ramon, Calif., company and its competitors, but for the overall future of electronic media.

After a six-year review punctuated by several legal challenges, the U.S. Patent and Trademark Office has granted Patent No. 6,895,557 to AdMission, provider of rich-media processing technology and directional advertising platforms. Privately held AdMission was spun out of IPIX Corp. in February. With it went the intellectual property developed by IPIX.

The patent, entitled "Web-Based Media Submission Tool," describes in very general terms the means by which any data element --- be it a photo, video, music file or even text --- is uploaded, undergoes any sort of server-side processing and is displayed on the World Wide Web.

The patent doesn't merely give AdMission exclusive ownership of the processes -- it gives AdMission the rights to the concept of uploading files, massaging them and redisplaying them in any sort of standardized, homogenized fashion. It's not just the basis for uploaded photo displays; it's the basis for nearly all media presentation beyond basic HTML, from blogs to billions of e-commerce transactions. Neither is it limited to what people do with PCs. The patent applies anytime anyone uploads a digital file -- via PC, PDA, phones, iPods, gaming systems and future platforms -- whereby the file goes through any sort of processing to be redisplayed to other devices via the Web.

A big deal? Very.

For AdMission, future licensing revenues are of unfathomable proportions, which could employ generations of intellectual property lawyers to protect and preserve its patent. But for now, the company will concentrate on its core products, CEO and president Sarah Pate told us.

“We will remain focused on making our directional advertising customers successful with innovative products, and we look forward to licensing our intellectual property for use in other markets,” Pate said in a news release that will be issued on Thursday.

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## Classified Intelligence Report (Jim Townsend)

### AdMission’s patent: What’s it mean?

It took six years, but AdMission Corp. now holds two U.S. patents on the processes it uses to upload and display rich media. The company’s core patent was issued in May 2004. Its newest patent was issued in May 2005. Both were filed in 1999, back when AdMission was Ipix Corp.

San Ramon, Calif.-based AdMission, a provider of image-processing technology and a pretty slick ad-entry platform, was spun out of Ipix Corp. in February. With it went the intellectual property rights developed by Ipix.

The U.S. Patent and Trademark Office granted Patent No. 6,895,557, entitled “Web-Based Media Submission Tool,” describes in general terms the method by which any data element – be it a photo, video, music file or even text – undergoes preprocessing on the client side according to a server side set of instructions before it is uploaded to a server. It’s a so-called method patent, agnostic of the client and server technologies used to employ it, and of the operating systems that are used.

As we reported in our June 1 alert, the newest patent has some far-reaching implications for Internet industries. Our alert touched a small storm of criticism from a few other companies with ad-entry platforms, none of which we’ll name, each of which rushed to assure that nothing they were doing resembled AdMission’s methods of rich-media entry.

That we can tell, no ad-entry provider that we know of (we know quite a few) collects data in AdMission’s unique fashion. We’re neither technologists nor intellectual property lawyers (and those we contacted declined to be quoted). Patent compliance can be a sticky issue. If you have any doubts about your systems, you should consult your attorneys.

Nonetheless, criticism of our alert was warranted, as it underexplained some points and overreached others. For instance, the patent wouldn’t appear to apply to systems that upload “raw” photos (or other data files) and performs no manipulation of files before they are uploaded. If client-side manipulation occurs, it would have to be based upon server-side instructions to the client in order to fall into AdMission’s patent space.

Taking the example further, if a system were to allow the user to add a caption to a photo, or resize it, or add a watermark – before it’s uploaded – that might violate AdMission’s patent if the server is telling the client what to do.

While AdMission’s ad-entry competitors don’t appear to operate this way, we note a few companies in other Internet industries that seem to. MSN features a degree photo preprocessing. Just last week, Yahoo launched a photo e-mail service that allows users to drag-and-drop up images to create up to 300 thumbnails in a single e-mail message, with captions. Whether the methods Yahoo and MSN are using are similar enough to AdMission’s patent, we don’t venture to say. If there are legal issues, that’s for attorneys to sort out.

Still, the patent's implications are far-reaching. For one, it means that if you wanted to emulate the process in your own business, you'd have to license it from AdMission. And if you're a direct competitor, AdMission isn't likely to license to you. Whether you'd want to or not, the significance is that you can't go down that path.

For another, the patent is not limited to PCs. Emerging mobile platforms – phones, PDAs and networkable, handheld entertainment devices – often operate in client-server environments because of limited processing power. As these handhelds proliferate – as you build mobile services – to be certain, AdMission will be watching how these technologies interface with the Web.

