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(54) SYSTEM AND METHOD FOR DELIVERING INTERNET ADVERTISEMENTS THAT CHANGE BETWEEN TEXTUAL AND GRAPHICAL ADS ON DEMAND BY A USER

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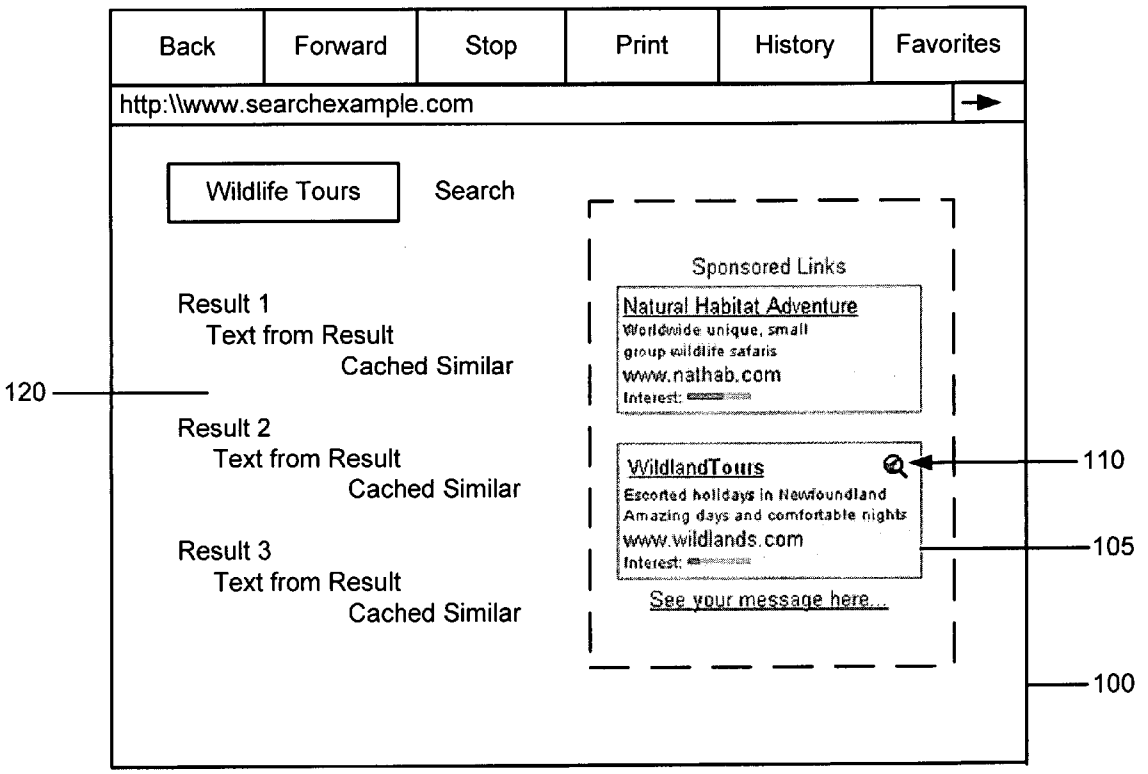
(52) U.S. Cl. 705/14

(57) **ABSTRACT**

A system and method that delivers advertisements for inclusion in electronic documents, such as web content (e.g., web pages, email, etc.), in a manner that enables transition from a first display format (e.g., a textual format) into a second display format (e.g., an interactive graphical menu-driven format, a larger text ad formation, a movie format, an audio format, etc.) on demand in a rapid fashion. The morphed format may include controls that allow navigation to other pages including some informational pages and some merchant pages for purchasing goods and/or services. When the user activates optional controls, such as menu selection(s), the contents page may change, yet continue to include the same menu-driven graphics-based advertisement so that the advertisement "follows the user."



FreeWheel, Ex. 1024

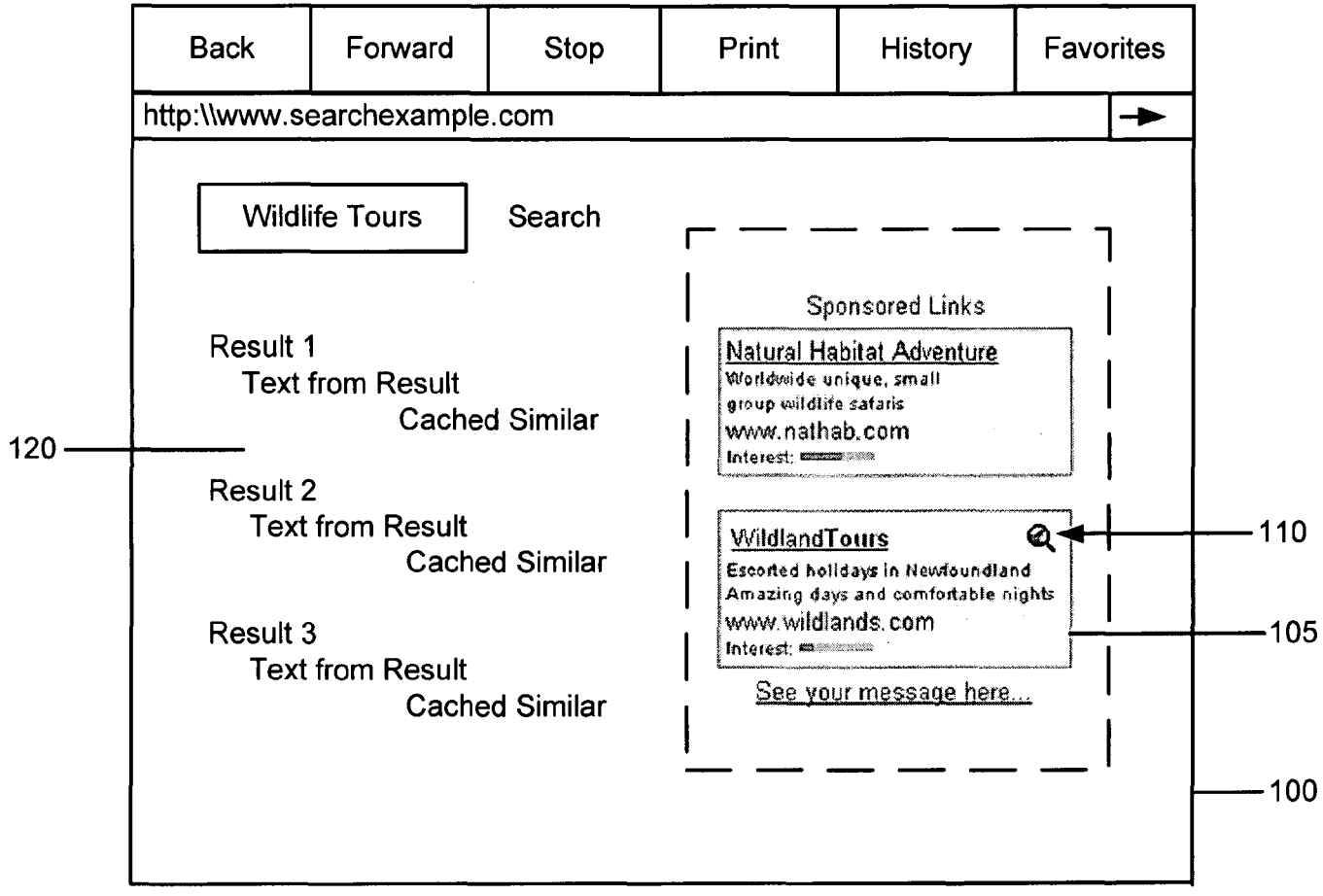

Back
Forward
Stop
Print
History
Favorites
http:\\www.searchexample.com
Wildlife Tours
Search
Sponsored Links
Natural Habitat Adventure
Worldwide unique, small group wildlife safaris
www.nathab.com
Interest:
WildlandTours
Escorted holidays in Newfoundland
Amazing days and comfortable nights
www.wildlands.com
Interest:
See your message here...
Result 1
Text from Result
Cached Similar
Result 2
Text from Result
Cached Similar
Result 3
Text from Result
Cached Similar
120
110
105
100

Fig. 1

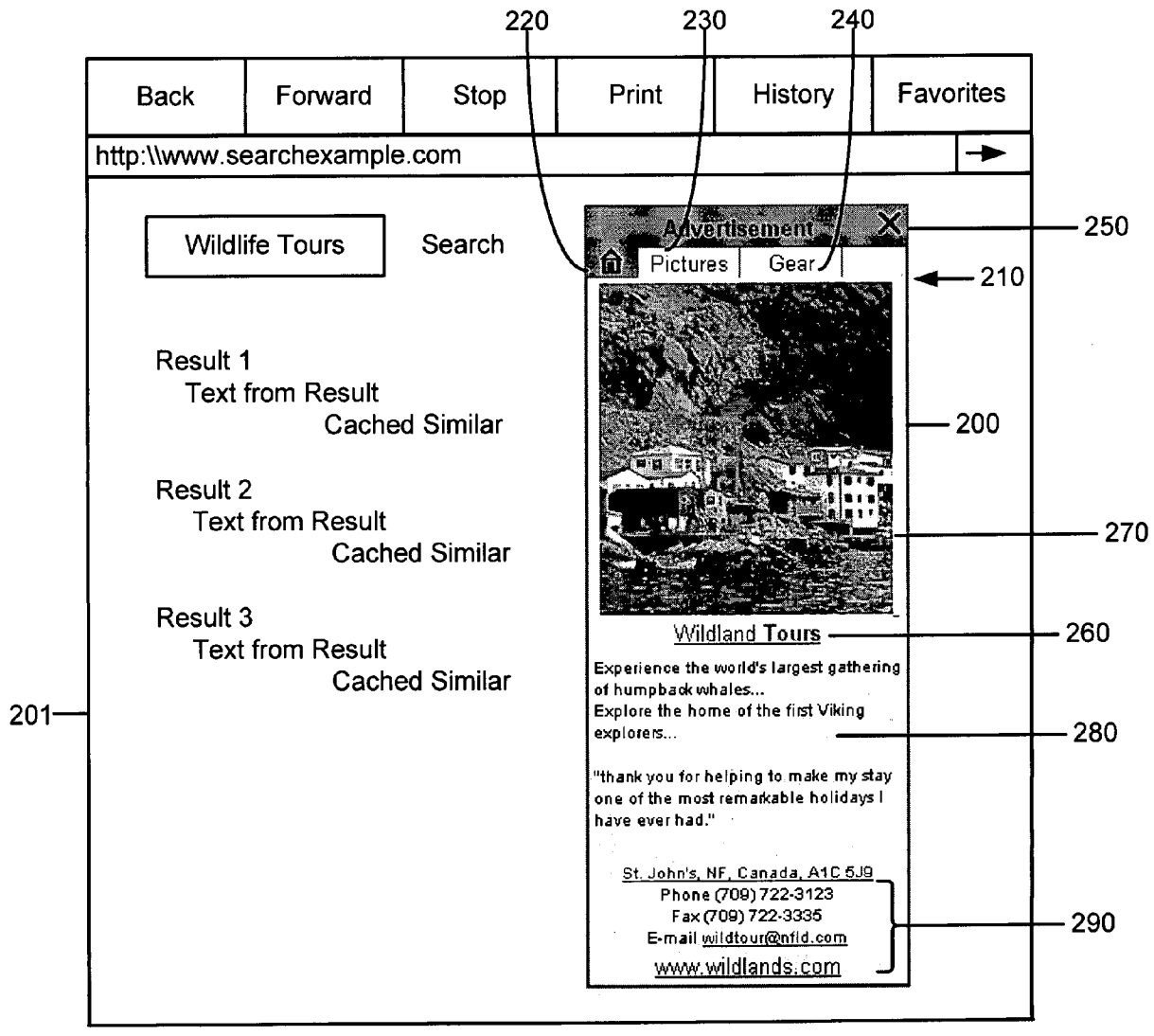

220
230
240
Back
Forward
Stop
Print
History
Favorites
http:\\www.searchexample.com
Wildlife Tours
Search
Advertisement
Pictures
Gear
250
210
Result 1
Text from Result
Cached Similar
200
Result 2
Text from Result
Cached Similar
270
Result 3
Text from Result
Cached Similar
Wildland Tours
260
Experience the world's largest gathering of humpback whales...
Explore the home of the first Viking explorers...
280
"thank you for helping to make my stay one of the most remarkable holidays I have ever had."
St. John's, NF, Canada, A1C 5J9
Phone (709) 722-3123
Fax (709) 722-3335
E-mail wildtour@nfld.com
www.wildlands.com
290
201

Fig. 2

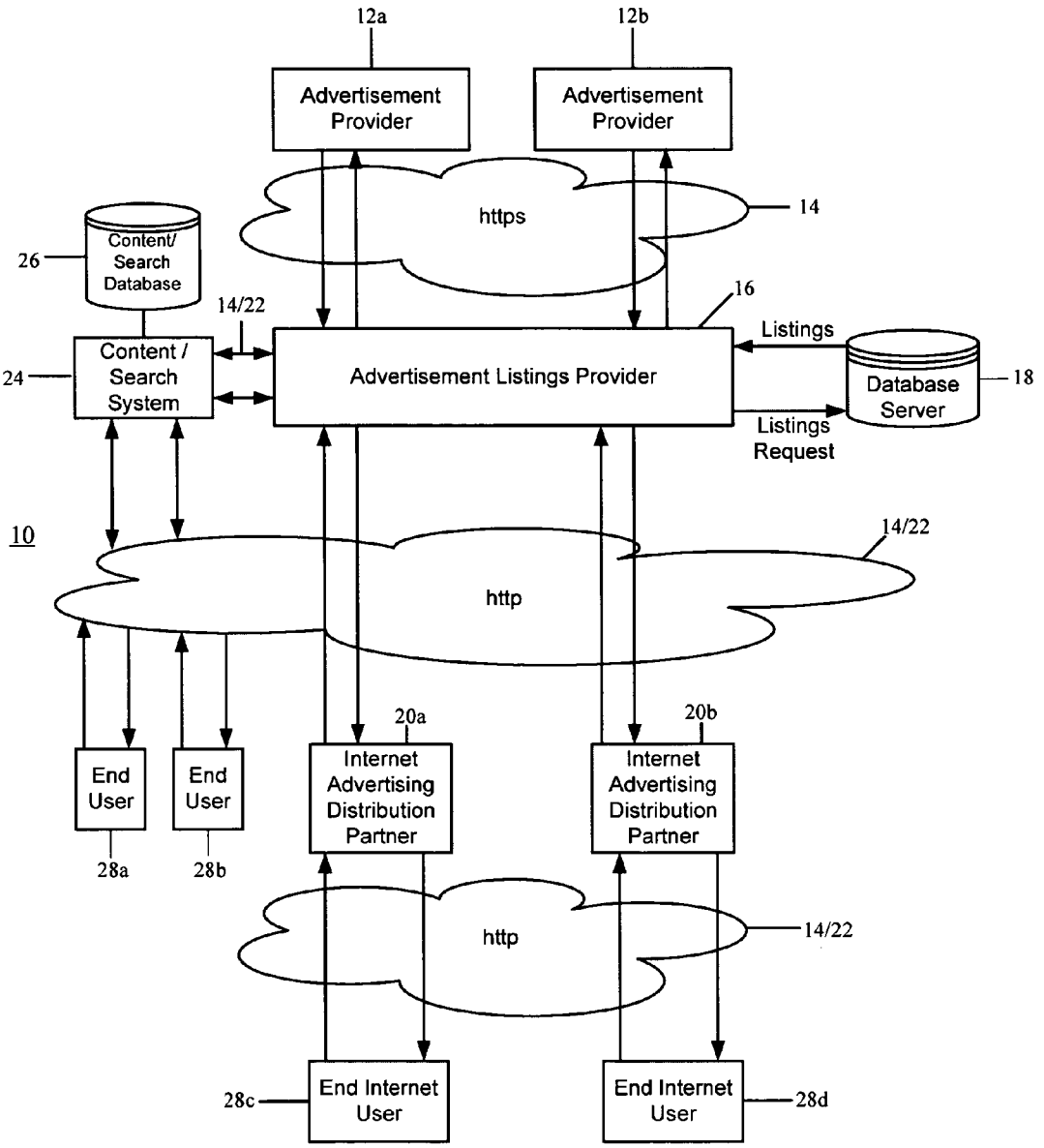

12a
12b
Advertisement Provider
Advertisement Provider
https
14
26
Content/ Search Database
14/22
16
Listings
24
Content / Search System
Advertisement Listings Provider
Database Server
18
Listings Request
10
14/22
http
20a
20b
End User
End User
Internet Advertising Distribution Partner
Internet Advertising Distribution Partner
28a
28b
http
14/22
28c
End Internet User
End Internet User
28d

