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AdMission Wins Far-reaching Patent

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By Kevin Newcomb | June 3, 2005

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."