“The opportunity that we foresaw was that if you're going to work with media, and you wanted to create some sort of standard for collection, just like you would collect textual or numeric data, there needs to be some additional work there,” said AdMission VP Scott Lewis, co-author of the patents. “Anywhere you would want to use it, whether a blog, an instant message, an auction or a classifieds experience, a personals site – an insurance claim – anywhere where you have people remote who are collecting media elements, and they're needing to get that in some way homogenized, processed, standardized and distributed up to a remote destination. ... “It's doing that intelligent division of work between the client and the server, where you're determining what is the highest-quality piece of data you need to preserve on the server side. ... It's really just to say ‘I only need this much data [on the server] and I'm going to append that with additional detail to give context and meaning to the data – and then I'm going to pass that to the server.’”

Once the data's on the server, it might require redistribution to multiple servers, where each has its own requirements for the data. That's where the May 2004 patent comes in, Lewis said. U.S. Patent No. 6,732,162 describes processes in which digital media might be reformatted on the fly for any number of data destinations.

How much of a business AdMission might build in patent licensing remains to be seen, but it could be significant, if not huge. It already licenses to EBay. But for now, the company will continue to concentrate on its core products, said AdMission CEO and president Sarah Pate.

“We'll continue to use our patents to support our interfaces to give our customers an absolute competitive advantage,” Pate said, adding that the company is “aggressively looking” at ways to leverage its patents outside its core markets. “We think there are several potentially lucrative licensing opportunities.”

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## **ClickZ.com (Kevin Newcomb)**

### **AdMission Wins Far-reaching Patent**

After nearly six years of legal wrangling, online classifieds technology provider AdMission Corp. is now the proud owner of a patent that could affect scores of companies -- including online advertisers, Web publishers and other ad technology firms -- whose technology deals with digital media files.

On May 17, the U.S. Patent and Trademark Office issued U.S. Patent No. 6,895,557 entitled "Web-based Media Submission Tool," which describes a process of collecting media objects -- such as digital photos, video and audio files -- from remote contributors.

"This patent covers the efficiency of being able to do pre-processing on all sorts of media files, on all kinds of devices," said Sarah Pate, president and CEO, AdMission.

AdMission uses the technology described in the patent for its advertising applications that let users add images to a publisher's online classifieds, yellow pages and e-commerce sites. The company licenses its platform to eBay, and hosts applications for companies like Cars.com, Realtor.com, The Washington Post, Knight Ridder Digital, Tribune Interactive, and the New York Times. AdMission is offered as fully featured products via AdMission Classifieds and AdMission Directories or as a custom integrated solution.

At the core of the patent is the automation and intelligence built into the process of handling and transporting rich media files. The patent covers all automatic resizing and formatting of digital images, as well as the generation of a thumbnail image to allow a user to verify the file to be submitted.

"We'll continue to heavily invest in our platform, which leverages the processes described in this patent," Pate said. "But we're also looking for licensing opportunities outside of our core markets. We'll focus first on places where media is heavily used to communicate, and where it has to be efficient."

Those non-core markets could include media file handling for advertising and e-mail, photo sharing and printing sites, and even blogging. These areas have companies that are already using technology covered by the patent or could benefit from doing so, according to Scott Lewis, VP product strategy at AdMission and one of the original authors of the patent.

"If you want to understand where it would apply, look for any case where you have lots of media being collected," Lewis said. "If you look at portals, they tend to have a whole set of functionality ranging from auctions and classifieds, to personals, to instant messaging and e-mail, to communities and blogging -- all of which utilize photos and other files collected from billions of remote contributors. You can look at those examples and start to extrapolate the impact."

The patent application was originally filed by PictureWorks in July 1999. PictureWorks was then acquired by IPIX, which restructured itself a few times. In February 2005, AdMission separated itself from its parent via a management buyout, taking the patent portfolio along with it.

"When we filed the patent, we had a vision of how media was going to be used to communicate and enable commerce. We really think that's coming to fruition and accelerating very rapidly now. The patent for us is far more valuable to us today than it would have been had it been issued earlier," Pate said.

The '557 patent faced several legal obstacles over objections that it was being interpreted too broadly. It seems to cover in very general terms the means by which any media file -- including photos, videos, music files or even text -- is uploaded, undergoes any sort of server-side processing and is displayed on the Web, according to Peter Zollman, founding principal of analyst firm Classified Intelligence.

"The patent doesn't merely give AdMission exclusive ownership of the processes -- it gives AdMission the rights to the concept of uploading files, massaging them and redisplaying them in any sort of standardized, homogenized fashion," Zollman said. "For AdMission, future licensing revenues are of unfathomable proportions."

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