Fig. 3

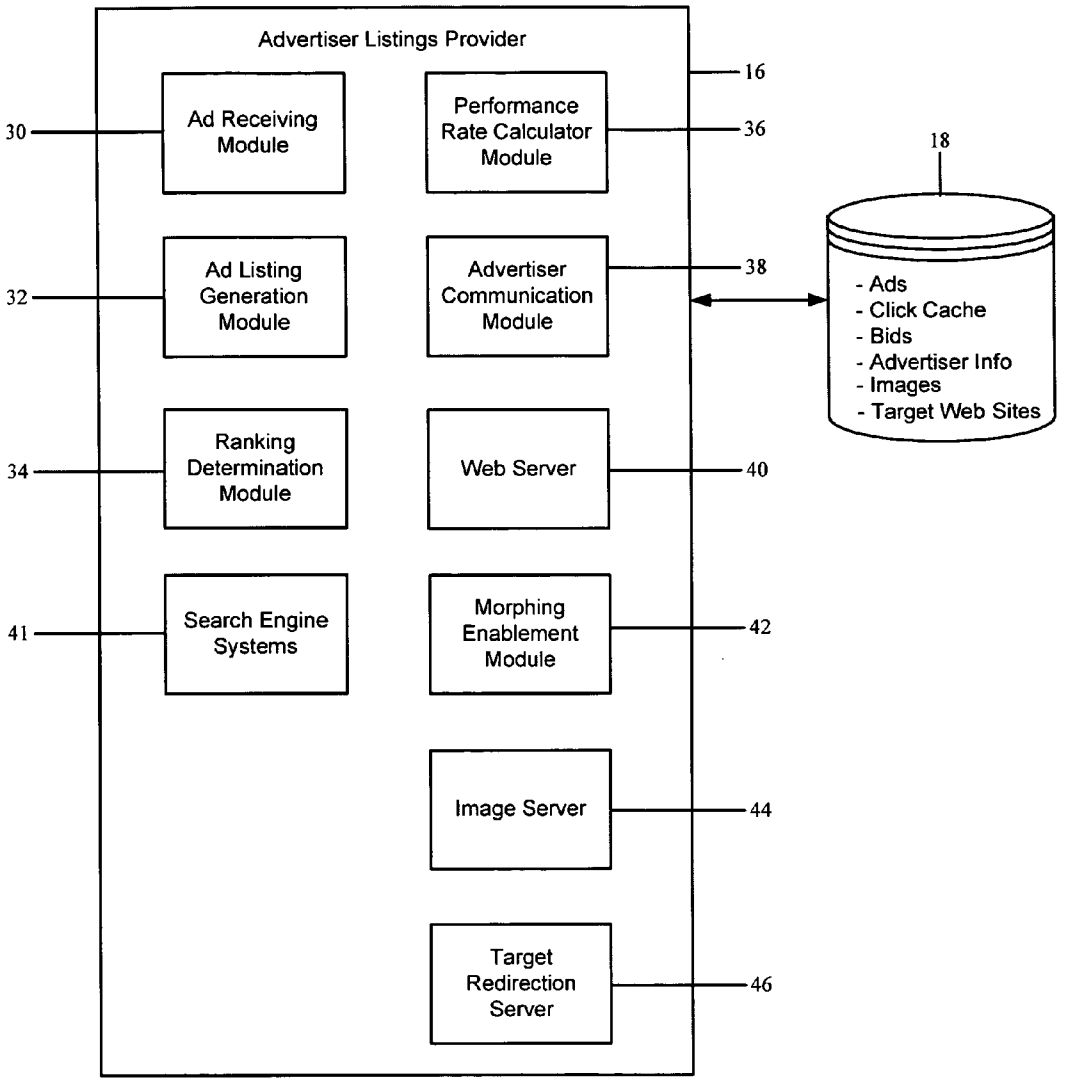

Advertiser Listings Provider
16
30
Ad Receiving Module
Performance Rate Calculator Module
36
18
32
Ad Listing Generation Module
Advertiser Communication Module
38
- Ads
- Click Cache
- Bids
- Advertiser Info
- Images
- Target Web Sites
34
Ranking Determination Module
Web Server
40
41
Search Engine Systems
Morphing Enablement Module
42
Image Server
44
Target Redirection Server
46

Fig. 4

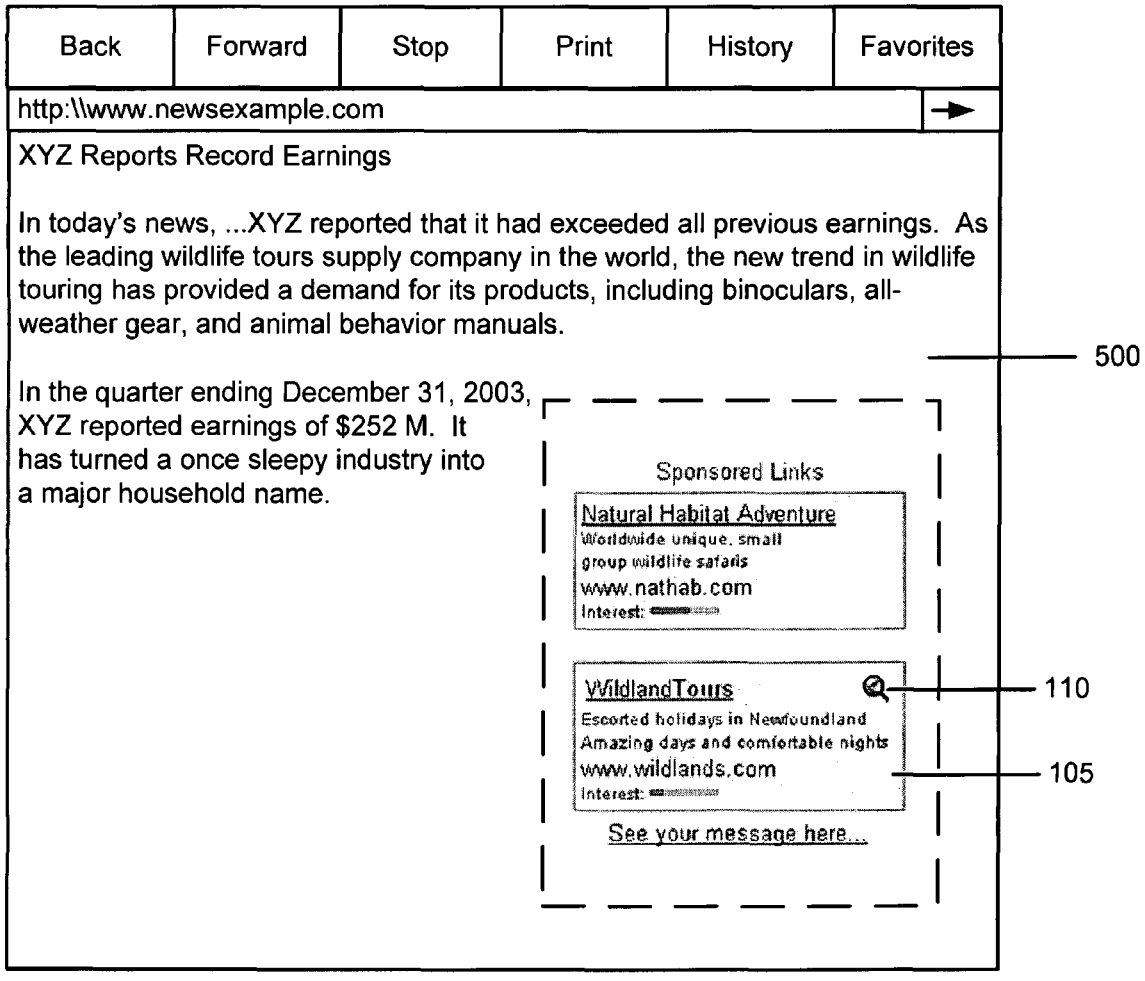

Back
Forward
Stop
Print
History
Favorites
http:\\www.newsexample.com
XYZ Reports Record Earnings
In today's news, ...XYZ reported that it had exceeded all previous earnings. As the leading wildlife tours supply company in the world, the new trend in wildlife touring has provided a demand for its products, including binoculars, all-weather gear, and animal behavior manuals.
In the quarter ending December 31, 2003, XYZ reported earnings of $252 M. It has turned a once sleepy industry into a major household name.
Sponsored Links
Natural Habitat Adventure
Worldwide unique, small group wildlife safaris
www.nathab.com
Interest:
WildlandTours
Escorted holidays in Newfoundland
Amazing days and comfortable nights
www.wildlands.com
Interest:
See your message here...
500
110
105

Fig. 5

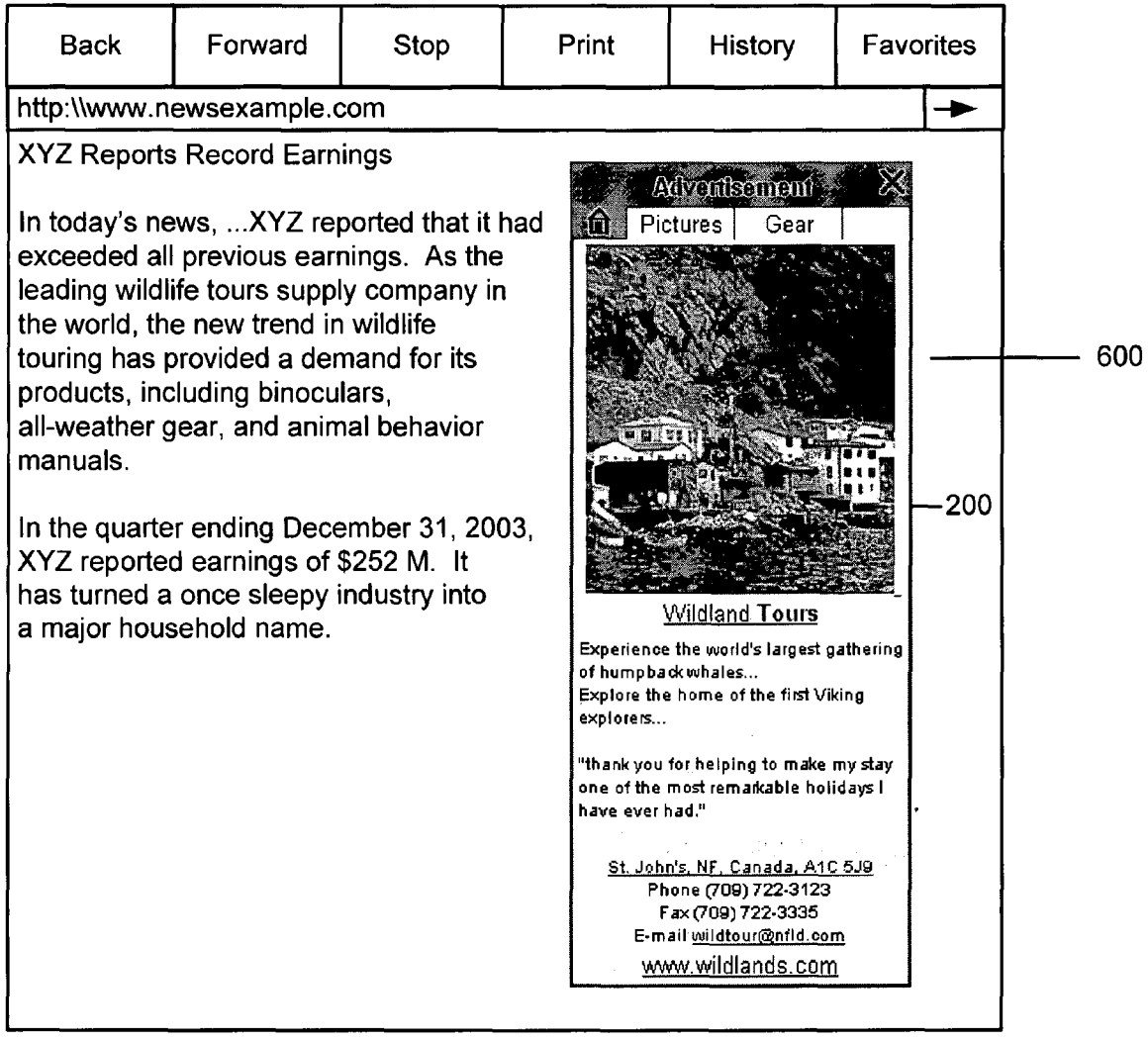

Back
Forward
Stop
Print
History
Favorites
http:\\www.newsexample.com
XYZ Reports Record Earnings
In today's news, ...XYZ reported that it had exceeded all previous earnings. As the leading wildlife tours supply company in the world, the new trend in wildlife touring has provided a demand for its products, including binoculars, all-weather gear, and animal behavior manuals.
In the quarter ending December 31, 2003, XYZ reported earnings of $252 M. It has turned a once sleepy industry into a major household name.
Advertisement
Pictures
Gear
Wildland Tours
Experience the world's largest gathering of humpback whales...
Explore the home of the first Viking explorers...
"thank you for helping to make my stay one of the most remarkable holidays I have ever had."
St. John's, NF, Canada, A1C 5J9
Phone (709) 722-3123
Fax (709) 722-3335
E-mail wildtour@nfld.com
www.wildlands.com
600
200

Fig. 6

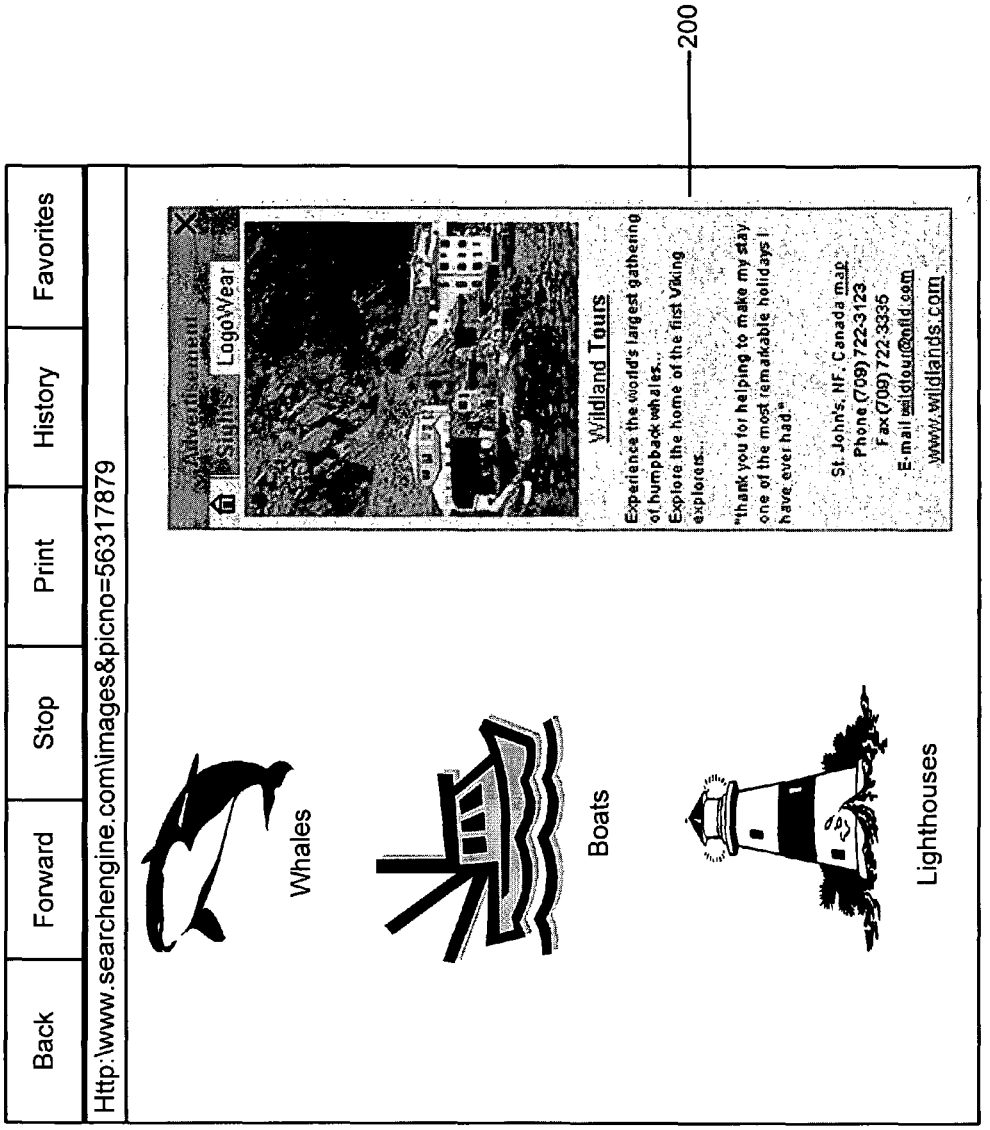

Back
Forward
Stop
Print
History
Favorites
Http:\www.searchengine.com\images&picno=56317879
Whales
Boats
Lighthouses
Sights
LogoWear
Wildland Tours
Experience the world's largest gathering of humpback whales...
Explore the home of the first Viking explorers...
"thank you for helping to make my stay one of the most remarkable holidays I have ever had."
St. John's, NF, Canada map
Phone (709) 722-3123
Fax (709) 722-3335
E-mail wildtour@nfld.com
www.wildlands.com
200

Fig. 7

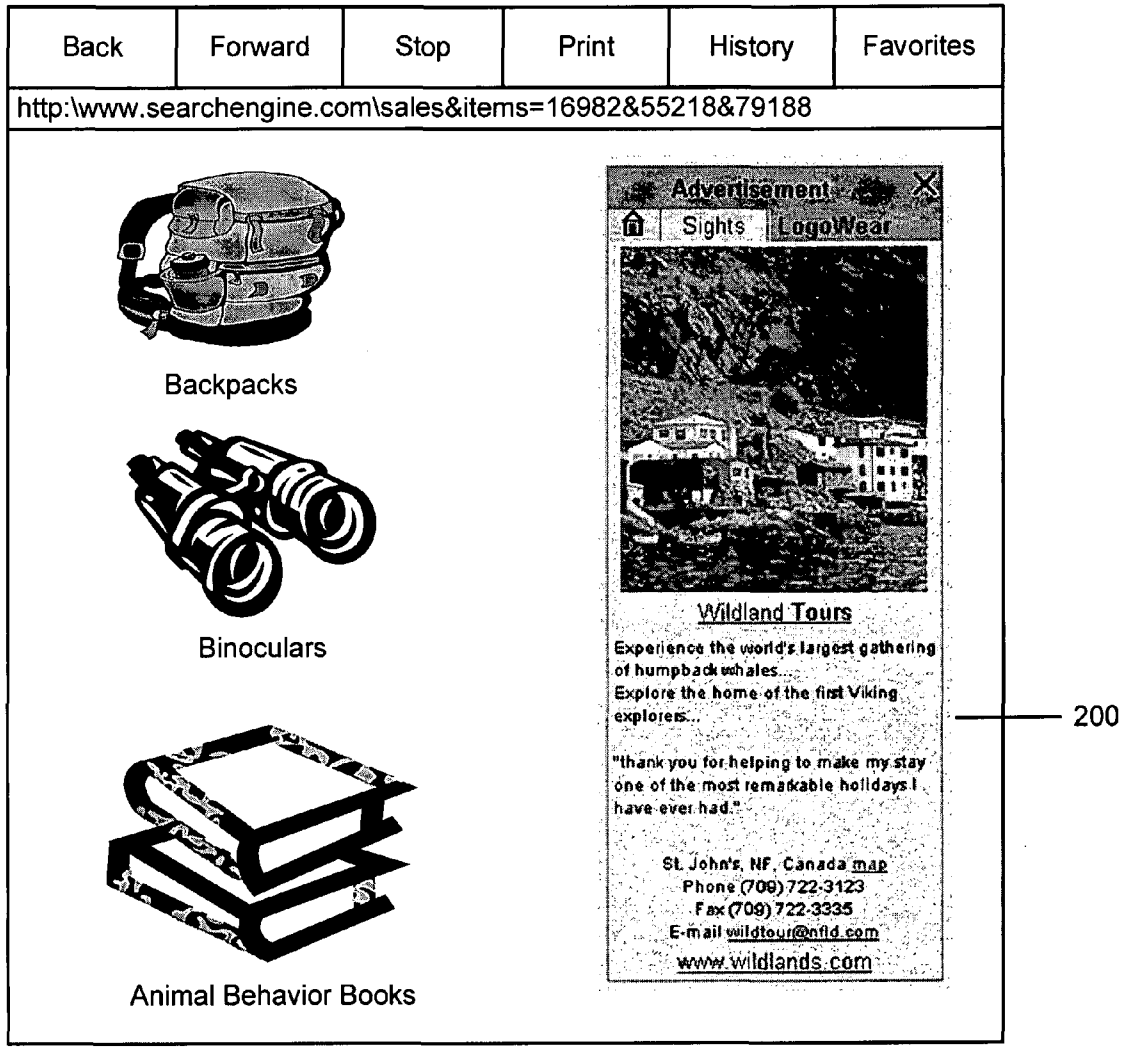

Back
Forward
Stop
Print
History
Favorites
http:\www.searchengine.com\sales&items=16982&55218&79188
Backpacks
Binoculars
Animal Behavior Books
Advertisement
Sights
LogoWear
Wildland Tours
Experience the world's largest gathering of humpback whales...
Explore the home of the first Viking explorers...
"thank you for helping to make my stay one of the most remarkable holidays I have ever had."
St. John's, NF, Canada map
Phone (709) 722-3123
Fax (709) 722-3335
E-mail wildtour@nfld.com
www.wildlands.com
200

Fig. 8

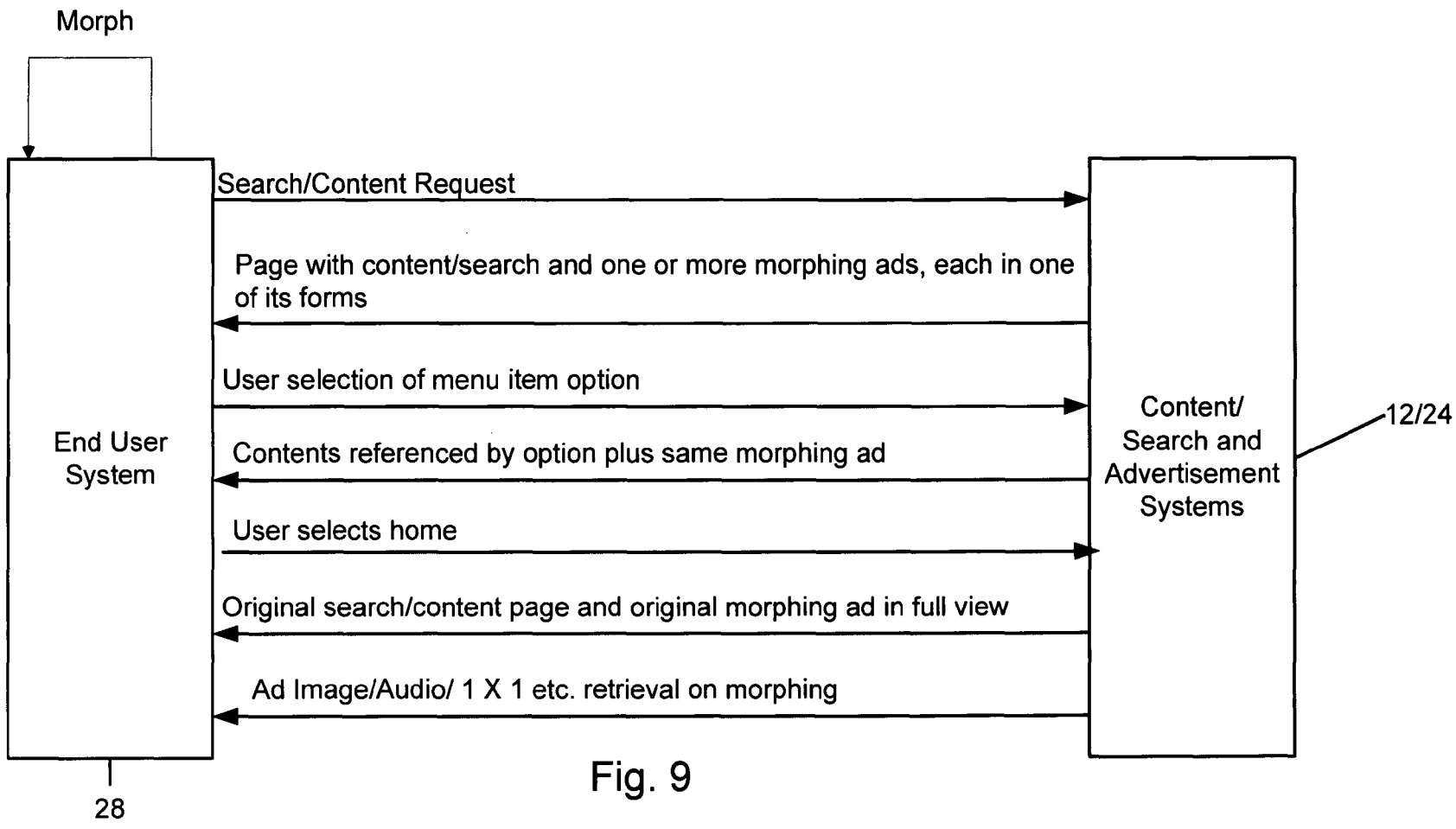

Morph
End User System
28
Search/Content Request
Page with content/search and one or more morphing ads, each in one of its forms
User selection of menu item option
Contents referenced by option plus same morphing ad
User selects home
Original search/content page and original morphing ad in full view
Ad Image/Audio/ 1 X 1 etc. retrieval on morphing
Content/ Search and Advertisement Systems
12/24

Fig. 9

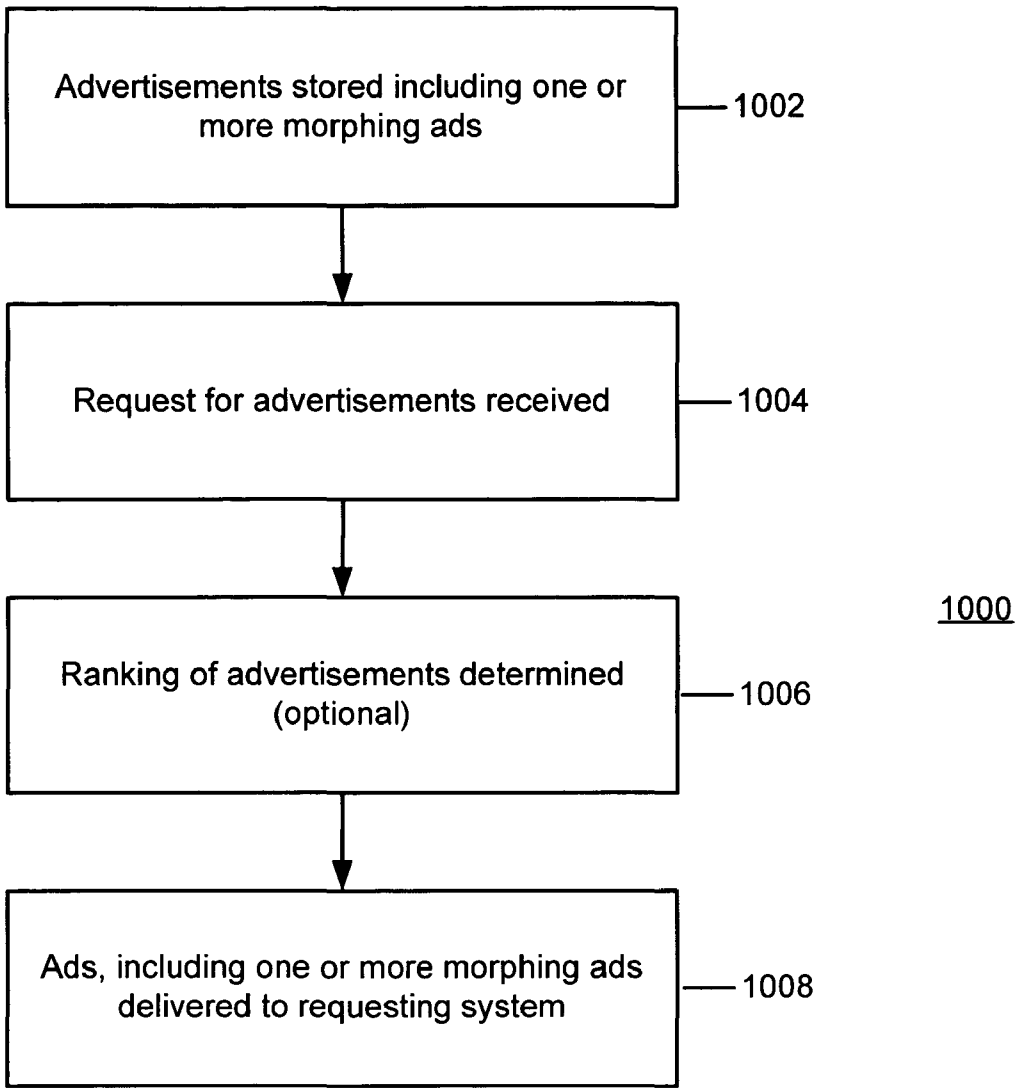

Advertisements stored including one or more morphing ads
1002
Request for advertisements received
1004
Ranking of advertisements determined (optional)
1006
Ads, including one or more morphing ads delivered to requesting system
1008
1000

Fig. 10

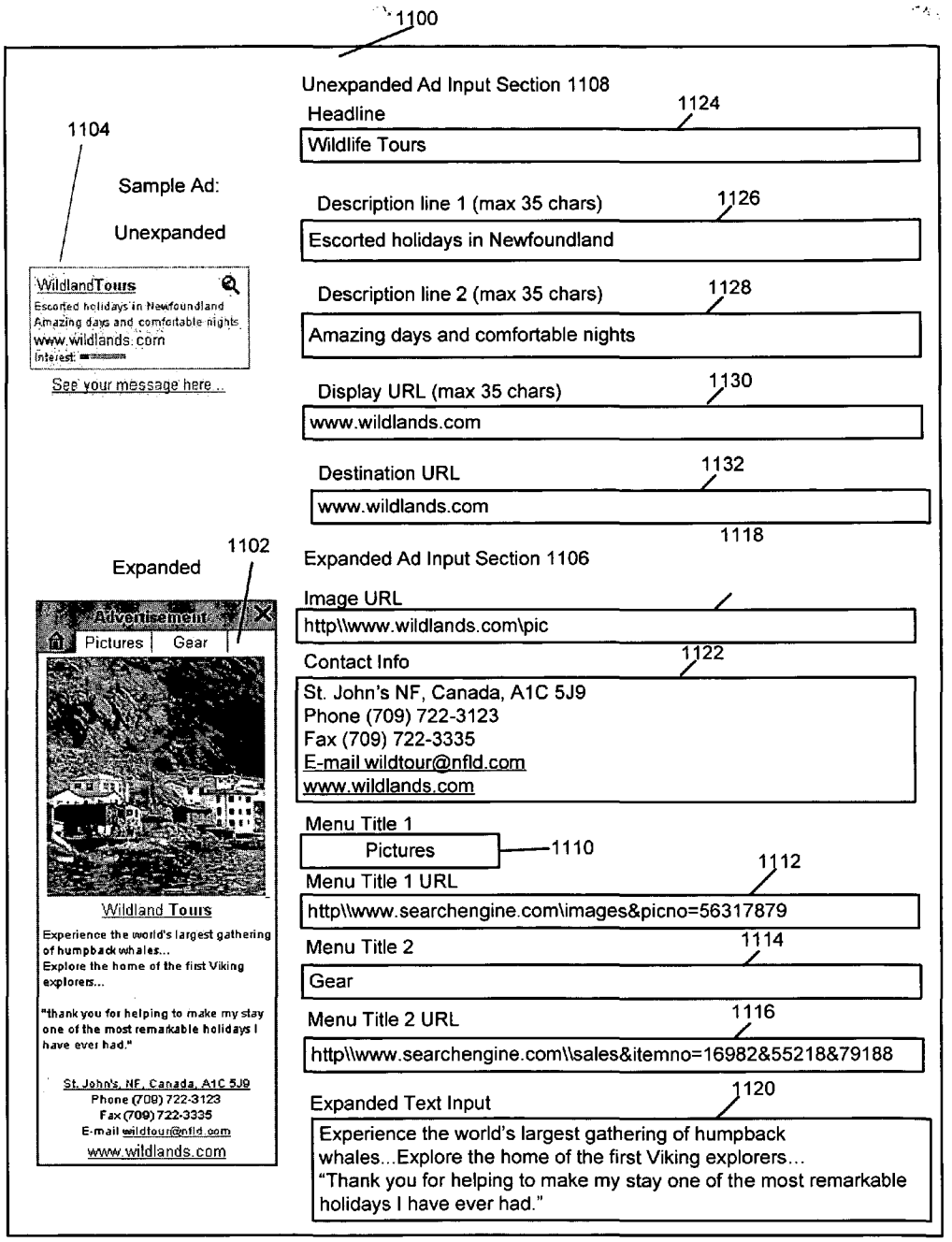

1100
Unexpanded Ad Input Section 1108
Headline
1124
Wildlife Tours
1104
Sample Ad:
Unexpanded
Description line 1 (max 35 chars)
1126
Escorted holidays in Newfoundland
WildlandTours
Escorted holidays in Newfoundland
Amazing days and comfortable nights
www.wildlands.com
Interest:
Description line 2 (max 35 chars)
1128
Amazing days and comfortable nights
See your message here ..
Display URL (max 35 chars)
1130
www.wildlands.com
Destination URL
1132
www.wildlands.com
1118
1102
Expanded
Expanded Ad Input Section 1106
Image URL
http\\www.wildlands.com\pic
Advertisement
Pictures
Gear
Contact Info
1122
St. John's NF, Canada, A1C 5J9
Phone (709) 722-3123
Fax (709) 722-3335
E-mail wildtour@nfld.com
www.wildlands.com
Menu Title 1
Pictures
1110
1112
Menu Title 1 URL
http\\www.searchengine.com\images&picno=56317879
Wildland Tours
Experience the world's largest gathering of humpback whales...
Explore the home of the first Viking explorers...
"thank you for helping to make my stay one of the most remarkable holidays I have ever had."
St. John's, NF, Canada, A1C 5J9
Phone (709) 722-3123
Fax (709) 722-3335
E-mail wildtour@nfld.com
www.wildlands.com
Menu Title 2
1114
Gear
Menu Title 2 URL
1116
http\\www.searchengine.com\\sales&itemno=16982&55218&79188
Expanded Text Input
1120
Experience the world's largest gathering of humpback whales...Explore the home of the first Viking explorers...
"Thank you for helping to make my stay one of the most remarkable holidays I have ever had."

Fig. 11

SYSTEM AND METHOD FOR DELIVERING INTERNET ADVERTISEMENTS THAT CHANGE BETWEEN TEXTUAL AND GRAPHICAL ADS ON DEMAND BY A USER

RELATED APPLICATION

[0001] This application claims priority to a provisional application, U.S. Patent Application No. 60/516,281 filed Nov. 3, 2003 entitled "System and method for delivering internet advertisements that change between textual and graphical ads on demand by a user," still pending, the subject matter of which is hereby incorporated by reference. This application is also related by subject matter to a co-pending and commonly assigned application entitled "System and method for enabling an advertisement to follow the user to additional web pages," Attorney Docket Number 64557.000017 (GP-223-00-US), still pending.

FIELD OF THE INVENTION

[0002] This invention relates to systems for and methods of providing unobtrusive, expandable advertisements over the Internet, and particularly to systems and methods that deliver a morphing advertisement that changes from one display format to another display format based on user request.

BACKGROUND OF THE INVENTION

[0003] Internet users are often subjected to large quantities of ads. Many of these ads are graphical in nature, as graphics provide much information. However, graphical advertisements require more storage and take longer to transmit than small text advertisements. In addition, graphical advertisements can be distracting and intrusive.

[0004] Advertisers are motivated to make their advertisements catch people's attention. Accordingly, advertisements can be quite garish and obtrusive, forcing the user to wait or somehow take action. Users generally have little control over the display of these ads (other than to not visit certain web pages).

[0005] Such tactics frequently serve to annoy the user. As a result, online ad-blocking software has been developed. This software can prevent many types of ads from displaying on people's computers. The annoyance factor of ads today causes many people to not want to investigate what the ads are offering, even if they really offer something useful. Clearly, people are not happy with existing advertisements, such as graphical banners.

[0006] While existing systems allow advertisers to present graphics, they fail to provide effective and desirable advertisements that have a low annoyance factor for users. These and other drawbacks exist with current systems.

SUMMARY OF THE INVENTION

[0007] The various embodiments of the systems and methods described herein may comprise a method of advertising in an electronic document that comprises storing a plurality of advertisements associated with one or more subject matters of interest to users, the plurality of advertisements comprising at least one morphing advertisement. The method may then involve receiving a request for one or more advertisements related to a subject matter of interest, and delivering at least one morphing advertisement, the morphing advertisement including instructions to enable an end user system to change a first display format to a second display format different from the first display format based on one or more user requests to display the second display format.

[0008] In another embodiment, a computer-implemented method for advertising in an electronic document comprises storing a plurality of advertisements associated with one or more subject matters of interest to users and storing at least one price parameter value in association with one or more advertisements when the advertisement meets one or more performance parameters with respect to the end user. Upon receiving a request for one or more advertisements related to a subject matter of interest, the method comprises determining one or more advertisements to deliver based at least in part on the price parameter associated with at least a portion of the plurality of advertisements associated with the subject matter of interest and at least one area-based parameter.

[0009] The accompanying drawings, which are incorporated in and constitute a part of this specification, illustrate various embodiments of the invention and, together with the description, serve to explain the principles and advantages of the invention.

BRIEF DESCRIPTION OF THE DRAWINGS

[0010] **FIG. 1** depicts an exemplary electronic document including a morphing advertisement in a first display format according to an embodiment of the present invention.

[0011] **FIG. 2** depicts an electronic document including a morphing exemplary advertisement in a second display format according to an embodiment of the present invention.

[0012] **FIG. 3** depicts a system for delivering one or more morphing advertisements according to an embodiment of the present invention.

[0013] **FIG. 4** depicts an exemplary system for receiving and delivering morphing advertisements according to an embodiment of the present invention.

[0014] **FIG. 5** depicts an exemplary electronic document including one or more morphing advertisements in a first display format according to an embodiment of the present invention.

[0015] **FIG. 6** depicts an electronic document comprising a morphing advertisement in a second display format according to an embodiment of the present invention.

[0016] **FIG. 7** depicts an exemplary electronic document generated upon selection of a menu option in a menu-driven advertisement according to an embodiment of the present invention.

[0017] **FIG. 8** depicts another exemplary electronic document generated upon selection of a menu option in a menu-driven advertisement according to an embodiment of the present invention.

[0018] **FIG. 9** depicts a schematic diagram illustrating the exchange of information and requests between an end user system and a content/search and advertisement system according to an embodiment of the present invention.

[0019] **FIG. 10** depicts a method of using one or more morphing advertisements that enable a recipient system to modify the appearance of an advertisement based on a user request according to an embodiment of the present invention.

[0020] **FIG. 11** depicts an exemplary interface through which an advertiser may provide information to be included in a first and second display formats (e.g., unexpanded and expanded formats) of a morphing advertisement according to an embodiment of the present invention.

DETAILED DESCRIPTION OF EMBODIMENTS

[0021] The following embodiments are illustrative of various aspects of the invention morphing advertisement in an electronic document. In addition, various sub-headings are provided for guidance, but are in no way intended to be limiting as to where descriptions of various features might be addressed in this disclosure or the associated figures.

[0022] Advertisements may be presented in electronic documents, such as web content (e.g., web pages, email, HTML pages, XML pages, etc.), in a manner that enables transition from a first display format (e.g., a textual format) into a second display format (e.g., an interactive graphical menu-driven format, a larger textual format, a movie format, an audio format, etc.) on demand in a rapid fashion. In one example, the advertisement or a grouping of advertisements is/are presented first in textual format while enabling the user to expand the advertisement into a menu-driven, graphical advertisement. The menu-driven, graphical advertisement may enable the user to view the content of the advertisement and then return to the textual format if desired. The action taken by the user to initiate the second display format may comprise selection of an expansion icon, selection in a frame box, a market on the side, below or above the advertisement, selecting or roll over selected portions or highlights of the advertisement, simple "pass over" of the text related to the ad, other forms of user-initiated and controlled actions or other conditions, as discussed below. In addition, the size of the display of an advertisement, the size of expansion, where the advertisement is placed and/or what other advertisements it may cover may be based on a price parameter or other ranking formula (e.g., an amount an advertiser is willing to pay for each click, bid amount, price information, other measure of price, etc.) associated with the advertisement and others considered for placement.

[0023] Further, in one illustrative embodiment, the second display format may comprise a menu-driven, graphical advertisement that includes one or more menu-selections and further graphics or text to enable the user to find out more about the advertiser and/or its products before deciding whether to visit the pages of content to which the user will be transferred upon selection of the advertisement (e.g., in a pay-for-performance based advertising system). The menus may provide one or more selections that enable the user to view even more information/content related to advertiser and/or its products. When the user selects one of the menu selections, the contents page returned may include the same menu-driven graphics-based advertisement so that the advertisement "follows the user." A "home" link may be provided to transfer the user back to the contents/search page and menu-based graphical advertisement viewed before the user selected the menu selection in the advertisement. In one exemplary embodiment, the advertiser is not determined to have met a performance parameter (e.g., a "click-through") for a menu-selection within the advertisement, so the user is able to learn more about the advertiser and/or its products before it "clicks through." Enabling the user to view more information before an advertiser is deemed to have met a performance parameter that results in charging of a price parameter associated with the performance parameter makes the eventual referral more valuable to the advertisers.

[0024] Morphing Advertisements in Electronic Documents

[0025] **FIG. 1** depicts an exemplary electronic document (e.g., web page, email, electronic newsletter, etc.) **100** that includes a plurality of advertisements (here two advertisements although fewer or more may be provided between the scope of the invention). Such advertisement(s) may appear on the electronic document (e.g., web page) to alert a user that certain goods or services are available. Specifically, the company and/or products in the advertisement(s) may relate to the contents of the electronic documents.

[0026] According to an embodiment of the present invention, one or more of the advertisements displayed in the electronic document may comprise a morphing advertisement. Specifically, a morphing advertisement may comprise an advertisement that changes from a first display format to at least one other display format (e.g., based upon a user request such as a user initiated activity, preference, or movement). The example provided in **FIG. 1** illustrates a first display format for the second advertisement shown at reference number **105**. As depicted in reference number **105**, the first display format for the morphing advertisement may comprise textual information about the advertiser and/or its products. In addition, an expansion icon or other control element **110** may be provided to enable a user to request the transition of advertisement **105** into a second display format (e.g., a more detailed textual format, a graphical format, or a menu-driven interface format, just to name a few).

[0027] Although an icon has been shown for use in enabling a user to select to have the advertisement "morph" from the first display format to a second display format, it should be appreciated that other operations and/or modules may be provided to enable the user to indicate a desire to move from one format to another. In the example in which more than two display formats are provided for a morphing advertisement (e.g., three, four, etc.), various methodologies may be provided to enable the expansion or movement between the various formats as well. For example, there may be three display formats in which the image goes from a small size to a medium size to a large size, each time expanding into covering greater surface area in the electronic document. In doing so, a scroll bar or other escalating icon may be provided to enable the user to initiate movement between the various sized display formats.

[0028] Additionally, the morphing from the first display format to the second display format may be based on other factors, including the media mix of the page in which the advertisement is being included, the user's experience with the site and/or pages in which the advertisement is being included, the user's detected or specified connection speed, the number of advertisements included on a page, the available real estate in the page and many other factors.

[0029] Further, the original "advertisement" may comprise free information provided via the Internet and/or World Wide Web that expands to provide more information about an advertising entity and/or is products and/or services. In addition, the first display format may be an advertisement and the second display format may comprise free web-based information. For example, a search result entry in a search engine may be expandable into a local business listing that includes a picture, etc.

[0030] According to one illustrative embodiment, a first display format may be a compact format that is generally unobtrusive to the user and has a low annoyance factor as illustrated in the example provided in **FIG. 1** at reference number **105**. The compact format may comprise primarily text, with little or no graphics or icon content, although other compact formats may also be used. In this example, a user may request transition of exemplary advertisement **100** to a second display format by clicking on expansion icon **110** or through some other user-initiated action. Such action(s) may cause an advertisement in expanded format to be presented to the user as shown and described below in the example of **FIG. 2**. Expansion icon **110** is depicted here as a magnifying glass, however, other icons or mechanisms for expansion are contemplated.

[0031] **FIG. 2** depicts an exemplary electronic document including the advertisement **105** of **FIG. 1** in a second display format (e.g., in expanded format **200**). Such an expanded format advertisement **200** may appear when a user clicks on expansion icon **110** of advertisement **100**. By making the expanded format advertisement appear at the request of the viewer, either by explicit request (such as activating expansion icon **110**), by a predetermined preference (as a user's preference setting) or through some other activation protocol based on user activity, the advertisement's format (e.g., prominence, appearance, size) is controlled by the user. The user has thus given consent and feels empowered. The user is further empowered to dismiss an annoying or inappropriate advertisement. This may be accomplished by including an icon for outright dismissal, an icon for shrinking back to compact format, or combinations thereof.

[0032] According to one illustrative iteration, the second display format may comprise a menu-based graphical advertisement **200**. Advertisement **200** may include one or more menu options **210**. Menu options **210** may be selected by a user to request additional information specified by the advertiser and shown in the expanded format. Alternately, or in addition, menu options **210** may be selected to enable the user to navigate to additional content (e.g., other electronic documents such as web pages) with such information as will be described below with reference to **FIGS. 7, 8** and **11**, for example. Menu options **210** may direct a current browser window in which the electronic document is being viewed, call up an entirely new web browser window, or activate pop-up windows with additional information.

[0033] In one illustrative embodiment, advertisement **200** may comprise menu options **210** that comprise a home option **220**, pictures option **230**, and a gear option **240**. These options may be specified by the advertiser when creating the creative as depicted in further detail with respect to **FIG. 11** below. Other options an advertiser may choose include a map option that displays map information for an advertiser or its products and services, a weather option that displays weather information related to an advertiser's location and many others that any advertiser may find useful for providing the user more information.

[0034] In addition, the advertiser may be able to select an image **270**, expanded text **280** and contact information **290**. The advertiser may also be permitted to specify an address that can turn into an automatically generated link to a map or picture of a map in the advertisement, for example. The main display **260** may be that utilized in the first display format of the advertisement, such as that as shown in **FIG. 1**, for example. Specifically, the home menu option **220** may be a default that is included in all expanded advertisements utilized in the system. The home icon may, upon selection, return the user to the original content/search page that included the expandable advertisement in the event that the user selects one or more of the other menu options and views other pages. Upon selection of picture icon **230** and/or gear icon **240**, additional content may be displayed to the user in the content portion **201** of the electronic document (e.g., web page) while advertisement **200** continues to be displayed to the user.

[0035] In one example, advertisement **200** may persist on the user's screen during such navigation as described below (or at least appear that way by being refreshed as a part of each electronic document presented during the user's use of the advertisement and its menu options). The advertisement as shown in the second display format **200** of **FIG. 2** is depicted as including a tabbed set of menu options **210**. Pull down, icons, or other forms of menu options may also be used.

[0036] The menu-based graphical advertisement **200** example depicted thus presents an opportunity for the advertiser to tell the interested potential customer about its company, products and/or offerings through images, other graphics, or additional text. It may act as a synopsis of the advertiser's offering, with guides. It may lead and follow the user as he or she investigates, like a special navigation toolbar. It may even follow through to the destination site/page.

[0037] In one illustrative example, advertisement **200** may be offered in a controlled environment. For example, it may be operated in such a way to preclude pop-ups (unless specifically directed to by the user), or retrieving additional web pages/sites without a user's request. Such advertisements may follow a user around on his or her journey, providing a handy way back to the start of the journey, as well as a more consistent user experience.

[0038] Offering users expandable advertisements gives them the ability to safely investigate information about the advertiser and/or its products before going to the advertiser's designated target location (e.g., its target web page). As people get used to such advertisements, it decreases their inhibitions to investigating advertising content, and increases the exposure of advertisement host's information (if not their web sites). Charge-incurring performance parameters to the advertiser may be met less frequently because some "no" decisions will get made when a user has seen the second display format advertisement, but the quality of the charged performance (e.g., a click through and/or conversion to customer relationship) will be much higher. This embodiment also enables the user to quickly go through information available in the advertisement.

[0039] By measuring user response to advertisements, advertisement hosts can determine advertisement quality, and can use this as a criterion for determining whether or not to show a particular advertiser's advertisement. These conditions create an incentive for an advertiser to create accurate and pleasing and useful full-size advertisements.

[0040] By monitoring user manipulations (and timing thereof) of advertisements, advertisement hosts can determine advertisement creative quality, and in combination with site (or equivalent) performance, such as through click-through rate, improve advertisement targeting quality. To do so, various mechanisms may be employed, including, but not limited to, monitoring whether an image is downloaded (e.g., when the user expands the advertisement to a format including an image and the image was not pre-cached at the user's system). If an image is deliberately cached at the user's system, a 1×1 pixel may be retrieved from the server when the image is opened to determine that the image was opened and when that occurred (the retrieval of a 1×1 pixel is typically so unnoticeable that even if a delay in retrieval occurs, the user does not experience any degradation in performance). Likewise, on close of the image, a different 1×1 pixel may be retrieved to track that event and when it occurred. Other mechanisms may be used as well.

[0041] The events tracked may vary as well. For example, a statistically significant sample indicating long dwell time on an advertisement shows high creative quality. A statistically significant sample showing quick dismissals of the full size advertisement show poor creative quality, creative irrelevance or targeting imprecision. A statistically significant sample showing click-though to advertiser indicates good conversion potential, although a statistically relevant sample showing quick return to the page that hosts the advertisement from the click shows a poor customer experience and unlikely conversion. These monitored events may then be used by the system to determine whether an advertisement is effective and may use the effectiveness to determine whether the advertisement should be displayed as part of or regardless of a ranking scheme used to rank advertisements.

[0042] Accordingly, one illustrative method of the present invention is depicted in **FIG. 10**. In this method **1000**, a step **1002** is performed in which advertisements are stored, the advertisements including one or more morphing advertisements such as in our database system as is well known in the art. In step **1004**, a request may be received at the advertisement/content system for an advertisement to be provided. In step **1006**, ranking of advertisements may be determined as an optional feature as discussed above. In another embodiment, advertisements may be provided in some other format based on other predetermined criteria (e.g., match advertisement format to page media and layout). In step **1008**, one or more morphing ads may be delivered to the end user system that include the code that enables the end user system to effectuate transitioning the ad from a first display format to a second display format as described in greater detail below.

[0043] System for Receiving and Delivering Morphing and Menu-Driven Advertisements

[0044] An embodiment of a networked environment in which such a system may operate is depicted in **FIG. 3**. In such a system, advertisement providers **12** connect over a network **14** to an advertisement listings provider **16** (e.g., using a secure https connection) to register, provide payment information, one or more price parameters (e.g., an amount an advertiser is willing to pay for each click, bid amount, price information, other measure of price, etc.) and associated advertisements (also called creatives) associated with the price parameter. For example, the advertisers may provide their price parameter(s) in association with a keyword for use in a search engine system and may also provide a price parameter in association with content on a content portal or content distribution system. The advertisement listings provider **16** then stores the information on a database server **18** for later transmittal. The advertisement listings provider **16** may then distribute the listings through various forums or feeds, including direct distribution in print media, providing the listings on one or more web sites affiliated with the advertisement listings provider, through internet advertising distribution partners **20** (also called syndication partners) (connected over network **14** or **22** depending on security desired), through content systems **24** (with associated content databases **26**) and through search engine systems operated by the advertisement listing provider or internet advertising distribution partner(s).

[0045] Through these various forums, the advertisements provided by the advertisement provider may be included in pages displayed to end users **28** (often called an impression). In one embodiment, the advertisement provider **12** is only obligated to pay if the end user meets some performance parameter (e.g., clicks-through the advertisement to the web page target provided by the advertisement provider in affiliation with the particular ad, activates a coupon, becomes a registered user, purchases an item, completes a phone link (in the event of a wireless/phone hookup), for example). In addition, the advertisement listings provider **16** may only be paid when a certain performance parameter is achieved (e.g., a click-through occurs or a conversion occurs, etc.) or some other monetization event occurs. Also, traditionally, the advertisement listing provider **16** and internet distribution partner(s) **20** may agree to share the revenue for the charge-incurring performance (e.g., click-throughs generated) through distribution via the internet distribution partner **20**.

[0046] Each of advertising listings provider **16** and advertisement provider **12** may comprise computerized systems that include one or more of the following systems: a web server, a database server, proxy server, network balancing mechanisms and systems, and various software components that enable the system to operate on the internet or other network type system. Additionally, networks **14** and **22**, although depicted as http networks, may comprise other networks such as private lines, intranets, or any other network. Preferably, the connection between advertising provider **12** and advertisement listing provider **16** may comprise secure network connections to insure that data is not subject to attack or corruption by any hacker or other third party. In addition, whereas two advertisement providers are depicted, it should be appreciated that one or more advertisement providers **12** may be provided in the network. Similarly, although one database server **18** is depicted, it should be appreciated that multiple database servers may be provided and that such database servers may be connected to the advertisement listing provider via any type of network connection, including a distributed database server architecture.

[0047] Similarly, content system **24** and content database **26** may comprise any number of such systems connected to the advertisement provider or advertisement listing provider **16** via any type of network, including an http or https network. Content provider **24** may comprise a system such as advertisement listing provider **16** that provides functionality for enabling connection over the internet or other network protocols. End users **28** may comprise any user connected to the internet and may comprise computerized systems that enable that connection through any of various types of networks, including through internet service providers, cable companies, and any other method of accessing data on the internet. Internet advertising distribution partners **20** may comprise any system that distributes internet-based advertising to end users. Whereas two internet advertising distribution partners **20** are depicted, any number may actually be provided.

[0048] In general, in these embodiments, the advertisement listing provider **16** generates revenue when end users achieve performance parameters or some other monetization event (as discussed above) occurs relevant to an advertisement such that the advertising system can charge a price parameter participating advertisement providers select. The advertisement listing provider **16** may also incur costs for every impression that it reaches in the form of overhead in running a web site or distribution agreements for distribution. Accordingly, the various embodiments of the present invention recognize that in such systems, it is the revenue per specific page served (effective revenue per impression) that generally produces the advertisement listing provider's profits (also called page real estate revenue efficiency). By using page real estate revenue efficiency to rank advertisements then, the advertisement listing provider's rankings track its own profitability. This is particularly true for distribution channels with limited numbers of slots for advertisements.

[0049] As shown in **FIG. 4**, the advertising listing provider **16** may comprise a system that provides an advertisement receiving module **30** for interacting with advertising providers to receive advertisement information. It may also comprise an advertising listing generation module **32** that generates a listing of advertisements from the database based on criteria provided and depending on the forum for the advertisements (e.g., search engine, content portal, distribution partner, etc.). A ranking module **34** may generate an order to the listing based on rankings based on a model. In one embodiment, the ranking module **34** may determine rankings based on price parameter values, revenue efficiency and performance, in conjunction with a performance rate determination module **36** (e.g., a click-through-rate calculator, conversion calculator, coupon selection calculator, phone through rate calculator, etc.). The resulting advertisements generated and ranked may then be communicated through various channels. An advertiser communication module **38** may also be provided for communicating with the advertisers. For example, it may be desired for the system to alert an advertiser prior to changing the advertisement used for a given price parameter or before moving the advertisement down or up in the rankings. A database **18** may be provided in affiliation with the advertiser listing provider to store advertisements, price parameters, advertising information and a cache of clicks to be used to determine the performance-rate.

[0050] Additionally, because advertising listings provider **16** may provide the functionality of distributing advertising itself and providing search engine results, web server system **40** may be provided as well as a search engine system **41**. It should be appreciated that multiple such systems may be encompassed within the advertising listing provider system **16**.

[0051] Additionally, a morphing enablement module **42** may be provided that takes data stored for a morphing advertisement in the database system **18** and generates a morphing advertisement for inclusion in an electronic document as described below, for example. An image server **44** may be provided to serve images associated with advertisements, if desired. Also, a target redirection server may receive a target selection from the user system, log the event for billing purposes and redirect the user to advertiser specified content.

[0052] Additionally, database server system **18** may comprise one or more database systems that store various types of data including one or more of the following: advertisements, the click cache, price parameter information, and advertiser information including registration information about the advertisers, accounts for the advertisers, payment information and other information as described herein. Numerous modules may not be provided in various embodiments and/or the modules may be combined together to provide the functionality described. Further, the modules may be dispersed across multiple physical systems or may be duplicated across multiple systems.

[0053] Generating a Morphing and Menu-Driven Advertisement for Inclusion in an Electronic Document

[0054] Enabling an advertisement to be changed from a first display format to a second display format may be accomplished in a wide variety and manner of ways. Web pages that host such advertisements may be, but are not limited to, HTML. Technologies for achieving such changeable advertisements include, but are not limited to:

[0055] A) Using dynamic user interface logic, such as dynamic web page with JavaScript, vbscript, or dynamic content such as macromedia, or signals to and from an embedded control such as a toolbar, to modify the visible page; or

[0056] B) As above, by creating a pop-up; or

[0057] C) Bringing in another page with the advertisement expanded. This option may be employed to limit or avoid dependency on browser type or settings.

[0058] According to one illustrative embodiment, the electronic document may include Java Script code that enables a user to select to have the advertisement morph from the first display format to a second display format. An example of the HTML-based Java Script code to perform his function is as follows:

[0059] An example of the JavaScript code, embedded in or referenced by an HTML page, to perform this function is as follows:

```
<SCRIPT LANGUAGE="JavaScript">
<!--
//
// This JavaScript function takes an object identified by currentElement
// and toggles its visibility. It is called by the Morphing function below
//
function toggleVisibility( currentElement ){
   dom = document.getElementById( currElem ).style;
   state = dom.display;
   dom.display = (state == 'none')? "": "none";
}
//
// This JavaScript function takes an advertisement identified by currentElement
// and modifies display parameters on HTML page content so that the user perceives
// that the ad morphs. In this example, all ads of one form -- the 'plainAds' -- are hidden,
// and the selected ad is morphed by making its alternate form visible.
// This function is invoked by the morphing selection mechanism.
//
function morph( advertisement ){
   toggleVisibility( 'plainAds' );
   toggleVisibility( advertisement );
}
-->
</SCRIPT>
<!-- Suitably tag HTML code with identifiers -->
```

[0060] Also, to speed the delivery of images, graphics, or other large files to be included in a display format, the code included in the electronic document may preload such images, graphics, or other files (e.g., into the cache of the browser) so they can be more quickly displayed upon selection by the user to display the second display format. n example of the JavaScript code to pre-fetch an imaage is as follows. The code can be embedded in or referenced by an HTML page, it is shown here as code embedded in an HTML page:

```
<SCRIPT LANGUAGE="JavaScript">
<!--
// declare an array to hold all the cached image references, in this case one
var images = new Array(1);
// instantiate an image object for each cached image
images[0] = new Image( );
// associate the image object with the URL of an image, which it will
automatically fetch
images[0].src = "imageads.google.com/HZT5311590625_1.jpg";
// put any other warm-up code or JavaScript funcations here....
...
-->
</SCRIPT>
```

[0061] Morphing and Menu-Driven Advertisements in Syndication/Distribution

[0062] According to another illustrative example of the present invention, the morphing advertisements may be incorporated into content based systems through a syndication system (e.g., distribution partner) as described above with respect to **FIGS. 3 and 4**. Specifically, various web sites may desire to include advertisements related to the content of their various web pages on the web site. As a result, such advertisers may enter into agreements with the advertising listing provider to provide advertisements that relate to the content of their site. An example of a web page resulting from an advertisement provided by the advertising listing provider to the content system is illustrated in **FIG. 5**. In this example, a news site is displaying news related to various topics of interest. In this example, the advertisements content **500** includes a report relating to the financial success of a company XYZ which is in the business of providing equipment for wildlife tours. Accordingly, such news story may be determined by the advertising listing provider to be related to wildlife tours and thus the advertisements depicted in **FIG. 1** may be syndicated to the content provider system for display in the web page as shown in **FIG. 5**. In similar fashion as described above with reference to **FIGS. 1 and 2**, this may be a morphing advertisement which may morph into the format as shown in **FIG. 6** whereby the morphing advertisement covers the entire area allocated by the content system for advertisements based upon the user's selection of the morphing icon or other mechanism for requesting transition from a first display format to a second display format.

[0063] Further Details on Menu-Driven Advertisements

[0064] According to another illustrative embodiment of the present invention, the morphing advertisement may comprise a format that includes a menu-based graphical format as shown for example in the illustrative example of **FIG. 2**. Such a display format may enable the user to navigate to various other pages of content provided by the content/advertisement system without necessarily transitioning to a web page sponsored by the advertiser. This provides the ability of the user to maintain control over whether they visit the advertiser's web site but also allows the user to find out more information relevant to the advertiser and/or its products. In this example, the advertisement may be thought of as following the user around as they visit the various pages of content selected by the advertiser in association with the menu options presented in the advertisement. Content may be restricted to a specific site, such as Google, or content cached by the site (e.g., Google) to allow quick, anonymous browsing as explained below.

[0065] As shown in **FIG. 7**, one of the menu options may comprise a menu option to view pictures relevant to the

advertised wild life tour. Upon selecting that menu option, a request may be transmitted based upon the content supplied in the advertisement back to the advertisement listing server which may then return a web page that includes content specified in the URL associated with the menu option and including the menu-driven graphical advertisement as well. In this way, the user continues to have the advertisement as a point of reference for navigating to various other pieces of information or back by selection of the home icon. In this example of **FIG. 7**, various pages of images may be displayed and such images may be those hosted by the advertising listing provider/content provider that the user is visiting. Of course it is within the scope of the present invention that the referenced page that is displayed by the advertisement may comprise pages of content on other sites as well. One of the advantages of containing the pages to which the user is taken is to create a safe experience for the user so that they feel comfortable selecting these links and not necessarily visiting other web pages. Specifically, if the content/advertisement provider has established a reputation as being a "safe place" on the Internet for the user to visit and experience, that system would want to continue that reputation by ensuring that the pages visited through the menu-driven graphical advertisement are also safe. For example, the pages referenced may be limited to those pages approved or associated with the content/advertising system that is the host of the original page where the user received the content and the menu-driven advertisement.

[**0066**] As shown in **FIG. 8**, another selection on the menu-driven advertisement may comprise a request to view items for sale (gear) related to the wildlife tour companies suggested items for taking such a tour. In this embodiment, the user may be taken to view various items for sale through pages hosted or affiliated with the content/advertisement system to again provide the feel of a safe confined experience for the user. Once again, upon selection of the menu option, the advertisement may transmit to the content/advertisement system a request for a page as specified in association with that menu option within the advertisement of the HTML page already on the user system. The advertisement/content provider system may then return the requested content along with the menu-driven advertisement as well to again allow the advertisement to "follow the user around." Given the fact that the advertisement is not changing, it will appear to the user in a preferred embodiment that the advertisement does not "change" because the browser is not required to change any of the pixels depicted for that portion of the electronic page.

[**0067**] Another advantage of the advertisement following the user is that the advertisement may be present during the purchase of items, such as through an interface depicted in **FIG. 8**. Thus, the advertisement may record feedback from the user at the point of purchase to determine the effectiveness of the advertisement, etc.

[**0068**] In other embodiments, the system may utilize frames such that the advertisement is treated as one frame that does not need to be refreshed whereas the other content portions of the page are refreshed. Various iterations of this may be employed by one of ordinary skill in the art such that the advertisement may "follow the user" to various pages of content as specified in the menu options of the advertisement. One example of this experience is depicted in **FIG. 9** wherein an end user system **28** and content/search and advertisement system **12**/**24** are depicted. An end user system **28** may transmit a search/content request to the content/search and advertisement system **12**/**24**. That system may then return an electronic page with content/search results and one or more morphing advertisements. Upon selection or other indication by the user to transition the ad or morph the ad from a first display format to a second display format, a request may be processed solely at the end user system based upon the Java script described above. Accordingly, no further instruction to content/search and advertisement system may be required to transition the ad from a first display format to a second display format. If, however, a user selects one of the menu options on a menu-driven graphical advertisement, then a request may be transmitted to content/search and advertisement systems **12**/**24** and in return, the referenced menu link contents plus the same morphing advertisement may be presented and transmitted back to the end user system. If at any time the user selects the home option **220** in the menu-driven graphical advertisement **200**, the original content/search results and advertisements in the expanded second display format that includes the menu-driven advertisement may be transmitted to the end user system. In another example, an advertisement may be targeted to local users and so a map link may be provided as an option that displays electronic mapping data and information.

[**0069**] In other embodiment, the morphing advertisement, such as a menu-driven advertisement (used as a business listing or when an advertiser does not have a web site, for example), may be separately bookmarkable by having a separate URL associated therewith. Accordingly, a user could choose to view the advertisement whenever they desire by referencing the bookmark.

[**0070**] Interface For Inputting Components and Contents of Morphing and Menu-Driven Advertisements

[**0071**] Various interfaces are well known in the art for enabling advertisers to provide the contents for an advertisement to be included in such advertisement distribution systems as described above. In particular, various advertising listing systems have been developed that enable advertisers to place price parameters for their advertisement to be associated with concepts such as keywords, content or combinations thereof. An illustrative example of an interface that enables a user to specify the contents of a morphing advertisement is provided in **FIG. 11**. **FIG. 11** depicts an interface **1100** that comprises various sections. In section **1102**, an example of the expanded (or second display format) may be depicted to enable the user to have an idea of what the advertisement will look like when it is displayed to an end user based upon the contents of information provided in the expanded display format input section **1106** and the unexpanded display format input section **1108**. In section **1104**, an example of the unexpanded format (or first display format) is depicted based on the information in the unexpanded display format input section **1108**.

[**0072**] As shown, in the illustrative example, the input fields for the expanded display format **1106** may include a first menu title input box **1110**, a first menu title URL input box **1112**, a second menu title input box **1114**, and a second menu title input box **1116**. As indicated in the example of **FIG. 11**, the input in the menu title boxes may be the heading titles displayed in the advertisement as shown, for

example, at **230** and **240**. As discussed above, although a tabbed menu mechanism is currently illustrated, other methods of displaying menu options are within the scope of one of ordinary skill in the art, including drop down menus, etc. Associated with each of the menu titles may be a URL to which the user will be transferred to receive additional content for the advertisements, such as described above with reference to **FIG. 7** and **FIG. 8**. As shown in these examples, the input may comprise a URL that comprises various inputs to specify specific contents of the page, such as the pictures in **FIG. 7** or the items for sale depicted in **FIG. 8**.

[**0073**] In addition, section **1106** may include an image URL input box **1118** where the user may specify the location (or drag and drop it) of an image to be displayed as a portion of the menu-driven graphical advertisement such as that depicted in **FIGS. 2, 6, 7**, and **8**. The image may be cached by the advertisement service for high performance, high reliability and user anonymity. In addition, an expanded text input box **1120** may be provided to enable the advertiser to specify a larger amount of text about the company and/or items for sale that are being advertised than are capable of being displayed in the smaller, unexpanded format as depicted in **FIG. 1** and explained below. Further, in this example, a contact info input box **1122** is provided to enable the user to specify contact information such as that depicted in **FIG. 2**. It is also within the scope of the present invention for the contact information to be based upon the account information on file for the advertiser such that the advertiser does not need to specify this information in this advertisement input interface **1100**. Such information may be automatically populated from the accounting database utilized by the system to keep track of amounts due to the advertising listing provider from various advertisers.

[**0074**] As shown, interface **1100** may also include various inputs in the unexpanded display input section **1108**. As is known in the art, such information may include a headline input field **1124**, first and second description input options **1126** and **1128**, a display URL input **1130** and a destination URL input **1132**. The display URL may be that URL that is displayed as a part of the advertisement, whereas the destination URL could be a more specific page within that web site or could be another URL entirely depending upon the preferences of the advertiser.

[**0075**] The contents of interface **1100** that are specified by an advertiser may be subject to approval by a human and/or automated computer process sponsored by the advertising listing provider. In one embodiment, advertisements may be approved only if they are related to the keywords or content for which the advertiser has supplied a price parameter associated with the advertisement. Accordingly, if the images or menu options included in this advertisement take the user to pages unrelated to the content of the advertiser, then such information may be rejected and the advertiser may be required to update this information. Other approvals may also be performed, such as ensuring that the advertisement does not include offensive material.

[**0076**] In addition, whereas a specific number of inputs and types of inputs have been specified in this example, it should be appreciated that fewer or additional inputs and types of inputs may be included within the scope of one of ordinary skill in the art. For example, audio files, movie files, animations, and other types of file inputs may be permissible according to various iterations of the present invention. In such an embodiment, various input boxes may be provided in interface **1100** to enable the advertiser to specify the source file or to upload the source file to be hosted at the advertising listing provider system. In addition, as described above, more than two different display formats may be possible and in such embodiment, one or more additional sections or additional pages may be provided to enable the advertiser to specify inputs and contents of the various additional display formats to which the advertisement may morph depending upon user initiated activity.

[**0077**] Morphing and Menu-Driven Advertisements in Pay-For-Performance Advertising

[**0078**] In various embodiments, the morphing advertisements may be part of a pay-for-performance-based advertising system in which ranking of advertisements may be based on one or more price parameters and/or one or more performance parameters (e.g., click through rate, conversion rate, performance information, page real estate, other measure of performance, etc.). Specific examples include, but are not limited to, bid amount for click-through, efficiency rating a combination thereof. Accordingly, in such embodiments use of any ranking system may be used within the scope of the present invention.

[**0079**] For ranking, an effective rank of the graphic may be determined. The effective rank may be based on the price parameter (e.g., the cost per click, etc.) and the performance parameter (e.g., click through rate, etc.). According to an example, the effective rank may be determined by multiplying the cost per click and the click through rate. In one example, a higher graphical advertisement's CPC or CTR results in a higher graphical advertisement position. Because this ranking system rewards well-targeted, relevant advertisements, an advertiser cannot be locked out of the top position as an advertiser would in a ranking system based solely on price. If an advertisement is irrelevant, end-users are less likely to click on the advertisement thereby forcing the advertisement to move down the page. Similarly, if an advertisement is relevant, it is likely to rise to the top without additional payment from the advertiser. Additional examples of ordering advertisement using scores where the scores may be determined using, at least one of accepted advertisement price information and advertisement performance information are discussed in U.S. patent application Ser. No. 10/445,376, filed on May 23, 2003, entitled "Scoring, Modifying Scores of, and/or Filtering Advertisements Using Advertiser Information," which is incorporated by reference herein in its entirety. The score may be determined (or adjusted) using, at least, advertiser information. In addition, advertiser information may be used to filter out advertisements. Additional examples of ordering advertisements in a manner that maximizes relevance and economic values are discussed in U.S. patent Application Ser. No. 10/112,656, filed on Mar. 29, 2002, entitled "Methods and Apparatus for Ordering Advertisements Based on Performance Information" and U.S. patent application Ser. No. 10/112,654, filed on Mar. 29, 2002, entitled "Methods and Apparatus for Ordering Advertisements Based on Performance Information and Price Information," which are incorporated by reference herein in their entirety. Advertisement ordering may be based on accepted advertisement price information and/or

advertisement performance information where price information and/or performance information may be weighted or otherwise adjusted.

[0080] In another example, the advertiser may specify a maximum cost per click amount as well as a daily budget. The daily budget may represent how much an advertiser wants to spend per month (or other time frame) divided by the number of days in that month (or other time frame). The server may use this data to match a daily amount to help ensure maximum advertisement exposure evenly throughout each day (or other time period). Additional examples of governing the serving (or delivery) of advertisements based on some cost target, such as cost budget for a given period of time, are discussed in U.S. patent application Ser. No. **10/340,553**, filed on Jan. 10, 2003, entitled "Governing the Serving of Advertisements Based on a Cost Target," which is incorporated by reference herein in its entirety. Advertisers may budget their advertising expenditures, while allowing an ad serving entity to maximize its revenue subject to advertisers' budget constraint(s). For example, an exemplary embodiment may estimate an expected cost if an ad were subject to no budgetary constraints and govern the serving of the advertisement based on the expected cost and the budget constraint(s).

[0081] An advertiser may specify content-based concepts (e.g., keywords, subject matter, etc.) and a price parameter (e.g., a maximum amount an advertiser is willing to pay for each click) where the advertiser pays only when an end-user clicks on the graphical advertisement. Additional costs may be saved by automatically reducing the actual CPC to a lowest cost needed to maintain the graphical advertisement's position on the results page (e.g., content page, search results page, etc.).

[0082] Additional examples of presenting advertisements and managing advertising costs are discussed in U.S. patent application Ser. No. 10/340,543, filed on Jan. 10, 2003, entitled "Automated Price Maintenance for Use With a System in which Advertisements are Rendered with Relative Preferences" and U.S. patent application Ser. No. 10/340, 542, filed Jan. 10, 2003, entitled "Automated Price Maintenance for Use With a System in Which Advertisements are Rendered with Relative Preference Based on Performance Information and Price Information," which are incorporated by reference herein in their entirety. Advertisements may be ordered based on accepted maximum ad bid information, or a combination of maximum ad bid information and ad performance information. For example, this information may be used to determine a position (or some other ad preference) value. Cost may be determined based on the accepted maximum ad bid information and the next lower position value. Certain days or time frames may be targeted for increased exposure. For example, during the holiday season, an advertiser may be willing to spend more on advertisement to increase exposure. In addition, peak Internet usage times may also trigger additional advertisement exposure. Additional examples of determining and using time information (e.g., end user local time information, including local time-of-day, local day-of-week, local date, and/or local season information, etc.) for improving usefulness and performance of advertisements are discussed in U.S. patent application Ser. No. 10/676,369, filed on Oct. 1, 2003, entitled "Determining and/or Using End User Local Time Information in an Ad System," which is incorporated by reference herein in its entirety.

[0083] Real-Estate-Based Price Parameters With or Without Morphing

[0084] Also, advertisers may be given the opportunity to have their ad expand to exclude some or all other ads or simply to cover the other ads in initial presentation (without morphing). Typically, advertisements in a more compact format are set off from the rest of the web page on which they reside (see, e.g., **FIG. 1**). Given the finite amount of space for such advertisements, advertisers may be given the opportunity to exclude other advertisements and thereby gain additional space for their particular advertisement by expanding to cover those advertisements. This may be an option or a standard feature in certain advertisement formats.

[0085] From the advertisement listing provider's perspective, the ability to exclude other advertisements is desirable if the expected revenue and user experience (possibly including goodwill as a bonus) incurred by doing so is maximal, based on statistical observation from morph requests (i.e., clicks on expand icons appearing on advertisements in compact form) and performance (e.g., click-through information and/or conversion information).

[0086] Advertisers may be permitted to:

[0087] i) Enter a "bid to be the only advertiser" mode. As in ii.) below, eliminates all competing advertisements.

[0088] ii) Enter a "bid to exclude enough other advertisers to show a particular size advertisement."

[0089] In each of these cases, the winning advertiser may pay the price parameter for the top spot plus an amount to exclude other advertisements. By way of non-limiting example, there may be three eligible advertisers (i.e., space for three advertisement spots) with a particular size advertisement. The advertisement spots may be ordered based on pure price parameter value, pay-for-placement ranking, an efficiency basis, or a fixed-price basis (such as impression or CIP or cost per thousand impressions or CPM), just to name a few methods of initial selection of the three ads. Using latter example of CPI rankings, the top advertisement spot costs Z, the middle costs Y, and the bottom costs Z. The winning (top) advertiser can expand to use the space used by the bottom advertiser by paying the cost of the top spot plus the cost of the bottom spot plus some premium (i.e., X+Z+epsilon, where epsilon is the premium). The top advertiser can use the entire space if they are willing to pay the cost of all three spots plus some (possibly different) premium (X+Y+Z+epsilon', where epsilon' is the premium for this case). This effective cost per impression or eCPI may be factored into click cost as: cost of click=eCPI/CTR. In another example, payment is based on effective revenue per impression.

[0090] Note that both schemas i) and ii) are revenue-neutral (plus the premium) for the advertising listing provider (i.e., advertisement host), and puts the cost for exclusive placement on the winning advertiser, at a rate set by the market.

[0091] An additional illustrative example, the system may want to incentivize advertisers to utilize the morphing advertisement. Specifically, the advertising listing provider

may believe that the utilization of a morphing advertisement is more likely to generate a click through by the user, and thus revenue to the advertisement listing provider. In such systems, the advertising listing provider is paid an amount based on a price parameter specified by the advertiser when the advertisement achieves some performance parameter (e.g., an end user clicks through to the advertiser designated sources). Accordingly, the advertising listing provider increases its revenue based on two criteria: the amount of the price parameter specified by an advertiser (e.g., bid amount) and the performance of the advertisement (e.g., click-through-rate, conversion rate, etc.). Accordingly, as the performance and price parameters increase, the advertising listing provider makes more money. Thus, this explains the basis for an advertising listing provider utilizing an effective rate based on a price parameter and a performance parameter, such as an effective click through rate as the basis for ranking advertisements and the system for giving key word, contents, and/or combination thereof.

[**0092**] When a new advertisement type of system such as described above is implemented, however, users may not be accustomed to interfacing with such an advertisement. Therefore, there may be some degradation in the click through rate for a given advertiser until the users gets accustomed to utilizing the morphing advertisements. Over time, however, the users of the system become more accustomed to using a morphing advertisement and because of the increased value of the additional information provided, the effective click through rate could go up. During the mean time, however, an advertiser's ranking may drop due to the decreased click through rate. Therefore, to compensate for this potential intervening drop and click through rate, the system may give a credit or bonus to advertisers who utilize a morphing advertisement.

[**0093**] For example, if an advertiser's specific price in a price parameter for a given concept (e.g., content, keyword or combination thereof) were 20 cents per some level of performance (e.g., click through, conversion, etc.), the system may provide a 20% bonus to the advertiser for utilizing a morphing advertisement. Accordingly, the advertisement would be treated as being based on a 22 cent click through bid as opposed to 20 cents. Or, rather than increasing the bid amount for using morphing ads, the recorded click through rate for that advertiser could be artificially modified by a certain percentage as well. Or, the click through rate calculations could be increased based upon various criteria of use of the morphing advertisement rather than just a click through rate. In this example, the advertiser may not be charged for a click through even though the click through rate would be increased for purposes of ranking. For example, if a particular advertisement had a click through rate of 100 per 1000 impressions, but the system determined that for every 1000 impressions, 200 users expanded the advertisement from a first display format to a second display format, the system could adjust the click through rate from 100 per thousand to 300 per thousand or any level of adjustment in between based on assessment or a scheme employed by the system. This increase could be for purposes of ranking but not compensation to the advertising listing provider, or for both or a two for one increase may be in order such that the click through rate would be adjusted to 200 per thousand. In this example, the advertiser could be charged for the additional click throughs based on the user's expansion, but preferably the adjustment would be only for purposes of ranking and not for purposes of accounting the amount owed by the advertiser to the advertiser listing system. But the adjustment could be made for both.

[**0094**] The bonus or credit system may be implemented only for a pre-determined period of time until the morphing advertisement system becomes accepted by end users or until a predetermined number of advertisers transition their advertisements in the system from a single display format to a morphing advertisement format. Other methodologies for enticing advertisers to employ morphing advertisements something else will be used within the scope of the present invention.

[**0095**] As discussed briefly above, the system may desire to track the utilization of the morphing advertisement for purposes of accounting or feedback to the advertisers. Accordingly, the code delivered with the advertisement may include code to track actions by a user, including one or more of the following: expansion of an ad from a first display format to a second display format (or other formats if available), selection of menu options, selection of the home icon, time spent viewing each iteration of the advertisement (i.e., time spent viewing the first display format and time spent viewing the second display format), mouse-over events, shrinking the advertisement, etc. This information may then be transmitted back to the content advertisement system to provide feedback, research information, and for billing purposes.

[**0096**] According to another variation on use of the system, an advertiser may be charged a "click through" based on tracking of the user activity. As discussed above, the click through could be charged even if the user does not actually click through to the advertiser's web site. For example, if an advertiser does not have a web site, the advertiser could still participate in the system by agreeing that expansion of the advertisement from a first display format to a second display format would be deemed a billable event, that a predetermined amount of time viewing the second display format comprised a billable event, that selection of any of the menu options comprised a click through, or any other basis for tracking the use of the morphing advertisement by a user. In such a way, an advertiser that does not have a web site could still participate in a pay for performance advertisement system by filling out information such as that depicted in **FIG. 11** and having a relatively useful graphical interface by which potential customers can learn more about the advertiser and/or its products. Also, even if the company that is advertising does have its own website, the advertising listing system may decide to charge a billable event if an end user performs a certain predetermined number of activities with regard to the morphing ad, views the second display format for a predetermined period of time, selects one or more of the menu options, or any other basis for charging for a click through. It should be understood that charging is optional by the system but in various iterations of this system, charging based on activities other than a click through could be executed by the system.

[**0097**] In another example, one or more morphing advertisements may be associated with an ad group involving a group of advertisements. For example, the group of advertisements may include non-graphical, text-only or other advertisements associated with the same (or related) advertiser that created the morphing advertisement. Other meth-

ods for grouping advertisements may be applied. This ad group may be triggered using common criteria (e.g., the same (or related) keywords, subject matter or concepts, etc.). An advertiser may use a single interface to manage various advertisements (e.g., text-only advertisements, graphical advertisements, other rich media advertisements including audio and/or visual information, and other advertisements). Additional examples of managing online advertising by associating two or more keywords with an advertisement and associating a bid, collectively, with the two or more keywords are discussed in U.S. patent application Ser. No. 10/340,193, filed on Jan. 10, 2003, entitled "Pricing Across Keywords Associated with One or More Advertisements," which is incorporated by reference herein in its entirety.

[**0098**] While the foregoing description includes details and specificities, it should be understood that such details and specificities have been included for the purposes of explanation only, and are not to be interpreted as limitations of the present invention. Many modifications to the embodiments described above can be made without departing from the spirit and scope of the invention, as it is intended to be encompassed by the following claims and their legal equivalents.

What is claimed is:

1. A computer-implemented method for advertising in an electronic document, the computer-implemented method comprising the steps of:

storing a plurality of advertisements associated with one or more subject matters of interest to users, the plurality of advertisements comprising at least one morphing advertisement;

receiving a request for one or more advertisements related to a subject matter of interest;

delivering at least one morphing advertisement, the morphing advertisement including instructions to enable an end user system to change from a first display format to a second display format different from the first display format based on one or more user requests to display the second display format.

2. The computer-implemented method of claim 1 wherein the second display format comprises additional information about the item being advertised compared to the first display format.

3. The computer-implemented method of claim 2 wherein the additional information comprises one or more images.

4. The computer-implemented method of claim 2 wherein the additional information comprises menu options that enable the user to request additional content.

5. The computer-implemented method of claim 4 wherein at least one menu option comprises a link to at least one other web page.

6. The computer-implemented method of claim 4 wherein the menu options, upon selection, retrieve web content specified in association with the menu option in the morphing advertisement delivered.

7. The computer-implemented method of claim 6 wherein the content retrieved comprises content provided by or affiliated with a host entity that performs the storing, receiving and delivering steps.

8. The computer-implemented method of claim 2 wherein the additional information comprises an animation.

9. The computer-implemented method of claim 2 wherein the additional information comprises audio and/or video.

10. The computer-implemented method of claim 1 wherein the one or more user requests comprises selection of an expansion icon presented as part of the first display format.

11. The computer-implemented method of claim 1 wherein the one or more user requests comprises a mouse-over of the first display format.

12. The computer-implemented method of claim 1 wherein the one or more user requests comprises a preference specified by the user.

13. The computer-implemented method of claim 1 further comprising the steps of:

storing a price parameter in association with one or more advertisements for certain performance by end users viewing the advertisement; and

upon receiving a request for an advertisement, determining one or more advertisements to deliver based at least in part on the price parameter associated with a plurality of advertisements associated with the subject matter of interest.

14. The computer-implemented method of claim 13 further comprising the step of granting a ranking bonus for morphing advertisements in determining the one or more advertisements to deliver.

15. The computer-implemented method of claim 13 wherein the determining step determines ranking of advertisements based on an effective revenue per impression determined based on bid amount and click-through-rate.

16. The computer-implemented method of claim 15 further comprising the step of granting a bonus for morphing advertisements by taking an action causing a change to the effective revenue per impression for the morphing advertisement.

17. The computer-implemented method of claim 16 wherein the action comprises enhancing the price parameter for the morphing advertisement.

18. The computer-implemented method of claim 17 wherein the advertiser is charged based on the price parameter but not the increased price parameter value when the morphing advertisement achieves one or more performance parameters.

19. The computer-implemented method of claim 13 wherein the advertiser is charged an increased amount for a morphing advertisement.

20. The computer-implemented method of claim 13 further comprising the step of calculating an amount owed by an advertiser associated with an advertisement based on the advertisement meeting a performance parameter associated with the morphing advertisement.

21. The computer-implemented method of claim 20 wherein the performance parameter is determined based on user activity associated with the second display format.

22. The computer-implemented method of claim 21 wherein the user activity comprises a predetermined period of time viewing the second display format.

23. The computer-implemented method of claim 21 wherein the user activity comprises the user request to view the second display format.

24. The computer-implemented method of claim 21 wherein the user activity comprises a predetermined number

of user selections of menu options, navigational links or other controls available in the second display format.

25. The computer-implemented method of claim 1 wherein the instructions include data sufficient to enable the end user system to display the contents of the second display format.

26. The computer-implemented method of claim 25 wherein the second display format comprises a graphic.

27. The computer-implemented method of claim 26 wherein the instructions include an instruction to preload the graphic before an end user request to display the second display format.

28. The computer-implemented method of claim 1 wherein the second display format covers different area in an interface of the end user system than the first display format.

29. The computer-implemented method of claim 28 further comprising the steps of:

storing a price parameter value in association with one or more advertisements when the advertisement meets one or more performance parameters with respect to the end user;

upon receiving a request for an advertisement, determining one or more advertisements to deliver based at least in part on the price parameter associated with a plurality of advertisements associated with the subject matter of interest; and

wherein the step of determining includes assessing whether to deliver a morphing advertisement based on the price parameter of the morphing advertisement, the price parameter value of at least one other advertisement and at least one area-based parameter.

30. The computer-implemented method of claim 29 wherein the area-based parameter comprises the price parameter value of at least one advertisement that the second display format would cover upon user request.

31. The computer-implemented method of claim 30 wherein a plurality of advertisements are delivered for display in a priority scheme and wherein a morphing advertisement may cover one or more other advertisements by accepting an obligation to pay the price parameter value associated with the morphing advertisement and the price parameter value associated with each other advertisement that the second display format covers.

32. The computer-implemented method of claim 31 wherein the morphing advertisement may cover one or more other advertisements by accepting an obligation to pay the price parameter value associated with the morphing advertisement and the price parameter value associated with each other advertisement that the second display format covers plus a premium amount.

33. The computer-implemented method of claim 1 wherein the first and second display formats are approved prior to being delivered.

34. An apparatus for advertising in an electronic document comprising:

a database system for storing a plurality of advertisements associated with one or more subject matters of interest to users, the plurality of advertisements comprising at least one morphing advertisement; and

an advertising listing system that receives a request for one or more advertisements related to a subject matter of interest and delivers at least one morphing advertisement, the morphing advertisement including instructions to change from a first display format to a second display format different from the first display format based on one or more user requests to display the second display format.

35. The apparatus of claim 33 wherein the second display format comprises additional information about the item being advertised compared to the first display format.

36. The apparatus of claim 35 wherein the additional information comprises one or more images or image references.

37. The apparatus of claim 35 wherein the additional information comprises menu options or links that enable the user to request additional content.

38. The apparatus of claim 37 wherein the menu options or links, upon selection, retrieve web content specified in association with the menu option in the morphing advertisement delivered.

39. The apparatus of claim 38 wherein the content retrieved comprises content provided by or affiliated with a host entity that performs the storing, receiving and delivering steps.

40. The apparatus of claim 35 wherein the additional information comprises information of a type selected from a group consisting of animation, audio, and video.

41. The apparatus of claim 34 wherein the one or more user requests comprises selection of an expansion icon presented as part of the first display format.

42. The apparatus of claim 34 wherein the one or more user requests comprises a mouse-over of the first display format.

43. The apparatus of claim 34 wherein the one or more user requests comprises a preference specified by the user.

44. The apparatus of claim 34 further comprising:

a database system for storing a price parameter value in association with one or more advertisements for performances by end users viewing the advertisement; and

wherein, the advertising listing system, upon receiving a request for an advertisement, determines one or more advertisements to deliver based at least in part on the price parameter value associated with a plurality of advertisements associated with the subject matter of interest.

45. The apparatus of claim 34 wherein the advertising listing system grants a bonus for morphing advertisements in determining the one or more advertisements to deliver.

46. The apparatus of claim 34 wherein the advertising listing system determines ranking of advertisements based on an effective revenue per impression.

47. The apparatus of claim 34 wherein the advertising listing system grants a bonus for morphing advertisements by taking an action causing a change to the effective performance-rate for the morphing advertisement.

48. The apparatus of claim 47 wherein the action comprises enhancing the value for the morphing advertisement.

49. The apparatus of claim 48 wherein the advertiser is charged based on the price parameter value but not the increased price parameter value when the morphing advertisement meets a performance parameter.

50. The apparatus of claim 34 wherein the advertiser is charged an increased amount for a morphing advertisement.

51. The apparatus of claim 34 further comprising the step of calculating an amount owed by an advertiser associated

with an advertisement when certain performance by the morphing advertisement occurs.

52. The apparatus of claim 51 wherein performance is determined based on user activity associated with the second display format.

53. The apparatus of claim 52 wherein the user activity comprises a predetermined period of time viewing the second display format.

54. The apparatus of claim 52 wherein the user activity comprises the user request to view the second display format.

55. The apparatus of claim 52 wherein the user activity comprises a predetermined number of user selections of menu options available in the second display format.

56. The apparatus of claim 34 wherein the instructions include data sufficient to enable the end user system to display the contents of the second display format.

57. The apparatus of claim 56 wherein the second display format comprises a graphic and wherein the instructions include an instruction to preload the graphic before an end user request to display the second display format.

58. The apparatus of claim 34 wherein the second display format covers different area than the first display format.

59. The apparatus of claim 34 wherein the second display format covers a different profile than the first display format.

60. The apparatus of claim 34 wherein the second display format covers a different location than the first display format.

61. The apparatus of claim 34 further comprising:

a database system for storing a price parameter value in association with one or more advertisements for performance by end users viewing the advertisement; and

wherein the advertising listing system, upon receiving a request for an advertisement, determines one or more advertisements to deliver based at least in part on the price parameter value associated with a plurality of advertisements associated with the subject matter of interest and an assessment whether to deliver a morphing advertisement based on the price parameter value of the morphing advertisement and an area-based parameter.

62. The apparatus of claim 61 wherein the area-based parameter comprises a price parameter associated with an advertisement that the second display format would cover.

63. The apparatus of claim 61 wherein a plurality of advertisements are delivered for display in a priority scheme and wherein a morphing advertisement may cover one or more other advertisements by accepting an obligation to pay the price parameter value associated with the morphing advertisement and the price parameter value associated with each other advertisement that the second display format covers.

64. The apparatus of claim 34 wherein the first and second display formats are approved prior to being delivered.

65. A computer-implemented method for advertising in an electronic document, the computer-implemented method comprising the steps of:

receiving an electronic document at an end user system, the electronic document including one or more morphing advertisements, the morphing advertisement comprising a first display format, a second display format and instructions for enabling an end user system to display both formats;

displaying the first display format of the morphing advertisement in the electronic document at the end user system;

receiving a user request to display the second display format; and

displaying the second display format in the electronic document.

66. The computer-implemented method of claim 65 wherein the second display format comprises additional information about the item being advertised compared to the first display format.

67. The computer-implemented method of claim 65 wherein the additional information comprises information selected from a group consisting of one or more images, one or more menu options, one or more animations, one or more videos, and one or more audio elements.

68. The computer-implemented method of claim 65 wherein the one or more user requests comprises selection of a control mechanism presented as part of the first display format.

69. The computer-implemented method of claim 65 wherein the one or more user requests comprises a mouse-over of the first display format.

70. The computer-implemented method of claim 65 wherein the one or more user requests comprises a preference specified by the user.

71. The computer-implemented method of claim 65 wherein the instructions include data sufficient to enable the end user system to display the contents of the second display format.

72. The computer-implemented method of claim 71 wherein the second display format comprises a graphic and wherein the instructions include an instruction to preload the graphic before an end user request to display the second display format and further comprising the step of preloading the graphic prior to receiving a request to display the second display format.

73. The computer-implemented method of claim 65 wherein the second display format covers more area in an interface of the end user system than the first display format.

74. The computer-implemented method of claim 65 wherein the second display format covers one or more other advertisements in an interface of the end user system.

75. The computer-implemented method of claim 65 wherein the first and second display formats are approved prior to being delivered.

76. A processor-readable medium comprising code for instructing a system to display a morphing advertisement in an electronic document, processor-readable medium comprising code for instructing a processor to perform the steps of:

displaying the first display format of the morphing advertisement and content in the electronic document;

identifying user action to signal a request by a user to view the second display format; and

displaying the second display format in the electronic document.

77. The processor-readable medium of claim 76 wherein the second display format comprises additional information about the item being advertised compared to the first display format.

78. The processor-readable medium of claim 76 wherein the additional information comprises information selected from a group consisting of one or more images, one or more menu options, one or more animations, one or more videos, and one or more audio elements.

79. The processor-readable medium of claim 76 wherein the user action comprises selection of an expansion icon presented as part of the first display format.

80. The processor-readable medium of claim 76 wherein the user action comprises a mouse-over of the first display format.

81. The processor-readable medium of claim 76 further comprising code for instructing a processor to perform the step of preloading the graphic prior to receiving a request to display the second display format.

82. The processor-readable medium of claim 76 wherein the second display format covers more area in an interface of the end user system than the first display format.

83. The processor-readable medium of claim 76 wherein the second display format covers one or more other advertisements in an interface of the end user system.

84. A computer-implemented method for advertising in an electronic document, the computer-implemented method comprising the steps of:

storing a plurality of advertisements associated with one or more subject matters of interest to users;

storing at least one price parameter value in association with one or more advertisements when the advertisement meets one or more performance parameters with respect to the end user;

receiving a request for one or more advertisements related to a subject matter of interest; and

upon receiving a request for an advertisement, determining one or more advertisements to deliver based at least in part on the price parameter associated with at least a portion of the plurality of advertisements associated with the subject matter of interest and at least one area-based parameter.

85. The computer-implemented method of claim 84 wherein the area-based parameter comprises the size of advertisement requested.

86. The computer-implemented method of claim 84 wherein the area-based parameter comprises the number of advertisements requested.

87. The computer-implemented method of claim 84 wherein the area-based parameter comprises the location of advertisement requested.

88. The computer-implemented method of claim 84 wherein the area-based parameter comprises wherein the price parameter comprises a bid value.

89. The computer-implemented method of claim 88 wherein the area-based parameter comprises wherein the bid value is associated with one or more area-based parameters.

90. The computer-implemented method of claim 89 wherein the area-based parameter comprises wherein the bid value is based on a size of advertisement.

91. The computer-implemented method of claim 89 wherein the area-based parameter comprises wherein the bid value is based on another advertisement to be covered.

92. The computer-implemented method of claim 84 wherein the area-based parameter comprises the price parameter value of at least one advertisement that the second display format would cover upon user request.

93. The computer-implemented method of claim 84 wherein a plurality of advertisements are delivered for display in a priority scheme and wherein one advertisement may be delivered in place of a plurality of advertisements based on an area-based parameter that indicates a willingness to pay the price parameter value associated with at least one other advertisement.

94. An apparatus for delivering advertising in an electronic document comprising:

a database system for storing a plurality of advertisements associated with one or more subject matters of interest to users and at least one price parameter value in association with one or more advertisements when the advertisement meets one or more performance parameters with respect to the end user; and

an advertising listing system that receives a for one or more advertisements related to a subject matter of interest and determines one or more advertisements to deliver based at least in part on the price parameter associated with at least a portion of the plurality of advertisements associated with the subject matter of interest and at least one area-based parameter.

95. The apparatus of claim 94 wherein the area-based parameter comprises the size of advertisement requested.

96. The apparatus of claim 94 wherein the area-based parameter comprises the number of advertisements requested.

97. The apparatus of claim 94 wherein the area-based parameter comprises the location of advertisement requested.

98. The apparatus of claim 94 wherein the area-based parameter comprises wherein the price parameter comprises a bid value.

99. The apparatus of claim 98 wherein the area-based parameter comprises wherein the bid value is associated with one or more area-based parameters.

100. The apparatus of claim 99 wherein the area-based parameter comprises wherein the bid value is based on a size of advertisement.

101. The apparatus of claim 99 wherein the area-based parameter comprises wherein the bid value is based on another advertisement to be covered.

102. The apparatus of claim 94 wherein the area-based parameter comprises the price parameter value of at least one advertisement that the second display format would cover upon user request.

103. The apparatus of claim 94 wherein a plurality of advertisements are delivered for display in a priority scheme and wherein one advertisement may be delivered in place of a plurality of advertisements based on an area-based parameter that indicates a willingness to pay the price parameter value associated with at least one other advertisement.

104. An apparatus for enabling an advertiser to provide inputs for a morphing advertisement comprising:

an input module for providing an interface through which an advertiser user may input data for a first and second display format for a morphing advertisement, the interface receiving data including at least one URL for the first display format and at least one image for the second display format; and

a database system for storing the data received through the input module associated with the first and second display formats for the morphing advertisement for subsequent delivery to end users.

105. The apparatus of claim 104 wherein the interface enables an advertiser user to provide at least one menu title and at least one corresponding destination.

106. The apparatus of claim 105 wherein the corresponding destination comprises a web page.

107. The apparatus of claim 106 wherein the web page comprises a web page provided by or sponsored by a system hosting the input module.

108. The apparatus of claim 104 wherein the interface enables an advertiser user to provide data related to contact information.

109. A computer-implemented method for enabling an advertiser to provide inputs for a morphing advertisement comprising the steps of:

receiving from an advertiser user data for a first and second display format for a morphing advertisement, the interface receiving data including at least one URL for the first display format and at least one image for the second display format; and

storing the data received through the input module associated with the first and second display formats for the morphing advertisement for subsequent delivery to end users.

110. The computer-implemented method of claim 109 further comprising the step of receiving data relating to at least one menu title and at least one corresponding destination.

111. The computer-implemented method of claim 109 wherein the corresponding destination comprises a web page.

112. The computer-implemented method of claim 109 wherein the web page comprises a web page provided by or sponsored by a system hosting the input module.

113. The computer-implemented method of claim 109 further comprising the step of receiving data relating to contact information.

114. An interface for enabling an advertiser to provide inputs for a morphing advertisement comprising:

at least one input field through which an advertiser user may input data for a first display format for a morphing advertisement including at least one URL for the first display format; and

at least one input field through which an advertiser may input data for a second display format for a morphing advertisement including data related to at least one image.

115. The interface of claim 114 wherein the interface enables an advertiser user to provide at least one menu title and at least one corresponding destination.

116. The interface of claim 115 wherein the corresponding destination comprises a web page.

117. The interface of claim 116 wherein the web page comprises a web page provided by or sponsored by a system hosting the input module.

118. The interface of claim 114 wherein the interface enables an advertiser user to provide data related to contact information.

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